The Courier

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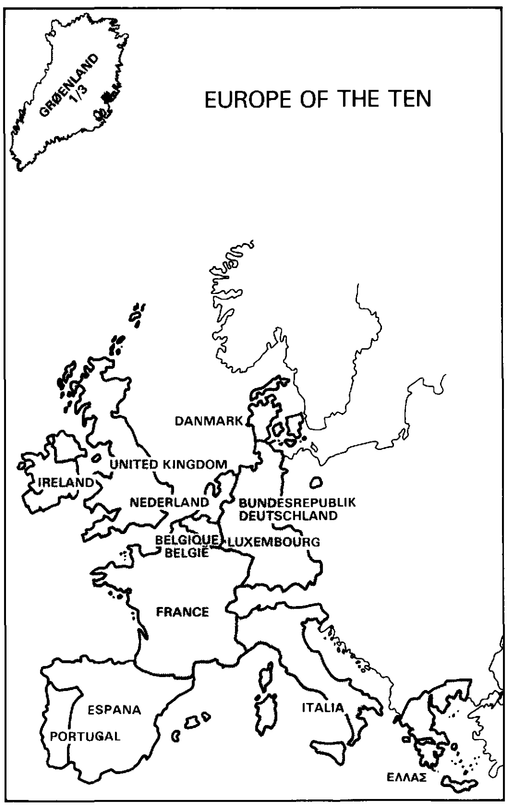
THE INDUSTRIALISATION OF THE ACP STATES

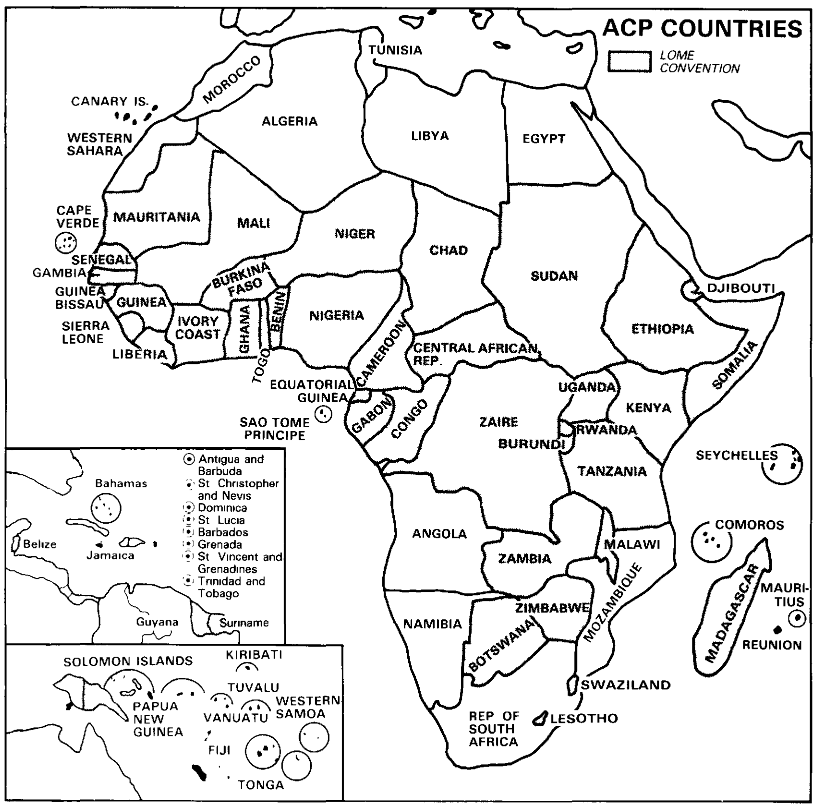
THE EUROPEAN COMMUNITY

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

THE 64 ACP STATES

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





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
Cayman Islands
Falkland Islands and dependencies
Montserrat
Pitcairn Island
St Helena and dependencies
Turks and Caicos Islands

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

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Cover: *Precision work using a machine tool in Trinidad (photo EEC/John & Penny Hubley)*

ACP-EEC — Consultative Assembly

A year after the start of the negotiations and barely three weeks from the October Joint Ministerial Conference, MEPs and ACP representatives gather in Luxembourg to discuss the implementation of Lomé II and the content of the future Convention. **Pages 2 to 4**

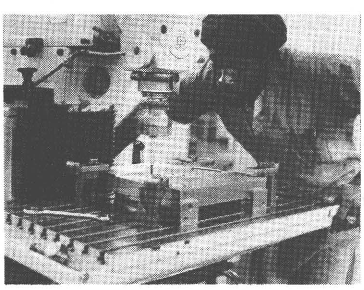
ACP — The Gambia

The Gambia is small, and small is beautiful; but the problems common to all West African countries will not go away despite stable and democratic government. President Al-Haji Sir Dawda Jawara of the Gambia explains how the future of his country can be assured by continuing with his brand of pragmatism and optimism. **Pages 8 to 22**

— Bahamas

Last year over 2.2 million tourists, mostly American, visited the Bahamas, thus making it the number one tourist destination in the Caribbean. In addition, this archipelago, made up of some 700 islands and almost 2000 cays, has built up a solid reputation as a tax haven and as an offshore business centre. Those two main pillars of the economy tend to cast a shadow on agriculture and fisheries, yet both sectors offer good potential for growth. Prime Minister Sir Lynden Pindling reviews the country's global economic outlook. **Pages 23 to 36**

DOSSIER — Industrialization



After a rapid start over the past twenty years, during which the number of industrial start-ups multiplied, industrialization in ACP countries seems to be marking time. A lot of plant is working at less than full capacity where it hasn't shut down altogether while waiting for costly rehabilitation. It would seem that, for a number of countries, a redefinition of industrial strategy, aimed at satisfying local demand, is an absolute necessity. **Pages 46 to 80**

NEWS ROUND-UP — The Joint Ministerial Conference

The Joint ACP-EEC Ministerial Conference held in Brussels from 9-13 October failed to reach final agreement on the terms for Lomé III. Negotiations continue, however, and a report will be submitted to the Co-Presidents on 1 November. **Yellow pages**

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CONTENTS

Consultative Assembly:
last chance to influence negotiations

When the Consultative Assembly last convened, in Berlin in September 1983, negotiations for the new Lomé Convention had barely opened, and expressions of hope for their outcome came thick and fast. The meeting in Luxembourg, one year later and only three weeks from the (possible) final milestone in the negotiations, the ACP-CEE Joint Ministerial Conference scheduled for 9-10 October, was an altogether more sober occasion, still abounding with exhortations for the future Convention to respond adequately to the ACP states' problems (hunger, debt and desertification to name but a few) but with few illusions remaining as to its likelihood of being able to do so. Nevertheless the Assembly, comprising an equal number of members of the European Parliament and representatives of the ACP states (256 in all), was hopeful of being able to exert some influence over the outcome of issues as yet unresolved: it was, after all, as Minister Cheltenham pointed out, their "last chance".

The Co-Presidents of the Consultative Assembly, Mr P. Pflimlin, President of the European Parliament and Mr J. T. Kolane, Speaker of the National Assembly, Lesotho

By the time the Assembly was formally opened, in the presence of HRH Prince Henri, heir to the Grand Duchy of Luxembourg, and under the co-Presidency of Mr Pierre Pflimlin, the European Parliament's newly-elected President and of Mr John Kolane, Speaker of Lesotho's National Assembly, most of the reports to be debated had already received a first airing in the Joint Committee meeting which had immediately preceded the Assembly (see box). Amongst these were reports on the 8th Annual Report of the ACP-EEC Council of Ministers on the state of implementation of the Lomé Convention and the prospects for the subsequent new Convention for which, following the June elections to the Parliament, Mr Bruno Ferrero had been succeeded as rapporteur by another Italian Communist, Mr Renzo Trivelli; a report on Environment and Development, for which, in the absence of Dr. Ossebi Douniam (Congo), promoted to government office, Mr Hemmo Muntingh (Soc, NL) acted as rapporteur; and the final report on the outcome of the fact-finding mission to those states affected by the consequences of acts of aggression by South Africa. The Assembly also debated the report by Mr Ahmed Killy Ould Cheikh Sidiya (Mauritania) and Mr Mohammed Malingur (Somalia) and Mrs Ewing (EDA, UK) and Mr Fich (Soc, DK), on behalf of the Joint Committee, on ACP-EEC cooperation for the development of fisheries in the ACP states. In addition to these debates, and following the wide-ranging discussions on the very crucial issues raised in the Trivelli report, Mr Pisani, the Commissioner for Development, reviewed the efforts made in EEC/ACP cooperation to date and outlined the prospects for cooperation under the future Convention.

Stumbling blocks remaining

Nobody was pretending that all was well, either with Lomé II or its various protocols, or with the negotiations as they then stood. Mr Kolane cited two problem areas: Stabex and sugar. Mr Cheltenham, Barbados' Minister of Agriculture, Food and Consumer Protection, representing the ACP Council of Ministers, referred to others such as the lack of full and total access to EEC markets, the inadequency of incentives to industrialization in the ACP states and the—in his view—too narrow definition of the rules of origin. Like many others, he also raised the vital question of the volume of aid to be made available under Lomé III.

Other hurdles referred to as still to be overcome included human rights and, inevitably, the question of policy dialogue. On the latter, and while Ambassador Diarra (Chairman of the Committee of Ambassadors) and Commissioner Pisani repeated the two sides' already much-repeated interpretations of the concept, one thing was certain—and regrettable: after a year of negotiations the term is still causing confusion and fear. As to the former, human rights, Ambassador Diarra, in the session of the joint Committee, while confirming that the ACPs' views were in no way divergent from those of the Community, stressed their opposition to a reference to the subject in the Convention, since this might be "perceived as a condition for the granting of aid". There was, however, no opposition whatsoever on their part to the setting up, within the framework of the Joint Committee, of a working group on human rights, and more than one Euro-MP suggested that publicity for the existence and work of such a group would ease the task of future negotiators, human rights being, as they were, a major factor in influencing public opinion.

In his much-commended (but much-amended) report on the past, present and future Conventions, Mr Trivelli emphasized the difficult economic conditions prevailing during the term of Lomé III and the uneven nature of the revival now beginning to be witnessed in the industrialized world. He lamented, however, the fact that, while funds in the North for the South had allegedly dried up, the wherewithal could nevertheless always be found for increased expenditure on arms. The sit-

Meeting of the Joint Committee

A little over six months after its meeting in Brazzaville, the ACP-EEC Joint Committee convened again, this time in Luxembourg, in a session immediately preceding the gathering of the Consultative Assembly. Although some faces were new, both on the ACP side and amongst the members of the European Parliament (this was the first Joint Committee since the June elections) many of the issues discussed and positions adopted were familiar—all too familiar, some might say. From the outset, in the opening speeches by the Joint Committee's Co-Presidents, Giovanni Bersani (EPP, It) and Jean Ganga Zandzou (Congo), came recognition of the deterioration of the already grave situation in the southern hemisphere, despite the existence of the Lomé Convention, and of the vital need to strengthen the future Convention accordingly, both in quantitative and in qualitative terms.

Wide-ranging discussion of both these aspects took place in the debate on the draft report on the 8th Annual Report of the ACP-EEC Council of Ministers, for which Mr. Renzo Trivelli (Com, It) was rapporteur. The much-commended report was generally forward-looking—and naturally so in view of the approach of the signature of the next Lomé Convention, scheduled to take place in early December. Like Mr. Bersani in his opening speech, Mr. Trivelli stressed that man, his dignity and his fulfilment, should be the prime objective of the Convention and called for this not only to be specifically acknowledged in Lomé III, but backed up by provisions designed to put it into practice.

His task included, of course, reviewing the implementation of Lomé II and, in doing so, he highlighted certain strains on the internal mechanisms of the Convention (notably Stabex) as well as pointing to certain regrettable trends which had been observed in the lifetime of the Convention such as the continuing fall of the ACP share of EEC imports. Finally, he called for a "considerable increase" in the resources to be made available under Lomé III and this despite the background of general economic gloom in Europe and financial crisis within the Community itself.

Lomé III: a Cadillac with the engine of a Mini?

The question of resources was also of concern to the Italian independent, Marco Pannella, who, in a typically fiery speech, condemned the self-congratulatory nature of the report and the absence of reference to the sums in question. Later, and in altogether more tempered tones, Ambassador Yaya Diarra of Mali, acting in his capacity as Chairman of the Committee of Ambassadors, returned to this aspect, calling for the sum made available to be commensurate with the ambitions of the Convention and warning against the danger, failing this, of the Convention being like "a Cadillac with the engine of a Mini".

On the state of the negotiations, Mr. Frisch, Director-General for Development, could report a slight advance: whereas the position in June, to quote France's Minister of External Relations, Claude Cheysson, had been that of "entering the final straight", Mr. Frisch described the negotiations as having progressed to being "in the final straight" while admitting that there were "still a few hurdles to leap". The three major areas of controversy remaining were, he said, trade, Stabex and (to a lesser extent) Sysmin. Another attempt was made to smooth feathers ruffled over the policy dialogue issue, over which, Mr Frisch believed, that was no real philosophical or doctrinal disagreement; both sides agreed on the objectives, the question was rather one of finding the best working method. On the vital question of the resources to be made available, this was still under discussion at intra-Community level and would, the Director-General confirmed, be resolved only in the closing stages of the negotiations.

After a wide-ranging debate on the state of the present Convention and the prospects for Lomé III, the Joint Committee proceeded to consider the findings of two further draft reports—that on the Environment and Development, for which, in the absence of Dr. Ossebi Douniam (Congo), Mr Hemmo Muntingh (Soc, NL) acted as rapporteur, and that on the outcome of the fact-finding mission to the countries affected by the consequences of South African aggression, for which Mr. Butagyra (Uganda) was rapporteur.

Both these reports together with that of Mr Trivelli, were subsequently represented and reconsidered at the meeting of the Consultative Assembly which immediately followed that of the Joint Committee. This procedure—with the Committee acting on these occasions as little more than a hasty dress rehearsal for a hasty Assembly, where one, slower-paced, more considered performance might be preferable—has clearly been recognized as unsatisfactory. The text on institutions to be incorporated in Lomé III provides for the merging of these two bodies, and it is already known, therefore, that the Joint Committee's next meeting, to be held in Bujumbura from 28 January - 2 February 1985, will be its last in its present form. o

M.v.d.V.

uation in most of the developing world had clearly deteriorated sharply and Mr Trivelli feared that failing "not only a massive transfer of resources but also a fundamental change in international relations" there would be "no hope of emerging from this spiral of under-development". Like others, he noted that the Convention, for all its imperfections (again Stabex was singled out) had considerable potential, but that the gap between its potential and the actual results obtained was great. ACP exports to the EEC were increasing at a far slower pace than vice versa, and the ACPs share of EEC imports had dwindled from some 7.2% in 1977 to a current average of some 4.5%.

As for the new Convention, the report called for three particular guidelines to be followed. Firstly, that man should be made the object of development. Secondly, that the Convention's scope for intervention should be widened (cultural and social cooperation were quoted as potential new sectors). And thirdly, (in addition to a considerable increase in resources) there should be a strengthening of the dialogue between the partners in the Convention as a means of improving the efficiency of its implementation. On this last point Citizen Kasongo of Zaïre, to much applause, deplored the lack of joint management under the present Convention, asserting that there had never been any joint responsibility in the joint bodies provided for and that this constituted one of the sources of inefficiency in ACP-EEC cooperation.

In response to this tableau of gloom and imperfection, Mr Pisani put up a spirited defence of the Convention and warned against the tendency to attribute to Lomé "sins which were not its own but those of the system as a whole". Lomé, he admitted, had its shortcomings, but it was unreasonable to lay at the Convention's door—and at its door alone—sole responsibility for insufficient development in the third world in the past decade. On the contrary—and as previous speakers had already acknowledged—the Convention now constituted the only forum in which North-South issues could be approached with a degree of frankness and responsibility. On sugar (on which the ACP had tabled an amendment to the Trivelli report that some Europeans had found difficult to accept) Mr Pisani warned against the ACP getting bogged down in useless argument. The question of price remained, perhaps, a problem for the ACP, but Mr Pisani believed it unreasonable to expect more to be paid for imported sugar than was paid to home producers. As had been said in Berlin a year before, therefore, the chances of a fundamental change in the Sugar Protocol (and it was a protocol, Mr Pisani stressed, and not part of the Convention) were not, now, realistic. A likely innovation, and one already agreed with the ACP, would be the inclusion in the texts of the future Convention of a section containing a synthesis of the principles and objectives of ACP-EEC cooperation. Another possible innovation, on which no discussion had yet taken place, lay in the duration of the Convention. Mr Pisani himself, stressing that he expressed a personal opinion, favoured—for practical reasons—a basic document whose renewal would be presupposed, but the terms of which could be renegotiated at, say, five-year intervals.

Environment report

The second major report to be debated by the Assembly, that on Environment and Development, detailed the truly shocking nature of the problems facing the world through lack of conservation measures—problems which will multiply and magnify greatly in the near future if immediate action is not taken. The widely acclaimed report, presented by Mr Muntingh, one of the European Parliament's most impassioned advocates of environmental protection, highlighted major problems such as desertification (particularly in the Sahel region), deforestation (the estimated total disappearance of tropical rain forests within 40 years and the rate of reforestation, in Africa, reckoned as 1/100th of the rate of deforestation), over-fishing and the disappearance, each year, of ever-greater numbers of plant and animal species. A resolution put before the Assembly, and unanimously adopted by it, called for a new chapter on environment cooperation to be included in the new Convention and appealed for financial means and technical assistance to be made available to take environmental problems into account.

Edgard Pisani
"The sins of Lomé are those of the system as a whole"

A related report, on the development of fisheries in the ACP states, lamented the limited sums that had, to date, been set aside for the development of fisheries in the past: between 1958 and 1980 some ECU 34 m, only, had been allocated to projects in the fisheries sector. Mrs. Ewing, one of the four rapporteurs, called for priority to be given to the fisheries sector in the new Convention, particularly in view of the importance of fish as a vital source of protein in an age of acute food shortage, and urged the ACP states to allow foreign fleets to fish in their exclusive zones if at all only on terms highly advantageous to the state in question. A resolution unanimously adopted by the Assembly called *inter alia* for a greater liberalization of the rules of origin regarding catches within the ACPs' 200-mile EEZ loaded for processing and export to EEC markets and for the provision by the EEC of technical and financial assistance for the protection of fisheries in ACP waters.

Southern Africa: an "undeclared war"

Finally, and amid greater controversy, followed a debate on the results of the fact-finding mission to those states affected by the consequences of acts of aggression by South Africa. The final report on the mission, undertaken by nine ACP representatives and nine European parliamentarians, represented the results of three years of first-hand investigation into South African military incursions into and destablizing initiatives in the front line states. They were described by Mr Bersani (who, together with Ambassador Sy of Senegal, had led the final mission to Mozambique) as an undeclared war by which the countries of Southern Africa were being pressurized into becoming Pretoria's satellites. He referred in particular to South Africa's attempt to impose a non-aggression pact upon Botswana, a country with no army, a police force of only two thousand and a frontier as long as that of France. A suggestion by Mr Christopher Jackson (ED, UK) that a fact-finding mission should go to South Africa itself and that support should be given to those wihin the Republic working for good and for the abolition of apartheid got a cool reception from ACP representatives, who suggested that the evils of apartheid were there for all to see—a visit was unnecessary, a look at the constitution alone would suffice.

Nevertheless the resolution finally adopted made no allusion to economic sanctions against the Republic, as the ACP would have wished, but was watered down to a simple invitation to the EEC and its Member States to "dissuade their private and multinational companies from bringing economic support to the South African régime".

The meeting concluded with voting on the Trivelli, Ossebi Douniam and fisheries reports together with resolutions on the liberation of Nelson Mandela; on the situation in Chad; on the indebtedness of the ACP countries; on combating drought and desertification and, finally, on the consultation of ACP and EEC social partners. When ACP and EEC MPs next come together, in Bujumbura in late January, the new Convention will, if all goes to schedule, have been signed, and it will be possible for them to judge the extent to which the aspirations expressed by the Assembly in Luxembourg for Lomé have—or have not—been fulfilled. o

MYFANWY VAN DE VELDE

Annual meeting of the ACP-EEC social partners

"For the first time this year, the Joint Committee of the ACP-EEC Consultative Assembly, after its Brazzaville meeting, invited the Economic and Social Committee to convene economic and social representatives from the Community and the ACP Group. The unusual thing about meetings of this type is that they provide an opportunity for contact and reflexion between people who are personally aware of the realities in their respective countries and able both to communicate these realities to the political leaders and get the local populations more actively involved".

That is what François Ceyrac, Chairman of the Economic and Social Committee, told the 200 representatives of the main ACP and EEC socio-professional bodies and various international organizations when they came to the Community's headquarters in Brussels on 15 September 1984.

The background

The Community's Economic and Social Committee and the organizations that are most representative of socio-professional interests in the EEC and the ACP Group are aware of the importance of the Lomé Convention as a new type of relation between the developed and the developing countries and, for many years now, they have wanted to make their contribution to the preparation and implementation of ACP-EEC cooperation.

The socio-professional bodies had no wish to encroach on the specific responsibility of the institutions of the Convention, but they did feel that if the Convention was to be implemented successfully, then it needed their help—which they were able to provide thanks to Articles 74 (6 and 9) and 80 (5) of Lomé I.

Nothing was done on the Council's initiative under Article 74, but the Joint Committee acted on instructions from the Consultative Assembly and began a series of meetings with representatives from ACP and EEC economic and social sectors, on the basis of Article 80 (5), in 1977. The Joint Committee of the Consultative Assembly is to be congratulated, as the negotiators of Lomé II were apparently impressed by what it did and Lomé II in fact recognizes and confirms the importance of boosting cooperation with the economic and social sectors and making it more operational (Articles 168 (6) and 175 (7)).

In the eyes of the socio-professional organizations, the aims of this cooperation are to:
— generate wider knowledge of the Lomé Convention and its implications for the economic and social sectors of ACP Group and Community alike;
— make it possible to gather the opinions of people in the socio-professional sector in the light of their own experience in the field and find out what they think about the way the Convention is being applied and developed;
— go further into certain aspects of the Convention on which people from the socio-professional sectors have specific contributions to make.

After the initial informal meetings, it was decided that discussions would bear on a special theme to be prepared in advance by means of reports from both the ACP and the Community. The Economic and Social Committee, in close collaboration with the most representative socio-professional organizations of the Community would be in charge of coordinating the EEC contribution.

The first two meetings with the Joint Committee were held in Luxembourg when the Committee was in session. There were very few ACP representatives.

The next five meetings were at the ILO headquarters in Geneva and held during the ILO annual conference, so as to benefit from the large numbers of ACP representatives present. Attendance at these was satisfactory, but the preparation was always hasty and the working conditions difficult.


ISOPRESS — Hanssens

(L. to r.) Messrs Rose (Joint Committee secretariat), Bersani and Ganga Zandzou (co-Chairmen of the Joint Committee), Okelo-Odongo (Secretary-General of the ACP Group), Ceyrac (Chairman of the Economic and Social Committee), Louet (Secretary-General of the ESC) and Graziosi (ESC Director)


ISOPRESS — Hanssens

Maurice Foley, Deputy Director-General at the Directorate-General for Development, and Mr Diarra, Chairman of the ACP Committee of Ambassadors, outlined the negotiations

The 1984 meeting

The 8th annual meeting between a delegation from the Joint Committee of the ACP-EEC Consultative Assembly and representatives of ACP and EEC socio-economic interests was held on 15 September. Giovanni Bersani and Mr Ganga Zandzou, the co-Chairmen of the Joint Committee, presided.

Discussions covered the role and involvement of economic and social partners in ACP-EEC industrial cooperation. They were introduced by documents presented by Hans-Werner Staratzke, a member of the Economic and Social Committee, and Thomas Okelo-Odongo, Secretary-General of the ACP Group.

The representatives of EEC and ACP workers (The European Trade Union Confederation, the African Trade Unions Organization, the Caribbean Congress of Labour, the Fiji Trade Union Congress, The International Confederation of Free Trade Unions and the World Confederation of Labour) adopted a joint position on the theme of the meeting at their preparatory session. The group of employers (representatives of the Union of Industries of the European Community, the European Centre for Public Enterprises, the Permanent Conference of Chambers of Commerce and Industry of the EEC, the International Organization of Employers and the Caribbean Association of Industry and Commerce) also harmonized its position on ACP-EEC industrial cooperation at a preparatory meeting.

Ambassador Diarra, the Chairman of the ACP Committee of Ambassadors, and Maurice Foley (on behalf of Edgard Pisani, the Development Commissioner) outlined what had been accomplished in the negotiations, laying particular emphasis on progress in recent months and matters yet to be settled.

The broad debate on ACP-EEC industrial cooperation which followed, was an opportunity for something like 60 speakers to illustrate various aspects of the subject, in particular highlighting the importance of vocational training and the role of private investments and rural development.

Hans-Werner Staratzke,
ESC rapporteur on ACP-EEC industrial cooperation

New orientations

At the meeting it held in Rome in November 1982, the ACP-EEC Consultative Assembly adopted a resolution which acknowledged achievements, further emphasized their importance, expressed the wish that their formal nature be increased under the present Convention and asked for the role of the economic and social sectors to be defined in an institutional framework in the future Convention.

The latest annual report from the ACP-EEC Council of Ministers also mentioned the Geneva meeting held on 4 June last year under the chairmanship of Messrs Butagyira and Bersani. Since in 1982, it noted, the Geneva meetings had tended to stress the social partners as being more involved with the life and problems of the Convention and that these types of meeting—which are being attended by an increasing number of representatives from socio-economic circles—ought to be more than a simple opportunity to exchange ideas and become a driving force with the means of effective participation in the ACP-EEC institutional dialogue.

The fact that a number of initiatives have been taken along these lines by the main socio-professional categories in the ACP countries is significant. Participants at the second conference of ACP economic operators held in Brussels in July 1983 (55 of the 63 ACP countries sent representatives) decided to set up a permanent administrative structure—the Conference of National Chambers of Commerce and industry and other ACP economic operators.

Representatives from the African employers' organizations met at IOE instigation three times in late 1983, when seminars were run with a view to devising a plan of action and a series of practical initiatives to promote SMEs.

ACP-EEC trade union organizations met in Dakar (Senegal) in May last year and adopted a joint position covering the main aims and proposals for the new Convention.

Both the EEC and the ACP Group are increasingly concerned with seeing the economic and social sectors involved in implementation of the Lomé Convention.

After the Brussels meeting on 15

ISOPRESS — Hanssens

Mr Ganga Zandzou and Mr Bersani; both co-Chairmen of the Joint Committee mentioned increasing concern for seeing the economic and social sectors involved in implementing the Convention

September 1984, ACP and EEC socio-economic representatives brought out their first declaration in which they:
— note that the institutions of the Lomé Convention, as well as the public bodies responsible for the implementation of the Convention and those negotiating the next Convention regard consultation with ACP-EEC social partners, and their active contribution to development cooperation, as accepted and highly positive facts;
— pay tribute to the ACP-EEC Joint Committee, which has patiently and resolutely contributed to the creation of this state of mind;
— welcome the fact that the draft text of the Convention of Lomé III specifically provides for regular consultation with representatives of economic and social interests both by the Joint Council and by the Joint Assembly, and recognize the utility of their being associated with the work of cooperation;
— note that each year the number of participants in the consultation meetings has increased, resulting in 1984 in a large representation of varied socio-vocational interests working on the basis of carefully drawn up preparatory documents;
— believe that the basis of participation by socio-vocational interests in cooperation is thus fully realised, but that it is important to continue and widen this form of consultation so that such consultation results in concrete involvement by social partners and representative groupings of people in ACP-EEC cooperation;
— insist therefore that the institutions of the Convention put the new provisions regarding consultation with ACP-EEC economic and social forces fully into effect, and ensure in particular that the necessary funds be made available;
— insist also that the authorities of the ACP States and of the Community give due regard to development activities initiated by representative groupings of those concerned, in accordance with the objectives of the Convention and the current rules;
— believe, in this regard, that these groupings should be able to participate in a practical way in drawing up cooperation programmes, particularly in the case of programmes in support of sectoral policies in the ACP States (such as food strategies);
— request that, generally, the Convention should define, whenever necessary, the role of socio-vocational forces in the work of development and the means whereby their cooperation could be organized;
— instruct the co-Chairmen of the Joint Committee to forward this declaration to the ACP-EEC Consultative Assembly, the ACP-EEC Council and the Commission of the European Communities. o R.D.B.

Food strategy—over to the farmers

Rural representatives from Zambia, Kenya, Rwanda and Mali were satisfied when they left the Economic and Social Committee on the evening of Saturday 15 September earlier this year. For the first time, they had been able to say what they thought about the food strategies to which their countries were committed and with which they are the first to be concerned.

They attended COPA-COGECA (Committee of Agricultural Organizations and Cooperatives in the EEC) meetings, where European counterparts asked them such questions as how could the supply and distribution of agricultural input be organized better, and how far can farmers be helped through their organizations without treading on the governments' toes, with all the technical pragmatism of the farmer.

Then came the meetings at the Economic and Social Committee when their spokesman, Mr Feingold from Kenya, told a crowded room—there were something like 200 representatives from all socio-professional sectors in the ACP Group and the EEC—that agriculture had to be the driving force behind economic progress and industrial development in the ACP States and that cooperatives were what would integrate the farmers into the modern economy.

This was why farmers had to have a guaranteed income that was high enough to encourage them to produce and live in the country. This should mean that a form of industrialization could be developed in rural areas and agricultural undertakings, which are the basis of economic development in the developing countries, be created.

ACP farmers are very keen to develop types of cooperation with their European counterparts, in particular to benefit from the know-how of European agricultural cooperatives.

Mr Feingold felt that the best way of protecting European investments was to increase the political and economic stability of the Third World through rural development.

The seminar on food strategies was organized by COPA, COGECA and FIPA (the International Federation of Agricultural Producers) and was held on the eve of the annual meeting of representatives of ACP-EEC economic and social sectors at the ESC. o

THE GAMBIA

A study in dimensions

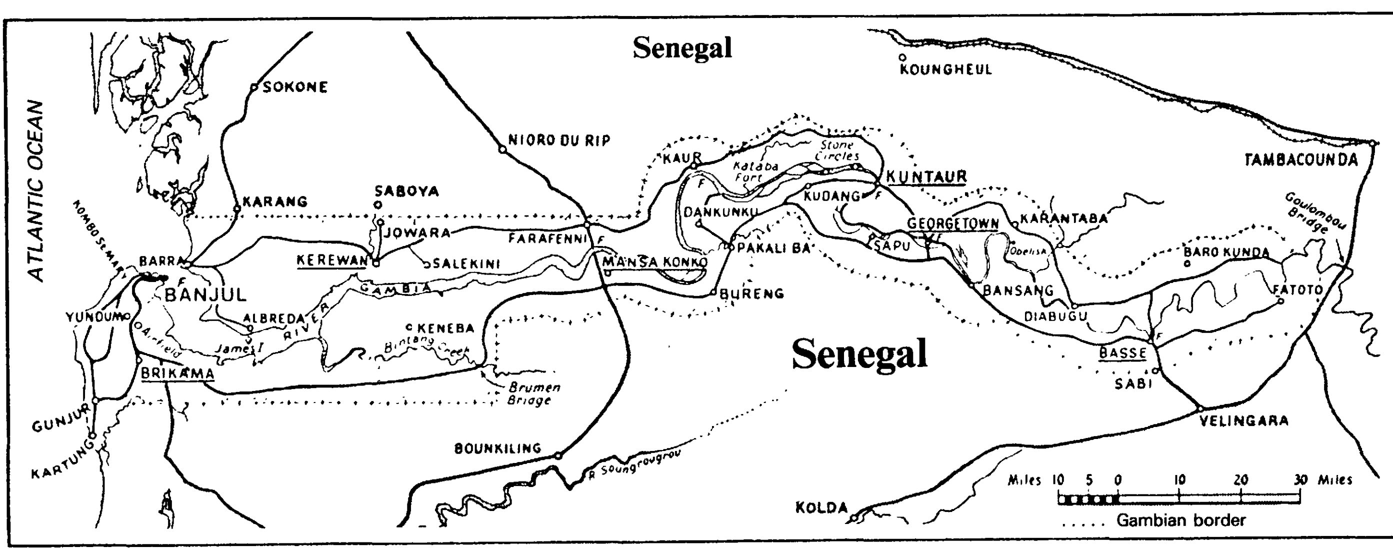
The Gambia, with its 11 000 square kilometres of territory (along each bank of the Gambia River), its population of 700 000, and its peaceful, orderly and democratic way of life, stands in danger of being overlooked or misunderstood. Some would overlook it because of its small size, others would do so because of the fact that on three sides it is surrounded by Senegal (and on the fourth by the Atlantic), and misunderstandings about its viability might come about because it is mainly dependent upon a single crop and has few natural resources. But to overlook or to misunderstand The Gambia would be to do the same for West Africa, for in its problems and its possibilities, The Gambia is the essence of much of West Africa.

The first and most significant fact about The Gambia is that it is free, democratic and peaceful. Its stability, since independence in 1965, may have something to do with its size. Just as the Hellenic democracies, which gave the concept and the practice to the world, were small enough for each citizen to take his part in the decision-making process, so in The Gambia, nobody is too far away from the government. And the government, under the leadership of President Jawara, has conducted its affairs in the full knowledge of that fact.

Secondly, The Gambia is a state which is the result of colonial claims, concessions and negotiation. The Gambians are related in culture, tribal origin and customs to the Wollofs, Mandinkas, Fulas, Jolas, and Serahulis of Senegal. And despite this variety, there has been no need to embark on those, often wasteful and sometimes tragic, experiments to create a nation: the erection of grandiose monuments, the militarization of governmental style, the hounding of minorities. The Gambia has overcome, in modest terms, the psychological barrier between colonial status and unselfconscious statehood. There is, throughout the country, a tolerance of diversity and a respect for the law which marks it as mature, even though it was the last British colony in West Africa.

Perhaps, after all, that is not so surprising. The Gambia has been the scene of constant interaction between Europeans and Africans since the 15th century. And the variety of Europeans almost matches the variety of peoples in The Gambia itself: in 1456 a Portuguese expedition under Cadamosto established relations with the inhabitants, presumably still then part of the empire of Mali. During the 16th and 17th centuries, English, French and German traders and trading companies established themselves. The town of Juffure made famous in Alex Haley's novel "Roots" was practically a twin town of Albreda, a Portuguese trading station. James Island was originally St. Andrews Island, and a fort on it, visible to this day, was originally built by Germans operating on a licence given by the Duke of Courland in 1651. By the 18th century, the European rivals had been whittled down to two, Britain and France, and the colonial boundary lines (which persist to this day) were drawn up at the Treaty of Versailles in 1783.

Cultural openness, maturity and an attachment to democratic government mark The Gambia as a distinct entity,



Area: 11 295 sq. km

Head of State: President Al-Haji Sir Dawda Kairaba Jawara

Population (1983 estimate): 695 000

Capital: Banjul (pop. 60 000)

GNP per capita (1980): $US 250

Employment:
agriculture: 80-85%
industry: 5%

Currency: Dalasi (4.85 Dalasi = £ 1 sterling)

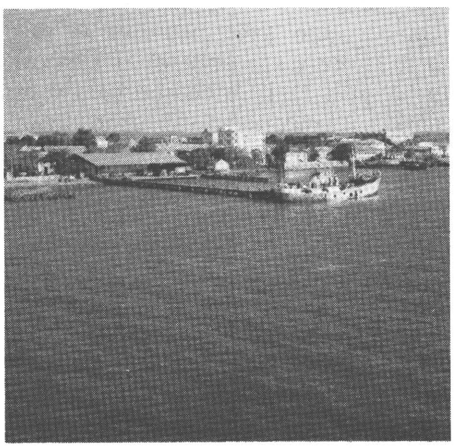
Exports (1983/4): 115.m Dal (EEC share 77.5%)

Imports (1983/4): 315.m Dal (EEC share 45%)

Structure of exports:
groundnuts and groundnut products: 80%
fish, palm nuts, hides and skins: 20%

and its relations with its neighbours and partners in Europe should be seen in that light. But, just as the Greek city states were models of self-government, they were also examples of the problems of scale. Small and fiercely independent, they were incapable of solving their mutual problems, and finally fell prey to the overpowering might of Rome.

The Gambia has not allowed this lesson to pass unlearned. It is, as has been said, surrounded by Senegal on three sides and has been careful to work out a compromise with its powerful neighbour which assists rather than forces the pace of events. This compromise goes by the name of the Senegambian Confederation. A Con-



The sea and the river together are omnipresent in The Gambia

federal Parliament, and Cabinet have been set up under the Confederation Agreement which came into force on 1st February 1982. The President of Senegal is the Confederal President and the President of The Gambia is the Confederal Vice-President. Both countries retain their full sovereignty and official languages, and their separate memberships of international institutions and groupings. An impressive number of Protocols have been ratified, covering a number of fields in which joint policies have already been agreed, and the groundwork for others is under discussion. As President Jawara has said, "Some degree of mutual adjustment over a period of time is... necessary". The process of confederation is being pursued, therefore, at a realistic pace. The Gambia is fortunate in having as its neighbour a fellow democracy, pluralist and liberal in its economic policy. Culturally, too, the Gambians and Senegalese are brothers, being from the same tribal or ethnic groups. What might seem ambitious on the one hand or the result of undue pressure on the other hand is in fact an act of prudence, logic and imagination.

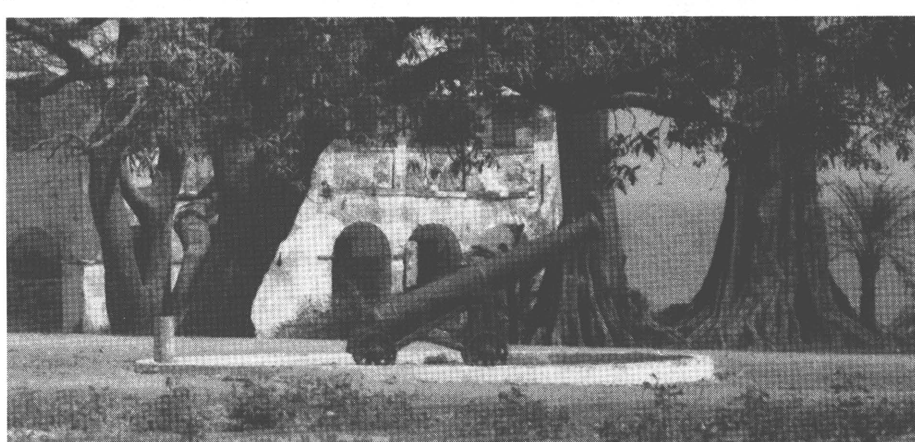
Interaction between neighbours and interaction with Europe are therefore keynotes of The Gambia's existence which, along with its political maturity and respect for individual rights give it an importance which its size might belie. But it would be quite wrong to see The Gambia as an African equivalent of some European mini-state like Monaco or Liechtenstein, an anomaly, a historical accident, however idyllic. The Gambia has all the problems of a developing country, and if they do not seem as crippling as in some of its neighbours, this is not due to the small scale of the problem but to the prudent management of its affairs since independence.

The perils of monoculture

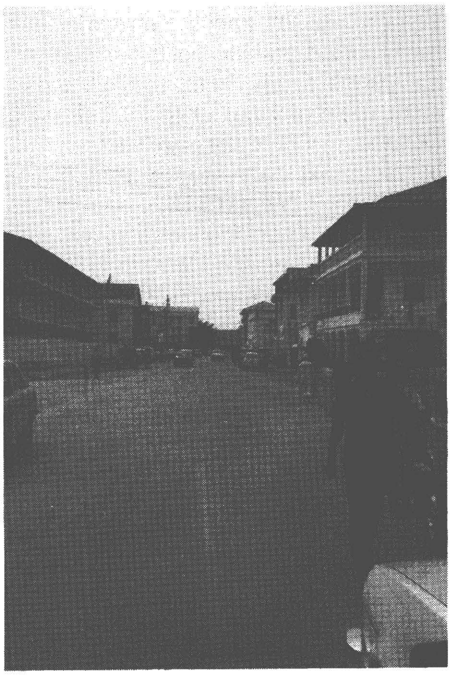
The Gambia has mainly relied upon a single crop—groundnuts—for most of its existence. Indeed, one semi-official history of the colony is sub-titled "The Story of the Groundnut Colony". The Portuguese introduced the plant from their colonies in Brazil in the 16th century, and by 1850, some 8 000 tons were being exported to Europe, mostly for soap manufacture. In the modern period, say since 1900, production has been rationalized, and is today controlled by the Gambia Produce Marketing Board.

The groundnuts are grown by the time-honoured "slash and burn" method. At the end of the dry season, the land is cleared and ploughed, and, as soon as the rains start, the nuts are planted. Picking begins at the end of the rainy season and the nuts are then dried, sorted and stored in warehouses or "bins". From there, they go either to the town of Kaur or to Banjul itself, the capital, where they are shelled and, for the most part, turned into oil or cattle cake. The GPMB oversees the storage, transportation and processing of the nuts while the Gambia Co-operative Union accounts for 60% of sales from growers to the Board. In the season ending April 1983, 128 000 tons of groundnuts were produced accounting for 80% of the country's exports and over a quarter of its GNP. Good producer prices and an efficient marketing organization cannot, however, protect the industry from natural and man-made perils. The Gambia is not the market leader for groundnuts since Senegal, India and the USA produce far greater quantities and can influence the world price to a much greater extent. Furthermore, The Gambia's natural market in Europe is by no means as accommodating as it might be. The Gambian Government has doubts about the EEC's recent policy on aflotoxin levels in groundnut oil and cake, seeing it less of a defence against a potential carcinogen than a measure to protect Europe's own producers of olive and rapeseed oil. Add to these perils that of climate: groundnuts only flourish when rainfall has reached 750 mm and ambient temperature a minimum of 24° centigrade and the problem of drought is never far away.

The Gambian Government has been aware of the perils of monoculture for a long time, but, like the defenders of a castle under siege, they have made many sallies and no final breakthrough. Cotton is an example. When Cadamosto first visited The



At Albreda, the constant interaction between Europe and The Gambia is much in evidence



Cameron Street in the centre of Banjul

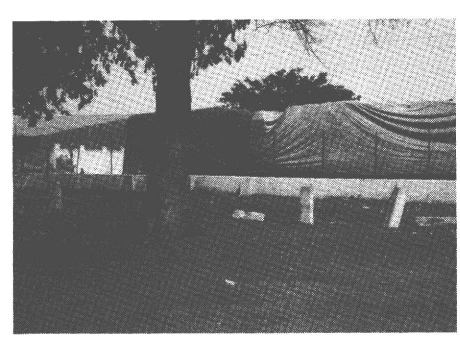
Gambia in 1455, he found, to his astonishment, that the inhabitants were dressed in flowing cotton robes. The cotton was obtained from the cotton trees and, for centuries, attempts have been made to supplement this with the hardier "hairy" cotton. In 1760, the London Society of Arts attempted to promote cotton growing in the colony. In 1838, some 26 tons were shipped to Europe, in 1860 it was 200, and by 1904 it was back to 70 tons again. In part, this is due to the scarcity of suitable land and, where the land is suitable, cotton competes with groundnuts. And competes unfavourably—for cotton requires much more care and much more hard work than do groundnuts. In 1965 a fresh Cotton Programme was launched, 1 175 tons were produced in 1977/8 but by the next year it had fallen to 859 tons. However, another expansion programme is under way. The Hon. Momodou Manneh, Minister of Economic Planning and Industrial Development explained that it would be financed jointly by the Gambian Government, the Produce Marketing Board and the French Caisse Centrale de Coopération Economique. "The first phase" he added "is a three year period starting from 1984/5 with the estimated target for 1984 being 2 500 hectares newly under cultivation". It may be that this programme is the one to succeed, based as it is on so much experience and freighted with so much hope.

Rice, millet and sorghum are the staple food of the Gambians, with maize also now coming into the picture. In common with its neighbours, The Gambia's principal development aim is for self-sufficiency and food security. In the country's second Five-Year Plan (to 1985/6) nearly 30% of the funds, some 131 million Dalasi, have been allocated to agriculture, and cereal output is projected to rise from 66 000 metric tonnes to 79 000 metric tonnes. Just as the great river Gambia has dominated the country's geography and politics, it dominates the economy. The great hope for expanded food production lies in bringing mangrove swamps on the river bank under cultivation and, in The Gambia's most ambitious scheme, to build a bridge and barrage on the river which can control salinity and irrigate some 60 000 acres (24 000 hectares) for rice growing. Studies, funded in part by the EDF, for this regional project have made the scheme an attractive one for Gambians.

Gambia's livestock population is almost as large as its human one and a matter of considerable interest. The cattle population, of over 300 000, is not only a source of protein and by-products, but also a cultural marker. As with all herding cultures, the cows and bulls are living currency and a visible mark of wealth and status so that the concept of improving the strain by culling was, in the words of one authority, "no more acceptable than accepting three clean pound notes for a dirty five-pound note". However, a 42.5 m Dalasi project is now under way to improve the strain of the indigenous trypano-resistant Ndama breed and to increase their quantity. In addition, the Gambia is benefitting from its hardy strain of cattle in that EDF money has helped to establish the International Trypanotolerance Centre in the country. But cattle are only one aspect of the livestock population—the government has also set in motion projects which will affect sheep and goat production and quality and which will improve infrastructures and feed supplies for the poultry industry. And there is acute awareness that livestock may have an economic side to it unconnected with food—since 1981, the Livestock Marketing Board has been involved in a joint venture with a European firm in the establishment of a tannery, located next to the abattoir at Abuko. It is an aid to the diversification so desperately needed by the Gambian economy, and a potential source of foreign exchange, but, even more important, it is a model of an EEC-ACP cooperative venture with capital and know-how from Europe matched by capital, labour and raw material sources from The Gambia.

No discussion of food security or self-sufficiency would be complete without reference to fisheries. The Gambia's coastline, so beguiling for the foreign visitor, is also a rich fishing ground. The total annual catch is over 10 000 tonnes, mostly from artisanal fishermen living in villages up and down the country's 60-km long coastline. A major effort, involving EDF funds, is being deployed not to replace these fishermen but to give them more scope and better support, to preserve their catch and help them market it, and to help them to organise their traditional activity in a better way. All the way down the coast from Fajara to Gunjur, new laterite feeder roads link up the villages enabling fishermen to keep better links with their customers and suppliers. At Tanji, a bridge has been built, in Brikama, an ice-making plant. At Gunjur itself, modern pattern smokehouses, storage sheds, offices and handling areas have been built and the fishermen are being encouraged to use these facilities, encouraged by the establishment of a cooperative fund from which further improvements will be financed.

To complement the activities of the artisanal fishermen, the Government will aid the newly-established commercial fisheries concern, the FPMC, by setting up a fish-processing plant and a fishing pier, by improving Banjul dockyard to a level where it can repair or maintain a small fishing fleet, and by buying and operating a small fleet of commercial fishing vessels.



A groundnut store—the economic prop of The Gambia

Natural resources — no hidden wealth

The Gambia, despite efforts over a long period of time, remains largely dependent upon a single export crop. The efforts are paying off, in food security, perhaps, or modernization. But groundnuts remain central to all hopes of expansion. Their price on the world market will continue to dominate The Gambia's hopes and fears for foreign exchange receipts. And these hopes and fears have intensified over the past decade because of the problem of energy. Like most West African countries, The Gambia is almost wholly dependent upon imported energy (in 1981-82 the import of petroleum products was about 75% of the value of exports) of which the transport sector consumes about half. For heating and cooking, 80% of the country's total primary energy consumption is in the form of firewood. Drought, deforestation, desertification all follow the uncontrolled use of scarce supplies of firewood—yet the alternative is expensive imported cooking gas or kerosene.

The Hon Momodou Manneh,
Minister of Economic Planning and Industrial Development

Intensive searches have revealed no magic deposits of oil: not even of gold or diamonds to pay for the necessary imports of oil. If the country is to survive, its energy must be drawn from those few resources which The Gambia does have: its soil, its sunshine and its groundnuts.

From the sunshine, there are possibilities for solar energy for the heating of water in hotels, offices, hospitals and other large complexes. "A consultant visited The Gambia in April (1984) to prepare a detailed design and costings for our five major hotels' water heating systems" said the Economic Planning and Industry Minister, Dr Manneh. And even more advanced on the road to practical use are goundnut-shell briquettes which will, it is hoped, reduce the need for firewood and enable reafforestation to take place. Groundnut shells burn well in briquette form—about three kilos are equivalent to a litre of fuel—and a briquetting plant has been set up at Kaur. The Finance Minister, the Hon Sheriff Sisay, went on to explain. "The problem is also of consumer acceptability, and this has fortunately been improving over the years. A large number of improved stoves have been distributed to facilitate the use of these briquettes".

Fish being sun-dried at Gunjur. Fishing has a bright future in The Gambia

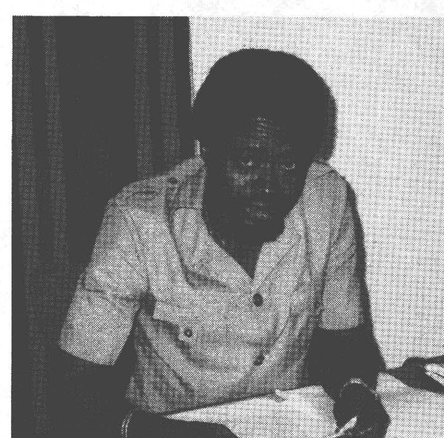
Ingenuity must come to the rescue where nature has been ungenerous. No precious metals for export and no energy sources of a conventional kind have been lavished on The Gambia. The task of substituting has called forth some ingenious responses, and more are now under study—biogas and wind energy for example. And this ability to capitalize on the country's less obvious resources is again the hallmark of the government's maturity and flexibility.

The Gambia's greatest asset—the people

Europeans first came to The Gambia in search of the Pactolus, the mysterious river of gold which was said to have fuelled the great empires of Ghana, Mali and Songhai. Disappointed in this venture, the Europeans turned to the slave trade, and stayed for four centuries in that cruel but profitable commerce. The novel "Roots" by Alex Haley is not based on imagination alone, but on harsh facts. The Gambia's first asset, as far as Europeans were concerned, was her people.

Today, nearly two centuries after the abolition of slavery, The Gambia is once again a lure for Europeans, largely thanks to her people. It had better be said that The Gambia's excellent winter climate, silver beaches, abundant fruits, vegetables and fish, and attractive wild life do not harm its prospects, either! But it is the hospitable, courteous, open-hearted Gambian who ensures that the holiday visitor not only enjoys his or her stay but comes back again and recommends the country to others. In the 1983/4 tourist season, some 38 000 visitors, largely from Scandinavia and the UK, came to soak up winter sunshine, up from about 22 000 in 1980/81. Tourist facilities have expanded to keep pace, from 2 291 beds in 1978/9 to 3 529 in 1983/4 and in 1981 a Hotel School was opened in Banjul. The School operates a two-year course on a wide variety of disciplines: front desk, housekeeping, food and beverage management, and plans are under way to start management courses at the appropriate level. About 80 Gambians a year enrol at the school, some already employed, who are taking refresher courses, others because the diploma awarded is the passport to a good job.

Many observers have had the tendency to deplore the effect that tourism has on a way of life. A natural social structure is bent and twisted out



The Hon. Landing Jallow Sonko,
Minister of Tourism

of shape, they would claim, and both sides will readily misinterpret the attitudes of the other. The visitors import alien and offensive habits, the hosts become addicted. The visitors represent indolence and luxury; the hosts resent it. But the Minister of Tourism, the Hon. Landing Jallow Sonko, does not accept the full force of such criticisms. "Firstly" he explained, "we are not seeking a dramatic expansion in terms of numbers. We will expand, but at our own rate and without disturbing the agricultural basis of the economy. Secondly, we recognize that any development brings disadvantages and disruptions but we have had a wide range of cultural influences in our history and we can screen out a great many of the adverse effects. We have always been a melting pot—there are Arabic words in Mandingo and Wolloff, there are Spanish ones in Mandingo and French ones in Wolloff. We are pretty tolerant, and the pros and cons of tourism are no longer the subject of a fierce debate. The impact of tourism, in economic terms, is very important to us".

If the people are The Gambia's biggest asset, then the birds and animals are next on the list. Sadly, the elephant, which was a feature of Gambian life, died out in 1911, and hippopotami are rare as well. Lions exist only in a zoo, now, and while there is still a rich variety of birds, monkeys and crocodiles, there is awareness, of the need to protect the environment. The World Wildlife Fund is aware of the scale of the problem—first outlined by President Jawara in the Banjul Declaration of February 1977... "Thus I solemnly declare that my Government pledges its untiring efforts to conserve for now and posterity as wide a spectrum as possible of our remaining fauna and flora". "It is not only to protect the environment that these efforts should be made", explained Mr Sonko, "but to increase the attraction of The Gambia to overseas visitors". He addressed the appeal for help to fellow African countries. "Elephants, lions, antelopes abound in many African countries. Indeed there are some species which are considered a pest—but they would be a boon to us".

One of the hotels which promise the visitor a wonderful holiday

A tourist boat off James Island, relic of an exciting past

"A narrative of understanding"

The Gambia's problems and possibilities are a microcosm of those in other ACP States—falling prices for a limited number of primary exports, rising costs of energy, problems of environment that go to the roots of survival, the challenge of independence and of finding a meaningful framework for statehood and cooperation. And, above all, the European connection. The Minister of Finance, the Hon Sheriff Sisay, put this most felicitously in context, when he called EEC-Gambian relations a narrative of understanding! It is a narrative of long-established links, based on trade and more recently on aid, but Mr. Sisay looks to the future with less-than-total optimism. "I am not convinced", he said "that the EEC values these links as much as the ACP countries. The erection of non-tariff barriers, the sextupling of tuition fees in the UK, and other signs lead us to think that the EEC is less interested in historic ties than in rationalization. There is a numerical and econometric side to economics, certainly, but there is another aspect: that of value judgements, and we get the feeling that it is being suppressed". In the context of Lomé III negotiations, Mr Sisay wondered whether it was an auspicious moment to conclude an agreement for five years—Europe was passing through an economic crisis and it was not a time for bold or imaginative moves. It might have been better, he suggested, to conclude a transitional accord until some mutually-agreed bench-mark had been reached and then to go for something of lasting value. "This Convention might well turn out to be a mechanical pact, and not a matter of true cooperation. And sentiment, you know, is dear to the Gambian heart".

The Hon. Sheriff Sisay,
Minister of Finance

This sort of statement is a salutary reminder of the true nature of cooperation. It comes from a country which is small, poor and unendowed with natural resources, which would have more reason than many others to simply press for maxima, to plead its own misfortune. Instead, it is an appraisal, unflattering, perhaps, to Europeans, of Europe's own willingness to press on with development. Delivered not in anger or resentment, it nevertheless is tinged with regret that five centuries of interaction have not created more enduring links. Size alone, or stridency should not be the only reasons for listening to a partner: and The Gambia is living proof of that. ○

TOM GLASER

"What is important is the maintenance of the rule of law and the rights of the individual"

Interview with President Sir Dawda K. Jawara

Sir Dawda Jawara has guided the fortunes of The Gambia since independence in 1965, first as Prime Minister, and, since 1970, as President. His country is largely dependent upon a single crop, groundnuts, is menaced by the Sahelian drought, and there is no miracle in sight on the economic front. Faced with such problems, the President and his ruling Peoples Progressive Party have concentrated their efforts on sound, prudent management and cautious diversification of agriculture. The result: a stable, democratic society, and a minimisation of the harsh effects of the world recession. In the following interview, the President outlines the problems and the possibilities facing his governement and his people.

▶ *What are the next steps for pursuing the establishment of the Senegambian Confederation?*

— As you are aware, the Agreement establishing the Confederation calls for the establishment of a number of political, legislative, administrative and economic institutions. Most of these have been established since 1982 and the relevant protocols signed in key areas like defence and security, transport and telecommunications. As we see it, the next major step, which we expect will give a developmental and dynamic thrust to the Confederation, is the development of the economic and monetary union, as indicated in Article 2 of the Confederal Agreement of 1981. The two Confederated States are diligently working on the various fiscal and monetary issues and options involved in the development of the union, and both the President of the Confederation and I have made it clear that dialogue and negotiation on the modalities of the economic and monetary union must be pursued with diligence and common understanding.

The end result must maximise the welfare of the Senegambian people and not create or widen imbalances in our respective economies. Some degree of mutual adjustment over a period of time is therefore necessary, and we will need all the help we can, especially help from the European Economic Community, which, as you know, has years of experience of economic integration, so that our efforts at economic integration will stand a greater chance of success than has been the experience in Africa so far.

Other steps necessary for the establishment of the Confederation are economic and industrial planning of the Senegambia area; integrated transport planning and development, and harmonization of policies in various fields like immigration, consular assistance, fisheries etc.

▶ *Will the Confederation ensure the survival of the Gambian way of life or do you see it as a cultural merger as well?*

— Actually, most Gambians do not see our culture threatened, as we are the same people as our brothers in Senegal. Both The Gambia and Senegal are in the same linguistic and cultural belt in West Africa; our histories, languages and way of life, with the exception of the colonial interregnum, are basically the same. Islam is the dominant religion in both countries and our diet, music and rural community structures are the same.

The only differences, caused by an accident of history, are our respective official languages, administrative structures and political and judicial systems. On the contrary, I think the Confederation will further enhance our culture and create the environment for mutual symbiosis and a new cultural dynamic.

▶ *Outside of the Confederation what are the prospects for Gambian involvement in other forms of regional co-operation?*

— As you may see from the Agreement establishing the Confederation, the Confederated States are sovereign independent States that have decided to form a Confederation for common purposes. Within the Agreement, each Confederated State can maintain its membership of existing organizations, honour existing treaties, etc. Beyond the Confederation, therefore, our membership of the UN, the Commonwealth, OMVG, OAU and ECOWAS will continue; membership of the West African Monetary Union could well complement and strengthen the Confederation.

▶ *Gambia has preserved the Westminster model of Parliamentary democracy. Is there a special recipe for this, and what is your view of the political development of other States of the region?*

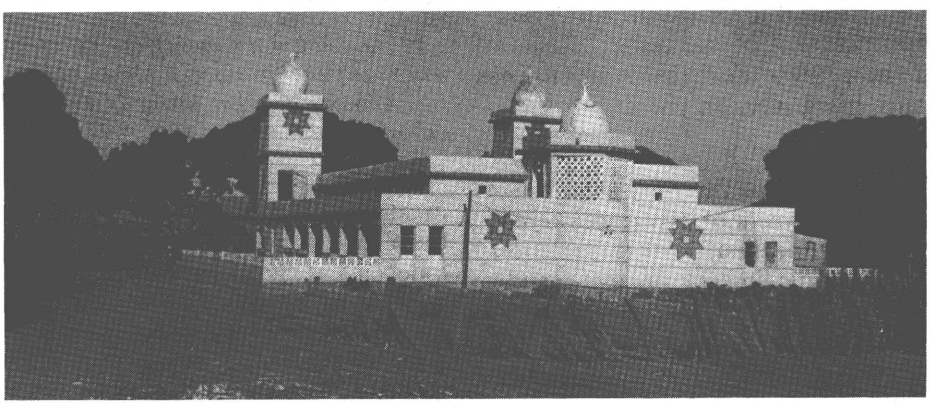
President Al-Haji Sir Dawda Kairaba Jawara

— I am not sure whether our model is pure "Westminster" but we do have and operate a multi-party parliamentary democracy based largely on the Westminster model to which I and my Party and Government are committed. We believe that under our circumstances, it is the best form of government to enable our people to exercise their rights under the Constitution and for their elected representatives to speak on their behalf. It fits in neatly with our idea of a pluralist democracy. It has nothing to do with the alleged "class" basis of the British parliamentary model, as we have no "classes" in the Gambia in the sense of massive private ownership of land, the means of production, distribution and exchange. I therefore do not subscribe to the view that Africa by virtue of the so-called "urgency of development" and because we have no classes, should not operate a multi-party system of government. What is important is the maintenance of the rule of law and the rights of the individual and whether the system can provide this together with meaningful development, both national and personal, in an atmosphere of freedom. No, I do not think there is any "special recipe" for persevering in operating multi-party democracy. What we have tried to do over the last twenty years or so is to create a national consensus on the political system that allows Gambians to express dissenting views without resorting to violence or extra-constitutional methods.

As far as political development in other States of the region is concerned, that is really largely an internal matter for the people and governments concerned. While I will not go so far as to say with the English eighteenth century poet Alexander Pope: "For forms of Government let fools contest whatever is best administered is best", I believe every country has the right to decide what form of government suits it best, as well as the right to decide what economic system or philosophy to adopt. The objective, as I see it, is whether our people enjoy their basic human rights and whether their basic needs—access to clean drinking water, education, health and shelter are properly addressed. In this regard, we fully subscribe to the OAU Charter on Human and Peoples' Rights as well as the UN Charter.

▶ *How close is Gambia to achieving self-sufficiency in food?*

— As you know, both at the level of the CILSS, the FAO, the Lagos Plan of Action and, indeed, at the national level, our policies in the agricultural sector have two principal objectives: food security at the national and regional level and attainment of food self-sufficiency in the medium and long term. To answer your question specifically; due mainly to more than a decade of drought the Gambia is not, in fact, close to achieving self-sufficiency in food, although this is our long term goal to which the government is committed now more than ever before.



"Islam is the dominant religion"

The public investment programme in our Second Five Year Plan (1981/82-1985/86) makes this commitment to achieving food self-sufficiency quite clear. For example, whereas only D 57.4 million representing 16.4% of total Plan outlay was invested in agriculture under the First Plan, it is significant that out of a total Second Plan investment of D 475 million, D 131.3 million was allocated to the agricultural sector, representing 27.6% of total outlay. This investment in food production and allied infrastructure excludes the bridge/barrage regional project which, when completed, should release 24 000 hectares for irrigated agriculture.

To go back to the question of food self-sufficiency, when this bridge/barrage has been realised and irrigation agriculture considerably increased, our prospects for achieving food self-sufficiency will have greatly improved.

As far as we are concerned, the debate about cash crop versus food crop production has long been ended and we have decided to give priority to food production—both rainfed and irrigated, although cash crops such as the traditional groundnut crop are still being planted with the right price incentives, and cotton, livestock and fisheries have been given a new impetus both in terms of research, investment and production. To supplement our efforts in this direction of expanding agricultural production, we have invited the private sector and multinational companies in agribusiness to invest, and the response has been reasonably encouraging.

In the Second Five Year Plan I have already mentioned, output of cereals is projected to increase from 66 000 metric tonnes in 1981/82 to 79 000 metric tonnes by the end of the Plan period in 1985/86. It is expected that this increase will help in reducing our earlier dependence in imported cereals. Encouraging signs of this development are the recent high yields per hectare in the newly commissioned Jahally/Pacharr rice irrigation project funded by the Federal Republic of Germany, the Netherlands, the International Fund for Agricultural Development (IFAD) and the Gambia government. Major investments in the agricultural sector, for both food and cash crops also include the Second Agricultural Development Project (ADP II) at a total cost of US$ 29 million, the Livestock Development Project which has already commenced and has a research, food, and nutrition component, the Cotton Expansion Project centred in the Upper River Division and southern MacCarthy Island Division, and a major semi-industrial fisheries project that will compete with and complement private investment in fisheries and the on-going artisanal fisheries project. You may recall that the last named project was entirely financed by the European Economic Community.

Side by side with these major investments, especially in food production, government is also giving encouragement to fruit and market gardening, as well as poultry production to improve nutrition as well as encourage linkages with the tourist industry. Policies in the agricultural sector are also under constant review with a view to improving the efficiency and productivity of the sector and raising farmers' income.

▶ *There are obvious advantages in being a tourist paradise but could you say whether there are corresponding disadvantages as well?*

— Naturally, wherever tourism flourishes (especially in the developing countries) there are both social costs and socio-economic benefits. Although The Gambia is a comparatively new tourist destination, we have made appreciable progress in terms of infrastructure and incentives for the tourist industry, and in meeting our targets for hotel bed capacity. Our major problems in this industry are the need to educate the public about the aspects of tourism you mention (and this is being done on the radio and other media with some success); the need to provide indigenous expertise in finance and management to ensure that the industry is properly controlled and that the country's interests are secured. In all this we are making some progress and have established institutions both for hotel training and for policy formulation for the industry. There are some social difficulties, but certainly not on the scale reported occasionally in some sensational newspapers and magazines.

▶ *Can you say something about the effects and nature of Gambia's cooperation with the E.E.C.?*

— Apart from our trading relations with the EEC, our co-operation with the European Community under both Lomé I and Lomé II has been mainly in the form of financial and technical assistance. Assistance has also been forthcoming in the areas of trade promotion and to a lesser extent, industrial development.

The Gambia has also benefitted from EEC regional projects and has also received food aid; under the Special Action Programme administered by the World Bank, the EEC was also able to participate in financing our Highway Maintenance Programme.

Under the 4th EDF, we received financial assistance in the order of D 66.49 million, and under the current (5th) EDF 71.89 m. Major projects implemented in the period covered by the 4th EDF (1975/80) included the Artisanal Fisheries Project, Bunaidu/Kuntair road, The Gambia College, and various human resources development programmes. Most importantly (and this is still a crucial matter for the current negotiations for a successor Convention), Stabex transfers under the 4th EDF amounted to D 22.1 m, and risk capital was provided by the European Investment Bank for the modernization of the GPMB Groundnut Mills, which should be implemented this year.

Under the 5th EDF (1980/85), the Community has agreed to co-finance the Banjul Sewerage and Drainage Project, Artisanal Fisheries Phase 2, a line of credit for small and medium scale enterprises, a training programme for the public service, and technical assistance for the tannery, which is being implemented. We expected a total Stabex transfer of D 39.94 m but this figure appears to have been reduced to the extent that in 1982 we received absolutely *no* Stabex transfer.

We are happy with the regional projects under the 5th EDF—the bridge/barrage, the International Trypanotolerance Centre based in The Gambia, and the Banjul/Bissau Road, but we are not satisfied with the dwindling Stabex transfers and with the painfully slow delays in identifying, appraising and financing projects and in approving much needed training programmes. I believe in one year, no single Gambian was able to go on training because of bureaucratic delays. We are also very much concerned about the slow rate of disbursement for project funding, e.g. whilst to date, out of the D 66.49 m committed to us under the 4th EDF (1975/80), D 56 m has been disbursed, under the 5th EDF (1980/85) out of a total commitment of D 71.89 m only D 40.2 m has been disbursed. We have observed that resource transfers under the 5th EDF have been gradually diminishing at the very time when such transfers are desperately needed, given our serious balance of payments position (largely caused by irregular rainfall and external forces over which we have no control) and our commitment to economic development and food self-sufficiency.

As far as the on-going negotiations for a successor Convention are concerned, The Gambia's urgent concerns are increased resource transfers to maintain the momentum of development, less complex and more significant Stabex resource transfers, and reduction of restrictive trade practices. In connection with the latter, we are much concerned about the Community's new policy on the aflotoxin level in groundnuts; moves to legislate on this will only create further trade restrictions, which are not in our interests. The call of the African Group to have a special assistance programme for the Least Developed ACP countries is also of vital interest to my Government.

"Irrigation agriculture considerably increases our prospects for achieving food self-sufficiency"

Overall, co-operation with the European Economic Community has been beneficial but it could and should be improved by increased resource transfers, particularly under Stabex; by liberalising trade vis-à-vis the ACP countries; and by eliminating cumbersome procedures which delay the transfer of resources and the implementation of projects. o

Interview by T.G.

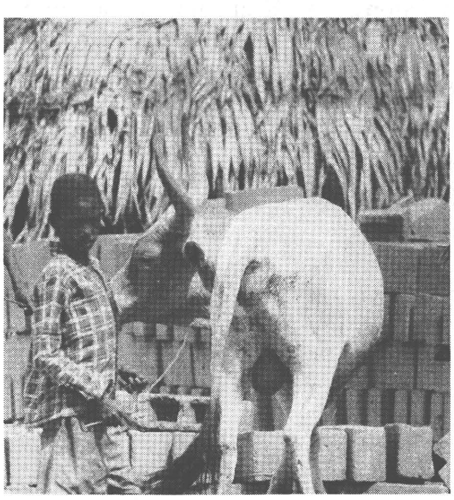
Ndama's progress – the story of Gamtan

Skins and hides stored after their arrival from the abattoir

There are more than half as many cows as people in The Gambia, and cattle are not merely a source of wealth but a measurement of status. However, when the time comes, the cattle must go for slaughter and reinforce the diet of the Gambian or the holiday visitor. The owner gets his money and the hide is sun-dried and sold. Since 1981, it is certainly not the end of the story—indeed it is the start of a new story which gives hope not only to Gambians but could prove a model for those parts of Africa where herding is a major economic activity. Now the hides are tanned on the spot, with all that that implies in terms of added value.

Gambia's Ndama cattle are not the sleek, plump charolais or holstein cows that browse in the lush fields of Europe. They are tough, disease-resistant and used to long trips from one watering-hole to another. Their hides bear the marks of thorns, insect-bites and other irritants, so that they will never be turned into sofa coverings or supple Italian shoes. But, properly treated, their hides have a certain commercial value and, in 1981, Gambia became the scene for the exploitation of this value.

Mr Yves Houben, a Belgian who owns a commercial tannery, TCV, near Liège, saw the possibility of combining European markets, capital and technology with Gambian manpower and raw material and, above all, willingness to diversify. The Gambia's economy depends to a perilous extent on a single crop, and the country is woefully short of exploitable natural resources, so that both government and citizens are keen to make use of whatever has a marketable value. When Mr Houben suggested the scheme (following a UNIDO study), the Gambian Government, through the medium of the Livestock Marketing Board, took a 40% stake in the venture, to a value of 240 000 Dalasi (about £50 000) leaving TCV with 60%. The Centre for Industrial Development and the EDF also had a part in the scheme, and thus the full spectrum of interdependence is covered: European capital and knowhow, backed by industrial research—development funds and supported by local investment and supplies. In ten years from the date of start-up, it is expected that the capital and the loans will be paid off, and the company will be eligible for a buy-out of the overseas majority shareholder by Gambian interests.



The raw material — a Ndama bull

The project has been designed, at least in the initial stages, to cope with 36 000 hides and 40 000 skins a year, 'Skins' refers to goat and sheep skins; cowskins are referred to by the more noble appellation 'hides'. This is not a limit, but it is an entry into a market which knows nothing of Gambian hides and skins and which is extensible. In the future, it is perfectly conceivable that hides from Senegal will be treated at Gamtan. The product that Gamtan exports to Europe goes under the strange name of 'wet blue'. This is a technical term for semi-finished hides which can be given a variety of final treatments as the importer requires, and ensures a greater range of potential customers.

The 'wet blue' process requires six separate treatments, from the time the hides are received from the abattoir next door to the Gamtan plant at Abuko, south of Banjul, the Gambia's capital. The first stage involves soaking the hides in water and cutting them in half. The second stage is called 'liming' and is a chemical process designed to swell the skins. Then comes 'fleshing', removing the small portions of flesh still adhering to the skins. After that, the hides are 'delimed', the skins are soaked in brine to soften them and then pickled. Finally, in the tanning process itself chrome oxide is added to the pickle

Mr Van Drongelen, the local managing director, showing a goatskin

Once soaked in brine, the hides are cut in two

Mr Van Drongelen and Mr Sanneh, the technical manager, showing off a 'wet blue'

which turns the skins the blue colour which gives them their name. They are packed in containers which keep the skins moist and supple, and shipped to Europe.

When Mr Houben decided in 1981 to invest in the Gambia, he did so for a mixture of motives. Undoubtedly, he was moved in part because of the Gambian economy, which is locked into a monoculture and requires diversification, in part because The Gambia is small and provides an excellent launching-pad for a small-scale enterprise, but also in part because the project offered a return on his capital and the possibility of profits. And the first thing that was decided upon was to maintain a strict ceiling on costs. The prefabricated factory building was put up entirely by a small contractor in the nearby town of Brikama, a first for the contractor and probably for The Gambia.

Admittedly, the work took longer than a European-trained specialist might have taken, but it was done (with the exception of one day's hire of a crane) entirely with local tools and local skills. Should a second factory need to be put up, the local expertise now exists! Next, the major items of equipment, the vats for pickling and the presses, were imported second-hand from Belgium. Now, it is a sad fact that two decades of experience have made a habit of unloading highly sophisticated equipment among European companies, and a habit of expecting only the best among African companies. The fact that Gamtan's equipment was out of date by European standards was accepted in The Gambia because the main criterion of the equipment's acceptability was that it should work—and it does. Not only does it work, but it is robust and simple to maintain, and not an excessive consumer of power. Thirdly, before the factory gets working at full capacity—at which time it will be connected to the national electricity grid—it has its own power generator which is converted to run on groundnut shells—about three kilos are equivalent to a litre of fuel. And groundnuts are the one thing which The Gambia has in plenty. Finally, the limit on costs means a relatively rapid Gambianization of the project. At the time of writing, there were eleven employees working under Mr Sanneh, the Gambian technical manager, and more employees will be taken on as soon as the tannery is operating to full capacity. Built by local skills, equipped with appropriate machinery, fuelled by an economical power source and increasingly manned and run by local staff, Gamtan could be a model for EEC-ACP industrial co-operation.

But the means do not attract the investor. He is more interested in the ends. For an accountant, the ends are figures, and Mr Houben showed that these would make sense. For an investment of 600 000 Dalasi, the projected profits of the tannery were 268 000 D in 1985, rising to 1 229 million D in 1992/3. Three years of tax holiday were guaranteed, with the possibility of an extension, and while the profits were to be retained in The Gambia, they would be reinvested in another project or in an extension to the tannery. And part of Mr Houben's investment had been in the form of the equipment.

The EDF contribution to the project had been the provision of a manager, which has not only seen the tannery through its difficult teething troubles, but has also raised the status of the project in the eyes of the local people. For it is a sad fact that Gambians have seen too many Europeans arrive with grand projects and grander promises and then depart with a trail of deceived hopes and bad debts. The CID contribution was in the form of what Mr Houben called 'moral support', financial information, information on local conditions, help with contacts and general communication. It also financed certain start-up costs and equipment. It is easy to underestimate the gap that exists between European expectations of launching, starting up and entering full production and the African culture shock which greets these expectations. The Gambia has no tradition of industrial enterprises and each step in the development of the Gamtan plant was a discovery for both sides. The contribution of the CID was to ensure that the process of discovery was not responsible for too many delays.

In the future, when the European customer goes shopping for his shoes or his briefcase, it is possible that his feet or his papers will be encased in what was once the hide of a Ndama cow. A cow which, until the establishment of Gamtan, would have been remembered only for its meat and not for the potential that its hide could realise to the benefit of European consumers, European industry and The Gambia's economic progress. o

T.G.

Classical Gambian recipes — the interior smile

For a small country, the Gambia is very rich in recipes. Now, this could be said of Luxembourg as well, for, like Luxembourg, The Gambia lies at an important ethnic crossroads and it is at such places that the happiest culinary accidents occur! In The Gambia harmony exists between the various ethnic groups though they all have their special dishes and perhaps the customary friendliness of the average Gambian comes from his ability to pass from one group to another at mealtimes, and to test and taste from the wealth of his neighbours' firesides.

Traditional cooking is done in the open where possible over a wood or charcoal fire made inside three large stones, which also serve as the base for the iron cooking pot. Eating out of doors, combined with the Muslim tradition of hospitality (The Gambians are predominantly Muslim) means that mealtimes are intensely social affairs, and passing strangers, as well as friends, are pressed to share the meal. A refusal would be considered most insulting, and even if the passing stranger has fed, he will be expected to taste a little of every dish and to compliment the housewife. Men eat separately from the women and children, from bowls which are steadied with the left index finger whilst the right hand serves as knife, fork and spoon.

As elsewhere on the west coast, rice is the staple food, but the ethnic differences in The Gambia mean that a wide variety of foods are appreciated. The Mandingo, who grow the greater part of the country's groundnuts, are associated with *domoda*, the tasty groundnut stew. The Fula, who are cattle rearers, have developed a taste for *Lah*, which is eaten with cream or milk. The Jolas, rice growers and fishermen (and with a certain reputation for physical fitness and sympathetic magic) are the originators of *Caldou* which is rock bass served with rice. The Wollof ethnic group have created *Benachin*, which is the Gambian dish most frequently served to tourists, under, the name of 'Jollof rice' while the Serahuli have contributed the Gambian's favourite evening meal, *Chereh.* For the visitor, of course, the most obvious delights are in the fresh fruits and vegetables, and in the variety of fresh fish to be had, from the noble lobster to the humble *bonga* or West African herring. But the classical Gambian recipes bear some closer inspection, and Mr Edrisa Sagnia of the Gambian Hotel School, has produced a booklet which contains a wealth of detail and practical information. It is from his book 'Classical Gambian Recipes' that the following recipes are taken—with many thanks.

1. Domoda for four persons

Ingredients: 1 kilo of beef (topside); 250 grams smooth peanut butter; 3 tablespoons of tomato purée; 500 grams rice; 1 large onion; 1 litre water; 2 lemons (squeezed); 4 medium-sized bitter tomatoes; 8 medium-sized okra (lady's fingers); 250 grams pumpkin, salt, pepper (seasoning).

Cooking: Cut the meat into cubes and wash. Seal the meat by frying in hot fat, and add tomato purée. When the purée is cooked out, add water and seasoning, bring to the boil, cook for 20 minutes and reduce heat. In another pan, boil the bitter tomatoes, okra and pumpkin and keep them warm. Add them, along with the peanut butter to the stew, which should be brought to the boil again. Remember to stir the stew continously to avoid sticking whilst boiling for about 10 minutes. Then reduce heat and allow to simmer for 45 minutes while preparing the rice. When the rice is ready and the stew has simmered for 45 minutes, it is ready to serve.

2. Lah for four persons

Ingredients: 500 grams rice; ½ litre water; 250 grams sugar, pinch of salt

Cooking: Soak the rice for 15 minutes, then drain it, and add it to boiling salted water. Add sugar and leave it for 10 minutes. Add water, stirring every now and then until the mixture is thick. Serve with cream or milk.

3. Benachin for four persons

Ingredients: 1 kilo beef (topside or brisket); ½ litre groundnut oil; 3 tablespoonfuls tomato purée; 60 grams tomato concassé; 1 onion (chopped); 1 bay leaf; 1 litre water; ½ kilo rice; salt, pepper; ½ teaspoon cayenne pepper; 2 stock cubes (beef); carrots (halved); eggplant (halved); cabbage (quartered); pumpkin (cubed)

Cooking: Cut the meat into cubes and fry in a pan with hot oil, adding the chopped onion and tomato purée. Cook out, and add tomato concassé and cayenne and the water, and bring the whole to the boil. When it is boiling, add the stock cubes, bay leaf, salt and pepper and the vegetables. Continue boiling for 15 minutes. If the cabbage is cooked, remove it and keep it warm, and simmer everything else for 30 minutes. Then remove the remaining vegetables and put them with the cabbage. Add the rice (having washed it) and bring the meat and rice to the boil again for 15 minutes. Reduce heat and allow to cook gently for a further 30 minutes. The benachin is ready to serve when the water has been cooked off and the rice is tender. Add the vegetables as a garnish.

4. Coos chereh

Ingredients:
Coos flour;
Dried pounded baobab leaves;
water.

Cooking: Moisten the flour so that it forms tiny lumps, hardly bigger than grains of sand. Pass through a rough sieve. Put the balls on a clean white cloth inside a bain-marie and steam them until they are well-cooked. Then add the powdered baobab leaves and bruise the mixture with a wooden spoon. This can be served with a groundnut or palmoil sauce, with a soup, or with sugar and cream. o TG

EEC-The Gambia Cooperation(*)

As is the case for most of the anglophone ACP States, this year sees the approach of the completion of a decade of co-operation under the Lomé Convention between The Gambia and the European Communities. And, while the focus of forward thinking in that co-operation is now turning towards Lomé III, this is also a particularly appropriate time to review what has been, and remains to be, achieved under the 1st and 2nd Lomé Conventions.

Indicative Aid Programmes (IAP) under Lomé I and II

The evolution in the methods of programming under the two successive Conventions makes direct comparisons impossible between the IAP's for The Gambia. Table 1, however, gives an impression.

At first glance, there was a very sharply lower allocation to rural development in the Lomé II IAP. Indeed, there was a reduction, but only of about 12 percentage points. In the IAP for Lomé I, however, rural roads were included under rural development, whereas in that for Lomé II, they were in the separate "road and river transport" allocation. In fact, under Lomé II, virtually the whole of this latter allocation has been assigned to rural roads, thus making the total of this and the "agriculture and fisheries" sectors 44%.

Appearances are deceptive, too, in the cases of social infrastructure and training. Under Lomé I, the whole of the "social infrastructure" allocation went towards the construction and equipment of Brikama College (part of The Gambia College) and, therefore, in effect, the training and education sector had a total allocation of 43.3%, because of the inclusion of this one large project. Under Lomé II, similarly, one large project—Banjul sewerage and drainage—will probably absorb the whole allocation to "health and low-income housing".

Overall, in fact, eliminating the largest single project in both IAPs, (Brikama College under Lomé I and Banjul sewerage under Lomé II), the real change in bias has been an increased allocation to the "non-building" elements of training and education.

Table 1
Indicative programmes

Lomé I Category	% (*)	Lomé II Category	% (*)
Rural development (including roads)	56.1%	Agriculture and Fisheries including Micro-projects	20%
Social infrastructure	32.5%	Health and low-income housing	30%
Training and technical assistence	10.8%	Training and Education	21%
Micro-projects	0.4%	River and Road Transport	24%
Miscellaneous	0.2%	Small and medium-sized enterprises and trade	2.5%
		Miscellaneous including energy	2.5%
	100 %		100 %

Programmable funds (Lomé I)

Total — ECU 11.3 million (all grants)

Programmable funds (Lomé II)

Initial allocation — between ECU 13 and 16 million (of which, special loans ECU 3 million, the balance grants)

Fiscal allocation

Total ECU 14 million (of which special loans ECU 1.5 million, the balance grants)

(*) Under Lomé I the programme breakdown was expressed in EUA (now ECU). These figures have been converted into percentages for easier comparison.

Commitments under the Indicative Programmes

Commitments under The Gambia's IAP for Lomé I (in common with those for most of the "new" ACP States) got off to a relatively slow start. But the rate of commitment accelerated quite satisfactorily, and, by 1980, before Lomé II came into force, virtually the whole of the IAP had been committed. As at 30 June 1984, the total commitment stood at ECU 11.28 m (99.8% of the IAP).

For Lomé II, commitments under the IAP at first went quickly, but this mainly reflected the approval, within six months of the Convention's coming into force, of the Banjul sewerage and drainage project, which alone accounts for 25% of the total IAP. Progress thereafter was slower, but by 30 June 1984 a total of ECU 8.55 m (61.1% of the IAP) had been committed. There are good prospects that this percentage will rise to over 80% by the end of 1984 or early in 1985.

Non-programmable aid under the Conventions

For The Gambia, as for some other ACP States, non-programmable aid allocations under both Conventions have already exceeded the total programmable allocations of funds.

Under Lomé I, non-programmable allocations amounted to ECU 11.38 m (100.7% of the IAP), of which Stabex transfers accounted for ECU 7.52 m and risk capital accounted for ECU 2.36 m.

Under Lomé II, non-programmable allocations have already, by 30 June 1984, amounted to no less than ECU 15.94 m (113.9% of the IAP). Stabex transfers and project-tied grants, so far, account for ECU 14.29 m, and risk capital for ECU 1.6 m.

Total commitments and disbursements under Lomé I and Lomé II

Altogether, therefore, total agreed commitments, up to 30 June 1984,

(*) Article provided by EEC delegation in The Gambia amounted to ECU 22.66 m under Lomé I and ECU 24.49 m under Lomé II. Even without allowing for possible further allocations outside the IAPs. The Gambia is, therefore, assured of funding under the two Conventions (including the so-far-uncommitted balances of the IAPs) totalling at least ECU 52.62 m (ECU 22.68 m under Lomé I and ECU 29.94 m under Lomé II).

Table 2 shows total commitments and (except for the years 1976 to 1979, for which separate annual figures are not available) disbursements, annually up to 30 June 1984.

The table very clearly shows the build-up in the rate of commitment under Lomé I, the early start to commitments under Lomé II, and, despite the lack of separate annual figures for 1976 to 1979, the corresponding, but lagged, build-up in the rate of disbursements.

Allowance must, of course, be made for the effect, on both commitments and disbursements, of Stabex transfers (which, by definition, occur irregularly and which also are normally disbursed quickly and in single relatively-large amounts). Stabex commitments and disbursements had a considerable effect on the Lomé I figures for 1979 and 1980, and on the Lomé II figures for 1981 and 1983.

Table 2
Annual commitments and disbursements

ECU million

Year	Commitments Lomé I	Commitments Lomé II	Commitments Totals	Disbursements Lomé I	Disbursements Lomé II	Disbursements Totals
1976	1.04	–	1.04	(Separate figures not available for years 1976 to 1979)		
1977	2.10	–	2.10			
1978	5.09	–	4.09	5.17	–	5.17
1979	5.20	–	5.20			
1980	9.27	–	9.27	5.66	–	5.66
1981 (–)	(0.01)	11.79	11.78	4.47	8.18	12.65
1982 (–)	(0.03)	5.42	5.39	3.17	0.41	3.58
1983	–	5.14	5.14	0.58	5.10	5.68
1984 (*)	–	2.14	2.14	0.21	2.54	2.75
Totals (*)	22.66	24.49	47.15	19.26	16.23	35.49
Total disbursements as a percentage of commitments (*)				85.0%	66.3%	75.3%

(*) To 30.6.1984.

Brikama College, a part of Gambia College which is the country's highest educational institution

Principal operations and programmes financed under the Conventions

Stabex

The innovative provisions in the Lomé Conventions for assistance in stabilizing export earnings—"Stabex"—have emerged as far the most important single element in co-operation between The Gambia and the European Communities under both Lomé I and Lomé II.

As a country heavily dependant for its foreign exchange earnings and general economic health on the production, processing and exports of groundnuts and their products, The Gambia recognized from the outset the great potential benefit of these provisions. As with other agriculture-based industries geared to export markets, the groudnut industry's health is subject to two major influences, quite out of the control of producers, processors, merchants and their governments. These are the weather and world market conditions, both of which fluctuate widely and usually unpredictably. Since the coming into force of the first Lomé Convention, The Gambia has felt the full force of these factors. In 1978, 1979, 1980 and 1981, exports of groundnuts and/or products were seriously affected by poor rainfall in the growing season. Then, in 1982, despite a much better crop, there was a serious drop in world market prices. The first year since 1977, in which The Gambia's export earnings from groundnuts and products have been above the "reference levels" (average earnings from each product during the proceeding four years), was 1983.

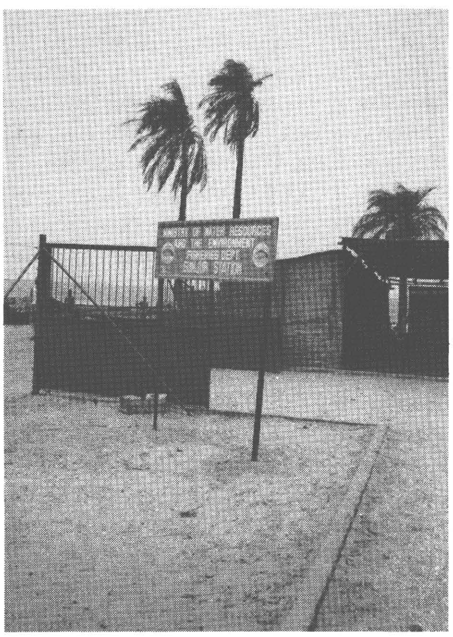
Over the five years 1978 to 1982, The Gambia received Stabex transfers (and, for 1980, additional "project-tied" grants partly offsetting the general reductions in transfers in that year) totalling ECU 21.8 m, or over 46% of all EDF allocations to The Gambia under Lomé I and Lomé II combined. As The Gambia is classified under the Conventions as a "least-developed ACP State", its Stabex transfers are all in the form of non-refundable grants.

Other principal Gambian operations

Under the Lomé Conventions, so far, the largest single project has been that for the construction and equipment of the new Brikama College buildings, forming part of the Gambia College. The project is financed by grants in two phases—

Phase I (originally for ECU 1.531 m, subsequently increased to ECU 1.76 m), covering the buildings of the teaching complex and its equipment

Phase II (originally for ECU 1.925 m, subsequently increased to ECU 2.214 m), covering the buildings of the student accommodation and its equipment.



The fisheries station at Gunjur where much of the infrastructure for the artisanal fisheries project is situated

The total funding provided for the project is therefore ECU 3.974 m. The increases were to cover the adverse effect of changes in exchange rates on the contract costs.

The Gambia College is the highest-level educational and training institution in the country, covering the training of teachers, nurses and agricultural extension staff. Nursing training is carried out in Banjul, while the Brikama complex provides for the training of teachers and agricultural extension staff.

The buildings at Brikama replaced temporary and inadequate accommodation at Yundum, in buildings originally provided for an agricultural development project. The Phase I buildings were handed over in March 1981 and those in Phase II in August 1982, and the buildings were thus ready for use for the 1982/83 Academic Year. The College was officially opened by the President on 18 February 1983—The Gambia's Independence Day.

The final list of furniture and equipment, to complete the facilities is now under consideration.

Next in size is the Banjul Sewerage and Drainage Project, for which a grant of ECU 3.5 m was approved under Lomé II in the first half of 1981. The design studies were financed by a grant of ECU 214 000 under Lomé I. This project is co-financed with Kreditanstalt für Wiederaufbau (KFW) under the Federal German Government's co-operation programme with The Gambia, the African Development Bank Group (ADB), and the Government (through The Gambia Utilities Corporation (GUC)).

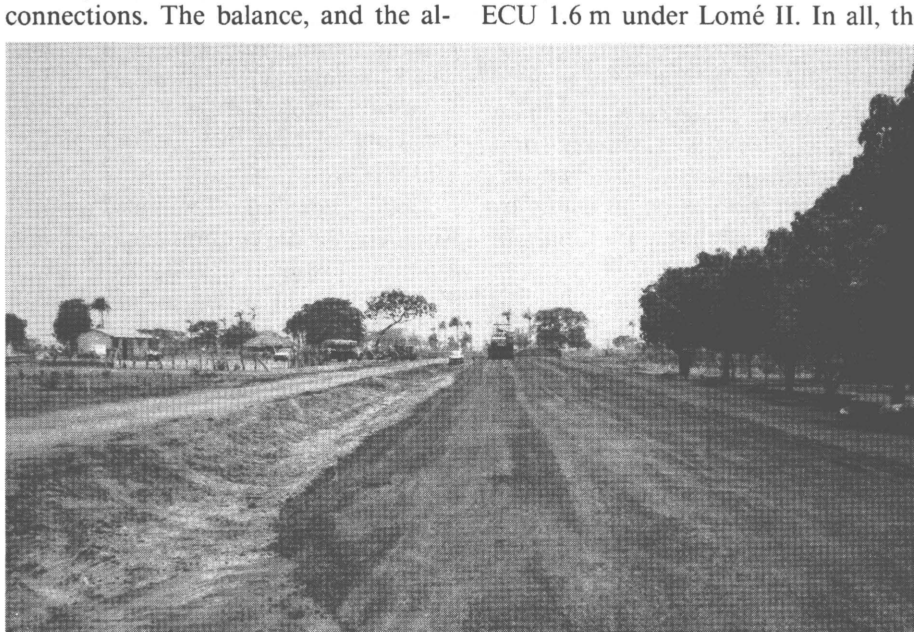
The project is aimed at improved rainwater drainage, and, for the first time, the provision of water-borne sewerage facilities, in the City of Banjul. Both these developments are aimed essentially at public health, and, because of the low-lying situation of the capital city and its consequently high water-table, are particularly essential.

The greater part of the EDF financing is earmarked for technical assistance and training for the GUC, which will operate the facilities, and a revolving fund for individual sewerage connections. The balance, and the allocations by KFW and ADB, will be used to finance the construction and equipment of the scheme—for which tenders were invited from pre-qualified firms in the first half of 1984.

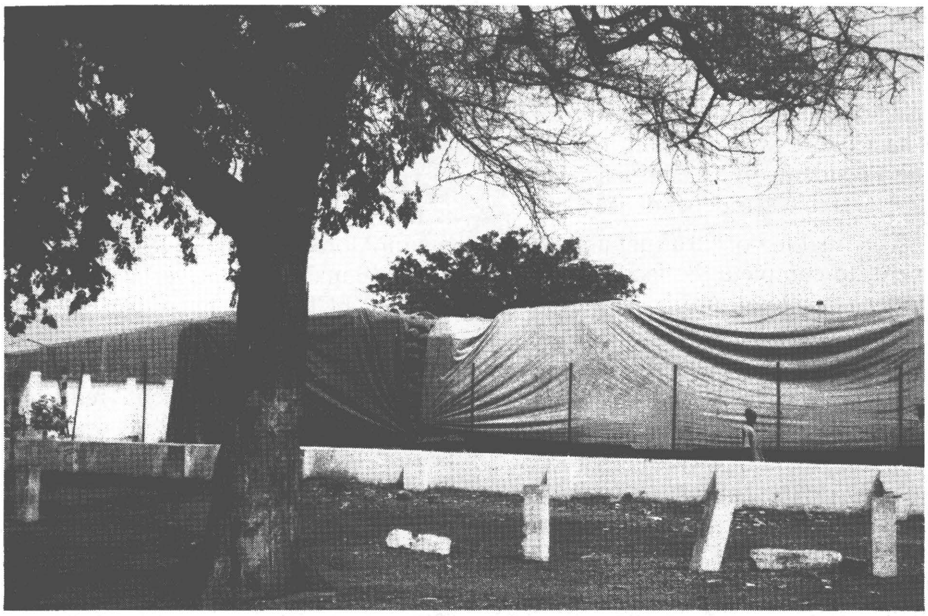
The next-largest individual project is that for the construction of the Buniadu/Albreda/Kuntair Road on the North Bank of the River Gambia. A grant of ECU 3.961 m (of which ECU 519 000 was subsequently reallocated to the Brikama College project, at the request of the Government, reducing the total to ECU 3.442 m) was approved under Lomé I.

Unfortunately, due to disputes over certain financial aspects of the contract, the contractor ceased work in 1982, and the contract was finally terminated in 1983. However, arrangements were subsequently made by the Government for the works to be completed by a feeder roads construction unit, set up under the Ministry of Works and Communications by UNSO, and the final stages of construction should be completed this year, within the financing provision. The road serves an important agricultural area and will provide links both to the Banjul/Dakar road and to the wharf at Albreda served by the Gambia River Transport Company.

Another important rural development project is the Artisanal Fisheries Development Project for which grants have been provided in two phases, totalling ECU 1.55 m under Lomé I and ECU 1.6 m under Lomé II. In all, the



Road construction is an important element of The Gambia's share of the EDF budget



Receipts from Stabex have greatly helped the country during four years of poor harvests and low prices for its groundnut crop

project comprises the construction of a central base at Gunjur on The Gambia's southern coast on the Atlantic Ocean; an ice-plant at Brikama (serving both river and southern coastal fisheries); feeder roads and a bridge in the coastal area; a revolving fund for loans to artisanal fishermen and those engaged in related activities; training; radio communications; and technical assistance.

The roads, bridge, ice-plant and base at Gunjur were largely completed by 1983, though minor additional works and improvements have continued. The Gunjur Centre and the ice-plant were officially opened by the Minister of Water Resources and the Environment in April, 1984.

Although the physical construction stage of the project is effectively completed and in operation, the true impact of the project will be measured by the use which is made in future of these facilities, by the follow-up to technical assistance and training, and, in particular, by the effective use of the revolving fund in the provision of credit to fishermen, processors and traders, to enable landings to be increased, processed and effectively marketed.

NGOs have confinanced numerous small rural projects

Of particular importance for future development generally are the grants under the Convention for Education and Training. Apart from specific provisions under individual projects (for example, the Banjul sewerage and drainage and artisanal fisheries projects), The Gambia has sought financing for Multiannual Training Programmes, under both Conventions, for which grants totalling ECU 2.67 m have been provided (ECU 0.73 m under Lomé I and ECU 1.94 m under Lomé II).

Under Lomé I, 72 study awards were financed, committing the full amount available (of which ECU 404 000 was the initial allocation and ECU 328 000 was a supplementary grant). These awards were mainly for training outside The Gambia, in the fields of education, transport, building and construction, agriculture and management.

The Lomé II allocation — nearly three times the total for Lomé I—will enable a substantial increase in the volume of training to be carried out. The Multiannual Programme, in which considerable progress has already been achieved, provides for 140 student/years of training outside The Gambia, in addition to financing for local in-service training courses.

Other, smaller, allocations of programmable funds under the two Conventions have been made for Rural Vocational Training—a particularly imaginative and cost-effective project, technical assistance, agricultural credit, trade fairs and various studies.

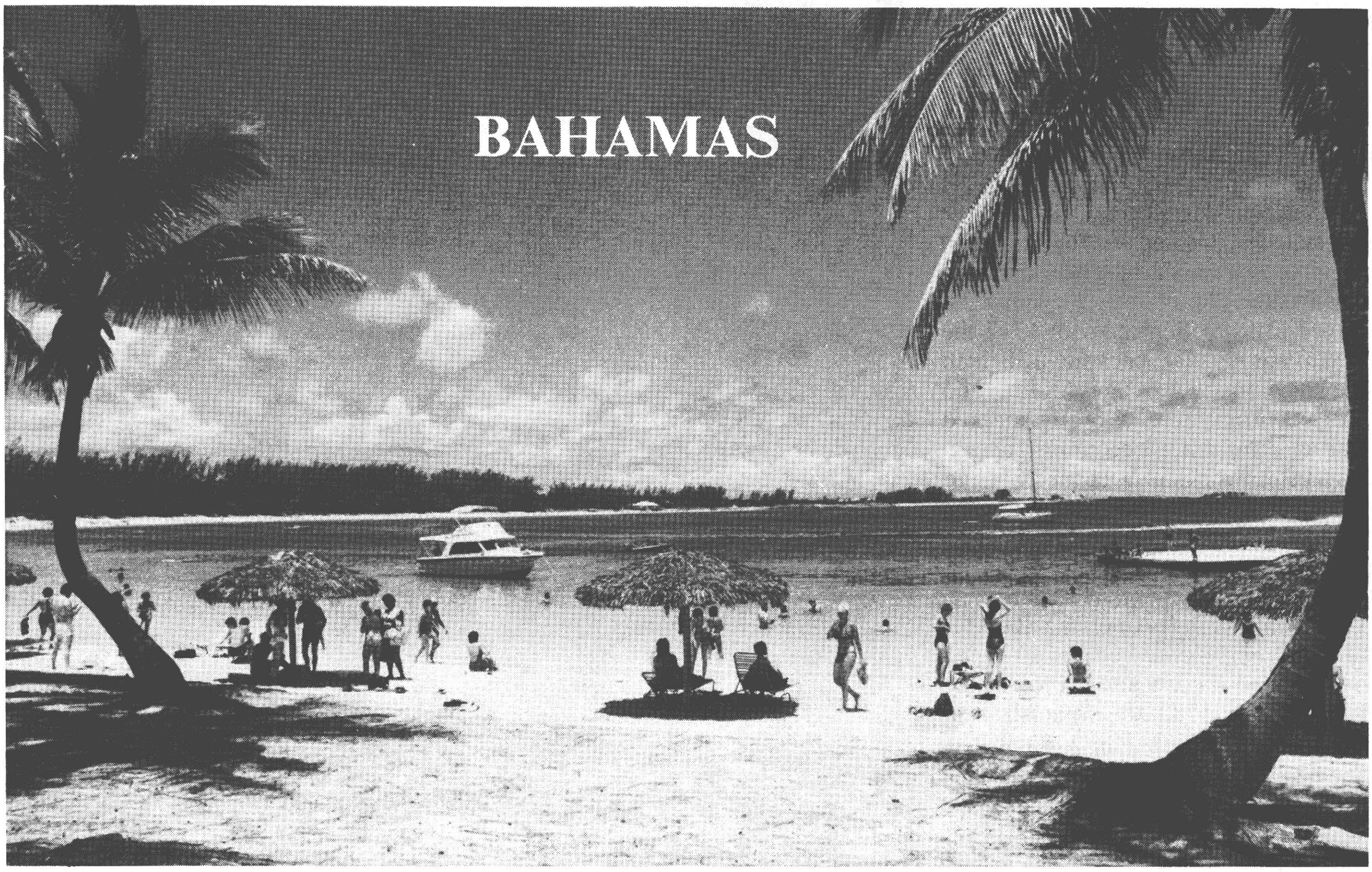
Regional co-operation

Regional co-operation was assigned an important role under both the Lomé Conventions, and allocations under this heading have been made to a number of projects and programmes of importance to The Gambia. In all, to date, total allocations to such regional projects have amounted to over ECU 46 m.

Of these, the allocations of greatest direct significance to The Gambia have been those for the design and related studies for the bridge/barrage on the River Gambia (for which grants of ECU 2.07 m have been provided); for the design and construction of improvements to the Banjul/Bissau road (a grant of ECU 10 m covering sections in The Gambia, Senegal and Guinea-Bissau); for the INTELCOM project (a conditional loan of ECU 10 m to the ECOWAS Fund for improvements in telecommunications between Senegal, The Gambia, Mali and Guinea-Bissau); and, most recently, for research on Ndama cattle (a grant of ECU 2.5 m through ILCA and ILRAD, for research in The Gambia and Senegal in conjunction with the International Trypanotolerance Centre, established in and on the initiative of The Gambia).

Co-operation outside the Lomé Conventions

Co-operation between the European Communities and developing countries, including the ACP States, is not, of course, confined to that under the Lomé Conventions, and The Gambia has shared in this co-operation. Among the fields covered have been food aid, both direct and through Non-Governmental Organizations (NGOs), and the co-financing with NGOs of small-scale, mainly rural development projects. The Gambia also received an allocation of $ 1.7 m for a road maintenance project, under the European Communities' allocation of $ 385 m to the CIEC Special Action programme. o



Bahamas Information Service

A paradise for tourists and bankers

It starts at Nassau Airport: a continous touching down and taking off of aircraft, mostly of US origin next to the blue-bodied Bahamasair planes, all bulging with departing or arriving tourists, demonstrating what this country is really all about, one enormous holiday resort. From the air one gets the same image of Nassau Harbour, where giant cruise-ships, including the *Norway* (ex-*France*) also allow their passengers to see for themselves whether really "it's better in the Bahamas".

Among the hordes of sun-tanned and very casually dressed tourists, one can easily spot the odd businessman in classical pin-striped suit, carrying the inevitable briefcase, obviously more interested in dealing with one of the 360-odd banks and trust companies. To him the appeal of tax-haven offshore wheeling and dealing ranks above the attractions of surf-board, diving or gambling in the casinos, though here he is certainly tempted to mix business with pleasure.

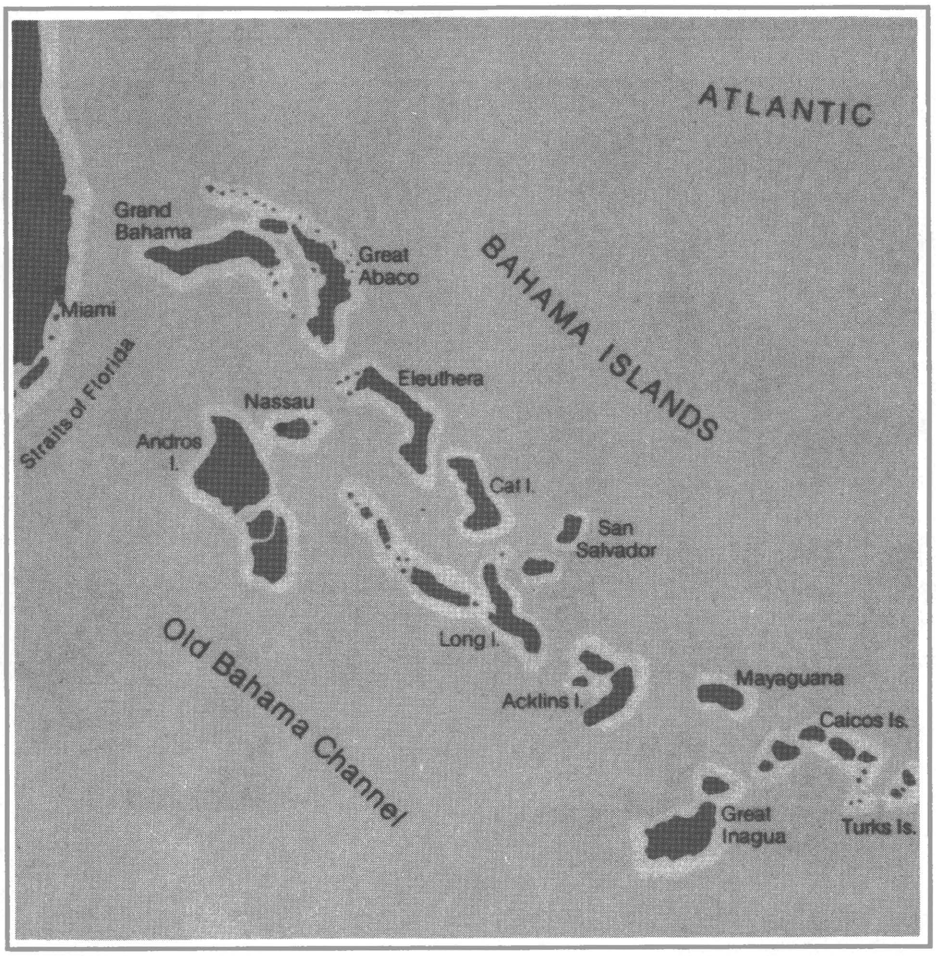
With a total of over 2.2 million visitors in 1983 the Bahamas is clearly the Caribbean number one tourist destination. When compared with the Bahamas' own population of only about 230 000, last year's tourist total represents a ratio of 10 tourists to one Bahamian, which explains why the Bahamas have such a strong international flavour, yet predominantly US-influenced as the vast majority of visitors originate from the US.

Something of its own

The Commonwealth of the Bahamas consists of an archipelago of some 700 islands and about 2000 cays or islets and rocks, lying about 50 miles east of Florida and extending in an arc of roughly 600 miles towards the northern edge of the Caribbean. The actual land surface is just less than 5 400 square miles—yet it is spread out in an area of approximately 100 000 square miles. The capital, Nassau, is located on New Providence, covering only 80 square miles, yet this island contains over 60% of the population, while some islands have only a few dozen of inhabitants.

Although the complex geographical situation offers some advantages, to name only the potential for tourism diversification, it also constitutes a heavy burden on the government which has to try to assure an equal spread of services and facilities over the various parts of the country. To some extent one could call the Bahamas a sort of mini-Caribbean on its own, yet most Bahamians do not really consider themselves as being a full part of the Caribbean. Only in 1983 did they join CARICOM as a full member, the 13th; for the previous decade they limited themselves to observer status within this main Caribbean regional body.

Historically speaking, they were discovered in 1492 by Columbus, who landed on the island of San Salvador. But the Spanish did not really claim the Bahamas. They limited themselves to virtually eliminating the indigenous Arawak Indians, shipping them out to a certain death in their mines in Cuba. Claimed by the British as far back as 1629, the first permanent settlement was only established in 1647 when a group in search of religious freedom called the Eleutheran Adventurers, moved in from Bermuda. In 1717 the Bahamians finally became a British Crown colony, but in fact the 17th and 18th centuries were basically marked by such "informal" economic activities as shipwrecking, buccaneering and piracy. Not surprising therefore, the Bahamas' coat of arms prior to independence carried the motto "pirates are expelled, commerce is restored"... At the time of the American Revolution in 1776 over 6 000 so-called loyalists fled the US and settled in the Bahamas. In 1782 the Spanish captured the islands, but in 1783 British rule was reestablished. Confederate blockade-runners used the Bahamas as their base during the 1861-1865 American Civil War, trying to breach the Northern blockade and supply the Southerners with war material and medicines. Achieving full independence on 10 July 1973, today the Commonwealth of the Bahamas is a bicameral parliamentary democracy based on the Westminster model. Though profoundly marked by British colonialism, the American way of life has settled in more and more and makes the Bahamas a real compromise between the "old" and the "new" English-speaking world, a sort of old-world referee for a new-world game.



"A unique position"

Considered as an upper-middle income developing country, the Bahamas' economy is principally based on tourism and off-shore financial activities. "Vis-à-vis those two mainstays of our economy, we have a unique position: our geographical vicinity to our main market" stressed Central Bank Governor William Allen. The early 1980s saw no real growth; on the contrary, due to the recession visitor arrivals fell by 7.4% in 1981 over 1980. By 1982 a turn-around occurred and by 1983 GDP showed a modest growth of 3%. "Next to our socio-political stability, we also have a stable monetary position, with good international reserves, an exceedingly good balance of payments and a rate of inflation which is not unmanageable as it now stands at around 4%. All this cumulated made us nicely positioned for the upswing in the US economy and eventually in the rest of the world"—Governor Allen declared. However he remains concerned that "this recovery may be short-lived" and the possibility of rising interest rates and the size of the US deficit—two problems "which will not be tackled before the US presidential elections"—can only add to his concern. "Clearly the Bahamas need growth, yet our local productive capacity to achieve this is limited, we should therefore try more and more to link up our domestic economy into the predominant tourist sector and promote even more agriculture, fisheries and small industries" thought Governor Allen.

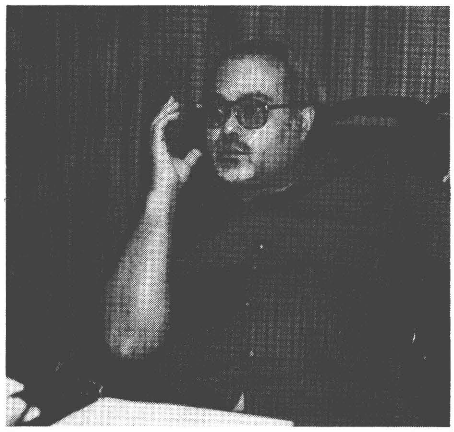
In addition to its proximity to the US and to the already mentioned political, social and monetary stability, the Bahamas also has excellent transport and communication facilities and of course, last but not least, a virtual absence of taxes. No personal or corporate income tax, no withholding tax or estate or inheritance tax, hamper the country's open-handed welcome of foreign investment. Combined with the safe haven aspect of its economy—Bahamian managers often refer to the Gulf crisis or the uncertain future of Hong Kong—the skills and experience of many Bahamians in tourism management and international finance make it as competitive as possible with other tax havens such as Bermuda or the Cayman Islands within the same region.

Tourism, the motor of the economy

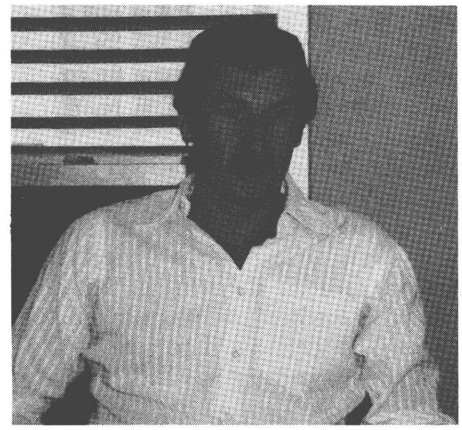
Accounting for about two thirds of GDP, employing over a quarter of the workforce and bringing about tourist expenditure estimated at B$ 730 (1) million in 1983, tourism is a clear determinant for the Bahamas' economic well-being. "Our view on this sector's future is based on the segmentation of our main markets, in order to diversify our tourism approach and to respond quickly to changing market con-

(1) B$ 1 = US$ 1.

William Allen
Governor of the Central Bank



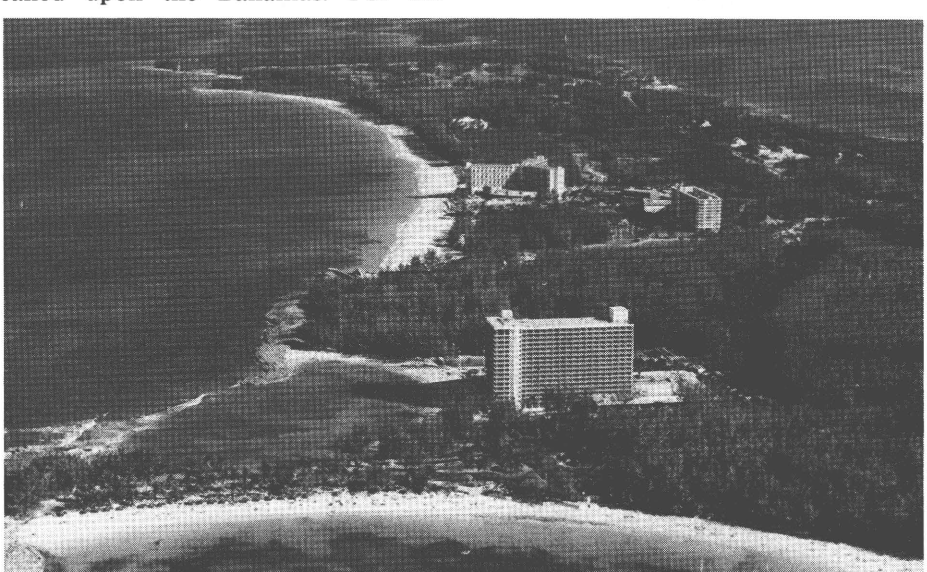
Basil O'Brien
Permanent Secretary in the Ministry of Tourism



James Hepple
Consultant at the Ministry of Tourism

ditions" said Mr Basil O'Brien, Permanent Secretary at the Ministry of Tourism. Dr James Hepple, senior planning and research consultant at the same ministry, stressed "the need for careful analysis of the detailed tourism data in order to assure continued up-to-date response to the main markets' requirements".

Right now a reassessment of the Bahamas' 10-year tourism development plan for the 80s is taking place in view of changing economic conditions. Indeed, although visitors' arrivals in 1983 reached an all time record of over 2.2 million—over 800 000 of them arriving by cruise ship, the bulk of the rest by air—the number of hotel nights for instance went down to 5.3 million in 1983 against 5.9 million in 1980 when about 1.9 million visitors called upon the Bahamas. For the same years, the average length of stay for all visitors went down from 7.14 to 6.55 nights. The geographical origin of tourists also underwent drastic changes: the traditionally predominant US market increased its share from 74% of the hotel visitors in 1980 to about 85% in 1983. Canada and Europe, the two other main markets' both showed a severe downturn: the share of Canadians in the total number of hotel visitors fell by 45% since 1980, while the European market proved even worse, going down by 56%. The general weakness of European currencies vis-à-vis the US dollar with which the Bahamas dollar is at par, and the effects of a world-wide economic recession reducing disposable incomes in Canada and Europe, are the main reasons for this change in the tourist market pattern.



Bahamas Information Service

Partial view of Paradise Island. The number of American visitors has kept increasing over the past few years while Canadian and European visitors are coming in smaller numbers

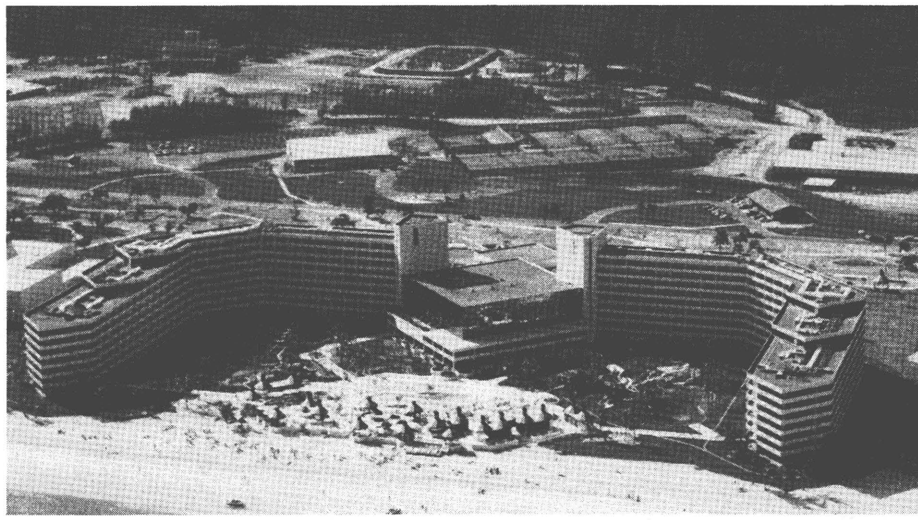
Benefitting from their geographic proximity, and therefore low transportation costs, Americans seem more and more to have set in a trend of short, 3-4 day trips. "Here too" stressed Dr Hepple, "the market requires a careful approach: in the US, competition for disposable income is tough, as many other leisure pursuits compete for the potential client, not to mention the competition from other sun-spots. In addition, short trips often depend on a spontaneous decision which in return demands more flexibility on the Bahamas' capacity. The conventional argument of more actual leisure time has, in fact, little significance, as studies have shown, because even if more time is available, incomes generally have stabilized or even gone down".

Permanent Secretary O'Brien underlined "the need for a continued adaptation of both the product and its marketing. We are continously looking for ways and means of supplementing our sun-sea-sand combination with other amenities and facilities. This may be less critical for a real short term visitor, yet for those staying here longer, we just have to give him that something more which can make his vacation a success". In terms of marketing, according to Mr O'Brien, 1 dollar currently spent by government services generates about B$ 25 of tourist expenditure. Of course, Government tourist efforts are complemented by marketing and advertising by the private sector, be it airlines, privately owned hotels, restaurants etc. Moreover, all expenditure on improving infrastructure also benefits both tourists and the local population.

In the US, the Eastern seaboard plus

the South are growing markets, but other areas there will be "worked over" too. Canada needs a thorough segmentation study as its share in the Bahamas market last year fell off by 6%, yet its total international travel rate increased by 18%. Europe remains a long term problem, as the Bahamas has an expensive image there due to a tough dollar rate. The approach, therefore, will be to tackle the up-market sector, promoting the Bahamas as a multiple island "status" destination.

Generally speaking, the Bahamas already has a high rate of repeat business as about 48% of their visitors were there before, most of them within the past three years or so. By 1985, the Bahamas hopes to reach the B$ 1 000 million tourist expenditure target, but let's not forget Bahamians are in some ways big spenders themselves, as is shown by the estimated B$ 100 million they spent abroad last year, mainly in the US.



The new government-owned 730-room Cable Beach complex has increased internal competition but is also a major incentive for other hotels to upgrade their facilities

Increasing professionalism in the tourist industry

Among his many functions, businessman Vincent d'Aguilar, owner of the 66-room Dolphin Hotel, is also Vice-President of the Bahamas Hotels Association. As representative for the local Bahamian hotel industry—as many of the almost 14 000 hotel rooms are owned and/or managed by private international hotel corporations or by the government—he voiced some of the concerns of local hoteliers: "Tourism is obviously our lifeblood, and we would like to continue to see it being promoted as our number one industry. However at times when competition locally get tougher, the smaller hotel proprietors at the lower end of the market are really struggling to survive. In a depressed market the big hotels have a tendency to lower their prices and this has a downward spiral effect on all. There is also sometimes a feeling that government-owned hotels tend to get more promotion than we, the smaller hotels, do, yet we, more than the big privately-owned hotels are dependent on such efforts from the Tourism Ministry and the Tourism Promotion Board". Indeed, outside peak periods, bigger hotels temporarily downgrade themselves as it were, to fill up anyhow, but they are far more flexible in doing so than the smaller ones. Then, of course, there have been the effects of the opening, late 1983, of the government owned Cable Beach complex, a 730-room hotel with convention facilities, which launched promotional tariffs in order to make occupancy rates look decent. Yet Mr d'Aguilar feels that "though right now this new complex sharpens competition a lot, in the end it will be good for the whole industry. Due to this new competitor, a lot of hotels have felt the need to refurbish and it brought about quite considerable capital injection to upgrade facilities at other hotels. To some extent we all had to pull up our socks, so to speak".

Mr d'Aguilar also felt that there was " a clear need for more professional Bahamian management, not just based on acquiring experience on-the-spot, but in terms of even better schooling and training". Already the Bahamas are leading the field throughout the Caribbean in hotel training with not only the Bahamas Hotel Training College but also the Hotel and Tourism Management College of the University of the West Indies. In his view "hotel management is now increasingly regarded as a respectable profession with more and more young Bahamians willing to get proper higher managerial training, both at home and abroad".

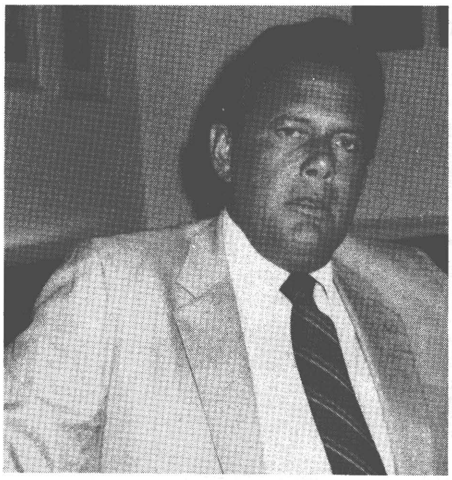
Vincent d'Aguilar
Vice-President of the Bahamas Hotels Association

Promotion-wise it is also not easy for the government to strike a balance between Nassau, Paradise Island, Grand Bahamas and the others, generally referred to as the Family Islands. Bigger groupings of hotels, like those on Paradise Island, for instance, do a lot of their own direct marketing and in fact the latter have recently started their own charter to New York, which though a first, is not without a certain risk.

Mr d'Aguilar also stressed "the awareness of Bahamian hoteliers of the need for stimulating cooperation with local agro-industry. We are all for local produce, but quality, presentation and packing, and regularity of supply have obviously to meet the high standards of the clientele. So whenever these parameters are fulfilled, we ask for no better than to 'go local' as it were".

"As tourism goes so goes the Bahamas"

Chamber of Commerce President Alex Knowles could not have been more explicit when pointing out the driving force behind all business in the Bahamas. Sharing the same view, Judy Munroe, herself in charge of the International Relations Committee of the Chamber of Commerce describes today's Bahamian business climate as "generally good, yet some of its weak spots could be tuned up". Grand Bahama—Freeport for instance "hasn't come up to expectations, both in terms of industrial development and in terms of tourism activities". "We didn't really put our finger on the tourism problem in Freeport, which was hardest hit by the recession" thought Mr Knowles. The Nassau-Paradise Island combination—where in contrast to Freeport, hotels are located bang on the beach, whereas in Freeport one needs a bus to get there—showed perhaps more stamina in its promotional efforts, as in recent times they spent over B$ 35 million on renovation and promotion. The fact that Freeport pays lower wages than the others, may also mean they get less good staff. The Chamber of Commerce spokesman also felt that the approach of Freeport as a haven for foreign companies, has had little effect on the local economy. The cement plant there, for instance, was finally sold to an Arab group, who renovated it but also laid off a lot of people. The BORCO oil refinery, with a 500 000 barrel per day capacity, mainly oriented to the US market, also faces numerous problems in view of the present oil glut. Although very profitable up to 1978, the bottom fell out of it, so to speak, with the 1979 Iran crisis.

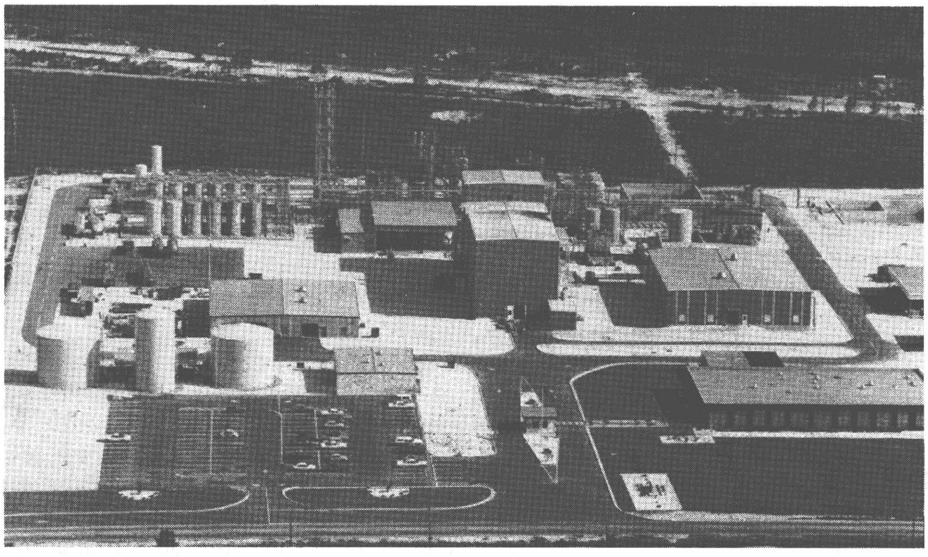


Alex Knowles,
President of the Chamber of Commerce

Both sharing Mr d'Aguilar's views on the increased internal competition brought about by the coming on stream of the Cable Beach complex, Mr Knowles and Mrs Munroe also see interesting perspectives opened up by new legislation passed on the control of foreign land ownership. The new bill will make it easier to develop condominiums and particularly time-sharing units which offer good growth potential. Already Family Islands like Abaco have a return rate of over 66% without any promotion at all, and such time-sharing units could only make the ties with the tourists even closer. As business representatives they also feel some tourist subsectors ought to get increased attention. The shopping advantages for instance have not been promoted sufficiently, but in their view "it could well become an

Judy Munroe,
in charge of the International Relations Committee of the Chamber of Commerce

additional major attraction". "Also, about 80% of all handicrafts sold to tourists are imported, so why not start producing them locally? After all, our own fast growing population combined with over 2.2 million visitors offer an increasingly interesting market for local small industrial undertakings", thought Mr Knowles. There seems scope for small-scale joint ventures with foreign investors, particularly from the US, as admission for the Bahamas to the US Caribbean Basin Initiative is requested. However US authorities seem to link Bahamian admission to the CBI to a reciprocal tax agreement mainly with a view to obtaining tax information on nationals and non-nationals. As Mr Knowles commented "there would be nothing reciprocal to such an agreement. As we have hardly any taxes ourselves, it would be a purely one-way agreement". "Bahamians too should be more encouraged to invest in their own economy." felt Mrs Munroe. In the Florida market, Bahamians have now become the number one spenders, overtaking Latin-American consumers who traditionally used to be the big shoppers there.



Bahamas Information Service

Chemical plant at Freeport, Grand Bahama. In Mr Knowles view, Freeport "hasn't come up to expectations, both in terms of industrial development and in terms of tourist activities"

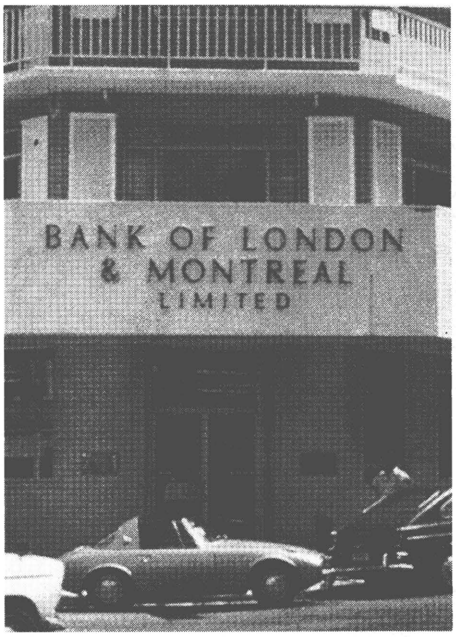
Laughing all the way to the bank

The banking industry is the second most important economic activity after tourism and has clearly made the Bahamas stand out as a firmly established financial centre. Apart from the standard offshore banking and trust companies' activities, the Bahamas are also known for insurance business, ship registration, personal investment companies, mutual funds and international trade financing by multinationals. The whole of the financial sector employs about 3 200 people, some 3 000 of them being Bahamians. Besides being complementary to the tourist sector, these activities represent an input into the national economy of about B$ 100 million in terms of wages and salaries, local expenses, licence fees, accounting and legal services etc. Out of the 360-odd banks registered there, about a 100 have an actual physical presence. The size of total financial transactions is obviously hard to come by, but as Central Bank Governor Allen pointed out "In 1983 we had an estimated volume of offshore Eurocurrency—particularly Eurodollar—loan deposits worth U$ 144 000 million, which probably makes us the world leader in that particular financial subsector".

One such international financial high-flier, willing to talk (though very cautiously), was Karl Hoerkens, Vice-President of the Interamerican Bank Corporation S.A. "Socio-political stability and the availability of infrastructure, particularly in communications, and good staff are prerequisites to attract offshore business, but the appropriate banking secrecy laws are vital to this kind of operation" he stressed. Today the Bahamas still have foreign exchange controls, in contrast to a main competitor, the Cayman Islands; removing them would, in his view, "add a nice touch to the scene".

Typical offshore banks have usually two main sources of capital: their own equity and/or refinancing in the international money market. Karl Hoerkens is not very optimistic about today's international outlook: "All in all the picture is pretty gloomy and things will get a lot worse in banking before they get any better". Enormous debt burdens weigh on many Latin-American countries and protectionism hurts their exports. The US keeps up high interest rates and seems unwilling to do anything about the rise of its budget deficit. It all gives the Eurocurrency loan business a far from brillant outlook at present.

Perhaps more worrying is the generally increased pressure exercised by Europe, but more particularly by the US, on offshore and tax haven centres for the disclosure of information. In the Bahamas the US IRS (Internal



Out of the 360-odd banks and trust companies presently registered in the Bahamas, about a 100 have an actual physical pressure

Revenue Service) has combined its very active efforts with those of the US DEA (Drug Enforcement Agency). Evasion of US taxes but particularly the possibility of laundering money stemming from criminal activities are under close scrutinity by those US bodies, who, however, in the eyes of Bahamian authorities, seem somewhat over-flexible in their notion of national sovereignty. On laundering, Governor Allen declared: "I doubt very seriously whether there is much of it here, in fact I am sure there isn't". Karl Hoerkens confirmed that "bankers here want to remain bona fide. Through the Bahamas Association of International Banks, we are drafting a code of conduct on similar lines to the

Karl Hoerkens
Vice-President of the Interamerican Bank Corporation S.A.

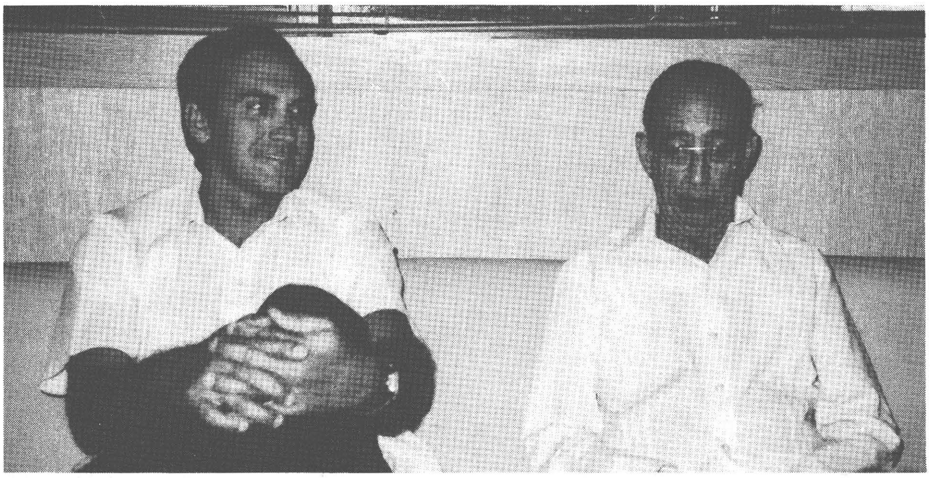
one existing in Switzerland. Despite the high profits possible from such laundering, we clearly do not want to be involved with money originating from crime, and I ensure that we check out all our clients, particularly new ones, very carefully". The Central Bank has already launched two basic measures to prevent possible laundering: big cash transactions, unless by very well established customers, are prohibited and all new business must be reported to it; lawyers and accountants can no longer sign over accounts of offshore customers without Central Bank permission.

As a banker constantly feeling the pulse of the world economy, Mr Hoerkens is deeply concerned by the debt mountain threatening developing countries. "First there was fear of a debtors cartel such as the so-called gang of four, Argentina, Mexico, Brazil and Colombia. Fortunately this didn't materialize. Then the idea, sponsored by the US Federal Reserve, of capitalizing interests arose, which is not permitted and to which we bankers could only react with horror. Finally, when we were on the brink of a financial disaster, the first major round of debt rescheduling was positively concluded, though in the long term the problem isn't really solved, it is only delayed". Not without a certain touch of irony he added: "If all Latin Americans brought their money home, their debt crisis would at least be on the way to being solved".

Yo ho ho and a bottle of rum!

In the Bahamas you see it everywhere, straight, on the rocks, or—more difficult to spot but definitely there—in a wide-ranging colourful variety of exotic cocktails: rum, in this case, Bacardi rum. Not surprisingly, the Bahamas have the highest per capita consumption of this brand of "spirit distilled from sugar-cane or molasses" as the Oxford Dictionary describes it.

New Providence is the base for one of the distilleries of the world-renowned Bacardi group, Bacardi & Company Ltd., which is in fact a reconstitution of the Cuban Bacardi Company which the Castro government confiscated in 1960. Production started here in 1965, and last year about 1.25 million cases of the brand, representing some 10 million litres,



Jorge Bacardi, Vice-President, and Orfilio Pelaez, Executive Vice-President of Bacardi & Company Ltd based in New Providence

were exported mainly to Europe, all bottles carrying reference to the Bahamas on their labels. As Orfilio Pelaez, Executive Vice-President, proudly declared: "Today Bacardi rum has become the number one selling brand of all spirits, meaning a consumption of almost 20 million cases per year". Though all the distilleries are independent companies, the Bahamas branch is really much more than just another producing plant. "In fact we are the watchdog or policeman to supervise all legal requirements concerning the trade mark and quality control of the brand" stressed Vice-President Jorge Bacardi. The Bahamas branch owns the brand names, trademarks and formulas, manufacturing secrets and processes.

The Oxford Dictionary may find it easy to define rum, but, within the ACP-EEC framework, defining rum so far is seemingly part of the—as yet—unfinished labours of Hercules. Longtime negotiator on the Lomé rum protocol, Mr Pelaez of course pleaded for "a totally free access of Caribbean rum to the Community. Presently about one third of the rum distilling capacity throughout the Caribbean is idle, so such unrestricted access of duty-free ACP rum could mean a spectacular economic upswing".

These views are also those of the West Indian Rum and Spirits Producers' Association (WIRSPA), a regional trade lobby of rum industrialists fighting the present rum import quota system for EEC Member States. Recalling with a keen sense of history "the still ongoing wars by the rum producers with France, which go back to the Napoleonic wars", Mr Pelaez stressed that, in the end, "the fight should not be against other rums in the world but against other liquors".

Locally, this Bacardi branch has a pay-roll of some 125 people and yearly this company pays some B$ 2.2 to 2.5 million to the government in the form of an export tax. On top of this direct impact on the economy, the Bahamas also benefits greatly from the group's multi-million dollar advertising campaigns carrying the image which associates the Bahamas with Bacardi, tropical leisure with rum.

Agriculture and fisheries: an untapped reserve

The Bahamas national food bill stands at about B$ 230 million annually, but local food and fish production represent an estimated value of less than B$ 50 million, so there is quite an important gap to close. On the positive side, one can note that between 1975 and 1982, food production rose by 12% per year. Permanent Secretary Idris Reid in the Ministry of Agriculture and Fisheries, is convinced that "agriculture is now really getting under way. We have made some tremendous strides in agro-industry and I am convinced that in the future, agriculture and fisheries will play an even more meaningful role in fighting unemployment and in contributing to overall economic growth". Today just under 5 000 people work in agriculture while over 1 000 are active in fisheries. Contrary to the popular belief that the soil is too poor to cultivate, surveys have come up with a total of 250 000 acres of first grade arable land plus 100 000 acres of second grade arable land, of which only 25 000 acres are under cultivation. In order to bring more land under cultivation and to create an increasing number of farm job opportunities, the government is counting on foreign investment, the creation of joint ventures and the promotion of interest in farming activities among young Bahamians.

"Successful Bahamian farmers are the best incentive to convince others to go into farming and to combat the

Ministry of Agriculture

Bahamas Information Service

Agriculture and fisheries are both still largely under-exploited, yet both are now taking off rapidly

Idris Reid,
Permanent Secretary in the Ministry of Agriculture and Fisheries

Warren Rolle,
Managing Director of the Bahamas Development Bank

glamour and visibility of an easy job in tourism" felt Mr Reid. The back-to-the-soil spirit may not be easy to instil and will require sufficient supporting services as well as financial incentives. It will obviously not happen overnight, yet in most of the Family Islands, tourism as such is already much more closely linked into the local small-scale economy, particularly through farm supplies. Greater linkages between tourism and agriculture offer much scope and more complementarity between the different parts of the country, some more tourism-oriented, others with a greater stress on farming.

"There is also a very good outlook for fisheries in the Bahamas, both for local consumption and for exports, as we have so far only tapped the surface of the fish potential" indicated Permanent Secretary Reid. The fishing fleet is expanding very rapidly. Aquaculture projects, too, are already underway, both for growing shrimps and for other species such as dolphin fish and redfish. By law, fisheries are so far exclusively limited to Bahamians but the concept of deep-sea long-line fishing with larger vessels may involve an amendment in the law to attract the necessary foreign capital. Yet this kind of fishing could create a lot of jobs both on the vessels and in the processing and transformation of the catch. In the Family Islands there is also an important forestry potential, mainly composed of Caribbean pines and at present a forest inventory programme is being carried out. Tapping this potential could again provide quite a number of new jobs.

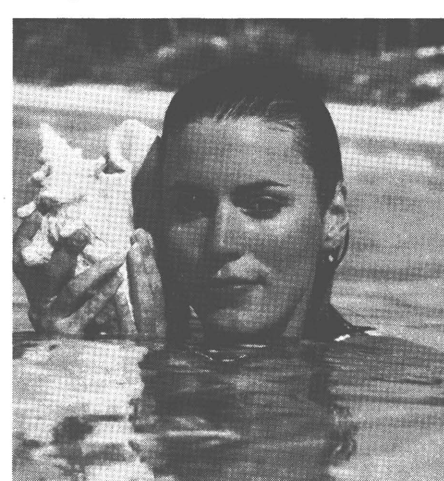
Part of the agriculture and fisheries thrust could also contribute to relieve some of the population pressure on New Providence and the provision of some local economic opportunities in the Family Islands can only contribute to the island-consciousness of most Bahamians, who usually cherish their own island of origin, be it big or small.

"A medium for self-helped development"

Having started its operation in 1978, the Bahamas Development Bank has now become one of the major tools for diversification away from tourism and banking. Principally a credit service for Bahamians willing and able to launch new small scale enterprises or expand them, the BDB made access to credit, hitherto difficult for them, a lot easier. "To some extent it puts wealth in new hands, particularly in the Family Islands, by providing new economic opportunities", BDB managing director Warren Rolle declared. "Since 1978 it has really become a medium for self-helped development working in hitherto untouched areas" he added. Although able to support projects in a wide range of economic sectors, agriculture and fisheries have so far taken up the bulk of credits of the BDB, which benefits from, among others, an EEC credit line for on-lending. "The setting up of light industries may be more difficult to tackle as we have a long tradition of importing virtually everything, not of producing ourselves. Opportunities are there for import substitution but it will take time and research. Mechanized farming and better equipped fishing have so far produced good returns for those involved and their successes have had a favourable demonstration effect which allows us to keep up a certain momentum in those sectors" Mr Rolle felt.

"With a relatively small population, with sufficient available land and other resources, we stand a very good chance of tackling our problems" he stressed.

Two major problems, closely interlinked, are the high unemployment rate, estimated at about 20%, and the fact that the Bahamas appear to have the highest population growth rate in the area with no less than 3.2% per year. The latter figure includes of course Haitian immigrants—nobody knows exactly how many there are—who seem to be responsible in turn for some three quarters of the increase. About 60% of all children are born to single mothers, and the generally young population is considered very "active" as far as procreation is concerned. Social problems may arise and have done so already to some extent, if future generations cannot be gainfully occupied in a broadened economic arena, where other than white-collar jobs gain respect. But as many Bahamians philosophically reflect "it may all be in the conch"! The content of conch shells is supposed to have an aphrodisiac effect which may explain the enthusiasm with which it is eaten in different forms throughout the Bahamas. Unemployment and population growth rates, all in a shell?



Yet there is still the sound of the Bahamas' attractive surf in the empty shell. o R.D.B.

"An industrial country's expectations with a developing country's resources"

An interview with Prime Minister Sir Lynden Pindling

Prime Minister Sir Lynden Pindling

When he joined the then minority Progressive Liberal Party shortly after its creation in 1953, few Bahamians could foresee what predominant role the then 23 year old barrister, Lynden Pindling, was going to play in the country's future. Today, because of that role combined with the length of his public service, his supporters fondly refer to him as "Moses". Indeed, when he led his PLP in 1967 to victory over the hitherto-dominant white oligarchy, the so-called "Bay Street boys", it was only the beginning of a so far uninterrupted series of electoral victories, the last being in June 1982, when his PLP won 32 of the 43 seats in Parliament. In three consecutive major socio-economic moves—the "Square Deal", the "Social Revolution" and the "New Frontier"—Sir Lynden Pindling led the Commonwealth of The Bahamas "forward, upward, onward together" toward these goals, much in spirit of the national motto. In the following interview with *The Courier*, the Prime Minister reviews the country's global economic outlook, comments on the relationship with the USA and assesses co-operation with the EEC.

Persisting unemployment despite continued growth

▶ *What is the present state of the Bahamas' economy and how do you view its future prospects?*

— The Bahamas' economy has experienced positive, albeit mild growth over the past few years despite the negative growth performance of most of our neighbours in the region. This relatively good performance is the result of a mixture of sound fiscal and monetary management as well as certain built-in safety features in the Bahamian economy. By way of example, our major economic sector, tourism, experiences a reduction in European visitors when the US dollar is strong but a strong US dollar permits more Americans to travel to the Bahamas to purchase our European imports—jewellery, perfumes, cameras, etc.—which are relatively cheaper here than in the US.

The other leading sectors of the economy, banking and construction, have also turned in good performances as evidenced by new establishments, our continuous balance of payment surpluses and unprecedented levels of dollar volume of construction starts. There are still, however, certain structural imbalances in the economy as significant pockets of unemployment persist among the young semi-skilled and unskilled population.

The Bahamas is likely to enjoy positive economic growth in the foreseeable future as a result of increased tourist arrivals and as more and more Bahamians become involved in the mainstream of local economic activity in response to my government's policies to encourage local entrepreneurship. The issue of youth unemployment is being actively assaulted by the introduction of a national technical training programme which should equip our youngsters to participate fully in the future growth of their country. This, together with increased government investments in the agriculture and fisheries sectors, should contribute immensely to reversing the trend of youth unemployment.

Rawson Square in Nassau (New Providence), the capital of the Commonwealth of the Bahamas

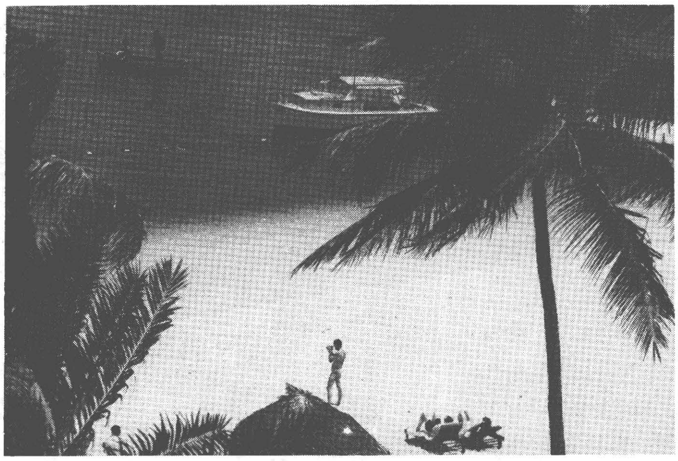
The Bahamas, because of its stability and growth potential is still one of, if not the best, prospects for foreign investment in this hemisphere.

US proximity and national sovereignty

▶ *What, in your view, are the economic pros and cons of your proximity to the USA?*

— Economically, proximity to the United States is undoubtedly the most significant factor in the Bahamas' relatively high standard of living. Tourism flourishes in part, because of the short time and distance—not to mention costs—from the US to the Bahamas. Access to US technology, services and commodities are also facilitated by that proximity.

Socially and culturally, however, proximity to the US is a mixed blessing. Bahamians tend to ape US consumption habits and consequently we are faced with an industrial country's expectations against the background of a developing country's resources. Culturally, we must always be on our



Over 2.2 million tourists visited the Bahamas in 1983. Tourism still offers a considerable growth potential which will be tapped by a marketing strategy based on segmentation

guard to preserve our national sovereignty since, more often than not, some US citizens and agencies tend to think of and act towards the Bahamas as though it were just another US state, because of the proximity.

Less developed and more developed islands in one country

▶ *As a multi-island state, how do you keep a balance in the services throughout the different parts of your country?*

— My government subscribes to the philosophy that every Bahamian citizen and resident deserves the highest level of services possible irrespective of his location in the chain of islands. Taking into account the fragmentation of the land comprising the Bahamas, it is easy to appreciate that delivery of standardized services poses a rather complex and expensive logistical problem. Our islands are scattered over 100 000 square miles of sea, from Abaco in the north to Inagua in the south and on many of those islands we have scattered populations for whom provision has to be made for health, education and communication facilities. In addition, security arrangements have to be made for all those areas.

Because of this, there is considerable duplication of capital development expenditures to meet the needs of these various communities in the various islands.

The provision of docks, roads and airports has placed a particularly heavy demand on national funds. Communication between the islands would normally be by motor vessel, but there are regular air services to all islands, ranging from about three times a day to Grand Bahama to two flights a week to Inagua. Our national airline, Bahamasair, performs in the Bahamas roughly the same service that a regional airline like BWIA performs in the whole of the Caribbean, and we have to fund it all from our own internal resources.

Just as in the whole of the Caribbean where there are less developed and more developed islands, in the Bahamas we have less developed and more developed islands in the one country. Amongst our more developed islands would be Grand Bahama and Eleuthera; next in order of development are Abaco, Exuma and perhaps North Andros; and our less developed islands would be the remainder, with New Providence serving as the metropolis, as it were.

It is nevertheless all one country, under one administration. By increasing the national exchequer, whatever surpluses can be derived would normally go towards improving infrastructure in the less developed areas so as to make them more attractive firstly for the people who live there and secondly to attract new economic activity.

Tourism marketing: "the name of the game is segmentation"

▶ *For several years now the Bahamas has been a world leader in tourism. Is growth there still possible and if so, what are your targets?*

— Yes, growth is still possible. Take the US market, for example, which sends us 85% of our visitors. Last year only 36% of US households took a vacation of 7 days or more. That means that 64%—almost two-thirds of the population—did not. And of those who did take a vacation of 7 days plus, less than 4% visited the Caribbean.

The same survey—a nationwide Gallup survey of US households—tells us that only 11% of those interviewed had ever visited the Caribbean on vacation, while 20% said they would like to. The Bahamas came out of the survey particularly well with 10% of US households saying they would like to visit us one day, this intention being especially strong amongst younger age groups less than 35 years old. So we feel that we have only just begun to scratch the surface.

We know that with more careful targetting of our marketing efforts there are numerous special interest markets with tremendous potential for growth. The name of the game in marketing now is segmentation. My Ministry of Tourism is well aware of this and is making major strides toward implementing new strategies to fully capitalize on this trend.

We are also aware that the marketplace is now much more competitive than it was ten to fifteen years ago. The Indian Ocean has blossomed forth with many new "sun" destinations, as has the Pacific, and the Caribbean itself. For this reason, we are seeking to develop new "sun" destinations on different islands of the Bahamas.

▶ *How do you cope with the social problems brought about by mass tourism and what possibilities are there for diversification?*

— I think there is a big assumption that social problems are a result of mass tourism. I think that our problems, and we acknowledge that there are problems, are very similar to those of numerous young urban communities throughout the region and, in fact, throughout North America. The decline in influence of the church, the changing nature and role of the family, and the rise in the illegitimate birth rate, are problems to be found in many cities and these I think are more a result of mass communications rather than mass tourism.

Towards 50% food self-sufficiency

▶ *Could the impressive food bill be cut down drastically by sustained agricultural development?*

— The future economic development of this country will depend largely on our ability to efficiently utilize our available agricultural resources which, comparatively speaking, are quite significant. We are developing or adapting the technologies that will permit us to produce much of the items we now import.

As you probably know, our national food bill is just over B$ 200 million per annum, about B$ 50 million of which is locally produced. It has been estimated that this level of food consumption represents at least 20 000 jobs, 17 000 of which are outside the country. It is absolutely essential that we repatriate most of these jobs. To repatriate these 17 000 jobs would require capital investments of some B$ 170 million and would result in an increased production in food products worth B$ 85 million. This improved level of production would constitute about 50% food self-sufficiency for the country.

It is obvious, of course, that the massive capital investments needed for this kind of agricultural development must be provided mainly by private investors, both local and foreign. The current phase of our development programme is therefore aimed at speeding up, as much as we can, desirable investments in areas such as beef, edible oils, dairy, fishery and animal feed products.

Creating new productive job opportunities

▶ *To what extent has the Bahamianization policy been fulfilled now and in what areas do you feel more productive employment can be created?*

— The Bahamianization policy is simply that where a particular job can be done by a Bahamian, he or she ought to be given preference to perform that job. We have been insisting on that in all industries and not only at the bottom levels but also right through to middle management and top management. We have done fairly well in this regard in our two major industries, tourism and the provision of financial services, and with the facilities that we have for education and for on-the-job training, we expect to be able to continue our advance at the top management levels in both those industries.

Having said that, I think we still also have to bear in mind that both tourism and international finance are international businesses. Our approach, therefore, would still have to make allowances for foreign representation and participation.

There are still a vast number of opportunities for more productive employment in the industrial, agricultural, and agro-industrial sectors—in garment manufacturing and other light industries, large-scale farming, processing, packaging, aquaculture and the like. The establishment of a free trade zone in New Providence is another prospect which has exciting possibilities for brand new productive job opportunities in the fields of electronic and other component assembly, for instance.

Tax haven benefits

▶ *In addition to being a famous tourist destination, the Bahamas is also a well known tax haven and offshore banking centre. What benefits are derived from this, and how to you see relations with your main international partners, particularly the USA, evolving in this area?*

— The so-called "tax haven" and off-shore banking facilities in the Bahamas have made a significant and positive contribution to the local economy in terms of job-creation, the development of a dedicated and competent cadre of local financial managers and direct contributions to national revenue by way of registration and transaction fees. Above all, the

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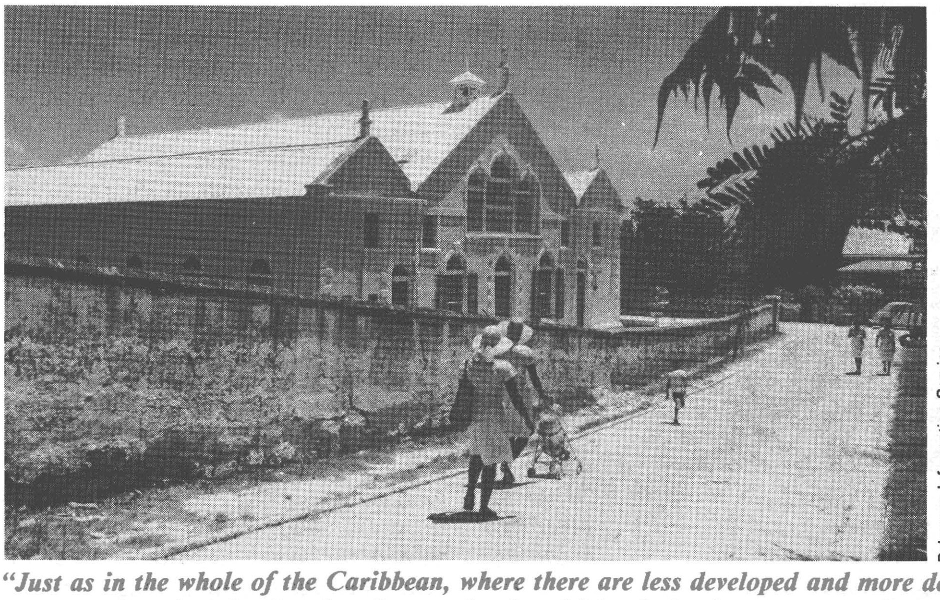
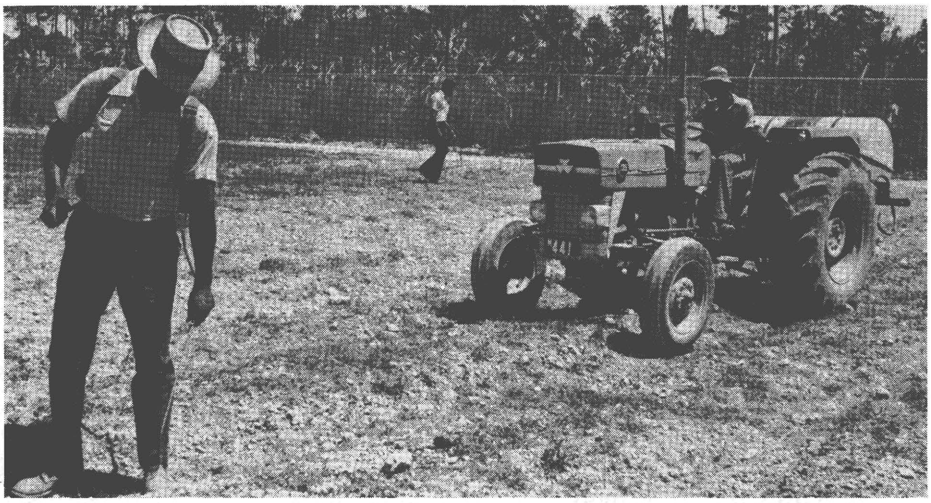


Bahamas Information Service

"Just as in the whole of the Caribbean, where there are less developed and more developed islands, in the Bahamas we have less developed and more developed islands in the one country". Left Eleuthera, right Bimini

presence of so many first class international institutions has conferred a positive and progressive reputation on the Bahamas in the eyes of the global community.

This particular sector, because of its relatively high profitability and the fact that the majority of the institutions are foreign-owned, has caused a considerable amount of resentment on the part of some foreign monetary and tax authorities. In the US in particular, legislation was recently enacted to provide for the establishment of off-shore banking facilities in the New York area: this legislation was designed to attract off-shore banks from places such as the Bahamas back to the US. More recently, US courts have been challenging the sovereignty of the Bahamas by forcing branches of Bahamian registered banks to violate local banking legislation. The relationship with the US in this regard is deteriorating rather than evolving and there is an urgent need for increased dialogue between our two countries to ensure that the hitherto harmonious relations are maintained.



Bahamas Information Service

"The future economic development of this country will depend largely on our ability to utilize efficiently our available agricultural resources which, comparatively speaking, are quite significant"

▶ *What is your overall opinion on the USA-CBI and what will it mean for you?*

— The key to industrial development in the 1980s lies in the development of our export markets and the extent to which the Bahamas could benefit from the CBI. This is especially so because once the Bahamas is designated, then over 3 800 products will receive duty-free access into US markets.

There is the likelihood that US companies now operating abroad may want to consider relocating in the Bahamas in order to capitalize on the CBI concessions. Such an action would result in the injection of new capital into the economy and the creation of more job opportunities.

EEC aid, a less quantitative approach

▶ *After nearly a decade of co-operation with the EEC within the Lomé framework, what is your opinion on this co-operation so far and what changes would the Bahamas like to see brought about in a new Convention, now being negotiated?*

— As with the other 45 African, Caribbean and Pacific states, the Government of the Commonwealth of the Bahamas, in February 1975, welcomed the new relationship with the European Economic Community which commenced with the signing of the first ACP-EEC Convention of Lomé. That agreement provided for more just and equitable relations in the areas of trade, industry and technical and financial co-operation.

The Bahamas is not a commodity trading country and has to date not been able to take full advantage of the benefits of the Convention in this area. There is perhaps more scope for the Bahamas to exploit the advantages offered by the Convention in the area of manufactured goods for re-export to Europe. The Bahamas is particularly grateful to the EEC for the policy which the Community has adopted in ensuring that each ACP State would benefit through a national quota of financial assistance from the European Development Fund. With the aid of funds provided by EDF IV and technical assistance by the Community, the government has been able to establish the Bahamas Development Bank which is now a pivotal institution in the government's plans for encouraging small businessmen to establish production-oriented enterprises in the Bahamian economy. This assistance by the EEC is significant, because virtually every other multilateral aid providing organization applies the GNP per capita formula mechanically, with the result that the Bahamas is unable to qualify for assistance.

Bahamas Information Service

Boatbuilding. In order to fight unemployment, much emphasis is placed on the creation of new productive job opportunities, particularly in small- and medium-scale enterprises

With reference to the ongoing negotiations for a successor arrangement to the second ACP-EEC Convention of Lomé, the Bahamas would wish to see not only the inclusion of the fluctuation of tourism earnings under the Stabex provisions but also a more refined and responsive system for consultations between the ACP and the EEC when problems are developing in trade matters as well as the execution of projects. We would also wish to see further flexibility introduced into the defining of "regional projects", particularly in respect of groups of islands which are not contiguous to each other.

Finally, while the government of the Bahamas sympathizes with the concerns of the EEC on the issue of human rights, the Bahamas feels that this issue is addressed elsewhere and should not be dealt with in a major economic agreement of this nature. o

Interview by R.D.B.

EEC-Bahamas cooperation

The relationship between the Bahamas and the European Communities was developed in 1976 with the ratification of the Lomé I Convention by the Government of the Bahamas. The Delegation established in Jamaica in 1976 also has as part of its responsibilities the programme in the Bahamas.

Lomé I

A programme was formulated under Lomé I using an indicative figure of ECU 1.8 million. The main components of this programme were a line of credit to the Bahamas Development Bank (BDB), and the building and equipment of a Food Technology Laboratory, and substantial recourse to technical assistance both for project preparation and for support to Government departments.

The current status of the Lomé I Programme may be briefly described. The Barbados Development Bank line of credit was designed to finance loans to small- and medium-sized companies, mainly for the acquisition of fixed assets. These activities were to be of a developmental character and with special reference to the Family Islands. Drawdown on the line of credit was initially slow, but has now accelerated to the point where the full amount will shortly be committed.

As regards the second main project, the **Food Technology Laboratory,** this has experienced some delays in the construction programme. However, the building will shortly be completed and equipment installed, with technical assistance being mobilized in the working-up period. As a result of delays and cost escalation, it was necessary to seek supplementary financing for the technical assistance segment of this project (see section on Lomé II below). It is expected that the Laboratory will provide an essential service in the food technology field and will have special relevance to the all-important tourist industry.

Technical assistance under Lomé I was organized for the establishment of a Trade and Industry Unit and to strengthen the Economic Development Unit then located in the Ministry of Finance. It has also been deployed as an input to project preparation.

Table 1 shows the present status of the Lomé I Programme as regards approvals and disbursements.

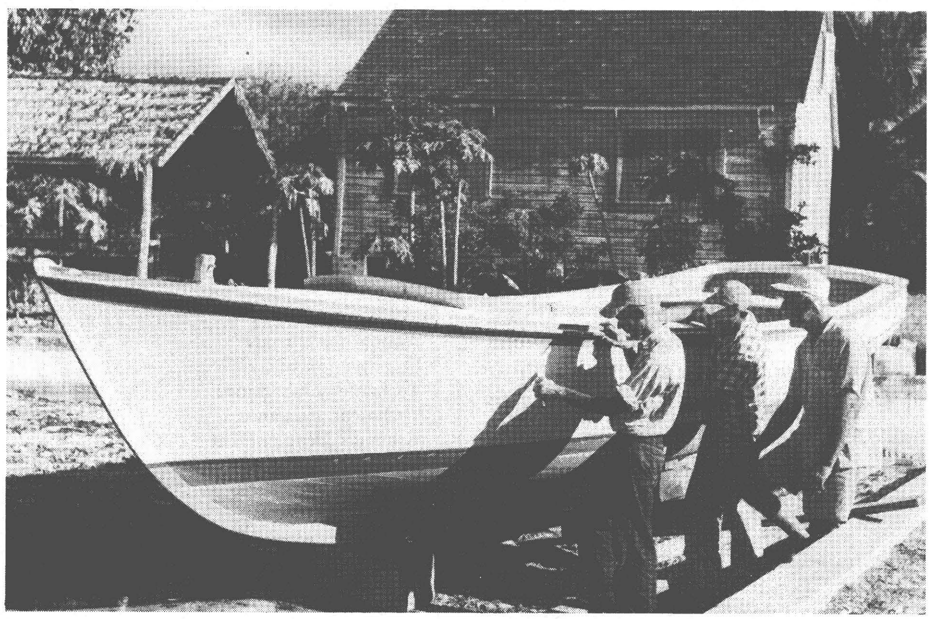
Lomé II

In preparation for programme development under the Lomé Convention, an Indicative Programme was agreed between the Government of the Bahamas and the EEC Commission in March 1980. The original planning figure was ECU 2.0 m (recently raised to ECU 2.1 m) and sectoral distribution was agreed as follows:

- Agriculture and agro-industry: 50% (ECU 1 m)
- Training: 20% (ECU 400 000)
- Social infrastructure: 10% (ECU 200 000)
- Contingencies: 20% (ECU 400 000)

The translation of these sectoral priorities into concrete projects was relatively slow. The position has now been reached where projects have been approved under the Indicative Programme to use at least 50% of the resources available in projects related to Agriculture. These are as follows:

Animal feeds project (ECU 412 000), funded in January 1984, is



Bahamas Information Service

Most of the EEC credit line to the Bahamas Development Bank is destined for on-lending to fisheries and agriculture. Above, boatbuilding in Abaco; below, cabbage growing in South Andros

Ministry of Agriculture

designed to establish on a pilot production basis a rendering process to convert poultry offals into hydrolysate to be used as a protein source in pig feeds.

The **Fruit crop nursery project** (ECU 510 000) was funded in April 1984. The main objective is an annual production of over 20 000 citrus, tropical and sub-tropical fruit tree seedlings for sale to Bahamian farmers with the longer term aim of moving towards greater self-sufficiency in local fruit production.

Additional finance (ECU 199 000) has been provided to support technical assistance to the **Food technology project** originally funded under the Lomé I 4th EDF programme. The primary role of the Laboratory, when completed in late 1984, will be to develop standards for locally produced and imported food commodities, and to provide an analysis service.

All three projects are seen as contributing to the Government's objective of maximizing import substitution.

In another sector, a project was approved in July 1982 for the construction of three **Health care centres** in the Outer Islands. The financing is undertaken jointly with the Government, with the EDF funding the health clinic in each unit and the Government financing the attached residential quarters. It is anticipated that actual construction of these clinics, which are urgently needed, will start shortly.

As regards training, there has been a relatively small drawdown on the 20% earmarked for this sector. It is, however, anticipated that projects will be launched for a technical assistance input to support the small scale hotel industry in the Family Islands, as well as a technical assistance exercise to establish a Government Central Purchasing Unit.

Table 2 gives an outline of the current funds committed and disbursed under the Lomé II Convention in the Bahamas. It will be clear that the rate of commitment and disbursement is lower than either the Government or Commission would have preferred at this stage in the life of the Lomé II Convention. o

ROGER BOOTH
EEC Commission Delegate
for the Bahamas (*)

(*) Based in Kingston, Jamaica.

"It is expected that the Food Technology Laboratory will provide an essential service in the food technology field and will have special relevance to the all-important tourist industry"

EEC Indicative Programme for the Bahamas (financial situation in July 1984)

Table 1

Lomé I	Amount ECU	Committed	Disbursed
Animal feeds study	44 603	44 603	44 603
Construction of food Technology laboratory	446 000 (1)	446 000	133 970
Technical assistance, Bahamas Development Bank	309 460	309 460	308 327
Line of credit to BDB	690 000 (1)	690 000	439 133
Technical assistance, establishment of trade and industry unit	28 125	28 125	28 125
Economic development unit	210 000	160 305	170 423
Training	43 000	42 999	36 131
	1 771 188	1 721 492	1 160 712
Not yet programmed	28 812		
Total Lomé I	**1 800 000**		

(1) Loan.

Table 2

Lomé II	Amount ECU	Committed	Disbursed
Plant and seed propagation study	15 000	13 053	13 053
Technical assistance, food technology laboratory	199 000	—	—
Animal feeds pilot plant	412 000	20 000	20 000
Fruit tree nursery project	510 000	—	—
Health care centres	200 000	—	—
Training	30 000	30 000	5 502
	1 360 000	63 055	38 556
Not yet programmed	834 000		
Total Lomé II	**2 100 000**		

ACP trade with industrialized countries in 1983

ACP exports

Apart from Australia and Spain, detailed trade figures for 1983 are now available for all industrialized countries. The figures show that ACP exports to them fell by 2.5% to ECU 35.5 billion in 1983 after slow but positive growth in the earlier years of the decade. The ECU0.9 billion decline was distributed as follows:

	billion ECU
EC	+1.7
USA	−2.3
Others	−0.3

The ECU 2.3 billion decline in exports to the USA represented a 15% fall to ECU 13.0 billion and followed a 3% fall in 1982. These declines were almost entirely attributable to falling American fuel imports. Oil remains an important ACP export to the United States. Even after a 19% fall in 1983, fuels accounted for 78% of ACP exports to that country. The ACPs' share of American fuel imports fell from 18% in 1982 to 15% in 1983.

ACP exports to the Community rose 10% in 1983 to ECU 19.5 billion, continuing the recovery from the 1981 lowpoint. Fuel accounted for about half of the 1983 increase in exports to the Community. The ACP share in EC fuel imports rose from 7% in 1982 to 9% in 1983.

ACP West Africa accounted for 50% of ACP exports to industrialized countries in 1983, with a decline of ECU 2.2 billion to ECU 17.7 billion. This decline was mainly due to falling oil exports. Fuel exports to the USA fell by ECU 3.0 billion (ECU 3.1 billion in the case of Nigeria).

ACP Central Africa increased its share of ACP exports to 18% in 1983, with exports rising ECU 0.2 billion to ECU 6.5 billion. About half of this improvement was attributable to higher fuel exports.

ACP East and Southern Africa also increased its share of ACP exports, which reached 12%. Its exports rose ECU 0.3 billion in 1983 to ECU 4.2 billion, mainly due to higher food and tobacco exports.

Improved exports of fuels and also machinery and transport equipment were the major components of the ECU 0.4 billion increase in ACP Caribbean and Pacific exports.

ACP imports

In 1983, ACP imports from industrialized countries fell by 14% to ECU 25.7 billion, compared with a 3% decline in 1982. The ECU 4.2 billion decline was allocated as follows:

	billion ECU	
EC	−2.3	(−13%)
USA	−0.6	(−12%)
Japan	−1.0	(−26%)
Others	−0.3	(−11%)

The Community increased its share of the ACP market supplied by the industrialized countries to 62%, whilst the USA increased its share to 18% and Japan's share fell to 11%.

Although all ACP regions reduced their imports, ACP West Africa accounted for most of the reduction in total ACP imports. ACP West Africa's share of ACP imports fell to 49% in 1983, whilst ACP Central Africa's share rose to 13% and ACP East and Southern Africa and ACP Caribbean and Pacific each claimed 19%. Nigeria, which took 26% of ACP imports in 1983, had declining imports for the second year in succession. Imports of manufactured goods were greatly reduced, with machinery and transport equipment particularly affected. This pattern applied to most of the other ACP zones.

Trade balance

The ACP trade surplus with the industrialized countries more than doubled between 1981 and 1983 to reach ECU 9.8 billion. The only ACP zone not to achieve a surplus was ACP East and Southern Africa. The breakdown of the surplus by industrialized country was:

	billion ECU
EC	3.6
USA	8.4
Japan	−1.4
Others	−0.8

The ACP surplus with the Community in 1983 followed two years of deficits, and resumes the pattern of the 1970s. o

Short-term trends in the European economy

Most international experts were in a mood of optimism in 1983. Certain forecast a strong recovery by the European economy, while others were less forthright and merely hoped that 1984 would at least prove a better year than 1983.

As we now move to the end of 1984, certain indicators are to hand which, while not representing the final word, do nevertheless make it possible to take stock of the actual situation.

As Europe is not isolated from the rest of the world, this attempt at analysis could not be objective if it did not take due account of trends in the context outside the Community. Comparisons with developments in the EEC's major partner countries are therefore very often essential, particularly when it comes to the USA and Japan.

The indicators selected are: gross domestic product (GDP), industrial production, consumer price index, external trade, exchange rates, and unemployment.

The first estimates of trends in GDP point to a rise in the Community in 1984 of approximately 2.2% over 1983. This compares with an average rate of around 6% in the United States and approximately 4.7% in Japan. It should also be noted that since 1980, GDP has risen by only 3.4% in the Community compared with 10% in the USA and 14% in Japan.

Industrial production in the Community dwindled in the first six months of 1984 (1). The average of the last three months compared with the previous three months showed a fall of 0.9% in April, 0.7% in May and 1.3% in June.

(1) See Eurostat "Short-term industrial indicators" No 7/1984.

(2) See Eurostat's monthly bulletin "Consumer price index" No 9/1984.

For the same period this average was well above 2% in the United States and Japan. This downturn in the Community nevertheless appears to be levelling off if we are to judge by the preliminary results for July; this nevertheless remains to be confirmed.

The consumer price index has risen by 6.9% in a year (August 1984/August 1983) (2), which is the Community's best performance since 1972.

During the same period, however, this index stood at 4.2% in the USA and a mere 1.9% in Japan.

As for external trade with non-Community countries, the sharp rise in the value of the dollar in relation to all other European currencies and the increased demand on the USA's domestic market have markedly affected Community exports.

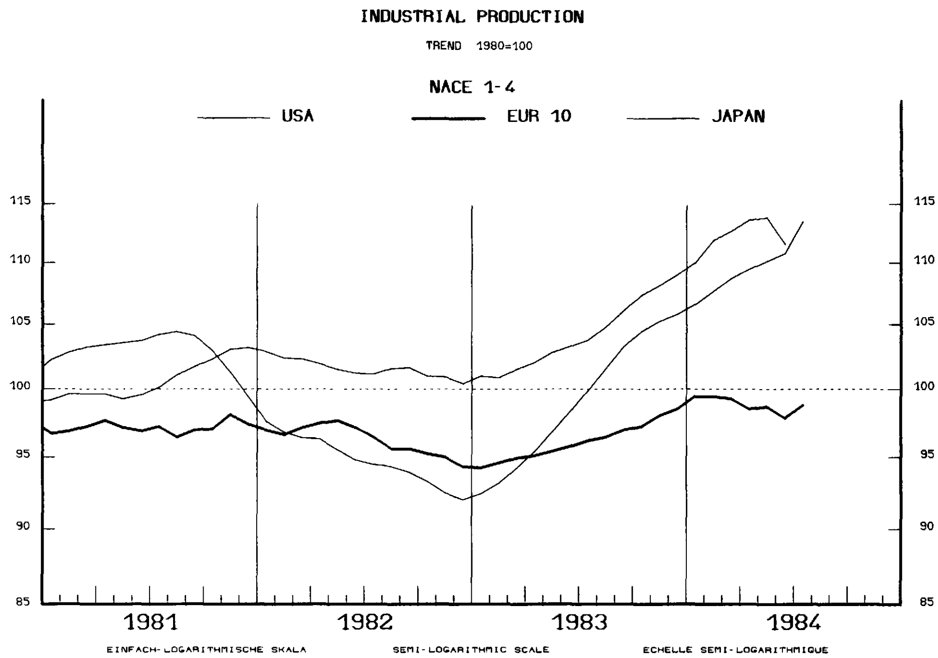
These thus rose by approximately 17% in the first six months of 1984 compared with the first six months of 1983. Of the EEC Member States, Ireland (+35%) and Greece (+37%) have recorded the highest increases. Unlike the expansion in Community exports to other industrialized countries, it should be noted that those to developing countries have risen slowly and, in the case of the ACP countries, the fall-off has continued.

Japan's exports in the same period rose by 32% and those of the USA by 23% (these figures relate to the first five months of 1984).

Community imports from non-Community countries in the first six months of 1984 are estimated to be 15% up on those for the same period of 1983. The pattern of import trends nevertheless vary substantially from one Community country to another, the two extremes being represented by Greece with a fall in imports of 13% and Ireland with a 23% increase in imports. French imports continued to grow at a somewhat slower rate (+7%).

Japan's imports were up by 25% in the same period, while those of the USA were up by 52% in the first five months of 1984.

The Community's trade balance improved steadily throughout 1983. Figures which are as yet incomplete would seem to indicate that this trend has continued in the first quarter of 1984. In the second quarter of 1984, the trade gap of Germany, Italy and the United Kingdom with non-Community countries widened, whereas a further narrowing of that gap was recorded in France. The USA's trade deficit for the first five months of 1984 more than doubled compared with the same period in 1983. It stands at an average of ECU 10 500 million per month.



On the exchange rates front, the dollar was in mid-September still continuing to attract investors' confidence and after continuing its upward spiral the American currency in the first half of September reached record levels against the major currencies: it topped the DM 3 and FF 9.30 marks and achieved 1.27 against the pound sterling (an all-time low for the British currency).

The exchange rates of EEC currencies and of the Yen have since the end of 1983 recorded the following variations against the American dollar (rate as at 17 September 1984 compared with the rate as at 31 December 1983): FB – 10.6%, DKR – 12.1%, DM – 12.3%, DRA – 20.9%, FF – 12.5%, IRL – 12.1%, LIT – 13.7%, HFL – 12.6%, UK£ – 15.8%, YEN – 6.3%.

The ECU lost 11.4% of its value against the dollar over the same period.

The strong demand for dollars is the result both of high interest rates for the dollar and of investor forecasts indicating that the factors keeping the dollar at its high level (steady GDP growth, tight monetary policy and high budgetary deficits—all three of which apply to the American economy) will continue to hold good. These factors are for the time being continuing to offset the adverse effect which the huge deficit of the United States current account could have on the dollar.

Lastly, unemployment has risen sharply in the Community, the total number of unemployed persons standing at 12.4 million in August 1984. The rate of unemployment thus stood at 11% of the working population in the EEC compared with 7.4% in the United States and 2.8% in Japan.

In absolute values, unemployment in the EEC rose by 6.2% between August 1983 and August 1984. One of the reasons for this fresh increase is the influx on the labour market of school-leavers. The number of unemployed persons aged under 25 years has therefore risen sharply in most Member States, the estimated percentage for this category in the Community now reaching 39.3% of the total number of unemployed.

Summing up, contrary to what is happening in the United States and Japan, it would be somewhat premature to speak of a definite recovery by European economy in 1984. A GDP the growth rate of the order of 2% and a substantial fall in the rate of inflation are not enough to offset the constantly worsening unemployment situation and continue to underline the very different situation in the EEC on the one hand and the USA or Japan on the other. o

European public opinion and development aid

This survey was carried out in the ten European Community countries by request of the European Consortium for Agricultural Development (ECAD) and cofinanced by the Directorate-General for Development of the Commission of the European Communities.

From 9 November to 27 December 1983, 9 719 individuals were personally interviewed at home, by professional interviewers.

The survey in the countries was carried out under the responsibility of ten associated national institutes forming "The European Omnibus Survey", coordinated by Hélène Riffault, General Manager of "Faits et Opinions", in Paris. All these institutes comply with the professional standards defined by ESOMAR (European Society for Opinion and Marketing Research).

The overall results for the community are weighted, so that each country is represented in proportion to its population.

As is customary for surveys of this kind, the Commission of the European Communities cannot be held responsible for the formulation of the questions, the results presented or the commentaries.

At first sight...

1. There is no doubt whatsoever that Europeans are aware of the severity of problems of Third World countries; two out of three Europeans believe that it is important or very important to help these countries.

This attitude has existed in Europe for at least ten years: one question, repeated ten times in the Euro-Barometer surveys since 1973, provides a follow-up for the development of public opinion (see Table 1).

As the above table indicates, the importance attributed by the public to Third World countries significantly decreased after the first oil crisis. However, remaining at a high level, it gradually increased from May 1975; in 1983 it was again at the 1973 level.

However, in the autumn of 1983, Europeans believed that they had their own serious problems and difficulties to deal with: unemployment, terrorism, pollution, uncertain energy supplies, tension between the major powers, regional problems.

Finally, among all these preoccupations, the necessity of helping Third World countries is in eighth place following other problems.

2. In the coming ten years the European public expects a certain amount of progress: science and technology will have improved the situation of the poorest countries. It will also better manage the use of the planetary resources in the interest of future generations. But the public does not believe that hunger will have finished; nor does it believe that the differences between the rich and poor countries will have decreased.

The context is not an optimistic one; 40% of Europeans believe that, no matter what is done, the Third World countries will never be able to escape their poverty. However, the policy of development aid is widely supported.

3. Europeans believe that the world regions which need help are above all Africa, followed by India and Pakistan; South America and South East Asia to a much lesser degree.

A study of images and prejudices concerning Third World countries, based on the replies to a set of 15 propositions, reflecting highly varied stereotypes of the condition of these countries, their economic and political structures and the type of relations that we have had or should have with them, reveals a high degree of perception concerning the problems posed by a rapid increase in the population, instability of the political systems, the disorder caused by the appropriation of resources by privileged minorities. On the other hand, Europeans do not accuse the populations of not wanting work. At the same time, Europeans admit that these countries are confronted with problems of under-development that Europe lived through and took centuries to overcome while favouring, on principle, a model of development which is not based on the model of industrialized countries.

Overall, only approximately one quarter of Europeans (types D and E) express points of view determinedly critical or negative concerning the Third World countries.

4. The principle of helping Third World countries is widely accepted: 8 out of 10 Europeans are favourable or very favourable and believe it should be maintained at a current level at least; even given the hypothesis of the worsening of the recession which would decrease the standard of living in Europe, 4 out of 10 maintain that the aid programme must be continued.

An underlying reason for these favourable intentions to aid is doubtless partially due to the feeling that the industrialized countries in Europe

Table 1: helping under-developed countries is...

	Very important %	Important %	Total %
1973 — September	26	40	66
1974 — October-November	20	35	55
1975 — May	17	29	46
1975 — October-November	17	31	48
1978 — October-November	21	39	60
1983 — October	21	46	67

have a moral duty in relation to the Third World—this often results from a certain feeling of guilt from the colonial era. But, at the same time, there is a clear conscience due to the fact that development aid provides a reciprocal interest for Europe. It should not be seen as a primarily commercial interest; in fact, 53% of Europeans feel that in the coming 10 to 15 years, the events in the Third World countries, their political, economic, and demographic situation can have an effect on the life of Europeans in their own countries. There is undoubtedly a feeling of interdependence between Europe and the poor countries of the Third World.

Just how far are Europeans ready to go? Many of them (1 out of 10) say that they would accept 1% taken from their income to provide better aid to Third World countries. This is doubtless a slightly premature reply, though at least it confirms the sincerity of the positions taken in favour of aid.

5. We have just seen how the majority of the public takes positions favourable to aid to the Third World, stimulated by the questions asked during the interview. But can it be stated, that, spontaneously, the subject of the Third World is a subject of reflection for Europeans? Six out of 10 say that they think only slightly or almost never about it. We can thus state that only a certain section are motivated. More specifically, out of 85% who said they were favourable or very favourable to aid, 41% said they thought a lot or a fair amount about the Third World, while 44% think rarely or almost never.

Thus we can legitimately consider that there is a "motivated" opinion (41%) and a potentially favourable opinion but "fairly unmotivated" (44%). The motivation here is characterized by the fact that it is both favourable to aid and results from spontaneously thinking about the Third World countries. We will return to the effect of this variable concerning attitude behaviours (this is an effective variable).

The moulding of European opinion

6. How is public opinion concerning Third World countries formed? We took into consideration two different types of information sources: personal contacts and the media.

As for personal contacts, there is either the direct experience with one or several countries in the Third World: travelling or living (13% of Europeans), or the indirect experience by means of nationals from these countries: contacts at work or in the neighbourhood, at children's school (25% of Europeans). The others, 62%, did not have this type of contact at all.

In addition, the Third World appears through the media: 71% of Europeans say that they have recently read in a newspaper or heard on the radio or television "something concerning Third World countries". This is a high proportion. The public does not complain about hearing too much of the Third World, rather the opposite; however, the public often doubts that the image given by the media corresponds with reality.

Using the two different kinds of information explained above: personal contact and information received from the media, it is possible to construct a 4-level scale which we will call information-experience, summarized in Table 2.

Table 2

• Level ++	: have a direct personal experience of one or several Third World countries and have recently seen information in the media	10%
• Level +	: have contacts with nationals and have recently seen information in the media	22%
• Level −	: have no direct or indirect contact but have recently seen information in the media	46%
• Level −−	: no contact or information	22%
		100%

We will return to the effect of this variable on attitudes and behaviours (this is a cognitive variable).

7. What is the connection between the level of information-experience and degree of motivation discussed above? (Findings summarized in Table 3).

With the exception of the last level, which has no information or experi-

Table 3

	Proportion of people favourable to aid and motivated	fairly unmotivated	Total favourable
According to the information/experience level:			
• Level ++	62	25	87
+	51	33	84
−	37	46	83
• Level −−	17	52	69

"The principle of helping Third World countries is widely accepted"

ence concerning Third World countries, the proportion of people favourable to aid to these countries is just about the same regardless the level of information. But, while for the highest level of information the degree of motivation is also high, the motivation decreases significantly as the level of information decreases.

An important element can be drawn from this analysis: Europeans who have personally visited or lived in a Third World country (level + +) are the most motivated in favour of aid to development; those who only have contacts with nationals from Third World countries living in Europe, are just as favourable though slightly less motivated. Therefore, the presence of immigrants in Europe does not result in a rejection of aid. Indeed, even people who show a certain hostility towards the presence of immigrants in their country (hostility measured by the fact that they consider their country "does too much" for immigrants) are to a large degree favourable to aid to Third World countries.

"The European public is divided into two groups: on the one hand those who believe that the most useful aid comes from private associations and, on the other hand, all the others."

8. What form should this aid to Third World countries take, which is so largely approved by European opinion?

In a series of concrete suggestions including 9 examples, the public clearly favours all those which tend to encourage independence, in particular, concerning training and equipment, and are much less interested in assistance (for example, food assistance or sending experts). The promotion of small concrete projects at a local level is three times more favourable than financing large projects which may encourage classical industrialization. More generally, the type of actions which appear the most appropriate are those which have a short term effect and which directly involve the population.

9. The public is undoubtedly not specifically aware of the type and relative size of the sources for financing the aid. The sources which are the most often mentioned are those which are both known and which appear the most conceivable. In a decreasing order of replies: the governments of the countries, private assocations or international organizations such as the United Nations, the European Community, and, clearly behind the others, investments by companies and industries.

In terms of usefulness, aid provided by private associations and international organizations such as the United Nations, are selected by the public over aid provided by governments or the European Community. The action of the Community is clearly underestimated by the public, which no doubt does not receive enough information concerning this action.

An interesting dichotomy in replies to this question can be be noted (see Table 4): the European public is divided into two groups: on the one hand those who believe that the most useful aid comes from private associations and, on the other hand, all the others.

— The first tends to favour more than the average, the forms of aid which involve the participation of the population helped: small projects at a local level, supply of equipment and training to encourage independence, guarantee of reasonable prices for exported products. They are also among those who have helped a Third World Aid organization, the most in recent years.

Table 4

	Among those who believe that the most useful aid is...		Overall
	Private organizations	Other sources	
Type of aid considered the most useful:			
• Supply equipment and training so that they become independent	62	54	56
• Promote small projects which have a direct effect on the life of the people	51	44	46
• Make sure that the aid benefits the poorest populations	40	35	36
• Guarantee a reasonable price for exported products	13	9	10
• Finance major projects which can encourage industrialization	14	18	16
• Send experts	25	28	28

— The second group tends more to support major projects and sending experts.

European values and attitudes

10. What are the most discriminating variables concerning the attitudes toward the Third World?

The analyses concern three types of variables: nationality, socio-demographic variables and the socio-political variables.

We will not here go into detail concerning the differences in attitudes concerning the countries. This point alone deserves ten national studies; we can only hope that researchers will attempt this task. We can only state that the principle of aid to Third World countries is approved by a great majority in all countries, and that the feeling that what takes place in the Third World in the coming years will have an effect on the life of Europeans is particularly strong in the United Kingdom, in the Netherlands and in France.

The socio-demographic variables, in particular sex and age, do not play a very important role.

However, the socio-cultural and socio-political variables have a very great effect on the opinions and attitudes. By this we mean the degree of education, the political predispositions in terms of left or right, and the leadership level, (see Table 5).

The "leaders", here defined as people who, regardless of their positions in society, both voluntarily discuss politics and try to convince those around them, are most concerned by the problems in the Third World and are also the most favourable to development aid. Europeans who are more politically to the left support the principle of aid more than others: the effect of political positioning concerns less the approval or disapproval of aid (which is widely distributed on the different points of the scale), than the enthusiasm with which this approval is manifested. In other words, the differences are greater at the level of words than at the level of principles.

This phenomenon is well illustrated by comparing the replies to questions. The first is a hypothetical question: "If you were told that, to help Third World countries, 1% of your income would be withheld, would you agree or not?"; the second is a factual question: "Have you, in the last 2 years, either by giving money or in another way, helped an organization which is concerned with Third World countries?". The replies to the first of these questions are significantly different. The number of positive replies increases as the political positioning tends towards the left. The replies to the second question are less different and tend to receive positive replies as the political positioning moves towards the right. There is thus apparently a strong link between support to Third World ideas and political ideology. But it would be more precise to say that these attitudes are specially linked to the individual value system. This appears clearly when the replies are studied according to a scale which we shall call: materialist/post-materialist.

The "materialist/post-materialist" scale of values which has been currently used for 20 years for analysing public opinion data (1) measures the preference expressed by the respondents to a situation of forced choice, either for subsistence and material security values (example: "maintain order", "fight against rising prices"), or for values concerning belongings, personal development and quality of life (example: "increase the participation in decisions by citizens", "guarantee freedom of expression").

This dimension has a positive correlation with the left/right dimension, but is not identical with it. According to certain authors, it seems to correspond to a new separation which can be illustrated by the fact that the protagonists for struggles undertaken for feminism, ecology, pacifism, etc. are not identical to those involved in the traditional struggles concerning ownership of the means of production, or centralized control of the economy by the State.

(1) Also see the work of Ronald Inglehart, in particular: "The Silent Revolution: Changing Values and Political Styles among Western Publics", Princeton University Press, 1977.

Table 5: effect of socio-political variables on the replies

	Overall	Leadership				Left/right positioning					Priority values		
		++	+	−	−−	1-2	3-4	5-6	7-8	9-10	Post-materialist	Mixed	Materialist
— For aid to the Third World	82	86	86	82	73	84	85	83	82	76	92	83	78
Including: very much for	27	46	29	24	19	41	34	25	22	25	41	28	21
— For increasing or maintaining aid at its current level	81	88	85	80	73	82	86	83	81	73	88	82	78
Including: increase	34	49	38	32	23	50	44	31	27	24	53	34	27
— For continuing aid even if the standard of living decreases	42	56	48	39	30	50	50	41	39	31	64	41	34
— Would accept a withholding of 1% of their income	50	68	56	47	38	61	59	48	46	45	64	51	46
— Have helped an organization concerned with the Third World in the last 2 years	52	65	55	51	43	45	51	55	56	55	59	54	48

Table 5 shows clearly that the effect of the value system is greater than the positioning on the left/right scale. The degree of support for aid to Third World countries among the post-materialists, at least concerning principles, leads us to state that there is almost a coincidence between these two attitudes.

As for the "leadership" variable, it also seems to play a very important role, both concerning the predispositions to aid and the operational attitudes. It is promising that the fraction of the public which is the most active in private discussions and which has influence on those around it is also the section which most supports efforts of development aid and which contributes the most to helping organizations concerned with the Third World countries.

11. Finally, what is the influence of the level of information and experience and the degree of motivation on the images and prejudices?

The various opinions expressed concerning Third World countries are linked to two essential determining elements for attitudes concerning aid to development: a cognitive determinant on the one hand, which is revealed by the level of information, and an affective determinant on the other hand, which is expressed through the degree of motivation in favour of the Third World. We have described these two variables in the preceding pages. As it involves fairly schematic attitudes and prejudices, the affective determinant plays a greater role, but the level of information nonetheless has a significant influence on most of the themes. A more specific study of the correlations between these various opinions and the two cognitive and affective determinants results in 6 major groups of attitudes which range from a high degree of support to the Third World countries to a rejection of the very idea of development of these countries.

A first group of opinions is characterized by a clear influence of the level of information and by the even greater effect of the degree of motivation in favour of the Third World. The fact that the affective dimension is preponderant but is however, combined with the cognitive dimension, leads to a definition of this group of opinions as a statement of faith in favour of aid to development. Three opinions can enter into this category: "We have a moral duty to help them", "It is in our interest to help them", and "We, Europeans, also have much to learn from the populations of these countries".

The second group of opinions is characterized by the fact that the two affective and cognitive dimensions both have the same degree of influence on the opinions. This group of opinions includes the least passionate arguments in favour of the Third World countries and aid to development. Three opinions can be included in this group: "They are confronted with problems that the European countries took centuries to overcome", "We must encourage them to develop in their own way rather than have them imitate us", and "The minority of rich people exploit the population". It can be noted that these opinions also have the common point of taking the point of view of the Third World countries by, in some way, taking the position of a citizen of these countries.

In the third group of opinions, only the affective determinant, the motivation in favour of Third World countries and aid to development, plays a significant role, while the cognitive determinant, the level of information has no influence whatsoever. This attitude can be qualified as a favourable predisposition but cannot be taken as true approval insofar as the reactions expressed remain essentially affective. Two opinions appear in this group: "In the past, colonization prevented them from development" and "They are exploited by developed countries such as ours". In this case, colonization appears as the fundamental cause of under-development.

The fourth group of opinions is primarly characterized by the fact that the opinions expressed are independent of the level of information and the degree of motivation. The fact that neither the affective dimension nor the cognitive dimension are taken into account, leads one to believe that the attitude expressed by these opinions is a fairly detached one concerning problems of developmental aid. Four opinions are included in this category: "They suffer from a highly unfavourable climate", "They do not have a stable government", "Their population increases too rapidly" and "They are beginning to become competitive with our products". These are, in fact, statements rather than opinions.

The fifth group of opinions characterized by the negative relation between motivation in favour of developmental aid. The level of information plays no role whatsoever in this case. This is a hostile predisposition to the Third World countries and to aid to development. Only one opinion can really be allocated to this group: "They were happier when they were colonized". It is interesting to to note that this attitude, which is the counterpart of the third group of opinions (the favourable opinion), also refers to colonization.

The final group of opinions is characterized by the negative relation of opinions with both the degree of motivation and the level of information. Cognitive and affective determinants here play a negative role and define an attitude of rejection and refusal of the very idea of development of Third World countries. Two opinions are included in this last category: "Whatever we do to help them, they will never escape their poverty" and "They do not want to work".

This type of analysis does not refer to the frequency of responses, but to the structure of opinions. It indicates the relationships, or, more precisely, the co-relationships which exists between the images and prejudices on the one hand and the level of information and the degree of motivation on the other. It can be useful for organizing a policy of information.

The first information to be drawn from this is that the negative judgement and images concerning the Third World are associated with a lack of information.

Secondly, the reference to colonization, whether it involves a favourable opinion towards aid due to a certain guilty conscience or to an unfavourable opinion, is independent of the level of information.

The moral and affective arguments: "We have a moral duty to help them" or "We, Europeans, have much to learn from them" already correspond to a high degree of motivation in favour of aid.

To summarize, the arguments which seem to be the most affective are: "They are confronted with problems that Europe took centuries to overcome" and "They must be encouraged to develop in their own way, rather than to imitate us". o

Jean LECERF — **La Communauté face à la crise — Histoire de l'unité européenne** (The Community and the crisis — The History of European Unity, Vol. III) — Idées, Editions Gallimard — 406 pages — 1984

This third volume in the History of European Unity series (volumes one and two appeared in Idées 80 and 333), with a preface by Jean Monnet, takes us up to early 1984.

The author, a journalist, who has lived through this enthralling but little-known corner of history, uses a sharp, lucid style to recount how the Community has faced up to the tension that has arisen from the international crisis, and been aggravated by the problems of integrating the United Kingdom and the prospects of Spanish and Portuguese entry. He describes how its many activities have reflected the vitality generated by the European Parliament. He explains its currency, its remarkable effect on world affairs and how, in spite of its shortcomings and its paradoxes, it still manages to hold out tremendous hope.

"There are more reports about arguments between members of the Community in the press than agreements. Why? It is in Brussels that the shouted "Noes" and the whispered "Ayes" are heard... The Commission proposes, the ministers agree on the principle, the text takes a long time to draft and even when the fundamental principles are agreed on, there often remain details or terms in one of the translations to get settled, so the final agreement takes place amid general indifference, as an A item—i.e. without any discussion. And then, of course, it takes some time to bring the national legislation into line with the common standards, something which is often done with no reference to the European ruling. Things happen far too slowly and even the most attentive observers are put off.

But this meticulous process is used in hundreds of fields. European unity is only just beginning".

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Georges PIERRET — **Vive l'Europe... Autrement, les régions entrent en scène (Long live Europe... or else—Over to the regions)** — Preface by Edgard Faure — Editions Jean Picollec, 47, rue Auguste Lançon, 75013, Paris, France — 341 pages — 1984

Build Europe... give power to the regions—two ideas that may seem contradictory to those who believe that building Europe means building a centralized, supranational structure that takes all the decisions.

The Treaty of Rome did not cater for Brittany, Scotland, Sardinia or Crete to play a part in the construction of Europe. And the state authorities tend to be traditional opposers of what have now become vital relations between the regional authorities and Brussels.

The consequences are worse than might have been imagined and, as Edgard Faure stresses in the preface, "an entirely regrettable situation has been allowed to arise and its drawbacks, not to say dangers, are obvious".

So how come the regions of Europe have taken the initiative, in spite of everything, and managed to work together across frontiers? How can this situation be recognized as legitimate without harming state structures? This is the sort of question the author sets out to answer, on the basis of his own personal experience, in this book, which is scattered with anecdotes and little-known facts about the hidden face of Europe.

Georges Pierret, a former leader of regional action in Brittany (he was Secretary-General of CELIB, the Breton interest liaison and study committee), was one of the Brussels Commission's first regional policy experts. He now heads one of the most powerful of European regional organizations, the Conference of the Peripheral Maritime Regions of the European Community.

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Office for Official Publications of the European Communities — **The European community's legal system** — European documentation — 43 pages — 1984

Written and unwritten sources of law, supplementary sources of law, decisions taken by Member States' representatives meeting within the Council: the sum of these sources is the legal system of the European Community. More than thirty years after the signature of the treaty establishing the Coal and Steel Community and twenty-five years after the signature of the treaties establishing the European Economic Community and the European Atomic Energy Community, Community law has become a reality for every citizen.

This booklet describes the European Community from the legal aspect. It is intended primarily for lawyers and law students who do not specialize in Community law, and tries to increase understanding of a system which, to some extent, governs our daily lives.

The use of a number of technical terms is, however, unavoidable. It is made clear to the reader that the European Community is a Community based on law, with all that this implies in terms of safeguards both for States and ordinary citizens.

Community law is an independent legal system. Nevertheless, there is a constant interplay between Community law and national law, as a result of which conflicts can and do rise. That these can be solved is due entirely to the precedence of Community law over national law.

This brochure also explains the fundamental rights and freedoms enjoyed by European citizens.

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Henri FROMENT-MEURICE — **Une puissance nommée Europe** (A power called Europe) — Editions Juillard, 8 rue Garancière, Paris, France — 246 pages — 1984

Thirty-three years in the diplomatic service do not necessarily make for indifference and scepticism. A heart with an ideal may still beat beneath ambassadorial regalia and, for Henri Froment-Meurice, France's job in this present era of history is to build Europe and make it a power.

The West needs a strong, united Europe. It needs it so that Europeans can resist the dangerous pressure of an unyieldingly different Soviet Union and seek, without concessions, to place East-West relations on more strictly reciprocal bases. It needs it to ensure greater equilibrium and cohesion between Europeans and Americans in matters of trade, currency and defence. If our Europe of democracy and freedom wants to survive in an ever-colder, more pitiless world and to do so other than as a simple historical object, it must not remain just a market—and one entrenched in contrasting and egoistical interests. If it is to have an effect on the rest of the world, it must be a political entity. It has all the potential it needs to become a power and it must use it to shape the technologies of the future, united diplomacy and common defence. But the essential things—the character and the will—are missing. Will the European Parliament manage to trigger that vast movement of opinion that is so essential, particularly among young people? Will the Governments agree to the attendant compromises? Is France now willing to play her rightful part?

Henri Froment-Meurice, a European from the word go, recently held the post of Director of Economic and Financial Affairs at the Quai d'Orsay before becoming France's Ambassador first in Moscow and then in Bonn.

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ABC: the Universal register of European Exports — Volumes I and II — Europe Export Edition GMBH, Postfach 4034 Berliner Allee 8, D-6100 Darmstadt — 4206 pages — 1984

This is the 25th edition of this very voluminous directory of European exports which appears to contain everything under the sun, from food products through to bleaching powders and bricks to highly sophisticated machinery and equipment. The exports of 32 countries are covered: those of the 10 member countries of the EEC together with Albania, Austria, Bulgaria, the German Democratic Republic, Hungary, Iceland, Liechtenstein, Malta, Norway, Poland, Portugal, Romania, Spain, Sweden, Switzerland, Turkey, USSR and Yugoslavia.

The reference system is easy. Instead of dealing with individual countries separately, the directory has, first of all, coloured sections which list suppliers, in different languages. Then the white pages, with article headings in alphabetical order under which the adresses of manufactures are given. Their countries and locations are also included in alphabetical order.

A sizeable section of Volume I is given over to advertisements which are themselves sources of more detailed information on most of the suppliers and their products.

It is hard to imagine that any library that is worth the name cannot have these updated volumes just as much as it is inconceivable that businessmen can be without them.

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Jean A. PIRLOT — **Symphonie Europa** — Editions Robert Laffont, Paris — 370 pages — 1984

Among the deluge of books, reports and analyses on the European elections, here is a work which stands out from the rest. Its author, a Belgian, has barely passed forty, so, right from the beginning, has "breathed" the air of a Europe along the path to suicide, which has decided to save itself. Both a journalist and a writer, he has seen what has been achieved, whether good, not so good, or downright bad in Europe. In this work, which is written for everyone, for those who want to remember or those who want to learn European history, a number of high points are described. Thus, the author has written what may be the movements of a symphony, but also chapters of a novel, linked together by a single thread. Each chapter has the name of one or more towns or cities, such as Munich, The Hague, Ventotene, Vienna, London-Bordeaux-Paris, Lyons Leipzig-Kreisau, etc. and brings a large number of figures to life. A true love story: thrilling, making Europe loved, reconciling Europe with what it may still be.

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J. SCHAPIRA, G. LE TALLEC, J.B. BLAISE — **Droit Européen des Affaires** — Presses Universitaires de France (Paris), Collection Thémis — 725 pages — FF 195 — 1984

The title "European business law", preferred by the authors to "European trade law" particularly points to the adoption of a multidisciplinary approach, calling upon private law—where necessary—private international law, economic public law, tax law, financial law, and possibly social law (excluding the institutional rules). The work, published on 1 September 1983, firstly examines the concept and characteristics of European business law. It then analyses legal matters relating to the intra-Community development of trade and companies and the opening of the world trade market.

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Sebastiano CORRADO — **I sistemi elettorali nei paesi della Comunità Europea** — Maggioli Editore, Rimini — 254 pages — LIT 22 000 — 1984

It is well known that one of the main tasks of the European Parliament, whose second term has only just begun, is that of defining a genuine common electoral system, a single or at least unified system which could be adopted by the Governments and put into practice at the next elections (in 1989). A Sub-Committee of the European Parliament Policy Committee has been formed for this task. The book by Mr Corrado, a researcher specializing in the field of statistics and author of a book on the parties of Europe published on the eve of the first European elections, contains, in the first part a concise description of the main types of electoral systems. In the second part he reviews in detail the systems which are at present applied in the ten countries of the Community for national elections and in the third part those which were applied for the last European elections. Annexes complete this work. o

Industrialization and the ACPs

Copper processing plant in Zambia

The idea of adding more value to their products and no longer being mere exporters of cheap raw materials has always been one of the mainstays of the ACPs' development policy. Getting away from a primary (even subsistence) economy and breaking into that seemingly ever more inaccessible industrial society that is synonymous with general prosperity is their tireless aim. But it has to be admitted, alas, that they have not had a great deal of success so far.

Yet many more factories have opened in the developing countries over the past 10 or 20 years and, in Lima, in 1975, in the heady atmosphere of the start of global negotiations between North and South, it was decided, in spite of the reluctance of the developed world, to put a figure on future progress—industrial production in the developing countries was to make up 25% of world production by the year 2000. But, alas, 10 years later, the target is still far from being reached and if the present rate of industrial growth is maintained—it could suddenly speed up, of course, but it could, unfortunately, also slow down—we will only be half way there by the end of the century!

The UNIDO (United Nations Industrial Development Organization) general conference held in Vienna in August closed in an atmosphere of gloom without solving the developing countries' problems. But it did generate discussion of industrialization policies. This is what *The Courier* is aiming to to in this dossier, by trying to stimulate thought about industrialization in the ACP Group. Most of these countries have a very small share (round about 5‰, although the figure may not be fully reliable) of world industrial production and many industrial units set up at the cost of enormous debt turn over slowly, or even grind to a halt, pending what is often costly rehabilitation. o A.T.

Experience and issues of industrialization in sub-Saharan Africa

William F. STEEL (*)

African leaders at independence held out high hopes for industrialization as a source of economic growth, independence, diversification, cost savings, employment and training. Substantial industrial capacity has been built, yet much of it is underutilized today and these objectives remain far from fully realized. This article traces some broad themes of industrial strategy and policies in Sub-Saharan Africa in order to analyze the principal problem and to suggest critical issues for the task of restructuring African industry to achieve its potential more fully.

Industrialization experience and problems

Conditions for industrialization were generally lacking at the time that African countries gained their independence. Colonial policies did not favour industrial production, except for export markets and certain consumer goods (mainly where there were large expatriate settlements). Indigenous commercial activity was discouraged or even prohibited, especially in industry. Education was oriented toward clerical rather than business and technical skills. Infrastructure was oriented toward export rather than local and regional markets.

African industry has come a long way from these beginnings. Many countries achieved rapid growth of industrial output and employment, at least in the 1960s, with manufacturing now an important source of gross domestic product. Substantial diversification has taken place, with a wide range of consumer goods being produced and increasing production of intermediate and capital goods. These changes have been stimulated by high protection through tariffs and quantitative restrictions, by a wide range of special incentives to private investors, and through vigorous public sector investment (especially in basic industries).

(*) Industrial Economist in the Industry Department of the World Bank. This article is based on a background paper for a series of high-level industrial policy seminars held in 1984 by the World Bank and the German Foundation for International Development. The views and interpretations are those of the author and should not be attributed to these organizations.

Yet, while correcting some of the inherited biases and achieving some success in industrial development, industrialization strategies and policies in Sub-Saharan Africa often introduced new distortions which did not promote a flexible, efficient and well-integrated industrial structure. Policies tended to orient industrial production toward domestic high-income consumer demand (rather than export markets) and toward low-cost imported materials and capital (rather than domestic inputs). High duties on consumer goods and low duties or exemptions for intermediate and capital goods, combined with import licensing and overvalued currencies, created high effective protection to final-stage assembly of consumer goods and stimulated a shift from dependence on consumer imports to dependence on imports of intermediate and capital goods.

These policies provided little incentive to invest in the intermediate and capital-goods industries that were needed to establish a more integrated and independent industrial structure, and many of the luxury consumer goods being produced could not in any case be based on locally-available resources. The expansion of indigenous small-scale production—more oriented toward meeting the basic needs of the population—was generally not encouraged by the policy environment, which favoured large-scale and public sector investments. The policy bias toward import substitution also discouraged agricultural production, thus limiting the growth of raw material supplies, export earnings, and rural demand.

External constraints and policy weaknesses (1)

The structural problem of an inflexible, import-dependent industrial structure became evident in the 1970s as declining industrial growth was triggered by external factors: rising fuel costs, drought, and worldwide recession. Widespread capacity underutilization indicated that capacity had expanded faster than the availability of the foreign exchange earnings needed to utilize it, and in some cases beyond the limitations of national markets. This situation partly reflected deterioration in export and economic growth prospects below expectations. Excessive expansion was also encouraged by the profitable opportunities created under high protection and by the drive for rapid public sector growth, accompanied by limited capacity for basing decisions on sound economic appraisal.

In sum, external constraints and policy weaknesses have combined to prevent the objectives of sustained output growth, increased economic flexibility, and cost savings through industrialization from being fully achieved. High costs have also been fostered by restrictions on competition from imports or new firms, by price control based on costs plus a fixed margin, and by the lack of incentives to raise productivity. Productivity performance has been particularly weak in the public sector, which tends to use capital-intensive techniques and to utilize bureaucratic systems with multiple or poorly-defined objectives. Policies to promote the employment objective have led to redundant rather than productive use of labour.

Dependence on foreign assistance (1)

Although the dominance of foreign direct investment has been reduced in most countries, dependence on foreign borrowing and assistance has increased. Domestic savings are generally insufficient, both because weak pub-

(1) Editorial headline.

lic sector financial performance has not generated surpluses for self-financed future investment and because stagnant income per capita and rapid inflation have adversely affected private savings. Utilization of existing capacity, as well as public sector investment, has become heavily dependent on bilateral and multilateral assistance, whose availability is increasingly limited.

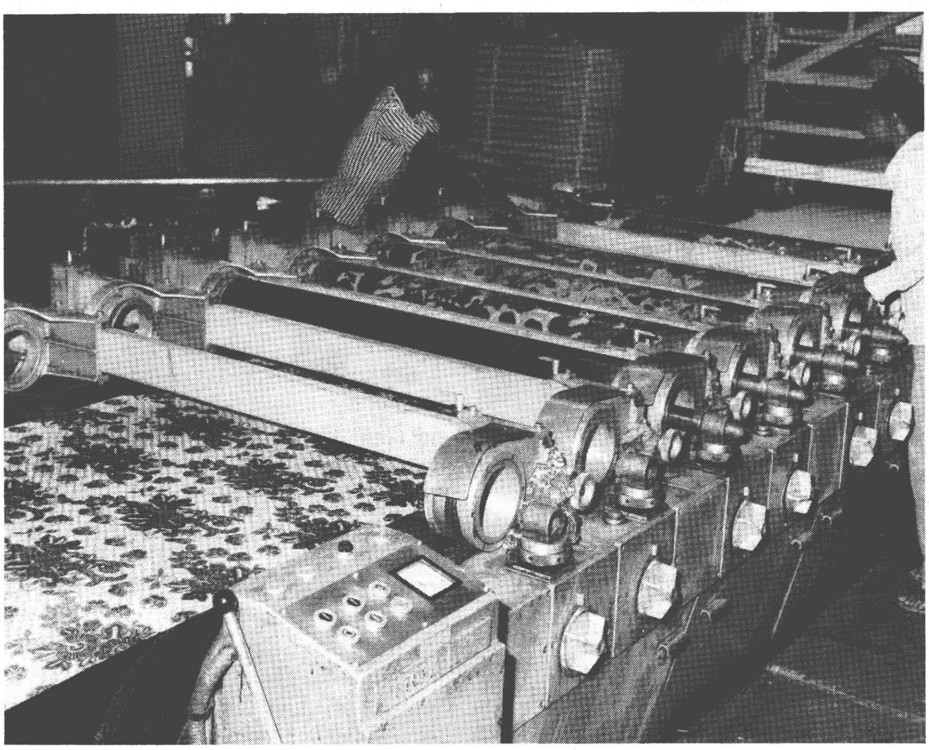
These conclusions are, of course, broad generalizations that apply to varying degrees in different countries, and not at all in some cases. They do, however, provide a broad consensus of experience that can serve as a basis for defining the critical issues for African industrialization in the future.

Strategy and policy issues

A key strategic question is the orientation of industrial structure toward domestic versus foreign demand and input supply. The past orientation of industrialization in sub-Saharan Africa toward imported inputs and domestic consumption has not achieved the objectives of economic independence and supplying the needs of the lower-income population. A more neutral policy environment is needed if industrial structure is to become less dependent on foreign exchange availability and to generate a larger share of its own foreign exchange needs. Increased use of domestic resources, however, requires agricultural and other policies to stimulate long-term expansion of supply. The objective of satisfying simple consumer needs raises the issues of the role of small enterprises and how to create favourable conditions for them.

Greater utilization of existing industrial capacity is an immediate objective throughout sub-Saharan Africa. Since short-run utilization of capacity in most cases depends heavily on the availability of foreign exchange for needed inputs and spare parts, this raises the question of how to provide incentives to increase export earnings quickly. Closing down firms with little prospect of financial or economic viability may be required to shift resources toward a more sustainable industrial structure. In the longer run, strategies to exploit sub-regional markets are essential for more rational use of industrial capacity in line with the objectives of the Lagos Plan of Action and to increase export earnings and economies of scale through intra-regional trade.

Given a slow export supply response in many industries, however, immediate increases in the foreign exchange available for industrial production depend heavily on the availability of foreign assistance. International lenders can assist by taking a more flexible approach toward programme loans that provide intermediate inputs and spare parts to raise capacity utilization, rather than concentrating on new investment (needed mainly to relieve specific supply bottlenecks).



FED/Afrique photo

A textile plant in Burkina Faso
A key strategic question is the orientation of industrial structure toward domestic demand

An unfavourable environment (1)

Public sector intervention (direct and indirect) has extended national control over industrial production, but it has in some cases surpassed the financial and administrative capacity of the government. The overall degree of emphasis on direct public involvement in industry warrants re-examination for several reasons: government budgetary resources are increasingly constrained; the supply of domestic entrepreneurs, though still limited, has increased greatly since independence, along with institutions to assist them; and the existence of a reasonably diverse industrial structure reduces the need for public investment to play a "pioneering" role. Similarly, the appropriate role of government in controlling and regulating industrial inputs, prices and markets is a key strategic issue.

Putting parastatal firms on a firmer financial footing is an immediate priority for many countries. Price controls have been an important source of poor financial performance, raising the issue of the extent to which firms should be left to set their own prices under a more decentralized, market-oriented approach to resource allocation within the parastatal sector.

Where prices are controlled, use of border prices as reference prices can encourage cost reduction. A more flexible pricing policy that enables parastatal firms to meet their financial needs from their own resources may be necessary to achieve the objective of directing public savings toward the infrastructural and human resource in-

NEGOTIATIONS: "Missed appointment" at Brussels

"A missed appointment" is how Edgard Pisani the EEC Development Commissioner characterized the restricted ACP-EEC Ministerial Conference which met in Brussels from 9-13 October. The meeting had been fixed three months earlier at another, plenary, ministerial meeting in Luxembourg. The idea was that, by getting together a more limited number of ministers—three for the EEC (the President of the Council, his successor and his predecessor) and Commissioner Pisani, and 12 for the ACP (the spokesmen for the main negotiating themes backed up by the ambassadors)—it would be simpler to get to grips with the outstanding areas of disagreement and so to get to a final agreement. Despite this, and despite a prolongation of the session by two days, and two all-night sessions, the conference failed to tie up the negotiations. The global sum for financing the next Convention proved to be the stumbling-block.

The Europeans, after prolonged internal debate, came up with the figure they proposed for aid to the ACP under Lomé III: ECU 7 billion for the 6th EDF and 1 billion for EIB loans. This offer which, according to the Community, is that for Lomé II adjusted for inflation, was rejected by the ACP group for whom this sum represents a reduction per capita in the aid in real terms from the sum agreed five years ago. They put forward their own basis for calculations.

Like the Community, they took Lomé II as their starting point, but adjusted this to take ACP population growth into account as well as inflation and the increase in the number of projects. This is how they arrived at their final figure of ECU 10 billion for the 6th EDF and ECU 2 billion for the EIB. For them, the mere maintenance of the per capita value of the EDF (and in all likelihood Angola and Mozambique will be signing the new Convention) would require ECU 8 346 billion, more than a billion in excess of what the EEC proposed.

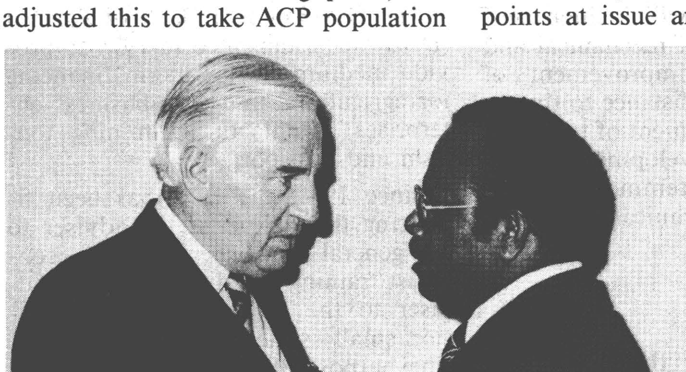
In the end, this wrangle over the financial scale of the new Convention, with a divergence of views which was inevitable given the nature of the ACP-EEC relationship, put a brake on agreement on the other outstanding matters under discussion, the ACP countries taking this as an opportunity to step up pressure for increased resources for Lomé III. The offer, as it was, seemed unacceptable, and Edgard Pisani showed that he had read that signal in his press conference: "I do not feel that we are going to reach agreement on the basis of the figures currently offered to ACP states. I think that the member countries of the European Economic Community, assisted by the Commission, will have to get together and agree on a new figure".

Apart from the financial aspects of the new Convention, which, understandably, were the focus of attention throughout the week, substantial progress was made in a number of other sectors which had been put on ice since the Ministerial Conference in Luxembourg. In fact, the remaining points at issue are few in number—though certainly important—political in nature, and with a well-defined scope. Indeed, there seemed to be a moment, in the early hours of 13 October, when it seemed that, given a few more hours of discussion, and some indication from the Community of flexibility on the matter of the financial offer, a broad agreement could have been reached by the Presidential Group.

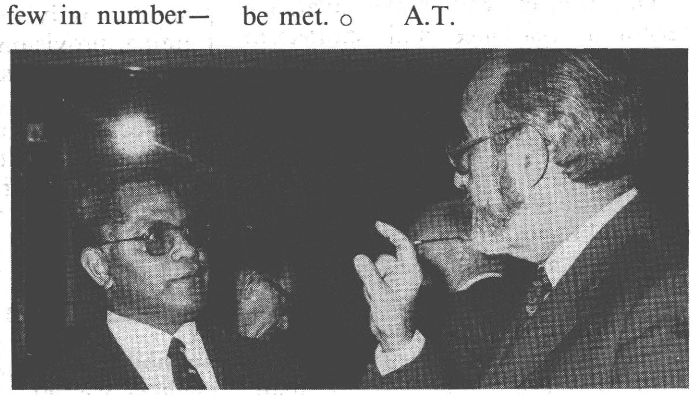
However, the points at issue which still exist can be summed up under two headings:
— trade arrangements: the detailed points include rules of origin, access to the Community markets of agricultural products, especially of rice, rum and beef.
— methods to increase the effectiveness of aid: the detailed points include programming and the use of Stabex transfers.

Apart from that, the problem of how to define the structure of the new Convention remains open and agreement must be reached on the method of including a reference to human rights.

The negotiation team in Brussels will have to find solutions to the outstanding problems before the beginning of November, the target date by which it must report to the Co-Presidents, Peter Barry of Ireland and Rabbie Namaliu of Papua New Guinea. These two will decide whether or not the conditions exist for signature and will confirm or postpone the date of 7-8 December for the official signing ceremony in Lomé. But optimism is in the air. One favourable omen is that the ACP Ministerial Council has been convened in Lomé from 3-5 December to discuss internal problems, a sure sign that the signing deadline will be met. o A.T.



The Co-Presidents: Peter Barry (Ireland) and Rabbie Namaliu (Papua New Guinea).



The Ambassador of Fiji to Brussels, Josua Cavalevu in conversation with Commissioner Edgard Pisani

THE CONVENTION AT WORK

EDF

Following favourable opinion delivered by the EDF Committee (193rd meeting of 24 and 25 September 1984), the Commission has approved the following projects:

Somalia

Multi-annual training programme
Fifth EDF
Grant: ECU 4 300 000

The aim of this proposal is to finance a multiannual training programme. The programme, which comprises training both locally and abroad, seeks to ease the problems facing Somalia as a result of its acute shortage of skilled manpower and of supervisory and managerial staff.

Djibouti

Administrative Training Centre
Fifth EDF
Grant: ECU 270 000

The purpose of this project is to establish an Administrative Training Centre.

It includes:
- construction of an administrative building and teaching building (300 m^2);
- the supply of equipment;
- the architectural studies;
- backfilling of the site made available by the Government.

Kenya

Bura Management
Fifth EDF
Grant: ECU 1 550 000

The project will make available technical assistance and short-term consultancy services to the National Irrigation Board (NIB) for the management of the Bura Irrigation and Settlement Scheme situated on the west bank of the Lower Tana River in the vicinity of Bura, some 450 km east of Nairobi and 350 km north of Mombasa. The programme combines management assistance and on-the-job training for Kenyan staff.

The project will contribute significantly to the attainment of the main objectives of the Bura Irrigation Scheme, which include the development of 3 900 ha of land for the production of cash crops (primarily cotton) and food crops (maize, cowpeas and groundnuts). Some 3 000 farm families are to be settled in the area.

Tanzania

Extensions to the Mbeya water supply system
Fifth EDF
Grant: ECU 3 950 000

This project is to commit the additional funds needed for the completion of the Mbeya water supply project decided under the 4th EDF.

The purpose of the project is to increase water production for the town of Mbeya from 6 800 m^3/day to 14 400 m^3/day, through the construction of a water intake and 4.1 km mains pipe and the provision of treatment and storage installations and distribution pipes.

Coffee Development Programme — Phase II
Fifth EDF
Grant: ECU 9 500 000

This project is designed to succeed Phase I of the Coffee Development Programme (CDP) which was financed under Lomé II, and implemented over two years, beginning formally in October 1982 and ending in September 1984. Previous EDF assistance to the coffee sector had comprised the Coffee Improvement Programme (CIP) which was financed under Lomé I and implemented during the period 1977-81.

The project comprises components already receiving EDF support under CDP and assistance to parts of the coffee industry hitherto outside the programme. Activities will include staff training, provision of mechanical and processing inputs, improvement of quality standards, assistance to the estates sector, improvement of transport facilities, further development of the coffee research programme and continuation of the technical assistance team.

Rwanda-Zaïre

Feasibility study for the Lake Kivu methane gas project
Fifth EDF
Grant: ECU 1 700 000

The study which is the subject of this financing decision concerns the exploitation of methane gas in Lake Kivu. Methane gas could be used not only as a local source of energy but also as a raw material to obtain fertilizers, thus contributing towards the development of a land-locked region which includes Rwanda and the eastern part of Zaïre.

This study is necessary in order to verify the general design of the project, using the information provided by the preliminary feasibility study financed from the resources of the 4th EDF (regional cooperation), and to establish in greater detail both the cost and the feasibility of the project from the technical, economic and financial points of view.

Zambia

Technical Assistance to the Development Bank of Zambia
Fifth EDF
Grant: ECU 299 999

The Development Bank of Zambia (DBZ) was established in 1974 to provide medium- to long-term financing for agricultural and agro-business enterprises, manufacturing, mining, tourism and transport.

Since 1979, the EDF has been financing three experts: the adviser to the general manager, the chief economist/training coordinator and the adviser to the projects appraisal division/small scale industries section. The purpose of the present project is the continued provision to DBZ of managerial support and engineering advice.

Zimbabwe

Multi-annual Training Programme
Fifth EDF
Grant: ECU 1 405 000

Training will be provided in management, agriculture, health and the vocational sector through awards, studies, short-term courses and technical assistance. Awards for overseas studies are envisaged only when such studies are not available in ACP states.

Grenada

Expansion of Institute of Further Education
Fifth EDF
Grant: ECU 450 000

The objective of the expansion of the Institute of Further Education is the provision of educational services to all islanders who seek it at intermediate level.

The resources available will be used to construct and equip a new building comprising six classrooms, a physics and chemistry laboratory, staff room and various services.

Human resource development in tourism
Fifth EDF
Grant: ECU 110 000

Grenada produces essentially bananas, cocoa and nutmeg. Tourism represents an important earning source which the government wishes to develop. The project is intended to contribute to this development by a tourist information campaign in Europe.

Tuvalu

Coastal Protection Project
Fifth EDF
Grant: ECU 379 000

The villages of Tuvalu and the humus-filled garden pits which provide its staple crops are suffering from coastal erosion. Because of its small size, every square metre is vital.

Previous small-scale local initiatives to construct sea walls have proved temporary and ineffective.

The purpose of this project is to provide the means to construct larger and more permanent coastal defences and to initiate building programmes.

Low voltage distribution
Fifth EDF
Grant: ECU 305 200

The implementation of the Funafuti Power Plant project, financed by EDF, created an excess generation capacity over demand. The aim of this project is to extend the low voltage distribution network to release the suppressed demand and create an efficient energy sector.

The project consists of building two new substations, alterations to two others, high tension switching gear and the installation of 26 new distribution pillars, linked into an extended underground cable network. Existing distribution pillars will be upgraded to higher safety standards and new LV connections to consumers will be effected.

Niger

Air Valleys Development project
Fifth EDF
Grant: ECU 2 052 000

The project concerns the rural sector and its impact area is in the Agadez department.

The purpose of the project is to provide a more favourable economic and technical environment for vegetable producers in the region and meet their most pressing requirements by:
— creating basic infrastructure (wells for market gardens);
— providing access to credit for agricultural equipment;
— ensuring more regular supplies of agricultural inputs;
— helping producers with the organization of marketing.
The aim is also to improve the organizational capacity of the rural communities by giving assistance to the cooperative movement.

Members States of the Council of Entente
(Ivory Coast, Niger, Benin, Togo, Burkina Faso)

Educational support for the Lomé Regional Training Centre for Highway Maintenance
3rd, 4th and 5th EDF
Grant: ECU 1 080 000

The purpose of this project is to supply technical assistance to the Regional Training Centre for Highway Maintenance (Centre Régional de Formation pour l'Entretien Routier), hereinafter referred to as CERFER, and to meet training expenses in respect of instructors coming from the Member States of the Council of Entente.

Technical assistance will play a dual role: first, the training, under the best possible conditions, of highway maintenance staff from the countries concerned and, second, to supply additional training in teaching techniques to instructors coming from the Entente States at the end of their training course.

Cameroon

Djuttitsa tea-growing
Fifth EDF
Grant: ECU 712 520

The project is a follow-up to the initial investment phase (1978-84), which aimed at setting up a tea-production complex at Djuttitsa (Western Province). The initial phase was financed from the fourth EDF with co-financing from the CCCE (Caisse Centrale de Coopération Economique), the CDC (Commonwealth Development Corporation) and the Cameroon Government.

As a result of a recent expert report, the financial requirements of the initial project have been reassessed.

The aim of this project is to cover overruns on the initial estimates, permitting:
— the completion and starting up of the tea plantation;
— the completion and extension of the eucalyptus groves with a view to producing fuelwood for the tea factory;
— the installation of related infrastructure.

Zaïre

Assistance to the SME sector in the Shaba region
Fifth EDF
Grant: ECU 559 000

This project is a continuation of the operation to provide technical assistance for the National Association of Zaïrean Industry (ANEZA), initiated under the fourth EDF. The purpose of the project is to give assistance to the SME sector in the Shaba region.

In addition to the continuation of technical assistance and support for the start-up of a unit for SME in ANEZA's regional office in Shaba, the project involves the organization of seminars, training courses, visits to firms and continuing follow-up for the firms which so desire. To implement the project, a unit for SME, headed by a Zaïrean official, will be set up within ANEZA's office at Lubumbashi in Shaba. The unit will be assisted and advised by the technical assistant attached to the SME department at ANEZA's headquarters in Kinshasa.

Congo-Gabon

Iron ore deposits in Haut-Ivindo
4th and 5th EDF
Grant: ECU 5 100 000
Special loan: ECU 2 500 000

The project forms part of measures provided for in the Lomé Convention to improve knowledge of the mining potential of ACP countries, the tapping of mineral resources often being the main driving force of the economic growth of developing countries.

Some ten deposits, beds or seams have been located or studied in part (as in Belinga) in Haut-Ivindo, the area covered by the project.

The project consists of three basic parts:
— Project management responsible for the geological direction of the project, with all that this entails in terms of coordination, follow-up, analysis and testing.
— Field work and operations comprising surface prospecting, general organization and logistical management, and also of bases and transport, clearance of forest paths and topographical surveying plus earthworks, construction of access ways and sampling platforms, and the taking of large samples from drifts or pits. This phase will also include boring.
— Analyses and tests, including chemical analyses, petrographic, mineralogical and metallurgical tests, geostatic studies and an appraisal of reserves designed to determine the ore content and its commercial value. o

EIB

Madagascar: loan for rehabilitating smaller undertakings

The European Investment Bank, the European Community's bank for long-term finance, announces a loan for ECU 8 million to the Malagasy State for assisting with rehabilitation of smaller scale industrial, agro-industrial and mining undertakings on this island off the African coast.

The funds will be made available to Bankin'Ny Indostria (BNI), the country's leading bank established in 1976 with the main remit of promoting industry and craft trades in Madagascar. BNI, whose capital is owned largely by the State, will draw on the funds to finance rehabilitation schemes involving export-oriented or import substitution concerns and focusing on the acquisition or replacement of plant and machinery, re-establishment of production capacities and the rebuilding of stocks of spare parts vital for resuming or continuing production activities.

The operation, mounted under the second Lomé Convention, takes the form of a conditional loan for 15 years at 4% funded from risk capital resources provided for under the Convention and managed by the EIB.

Since the second Lomé Convention entered into force on 1 January 1981, the EIB has already granted two conditional loans to Madagascar: ECU 2.17 m was made available in 1981 for a study on developing bituminous sandstone deposits at Bemolanga, in the west of the island, while ECU 5 m were advanced in 1983 for modernizing shrimp fishing at Nossi-Bé and acquiring four new trawlers.

Somalia: loan for gas deposit development

The European Investment Bank, is also to help finance development of gas deposits in the Afgoy area of Somalia through ECU 7 m loan, made available from risk capital resources under the provisions of the second Lomé Convention.

The funds—which have been advanced in the form of a conditional loan to the Government of Somalia for 15 years at an initial rate of interest of 1%—will be used by the Ministry of Mining and Water Resources to help meet the costs of drilling two new delineation/production wells and upgrading the performance of an existing well. These operations will also be financed partly by the World Bank (IDA).

With confirmed reserves, the project will assist the substitution of indigenous natural gas for imported petroleum, so reducing both the cost of producing electric power for the Mogadishu area and the debit charge on the Somali balance of payments.

Previous EIB financing activities in Somalia include a ECU 250 000 feasibility studies loan in 1980 to the Somali Development Bank (under Lomé I) and a ECU 2.6 m loan in 1982 to the Government towards the rehabilitation of a dairy (under Lomé II). o

ACP EMBASSIES

The newly-appointed Ambassadors of Barbados, Equatorial Guinea, Suriname, Swaziland and Zambia have recently presented their letters of credence to the Presidents of the Council and the Commission of the European Communities.

Barbados

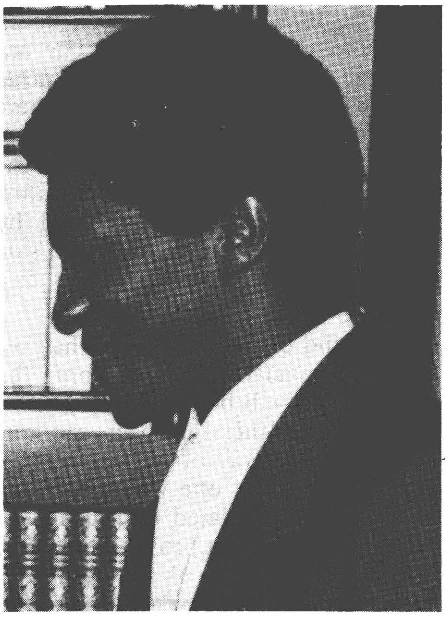
Ruall Cardinal Harris, who succeeds Oliver Jackman as Ambassador, has a degree in History and a diploma in International Relations. After some years as a teacher of history, he entered his country's diplomatic service,

The Ambassador of Barbados, Ruall Harris, with President Gaston Thorn

beginning his career in 1972 with a five-year posting as Counsellor to the Barbados High Commission in London. Returning to Barbados for a brief spell as head of the Political and Economic Division of the Ministry of Foreign Affairs, he was next posted to Brussels in 1978 as Chargé d'Affaires. In 1981, he became Chargé d'Affaires in Caracas and since 1982 has been Deputy Permanent Secretary at the Ministry of Foreign Affairs. Mr Harris is 45 years old and married with one child.

Equatorial Guinea

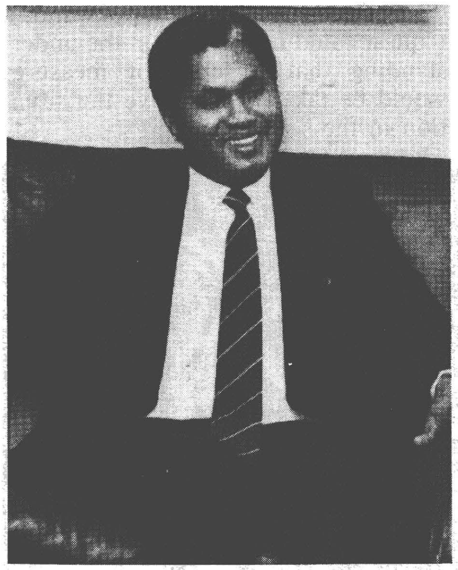
The new Ambassador from Malabo, Jesus Ela Abeme, followed courses in diplomacy in Madrid after a professional start in aviation mechanics. In 1979 he became an official at the Ministry of Foreign Affairs and was promoted to Director-General of Protocol in 1982. Mr Abeme is 31 years old and married with a family.



Jesus Ela Abeme, Ambassador of Equatorial Guinea

Suriname

The new Ambassador of Suriname is Ronald Listeri Kensmil, who has a degree in civil and constitutional law and who started his professional life in 1973 as a banker with the ABN in Paramaribo. In 1975 he attended a training course in The Netherlands for future diplomats, and in 1976 was posted to New York as second secretary in the Suriname Mission to the UN. Promotion to first secretary followed in 1981 and in the next year he was promoted to Ambassador at Large. In 1983 he was named General Coordinator for International Economic and Political Affairs at the Ministry for Foreign Affairs. Mr Kensmil is 39 years old, married with three children.



Ronald Kensmil, Ambassador of Suriname

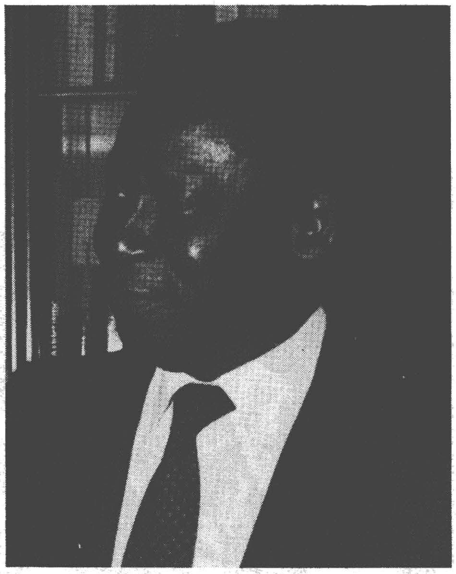
Swaziland

Sipho Peter Nkambule, the new Swazi Ambassador, has a diploma in Business Management and has spent his career as Chief Entrepreneurship Development and Training for SEDCO (the Small Enterprise Development Company) an organization for the fostering of small enterprises. Mr Nkambule is 33 years old and married with two children.

Sipho Nkambule, Ambassador of Swaziland

Zambia

Bitwell Robinson Kuwani, the successor to Sundie Kazunga, is a chartered accountant with extensive banking studies to his credit as well. After a spell as Assistant General Manager and then Vice-Governor of the Bank of Zambia, he set up, in 1967, the Zambia State Insurance Corporation, of which he became Chairman and Managing Director. In 1969, he became General Manager of Barclay's Bank of Zambia, and in 1972 he became a Governor of the Bank of Zambia, a post he held until 1976, and again from 1981 to 1984. Mr Kuwani is 55 years old and married with seven children. o



Ambassador Bitwell Kuwani of Zambia

EMERGENCY AID

Ethiopia

The Commission has decided to allocate ECU 3 m in emergency aid to Ethiopia under Article 137 of the second Lomé Convention.

Certain sections of the population in Ethiopia continue to face a desperate situation because of the drought and the events affecting several regions. The number of people affected is put seven million, two million of whom at have been forced to leave their homes in their search of the means of subsistence. Many of them are suffering from malnutrition and their weakened state makes them vulnerable to various diseases. Not only are supplies lacking but there are serious difficulties in getting relief through to the affected areas.

Earlier this year the Commission decided to allocate ECU 2 500 000 in emergency aid towards an UNDRO (United Nations Disaster Relief Organization) programme for the transport of relief supplies and the purchase and distribution of seeds, tents and blankets.

Food aid and emergency food aid have also been voted on a number of occasions and is now on its way to Ethiopia.

The latest decision will provide financing for a programme consisting of the purchase of foodstuffs, relief other than food and transport and medical aid operations.

The aid will be channelled partly through the International Committee of the Red Cross and partly through the Commission Delegate in Addis Ababa, who will be assisted by organizations operating locally.

The Commission has also decided to allocate emergency food aid as follows:

Lesotho

300 tonnes of milk powder and 200 tonnes of butteroil

The 1984 harvest is down by about 75% because of the drought which has hit the country. It is estimated that some 285 000 people are affected by the situation. The Community's aid will be distributed to the least privileged sections of the population via the Save the Children Fund.

Uganda and Kenya

300 tonnes of cereals

Drought has also had a serious effect on the rural population living in the Karamoja district of northern Uganda and in north-west Kenya. The aid will be distributed to about 6 500 people by International Christian Relief. o

SUGAR

ACP countries accept price freeze for 1984/85

The ACP States accepted at the end of September a price freeze for 1984/85 on the sugar that they will export into the Community in accordance with the "Sugar Protocol". The increase in the guaranteed price last year of ACP sugar was 4%; this year, the ACP States had asked for an increase of 10%, warranted in their view in particular by the increase in transport costs. The price of ACP sugar will therefore be ECU 44.34 per 100 kg.

Furthermore, the Commission decided to reduce the annual quantity of sugar exported from Trinidad and Tobago in accordance with the "Sugar Protocol". In fact, this country has twice informed the Commission this year that; firstly, it could not deliver 12 000 tonnes of sugar (out of an annual total quantity of 69 000 tonnes) and secondly, that it could not deliver a further quantity of 13 500 tonnes in the 1984/85 delivery period. Finally, Trinidad and Tobago declared that it did not want to ask for a supplementary delivery period, nor did it want to invoke a case of *force majeure* for the undelivered quantities. The Commission therefore decided to reduce, from 1 July of this year, the agreed quantity for Trinidad and Tobago to 43 500 tonnes. o

STABEX

Transfers 1984

For the 1983 application year, the Commission has received a total of 51 requests from 26 ACP States for transfers under the system, established by the second Lomé Convention for the stabilization of export earnings.

Examination of 29 of the requests has been completed; 17 had to be rejected, and 12 are admissible. The latter 12, the subject of this decision, are for a total sum of ECU 26 434 770.

The distribution by product and by country of this first allocation is given in the following table:

Recipient ACP State	*Product*	*Amount in ECU*
Grenada	Cocoa Beans	1 230 867
Guinea Bissau	Palm nuts	437 356
Mali	Groundnut Products	3 200 724
Solomon Islands	Copra	1 463 298
	Sawn Wood	34 791
Swaziland	Cotton Products	5 085 350
Rwanda	Hides and Skins	497 157
Togo	Coffee	4 190 324
	Cocoa	9 543 759
Tonga	Copra Products	732 546
	Bananas	11 034
Tuvalu	Copra	7 384

PROMOTION

Senegal in Brussels

Between 22-27 October, Senegal organized a multi-faceted promotion exercise aimed at publicizing to Belgian investors and the general public as a whole the potential of the Senegal market, the country's tourist attractions and the exceptional conditions offered by Dakar's industrial free zone. The object of the exercise was principally economic. Mr Seydina Oumar Sy, Senegal's Ambassador in Brussels, made no secret of this at a press conference at which he expressed his hope that trade between Belgium and Senegal would level out. The undeniable attraction of the Senegal week was cultural, however, and here all stops were pulled out: in addition to the prestigious Senegal ballet, the week also featured the principal films of Sembène Ousmane, presented by the director himself, an exhibition/sale of modern art, lectures, debates and gastronomic meals.

This kind of exercise, which had received financial backing from the Community, will be followed by similar events in other European capitals. It was a novel way of trying to break into markets, and one which will undoubtedly be emulated by other ACP states, especially if it proves to pay off. o

SYSMIN

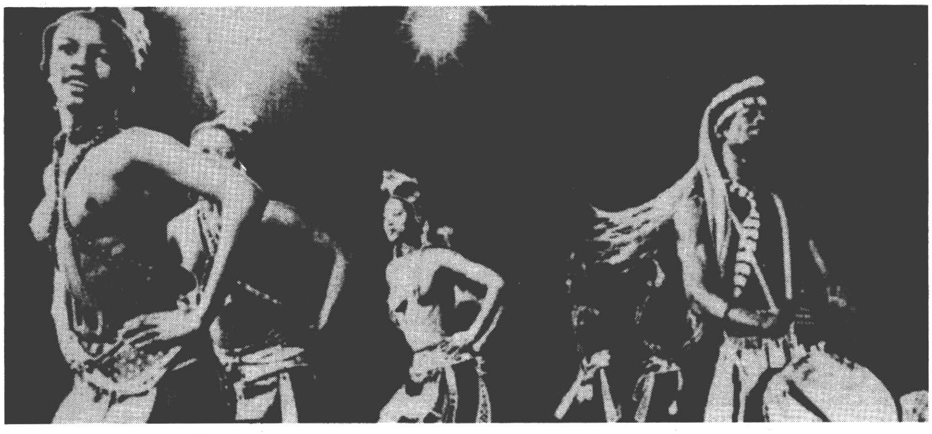
Rwanda

The Commission has taken a decision on financing under SYSMIN for Rwanda.

Rwanda presented a request for financing for tin under the system for mining products.

Tin exports generally account for over 10% of the country's total exports.

In 1982, production fell by 16% in relation to the average for 1978-81 as a result of the mining company's inability to renew and maintain its production capacity. Since all these factors meet the requirements laid down in the second Lomé Convention, the Commission decided that Rwanda's request could be granted on the understanding that a series of measures would be taken to improve the situation in the sector. o



Senegalese national ballet in action

BANANAS

The United Kingdom can continue to restrict indirect imports of bananas from dollar zone

The European Commission has authorized the United Kingdom to continue to restrict, until 31 October, indirect imports (through other Member States) of bananas originating in the dollar zone. The same authorization had been decided, under art. 115 EEC, on 30 March last, but it had expired on 30 September.

If indirect imports to the United Kingdom of bananas originating in the dollar zone were completely liberalized, traditional imports from the ACP States would be affected; the United Kingdom can, therefore, limit to the usual quantities its imports of bananas from the dollar zone, in free movement in another Member State. The length of the authorization is particularly brief, as the British authorities prepared a new import regime for bananas from the dollar zone, and the Commission reserves the right to make a statement in this connection following thorough examination, which is under way. After 31 October, the Commission will rule on the new situation.

The restrictive measure does not concern plantain bananas from the dollar zone, as these bananas have a specific destination which does not affect imports from the ACP States. o

BEEF

Zimbabwe's preferential quantity

In the Annex to the Final Act of the Agreement on the Accession of Zimbabwe to the second ACP-EEC Convention, the Community stated that it was prepared to apply to that country, for a quantity of 8 100 tonnes of boned beef/veal per year, the same system as that introduced for certain ACP States which are traditional exporters of beef/veal to the Community. The preferential quantity granted to Zimbabwe on its accession to the second Lomé Convention is included in the global quantity of 30 000 tonnes fixed for the period of the Convention.

Zimbabwe will in the very near future be in a position to comply with Community health requirements, which are essential for all imports of beef/veal into the Community.

In the circumstances, the Commission decided the measures required for implementing the Community's undertaking referred to above. o

LOMÉ III

New Lomé Convention should centre upon the fight against poverty

The "Independent Study Group on British Aid" is proposing that the third Lomé Convention should be "Convention for the poor" i.e. for the poorest ACP members. This would be an important step in the fight against underdevelopment even though the ACP only represent 11% of the population of the Third World.

The Group has published a report on the 1982 UK aid development programme which outlined a strategy for transforming this aid into real aid: today the Group is proposing to apply the same basic principles of this strategy to the third Lomé Convention.

According to the Group, Lomé III should include, firstly, a commitment from the signatories to give a specific amount of money to the EDF for programmes to help the poorest countries and to carefully select all the EDF programmes so as to ensure that they have a positive effect on Third World poverty. The main aims of this "real aid strategy" put forward by the Group are: to maximise the amount of financial aid for directly increasing the production capacity of the poorest of the population, i.e. 40%; to make sure that the resources not responding to this description should contribute "indirectly yet clearly" to the improvement of the living standards of this group of the population; to provide for local and recurrent expenditure, to concentrate aid on the poorest countries; to call on the major voluntary organizations for help; to accept higher expenditure for the identification and assessment of projects; whilst recognizing that donor countries have different "commercial and political interests", to make sure that it is not they who reap the harvest of the aid programmes.

The Group recognizes that such a "radical plan" would demand new methods for identifying needs, new methods of distribution and a change of attitude on the part of donor countries. It goes on to say that "fortunately relations between the ACP and the EEC now have a solid basis, well established target programming and a commitment to joint participation". However, the Group stresses the need to recognize local initiatives on priority areas for development so as to ensure the success of the aid strategy against poverty. o

FAIRS

ACP participation

Within the framework of the 5th EDF Regional Cooperation Programme, Commission services have organized the participation of ACP States at international commercial exhibitions. Stands were provided and set up for the display and sale of these countries' principal products.

— In Berlin, the Overseas Imports Fair from 6-9 September brought together numerous developing countries which had also received bilateral aid from Federal Germany for the promotion of their exports.

— At Bari, at the Levant Fair from 7-16 September, five ACP States participated. They also took the opportunity to attend a professional meeting organized to develop cooperation in the fisheries sector between Italy and the ACP States.

— In Paris, 8-11 September saw International Leather Week, the biggest market in the world in this sector, attract the attendance of 10 ACP States, all of them producers and exporters of hides and skins. Orders taken at the fair have been estimated at ECU 15 m for all the ten countries together. o

RWANDA

The Minister of Foreign Affairs and Cooperation in Brussels

During his stay in Brussels, in the course of an official visit to Belgium, Mr François Ngarukijintwali met Mr Dieter Frisch on 3 October 1984.

During the meeting, the Minister raised the problem of the drought which had caused distress to the Rwandan people. The Commission had been operating, from the first alert, in close cooperation with the Rwandan Government. It acceded to the requests of the Government concerning the use of counterpart food aid funds for the emergency purchase of food supplies. It also programmed an increase in the emergency food aid allocation for 1984 as well as an emergency food aid grant through the UN World Food Programme. Complementary to these measures, and in concert with the Rwandan Government, emergency aid under the terms of Article 137 of the Lomé Convention was being planned, which would make possible the local purchase and distribution of foodstuffs.

Mr Ngarukijintwali also raised the question of activating Sysmin in the case of the tin-mining sector which was faced with severe problems. Since the principle of access to Sysmin for Rwanda had already been approved by the EDF Committee, it was merely necessary to draw up a comprehensive plan for the rehabilitation of the entire mining sector.

On the other hand, Mr Ngarukijintwali and Mr Frisch expressed their satisfaction at the progress made in the framework of EEC-Rwanda cooperation. The implementation of the 5th Indicative Programme of the EDF, covering a global sum of ECU 79 m, was at a very advanced stage. o

GENERAL INFORMATION

Mr Pisani in San José
Europe ready to help Central America

A ministerial conference between EEC countries (plus Spain and Portugal), Central American states and the countries of the Contadora Group was held at the end of September in San José, capital of Costa Rica. Europe was represented by the Foreign Ministers of the Ten and by Development Commissioner Edgard Pisani. In his speech to the conference Mr Pisani, after underlining the ways to strengthen ties between the Community and Central America, declared:

"The presence of 12 European ministers and a European Commissioner will take on its true significance only if the countries of Central America adopt clearly and irrevocably a pact of the type and spirit adopted by the European countries themselves. For there can be no doubt that it is only if this Central American solidarity asserts and organizes itself that the danger of external intervention feared by all can really be removed. It is by progressively building up a system of mutual security and support that Central America will be able not only to denounce any external intervention, but finally to make it impossible.

Moreover, it is when the Common Market of the five countries of Central America is revived and thriving politically, that the European Community will be able to demonstrate its support most naturally and effectively, and start making its unique experience available.

Our message cannot be otherwise. There would be no point in our being here were our message different. No country in the isthmus, with its particular characteristics, embarking individually on supporting or implementing such a policy could possibly achieve results, internally or externally, comparable to those a Central American community of independent but collaborating states could hope to achieve by pursuing a policy of concerted action and joint measures.

Despite their surface area, their potential, and their advances in certain sectors of their economies, at world level your countries are modest powers. Each one constitutes a limited market and the grounds for investment to satisfy domestic needs or to capture international markets are not convincing. Moreover, as a general rule, your economies are similar rather than complementary.

The establishment or genuine development of a Central American common market would open up completely new prospects for investment, complementarity, competitiveness and diversification. Such development will necessarily be progressive. It presupposes finding solutions to difficult problems which we Europeans know only too well: for example, freedom of movement for persons and goods, coherent economic policies, definition of an agricultural policy, a transport policy and efforts to achieve currency harmonization.

This is an immensely difficult task, but we are prepared to contribute with our wealth of experience which we have gained from both our successes and our failures. But, it must be made clear, the effort involved is the price to be paid for economic development.

Otherwise, why would private European companies decide to invest, and many are tempted to do so, in an area riddled with insecurity, next door to the greatest economic power in the world, and which, moreover, represents an exceedingly fragmented market unable to provide the commercial basis required by firms which could make a contribution to the wealth of all? The Central American market could be an important one, the individual markets of each of your countries are not. A Central American common market is therefore a prior condition for genuine industrial development.

But what a degree of mutual confidence is necessary for frontiers to be opened, for freedom of movement to be decided on and for it to be accepted that the industrial specialization of each country should lead to greater independence for all? The prosperity you are seeking will not come about until your economies complement each other and this requires confidence. The economic problem is therefore primarily a political one.

But let us suppose that the political barriers were lifted—and this meeting would be pointless if it was not directed towards such a result—Europe would then have to take practical steps.

Let us suppose that your conflicts have been attenuated and the objective conditions for external support have been created. This support would then have to be forthcoming. We can do nothing for you unless you make the necessary effort yourselves, but as soon as you do so we will be there to back you up.

The Community institutions, in particular the Commission, are standing by.

Europe, including the Member States and the Community, provide a little over 20% of all the external aid received by your countries. Community aid itself has increased over recent years and the results obtained are beginning to be encouraging. We have applied rules to your countries and have submitted for your approval priorities with which we are familiar. In your countries more than anywhere else we have aimed at promoting agricultural and rural development, without any political motives." o

VISITS

Edgard Pisani in Sweden

In September, Mr Pisani travelled to Sweden for high level discussions on development issues, specifically concerning certain African countries. He met the Foreign Minister, Mr Lennart Bodström, the Minister of Foreign Trade, Mr Mats Hellström, the Under-Secretary of State for Cooperation, Mr Gösta Edgren and the Director-General of the Swedish International Development Agency, Mr Anders Forsse. SIDA disburses about $ 500 million in foreign aid annually, for the most part untied, and has 300 technical assistants in the field in Asia, Africa and Latin America.

Mr Pisani was accompanied by Mr G. Livi, Director in the Directorate-General for Development, by Mr J.C. Leygues, his deputy Chef de Cabinet, and the Swedish Ambassador to the European Communities, Mr Stig Brattström.

The Swedish authorities and the Commission are both preoccupied by the economic, political, demographic and ecological problems of Africa, especially in view of the fact that the continent's 450 million people are expected to swell to a billion by the beginning of the next century and the population of North Africa alone will exceed 200 million.

SIDA declared itself in favour of cooperation with the Commission, on specific points and in a flexible manner, in certain African countries where Swedish development activity has considerable impact. The countries in question are Ethiopia and Tanzania (the Community's largest ACP aid recipients) Mozambique, Zambia and the countries of Southern Africa in general.

Agricultural development is considered a top priority for these countries and Sweden attaches great importance to it, as does the Commission with its food strategy and food aid policies.

The two sides also confirmed their keen interest in the activities of SADCC (Southern African Development Co-ordination Conference) which is composed of nine Southern African countries and which aims at reducing dependence on South Africa by developing indigenous resources and increasing cooperation. Both sides agreed that SADCC should be given full backing to enable it to achieve greater efficiency in capitalizing on projects and in use of donor funds.

Mr Pisani outlined to the Swedish authorities the new orientations of the Lomé Convention, emphasizing the role likely to be taken in the new Convention by agriculture, self-reliant development and regional cooperation.

The Swedish authorities expressed their interest in the initiatives to be taken by the Commission in the fight against desertification in Africa and in the plans for the development of independent research in the countries affected.

In the context of the guidelines adopted by the EEC/EFTA Council of Ministers held in Luxembourg in April the possibility was discussed of an informal meeting on the situation in Africa between EEC Cooperation ministers and those of the EFTA (European Free Trade Association) group.

Both sides noted that economic, political, demographic and environmental problems required a particular effort on the part of the Commission and of other European countries cooperating with African countries and that coordination of efforts could ensure a more efficient use of European aid. o

WORLD BANK

Annual report 1984

The World Bank's Annual Report 1984, published in September, says that painful adjustments in many developing countries "have established a base for return to increases in output. Indeed, in some countries the return to high growth rates has already begun".

But the report by the Bank's Executive Director warns that "there remain serious concerns in several areas", such as the halting recovery of trade, commodity prices and capital flows, as well as a "rekindled" concern about debt because of a renewed increase in interest rates.

"The World Bank has attempted to revive development momentum and to respond to the requirement for adjustment in a variety of ways", the report notes. Some of the major developments during the financial year 1984 were:

— A selective capital increase for the International Bank for Reconstruction and Development (IBRD) of the equivalent of $ 8.4 billion and a seventh replenishment of the resources of the International Development Association (IDA) to the tune of around $ 9 billion.

— Increased lending with 129 IBRD loans for 43 countries amounting to $ 11.9 billion (up 6.3% over 1983) and IDA credits to the tune of $ 3.6 billion for 43 borrowing countries (up 7%). The Bank's other affiliate, the International Finance Corporation (IFC), approved 62 investments totalling $ 696 million.

— Agreement on a flexible range for the financial year 1985 lending programme by setting IBRD lending between $ 12.6 billion and $ 13.3 billion and IDA lending between SDR 2.8 billion and SDR 3.3 billion.

— Significant increase in IBRD disbursements (from $ 6.8 billion in 1984 to $ 8.6 billion in 1984) mainly through the Special Action Programme adopted in 1983, which includes accelerated disbursements to speed up the implementation of crucial projects. It also includes expanded structural adjustment lending which is designed to assist borrowing member countries in adjusting their economic policies to the adverse economic environment.

— Introduction of new co-financing instruments in which the Bank participates directly with commercial banks in syndicated loans to developing countries; a total of $ 1.1 billion in "B-Loans" was approved in 1984. These first test cases of the new instruments for co-financing were "successfully launched", the Report notes.

— Borrowings by the IBRD in the fiscal year amounted to $ 9.8 billion, slightly less than last year's. IBRD net income for 1984 was $ 600 million.

— Efforts to keep the Bank's lending rates as low and stable as possible through such innovations as the introduction of borrowings in floating-rate notes, the establishment of the Central Bank Facility, expansion of the short-term discount-note borrowing programme and of currency swap transactions. On 1 July 1983, the lending rate was reduced from 10.97% to 10.47%. On 1 January 1984, the rate declined to 10.08%, and on 1 July 1984, it was reset at 9.89%.

— Expansion of the Bank's advisory services to its borrowing member countries. The economic dialogue has intensified with the recent implementation of lending for structural and sector adjustment. It includes more reviews of state enterprises, aims at strengthening public investment policies, attempts to mobilize more domestic resources and to stimulate exports.

– Preparation of an Action Programme for sub-Saharan Africa which deals with the region's long-term development issues. (This report was submitted to the Development Committee meeting in Washington last September).

But the Report also states that Bank responses have been constrained by several factors. Developing countries had to reduce the level and alter the composition of their investments. These difficulties faced by borrowers combined with the requirements of prudent financial management by the Bank limited the number of Bank operations. The result was a level of IBRD lending in 1984 that was higher than in 1983, but slightly less than had been planned earlier for the year. As to IDA, although the number of operations had been roughly maintained, the average real size of IDA operations had been reduced in comparison with levels in previous years, due to the particular constraints on IDA resources. o

NON-ASSOCIATED COUNTRIES

The Commission has adopted a report, which will be transmitted to the Council and Parliament, on the implementation of financial and technical aid to non-associated developing countries in 1983.

It has also approved a proposal for a Council decision determining the general guidelines for such aid in 1985.

Financial and technical cooperation with non-associated developing countries was first introduced in 1976, with an appropriation of 20 million units of account in the general budget of the European Communities.

The amount of money allocated in the budget for this purpose has risen steadily, reaching ECU 235 m in 1983 and amounting cumulatively to almost ECU 1 000 m for the period 1976-83. It has been used to finance development activities and projects in some 30 non-associated countries in Asia, Africa and Latin America. In addition it has provided help for certain regional institutions and organizations run by these countries or active in them.

The fundamental aims of financial and technical aid to non-associated developing countries may be summarized as follows:
(a) aid is directed towards the poorest developing countries and the most needy section of their population, with special importance being attached to rural development, particularly in order to improve food supply;
(b) as a subsidiary form of action, participation in regional projects may be considered (and in this case, projects do not necessarily have to be in the rural sector); some aid is earmarked for measures to deal with exceptional circumstances, in particular reconstruction projects in the event of disaster;
(c) aid is given in the form of grants and may cover imports and local expenditure; projects may be financed autonomously or by means of cofinancing with Member States or with international bodies;
(d) funds are to be allocated in such a way that a Community presence in the major regions of the developing world is ensured.

Concerning the general guidelines for 1985, the Commission proposes renewing those approved for 1984, which were themselves based more or less on the guidelines laid down in previous years.

This means that the aid, the overall figure for which will be set by the budgetary authority, will be divided geographically between Asia (75%), Latin America (20%) and Africa (5%).

The objectives and the potential recipients remain the same as in previous years.

New financing

As part of its programme of financial and technical aid to non-associated developing countries, the Commission has taken the following financing decisions:

Colombia: ECU 3 900 000

Reconstruction programme

This programme consists of two distinct, complementary operations following the earthquake which struck the town of Popayan in March 1983. It includes a rebuilding scheme, with the recipients themselves largely doing the building work, comprising:
(i) a suburban housing estate to provide accommodation for the poorest section of the population of Popayan, including single-family houses and services (roads, water supplies, etc.);
(ii) support to assist several rural communities situated around the town of Popayan which have similar requirements;
(iii) strengthening of the resources of the body responsible for training and for management of the works;
(iv) some technical assistance.

The operation also offers an opportunity to broaden the preventive studies of the effects of earthquakes by means of a series of preventive measures and a seismo-geotechnical microzone study focusing on the town of Popayan.

Laos: ECU 1 200 000

Water supply

This project complements a more widespread village water supply programme in Laos, coordinated by UNICEF, which is already under way and which should finish in 1986.

The project will allow a further part of the programme to be undertaken, covering spring protection systems and reservoirs, construction of gravity feed systems and infiltration galleries, and training not only in construction, but also in running and maintenance.

This project will be carried out over a 2-year period both on the plains and in the mountainous areas of Laos and involves significant participation in the form of labour of the peasants concerned. Approximately one million people, mainly rural, will benefit from the project. o

EMERGENCY AID

Mozambique

The Commission has decided to grant emergency aid of ECU 1 m for buying and transporting seeds for maize, bean, sorghum and vegetable crops.

Mozambique, which is still affected by drought, is experiencing one of the gravest situations on the African continent. The number of victims needing help is estimated at three million. In the Tete region, which is at present one of the most seriously affected, many thousands have already died of hunger, and thousands of families have had to leave their homes in search of the means of survival; the number of Mozambicans who have taken refuge in Zimbabwe for this reason is estimated at 100 000.

This year the Commission has already adopted three decisions on emergency aid for Mozambique totalling ECU 3.6 m, allocated so as to bring help to drought victims in the provinces of Gaza and Inhambane, as well as to victims of cyclone Domoina, which has devastated the Maputo area. However, the gravity of the present situation in the Tete region justities further emergency action in order to provide some 45 000 families who have fallen victim to the drought (around 250 000 people) with food crop seeds: maize, beans, sorghum and vegetables. This emergency aid is in addition to the 3 000 tonnes of cereals already granted to these victims by the Community as emergency food aid. The operation is to be carried out from Zimbabwe, with the agreement of the authorities in the two countries, not only allowing many families in the region to remain in their home areas, but also encouraging the return of numerous Mozambicans at present seeking refuge in Zimbabwe, thus improving the situation in that country.

The Philippines

The Commission has also decided to allocate ECU 500 000 as emergency aid to the Philippines, where Typhoons Maring and Nitang have caused loss of life in the north and south-east of the country and left 540 000 people homeless. The aid, which will be in the hands of "Médecins sans frontières", will cover health, medical and food operations in the worst-affected province, Surigao del Norte. o

EEC-MASHREQ

Under the cooperation agreements between the EEC and the Mashreq countries, the Commission has taken the following financing decisions:

Egypt: ECU 1 000 000

Kom Ombo soil improvement study

The project is based on an earlier pre-feasibility study funded under the first financial protocol. The present project consists of a comprehensive study of an area of 30 000 ha in the Kom Ombo district of Upper Egypt, some 40 km north of Aswan. This will:

(i) determine the problems affecting the soil by investigating physical and chemical characteristics, groundwater levels and water management;

(ii) indicate means of rendering the soil fit for cultivation, including irrigation and leaching techniques, mechanical and chemical treatment of soils and drainage and pumping requirements.

Jordan: ECU 624 000

Training centres

Additional financing will be made available for a project approved in 1982. The Vocational Training Corporation (VTC) is to be provided with equipment, technical assistance and training for its Zarqa and Amman training centres. o

EEC-EGYPT

Supplementary financing for wastewater project

Following the favourable opinion unanimously given by the Council *ad hoc* Working Party on the Mediterranean, the Commission has approved supplementary financing amounting to ECU 15 m as a grant under the second Financial Protocol to the Agreement for the Helwan wastewater project.

The Community has already provided a grant of ECU 31.54 m in 1981 for the same project under the first Financial Protocol.

The additional financing has become necessary to offset rises in costs due to inflation and so that Community aid can cover the cost of some items which were originally to be financed by the Egyptian Government.

The project consists of the building of a sanitation system to serve several towns and industrial areas covering 9 500 ha on the east bank of the Nile to the south of Cairo. The sanitation system comprises collector mains, trunk mains, pumping stations and treatment works.

The treated effluent will be used in a separate project to irrigate reclaimed desert land. Half a million people will benefit from the project when work is completed in 1988. o

IARD

20th Anniversary

On 28 September in the Palace of Congresses in Brussels, the IARD (International Association for Rural Development) celebrated its twentieth anniversary.

It was in 1964 that a very diverse group of Belgian people, private citizens but almost all with political positions or administrative status, decided to create the IARD in the form of a non profit-making organization. The objective was to maintain an instrument capable of setting up rural equipment, and especially, the provision of drinking water and maintenance of the existing infrastructures.

By its very origins the new organization, had, for some time, what one might term a privileged relationship with the Belgian administration. However, in fairly short order, these relations grew more distant, to the point where current programmes carry almost no Belgian aid component, despite a turnover, averaged over the last three years, of more than BF 700 m a year.

It is thus with partners other than the official Belgian aid agencies that the IARD has developed relationships over the last decade, which cover not only the volume of its activities but the areas that are covered and the types of its interventions. Among these are the UN High Commission for Refugees, the EDF, World Bank, regional development banks, local governments, and third party governments. In particular, priority is now given to the management of hydraulic installations, to agricultural production, in particular, food production, the spread of appropriate technology, the use of renewable energy sources and the search for appropriate formulae for association with local commercial ventures in the projects undertaken. o

STRUGGLE AGAINST APARTHEID

Bishop Desmond Tutu wins the Nobel Peace Prize

Bishop Desmond Tutu, Secretary-General of the South African Council of Churches, received the Nobel Peace Prize for 1984 for his non-violent struggle against apartheid. Bishop Tutu, who is 53, has spent 23 years vigorously denouncing the policy of institutionalized racism of South Africa's white minority. Arbitrary and extensive resettling of black communities, detention without trial, humiliation and repression have all claimed

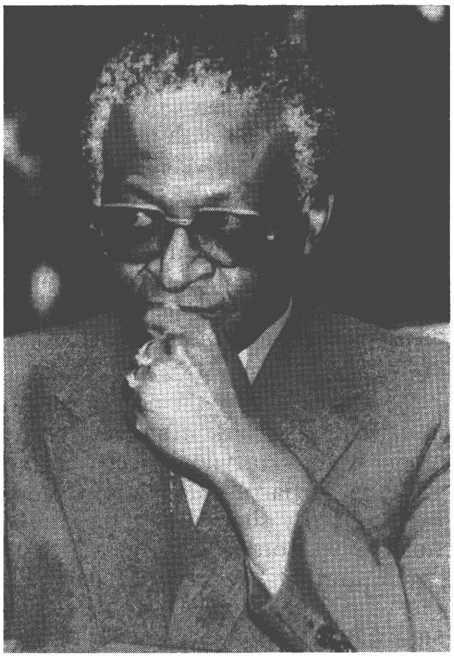


Photo ACP

Bishop Desmond Tutu
"A fantastic political statement" and "an encouragement to all those, black and white, who are engaged in the struggle for justice and peace in South Africa"

hundreds, indeed thousands of victims, in their various forms.

Even while reproving recourse to violence, Desmond Tutu explains that the foundations of apartheid themselves lead to violence.

He is the first black to lead the South African Council of Churches, a powerful organization representing fifty churches and almost 10 million worshippers including more than a million whites, and his criticism has increasingly irritated the South African Government which has responded by withdrawing his passport. These annoyances have not dampened the Bishop's fighting spirit. "I will do all that is within my power to bring down this diabolical system, no matter what it costs me. Nobody will stop me". declared the new Nobel laureate.

This symbol of recognition for a black South African in his fight against apartheid (the only form of legal racial discrimination still existing today) was greeted with an explosion of joy by South Africa's 23 million blacks (73% of the population), and, naturally enough, throughout the rest of Africa. Speaking in New York, Desmond Tutu thought that the Nobel Prize was "a fantastic political statement" and "an encouragement to all those, black and white, who are engaged in the struggle for justice, peace and equality for all in South Africa".

The award has caused considerable embarrassment to the South African government which announced it briefly at the end of the late-night television news on 17 October. But it is already obvious that an anti-apartheid Nobel Peace Prize can only be interpreted as a sharp condemnation of the South African racist minority régime and a disavowal of its recent cosmetic reforms. It is, in addition, a source of considerable new hope for all those, fighting against what Claude Cheysson has called "a challenge to the world's conscience". (*The Courier* will return to the theme of Africa's Nobel Prize).

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Claude Cheysson before the UN special anti-apartheid committee

In October, before a meeting in New York of the UN special anti-apartheid committee, chaired by Nigerian Joseph Garba, the French Foreign Minister delivered a long diatribe against apartheid "this institutionalized racism" which, he said, was "a challenge to the world's conscience". The first Western minister to honour the committee with such a visit, Mr Cheysson spoke to an audience of 350 people including several foreign ministers, among them some from the front-line States, the interim Secretary General of the OAU, Peter Onu, Mr Toivo Ja Toivo, leader of SWAPO (Namibia) and his own son, Thomas, whom Mr Cheysson had brought as a symbol. "In condemning apartheid" he said "in rejecting racialism, in attacking every form of discrimination it is Thomas, my son, it is your children and your children's children that we are defending, and their future dignity, their right to be themselves and their attachment to freedom that we affirm".

Mr Cheysson announced that, for 1985, France would increase from FF 1 132 750 to 1 400 000 its contribution to the UN training and information programme for southern Africa and the UN special fund for victims of apartheid. Moreover, France would contribute, for the first time that year, FF 150 000 to the UN fund for anti-apartheid publicity, and would double the number of scholarships reserved for black South African exiles.

But Mr Cheysson stood out against a total boycott of South Africa, in contrast to the special committee and a number of African countries. "We must" he said "speak to the South Africans and convince them that their attitude is morally unacceptable dangerous in practice and spiritually a disgrace". o

FAO

World Food Day

Each year since 1981, World Food Day is celebrated on 16 October. On this occasion, Mr Pisani sent a message to the Director-General of the FAO in which he emphasized the significance of the food strategies which the Community encourages in the Third World: "Food strategy, he said, can enable, already enables, certain countries, to trace the paths of progress and soon self-sufficiency". And Mr Pisani added: "Hunger exists, men die of it" and "To reintroduce into the North-South debate, into the world debate, the food problem, is to go back to the most pressing issue, to the most unbearable anomaly".

"The world can feed the world", Mr Pisani said. But it does not do so, "because too often the developing nations have not given to their farmers, to their food self-sufficiency, to the rural world, the priority which was proper"; "because the most fertile, technologically most advanced, regions, thought they, alone, could feed mankind"; "because masses of cereals are processed into meat" because essentially Third World peasants do not enjoy an organization which guarantees them a fair return for their efforts". "It is not a question, "Mr Pisani concluded", of preaching anarchy, but of seeking the food security of each country on its own soil... Would that World Food Day not bring everything down to agriculture, but reactivate development from its essential agricultural base".

FAO has dedicated this year's observance of World Food Day to women in agriculture, responding to the need for a better understanding of the many roles of rural women in the developing world.

In the Third World a woman's place is in the field, the granary and the dairy, as well as in the home. Recent studies on the role of women in agriculture all point to the same conclusion—they contribute far more to food and agricultural production than has been generally recognized.

The studies show that women produce much of the Third World's food, and that they process and cook almost all of it. Furthermore, they play a leading role in marketing cash crops.

In fact, far from limiting themselves to household chores, rural women in developing countries spend most of their working time producing and processing food or earning cash—less than half is spent feeding, clothing and caring for their families.

Why are women forgotten?

Failure to appreciate the contribution of women to agricultural production can be partly explained by the tendency in official statistics to concentrate on wage labour or cash crop production, which are dominated by men. The International Labour Organization estimates that, on a global basis, almost half the hours worked by women are not counted in official labour force statistics.

Women may be left out of the development picture because they are under-represented in the policy-making areas of government and in agricultural extension and training services. Less than 10% of extension workers are women. In Africa they account for only 3.4% of trained agricultural personnel, according to a recent survey by FAO.

Of course, averages like these hide tremendous differences between countries—in 12 African countries less than 1% of trained agricultural personnel are women, while in six countries more than 9% are. The figure is 25% in Lesotho and Swaziland, where men have emigrated from rural areas in large numbers.

In the extension services of most developing countries women are largely restricted to advising on home economics. Even then, they are usually administered by men. There are exceptions—more than a third of the extension agents employed by the government extension service in Malaysia are women. A similar situation exists in the Philippines.

The share of women in agricultural management and extension is likely to increase in the future. Even in Africa, where such a tiny proportion of trained agricultural personnel are women, 15% of agricultural students are now female.

The proportion of women participants in FAO-supported group training activities in 1982 ranged from a low of 3.9% in the Near East to about 12% in Africa and in Latin America and the Caribbean and 15.2% in Europe. In Asia and the Pacific only 5% of the participants were women.

Reaching out to women and men

What can be done to help women in their work and to give them a bigger say in the development affecting their lives? Clearly they can be taken into account when development programmes and projects are being planned.

To encourage this, FAO has drawn up a set of guidelines for use in agricultural planning. They cover issues such as education and extension, and access to credit and marketing. For example, the guidelines recommend that credit schemes be designed to make credit available without requiring land title as collateral—particularly important for women whose husbands have migrated to urban areas. The guidelines also suggest ways of bringing women into field projects in areas such as irrigation, land and water management, soil conservation and fertilizer use. o

EUROPEAN COMMUNITY

Enlargement: vital issues still on the table

September in the European Community should have been devoted to three questions fundamental to the future of Europe: a solution to the EEC's budgetary problems; reform of the Common Agricultural Policy to reduce costs, and the accession of Spain and Portugal to the European Community. All three questions are closely linked. The latter two issues in particular are advancing hand in hand. Welcoming two countries—Spain and Portugal—which are important producers of wine and olive oil commits the EEC Member States to taking measures to control their own production of these products. They can hardly expect the two new candidate countries to make sacrifices without being prepared to do so themselves. These difficulties confront the EEC's southern Member States who cannot agree with their northern partners on the measures to be taken and the result is a serious delay in the accession negotiations, especially with Spain. Access for the "newcomers" to the EEC's Fisheries Policy or to the Community's labour market are other controversial issues.

In an attempt to overcome the problems, the Member States and the European Commission have multiplied the number of formal and informal meetings held with their Iberian partners. Although the EEC's Council of Ministers on September 17 and 18 achieved little, the Member States are determined to resolve at least some of the problems at their next meeting on October 1 and 2.

Portugal would like to leave the meeting with a declaration marking the end of the negotiations on essential items in its hands, and Roland Dumas, the French Minister for European Affairs believes it could be possible. As far as Spain is concerned, the negotiations have entered a decisive phase. All the important dossiers are on the table.

Agriculture and the EEC's North/South conflict

Sugar is the only main problem to be resolved as far as Portuguese agriculture is concerned. Portugal consumes some 200 000 tonnes of cane sugar each year and imports 150 000 tonnes from four African countries—Zimbabwe, Ivory Coast, Swaziland and Malawi. To maintain these supplies, Portugal has requested the EEC to increase by 30 000 tonnes the quota guaranteed to the ACP countries under the Lomé Convention. This request is backed by the United Kingdom, which has proposed an increase of 180 000 tonnes. The European Commission is in favour of an increase in the ACP sugar quota, although it prefers a more modest rise, while France is very reluctant to accept any increase.

The major, difficulties affecting negotiations with Spain in the agricultural sector involve olive oil and wine—two products in which the EEC has surplus production. The majority of Member States want to impose a quantitative limit on production benefitting from different types of guarantees within the CAP. For olive oil, however, Greece refuses to accept this, while Italy admits that there is a need for some type of reform although not until several years after enlargement. On the question of wine, France and the European Commission have proposed taking a substantial share of the harvest off the market further penalising those regions where output is highest (most of them are in Italy). Special rules designed to stabilize production would apply to Spain, which has immense but less productive vineyards.

Fisheries—how to get out of the stalemate

With only days to go before the next rendez-vous with Spain, it is not yet known if it will in fact be possible to touch on the question of fisheries. Spain has said that the EEC position on this question, which is to maintain the current situation, is unacceptable. This would mean that the Spanish fishing fleet, which is as large as all EEC fleets put together, would have to continue obtaining licences to fish in EEC waters. Portugal, whose boats fish mainly in Portuguese waters, has, however, accepted the proposal. To try to get out of the stalemate, the Commission has proposed a method of avoiding discriminating against Spain. But it is not yet sure that the EEC Member States will accept the proposal as it would oblige them to review the rules of a policy which took ten years to negotiate.

Social Affairs—little progress on delicate issues

Luxembourg, where 10% of the population is of Portuguese nationality, is maintaining its reserve on the free circulation of Portuguese workers after accession, while Germany is refusing to commit itself to paying social security to immigrant families from Spain and Portugal on the same level as other families residing in Germany. Germany undoubtedly fears that Turkey could demand the same concessions. o

COUNCIL

The "New Commercial Policy Instrument" (NCPI)

The Council of the European Communities has adopted, at the same time as a package of 15 Directives intended to strengthen the internal market, a new trade protection instrument.

The main aim of this new Community arrangement is to respond more rapidly, more effectively and with a wider range of measures than in the past to any illicit commercial practice attributable to a third country which causes injury to Community industry either on the Community market or on export markets.

By giving practical effect in this manner to the guideline laid down by the European Council at its meeting of June 1982, which set the Community the task of acting "with as much speed and efficiency as its trading partners" and defending "vigorously the legitimate interests of the Community", at the international level, the Council has strengthened the array of trade protection instruments available to the Community (anti-dumping proceedings, anti-subsidy proceedings, surveillance of safeguard mechanisms).

The Regulation contains two substantive elements: one aimed at responding to any illicit commercial practice with a view to removing the injury resulting therefrom, the other aimed at ensuring exercise of the Community's rights with regard to commercial practices of third countries (known as "A" and "B" procedures respectively).

Note that the "A" procedure gives firms the right to lodge a formalized complaint against illicit commercial practices, these being defined as any practices attributable to third countries which are incompatible in terms of international trade either with international law or with the generally accepted rules.

Through this "A" procedure the NCPI will therefore make it possible to respond to a number of illicit practices attributable to third countries, many of which have not been covered by specific existing instruments, for instance restrictive administrative practices which contravene international rules, restrictions on exports of raw materials and certain restrictions on imports.

Above all, unlike other existing instruments, the NCPI will make it possible to identify and eliminate any injury sustained by Community industry on its export markets. Hence it is an instrument which concerns not only the Community market but is also aimed at facilitating Community firms' access to third country markets.

The fairly wide scope of this instrument is matched by a variety of potential counter-measures. Any commercial policy measures may be taken which are compatible with the Community's international obligations, in particular, following any international dispute-settlement procedures, the suspension or withdrawal of any concessions resulting from commercial policy negotiations, the raising of existing customs duties or the introduction of any other charge on imports and, finally, the introduction of quantitative restrictions or any other measure affecting trade with the third country concerned.

In practice, the Commission will examine the cases—both those lodged directly by Community industry under the first procedure and those lodged by a member State—via a procedure which guarantees the transparency and equity of any counter-measures: consultation of the Member States, third countries or any interested party, and on-the-spot checks with the business circles concerned as to the nature of the offending practices and the injury which may result therefrom.

Furthermore, the Regulation provides for precise time limits, to be observed at each stage of the procedure. For example, a decision is to be taken on the initiation of a procedure within 45 days of a complaint being lodged and the final report is to be submitted by the Commission within five months of the procedure being initiated.

At the decision-making level, the first procedure consists, chronologically, of two stages:

(i) a "consultative" stage, in which the Community follows a formal international consultation or dispute-settlement procedure. During this phase, decisions to initiate, conduct or terminate such a procedure are taken via a "safeguard" committee mechanism (the Commission adopts a decision after consulting an Advisory Committee; if a Member State appeals to the Council, the latter is to decide by a qualified majority within 30 days; upon expiry of that 30-day period, the Commission decision will apply if the Council has failed to act);

(ii) a decision-making phase, during which, following an international procedure, the Community must decide on commercial policy measures: here, the Council acts in accordance with Article 113 but no later than the 30th day following receipt of the Commission proposal.

For the "B" procedure a single decision-making mechanism is applied, namely that of Article 113 of the EEC Treaty, but with a 30-day period during which the Council must act. o

EAGGF

Thirteenth financial report

The Commission has sent to the Council and Parliament its report on the operations of the EAGGF Guarantee section in 1983.

Agricultural expenditure up by a third

Total expenditure under the common policy on agricultural markets and prices amounted to ECU 15 811.6 m, an increase of 27.5% compared with 1982. In order to keep within the available appropriations, the Commission decided in October 1983 to suspend the payment of advances on export refunds and certain aids until the end of the year. This had the effect of transferring expenditure of ECU from 1983 to 1984. Without this transfer, expenditure in 1983 would have increased by almost a third (+32.9%).

As a result, the cost of agriculture to the economy as a whole has risen: when expressed as a percentage of the Community GDP, agricultural expenditure which was only 0.44% in 1976 rose to 0.5% in 1982 and 0.62% in 1983.

Reasons for the increase

The original appropriations, totalling ECU 14 087 m, had to be increased by a supplementary budget, providing ECU 1 761.1 m in additional appropriations. The increase in expenditure compared with forecasts mainly concerns wine, oilseeds and protein plants, beef/veal, milk, cereals and fruit and vegetables. By comparison with 1982, expenditure rose for all product groups, the sharpest increases being for milk (+ ECU 1 068 m), cereals (+ ECU 616 m) and beef/veal (+ ECU 578 m).

The increase in agricultural expenditure in 1983 can be explained chiefly by a general rise in output, coinciding with a fall in exports (especially of milk products) and a certain decline in consumption. This forced the intervention agencies to buy in more than in the past and hold larger stocks.

Two other factors which contributed to the original appropriations being exceeded, were the fall in world prices, requiring larger export refunds and higher production aids in sectors where these are linked to world prices, and increased payments for certain Mediterranean products, partly as a result of Greek accession, partly as a result of previous delays in payment.

Breakdown by type of expenditure

Expenditure in the form of export refunds increased by 10% in 1983, mainly owing to a rise in expenditure in connection with cereals and beef/veal. However, mainly because of the fall in exports of milk products, the relative scale of expenditure on refunds is continuing to decline, accounting for 35% of agricultural expenditure in 1983 compared with 41% in 1982 and 45% in 1981.

At the same time, price-compensating aids paid at the initial processing stage, which are designed to bridge the gap between the prices guaranteed to producers and the prices at which the products concerned can be sold on the market, have continued to rise both in absolute terms and as percentages. Expenditure increased by ECU 1 790 m in 1983 compared to 1982 (+38%), mainly because of increased expenditure in connection with milk products, olive oil, oilseeds and processed fruit and vegetables. As a percentage of agricultural expenditure, this category of subsidy rose from 34% in 1981 to 38% in 1982 and 41% in 1983.

Storage costs rose from 15% of total expenditure in 1981 and 1982 to 19% in 1983. Intervention stocks increased considerably in terms of value from ECU 4 000 m at the end of 1982 to ECU 7 000 m at the end of 1983. This situation, which reflects the growth in stocks of butter, skimmed-milk powder and beef/veal, will continue to have an unfavourable effect on the EAGGF until stock levels return to normal.

Breakdown of expenditure by Member State

France continues to be the main beneficiary (22.4% in 1983 as against 22.9% in 1982), followed now by Germany (19.3% as against 16.1% in 1982), which has left Italy in third place (18.3% as against 21% in 1982). With 10.8% of expenditure as against 11.4% in 1982, the Netherlands is still a little ahead of the United Kingdom (10.7%).

It should be noted that export refunds, which now constitute only just over a third of total expenditure, account for more than half of expenditure incurred in the Netherlands, Denmark, Ireland and Belgium, and 45% of that declared by France. By contrast, export refunds account for less than 15% of expenditure in Italy and Greece, which receive far more in the form of compensatory aids. o

Food aid down

In 1983 expenditure on food aid amounted to ECU 374 m, a fall of 30% compared with 1982, resulting from the belated adoption of the Community programmes, only part of which could be executed by the end of the year: 40% of the appropriations under the 1983 budget had to be carried forward to 1984. o

COMMISSION

Proposal for a ban on the marketing and use of toxic substances

The Commission has just transmitted to the Council a proposal for a directive relating to restrictions on the marketing and use of polychlorinated biphenyls (PCBs) and polychlorinated terphenyls (PCTs).

PCBs and PCTs form a group of synthetic substances offering a very wide range of applications. Because of their excellent properties as regards electrical insulation, non-flammability and stability, they are used mainly in electrical equipment, such as transformers and condensers, and as hydraulic fluids, particularly in underground mining apparatus.

Polychlorinated biphenyls are governed by two 1976 directives: the first concerns the disposal or regeneration of waste PCBs without danger to human health or damage to the environment; the second, restrictions on the use of PCBs and PCTs.

The latter prohibits the use of PCBs except in closed systems—principally transformers and condensers—and in mining equipment, as hydraulic fluids. In addition to these restrictions, the directive provides for periodic assessments to be made of the effects of using PCBs and PCTs.

Research results

The results of recent studies conducted in Denmark and in the Federal Republic of Germany and the proceedings of an OECD-sponsored seminar held in the Netherlands in 1983 indicated that in certain regions the quantity of PCB contained in the environment is still sufficiently high to constitute a potential danger to human health.

There has been no reduction in the amount of PCB residues in foodstuffs, for example, and the PCB content of mother's milk has reached an unacceptable level. PCBs have a marked tendency to accumulate in fatty tissues and are transmitted to the newly-born through mother's milk. Research has shown that PCBs are absorbed by babies in this way in quantities considered harmful to human health, i.e. the safety margin generally applied does not, in fact, exist.

In recent years fires have broken out in electrotechnical installations containing PCBs in Germany, Sweden, Finland and the United States, for example. During such fires the highly toxic compounds released have been similar in some cases to dioxin, notorious since the Seveso accident. As a result, a number of buildings and workshops, including a steel works, have had to be closed down for several months in order for expensive decontamination operations to be carried out.

Suitable substitute products exist and can be used both in electrical plant and as hydraulic fluids. They are less dangerous to human beings and the environment. There is therefore no longer any technical or economic justification for continuing to market PCBs and PCTs. In addition, only one factory now produces PCBs in the Community.

New directive

Ban on PCBs and PCTs

None of the exceptions as regards the use of PCBs and PCTs still permitted pursuant to the second directive is authorized by the proposed new directive, apart from their use as primary materials and intermediate products for further processing into other products. This use of PCBs is permitted only where it involves no danger to human beings or to the environment.

Exception

The initial purpose of the directive is to deal with the marketing of PCBs and PCTs intended for use in electrical apparatus. Existing plants containing PCBs and PCTs can generally be expected to have a service life of several decades. Disposing of these substances within the space of only a few years would be more hazardous to both human beings and the ecosystem than continuing to use them in closed systems. They must be disposed of without any danger to the environment in installations and by undertakings specifically approved for this purpose. At present these exist in only three Member States, with an inevitably limited capacity.

The use of such substances in existing equipment is authorized, therefore, until the end of their service life.

Labelling

Because the disposal of PCBs and PCTs involves special difficulties, the Member States may require labels to bear instructions as to their disposal, in addition to the information compulsory for dangerous substances in general. o

EURO-ARAB DIALOGUE

Study on refinery and petrochemical industries

In the framework of the Euro-Arab Dialogue, representatives of the Commission of the European Communities and of the Arab League held a meeting yesterday in Brussels. In the course of this meeting, a contract worth US $ 330 000 was signed with two consultants who will carry out an econometric study on the refinery and petrochemical industries focussing in the European and Arab regions.

This study has already been approved by the Heads of the Euro-Arab Dialogue and will be financed jointly by the European Community and the Arab League. Its aim is to develop an econometric model on the future development of the industries in both regions by analysing production and consumption patterns, prices, trade flows, etc. This will give a better insight into the inter-relationship and the possibilities for cooperation between European and Arab refinery and petrochemical industries.

The study will be completed within a two year period. o

EEC-SYRIA

The Commission has decided, under the EEC-Syria cooperation agreement, to finance the following project:

Euphrates drainage and irrigation

Special loan: ECU 9 300 000
Grant: ECU 700 000

The project is to rehabilitate saline soils and to prevent further salinization of a total agricultural surface of 10 600 ha on the right bank of the Lower Euphrates Valley. The project is part of a large-scale action undertaken since 1974 in the area, largely IBRD-sponsored.

It consists of construction of a supplementary tranche of drainage (tubewells and canals), and the creation of an irrigation system (pumping stations, irrigation canals, land levelling) with linked infrastructure (service roads, electrical supply). Construction time is estimated at three years. The project is to be co-financed by the EIB, the EEC and Syria. The EIB and EEC are to finance supplies of equipment, other imported materials and technical assistance whereas Syria will finance the cost of construction, to be carried out by a local contractor, as well as all other local cost. o

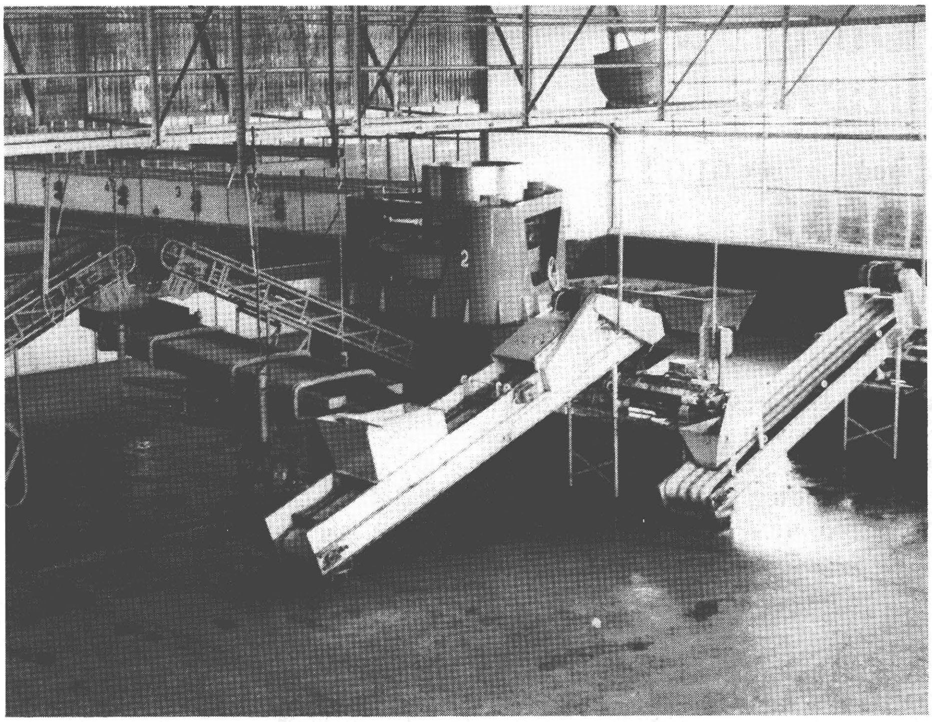
EMERGENCY AID (continued)

Kampuchea

Floods have caused serious damage in ten of Kampuchea's provices, destroying 236 000 hectares of crops and affecting 1 000 000 people, 50 000 of whom are in need of immediate help.

The Commission has decided to allocate ECU 250 000 in emergency aid to purchase medecines, clothing, blankets, cooking utensils, certain foodstuffs and so on.

The aid will be handled by the Commission Delegation in Thailand with the help of the non-governmental organizations TROCAIRE and SOS Enfants Cambodge. o



A tea factory in Burundi
Greater utilization of existing industrial capacity is an immediate objective throughout sub-Saharan Africa

vestments needed to improve the long-term environment for industrialization.

Many of the problems associated with industrialization in sub-Saharan Africa have been due not so much to incorrect strategies but to an unfavourable external environment, structural and institutional rigidities, and inappropriate policies—often introduced for reasons other than industrial strategy. Trade policies generally have responded to balance of payments difficulties, efforts to raise revenues or discourage non-essential imports, and attempts to hold down import prices in the face of rapid domestic inflation. Price and other administrative controls similarly have been introduced to serve consumer welfare objectives. Nevertheless, these policies have established incentive structures with strong implications for industrial investment decisions.

Producer incentives (1)

High and variable levels of effective protection have been partly responsible for the large share of final-stage consumer goods production and the slow development of intermediate and capital-goods industries. Levels and structures of effective protection from tariffs, overvalued currencies, and licensing need to be examined in relation to objectives both for protection and for efficient use of domestic resources to save or earn foreign exchange.

Special investment incentives have generally aggravated the bias of incentive structures toward high import content and capital-intensive techniques, through tariff exemptions, tax holidays, and other benefits based on the amount of investment. Reformulation of investment codes is needed to ensure that their benefits are consistent with objectives for utilization of local inputs and labour and that they establish a positive climate for business without providing excessive or indefinite protection.

Pricing issues are difficult because multiple objectives are involved. Urban consumer welfare considerations have dominated pricing policies in the past, to the detriment of incentives to agriculture producers and of profitability in industrial activities (especially state-owned enterprises). Strong producer incentives to agriculture are necessary, not only to meet the food requirements of growing populations without resort to costly food imports, but also to provide growing input supplies and demand as a foundation for sustained industrial growth.

Stimulating productive use of resources (1)

Generalized price controls on consumer goods have been costly to administer and difficult to sustain in the face of continuing supply shortages, raising the issues of how many commodities can effectively be controlled and whether selective imports can be used to make domestic producers keep costs and prices down.

A more positive policy environment for the expansion of small-scale enterprises is another means of stimulating productive use of resources, if it avoids incentives biased toward capital-intensive techniques. Greater autonomy for managers, especially in the parastatal sector and for hiring/firing and salary decisions, could help to improve incentives for higher productivity within firms. Adaptation and development of technology for local conditions also offers possibilities for improving productivity.

Effective use of resources (1)

The critical question for industrialization in Africa today is the effective utilization of available resources. The lack of foreign exchange for imported inputs makes it imperative to emphasize efficient and productive use of both domestic and foreign inputs as a principal criterion for allocating resources to and within the industrial sector.

This requires restructuring not only of industrial production but of the policy environment that guides both private and public decisions about resource use. The task at hand is for countries and the international assistance community to work together to define and support restructuring programmes that establish incentives for more efficient utilization of resources and that promote a more balanced and independent industrial structure linked to domestic material supplies, serving broad consumer needs, and generating a larger share of its foreign exchange requirements. o W.S.

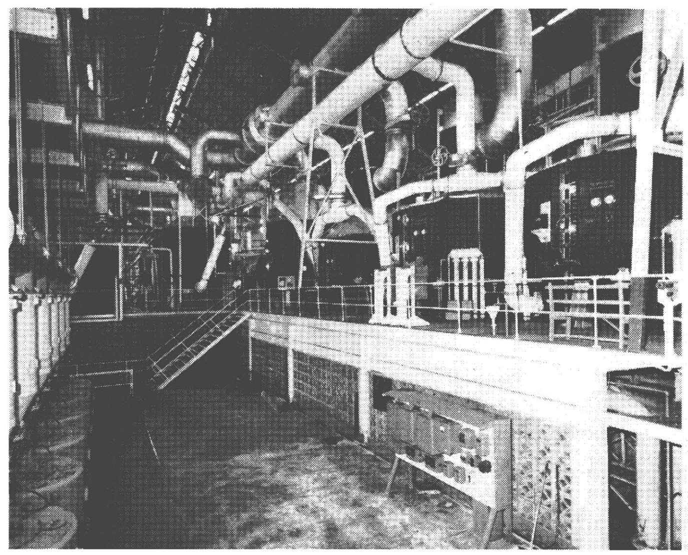
Question mark over ACP industrialization

by Jean-Pierre BARBIER and Jacques GIRI (*)

Talk of the industrialization of the ACP countries now makes the international organizations, funders and investors and even the government officials in these countries highly sceptical. Today's disenchantment is as great as the sometimes ill-considered hopes of the 1960s and 70s.

However, if we are to do more than look at states of mind and tackle the problem positively, it is worth seeing how this industrialization came about and what problems now have to be overcome. Only then can we see the most effective ways of relaunching the industrialization that is so vital both to ACP development and, more generally, to better-balanced international development too.

Pineapple canning plant in Ivory Coast



Sugar refinery in Mauritius

In the colonial era, industry was still in embryo

Industrialization is recent

Industrialization in the ACP countries really took on its full importance with political independence and it soon became one of the essential props of the expression of national sovereignty in the early 1960s.

During the colonial era, industry was only embryonic, involving nothing more than the first-stage processing that was vital because of the instability of certain raw materials (palm oil in Cameroon, Ghana and Niger, for example) or because it was an obvious economic advantage to reduce weight (as in the case of sawn timber in Ivory Coast and ore processing in Zaïre and Zimbabwe). It was not until the period after the war, prior to decolonization, in the 1950s, that the first generation of import-substitution industries—such as the food-processing, beverage, tobacco and textile industries set up in Senegal to supply French West Africa and Zaïre—was born.

On the eve of independence, the ACPs were under-industrialized in comparison with other parts of the Third World such as Latin America, which had been independent for years. They had a kind of industrialization gap and it was bridged. Most opportunities of creating profitable industries were taken and some industries that were not (or not very) profitable were also set up. That was the story of the 1960s and early 70s when there was sometimes spectacular industrial development leading to talk of such things as the "Ivorian miracle".

This second wave of industrialization, unlike the first, which was primarily born of private initiative, was largely generated by the governments with their active industrial promotion policies involving State holdings, a search for industrial partners, advantages for foreign investors and so on. Local businessmen were only very marginally involved.

What sort of industries?

First, the governments set up import substitution industries, some of them well-adapted to the size of the local markets, economically justified and involving everyday consumer goods such as cotton and beer. Others were based mainly on tax advantages, with investments and intermediate products imported more or less tax-free and heavy import duties on the finished products. Under this heading came many activities that were of little or no interest to the host countries, sometimes, as in certain assembly industries, even involving negative foreign exchange balances.

Second, they set up industries to process local mineral and agricultural resources. Here again, some (oil mills, cocoa butter making, veneer-peeling and other types of tropical wood processing) are sound, while others, like the sugar industry, now pose serious

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problems in a number of ACP countries.

There are very few sub-contracting concerns dating from this period, except in Mauritius (note the failure, more or less, of industrial free zones of the Dakar type).

Lastly, they set up virtually no capital goods industries.

This second generation of industries pushed the ACP share of world industry up from the 2‰ of early independence to the 5‰ it is today. The figures show how very marginal ACP industry is on an international scale.

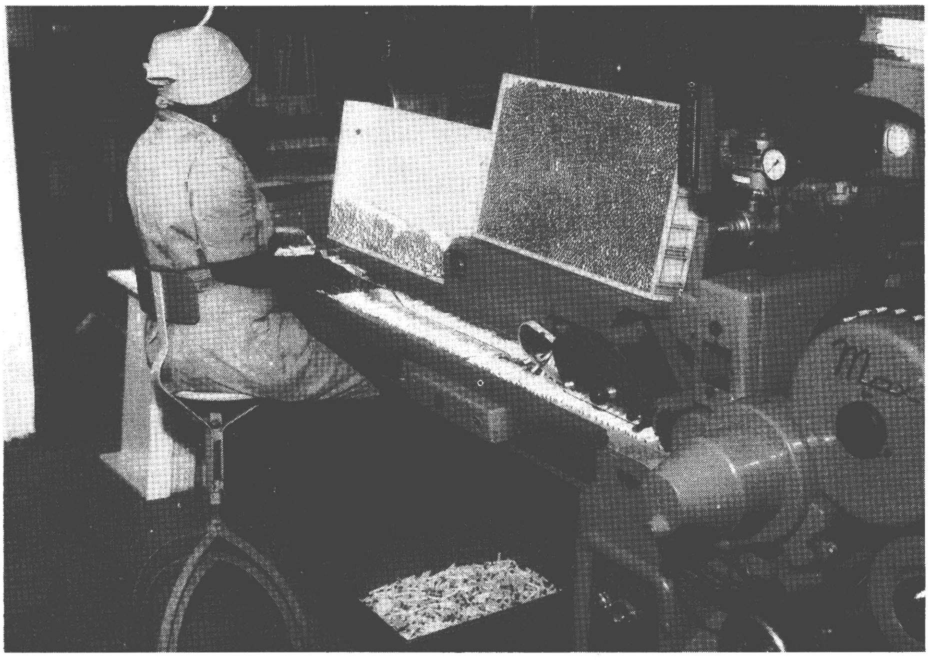
Growing problems since the mid-1970s

A decline in the output of manufactures, particularly in low-income non-oil producing countries, began in 1975 and what have in some cases been substantial drops in the absolute value of this production have been appearing since 1980. In many countries of the ACP group, the industrial sector is badly run down and the period of convalescence required to get it back to the levels of the early 70s looks difficult—and certainly long. So what happened?

The problems which the ACP industries have had to face can be analyzed as stemming from two things:
— the ACP industrial dynamism that notched up growth until petering out or reaching saturation point about 1975;
— disturbances in the national and international industrial environment.

The second wave of industrialization (1960-75) manifestly failed to lead either to self-sustaining or to self-expanding industrial development. The impression is quite the opposite, i.e. once the industrialization gap had been bridged, blockages—principally narrowness of available markets and fragility of existing industries—developed. Opportunities for new, profitable industrial projects that would be likely to qualify for bank financing are becoming rarer.

The narrowness of markets is far too well-known for us to need to linger over it. The regional organizations (CEAO, ECOWAS, UDEAC and so on) have not so far managed to stamp out the "Balkanization" of the continent the colonizers left behind them.



A cigarette factory in Cameroon
The limited local market is a major constraint on industrialization in the ACP states

The ECOWAS market, for example, with its 200 million people, only exists on paper in the treaty, which is not really applied, and the national industrial firms within that market all seem to be competing with each other and tend to fall back on national markets with limited prospects. Here we have the major obstacle to industrialization—weak local markets. Rural markets are virtually non-existent because of the constant tapping of agricultural surpluses, while urban markets are great demanders of imported goods.

Another obstacle is now becoming the number one concern of the ACP leaders and that is the fragility of the industries set up over the past two decades. What could even recently still be considered to be a short-term economic crisis could now well be seen as a tidal wave that is washing away a large part of the industries of the ACP countries—who will find recovery very difficult. And behind this fragility, we very often find two causes—over-investment and under-capitalization.

Investments have often been made in the light of over-optimistic ideas about the future, based on potential demand expressed in physical terms rather than in terms of solvency or on operating income which turned out to be over-optimistic due to a deterioration in the terms of trade.

Over-investment has in fact been very much encouraged by the practices of the people who sell equipment, with undisguised support from the western banks. And as these expensive (turnkey, in many cases) investments were primarily financed with money borrowed with State guarantees, the terms could be extremely sensitive to credit prices and the rate of the dollar.

Industrial activities based on this type of financing very soon found themselves with exorbitant financial costs and a shortage of foreign exchange that forced them to postpone replacing equipment and material when it did not call a halt to normal maintenance of their productive apparatus altogether.

The environment: a handicap (1)

For several years now, many ACP countries have been chipping away at their industrial capital, and the term "rehabilitation" is often a euphemism in that there is no possibility of ever relaunching production in some of the industrial units.

The situation has been aggravated by a national and international environment which has been a handicap, if not a source of total imbalance. At

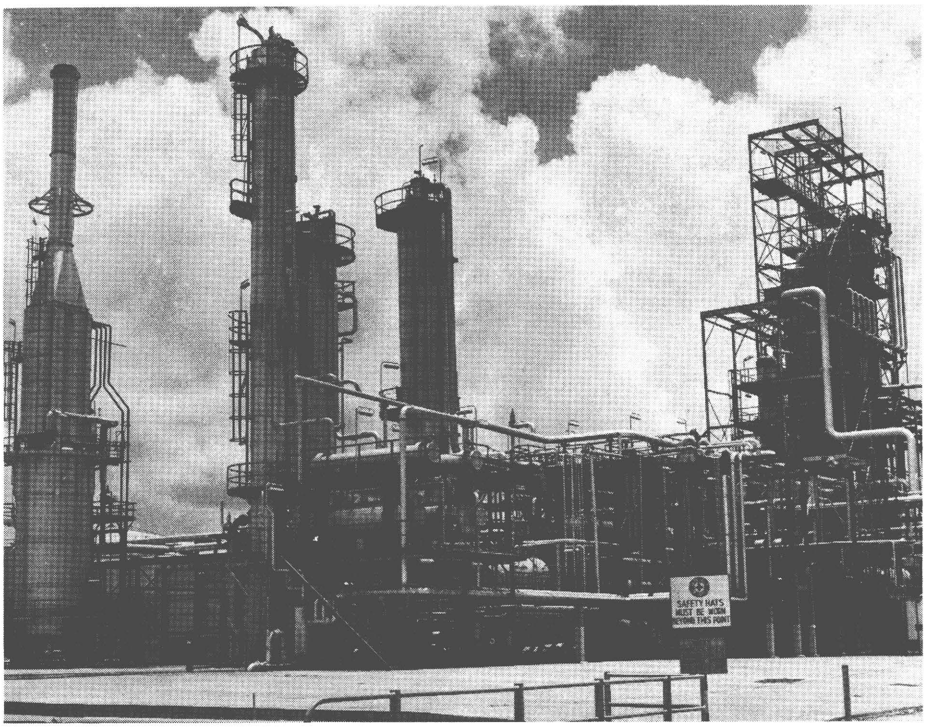
(1) Editorial subtitle.

national level, let us not forget, the labour force came from the rural areas and was ill-prepared for industrial routines and these new nations do not have the technological culture that surrounds industry in the industrialized world. And there are other well-known factors—the local businessmen's lack of interest in industry, the extra costs, generated particularly by inadequate infrastructure, that pile up throughout the production process, the absence of any appropriate technology and so on—which are also a constant burden on industrial activity. Lastly, industrial policy, which is very much subject to short-term decisions (on tariff protection, price approval, taxation etc.), has often proved to be both unsuitable and prejudicial to the growth and financial balance of firms in the medium and the longer term.

It would be no exaggeration to say that the international environment—raw material prices, the international monetary situation, the strategies of the big international groups, mounting protectionism and so on—had and still has a destabilizing effect. The ACP industries set up in the 60s and 70s did not have the financial reserves to stand up to it and were hit hard. But it would be wrong to forget that the world crisis is not the only reason for the situation now facing the industries of the ACP countries. What it has done is reveal their intrinsic fragility and dramatically speed up a pernicious cycle of disinvestment.

What strategies for the future?

It is obviously for each ACP country to decide on the strategy that will breathe fresh life into its industry. But the range of strategies to choose from is not never-ending and current changes in the world must always be taken into account.



Oil refinery at Point Fortin, Trinidad and Tobago
ACP countries must include technological development in their strategic planning of new industrialization

Two of the changes marking the present decade and which the ACP countries have to integrate into their strategies warrant analysis—technological developments and international relations.

The significance of technological developments for the Third World is ambivalent and it has, of course, provided fuel for the activity localization/delocalization debate. Increasing automatization (on the shop floor and in administration) and the considerable development of telecommunications are at the heart of the world's industrial strategies today and, although this new technology reduces the (skilled and unskilled) labour input in production, it does give greater flexibility and the possibility of lowering break-even points to the benefit of countries with small markets, like those in the ACP group. In much the same way, recent technological developments (which use silicon chips, optical fibres, biotechnology, new energy and so on) are economical when it comes to imported raw materials. Although the emergence of these new raw materials is a threat to the trade of the countries producing traditional raw materials—copper, say—it does hold out hope for a less extraverted kind of development—the rise of replaceable energy, say—in the ACP group.

So the ACPs cannot expect miracles from the sort of technological developments that are foreseeable in the medium term, but they must try and benefit from them. And they must never forget to take them into account when thinking about strategies for fresh industrialization.

Taking account of new kinds of investment

In terms of international relations this points to the fact that labour costs and the availability of natural resources are becoming less and less decisive as far as foreign investment is concerned. The main attractions of the ACPs are still their markets and their demographic dynamism, the (currently non-solvent) reserve demand for everyday consumer goods and the vast investment required to develop their territories are, ultimately, the promise of a new frontier. The enlargement of markets, in particular through regional free-trade areas, is an essential factor here.

Lastly, the ACPs will have to cope with the many new types of international investment appearing in the modern world, joint ventures, licences involving virtual sale of technology, franchise agreements, shared production contracts, buy-back arrangements, international sub-contracting and more. Will they be able to handle increasingly complex international contracts?

Given the technological and international environment and the problems occurring in the ACP industries, there seem to be three strategic actions for the future:

— making more of what has already been achieved by trying to improve the viability of firms and redefining relations between industrial firms and the State in outline contracts, for example. In some cases, the governments will have to take bold decisions and cut away dead wood, i.e. by ceasing to run units that are not really strategic and not profitable;

— going for better articulation of industry and agriculture by developing an agricultural support and rural services industry that is in keeping with the food strategy being promoted in particular by the European Community. This dynamization of rural areas of course means a new distribution of the national income between urban and rural populations so the latter can become clients of the national industries;

— improving the national and international industrial environment by redefining the State's role as arbiter of economic life and by promoting the development of national SMEs and regional cooperation along the lines laid down in the Lagos Plan—a long job, if ever there was one.

How to hasten the end of the crisis

These ideas, on which there seems to be a consensus of opinion, on the main lines at least, are at the very heart of the present discussions between the ACP countries and the multinational bodies. The World Bank has made company rehabilitation and improvements to the national industrial environment two of the mainstays of its policy on structural adjustment loans and the Commission of the European Communities is investigating methods of industrialization that will contribute both to the food strategy and to regional cooperation. But, ultimately, responsibility for industrial strategy lies squarely on the shoulders of each individual ACP country and the challenge facing their industrialists is how to hasten emergence from the crisis and prepare a new phase of industrialization based on solid foundations—that are probably less extraverted and more geared to meeting the needs of the majority of their populations. o J-P.B. and J.G.

View from the North: constraints on ACP-EEC industrial cooperation

by Philippe QUEYRANE (*)

It is no doubt right for the international organizations to relay Third World claims in the main, particularly in the field of industrial cooperation, in discussions between what we are pleased to call the North (the industrialized world) and the South (the developing world). But cooperation implies a partnership between equals, i.e. both parties must be able to give their points of view freely if they are to collaborate over a long period for the good of all. So it is perhaps a good idea to let the South (the ACP group) know what the point of view of firms from the North (Europe) is, even if it may sometimes mean looking as though we are playing devil's advocate.

Before tackling the basic problem, let us make clear that industrial cooperation here means any form of collaboration between a firm in the North and a firm in the South, other than the simple supplying of goods and services. That is to say that our definition includes the creation of joint ventures, sub-contracting, the granting of licences, management and training contracts and so on.

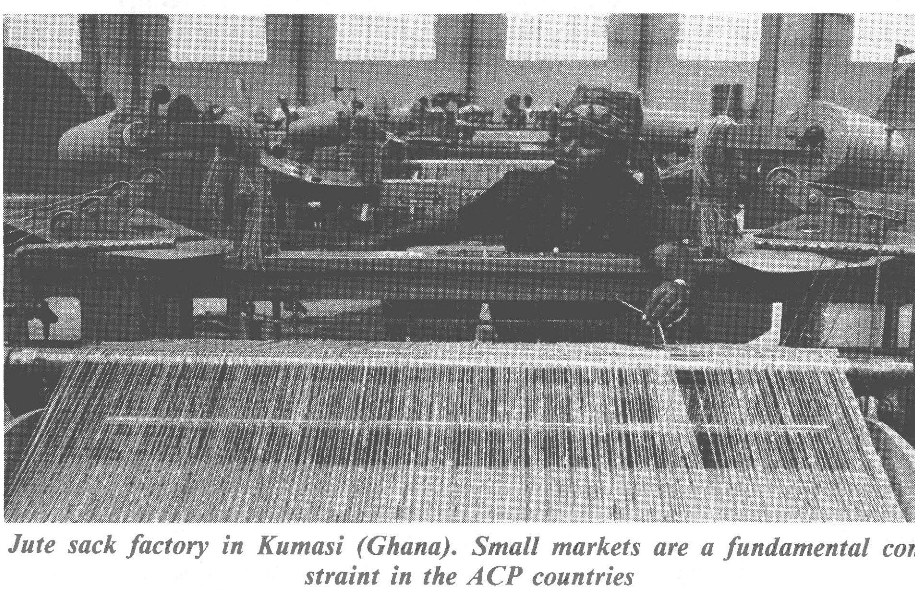
Experience has shown that, with all these formulae, there are obstacles of varying size that prevent new projects from getting off the ground and that affect (sometimes fatally) projects that are being implemented or already operational. In this article, the obstacles have been grouped, somewhat arbitrarily, into three—those connected with the narrowness of the ACP markets, those connected with an imperfect knowledge of the industrial situation in these countries and those connected with that characteristic of economic under-development, a shortage of resources.

Narrow markets

Two thirds of the ACP group (45 countries), including all the nations of the Caribbean and the Pacific, have less than 5 million inhabitants and 30 ACP countries have a population of less than 1 million. That is to say, in absolute terms (independently of the national income of these countries), that the potential ACP markets tend to be very limited.

Any survey run in the industrial world will confirm the fact that, when firms invest abroad, their main reason by a long way is to maintain, expand

(*) The author is an expert adviser.



United Nations

Jute sack factory in Kumasi (Ghana). Small markets are a fundamental constraint in the ACP countries or obtain commercial outlets for their products. So their reluctance about the ACP countries is understandable, as only a dozen or so of the group reaches the critical mass of 10 million plus inhabitants—whose purchasing power is still very restricted. Only Nigeria (which has 80-100 million people) and Zaïre (27 million) stand out as being able to offer really large domestic markets.

So the narrowness of the market is a genuine constraint, a fundamental one that is very common in the ACP countries. But it is not always obvious to foreign investors, who often wake up far too late in the day to the fact that outlets are inadequate to ensure the economic viability of their project. This is because the narrowness of a market tends to derive from a number of factors that are not always apparent to the uninitiated observer. A market, particularly in Africa, has to be seen from several different angles:

— the size proper, as determined by the population and its purchasing power. However, the relevant statistics are often lacking or may be unreliable;

— the permeability of ACP markets, which is considerable, particularly in Africa, which has more frontiers per km^2 than any other region and therefore far greater risk of smuggling;

— the fragility of certain markets, which have developed artificially on the basis of exotic consumer habits and may collapse rapidly when the economic situation gets difficult;

— the ephemeral nature of regional markets, which are often presented as actually existing. ECOWAS, for example, is commonly portrayed as a market of 200 million people, whereas in fact every businessman, African ones included, knows that access to the regional market is very difficult, particularly in view of the many non-tariff barriers (covert protectionism, lack of transport, currency fluctuation and so on).

Imperfect knowledge of the industrial situation

The fact that the ACP countries have no industrial tradition quite naturally results in behaviour which, in spite of the good intentions behind it, does not facilitate industrial co-operation. This behaviour is reflected in both attitudes and structures.

It is in political and cultural matters that ACP attitudes to foreign investors are most apparent.

Politically speaking, European businessmen often deplore the fact that host governments have no clear position on foreign investments and sometimes feel they are victims of internal discussions. In practical terms, they complain that many ACP countries fail to fulfil their commitments, place exaggerated restrictions on the employment of expatriate staff, interfere in company affairs and, of course (although this is rarer), nationalize and expropriate without offering fair compensation.

The constraints which, for want of a better term, can be called cultural are reflected in the sort of individual and collective attitudes that are typical of a pre-industrial society. They include a certain confusion between industrial co-operation and technical assistance, a short-term view of things, wariness about non-tangible contributions (studies, patents, know-how) from foreign investors and a certain preference for prestige (and generally over-sized or ill-adapted) installations.

ACP structures are often blamed for not meeting industrial requirements. Their lack of institutional transparency and stability, their niggling and inefficient bureaucracies and their unsuitable legislation have been abundantly decried by those European firms that are tempted by industrial co-operation.

Shortage of resources

Obviously a large number of the obstacles to ACP industrialization come simply from the shortage of resources, i.e. from economic under-development itself. Without going into the matter exhaustively, here are three groups of constraints.

The shortage of human resources is absolutely critical, first, as far as industrialists (commonly in short supply in the ACP countries) are concerned, and many apparently viable projects have never seen the light of day for want of an ACP partner. And, of course, the industrial labour-force, which is not properly qualified and therefore not very productive, means that the costs of production are high.

Lack of money and, most important, shortage of foreign exchange paralyse many industrial undertakings in the ACP group. Local financial resources may also be scanty, but, contrary to common belief, particularly in the ACP countries themselves, this is not the main obstacle, as credit can always be found for a sound project.

Lastly, the shortage of material resources is apparent at three main levels—the industrial network, which is weak and cannot supply raw materials or ensure maintenance of the installations, the quality of local input, which is poor, and overland, air, maritime, postal and telephonic communications, which are inadequate.

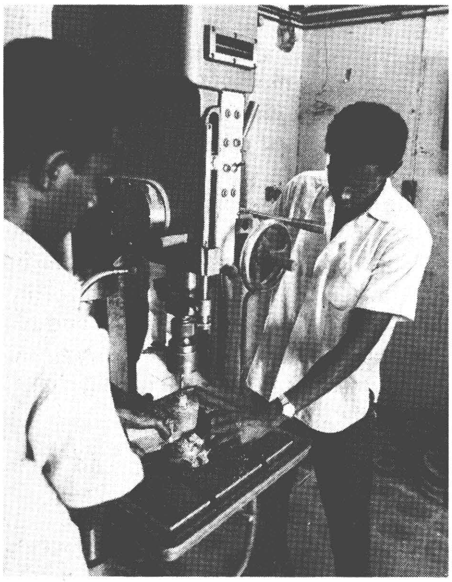


Photo UNIDO

A spare part production unit in the Sudan. Industry is sparse and installations cannot be maintained

There are two main findings by way of conclusion:

— Most of the constraints observed in the ACP countries are due to men not means, so more effort must go into information and training than financial and material means.

— European countries and European businessmen are also partly to blame for the relative failure of industrial co-operation because of what are often unsuitable structures and behaviour (which we have been unable to investigate here).

All this precludes optimism about the future of industrial co-operation between EEC and ACP firms. But it would still be wrong to give up. The stakes for the signatories of Lomé are too high. ○ P.Q.

Industrializing or Development Enterprises as an essential tool in small economies

by Jens MOSGARD (*)

This article attempts to clarify the overlapping concepts of Industrializing Industries, Industrial Development Enterprises and Core Industries and to demonstrate their specific relevance to self-reliant industrial development for small economies like those of the great majority of the ACP states.

While CID for some time has tried to promote the concept of Industrial Development Enterprises (see latest article in *The Courier* of July-August 1983), this subject has also been touched upon, in particular, in the UN's programme for the industrial development decade for Africa. Also, the World Bank, in recent articles in "Finance and Development", highlights the need for a special industrial strategy for small economies like those of the majority of ACP states.

Industrializing industries and core industries

One may define an Industrializing Industry as an industry that provides input to the creation of and support for other industries, whereas Core Industries in a recent UN document (1) are defined as priority industries that provide wide links with other industries and economic sectors, particularly agriculture, mining, transport, building construction and energy, while contributing to the creation of a self-reliant and self-sustaining industrial base.

The same document goes on to define two categories of Core Industries, namely Engineering-Based Core Industries and Resource-Based Core Industries. The latter include large industries based on exploitation of natural resources such as iron ore and coal, as well as agricultural produce, etc. The engineering-based Core Industries are basically metalworking industries, which also form an essential part of industrializing industries.

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Industrial development enterprises

CID's concept of Development Enterprises includes engineering industries applied not only to the production of parts and equipment for other industries but also to the provision of planning, engineering and skill development for the establishment and support of other industries including agricultural produce industries, particularly in relation to industrial rural development.

Therefore, in more detail, an Industrial Development Enterprise may provide:
- engineering in the form of design of products, factory layouts, tools, specialized equipment, etc. for other industries;
- manufacture of equipment, tools, parts for other industries, transport, agriculture, energy and communications;
- rehabilitation assistance, repair and reconditioning of equipment in general for all sectors of the economy;
- collection, storage and processing of agricultural raw materials in an integrated approach;
- planning and implementation of related industries that are complementary to each other and may develop more easily as part of an integrated system, with a central facility of management, engineering, manufacturing and marketing capacity;
- in-plant training of higher level technicians, tool-makers, supervisors and managers for other industries.

This concept is thus more comprehensive than of industrializing industries and core industries.

Earlier European industrial development

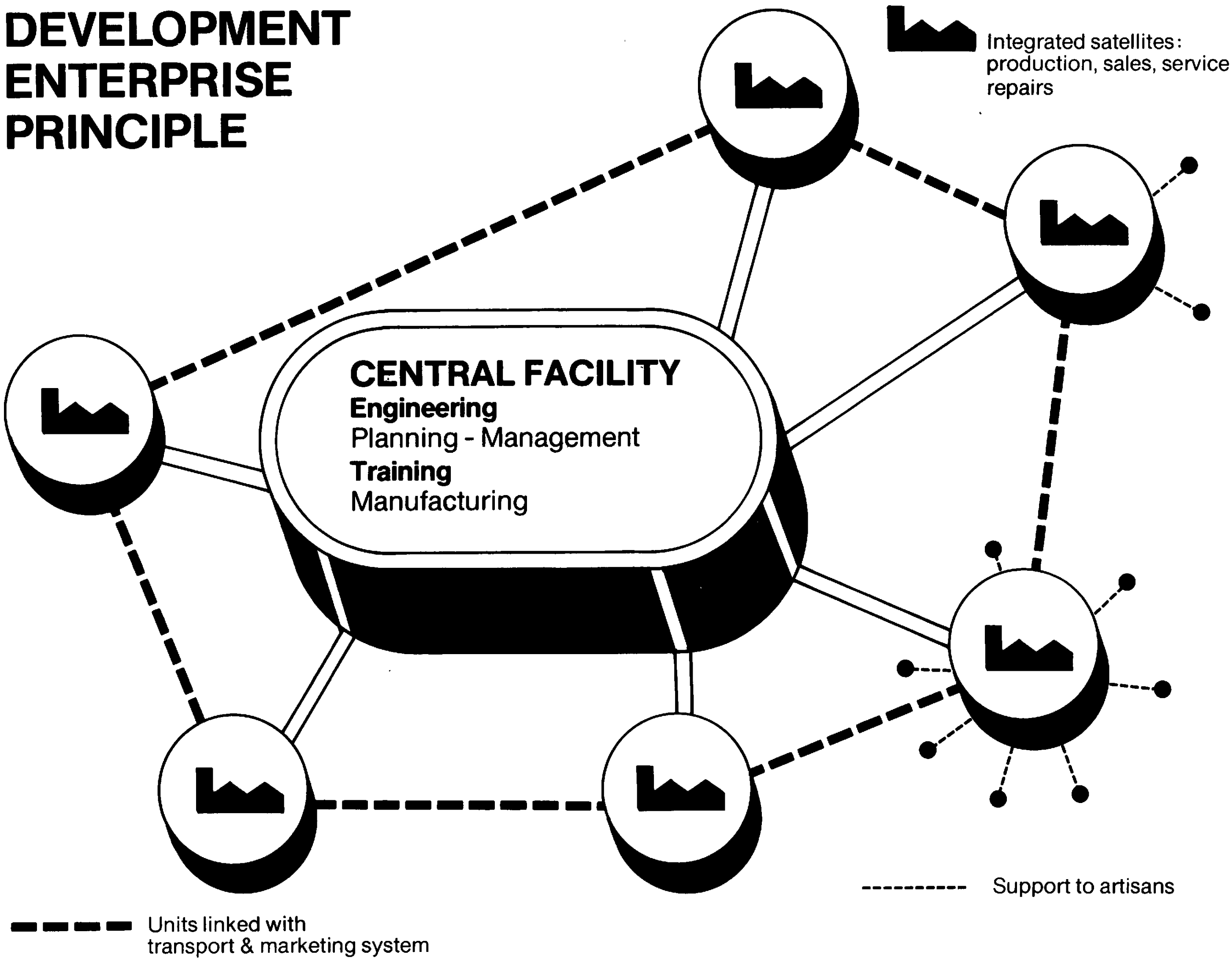
For the more recently industrialized European countries in particular, industrial development has been based on a mixture of joint ventures/licence arrangements and, not least, on indigenous companies developing an in-house engineering capacity to create multiproduct operations and, later, subsidiary companies—and always having extensive 4-5 year training programmes for technicians, shop and office workers. Today, because of larger volume production, smaller manufacturing companies can use more automated equipment and concentrate on fewer product lines. As they have access to numerous specialized firms supplying many of the inputs that they previously had to provide themselves in the form of engineering, tools and components, they do not need the same engineering capacity; and the skills of the workers can be more limited, although highly specialized.

Justification of public support for in-depth training

Most ACP countries are at the stage of development and size of economy where they cannot justify specialized institutions and firms and therefore have to revert to the above earlier model, i.e. to create multi-functional enterprises able to provide the type of services suggested above for Development Enterprises. The industries established in the past have most often had little development effect, i.e. being industries that require only short-term training and import all technology, such as for bottling, garment industries, assembly industries, packers, etc. The reason for this is, of course, that for private enterprise to be viable, the training component for small industries should not be very large, and even less the engineering capacity; thus most inputs, tools, special parts, design and even repair, etc., have been imported.

Therefore, to encourage the establishment of productive Development Enterprises, able to provide such inputs for other industries and sectors of the economy, it is necessary and justified to provide public assistance for the training component. Industrial Development Centres as government estab-

DEVELOPMENT ENTERPRISE PRINCIPLE



lishments have most often turned out to be inefficeint and very costly in providing their extension services and training.

The idea of Development Enterprises through joint ventures is to have access to finance plus know-how and, thereby, on a business basis, create an efficient enterprise that will eventually be self-sustaining and not remain a burden on government. However, through initial public support they will have a development effect in providing essential inputs to other industries through their deliveries and services, as well as through their overspill of trained people.

The gap between institutions and industry

Vocational training schools, universities and research institutions do provide essential inputs for industrial development in ACP countries. There is an enormously wide gap, however, between the results obtained in these institutions and the overall and in-depth needs of industrial enterprises for training and development. That is why partners supplying not only finance but also operational know-how, training, equipment, etc., are so essential today to start up an industry.

This gap in practical in-depth training and engineering, etc., is what may eventually be partly covered by Industrializing or Development Enterprises. In Europe it is bigger industry, but often with government support, that covers this gap which no institution can fill. Formal training programmes, combining on-the-job instruction and regular schooling for 3-4 years after basic theoretical/vocational education, are developing all kinds of special occupations for industry at a cost also for the industry itself.

Costs to develop skills beyond simple machine operating cannot be expected to be covered by industry in ACP countries without affecting profitability, because the size of the industry in question is usually at the bottom of the scale of economies and because the need for highly skilled workers is so tremendous that the company which provides the expensive training is bound to lose the better ones to other companies.

Thus, long-term training of technicians, specialized mechanics, toolmakers, engineers, marketing and informatics experts, etc., must be supported by public funds, otherwise there will be no such skill development of any importance.

Small economies and industrial strategy

A recent article in the World Bank's "Finance and Development" (2), brings further weight to the above principles. It suggests that small economies need a special industrial strategy, particularly to have an outward oriented policy and an inward special development of skills for the creation of indigenous smaller industries.

The article also suggests that most industrial development literature is concerned with aspects of industrial policy in the larger countries, while indicating that even countries like Kenya and Cameroon, although they are no longer small, with a GNP of more than US$ 7 billion, represent relatively small markets, which is a crucial factor in the design of industrial strategy. Clearly, the importance of population size and income per capita expressed in the GNP is the most important factor determining the purchasing power and the possibilities for the creation of industrial infrastructure and, not least, for the types of industry where the economies of scale are dominating factors.

This suggests that practically all ACP countries except Nigeria (with a GNP of US$ 76 billion in 1981) may be considered small economies, with 2/3 or 42 countries (1981) even being very small economies with a GNP of less than US$ 2 billion (see chart).

Self-reliance strategy

In establishing industrial strategy, policy-makers and planners naturally place the major emphasis on the economic factors, i.e. economies of scale, raw material availability, finance availability, etc., while most often a strategy of self-reliance and independence of foreign know-how suppliers is advocated. For small economies, however, the degree of self-reliance that can be obtained has limits and the planners rarely suggest how this self-reliance is to be achieved, other than through the traditional means of industrial infrastructure which for small economies will most often have to be very limited.

Therefore, special strategy elements for small economies may include among others the concept of Development Enterprises.

Industrial strategy

Special elements for small economies

Without going into details of a complete industrial strategy, a few elements particularly relevant to small economies are listed below, not mentioning the obviously necessary facilities for financing and basic training, and emphasis on local raw materials, exports, etc.:

1. strong emphasis on incentives for industrial operators to develop higher skills in industry;
2. promotion of vertically integrated smaller industries—rather than horizontal fragmentation—through the creation of intermediaries that may support such development, such as Development Enterprises;
3. rational and limited bureaucracy for project implementation, licensing, import procedures, etc.—smaller industrial operators are particularly disadvantaged by heavy red tape, not having the influence of bigger companies;
4. open orientation towards foreign involvement in joint venture industries, facilitating the transfer of know-how, training, etc.;
5. integration of industrial operators in government policy-making, e.g. by inviting them or their associations to participate directly in policy formulation and in mixed enterprises;
6. active cooperation and coordination with neighbouring countries in the development of complementary rather than competing industries.

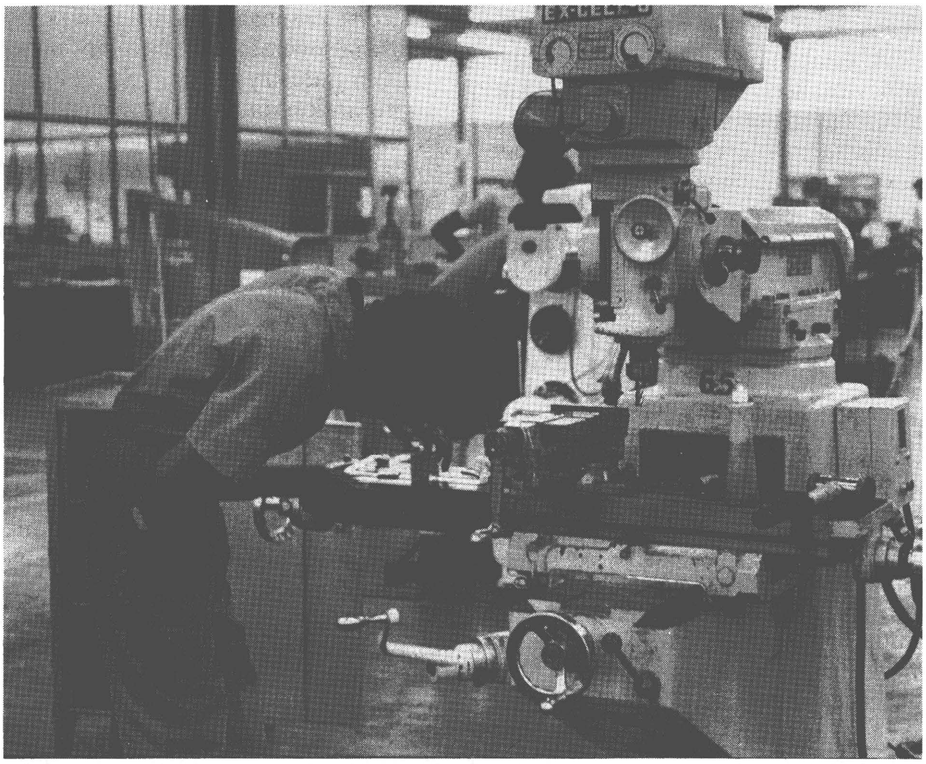
The vacuum filled by development enterprises

for a small economy strategy

Although Development Enterprises

GNP OF ACP COUNTRIES (1981)
(in US$ billion)

under 2 billion				2 - 10 billion	
Bahamas	0.78	Lesotho	0.74	Cameroon	7.63
Barbados	0.88	Liberia	1.01	Ethiopia	4.53
Benin	1.14	Malawi	1.39	Gabon	2.55
Botswana	0.94	Mali	1.34	Ghana	4.79
Burkina Faso	1.50	Mauritania	0.71	Ivory Coast	10.19
Burundi	0.99	Mauritius	1.23	Jamaica	2.60
Cape Verde	0.10	Niger	1.89	Kenya	7.28
Central African Republic	0.77	Rwanda	1.34	Madagascar	2.97
Chad	0.49	St. Lucia	0.12	Papua New Guinea	2.58
Comores	0.11	St. Vincent and the Grenadines	0.07	Senegal	2.53
Congo	1.84	Sao Tomé and Principe	0.04	Sudan	7.39
Djibouti	0.18	Seychelles	0.11	Tanzania	5.26
Dominica	0.06	Sierra Leone	1.14	Trinidad and Tobago	6.72
Equatorial Guinea	0.12	Solomon Islands	0.15	Uganda	3.75
Fiji	1.29	Somalia	1.24	Zaïre	6.28
Gambia	0.22	Suriname	1.07	Zambia	3.49
Grenada	0.10	Swaziland	0.48	Zimbabwe	6.26
Guinea	1.66	Togo	1.01	17 countries	86.80
Guinea Bissau	0.15	Tonga	0.05	Nigeria	76.17
Guyana	0.58	Vanuatu	0.04		
Kiribati & Tuvalu	0.03	Western Samoa	0.05		
		42 countries	28.15		



In small economies, the degree of self-sufficiency in spare parts and in knowhow is very limited

will have to be created with the cooperation of knowhow suppliers and ideally, in a joint venture, the goal of the Development Enterprise is exactly to create an indigenous capacity for the future, both to reduce and facilitate the involvement of foreign partners.

Most important, Development Enterprises may facilitate the implementation of many of the strategy proposals mentioned above, in the implementation of joint ventures, neighbouring complementarity, and, not least, in skill development and in vertical integration of industry—developing backward and forward linkages.

The development enterprise as a business activity

The concept of Industrializing Industries or Development Enterprises is not often as easily appreciated by economic planners as by industrial operators. It is therefore important to involve the industrial users of the services of a Development Enterprise as partners, and it is important to operate the enterprise as a business activity, putting emphasis on production and on a future self-sustaining operation.

The present lack of trust between government planners and industrial operators makes it difficult to form mixed companies that on the one hand are assured of independent business operation without direct government interference, although with government support, while at the same time assuring a development effect for this support in the form of overspill of trained people and input to other sectors of the economy.

Although CID is now in the process of studying and implementing a couple of such industries, the problem has always been that CID has not felt it could offer its services to study such industries before there was an assurance either from the government or from a bilateral aid organization that technical assistance funds would be forthcoming to make the project sufficiently attractive for European partners to be involved and to assure a proper development effect for the project.

It is not realistic to expect that the European partners should apply some of their profits to undertake very costly in-depth training. As long as one continues to do this, the result will also be an emphasis on the implementation of industries requiring very little in-plant training and therefore having a very small multiplication factor.

In this connection, the introduction of well-known training levy schemes ought to take place in many more countries and with greater emphasis on using the revenue of the levy to finance more long-term, in-plant training, while exerting pressure on industrial operators to train more.

UNIDO IV project proposals

For UNIDO IV a large number of projects have been proposed involving the planning of development centres, of rehabilitation programmes and sector development and of specialized training, etc., showing the tremendous need for filling the gap towards implementation of industries.

Undoubtedly, many of these plans to come could be executed by publicly supported joint ventures for Development Enterprises. The advantages could be the attraction of more foreign industry finance, while at the same time having the possibility of securing a more practical and business oriented transfer of technology—and probably at lower public cost. It is suggested that governments should already have this in mind when executing the above industrial planning projects. o J.M.

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Improving the investment climate

by John LEECH (*)

Current negotiations for Lomé III have once again focused attention on a possible investment guarantee scheme and other measures to attract private capital to ACP countries. So, it must be admitted, has the woefully poor outturn of private investment flows despite the intentions enshrined in Lomé I and Lomé II.

Specific data for such flows to ACP countries are difficult to come by. However, a recent OECD study, Investing in Developing Countries, tells enough of the story. Only one-third of all new investment over the period 1977-1981 went to developing countries; and only 5% to the middle- and lower-income ones among which the ACP are found. Even then, one-third consisted of retained profits so that the number of new enterprises attracted is exceedingly small.

The trend is confirmed by the latest UNIDO study, Industry in a Changing World. Between 1963 and 1982, the share of developing countries as a whole in manufacturing value added rose only from 8.1% to 11.0%. In Africa, which accounts for two-thirds of the ACP, the share of manufacturing in GDP has remained stubbornly below 10%, compared with an average of over 20% for other developing regions.

A number of remedies have been proposed. These range from promotion measures by industrialized countries to total laissez-faire by the ACP, from an ACP development bank to a Lomé III investment guarantee fund. Can any of these serve to accelerate the flow or are they devices to make water run uphill?

Such measures could certainly help to open up channels. They and some others are, therefore, summarised below by way of a simple guide as to who can contribute what. In the last resort, however, it is the private investor himself who will decide whether to use them or not. Hence a last section will deal with the less definable area of investment climate.

Instruments available to the European Community and its Member States

Much can be done by the provision of funds to finance feasibility studies by potential investors, particularly as these can have a directional effect. The European Community operates such a scheme through the European Investment Bank (EIB), as do several Member States. Investment insurance schemes are also offered by several Member States and a Community scheme has been under discussion for some time.

Fiscal incentives are another useful directional device. They would offer favourable tax treatment of the amounts invested in specific developing countries as well as the profits (or losses) arising from them. Lastly, a majority of Member States have set up development financing corporations whose specific task is to channel investment funds to developing countries. Some do this principally in association with private investors from their own countries and have developed useful techniques to encourage them. The Community's equivalent instrument is, of course, the EIB.

Governments anxious to see the private sector take more responsibility for overseas development could usefully apply such instruments with greater vigour.

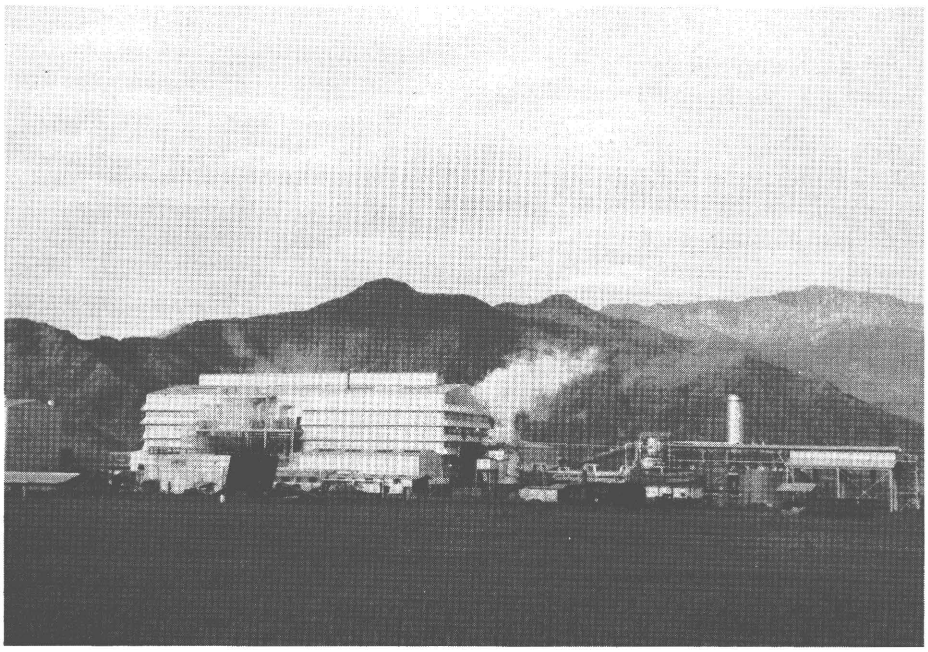


Photo BAI

A sugar factory in Papua New Guinea
The share of developing countries as a whole in manufacturing value added remains very low

Instruments available to EEC, Member States and ACP jointly

Principal among these are bilateral investment protection treaties creating a framework within which private investment can take place. At the multilateral level the EEC proposals for an investment guarantee scheme under Lomé III tend in the same direction but will clearly be project specific and require the co-operation of both parties. As yet no agreement has been reached on the constitution of a guarantee found for eventual compensation payments.

A further bilateral instrument is the negotiation of double tax conventions, again providing the investor with a defined and stable tax framework. On a more specific level Member States

(*) Head of External Relations at the Commonwealth Development Corporation.

aid agencies and ACP governments can agree jointly on allocation of resources to infrastructure and other schemes of direct benefit to the industrial sector, to small- and medium-scale enterprises, as well as to the more specialised small scale entreprise sector. They can also agree to co-operate on export promotion programmes which will actively provide opportunities for new or secondary ACP industries.

An ACP bank could fit particularly well into a joint trade financing effort. Its function would be principally to involve commercial banks in the development process rather than as another distributor of finite concessional funds.

Instruments available to the ACP

These fall into two categories, the macro-economic and that of industrial sector policies. Chief among the former is the complex of monetary, exchange rate and interest rate policies which are the main determinant of a financial framework favourable to private investment. Monetary policy exerts a direct influence on the rate of private investment through the availability of bank credit. By determining its cost, interest rate policy clearly has a similar effect. Exchange rates do much the same for the real cost of external borrowing; they also influence the attractiveness of investment for both the domestic and foreign parties.

A study of 24 countries by M.I. Blejer and M.S. Khan of the World Bank has found a direct link between government policy variables and private capital formation in two areas: monetary policy and the balance between public and private sector investment. Current stabilization programmes, for instance, needed to safeguard private sector credit if they were not to be counter-productive. Similarly, the effects of public sector investment were to crowd out private investment unless substantially limited to the development of infrastructure.

Some specific industrial sector policies would be to operate as far as possible an open and outward looking economy with relatively low levels of protection and avoidance of price distortions, since small countries in particular have to rely on trade. Mechanisms for aiding the preparation of projects are equally important as are steps to develop the range of skills required by industrial ventures. Developing an extended production chain based on agriculture can often give rise to a number of industrial linkages leading to new project opportunities. The establishment of a one-stop investment agency can be a simple remedy for streamlining procedures and assigning specific responsibility for industrial development.

The investment climate

Even if all these instruments were put in place, one would have done no more than arrange the pieces on a chessboard. An essential ingredient before the game can begin is to find the players. They in turn must be interested not only in the game but in playing on that particular board.

The desire to invest derives in the first instance from a set of corporate imperatives. Few investors are capricious enough to look at a map of the world and wonder where to place their funds; if they did they would be unlikely to venture far from the developed world. Competition for those very scarce opportunities specific to any one ACP country or group of them is therefore intense. It is here that the perceived investment climate will be crucial to an investor's assessment.

Several studies have been, and several more are being devoted to helping developing countries understand the elements of this assessment. One of the more important, prepared by Professor Isaiah Frank for the Committee for Economic Development, analysed the responses of 90 international companies in the eleven major industrial countries with overseas subsidiary operations. It concluded that the most important disincentive was instability, with the resulting uncertainty for the operation. Changes of government and economic policies tended drastically to alter the rules under which enterprises were expected to perform.

Secondly, an understanding of profit as a benevolent generator, rather than condemnation of it as foreign exploitation, needs to be discernible. No in-

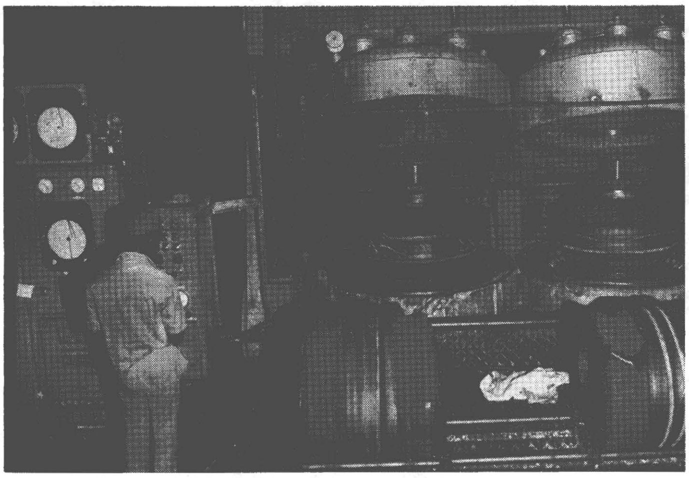


Photo GARNET IFILL

Tyres being moulded in Trinidad

Competition to attract investors is very intense among developing countries

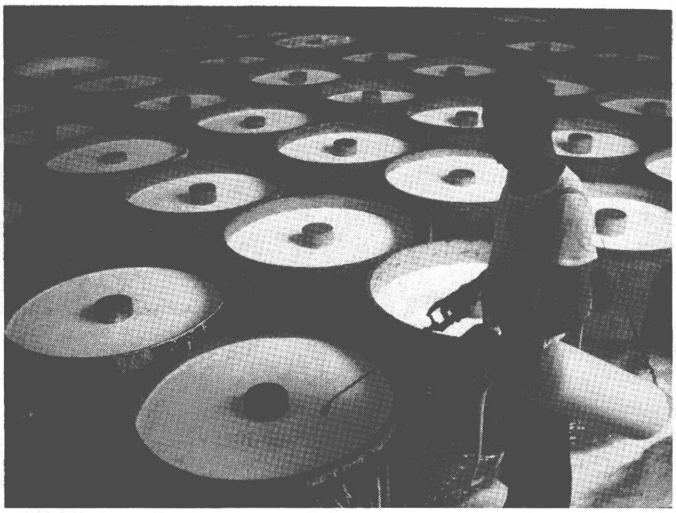


Photo G.L. GRANT

Spraying latex in coagulating tanks, in Ivory Coast

"No investor can stake his money unless he sees a return"

vestor can stake his money unless he sees a return and is able to remit it, knowing that even when foreign exchange is scarce he will get fair and consistent consideration. That return is equally necessary to the local partner, to keeping the enterprise afloat, and to assuring the continuance of the government's revenue take and other benefits accruing to the economy.

Lack of understanding of the efficiency required to operate an enterprise can also be a powerful disincentive. Overburdened civil servants, bureaucratic procedures at every turn, as well as payment demanded merely for goodwill, do not augur well for the smoothness of a project's operational phase. Incomprehension under this heading also affects the issue of work permits to expatriates essential for commissioning, initial management and adequate training of second generation local managers.

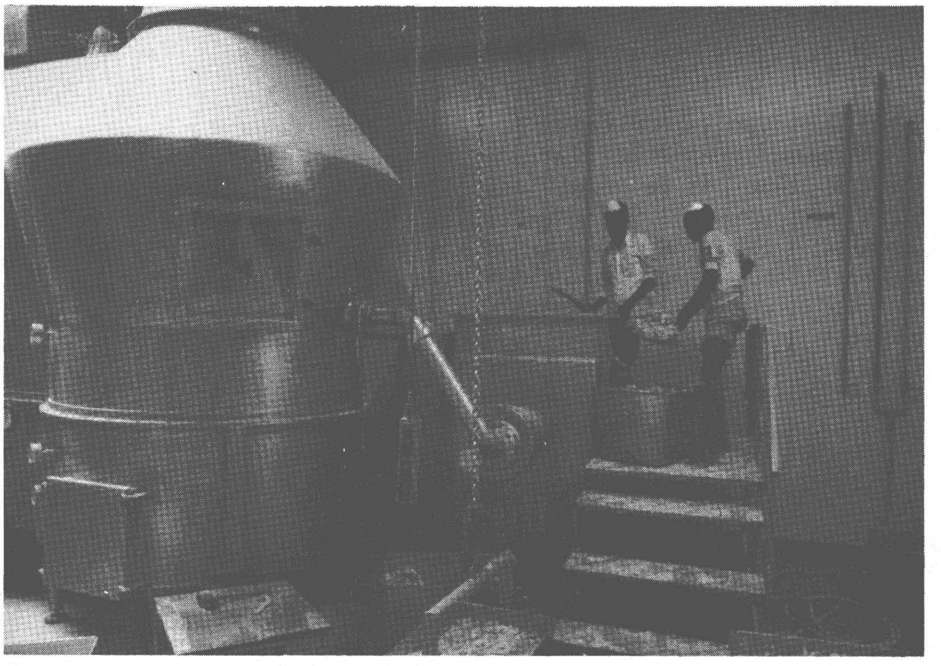


Photo Dansk Gaerings Industri

"The ACP countries must help themselves to find a formula both to attract and live with the private investor"

Tax incentives: a further bonus (1)

Companies tend to take a pragmatic view of most other matters. Thus a government's social or political orientation or its policies regarding local content, national advancement, limitation of foreign holdings and similar matters are judged solely by their effects on commercial enterprise. In effect, business judges countries by their actions more than their declarations. Honouring undertakings counts for more than hard bargaining.

Curiously, much less importance is attached to incentives legislation. This seems to prove that the choice is made on other factors, principally those listed above, with tax and other incentives taken as a subsequent bonus.

Their value should not, however, be totally dismissed since they will be seen as one expression of basic goodwill towards the private investor.

Saviour and exploiter (1)

Subsequent studies, some of them based specifically on the reactions of European investors, seem to confirm most of these factors including their relative importance. Those dealing specifically with the ACP group inevitably also accord a high rating to basic structural handicaps such as restricted markets. These, however, may well be subsidiary to political, economic and possibly historic factors when one bears in mind some of the astonishing successes of small island economies such as Barbados and Singapore. A nexus of stability, efficiency and outward vision are clearly basic to such successes. They carry with them an understanding of the aims of the private investor, as opposed to the ambivalence which makes some countries woo him as a potential saviour only to reject him as an exploiter once he has delivered his investment.

In return for such understanding it is legitimate to ask for evidence of the value of a particular investment. Most countries now have the tools to appraise projects for their economic cost-benefit.

Yet even relatively advanced countries can still be led astray by the assumption that any kind of foreign investment will be beneficial. A recent analysis by the Industrial Development Authority in Ireland has proved that minimum levels of local content and control are essential. Experience with export processing zones in other countries has pointed the same moral; but developing countries in particular need constantly to ask whether they have the administrative capacity to apply such controls as intended or whether they will in practice choke also the beneficent enterprise.

South-South cooperation (1)

Development institutions such as the Commonwealth Development Corporation and its European sister institutions tend to be regarded in a more neutral light, though they are themselves large and consistent long-term investors. They are often able to help where there is lack of understanding of the needs of the private investor. They have also assisted some 52 local development finance companies to play a similar role. But basically it is the ACP countries that must help themselves to find a formula both to attract and live with the private investor.

Here could lie a fruitful area for South-South co-operation, given that several ACP countries have not only managed their economies successfully but also attracted a good deal of outside investment. Perhaps the first step is for others to realise that such a combination is the result of more than a coincidence. o J.L.

(1) Editorial subtitles.

Rehabilitation—an imperious necessity

by Gérard EGNELL (*)

UNIDO's fourth general conference, which began in Vienna on 2 August, ended in failure. As *Le Monde* said, political arguments and diverging views as to what practical measures will get Third World industrialization off the ground divide the 135 countries represented in the Austrian capital... and no agreement could be reached on the main resolutions, on industrial reorganization and the financing of projects (1).

Even with no general agreement, there should still be ways of improving the ACP industrial apparatus in the field. And what is this aparatus, in fact, other than the sum of a certain number of specific industrial installations? And what are the improvements other than finding the technical, economic and financial solutions that will make it possible to boost productivity and efficiency in each case? And what does getting Third World industrialization off the ground mean? First, surely, seeing that everything that has been built over the past 25 years is, as far as possible (and we shall see later on the limitations and constraints of this), repaired and in working order again, i.e. rehabilitated.

Because the state of all the industrial investments and a large amount of the infrastructure built over the past 25 years and longer is not, alas, good! And because these investments have not borne fruit, the loans to pay for them have not been paid back. What effect does zero productivity have on the general debt of the developing countries? No-one has ever worked it out precisely, but it is considerable.

The last CID two-monthly bulletin (2) said that, in certain cases, production units may only be working at 20% of capacity because of faulty equipment, power cuts or unskilled staff. I would add that, in some cases, productivity is down at 0% for the very good reason that some installations have never ever been set in motion... or have never been completed... This is something that happens in almost all the ACP countries.

Over the past year, the Centre Nord-Sud of the Institut de l'Entreprise (France) has been working on an inventory of industrial installations in the ACP countries and there are now more than 500 entries. The findings are serious. Very serious. In certain countries, 15 industrial installations out of 16 financed by international institutions are not working. In others, more or less all the technical apparatus has ground to a halt, and in sectors that are vital to these countries too, in energy and transport and even in agriculture, as is the case, too, for example, in Guinea.

The reasons for all this emerge increasingly clearly as we take the analysis further:

— Some projects were poorly studied and badly organized. There was no well-founded economic justification and in some cases, the projects were no more or less than circumstantial schemes.

— Some projects were justified, but the technical design of the installations was unsuitable.

— In some cases, projects were well-designed and properly implemented, but the environmental conditions were such that they could not be got under way due to a shortage of raw materials, roads, energy and so on.

— And in other cases—and there are many of these—factories (or infrastructure facilities) were started, but operating conditions deteriorated gradually due to inadequate or unsuitable staff training, transfers of technology and technical assistance from the seller, mostly as a consequence of inability to fund the outside assistance necessary for their continued operation.

Controlling industry

If I had to find one thing to convey the root cause of these failures, I should point to the procedure and constant administrative project-launching process whereby implementation and exploitation are separated. It is, in fact, wrong to launch—and finance—a new investment without at the same time providing a structure that will give the best guarantee of exploitation of that investment. That is co-operation, plain and simple. Because—and I know that many of our ACP friends will understand this—taking over a new industrial instrument, often involving complex techniques, means having skill and experience and the sort of industrial culture that cannot be obtained overnight. It took Europe 200 years to become an industrial power and Japan, in spite of a high level of individual training, nearly 100. Most of the ACP countries got their political independence in the space of only a few years and it will take them decades to learn to control their industry. Project-by-project co-operation in the field is a necessity and it can well be a success without endangering their political sovereignty. As things stand, 90% of successful industrial units are those involving this co-operation in some form or another.

Before completing this chapter, let us not forget how, a few years back, Mr Abdessalam, then Algerian Minister for Light Industry, who was aware of the harmful side of the suppliers' departure once the factories had been handed over, suggested a system of product-in-hand contracts which extended the obligations of outside agents. Although it was unsuitable from some points of view, the formula did yield some good results (Berliet, for example).

Diagnosis

Understanding what rehabilitation is means first seeing its aim—which is not just to repair breakdowns, supply spare parts or bring in technical assistance. The real objective is to revive the firm's productivity, looking not just at the technical aspects but at all the economic, financial, managerial and even political parameters which affect that productivity.

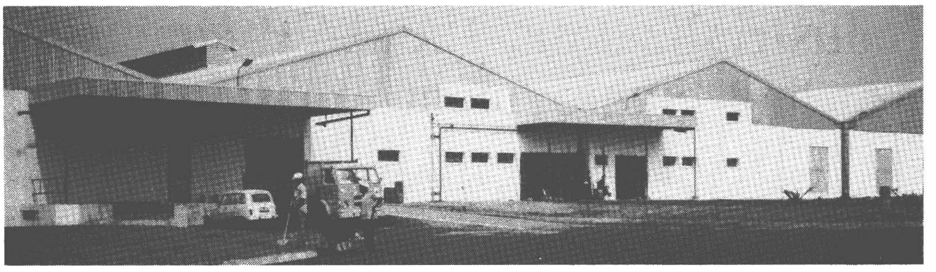
And, naturally, any rehabilitation operation has to start with a diagnosis, an assessment of the present situation and a stringent one at that. This should involve:

— at technical level, assessing the in-

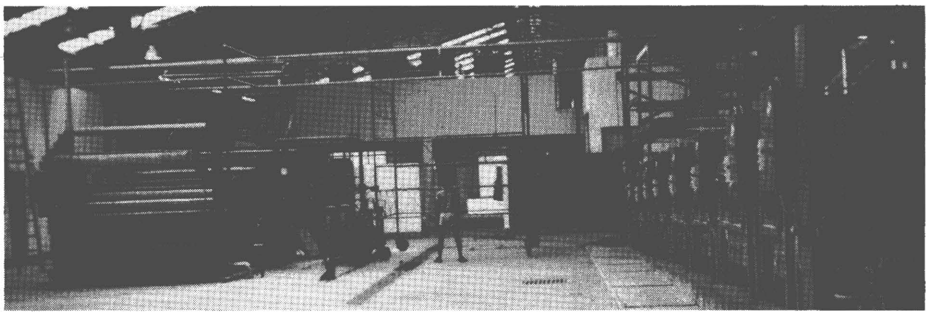
(*) Director-General of SIASS and group leader of the rehabilitation working party at the Centre Nord-Sud at the Institut de l'Entreprise, France.

(1) Le Monde, Sunday 19/Monday 20 August 1984, Wednesday 22 August 1984.

(2) Industrial Opportunities — No 39 — July-August 1984.



The Sanoya textile plant in Guinea has been completely rehabilitated by Scheffer (France) and UCO (Belgium). The success of operations of this kind does not just depend on renovating the facilities. It also means taking everything that is vital to rational exploitation into account



stallation itself and the situation of the environment—power, water, means of transport and... raw materials;
— at human resource level, studying the firm's human potential, both individual and collective (organization);
— at economic level, seeing whether the factory's programmes are in line with the requirements of the market, bearing in mind local and external competition, and deciding whether they need alteration or whether it is possible to have an effect on the market (by regulating imports of competing products and so on).

And then, there must be technical, financial and human resource specifications for the rehabilitation operation. The cost of implementing it also has to be assessed.

After this, the diagnosis can be made—yes, the firm is worth rehabilitating or no, it is not. If not, then say so, in spite of the problems this will pose, and act accordingly.

Who can produce such a diagnosis? An expert, obviously, with recognized qualifications and a sound reputation. Or, of course—and this is preferable—a team, ideally a multidisciplinary one comprising, involving and under the control of delegates appointed by the local authorities, i.e.:
— representatives from an industrial firm that is prominent in the field in question;
— technicians from a company of qualified engineers;
— human resource and training specialists;
— financiers.

Once the diagnosis has been made, if it is positive, then the rehabilitation operation must begin. And if it is to avoid the pitfalls outlined above, then it must be a veritable act of co-operation which associates a recipient businessman with another (who is in turn associated with an engineering company if he does not have the requisite skills himself). It may be a good idea here, provided there are suitable administrative arrangements, for the advisers also to be the paymasters, i.e. for the group which did the diagnosis to run the rehabilitation operation.

In most cases, this operation will involve:
— technical rehabilitation of the unit and equipment around it, as it would be pointless to confine the operation to the installation limits of the plant, as Sanoya (Guinea) shows;
— reconstitution of a competent work-force, in two stages:
• training schemes and the transfer of technology while the installations are being repaired;
• technical assistance schemes once the plant has been started up again. These should be defined very carefully and programmed in such a way as to ensure that, ultimately, local staff can take over the running of the installations even if permanent technical assistance officers are required to carry out any specialized maintenance;
— installation of a proper management association in the firm (shareholding not the only sort of involvement possible).

The implementation—or the launching, rather—of a rehabilitation operation is not, of course, unattended by a certain number of problems.

To begin with, no-one likes to be reminded of his failures. Where the unit to be rehabilitated is of recent construction, the people responsible for the rehabilitation, be they ACP decision-makers, builders or financiers, are often those who launched the project in the first place and... pronounced it to be a failure. So it is important, in the general interest, to get beyond their perfectly legitimate wariness.

The second problem is a legal one. Work on existing installations in varying stages of disrepair does not always get the same sort of aid (investment guarantees, for example) as new investments, so the current provisions on this have to be altered.

It can often be difficult to mobilize first-rate businessmen, but that is also the case with a number of new projects, it is true. French businessmen are not the only ones in question here. Proper information campaigns need to be run.

Lastly, the financing involved may well be less than that required for new substitute projects, but it is often difficult to raise. In particular, it is difficult even from Community funds to obtain financing for diagnostic missions, which, if they are to be of any use, must be considerable. The problems can and must be overcome, not just by general measures but by more modest provisions decided on a case-by-case basis. The essential thing is for the will to be there, both on the ACP and the EEC side.

Look at the situation in practice and you will see—very fortunately—that people really are gradually waking up to the interest, in every sense of the term, of rehabilitation operations. The World Bank (a look at the Development Forum Business Edition is enough), the European financial institutions, the CCCE in France (it would be nice if these institutions disseminated information on their projects on the same scale as the World Bank) and many other organizations are spending an increasing share of their investment budgets on rehabilitation. However, there are three points where I see a difficulty:

— In many cases—I have already given the example of the Sanoya textile complex in Guinea—rehabilitation projects are set out in exactly the same way as new projects and not enough notice is taken of the environment or why the scheme failed in the first place.

— In many cases, the proposal is to rebuild rather than repair, although it would be cheaper to obtain the same results in the latter way. Obviously, it is more difficult to plan—hence the importance of diagnosing the situation first. But the stakes are high.

— And in many cases, the dichotomy is maintained between contracts to implement the project and then run it once complete. One can never overstress the fact that the key to success is to establish a solid association between the industrial partners, with implementation operations being defined in the light of that association.

The difficult thing about co-operation has always been that it involves both political and economic issues and the logic of the two is different. The failure of UNIDO IV clearly shows that it is difficult to get practical economic decisions if the debate is too broad and there is an increasing number of people in the Community and the ACP Group who think that it is vital to disconnect politics and economics, which are technical first and foremost. Very considerable industrial potential has been built up in the ACPs over the past 25 years—but without enough thought being given to the conditions in which this potential was achieved. Considerable waste is the outcome and it is unacceptable whichever way you look at it, from a social, political, economic or, of course, financial angle. Alongside the new provisions which will be made (to be fair, they have been being made for the past few years) to ensure that new projects are more discerningly launched, special attention must be given to rehabilitating what is already there. ○ G.E.

Industrialization, the ACP countries and employment creation (*)

The countries of Africa, the Caribbean and the Pacific with which the European Community co-operates to secure more effective economic and social development are now 64 in number. They are so scattered and differentiated in population, in natural endowment, history and economy that the question whether industrialization of the ACP countries contributes to employment is tantamount to the question whether in general, in the ILO's view, the important role in development assigned to industrialization is deserved. The studies carried out in the ACP and other countries by the World Employment Programme of the International Labour Office tend to confirm the general picture that, while industrial development was once viewed as the engine of economic growth to transform underdeveloped societies, it became the cause of considerable disillusionment when the experience of the 1950s and 1960s showed that high rates of industrial growth co-existed with rural stagnation and urban poverty.

More recent experience, particularly in the Pacific, has reaffirmed the crucial importance of industrialization. There is now, however, a much deeper awareness of the limitations of industrialization as a method for combatting unemployment.

Thus an ILO study, carried out two years ago in the Ivory Coast on "Industrialization, Employment and Basic Needs" concluded that a "less than optimal expansion of employment" resulted from "open door" policies of industrial development designed to attract factors of industrial development from abroad, often at the expense of providing incentives to domestic enterprise.

(*) Article contributed by the ILO (International Labour Organization).

The strategy of import substitution (1)

Frequently these factors, including fiscal and tariff policies, tended to encourage capital intensive patterns of development and to discourage the small scale and handicraft enterprises which can be the most suitable for job creation.

It is, perhaps, paradoxical that throughout the period, when many colonial countries were attaining political independence, their development strategists were hurrying to reproduce

(1) Editorial subtitles.

African industries are very often dependent on imported parts and materials

European and North American patterns of economic activity. Since the major transformation in the developed countries traditionally led from agriculture to manufacturing and then to the rise of the service sector, developing countries aimed at rapid advance along the path of industrialization. The strategies adopted tended to neglect the rural sector and traditional small scale industry in favour of large scale urban development. They were politically appealing, being associated with modernization and technological progress. The difficulties of this path were known. The limited markets, the inadequate economic and social infrastructure as well as the low level of management and trade skills were appreciated, but it was expected that with the State providing fiscal and other incentives, industrial expansion would automatically follow. And wealth from the modern sector, it was felt, would trickle down to promote development of small industries, generate employment and satisfy basic needs.

It did not work out that way, however. The strategy of import substitution was easy to initiate in many countries. But this type of industrialization, sheltered by high levels of protectionism led to rather high cost industries. Their products tended only to be within reach of a restricted middle class. Moreover, while the development of consumer goods industries was usually successful in the first stage, the limits of the domestic market's absorptive capacity were reached rapidly. In addition, at later stages of industrialization, import substitution for intermediate products proved more difficult. Governments often turned to various forms of export promotion.

The strategy of export-led industrialization took many forms. Countries like South Korea, Singapore and Hong Kong have pursued export-led industrialization with great success. The keys to this success seem to have been stress on the expansion of primary and secondary education and the absence of very marked rural poverty either because of agrarian reform or absence of a hinterland.

The applicability of this strategy for other developing countries is a moot question. True, the very high economic growth rate and high rate of labour absorption made this, in many respects, a desirable pattern particularly because the early success paved the way for movement into industries relying less on cheap labour and more on a generalized level of skill. On the other hand, not only has labour discipline tended to be at the expense of certain trade union rights, but the capacity of some of these countries to sustain the pace in the face of competition from countries which have adopted policies based on labour-intensive manufactured exports. The transition to capital and skill-intensive exports is not easy.

Photo BIT / Mrs. BRA

Industrial development must be linked more closely with agricultural and rural development

Industries artificially profitable

The "resource-based" form of export promotion is of earlier origin. In aiming to increase the level of primary product processing before export, it has tended, in many countries possessing agriculture and mineral resource bases, to have the effect of actually deferring broad-based industrialization. Not only did countries adopting this model fail to mitigate the overriding problem of unemployment but once again the benefits tended to go to a small segment of the population. The new industries became more dependent than ever on imported parts and materials. Sectoral imbalances were apparent as resources were directed from agriculture to a manufacturing sector made artificially profitable through tariffs and controls.

At a later stage enclaves and free trade zones were looked to as accelerators of industrialization and development. Their effectiveness in terms of easing the transition to a broad based industrialization of the country as a whole remains in question, however. They have tended to be isolated production centres largely controlled from abroad. Their effect on disseminating knowhow and training of workers has frequently been negligible. While some have underlined their importance in generating employment, others have emphasized low wages and inferior working conditions.

The early advocates of industrialization were optimistic about the multiplier effects of large enterprises which could stimulate complementary investment. However, obstacles and bottlenecks such as lack of skilled labour and management, inadequate transport and power systems, reduced the potential "spread effects". New large scale enterprises had the effect of reducing competition and thereby increasing prices.

In isolation, modern sector industry in developing countries may never be able to repeat the historial experience of today's industrialized countries in absorbing large numbers of labour. Industrialization in the ACP countries, as in other developing countries, cannot reproduce the nineteenth century process in Europe when progress in agriculture permitted capital formation which eventually made possible the industrial revolution. Industrialization has to be balanced by a growth of agriculture, services and infrastructure, since, even under optimum skill-intensive conditions, employment in industry generally is slow to grow.

The basic needs approach

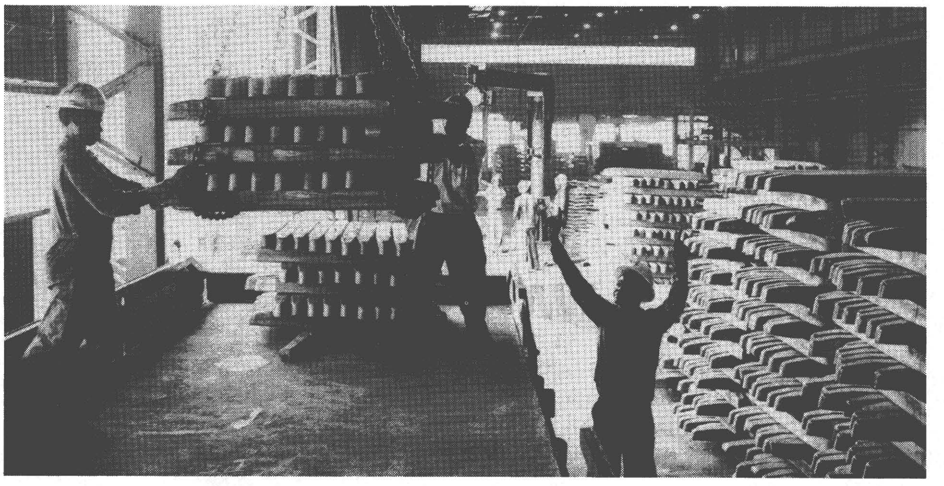
The imperative of social stability—if nothing else—today requires that industrialization go hand-in-hand with an improvement in the social condition of workers. Economic progress cannot be achieved at the expense of the worker.

The basic needs approach to development, centred on employment creation, poverty eradication and overall human well-being, also provides an organizing framework for industrialization.

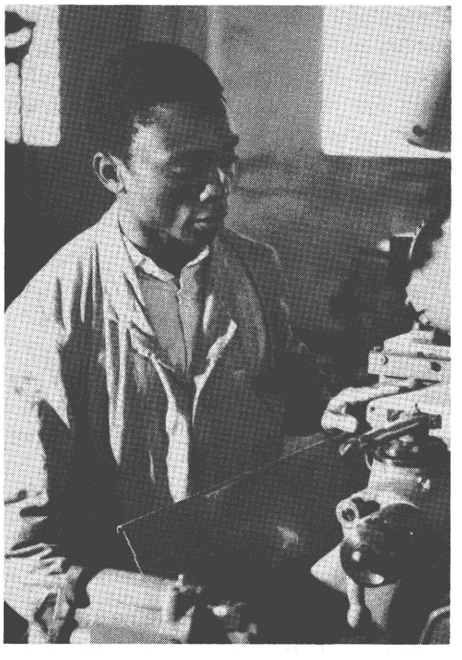
Basic needs policies aim at raising the standard of living of the poorest groups in any society, through the pattern of growth, distribution of incomes and access to essential goods and services. By seeking to tailor the industrial system to meet basic needs, the stress is placed on the appropriateness of investment and technology from the point of view of a nation's resource endowment and the requirements of its people. Seen in this perspective, industry should produce the consumer goods required by poor people. Simple household goods, for instance, rather than appliances and furnishings for luxury flats. An increase in simple consumer goods would also require more producer goods which, in turn, could be more easily manufactured in the country itself than sophisticated producer goods used in the manufacture of luxury items.

Basic needs goods generally require less technical and managerial supervision and more use of unskilled labour than is true of goods favoured by higher income groups. In line with the basic needs argument, manufacturing industry should be encouraged both to utilize techniques which maximize use of unskilled labour and to produce appropriate products often for a larger market. Small enterprises have a major role to play in this process, and governments should ensure that the policies associated with industrialization encourage and support rather than stifle or disadvantage small-scale industry. These usually provide more employment but less output, and need to work hand-in-hand with large enterprises.

Even the so-called "informal" sector of unstructured hole-in-the-wall factories has a crucially important place in a balanced policy of industrialization. The recommendation on employment adopted in June by the International Labour Conference states that national employment policies should recognize the importance of the informal sector as a provider of jobs and should seek to promote "complementary" relations between the formal and informal sectors.



No industrialization plan can free developing countries from the problems of under-employment and unemployment



No universal industrialization strategy

Industrial development also has to be linked more closely with agricultural and rural development. Industry can provide the farm tools and equipment and many of the inputs required by agriculture. Moreover, in view of the rapid increase in the rural labour supply, rural small industries and handicrafts can be vital sources of non-farm employment. This too is consistent with a basic needs approach favouring maximum utilization of available labour.

In the final analysis, there is no universal industrialization strategy which can relieve the developing ACP countries of their problems of unemployment and under-employment. Each nation and island state will have to adjust its strategies to fit in with its particular social, political and economic climate. An import-substitution strategy which may, in the short term, benefit a major resource-abundant nation may prove an economic disaster for a small state. Similarly, small island states could profitably exploit the strategy of export-led industrialization to satisfy the basic needs of their populations—but the same strategy may not prove as effective if pursued by other bigger states.

ILO's studies and experience clearly highlight the importance of a proper mix of industrialization and rural development to overcome the problems of unemployment and satisfaction of basic needs of the developing countries. The main objective should always be the improvement in the quality of the life of the people—and strategies designed to achieve this goal will have to be adequately flexible to take advantage of the lessons of the early days of the industrial revolution in Europe as well as the changing social and political concerns of newly independent states of the Third World. o

"There is a great deal of scope for joint ventures"

Interview with Mr VAN DER SCHAFT (*)

Paradoxical as it may seem in this time of crisis and the platforming, if not reduction of development aid, it is not project finance which is in short supply, but viable projects themselves. That is something on which all the experts are agreed, whether they are officials of development agencies or bankers. One of the latter, Mr Van der Schaft, Deputy General Manager of FMO, the Netherlands Development Finance Corporation, makes the point several times in the interview with *The Courier* that a good industrial project, in the appropriate environment, and headed up by an entrepreneur who knows what he's doing, will always find the capital needed. But what constitutes a good project and what sort of constraints on project finance exist in ACP countries are questions to which, among others, Mr Van der Schaft provides an answer here.

▶ *To what extent are the ACP countries successful in attracting industrial investments in these times of economic uncertainty?*

— I think we have to distinguish between the countries. Our organization, the FMO, does not operate in the Pacific, in view of distance and cost. In the Caribbean, we confine ourselves to the larger countries like Jamaica. So, basically, our experience is concentrated on Africa, in which we have worked in about 25 countries so far. Of course, there is a difference between the various countries. Botswana's approach to attracting foreign investment, and foreign finance is different, for instance, from Tunisia's; it depends on the financial structure, on the connections. But, in general, I would say if there's a good bankable project it is possible to attract foreign investment in the form of joint ventures accompanied by finance, because there's a great interest—speaking from the side of the European countries—in investing in Africa. There are also many connections offered from our own organization in Africa. We are shareholders in six development banks in Africa: Kenya, Tanzania, Malawi, Botswana, Rwanda and the new development bank in Zimbabwe.

▶ *But how are these countries doing compared with other developing countries?*

(*) Deputy General Manager of Netherlands Development Finance Company (FMO).

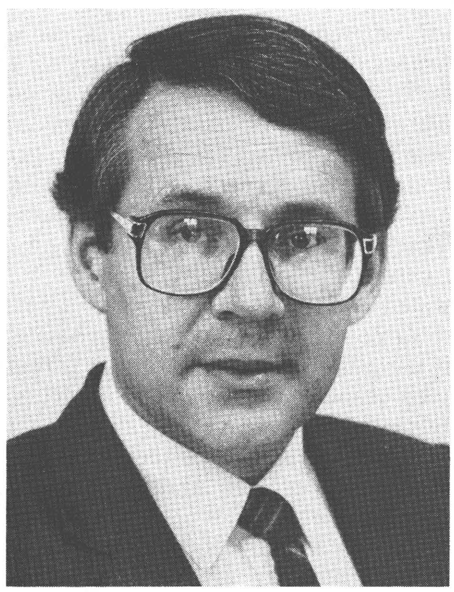


Photo FMO / Ri Scheers

Mr Van der Schaft
"Increasingly we come to realise that a capable entrepreneur is the key to the success of a project"

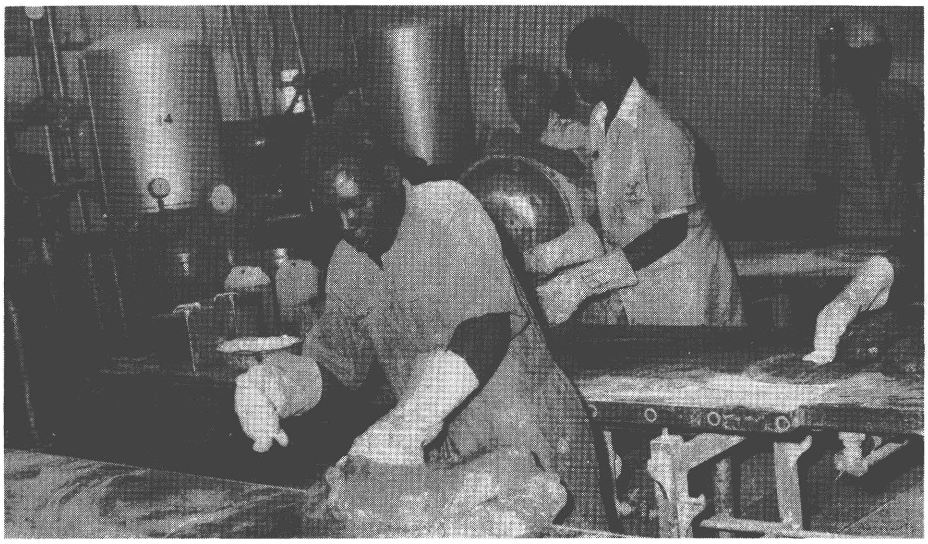
— Well, there is a difference in development between the countries in Africa, and let's say, Indonesia, or the Philippines, which have progressed more in development, whose systems are geared more to attracting investments. But if the ACP countries have good projects, and if they also can get their own development bank involved, there should be no obstacle to attracting investment. It might be difficult for some smaller countries in Southern Africa, like Malawi or Botswana which are less known to the European investors. These countries should strengthen their efforts to make themselves known, as well as to establish connections with European development institutions, and with European business circles. But, in principle, I think if there is a good project there is no problem.

▶ *But what role does the current debt crisis play in this regard?*

— There is a special problem in Africa. We should relate that to the unprecedented growth of the last 20 years of both the developing and the developed countries. Now we are faced all over the world with financial difficulties. And a number of countries in Africa have a shortage of foreign exchange, and find it difficult to pay their debts. That is really a hindrance to attracting foreign investment, and foreign finance. I think that the ways and means should be sought by the various governments to set aside foreign exchange, to ensure that, say, the import of raw materials can be financed and to ensure the payment of debt. So I would say, as a matter of prudence, if in various countries the projects are not able to repay the investment there will be a constraint on attracting new capital.

▶ *Would you agree with the statement that good and bankable projects will always find necessary financing?*

— In principle, yes. However there are a few constraints. One is the payment record of the country concerned; very often the projects themselves are able to pay. But there is an obstacle in getting the client's permission from the central bank to repay foreign exchange. So one has to see the bankable project in its environment. And I think one of the most important points for the countries concerned is to give an assurance that they would pay their debts in future. We are also faced with this debt problem, and one has to be inventive. Some time ago in one of the countries we financed a food project geared towards the local market. It's very important, particularly in Africa for the coming decades, to finance agriculture-based projects in order to fulfill food requirements. So we made it a condition to include a small export component in this project which would be able to generate foreign exchange to repay instalments and interest. So that might be a way out to ensure foreign investors that lo-



Sweet factory in Kano, Nigeria

"Joint ventures which are successful in Africa are those based on good partners"

cal entrepreneurs would adhere to payment obligations.

▶ *But what about a country's political instability?*

— Well, that is certainly a factor which investors and bankers would look into. There's a difference between the attitude of the commercial banks—which are looking more in terms of short-term projects and let's say, the attitude of the development finance institutions, which are looking more at the long-term perspective. It is certainly an important factor, at least in the short run; when a country is not stable, if there are security problems, a threat of civil war, I think the bankers would be very careful. On the other hand, if you make an investment now, you are catering for the needs of the people in five or ten years time. So as a development bank, we are careful, but we always keep the long-term perspective in mind.

Training businessmen

▶ *Much is said of a good investment climate, what are the main elements of this climate?*

— Firstly, stability in the political sense, a system in the countries concerned which creates confidence. There should be clear-cut regulations by the central bank, and assurances on the payment of interest, of licence fees for European entrepreneurs. Our second consideration is the infrastructural requirements. We have financed a factory in a West African country. The factory is there, but they have a problem with the electricity connection. The entrepreneur is trying hard to get that done but it has to be financed and carried out by a public utility agency. That's not an easy thing. So the infrastructure, the availability of electricity, water, and transport is important. The third point I would like to emphasize, if the other conditions are met is that there should be good entrepreneurs. Increasingly we come to realize that a capable entrepreneur is the key to the success of a project. And I think a lot should be done in the countries concerned to identify the entrepreneurs, to build them up, and to have, in addition to development banks, institutes for the training of businessmen.

▶ *What guaranteee will a foreign investor seek both from his own country, and the country he plans to invest in?*

— A foreign investor if he brings in money, because of the risk involved, would like to see a credit guarantee in his own country, so the credit insurance companies come into focus. Now in most of the European countries, those credit insurance companies look thoroughly at the country in question. And there are some ceilings. So that makes it difficult sometimes for the investors to get their investments insured. I wouldn't like to mention the countries for which the Dutch Credit Insurance Company has no allowance at the moment. But that is a restriction from the side of the investor's country. From the side of the recipient country, it could be helpful if there are guarantees given by the government: possibly also guarantees for the foreign exchange coverage, though that is not very easy. From our side, from the FMO, we look at the merits of the project as such, and we establish a security on the fixed assets, normally the land and the building of the projects concerned. So, basically, our consideration is that the project concerned should be viable in itself, and have enough potential to repay the debts. So in that connection it shouldn't be prohibitive that there are no guarantees given by other banks, or by governments. But what the governments could do is to ensure the provision of infrastructural facilities—electricity, water, transport. The central bank of the country concerned could be helpful in ensuring the smooth execution of regulations. The governments concerned could be very helpful in many ways but it might be too much of a burden for them if they guarantee each project—in particular, let's say private investments—because the private sector should be able to take care of itself.

Finding the right partner

▶ *What constraints do you come up against in promoting joint ventures?*

— We often compare a joint venture to a marriage: it's a matter of finding the right partner. In our experience in the FMO, a few projects turned sour because although there were good partners, they didn't fit together, and the marriage broke up. When a new project is conceived, it's very important to identify and to bring together the right partners. You can also keep a marriage in good shape if there is a good basis for it. You have to lay down a few principles, and have a joint venture agreement in which both parties could appreciate each other. Very often in forming joint ventures the marriage is concluded in too much of a hurry; one should take time to find the right partner. Embassies could play a role in this. We certainly see an important role for the development finance institutions—because they know the peo-

CEE / John & Penny Hubley

A market in Zambia

"In Africa, we think we have to give a lot of attention to the agricultural sector in the coming decade"

ple, and they could give advice and scrutinize, let's say, the record of the African entrepreneurs, and the European banks could also be helpful ingiving advice on European entrepreneurs. So that's one element in a joint venture: bring together the right partners. The second one is that there should be a clear understanding on the project concerned, and on the outlook for the coming years, and what the responsibilities of both the partners should be. So once you conclude a joint venture agreement this clearly spells out the responsibilities, in respect to the supply of know-how, management and also assistance in marketing. From our own experience we could say that the joint ventures which are successful in Africa are those are based on good partners, and where the European partner could make available its management assistance, its knowhow, over a period of years and also offer its marketing connections.

▶ *What kind of relationship exists, if any, between private and public capital coming from the same country, let's say Holland?*

— Well, you know, the Dutch Government has been playing a leading role in the provision of development aid. ODA normally concentrates on infrastructure. So, in that connection, a private project needs a good infrastructure; there are a few occasions on which the Dutch Government, via the recipient country, has provided money to finance the infrastructure requirements, and we ourselves could bring in money for the project itself. So there could be—and there have been—combinations in which we work together. But with a different mechanism, because the Government is not able to finance the African entrepreneur so they would provide money to the country concerned, who could channel that money to that particular project.

▶ *So at least there are instances of coordination?*

— Yes, and there is now, also, from the Dutch public-sector side, the availability of mixed credits, which is complementary to our finance.

▶ *You mean credit for export?*

— Well, that is a combination of Dutch Commercial Bank credit with concessionary financing from the development aid budget. That's why they call it mixed credit.

▶ *How many projects did FMO help set up in ACP countries, or rather in the African and the Caribbean countries since, as you said, you have not yet intervened in the Pacific?*

— 40% of our total portfolio is concentrated on Africa. So far we have approved finance to the tune of approximately 170 million Dutch guilders, for 44 projects in Africa. Besides, we also financed a glass factory in Jamaica.

Priority to agriculture

▶ *To what sort of projects do your funds go?*

— In looking at a project there are two main considerations: first of all, the project should be financially viable, and then we look at the life span of the project, which must engender continuity in the long-run. So viability, financially speaking, is one consideration; naturally the project should be technically feasible. Secondly we place great emphasis on the developmental value of a project: which means that the project itself has the approval of the local government, that it fits in the country concerned, that it has good backward and forward linkages. We put a lot of emphasis on the creation of employment, on the effects on the balance of payments. It should not distort the socio-cultural conditions, and we invariably look at the pollution effects. So it's a combination of viability from the financial and technical sides, and also of the development aspects which are very important for the country concerned in the long run.

▶ *Would you mainly finance industrial, or agricultural projects?*

— We could do both. And we have done both. But we are not a promoter of projects; normally the projects come to us, and then we scrutinize them on various aspects. We have a mixed portfolio, industry, agro-industry, and agricultural projects. Policywise, we think, particularly in Africa, that we have to give a lot of attention in the coming decade to the agricultural sector; because it is the strength of a country to be able to use its agricultural raw materials, and process them. If for an industrial project, you need to import not only the raw materials but also the capital, and if the project is capital intensive, we might feel that this is not the first development priority of the country concerned. But in principle we are open to all kinds of sectors to finance productive activities.

▶ *Do you have any success stories in ACP countries?*

— From 1973 onwards we have financed, for instance, a joint venture in Nigeria, for the manufacturing of condensed milk that is doing quite well: they have a brand there which is very popular, and with the hindsight of about ten years, one could say it has got off the ground well. For other projects which have started operations in the last five years it might be a little bit too early to make a judgement in that respect, but we have a few projects in Africa which have proved themselves good in fulfilling their payment obligations, and which we think have taken root in the countries concerned.

▶ *Have you lost a lot of money during all these years?*

— Since banking is a risky business, one should be prudent; on the other hand, one should be prepared to take risks. But, all in all, we have had only a few failures because, once we start on a project, we scrutinize and follow it very carefully. We try to ensure to the best of our ability that there is an appropriate environment for such a project. Then, if the project is not successful, we try to rehabilitate it, to bring in a new partner. Sometimes we bring in additional finance. But after all, if you come to the conclusion together with the local people that it would not be a viable venture, then it is better to terminate it. But once we start a project, we are committed, and we try to make a success of it. We have, in the FMO, a separate project control department. So we are occupied full-time in following up the projects and we feel that our mission is fulfilled when the loan is repaid and when the project has taken root, and can sustain itself. On the way towards taking roots, however, one should be prepared to accept upheavals. I feel that in the near future the development banks, apart from their role in providing financial assistance, should pay more attention to non-financial assistance: let's say in giving a contribution to the supervision of projects. We do normally have a seat on the board: not to dictate our views, but just to give a contribution, from an objective financial viewpoint, and to try to guide the management in carrying out the business. I feel also the ACP development banks could give more emphasis to the task of project control. Because, over the last 20 years, development banks all over the world have been very busy in a climate of growth in appraising projects, one after the other, and maybe the project supervision task has not received the same attention as the task of project appraisal. Now we have this financial crisis, monetary difficulties, it could be a blessing in disguise that and we are shifting our attention to other fields, looking particularly at project control. I also feel that development banks could play an important role in institutional matters: in assisting entrepreneurs in approaching governments, in getting the necessary approvals and permission to expedite and facilitate project implementation.

A bridging function

▶ *What share of your own funds is involved in projects and what percentages of the total project cost are you prepared to meet?*

— Our aim is to cooperate with others. That is the consequence of development cooperation. So we always work with other financiers, particularly on the local side. They must be able to provide the local finance; that gives us the assurance that we can utilize local experience because they are closer to the project that we are. So working with others, our maximum contribution would be 49% of investment cost as a maximum: our package could consist of a part of the share capital, at least 10% and a maximum of 40%, because we believe that the majority of the ownership should be in local hands. When granting a loan, we apply the criterion that loan and equity together should not exceed 49%. On average, when we look at the financial requirements, it ranges from 20-30% of the project costs. I might mention another element, apart from share capital and loan finance, namely, that we are able to provide finance for technical assistance, because we care a lot about the effective establishment of a project; the finance of knowhow, expatriate management assistance for one or two years, and also for the training of the local people. So we appraise the project on an integrated basis and we provide the finance as a tailor-made package.

▶ *What about the question relating to the share of your capital. What percentage of the overall money the FMO has goes for risk capital?*

— As a whole about 25% of our total portfolio is for equity investments. We take that on a temporary basis because when the local partners are able to buy back our shares we, under certain conditions, are prepared to sell them. We are not investors. We see our share capital as a bridging function to get the project off the ground.

▶ *Do you sometimes cooperate with other European development finance corporations in joint ventures?*

— Yes, indeed. In a number of projects we work together, and we have a very close relationship with the European development banks. In fact, we have an informal association under the name INTERACT: the chief executives come together regularly, and we also have a few working groups to exchange our experiences. In most of the development banks in Africa, one or more European development banks are involved. We try to work together as much as possible because that facilitates the work for the recipient countries.

Before we conclude this inteview I would like to make one observation which I think might be important for the future. Because of the economic crisis and monetary difficulties, I think there is a need for the developing countries to take a thorough look at their requirements. They should look again at their own resources, be restrictive in asking for foreign exchange if it is not necessary, and try to mobilize more local savings to apply local finance. Foreign exchange shouldn't be used to finance local cost—because that would increase the debt burden of such a country. The local development banks, as I said, could play a more important role in non-financial matters such as the supervision of the project. They could also pay a lot of attention to the build-up of the entrepreneurs, particularly the small-scale entrepreneurs—because the small entrepreneurs of today might be the bigger entrepreneurs of tomorrow. I think there is great scope for joint ventures which could take various forms. In the past we often asked for financial participation by the European entrepreneur. Nowadays, he also has his own financial constraints. And if there is a country risk involved, one could confine oneself to just a licence contract, in the form of a management or a knowhow contract. o

Interview by A.T.

UNIDO IV: "Nought or—at best—a blank in brackets"

— a talk with Dr Abd-El Rahman Khane, Executive Director of the Organization —

UNIDO, the United Nations Industrial Development Organization, was formed in 1966 to encourage industrialization in the developing countries. It has just held its fourth General Assembly — with very slender results. Like all the major conferences held over the past few years, it was the occasion for a North-South confrontation that went far beyond any industrialization issue.

In this somewhat pessimistic interview, Dr Abd-El Rahman Khane, a former Algerian Minister of Public Works and Construction, who has headed UNIDO since 1975, sums up the conference and emphasizes the sombre prospects facing the developing countries and the world in general if the problems of development are not solved.

▶ *Dr Khane, you spoke of a "small failure" when you talked about the results of UNIDO IV. Why?*

— Sometimes we don't say things and the journalists say them for us. And sometimes they say things we might think. I don't remember speaking about a small failure myself, but when I read the words in the paper—*Le Monde*—I thought they weren't really a bad way of saying what we might feel about UNIDO IV. But I do have another way of describing what happened at the Conference — that, for the moment, the UNIDO IV score is a nought in brackets. What I mean is that one or two resolutions were adopted, but personally, I can't see anything very new about them and, although words are a vital starting point for action and I am therefore very pleased that we did reach agreement on the wording of a certain number of resolutions, I shall wait and see what the practical outcome is before I turn the nought into a plus figure.

▶ *A lot has been said and written about UNIDO IV being the only chance of North-South dialogue this year, but according to you, the chance wasn't taken.*

— Listen, we at the UNIDO Secretariat did our utmost to ensure that the Conference was a success. We did a great deal of groundwork. We involved as many countries as possible from all the regions and we made it a point of honour to bring out the documantation for the Conference at least four or five months in advance so the member countries would have time to look at it in the hope that they would

Photo ONUDI

Dr Abd-El Rahman Khane

come to Vienna ready and willing for the compromises needed to reach the solutions everyone was waiting for. But all this work, alas, was apparently done for practically nothing, as the conference turned out to be like other, conventional conferences — a place for airing what were often sharply conflicting views about world economic conditions and, above all, about how to emerge from the ongoing world crisis. So once again, we got bogged down in an exchange of monologues, as it were, without, to my mind, making the necessary effort to find a joint way of looking at things. Maybe it was impossible to find a joint way of looking at things with philosophies as different from each other as they are, particularly as far as the USA is concerned, because the USA is still the greatest economic power in the world and so whatever is decided in America should have a decisive influence on what happens to the debate. Not only that: it should also have a decisive influence on the results we can expect, in terms of practical action, after the conference itself. I am sorry that this did not prove to be the opportunity, particularly for this great country and for a certain number of countries of Europe, to subscribe to a joint view of what needs to be done in the Third World to help it industrialize — and to do so in the light of what we proclaim here at UNIDO to the benefit of developed and Third World countries alike.

Industrialization in the Third World is a sine qua non of emergence from the crisis

▶ *But the idea was to go beyond this ideological and philosophical confrontation and fix on a practical programme of industrialization...*

— But the problem is to agree on the need to industrialize in the Third World. I am very much afraid that this industrialization is not necessarily a good thing for them in the eyes of the developed countries, which, of course, is where we may differ. We say that it is a good thing and a necessity if the idea is to get the world as a whole out of this economic crisis, but they may well think that it isn't necessary and the countries of the Third World can very well go on as they have always done — i.e. meeting any requests from the countries in the centre, the industrialized world that is, first by giving them the raw materials they need and second by agreeing to be exclusive markets for goods manufactured in the developed world. And that is where we fail to agree. That is where we say that, if the developing countries are to become major markets for manufactures from the developed countries, then they too have to start industrializing so they can turn their potential into an active market.

▶ *When you say we, you mean UNIDO, of course, so UNIDO is on the side of the developing countries. Is that right?*

— We are a UN organization and the view we are forming is, I think, the common view of the UN system whereby the world is in a state of total interdependence. And our economists—they are distinguished ones who come from both North and South—

think that industrialization in the Third World is a *sine qua non* if the world as a whole is to emerge from the present crisis and, of course, when we say the international economic crisis today, we mean the economic crisis affecting the developed countries. That is roughly our view, and it is one that is in fact shared by the developing countries and some of the developed countries, too, at the moment. Not necessarily all of them.

▶ *Can we return to the results of UNIDO IV? The developing countries were unable to get any further commitments to provide financing. What could this do to the Lima target of getting the developing countries a 25% share of the world manufactures trade by the year 2000?*

— To begin with, UNIDO IV had no particular financial questions to discuss. It simply advanced and documented the idea that the developing countries needed a certain amount of foreign resources if they were to be helped to industrialize and so it was a good idea to lay down the conditions in which this could be provided on favourable terms. There was no particular agreement on this, naturally, because the resolution which was supposed to cover these issues was unable to be finalized and got sent back to the General Assembly. But a certain number of technical assistance proposals were made for the Conference and this involved the UNIDO Secretariat getting extra resources, in particular to help with the African development decade and to assist the development of human resources in general as part of the industrialization of the Third World. And on this second point, unfortunately, it was agreed that a special effort was needed to help Africa and to help develop human resources during the discussions, but no money was forthcoming. So perhaps at the funders' meetings to be held in November and, of course, next year, we shall see more clearly and to what extent it will have been possible to remove the brackets and change the nought to positive figures. But of course, none of this is very good as far as the Lima target is concerned, unfortunately, in as much as UNIDO was supposed to make an additional contribution to reaching it. However, it is not for UNIDO to reach the Lima target. That is a job for the developing countries with the help of the international community. The target should be thought of in terms of new factories, of actual industrial investments and new products being turned out.

Lima — a minimum target

▶ *But at the rate things are going, it looks as though the target will never be reached. So instead of hoping for a colossal increase in the financial means, which is highly improbable, as you yourself have just said, might it not be a better idea to lower the sights?*

— There would naturally be nothing to be gained by lowering our sights and it would compromise something because, at the rate things are going, the Lima target is still a long way off, but let us not forget that, even when the target was fixed back in 1975, it wasn't enough to stop the gap between the developed and the developing countries widening. So, even if it looks ambitious, as far as the future is concerned, it is a minimum and I therefore feel we have to stick to it as a daily reminder of what would happen if the necessary effort wasn't made. Because we are coming up to the year 2000 and if the effort hasn't been made, no-one will be able to say what the consequences—disastrous as far as international relations are concerned, I personally consider—might be.

▶ *What is the relative importance of company rehabilitation and new investments in the achievement of the Lima objectives?*

— Existing installations are unfortunately not being used to the full. That is a fact. One of the aims of technical assistance would be to assist existing industrial units to function as well or as much as possible. But alas, as you know, we do not have the resources to do this. However, although there is no doubt that is is imperative to mobilize enough money to get existing factories working to capacity, it has to be realized that the Lima target is something very different from anything we have at the moment and so, however important rehabilitation is, it is only minor compared to the new investments needed to reach the Lima target. You have to realize that, under normal conditions, managing to get the developing countries to produce 25% of the world's industrial production by the year 2000 means that, by the year 2000, the developing countries have to be virtually capable of producing the industrial production of the developed countries in 1975. That shows just where rehabilitation stands in relation to new investments. It is important, but it is still relatively minor compared to all the investments that need to be made by the year 2000.

▶ *The final communiqué of the Conference said that industrialization in the developing countries depends, first and foremost, on external financing — thus linking the Third World's industrial expansion to the goodwill of the people who hold the capital. Is that really true and where does self-reliance come in?*

— I don't remember the Conference saying that. But we have in fact always said that if we are to have industrialization at the rate laid down in Lima, then external input is called for. And a lot of external input at that. If it is not available, then possibily we should or could go on industrializing at a much slower rate. I am sure that the developing countries will go on industrializing, in spite of the problems there are today, although the rate at which they do it, once again, will be very slow. Self-reliance is an idea, I believe, that is gaining ground and there is still a long way to go. The developing countries have to develop their industrial cooperation further—it's been inadequate so far—but unless the international community backs up all these efforts, the rate of development will be even slower and that is something we are anxious to avoid. What we are calling for is an increase in international cooperation and North-South cooperation to ensure that this industrialization goes forward at a proper rate.

▶ *In 1975, UNIDO planned a $50 million p.a. fund for industrial development and UNIDO IV, 10 years later, has just passed resolutions calling for this money to be liberated, I think. What does the UN industrialization fund stand at now? And what are the chances of it reaching the desired level of $50 million p.a.?*

— After all I have said about the real extent of the problem of industrialization in the Third World, the technical assistance fund that the Organization has at its disposal seems ridiculously small. A lot more has to be done to help the developing countries develop their human resources so they themselves can make a greater contribution to their industrial expansion and administer their industrial installations economically and efficiently. At the Lima Conference in 1975, the idea of a UN fund for industrial development was mooted for the very purpose of boosting the technical assistance resources in this area and such a fund was indeed created by the UN General Assembly. But no more than $ 15 m p.a. was ever put into it. Let us say that, on average, taking currency fluctuations into account, resources have been around $ 12 m p.a. The $ 50 m was a story. It was a figure they agreed on at the North-South Conference in Paris in 1976. But in spite of that, our Board repeats the fact that we have to reach the $ 50 million every time, but so far, unfortunately, the countries that could chip in have not decided to give even the amount agreed on by an international conference as important as the North-South Conference in Paris.

▶ *Maybe the economic situation wasn't as bad as it is now...*

— It all depends. The economic situation is always bad for those who want to do nothing. There is always someone to say that the economic situation is too bad for us to do anything and, when it is good, they say that, because it is good, there is no point in doing anything as everything will be all right now anyway. So there you are.

"I don't want to seem enthusiastic"

▶ *Africa is the least industrialized continent and it is suggested that $ 5 m p.a. be channelled into defining industrial policies for it. Is that as far as things have got in this part of the world? And what about the industrial investments made over the past 25 years?*

— There again some clarification is called for. As you know, the UN General Assembly has proclaimed the 1980s African development decade. It raised hopes that people would take greater notice of the continent and help it industrialize. And, once again, industrialization in Africa means all kinds of private and public industrial investments. The technical assistance our Organization was asked or expected to provide is maybe fairly crucial, but it is relatively unimportant in terms of financial volume. So we had already asked for UNIDO to get more money to increase the technical assistance it could give Africa. But, alas, our appeals fell on deaf ears and last year the General Assembly very grudgingly gave us an extra $ 1 m to do something with. When the African ministers met in Addis Ababa and later on at UNIDO IV, they said they hoped the General Assembly would give UNIDO $ 5 m p.a. to finance this technical assistance. So we're waiting...

▶ *You seem fairly disillusioned.*

— I want to appear realistic. I am waiting for the results of the UN General Assembly. The end of the year is nearly with us and we shall see. If the General Assembly agrees to respond to the appeal from the African Ministers for Industry, I shall be very enthusiastic. But for the time being, I don't want to appear enthusiastic. I want to wait and see how things turn out.

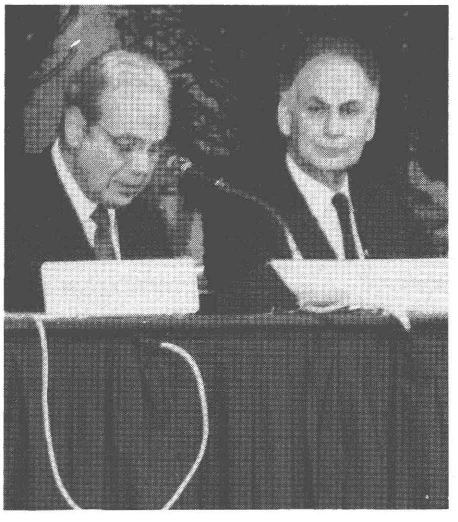


Photo ONUDI

Dr Abd-El Rahman Khane with Mr Perez de Cuellar at UNIDO IV

▶ *But a lot of measures have been taken for Africa — Africa has the most LDCs and we are nearly half way through the UN decade for the LDCs, so what has become of the industrial side of it?*

— Yes, I get the impression that not much has been done. I am sorry to have to say so, but, in Paris, the countries agreed to set aside 0.15% of GNP for the LDCs and that figure is a long way off and, as far as we are concerned, the drop in our technical assistance to the Third World as a whole also affected the LDCs. So naturally, it is not very encouraging.

▶ *Does that augur well for UNIDO's change of status?*

— I don't think it has much to do with it. The problems we have just mentioned are vast and they go far beyond our little institution. However, we do realize that a body like UNIDO is useful, even if only because of its technical assistance programme — it was something like $ 78 million this year and something like $ 700 m have been spent on technical assistance since the Organization was set up. That's a small contribution to industrial development but one which is not completely negligible. So what can UNIDO do once it is a specialized agency?

▶ *When will this happen?*

— We don't know. The governments have to decide and things are not certain yet because the Soviet Union and one or two members of the group of European socialists still haven't ratified the constitution. But we hope the change can be made next year — although there is still some uncertainty. Now, what is the importance of this change? Administratively speaking, first of all, things will be a lot simpler because at the moment, the Organization depends on New York in many matters. Secondly, we can be more coherent, organizationally speaking, with our work programmes and the financing for them. This is not the case at the moment because the programmes are drawn up here in Vienna and the financing is decided in New York. But, more importantly, we still hope that the fact that the Ministers for Industry will be meeting every two years—somewhat more often than they do now—will, in time, make for a closer knowledge of the practical problems facing the world economy, particularly the industrial side of it, and that repeated contact by these top officials, who have direct national responsibility for industrialization, will gradually lead to the emergence of a common view of the issues. If UNIDO did that, it would certainly have made a major contribution — but only after becoming a specialized UN agency.

Development problems are even more dangerous than East-West conflict

▶ *Meanwhile, Dr Khane, it has to be admitted that all the international conferences we have had over the past few years have been partial successes at* *best and that the results, when there are any, are never followed up with any practical effect. So, going beyond UNIDO's own problems, don't you think that it is the usefulness of these meetings, something that was never questioned before, that people are having second thoughts about now?*

— Words have always come before action and words, speeches, are absolutely vital to that action. Of course, repeated conferences with so little outcome are wearying—and I think we are going through a period of weariness right now—but on the other hand I don't see what better we can do at this moment in time. Keeping the dialogue going is one of the essential jobs of the United Nations and I think it is a very useful job. So, beyond all this, there is the hope that, ultimately, if we go on repeating things, we will manage to agree one day and unblock the situation. If the outcome of these conferences is no more than to keep the dialogue going in the hope that, one day, something will be achieved, then I think we have to carry on with them. But there is no doubt that it is to be hoped that this will lead to action. And there I have to say, unfortunately, that time moves faster than we do. People may be content with a small success or a small step forward...

▶ *What do you mean?*

— At all these conferences, UNIDO IV, say, there are people who are content that we managed to pass a certain number of resolutions and are ready to talk about partial success. But when you realize that the delay is so great and the situations are deteriorating so badly, you will start to be frightened about the widening gap between the poor countries and the rich ones. And that, again, is the big question mark of the future. I personally believe that problems of economic development are even more dangerous than East-West conflict. There may be a reason for everything, but I don't think that there will ever be a reason for poverty and human suffering. And when there are 6 (soon 7) billion people on this little earth, I am by no means sure that we can live in peace if things go on as they are now.

▶ *One last question. Is the experience you have acquired at UNIDO to be available to the new agency?*

— Yes, of course it is.

▶ *So you are planning to stay?*

It's not up to me. It's up to the member countries. But whoever heads the Organization, it won't be a new body. It's just an administrative change to the existing structure, if you like, so the fund of knowhow that has been built up will remain at the disposal of the international community and I hope that it will continue to be built up over the years. o

Interview by A.T.

Investment Promotion Services — a CID for all the developing countries

A marriage bureau — that is how UNIDO experts like to describe their IPS offices. There are seven of them so far, in Brussels, Paris, Zurich, Cologne, New York, Tokyo, Vienna and Warsaw, and they list industrial projects in the developing countries and look for partners for them in the developed world. Since the first IPS office opened in Brussels in 1976, around 550 marriages* have been arranged in around 70 countries. Partners in these joint ventures (that is the official word) tend to be small and medium-sized firms that often lack the possibility of finding information on distant countries. These valuable details are collected for them by UNIDO staff who have jobs in the developing countries (usually with the UNDP, the UN Development Programme) or go out on missions several times a year.

The IPS offices also help with training in the industrial promotion sector, which, as UNIDO expert Norbert Mühlenbach says, is perhaps what makes them original. There are many organizations dealing with the promotion of joint ventures after all (the CID to begin with and development financing bodies of the IMF type), but every year, Investment Promotion Services give a number of trainees (not a good word, in view of its traditional connotations and the fact that, in this case, they are mostly top-level officials with a lot of experience) the opportunity to come and promote their countries' projects themselves.

This means they can get to know the economic structures of the developed countries and learn how to approach sources of finance and put their cases. And apparently it works. One trainee from St Lucia spent two years in Cologne, six months of it learning German, and managed to find financing for four projects totalling more than US $12 million, Mr Mühlenbach told me. This is appreciable for such a small country which has not let its size stop it from organizing a trip out to the island for investors. Investment Promotion Services are certainly breaking new ground.

(*) These are ongoing projects. Many others are on the drawing board.

Direct contact

For Mohamed Abdul Moneim of UNIDO's investment cooperation programme, salvation lies in innovation. There is no risk attached to innovation, he says, when you create new programmes, because old ideas have already been applied and they have often failed. He thinks things should be done one at a time — a specific industry, or just one part of it even, taken (small objectives being a guarantee of efficiency) and a direct dialogue created between businessmen in developed and developing countries. This is the way things were managed in joint electronics ventures by Japanese firms and Senegalese, Chinese, Sri Lankan and Philippine businessmen — who went to Japan for personal discussions with future partners, who had been attracted by the information the various countries had provided.

Abdul Moneim thinks it would be a good idea to devise programmes whereby businessmen from developed and developing countries can both be involved in implementing development plans produced in the South — another area where considerable innovation is called for. o A.T.

MAURITIUS

Free-zones: a must for industrial development

by Jean-Pierre MAURUS (*)

Are free zones a stimulus to industrial development? In the light of recent experience, views are divided. Those against them put forward the fact that they are artificial enclaves in the economy which do not bring general development in their train; they go on to reproach investors for simply taking advantage of the conditions offered and setting up assembly plants without bringing substantial added value to the host country; and finally, they claim that the number of new jobs created is negligible.

Jean-Pierre Maurus, Secretary-General of SOPROGI, a company promoting the free zone in Mauritius, is not of this opinion. And in the following article he explains why.

Mauritian industrial development is conditioned, logically enough, by geographical, historical and social factors.

This tropical island is 1 820 km^2 and almost a million people live on it, so the population density is among the highest in the world and there is not enough land to go round. It is a long way off the coast of Africa and has no mineral resources, but its dual colonial heritage has brought it contributions from different horizons and given it a wide racial mix, making it tolerant and traditionally open to the outside world.

The economy has always been tied to sugar cane production, to the point where, in 1960, sugar made up 97% of exports and the sugar industry, employing 35% of the working population, accounted for 33% of GNP. Only marginal developments could therefore be expected in this sector, which had already made a maximum contribution towards job creation.

The demographic situation was catastrophic. With an increase rate of almost 3.4%, a human volcano was erupting and the need to develop employment became a simple matter of social survival.

The first industrialization campaign

So an industrialization campaign was launched and a birth control policy run. The idea was to create jobs, save on foreign exchange and encourage the setting up of import substitution industries and so the Government introduced its Development Certificates, as they are still called today. It granted tax exemption on dividends from these activities, zero-rated customs duties on equipment, fixed quotas for competing foreign imports and laid down precise rules whereby the initiative for projects was left in private hands.

The results were undeniably positive. After reluctance on the part of both traditional importers and consumers (who were doubtful about the quality of goods produced in Mauritius), a number of new industries emerged, turning out food, furniture, plastics and irrigation equipment. There was even a 100 000 tonne fertilizer plant. Every sector was represented and today there are 115 firms with more than 6 200 people on the payroll.

But this rapid success soon reached its limits, those of a small island with too narrow a market, both of which had a direct effect on economies of scale and virtually ruled out the possibility of exports. And the difference in production costs meant that imported goods could still come on to the market, in spite of their prices being pushed up by heavy customs duties.

Conclusions were drawn as the 1970s dawned. The work-force had proved it could adapt to industry, so the only barrier was the limitations of the country itself. One or two exports to Europe led the way...

Mauritius had discovered a new path to modern development. The skill and competitiveness of its work-force were to enable it to go into production for external markets and massive output was to bring the economies of scale that would make up for the enormous handicap of the distance between the island and the major markets of the world.

After a careful study of policies tried in other countries, the Government got the Export Processing Zones Act voted in the Assembly in December 1970.

The Export Processing (or Free) Zone, 1970

The Free Zone is an administrative (tax and customs) concept and not a geographical one. Industries may be set up anywhere on the island and each businessman is free to decide where he thinks the best place for his business is.

The idea is to offer a series of incentives to foreign investors with established markets and induce them to transfer all or part of their activities to Mauritius. This, combined with a competitive industrial environment, tax advantages and freedom of capital transfer, was to make it possible to launch large-scale industrial operations.

View of the Plaine Lauzun Industrial Free Zone

(*) Secretary-General of SOPROGI, 14 rue Garnier, Neuilly, France.

For Mauritius, the results of this—over and above job creation and foreign exchange earnings—were to enable know-how to be transferred to the Mauritians so that they would be carried along in the movement and encouraged to open industries of their own, with or alongside the foreigners.

The attractive incentives were:
- duty-free import of capital goods and raw materials;
- 10 years' company tax exemption;
- 5 years' tax exemption on dividends;
- free repatriation of capital and dividends;
- industrial buildings available on lease;
- assistance with construction.

With these went other facilities and services connected with residence permits, attendance at trade fairs abroad, the possibility of partial sale on the local market and so on. But the most decisive advantage was the workforce, which was young, adaptable, available and highly competitive. Minimal contributions to the pension scheme were the only compulsory social security contributions and it was up to employers to provide other benefits such as transport, canteens and various allowances. So, in view of labour costs and the need to transport input and output long distances, the type of industries likely to invest on the island were those involving complete or partial manufacture of goods with a high added value compared to their weight and volume, most typically those connected with ready-to-wear clothing, knitwear, electronics, toys, clocks and watches, jewellery and leather—although this list is by no means exhaustive.

This new investment formula got off the ground quickly, with the most significant progress being notched up on the textiles sector. Furthermore, in view of Mauritius' position as a member first of Yaoundé and then of Lomé I and II, the creation of a vertically integrated textile industry had to be encouraged to comply with the demands of the EEC's rules of origin. So a whole industrial network grew up and, by 1974, exports from the Free Zone had passed the 100 million rupee (FF 75 m) mark.

In clothing and electronics, and in

Central market in Port Louis

such sophisticated sectors as the cutting and polishing of diamonds and precious stones, too, the use of advanced techniques was proof of the Mauritians' technical and manual skill and the dexterity of the workers even made it possible to produce model boats, now sold the world over.

In June 1975, Mauritius reached the threshold of 50 firms and went past the symbolic 10 000 job mark, only four and a half years after the creation of the EPZ system. Total exports had reached 136 m rupees (more than FF 100 m).

The development of this new industrial sector had beneficial effects on the import substitution industries which had been feeling the pinch of the narrow domestic market before the creation of the Free Zone. The new jobs meant greater purchasing power, to the benefit of the substitution industries. And many traditional industries—producing tables, chairs, cardboard and plastic wrapping—found new outlets too. But the biggest beneficiary was the building trade, as new factories, industrial zones and houses and new hotels for the tourist trade meant that all aspects of construction were able to develop. And the list is far from exhaustive. What about financial activities, the banks and insurance companies, local and air and sea transport and the expansion of all the administrative sectors?

The economies of scale made possible in all walks of Mauritian life and the greater possibilities offered to the traditional firms made the whole country export-minded. The Free Zone stimulated the economy and launched a new era of development.

It has always been government policy to have local capital involved in the creation of new firms. Although there are no laws or regulations to this effect, the Government has always very much wanted local businessmen to invest alongside foreign capital.

This desire very soon took practical shape and the island's private sector, helped by the exceptionally high sugar prices of 1973, threw itself resolutely into the fight for development. Today, Mauritians have created more than half the new firms and 48.8% of the capital invested is of Mauritian origin.

The results in figures

By March 1984, there were 153 firms employing 28 954 people, although, if the unavoidable closures are included, the total is 209 companies opened. Total exports were up at 1 235.5 m rupees (FF 800 m approx.), 32.1% of the island's total export trade, sugar accounting for most of the other two thirds.

The EEC took 992.4 m rupees' worth of these 1 235.5 m and the remaining 243.5 m went to the rest of the world. Imported raw materials and equipment totalled 742.4 m, so there was a net gain for Mauritius of 493.1 m.

This net contribution should be seen alongside the trade deficit, which was 685 m rupees in 1982 and would have been 1 179 m without it—which is tantamount to saying that the Free Zone cuts the trade balance by 42%, a percentage which is increasing all the time.

The machinery of success

The Community link must be emphasized. Mauritius wanted to join the EEC through the Yaoundé Convention so that its products could enter the countries of Europe free of customs duties and quotas, in the light of the current rules of origin. This brought it the financial, commerical and technical advantages which the associated countries derived from the Convention. More recently, it has obtained further advantages under Lomé I and II, including a guaranteed sugar price directly related to the price paid to the European producers.

These two things, sugar and industrialization, are behind the island's recent economic development and, going beyond historical ties, there are deep economic links binding Europe and Mauritius.

And of course there is the constant, wide-ranging and coordinated promotion of what the country can offer. Every Mauritian now sells the Free Zone and many of them travel across the world in search of foreign partners and new markets.

Permanent promotion offices in Europe mean that an orchestrated campaign can be run and western businessmen kept constantly in the picture. Work at the offices in Paris, London and Bonn, for example, is relayed by the Ministry for Industry in Mauritius and it is under this Ministry that the Free Zone has become what it is today—an irreplaceable instrument of development which is so well integrated that the whole nation believes it will thrive.

Obstacles to the Free Zone

Adapting a whole country to the demands of modern industrial firms was not without its problems!

The first was infrastructure, as buildings, roads, the port and the airport all had to be brought up to the standard set by the objectives and any bottleneck restricting development had to be avoided.

In spite of one or two delays caused by lingering traditions and social necessity, change was spectacular as improvements gave way to transformations. The industrial zones of Plaine Lauzun and Coromandel, the new motorway and improved port all saw the light of day within a year or two.

But there were other obstacles that were more difficult to tackle—sea and air freight prices and the prohibitive cost of launching export activities, where a transitional effort was called for before large export volumes justified price reductions. Negotiations were held, successfully, thanks to the Ministry of Industry and the understanding of Air France. But the problem will never be solved permanently and negotiations still have to be held frequently to adjust transport rates so they are compatible with the profitability of the lines and the competitiveness of the goods carried.

To take the problem further, the biggest obstacles came from the recession in Europe, for Mauritius only really came out, industrially speaking, in 1974-75—not the best of moments, it has to be admitted. The teething period was very hard, which is why many of the firms, one in five in fact, failed.

The future

Massive development of the Free Zone will be accompanied by an expansion of the tourist trade and diversification of agriculture and maritime resources.

Prospects for the Free Zone are ambitious and it would be satisfying to see a lot of today's 70 000 jobless start working for new concerns.

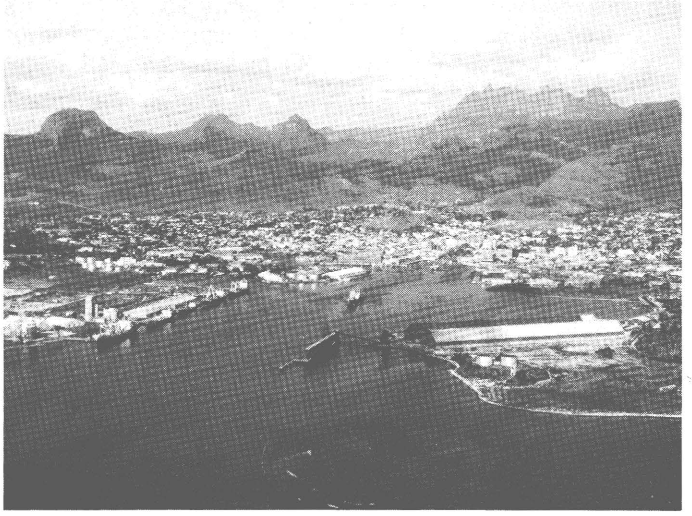
There is a drive for quality, if possible, alongside the drive for quantity.

It is easy to liken the mono-industry, textiles, in the Free Zone to the mono-crop, cane sugar. But this state of affairs, with textiles and knitwear employing two thirds of the 28 000 employees in the Free Zone, is a phenomenon which is borne with.

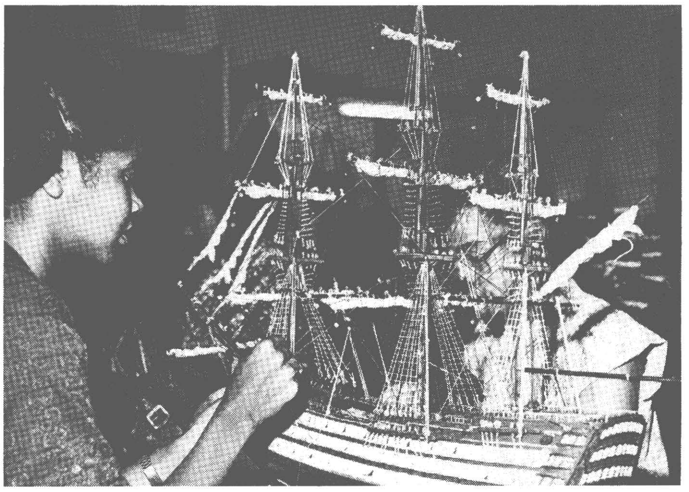
And in spite of all efforts at diversification, textiles will be in the limelight for some time to come. But the first results of diversification are beginning to appear and plants making and assembling watches and turning out watch-dials and spectacles are being opened. Other sectors—electricals, precision instruments, electronics and so on—are also being investigated... but although the Government has its ideas, it is the market that decides.

This policy of improving quality and quantity has to have the support of specially created structures, so incentives have been reviewed to make them more advantageous and a specialist organization, MEDIA, the Mauritius Export Development and Industrial Authority, has been set up. This body, which is mixed (public and private), has been put in charge of all the island's industrial and trade promotion schemes.

Mauritius is founding its real hopes on all this. And the forthcoming renewal of the Convention of Association with the EEC has boosted the idea of industrialists from Europe and other developed area areas coming to Mauritius. The island is resolute in its decision to carry on its drive, with the help of foreign investments, in a climate of proven stability. Although there are still many obstacles along the path to development, Mauritius—with Europe's help—wants to march firmly towards economic and social progress. o J-P.M.



General view of Mauritius capital Port Louis.



Mauritius has won world-wide recognition as a builder of model boats

The EIB and industrial investment in the ACP countries

by Philippe TABARY (*)

The European Investment Bank mounts operations in the African, Caribbean and Pacific Countries (1) as its appointed task under the terms of the Lomé Conventions and the earlier Yaoundé Conventions, helping to promote investment in industry, mining, tourism and productive infrastructure, including energy installations. After conferring with the Commission of the European Communities (European Development Fund) over their respective fields of operations, the EIB was left responsible under the terms of the Lomé Conventions, for the provision of an increased volume of financing to be offered under a wide range of conditions.

The terms of reference for EIB financing are enshrined in the Bank's Statute. It is, first and foremost, an operational institution, and it tries to accommodate its normal criteria to the particular conditions prevailing in any given country. This concern with flexibility is also apparent in the second Lomé Convention, which illustrates the Bank's desire both to meet the wishes of the ACP States and to come to terms with the local economic conditions (narrowness of domestic market, dearth of local resources etc.) and geographical situation (isolated states or islands) faced by the companies or countries in question.

(*) EIB information and public relations Division.

(1) Under the terms of a Decision of the Council of Ministers of the European Communities, similar, parallel aid is provided for in the Overseas Countries and Territories. The totals quoted include these loans.

Loans from own resources and risk capital financing

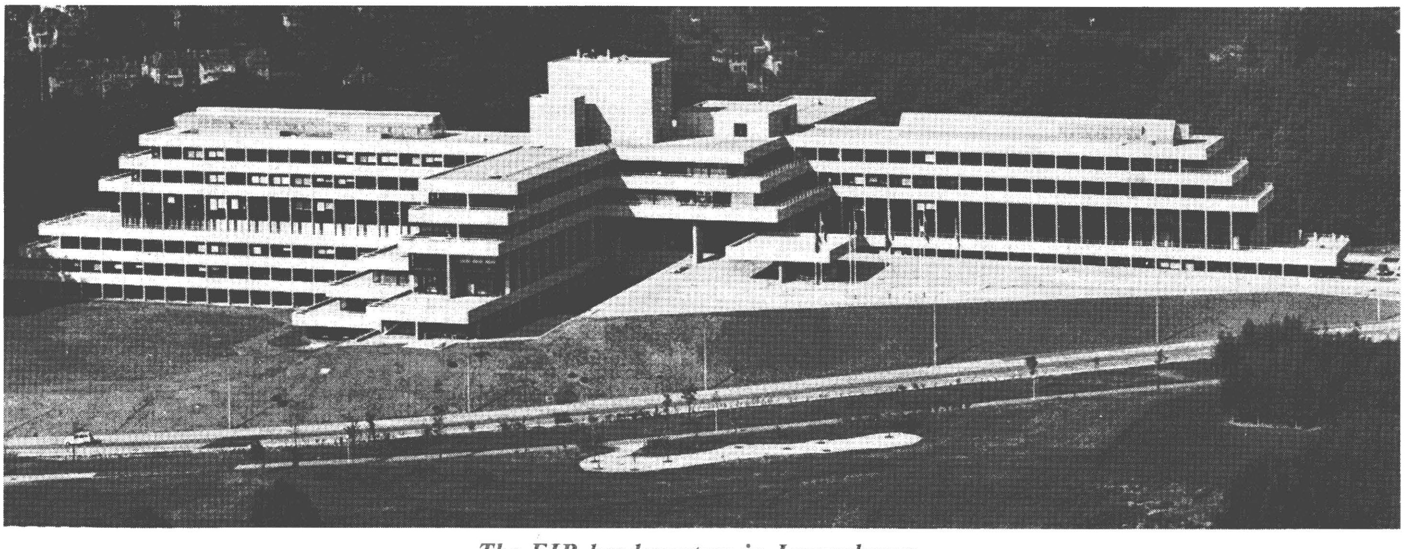
EIB financing falls into two categories: ordinary operations from its own resources and risk capital financing (2): *operations on the Bank's own resources* are in fact long-term loans, which consist very largely of the proceeds of its borrowing operations. As the EIB is a non-profit-making institution, its lending rates closely reflect the rates obtaining on the capital markets, where it commands a prime credit rating that enables it to mobilize funds on the best possible terms. In the ACP countries and Overseas Countries and Territories (OCTs) its lending conditions are further softened by the provision of interest subsidies charged to the EDF. These are usually set at 3%, but are adaptable, and the actual rate to be paid by the borrower works out at between 5 and 8%.

(2) For further particulars, see "Financing under the Second Lomé Convention" brochure available on request from the EIB Information and Public Relations Division, L-2950, Luxembourg.

The term for which these loans are granted depends on the nature of the investment being financed, the borrower's actual requirements and his scope for market borrowing, but in the industrial sector the duration can in practice run to as much as 15 years. A grace period is conceded in respect of the time required for the construction and start-up of the project.

Risk capital financing, where EDF resources are deployed under EIB administration, may take the form of conditional loans, where the term, repayment conditions and interest arrangements can vary according to the return on investment or production objective that may be set at the time the funds are advanced. Equally, it may take the form of subordinated loans, repayment of which and possibly even the servicing of interest, only takes place once all other bank debts have been settled. Another possibility is minority equity participations held temporarily in companies or development banks in the name of the Community. Risk capital may also be used for financing specific studies or for the preparation or refining of projects, or for helping entreprises during their running-in period.

Because of its diverse range, this mode of financing is particularly well suited to industrial investment in the ACP and OCT countries, given its peculiarities and the specific conditions



The EIB headquarters in Luxembourg

that surround it. Furthermore, operations from own resources and risk capital are mounted with a degree of flexibility; one or other form may be preferred, in the light of the nature of the project or the conditions prevailing in the country concerned, or a package embracing both modes of financing may be put together for a single investment project; something that in fact occurs quite frequently in practice, enhancing the appeal of this source of credit. The constitution of the financing package will then be determined on a case-by-case basis, according to country and/or sector.

Scope for further flexibility exists in the joint approach adopted by the Bank and the European Development Fund, credit from which may be used to finance other components of an EIB-financed project (agricultural investments, improvements to water supplies and roads, staff amenities etc.), helping to maximize the effectiveness of Community aid.

In selecting investments for financing, the Bank works in close liaison with the authorities in the ACP country concerned, their agreement being a prerequisite for the granting of a loan. In addition, the EIB participates in programming missions, the purpose of which is to enable each ACP state to agree with the Community authorities its objectives and priorities.

However, unlike the EDF, the EIB does not conduct its operations according to a pre-set, country-by-country, and/or sector-by-sector schema; any decision to provide financing will depend on demand and the project's conformity with the Bank's criteria as well as resources available at the time. Each project is vetted by Bank experts, who look first at its economic impact (i.e. the benefits it offers the country in terms of value added, the balance of payments, revenue, job creation etc.). Close scrunity is given to the promoter's capabilities, both financial and technical, and his management capacity. The Bank's Board of Directors then makes a decision setting out the terms and conditions if an operation is agreed, in the light of the project appraisal report.

The point of this approach—which is similar to that followed by the EIB for all its operations (in EEC member countries, Mediterranean countries etc.)—is that financing goes in support of projects likely to generate sufficient funds to cover repayment of loans without overburdening the often small budget of the states or companies concerned. Like any other institution working with borrowed funds, the EIB, when deploying its own resources, cannot contemplate financing projects that do not offer adequate inbuilt promise of economic viability. Significantly, experience has shown that projects, which the EIB has not been able to clear for financing, upon completion of technical appraisal have more or less failed in practice to attract financing from any other source.

Both public and private projects may be financed. Originally (under Yaoundé I and II) the EIB confined itself to direct loans, and as a result its funds went to fairly sizeable projects.

However, large-scale capital intensive investment can never be the mainspring for industrial development, which relies as much on the existence of a skein of small and medium-sized enterprises catering to narrow markets and specific needs, ready and willing to offer maintenance and repair facilities and train workers and local management staff. To provide these SMEs with the help they need, the EIB has, since the implementation of Lomé I, been making use of a device already successfully proven in the EEC: *global loans to development banks,* which on-lend the funds with EIB approval. Cooperation with the development banks has worked well, and this mode of financing has shown great progress, with terms and conditions becoming increasingly diversified.

The EIB is able, using risk capital resources, to grant global loans to development banks for financing feasibility studies, equity participation or conditional or subordinated loans, and it can itself purchase a capital holding in a development bank to help get it set up or expand, or to boost its capital funds, or diversify its scope for financing small and medium-sized enterprises in the industrial sector.

A further innovation, under Lomé I, was the financing, on a case-by-case basis or through the medium of global loans, of *feasibility studies* enabling investment decisions to be reached, as a way of reducing the element of risk when it came to actual deployment of capital and identifying the nature of the economic return on the projects in question. Clearly, the provision of financing for studies of this kind does not actually commit the EIB to the subsequent provision of financing for the project itself, but in practice the findings that emerge at this early stage do provide the EIB, or any other financial institution concerned, with data on which to draw when making a decision on financing the final investment.

Thus, since Lomé I, the Bank has has been able not only to fund projects fully planned and ready for implementation but also to help promoters, at the preparatory stage, to design their projects both in their own interests and those of the country of location.

Another, more recent example of the adaptability of the Bank's operational approach has been *industrial rehabilitation*: whereas in the early days the Bank restricted its financing to new investment projects, it is now mounting an increasing number of operations in support of the acquisition of new equipment, the replacement of obsolescent plant, the reinstatement of productive capacity and the establishment of spares stocks needed either for bringing a plant back on stream or for keeping production on an even course. Investment of this kind can be financed either by means of individual loans or, in the case of smaller firms, through global loan allocations.

The Bank may or may not have helped to finance the original investment on which rehabilitation work is to be done: this has no bearing on the eligibility of the project for a loan. In 1983, for instance, it part-financed the refurbishment and recommissioning of a textile mill at Bangui in the Central African Republic, that country's sole textile plant, using locally-produced cotton in more than half its production and supplying almost all home market requirements as well as part of the needs of the other members of the CACEU (Central African Customs and Economic Union) group: Cameroon, Congo, Gabon and Chad.

With this diversified range of financing, the Bank has seen both the geographical and the sectoral spread of its operations widen: by the end of August 1984 it had advanced, under Lomé II, ECU 52.7 m from its own resources and ECU 33.0 m from risk capital funds for major industrial projects. Located chiefly in the sectors of construction materials, foodstuffs, chemicals, textiles, glass and ship repairs, these projects represented a total fixed-asset investment of about ECU 300 m and almost 2 500 jobs. The countries benefitting from the schemes were Kenya, Senegal, Cameroon, Papua-New Guinea, Ivory Coast, Togo, Ghana, Burundi, Equatorial Guinea, Somalia, Madagascar, Dominica and the Central African Republic. In addition, there were two risk capital operations in Malawi and Senegal (ECU 4.85 m) to finance hotels and the development of tourism. The fixed investments (ECU 11 m) and jobs created (120) in question have not been included in the above totals, which cover only the industrial sector as such.

Individual loans apart, the ECU 94 m from own resources and 30 m from risk capital that the Bank had granted as global loans up to the end of August 1984 helped to finance 124 small or medium-scale investment schemes representing a total capital input of almost ECU 200 m and the estimated creation of more than 10 000 jobs. Of this, to date some ECU 54 m have already been on-lent and almost ECU 70 m worth of financing is in the commitment process: the mobilization of credit takes a matter of months. In addition, the EIB drew on risk capital resources for some ECU 19 m worth of other forms of financing (chiefly equity participations) in support of development banks.

The sectors deriving the most benefit from global loan financing were foodstuffs, textiles and leather, woodworking, rubber processing, transport equipment, tourism, metalworking and mechanical engineering.

The intermediary development banks in question were the Development Bank of Zambia, the West African Development Bank, the Barbados Development Bank, the Development Bank of Mauritius, the Development Finance Corporation of Kenya, the Trinidad & Tobago Development Finance Corporation, the Compagnie Financière de Côte d'Ivoire, the Nigeria Industrial Development Bank, the Botswana Development Corporation, the Banque Nationale de Développement du Congo, the Development Finance Corporation of Belize, the Liberian Bank for Development and Investment, the Société Financière de Développement (Zaïre), the Société Immobilière et de Crédit de la Nouvelle Calédonie, the Tonga Development Bank, the Lesotho National Development Corporation, the Banque de Développement des Comores, the Banque de Développement des Seychelles, the Caisse de Développement de Djibouti, the Uganda Development Bank, the Banque de Développement du Vanuatu, the Jamaica National Development Bank, the Dominica Agricultural and Industrial Development Bank, the Ontwikkelingsbank van de Nederlandse Antillen N.V., the Banque Nationale de Développement Economique (Burundi), the Agricultural and Industrial Development Bank (Ethiopia), the East African Development Bank, the Development Bank of St. Kitts-Nevis, the Banque Rwandaise de Développement, the Zimbabwe Development Bank, the Société de Crédit et de Développement de l'Océanie (Polynesia), the St. Lucia Development Bank, and the Banco Arubano di Desarroyo N.V. (Aruba, Netherlands Antilles).

The projects financed frequently offered inherent benefits of direct relevance to the needs of the ACP states, regardless of the scale of the investment: many of them were concerned with the exploitation of local resources, in which a greater proportion of the final value added of the product was realised in its territory of origin; or import substitution projects, making for savings on foreign currency outgoings, with attendant benefits for other economic sectors.

As measured against actual needs, the above figures will probably seem rather modest, but what must be borne in mind is that the loans in question were granted at a time when the economic climate was, to say the least, inclement to the investor and that the volume of funds advanced depends first and foremost on the level of demand. At present, it is clearly more difficult to find projects in the sectors in which it is designated to operate.

A further consideration is that EIB loans cover not only foreign currency outgoings but also local expenditure, which create positive effects in specific sectors of the country concerned.

Bear in mind also that the loans themselves are not confined to industrial investment as such. In addition to the amounts cited above, almost ECU 200 m were advanced for energy investment, ECU 83 m in the mining and quarrying sector and about ECU 54 m in infrastructure of direct or indirect utility to industry (ports, telecommunications etc.), the impact of which on the economic environment for companies is especially marked in the ACPs or OCTs.

Another positive element is that EIB financing, irrespective of what form it takes, is usually part of a cofinancing operation. In practice, what happens is that the total volume of loans for projects in receipt of EIB financing is actually multiplied by a factor of about six by virtue of the cofinancing procedure (joining forces with the World Bank, the Commonwealth Development Corporation, the Kreditanstalt für Wiederaufbau, the Caisse Centrale de Coopération Economique, Arab funds etc.).

To judge from ongoing contacts and the dossier of projects under appraisal, the coming months will see further financing that will add to the volume of aid already granted. The implementation of global loans already concluded is continuing, and further global loans can be expected to be signed with new development banks or those that are already established Bank borrowers. This mode of financing allows for close cooperation with the authorities in the ACP States. It is by no means a pre-condition, but it emerges in practice that almost all the development banks that are in receipt of global loans are actually public institutions.

But contacts and the wish for action will only materialise in projects if the hoped-for economic recovery occurs. The EIB, in the closing months of Lomé II as well as under the new, forthcoming Convention, fully intends to boost its financing, and extend its cooperative efforts with the members of AASM (Associated African States and Madagascar) that signed the original Yaoundé Convention which this year mark their twentieth anniversary. o P.T.

Do developing countries need a planned economy?

by Anders FORSSE (*)

Many countries in Asia and Africa which have won political independence since the end of the second World War, have adopted—or say they have adopted—a socialist model for their development. Their definitions of the term socialism has, of course, varied enormously: the variations and implications have been even greater in actual development.

That the political parties in power in Tunisia and Kenya consider themselves at least in theory to be socialist will surely surprise many contemporary observers of the Third World. On the other hand, the images of Vietnam, Laos, and Angola are undoubtedly those of communist rule.

Other countries fall somewhere in between these two extremes. Suffice it to mention Tanzania, whose undisputed leader tries to transform society by means of a patient and mildish insistence on principles; Algeria, which without in any way being communist has oriented itself towards a sort of state capitalism of almost Soviet Union type; India, where the Congress Party after 35 years of independence can hardly be said to have managed to do much about the country's basic social problems.

In Latin America most of the large countries have been independent since the last century. But many of them are nevertheless very dependent on and strongly influenced by the United States, both politically and economically. As part of internal political upheavals in the 1960s or 1970s, a few of them have tried to reduce this dependence and oriented themselves towards socialism. Antagonism towards Washington has increased and, in a couple of cases, Cuba and Nicaragua, dependence on the Soviet Union has increased instead.

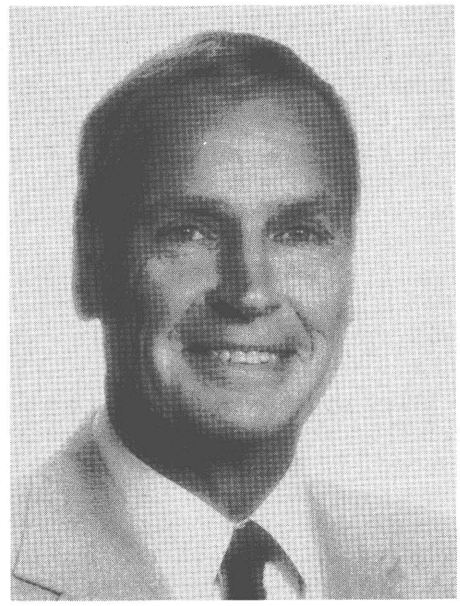
Influence from Eastern Europe

For many African and Asian countries, the fact that the Soviet Union supported their fight for independence has been important for the country's choice of development model. One has the impression that for the majority of leading politicians and civil servants in Indochina and the Portuguese-speaking African countries, there was hardly any alternative to the centrally planned economy of the Eastern European type. I believe that direct Soviet pressure—and there must have been at least some—has had very little significance in this context. What has been of great significance is that so many people from colonies and newly independent states have received technical and political training in the Soviet Union and countries among its allies. This support has continued on a large scale after independence. The number of students who have received their training in France, Portugal or the United States is—in comparison—rather small. And many of the latter are in any case of the older generation.

Reaction against colonialism

Another factor of great, almost general importance is that the behaviour of the erstwhile colonial powers was seen as classic capitalist exploitation. Great Britain's, France's, Holland's and Portugal's policy in relation to their overseas dominions has yet to be properly analysed and, perhaps, reassessed. But for the purpose of our discussion the relevant question is how the behaviour of the colonial powers was interpreted and described by their political opponents. And that picture is unequivocal, irrespective of whether the colonial powers acted through their governments and their local representatives or whether a local white community simply ruled with the support of the home government.

The object was to exploit the colonies, natural resources—soil, forest, minerals, cheap labour—to produce things for the "mother" country or for the export market. The object was



Anders Forsse, Director-General of the Swedish International Development Agency

to ensure that the colony bought its industrial products only from the home country, law and order were maintained, insurrection and civil war were prevented. The home country's culture and religion were imported and imposed on the colony. It is, for the writer, an absurd recollection to have heard Arab school children in North Africa talking about their "brave Gallic ancestors". Medical progress, improved water supply here and there, or the provision of grain in emergency situations did not really affect the image of the colonial power as concerned simply with its own interests and those of its industries.

Against this background, it is not surprising that many of the Third World leaders—but by no means all—were firmly resolved at independence, to not only get rid of their white masters, but also to completely change a social order which was seen as imported and imposed or, alternatively, artificially preserved.

Medieval points of departure

Now, this established order was by no means a bourgeois market economy, as in northern and western Europe, with a mixture of small and big capitalists, and many different forms of ownership and production. With some risk of over-simplification one could describe the situation in many

(*) Director-General, Swedish International Development Agency.

colonies as that of co-existence between, on the one hand, capitalist export production—plantations, timber extraction, mining—and on the other hand medieval-type subsistence farming.

There was very little between these two extremes, except possibly shopkeeping which was often in the hands of ethnic minorities (Asians and Somali in East Africa, Lebanese in West Africa, Chinese and Tamils in many places in Asia), often less popular even than the white masters.

What socialists of the under-developed countries wanted was, to put it simply, to take over the economic power and the wealth that the Europeans had held, and through economic planning and direction to transform the static subsistence farming economy into an agro-industrial economy which would produce the resources for swift social improvement. Optimism and confidence in the future were strong, as was the expectation of support from foreign countries and the belief in the possibility of quick and radical transformation of people's attitudes.

Centralized planning a failure

We all know what actually happened. Centralized planning as an instrument for increasing productivity and total production has completely failed everywhere in the Third World, whether in the production of export crops or other commodities for export, or in the production of foodstuffs or other products for the home market.

State farms or collective farming imposed on the peasantry does not work, state trading monopolies are breeding grounds for incompetence and corruption, co-operative societies which do not build on members' own volition and confidence become paper tigers. Farmers, big as well as small, do not endeavour to produce more than they need for their own consumption. The prices fixed by the state (with the interests of the towns people in mind) are too low, and the things that the farmer would like to buy with his earnings are not on the shelves of the local shop.

Agricultural inputs like chemical fertilizers, improved seed, pesticides or improved tools are often impossible to obtain, and at the same time often a prerequisite for increased production. Quite simply, the producer has no incentive other than what the black or grey market, i.e. more or less illegal pricing, can provide; such markets constitute in some countries the only dynamic feature in an otherwise stagnant economic system.

Exhortations by political leaders to patriotism, solidarity and hard work have no effect, especially if the speaker is suspected of feathering his own nest through some state monopoly. Centralized planning systems in the Third World have also fostered vast bureaucracies of very low productivity, charitable institutions rather than anything else; in Africa there are hundreds of these so-called "parastatals" (parasiticals might be better).

"We must conclude that the government... which is truly concerned with material progress for... its people must endeavour to apply policies designed to stimulate productivity and production increases... The centralized planned economy has manifestly not managed this—has indeed been counterproductive.

Town dwellers, who were expected to benefit from low food prices, face scarcities or the total lack of price-controlled goods. Sometimes they become dependent on irregular food deliveries from Western countries which have a surplus (and which thus find a political argument for continuing to produce a surplus: but that is another story). In this way, "food aid" which is obviously often unavoidable for humanitarian reasons, can easily become a support for the recipient country's counter-productive economic policies.

The picture is however not completely dark, at any rate not as dark as it is often presented nowadays in the Swedish media. (Here the pendulum swings from one extreme to the other; fifteen years ago the new socialist countries and their leaders were portrayed in colours almost too bright to behold.)

Developing countries which profess socialism have in many cases made real progress in primary education and primary health care, including the supply of reasonably clean water. Infant mortality has in some places been dramatically reduced and the average expectation of life increased. Development assistance, not least from Sweden, has been effectively used in such sectors.

The other developing countries

Developing countries which have not opted for centralized planning, have not made such progress in social reforms. Essentially this is because they have not tried as hard. Have they succeeded better with regard to economic growth? It is difficult to make a clear and general assessment, as the starting point, for example, with regard to the availability of good and experienced managers, has varied from time to time and from one "capitalist" country to another. In some places, production has shown a healthy increase, for example in India and—up until a few years ago—Kenya. It is difficult to put this down to anything else than the dynamism of the market economy.

External factors

The increase in the price of oil, international inflation, a deterioration in terms of trade, unfavourable weather, military takeovers, all of these as well as the increase in military spending in many a developing country, have worsened production prospects, whatever the economic policy opted for. Leaders of centralized planning economies would have us accept these external factors as the main reasons for their difficulties. In this way they tend to put off a reassessment of their own policies.

However, it is difficult to avoid the impression that these external factors, while no doubt accelerating and deepening the crisis, have not been its main cause. Sooner or later the centralized planning economies of developing countries would inevitably have had to face their failure. If not before, then when the lack of foreign currency would necessitate negotiations with the International Monetary Fund.

Production by the people for the people

An increase in production is, to be sure, not the only change necessary to enable developing countries to initiate and maintain a process that will lead

"Then their misery can be expected to deepen in step with their increase in numbers"

to better living conditions for increasing numbers of poor people. But it is clear that a production increase is an essential ingredient in that process. Increased production cannot be replaced by a more equitable distribution of resources (there being very little to redistribute) or by external aid. And the production required cannot to any significant extent come from large companies, whether private or state-owned, in the developing country's small modern sector, where relatively few people work and an élite enriches itself. If it is to be economically and socially effective on a large scale, then it must include and involve the very people whose situation both the socialists and their opponents claim that they want to improve.

We must conclude that the government of an underdeveloped country which is truly concerned with material progress for a large part of its people must endeavour to apply policies designed to stimulate productivity and production increases on the part of this target group itself. The centralized planned economy has manifestly not managed this—has indeed been counterproductive. There are many reasons; let us look at two of them.

Firstly, efforts of centralized planning, including state-owned companies, in underdeveloped countries have manifestly not contained the incentives for increased productive effort which people need in order to make such an effort.

Secondly, centralized planning systems, by comparison with market systems, require larger organizational and administrative capacities, everything else being equal. And such capacities are, almost by definition, in short supply in underdeveloped countries.

Market forces — the only vehicle

We are left with the need for a production and marketing policy designed to have an impact on the very people whose productivity one wants to stimulate. This is easier said than done; and the way to higher production from this "target group" is full of economic and social inequalities within it. This is unavoidable. The surest way of avoiding such inequalities (or, at least, the responsibility for them) is to do nothing at all for the productivity of the poor masses. Then their misery can be expected to deepen in step with their increase in numbers and the degradation of the soil they have to live on. The élites who make their money, either from small modern sectors or from so-called informal sources, will dance along, albeit on the edge of a volcano. This is what is happening in a number of places in Africa.

Not because of evil intentions, although they may be there. Not because of external factors, although they may have had a profound impact. Not because of scarcities of capital or skilled labour, even though such scarcities are of course very real. But because of a mistaken, albeit quite understandable, choice of development policies. That choice, by and large, has had the same effect as total passivity would have had: stagnation and poverty.

The disadvantages of a policy which uses market forces can be blunted to some extent by governments, preferably supported by foreign assistance. As always, primary education, primary health care with family planning, and improved water supply are important. Legislation on soil conservation and other measures designed to safeguard the productivity of nature are essential. Public service in the shape of support to the provision of production inputs, storage of produce, production credit and the improvement of transport and communication are vital; otherwise, incentives in the form of attractive producers' prices and the increased supply of consumer goods will be effective only with regard to few people. Information is essential, in many dimensions. Determination and perseverance are necessary qualities in governments, as is adaptability to the changing requirements of development. Progress can be stimulated or braked, not ordered. o A.F.

The stone circles of The Gambia

West Africa has no monuments of past civilizations to compare with the Pyramids or the ruins of Zimbabwe but it has, in the form of the stone circles, a monument and an enigma to puzzle the traveller and historian. The greatest concentration of these circles is in the Senegambian area, north of the mid-river section of The Gambia, although examples have been found on the fringes of the Sahara and as far south as Guinea. Although such stone circles exist in Europe and the Middle East, nowhere else is there such a concentration of them, several hundreds at least, nor is there quite so much mystery about them.

Nowhere else is there such a concentration of stone circles

The circles are made up of standing stones between 10 and 24 in number, their height above ground varying from between 8′6″ (2 m 70) to 2′ (0.70 m) and their diameter from 3′6 (1 m 10) to one foot (0.30 m) all the stones in a particular circle being of the same size. There is, however, considerable variation in the style of each group of stones, as well as in the size. The commonest is a flat-topped cylinder, but others are square and yet others taper towards the top. Two remarkable variants are V-shaped stones carved out of a single piece of rock, and the cup-and-ball motif. Some of the columns have a cup-shaped depression at the top, in which a ball has been placed.

The stones are made of laterite, a stone which is malleable when freshly quarried which only hardens after prolonged exposure to the air. Thus, with the use of iron implements and considerable manpower (to get the stones down from the steep hillsides where they were quarried) it was within the bounds of possibility to transport even some of the ten-tonners to their present sites. The sites themselves are burial mounds—although the forms seen to vary, partly according to the soil, and partly to whether or not grave-robbers have done some excavating on their own account. The fallen uprights can be explained by the weathering of the protective surrounding trench and by the action of the rains.

Who built these monuments? Local oral tradition has it that the builders were of Egyptian origin—and it is true that these circles and the implements and artifacts found in the graves are the only monuments to be found in the region (apart from some more modern mosques). Recent carbon-14 tests have shown that the circles date to around 750 AD, whilst the graves and their occupants date from an earlier epoch. It is an interesting, but puzzling, fact that the graves with their tall (1 m 78 on average) negroid inhabitants would point to a Bantu race from the south while the stones and the philosophy behind the stones would indicate a northern origin. Such stone cirles are found in Egypt, Mesopotamia, Europe—from Britain to Malta, and even the Canary Islands. No clues are given. Did the Bantus come and bury their dead with all the iron and copper trappings of kingship, and then move north? Did they emigrate again centuries later, and embellish their ancestral burying-grounds with the stone circles which they copied from those seen on their travels? Or were there two civilizations, neither of which left sufficient traces to enable them to be identified, of which the latter piously commemorated the former with the circles? The lack of any inscriptions and the paucity of associated objects has frustrated several semi-specialist expeditions. The local griots certainly maintain that there is a curse on all those who disturb the ancient gods or giants and point to the deaths of Commissioners Ozanne and Doke and the archaelogist Henry Parker as proof of this. But recent work, including the carbon-14 dating, has proceeded without any fatal accidents!

The V-shaped stones are the only ones of their kind in the world

Whatever their origins and their purposes, the stone circles of The Gambia are unique in Africa south of the Sahara and an impressive monument to a powerful and sophisticated civilization. ○ T.G.

Ludwig SASSE — **Biogas Plants** — Design and Details of Simple Biogas Plants — Deutsches Zentrum für Entwicklungstechnologien — GATE in: Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH — 85 pages — DM 19,80 — 1984

The energy crisis of the next few years is the shortage of fuel for the daily needs of millions of people. Simple biogas plants are intended to help solve this problem. It is time to set about this task in a "professional" manner in the best sense of this word.

Simple biogas plants have been constructed in Third World countries for about 30 years. We have been able to learn from the biogas pioneers for 30 years. But good and bad solutions are featured side by side without comment in articles and books. The same mistakes are repeated over and over again. This need not be the case. The designer of a biogas plant must be able to distinguish between valid and invalid solutions. This little book is intended to help him in this respect.

The figures and tables reproduced here constitute practical guides. They have been assembled from external and internal sources and simplified or modified in accordance with the author's own experience. They should not be confused with laboratory values.

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Edited by Linda STARKE — **State of the World 1984** — A Worldwatch Institute Report, published by W.W. Norton & Co., 500 Fifth Avenue, New York, N.Y. 10110 or 37, Great Russell Street, London WC1B 3NU — 209 pages — 1984

Founded less than a decade ago, the Worldwatch Institute seems to have come of age and bought its ticket to the exclusive club of authorities on world economic issues with this its first report.

In contrast to the annual reports of organizations such as the IMF, the World Bank, FAO, UNEP, which see the world more from their angle of specialized activities, this report embraces all the subjects in a clear and concise analysis, enabling us to see the world not only in terms of money, economic progress or decline but also in terms of the environment with the underlying question of sustainability.

For far too long the world has behaved, both in times of boom and slump, as if our natural resources were inexhaustible and as if international economic structures were unchangeable.

In this report, we observe, among other things, that the depletion of a given natural resource such as oil affects, directly and indirectly, the global economy, that the shift from oil to renewable energy alters economic structures and that population growth affects erosion and food production. We learn, furthermore, why some countries perform better in certain areas than others.

This report, which is expected to be annual, thanks to the support of the Rockefeller Foundation, will enable economic planners, particularly in the Third World, to reappraise, from time to time, their strategies in the light of the information it provides on trends in global economic situations: financial resources, commodities and prices, and environmental implications of certain development options.

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Agence de Cooperation Culturelle et Technique — Université, alphabétisation des adultes (The university and adult literacy) — 13, Quai André Citroën, 75015, Paris — 198 pages — 1983

Teaching Third World adults to read and write has long been seen as an end in itself, but today it is increasingly being considered a starting point for a more active economic, social and political life. So, it goes without saying that any teacher of adults must have the relevant knowledge. But what kind of knowledge? The Agence de Coopération Culturelle et Technique ran a conference of university teachers and experts on adult education in Niamey on 28 February to 4 March last year to answer this question. Their mandate was, in fact, "to propose an outline, detailed syllabus and a method" for adult education. It is their proposals that are set out in this book.

These proposals are along two main lines. First, the basic grounding for anyone in higher management—linguistic skills, the socio-economics of development, adult education and psychology, mathematics and statistics, all of which are taught solely with a view to improving the assimilation of professional courses. Second, five major fields—literacy, post-literacy and adult education (history, concepts and a comparative analysis of experience); technique and methods of teaching literacy and the post-literary period; adult syllabuses (in the light of the priorities of populations and development strategies); research, experiment, evaluation and the administration and management of projects.

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B & G PIERRE, under the direction of J. COURTEJOIE — **Le Dictionnaire Médical pour les Régions Tropicales** (Dictionary of tropical medicine) — Bureau d'Etudes et de Recherche pour la Promotion de la Santé, BP 1977 Kangu-Mayumbe, Zaïre — FF 60 — CFAF 3000 — BFrs 360

There are a large number of tropical medical terms. They are often difficult for the young doctor and very difficult for the medical student to understand and when the student's native tongue is not French, the problem is even greater.

The authors are well aware of these difficulties and have set out to provide young doctors and medical students with a book that is suitable for local conditions.

The dictionary is also intended for nurses, health technicians, and, more generally, for any one interested in improving his or her knowledge of medicine.

As we see it, a knowledge of medical terms should not mean opportunity to use esoteric and pretentious jargon. This is an attitude that should be discouraged even more now than before. A knowledge of medical terminology means, on the contrary, clarity of thought and a grasp of what one is talking about, thus making it easier to take decisions and, in the end to make a better contribution to improving public health, which should be the ultimate aim of everything we do.

The authors have tried to use a language that is both scientifically rigorous and as clear as possible. They have tried to show the often logical relations between the medical and non-medical meanings of the terms they define and there are many examples.

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Pierre-Noël GIRAUD — **Geopolitiques des Ressources Minières** (Geopolitics of mineral resources) — Economica, 49, rue Héricart, 75015 Paris — 730 pages — 1983

When the Berlin Congress of 1884 carved up Africa amongst European powers, the objective was clear: exploitation of the continent's abundant natural resources. Those other countries in the Third World which had the misfortune of becoming colonies suffered the same fate. Mineral resources were particularly attractive and their large-scale exploitation in the second half of the last century and the beginning of this one was sparked off by the industrial revolution.

Naturally, in the 1960s, when the wind of national independence began to sweep through the colonies, mineral exploitation became both a target of and a means for political and economic emancipation. That objective of economic emancipation has not materialized as prices in the world market remain low and unstable.

However, as the Soviet Union makes political inroads into the Third World, the West is wary about security of supply. This book analyses these interactions of interests. It is divided into four main sections: geography of world mineral production; the policies of interest groups; prices; and mines and their development.

The book drew largely from contributions to seminars on "the economy and strategy of mining" which the Ecole Nationale Supérieure des Mines de Paris organizes every two years.

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Mustapha BENCHENANE — **Pour un dialogue euro-arabe** (Towards a Euro-Arab dialogue) — Series "Points chauds", 229, boulevard Saint-Germain, 75007 Paris — 337 pages — 1983

It has been the paradox of history that the Middle East—the cradle of civilization whose scholarship and mercantile prowess greatly influenced Europe— was for very long relegated to the background of international affairs and at the same time looked upon with contempt in many quarters.

Like the Phoenix rising from the ashes of its glory, the 1973 oil shock propelled the Arab world back to where it belongs, at the centre of international politics and trade. No longer could the industrialized world ignore a region upon which the survival of its economies and indeed its democracies depend. Interest is growing not only in Arab language and literature but also in religion.

The European Economic Community was the first to recognize this re-emergence when in November 1973 it called, among other things, for a Euro-Arab dialogue—a call taken up barely three weeks later by the Arabs at their 6th summit in Algiers on 28 November 1973.

Mustapha Benchenane, in this book, analyses the somewhat complex nature of Euro-Arab relationships and suggests ways of advancing them.

The book, which is prefaced by Michel Jobert, the former French minister of external trade, is published in the "Points chauds" series under the management of Edmond Jouve.

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Gérard BRAYER — **Lomé, une nouvelle coopération douanière** (Lomé, a new form of customs cooperation) — Doctoral law thesis — Université des Sciences Sociales de Grenoble — U.E.R. Faculté de Droit, Grenoble (France) — 1983

This 1 007 page thesis with an extensive bibliography is a very interesting study on the theory and practice of customs mechanisms in trade between the EEC and the ACP States. It is well known that major problems can arise from the flow of goods between states, even when they have such extensive cooperation links as in the case of the Member States and the ACP signatories of the Yaoundé and Lomé Conventions.

Customs cooperation constitutes "the means for carrying out trade policy", writes the author. "A lawyer", he adds, "instead of vainly seeking to identify the specific characteristics of trade and cooperation, is interested in the relation they have to each other in the whole field of customs in the broadest sense, namely, a whole body of relations which complement, substitute and compensate for each other...". It is therefore a "broad approach to the customs issue which is the one corresponding best to its nature as a branch of economic law and its universality." This starting point for the examination of relations between customs systems that are "as profoundly different as those of the industrialized countries and those of the developing countries" has led the author to present this study of the ACP-EEC model of customs cooperation in three parts and six chapters.

Mr Brayer's study is an important contribution to understanding the workings of customs cooperation—and thus the much talked-about trade cooperation—between the ACP countries and the EEC.

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Répertoire des enseignants et chercheurs africains (Directory of African teachers and researchers) — Association des Universités partiellement ou entièrement de langue française, Université de Dakar, BP 10017, Liberté, Dakar, Senegal — 378 pages — 1984

AUPELF brought out the first edition of its inventory of the educational and scientific potential of its African university members in 1976. This outline of the policies and structures of education and research and the human, material and technical potential of the African universities was produced at the request of the conference of vice-chancellors of the African universities in AUPELF. It was the Association's first African achievement under a policy aimed at providing means of information vital to veritable cooperation and to doing so as quickly as possible. A knowledge of the human and material resources available in the universities is a *sine qua non* of the movement of people—and of course ideas—which are the real proof of intervarsity cooperation.

It was with this in mind that, in 1977, the African office of AUPELF took up an idea (it had first come up as the "cadre bank" idea in 1975) and began work on an index of teachers and researchers in the African universities belonging to the organization. The index, which is updated annually, expanded fast. Its many uses, both for the AUPELF programmes and the teacher exchange scheme (unique, as this is exclusively South-South cooperation) and for some activities in the member institutions—identifying possible participants at scientific conferences, for example—were full justification for the efforts that went into compilation.

At the same time, it was felt the information should be published, in response to various requests from universities and government and international development bodies. This publication, too, is only an outline. African universities develop fast and Africanization, long only a dream, is now a reality, so

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INDUSTRIAL OPPORTUNITIES

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CID

WEST AFRICA INDUSTRIAL INVESTMENT FORUM

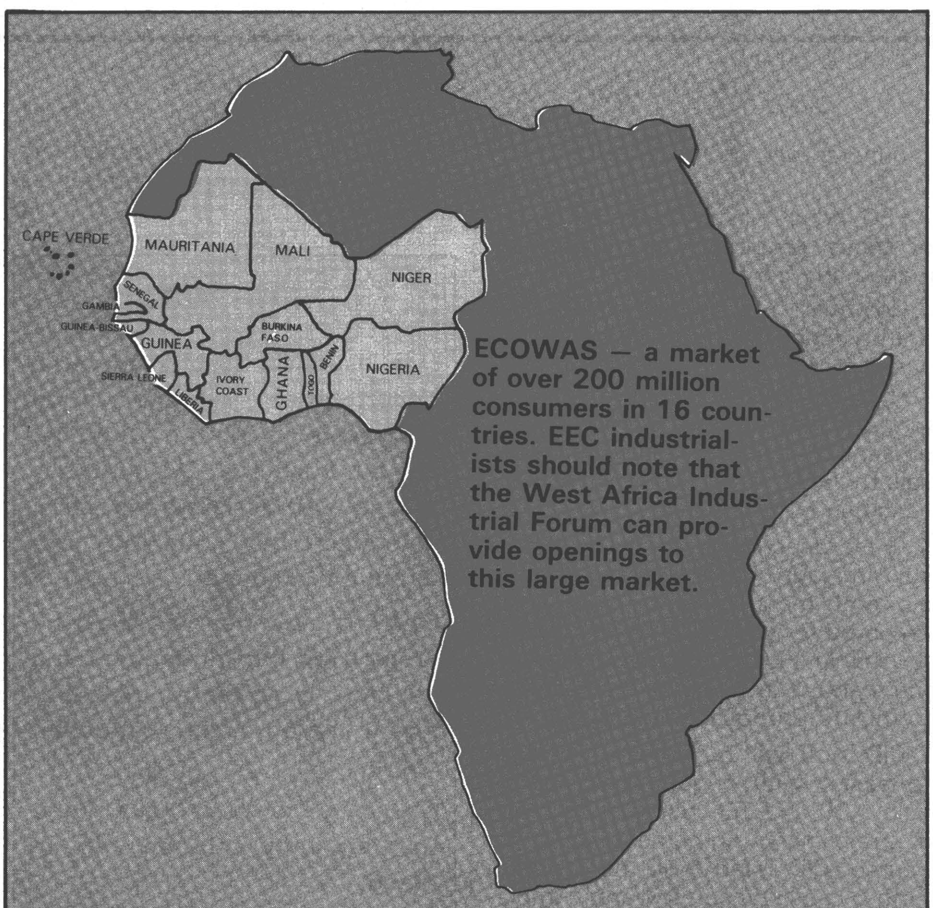
CID BRINGS PRIVATE ACP BUSINESSMEN TO FORUM

The West African Industrial Forum is a biennial event which should not to be missed by EEC firms looking for opportunities in Africa. The sixth Forum—the largest event of its kind on the African continent—will take place from 3 to 6 December in Dakar, Senegal.

The Forum will provide a meeting place for businessmen from 16 West African States to discuss industrial investment proposals with EEC companies. It is sponsored by the Economic Community of West African States (ECOWAS) and organized by the Dakar International Fair Company (SOFIDAK), with assistance from the EEC's European Development Fund, the Centre for Industrial Development (CID), and the United Nations Industrial Development Organization (UNIDO).

For its part in the Forum, CID will ensure that more than 25 private

Continued on Page 2



CID IS PROMOTING THESE PROPOSALS FOR THE FORUM IN DAKAR

BENIN. Bakery for bread and pastries (BEN.41.012).

BURKINA FASO. Production of vinegar from molasses (UPV.31.037) ● Metal workshop to produce agricultural instruments, rail carriages, furniture, etc. (610.UV.4. MEC.).

GAMBIA. Roasted and packaged groundnuts (GAM.31.004) ● Safety matches (GAM. 35.006).

GHANA. Charcoal briquettes (660.GHA. 2.EXT) ● Furniture plant expansion (GHA.33.025) ● Talc mining and processing (660.GHA.3.EXT.) ● Production of clay bricks and roofing tiles (660.GHA.4.EXT.).

GUINEA. Sawmill expansions (GUI.33.025 & GUI.33.026).

GUINEA BISSAU. Oxygen and acetylene plant (GBS.35.003) ● Starting up a plastic factory (GBS.35.004).

IVORY COAST. Fruit and vegetable processing (IVC.31.017) ● Cassava flour for bread (IVC.31.020) ● Cassava semolina (IVC.31.021).

LIBERIA. Cassava mill expansion (LIR. 31.019) ● Paper, paper products (LIR. 34.021).

MALI. Dried fishmeal (MLI.31.032) ● Cotton wool (MLI.38.034).

MAURITANIA. Soft biscuits (MAU.31. 042) ● Sawmill (MAU.33.045) ● Nail and wire grating plant expansion (MAU. 38.046).

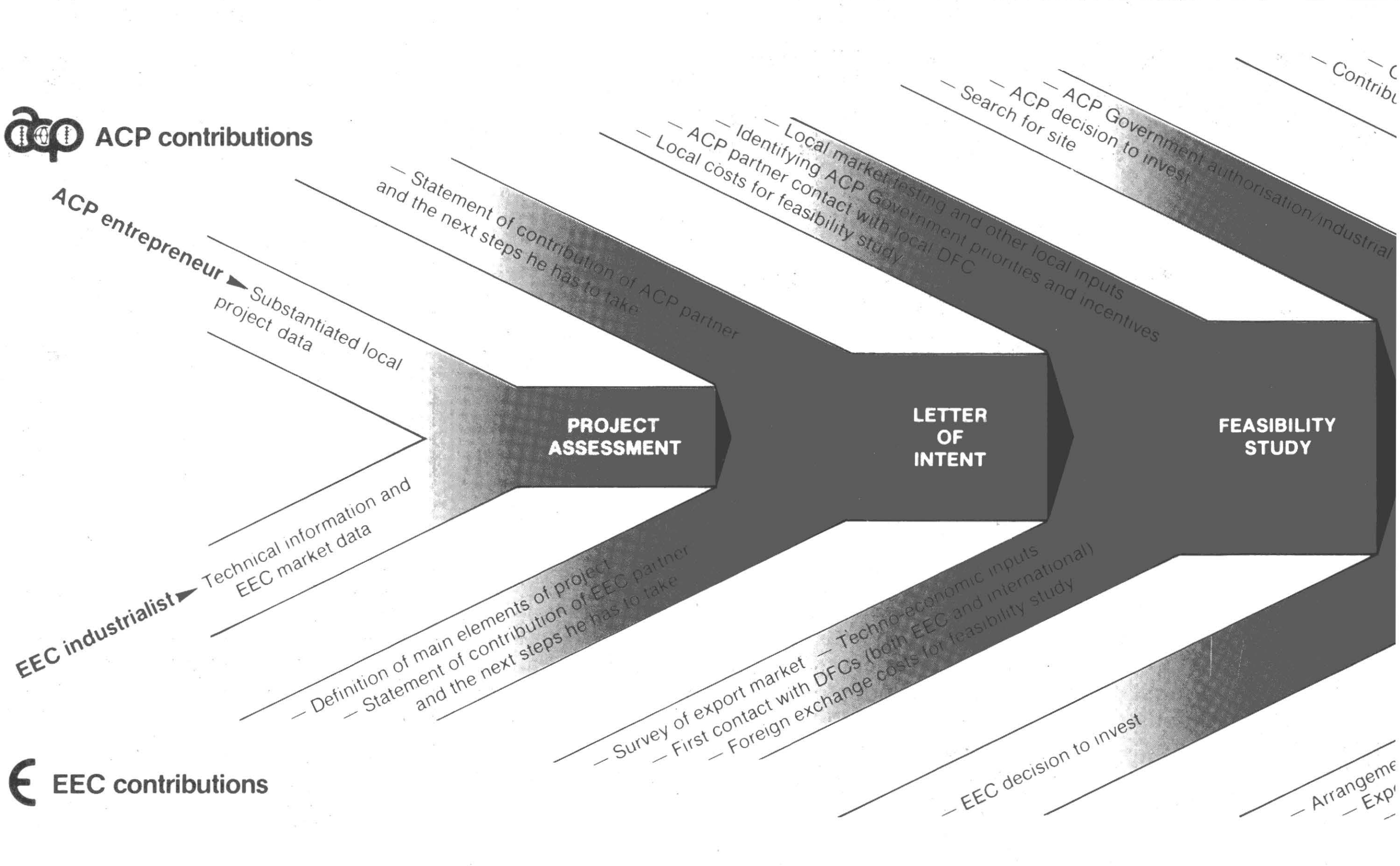
NIGER. Production of a variety of biscuits (NIG.31.016) ● Manufacture of filled and hard sweets (NIG.31.017.).

NIGERIA. Starch, glucose and lactose manufactured for the pharmaceutical industry (NIR.31.015) ● Soaps and detergents (NIR.35.019) ● Asbestos cement products (NIR.36.022) ● Production of furniture from metal and wood (NIR.33.017).

SIERRA LEONE. Pigmeat products (SIL.31.023).

TOGO. Transformation of refuse into compost (TOG.35.024).

Flowsheet showing ACP and EEC contributions at all stages of a joint venture project, from the new CID booklet "ACP-EEC joint ventures for industrial development". See article on page 3 below.



Continued from page 1

African entrepreneurs will be present in Dakar, to promote proposals likely to interest EEC companies.

CID is also trying to use its antenna organisations to persuade ACP industrial sponsors in general, to go to Dakar to meet EEC companies.

This contribution by CID recognizes the importance of small and medium sized private entreprises to the industrial development of ACP countries.

In 1982 CID's efforts substantially increased the participation in the Forum by private entrepreneurs from ECOWAS countries.

Listed on page 1 are some of the industrial proposals which ACP sponsors will promote at the Forum.

EEC industrialists interested in any of these proposals are invited to make early contact with CID.

However, EEC industrialists must not be under the impression that discussion of pre-identified ACP proposals is the only objective of the Forum; for they are also encouraged to present their own production proposals to the large number of ACP businessmen in attendance.

Files describing three industrial sectors (agro-food, building materials and metalworking) have been prepared for each ECOWAS country, to enable EEC companies to study the markets in these sectors, and to formulate proposals accordingly.

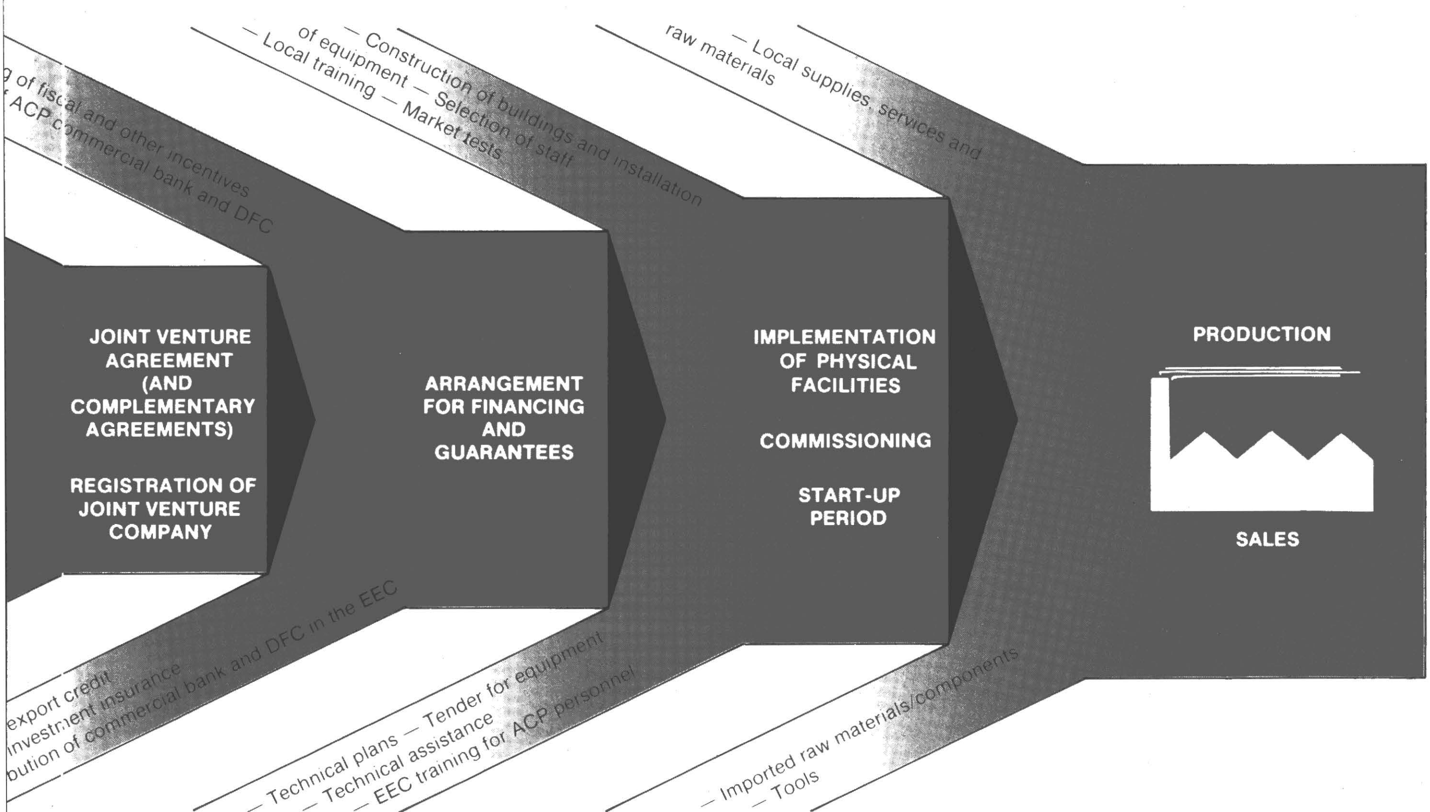
CID staff will be present in Dakar to assist with negotiations and to help ACP and EEC partners to reach a preliminary agreement; and of course CID staff will be offering further assistance towards implementation, such as cofinancing feasibility studies for commited partners, or providing free implementation assistance. ■

CORRIGENDUM

In issue No. 39 of "Industrial opportunities" we reported, on the basis of information received from the EEC partner, that a CID-assisted industrial glue plant had gone into production in Senegal.

CID has since learned that the project ran into difficulties and has now to be restructured before it can enter the production stage.

On-going contacts give hope that an early solution will be found.



NEW PUBLICATIONS

JOINT VENTURES EXPLAINED AND ADVOCATED

CID has brought out the following publications aimed at promoting industrial investments in ACP countries, through joint ventures. (Copies of both publications are available from CID).

BOOKLET: «ACP-EEC joint ventures for industrial development"

This booklet explains the joint venture and outlines its many economic and practical advantages for ACP and EEC industrialists. It shows how joint ventures can be financed and lists specialist financial institutions in ACP and EEC countries. It also demonstrates how to go about setting up joint venture industries and outlines the assistance CID can provide to bring them to fruition.

CID offers many forms of assistance to advance ACP industrial development, in cooperation with EEC industrialists. The joint venture is undoubtedly, however, the most efficient way of transferring industrial technology and capital to ACP countries. Reproduced above is a flowchart from the new booklet, showing ACP and EEC contributions at all stages of a joint venture project.

LEAFLET: "Let CID promote your production proposals"

The leaflet is designed to encourage EEC industrialists to propose joint venture production proposals for ACP countries. A production Proposal and Registration Form is enclosed with it.

In the past CID has concentrated on identifying viable ACP industrial proposals, backed by reliable ACP sponsors, which it promoted to find EEC joint venture partners. The publication of this leaflet marks a new emphasis in CID's promotional efforts.

The aim is to find EEC firms who have an appropriate production proposal to offer and who at the same time are willing to invest in joint ventures in ACP countries. CID will in turn find good ACP entrepreneurs to team up with them. It is anticipated that this will be an effective way of getting new productions going.

To guide EEC companies, the leaflet gives a profile of the ideal EEC partner and lists the priority sectors in which ACP States wish to encourage production. ■

JOINT VENTURE OFFERS FROM EEC FIRMS
ACP ENTREPRENEURS, PLEASE REPLY

ACP entrepreneurs interested in any of these offers are invited to write to CID quoting the reference number(s).

CID will not be in a position to act upon letters received from ACP entrepreneurs unless they provide all the information requested in the box opposite. It would also be useful to enclose any complementary information, including the latest balance sheet.

The investment figures quoted are equipment costs (FOB) only.
Please ALWAYS mention the CID reference numbers.

INFORMATION REQUIRED FROM ACP ENTREPRENEURS

- **Give justifications for the manufacture of the products in question, e.g. market, raw materials or components available locally etc.**
- **Describe your present activities and your industrial and/or commercial experience?**
- **State how much you could contribute to equity, bearing in mind that in a healthy financial structure total equity (local + foreign) should amount to at least one third of the total initial investment, including working capital.**
- **State the maximum portion of the equity your country legally allows to an EEC partner.**
- **In addition to equity, would you also require the EEC partner to provide training, technical assistance, know-how, or marketing?**
- **Can you obtain a local loan and if so from where?**
- **If you need a foreign loan or supplier's credit, can you obtain a local guarantee?**
- **Is formal government approval required for the type of production concerned; and would your government support it?**
- **Outline the incentives your country offers to foreign investors.**

Cement-based items for public works and construction

French offer —**Ref. 84/25a**

A French company specialises in the manufacture of cement-based item. Its main products are pipes, manholes, kerbstones, crash barriers, paving stones, water purification systems (for 5 to 500 users), fences, retaining walls, concrete blocks and floors.

The company would be interested in considering technical co-operation and a joint venture with an ACP company already involved in its field.

The cost of equipment is dependent on the capacity of the operation envisaged. This can be rather small, say US $ 100 000 to US $ 200 000, for the simpler products, with a capacity of 5 000-10 000 tons per year.

Secondhand equipment may sometimes be available and in such cases CID may provide a free evaluation, by independent experts, of its value, condition and suitability.

Poles for lighting, transmission lines and telecommunication

German offer —**Ref. 84/28a**

This company specialises in prestressed spun concrete and fibreglass products. It is open to any arrangement, including a joint venture, for the manufacture of its products in ACP countries.

Minimum investment, in equipment only, would be US $ 600 000.

The raw materials are sand, cement and aggregate (for concrete poles); and resin and glass fibre (for fibreglass poles).

Aluminium doors, windows, screens, partitions, walls

Irish offer —**Ref. 84/27a**

An Irish company specialised in the production of aluminium doors, windows, screens, partitions and walls, is interested in setting up similar operations in ACP countries.

The minimum equipment cost for a plant would be about US $ 37 450, for an output of 50 000 m^2 per year. Plants can be set up to suit markets of any size and are labour-intensive.

The products are particularly suited to industrial and institutional use in office blocks, factories, schools, banks etc.

The Irish company is prepared to enter into joint venture arrangements.

Detergent makers seek ACP partners

French offer —**Ref. 84/26a**

A French company would be interested in meeting ACP entrepreneurs to discuss the creation of joint ventures for the production of chemical products and detergents, for the cleaning of factories and for various household applications.

The minimum capacity is 5 000 litres per day involving an equipment cost of US $ 12 000 minimum.

Door- and butt-hinges for ACP production

French offer —**Ref. 84/29a**

This French company is interested in setting up production of its products on a joint venture basis in an ACP country.

Minimum investment in equipment would be US $ 170 000 for a capacity of about 1.5 million pieces per year.

Secondhand equipment may also be obtained, in which case CID can provide a free evaluation by an independent expert of its value, condition and suitability.

Glass fibre insulation to reduce cooling (or heating) costs

Irish offer —**Ref. 84/30a**

The process permits high-grade products to be manufactured in smallscale local plants and is suitable for companies already involved in glass manufacture or insulation.

The minimum capacity would be 800 tons a year for an investment in equipment of about US $ 1 070 000.

The Irish company is willing to enter into a joint venture arrangement to manufacture its product in ACP countries and can assist with local marketing.

Electricity generators assembled and serviced

U.K. offer — **Ref. 84/31a**

A Scottish company is interested in assisting ACP sponsors to establish workshops for assembling and servicing electricity generators. These workshops will be able to handle most well-known makes, ranging in size from 2.5 kVA to 1000 kVA.

To establish a workshop, the investment required in equipment would amount to about US $ 170 000.

Only countries with a population of more than 5 million can justify such an operation.

The Scottish company can provide technical assistance and training and will consider participating in joint ventures.

Making clay bricks and cement blocks

French offer — **Ref. 84/32a**

The company is open to joint venture agreements to manufacture its products in ACP countries.

Minimum capacity for clay bricks is 1000 bricks per hour with an investment in equipment of US $ 70 000. The bricks (6 cm × 12 cm × 22 cm) must subsequently be baked or stabilised.

For cement blocks the minimum investment in equipment would be US $ 100 000 for a capacity of 450 blocks (20 cm × 20 cm × 40 cm) per hour.

Strawboard made without resins, from waste straw

U.K. offer — **Ref. 84/33a**

A British company is interested in setting up units in ACP countries to manufacture strawboard for use in partitioning, fireproof doors, insulation, roofing, etc.

A wide range of straw has proved suitable for this process which allows strawboard to be manufactured from waste straw, using no added resins or other binders — this is its great economic advantage.

Minimum capacity is 200 000 m^2 per year for a minimum investment of US $ 1.7 million.

The company will consider participating in a joint venture. ■

PROMOTION MEETING IN EUROPE

SCOTTISH INDUSTRIALISTS MEET ACP PROMOTERS

Scottish industrialists had an opportunity to meet six ACP promoters who travelled to Glasgow (UK) to attend a CID promotion meeting on 27th October. The meeting may result in some feasibility studies leading to joint ventures.

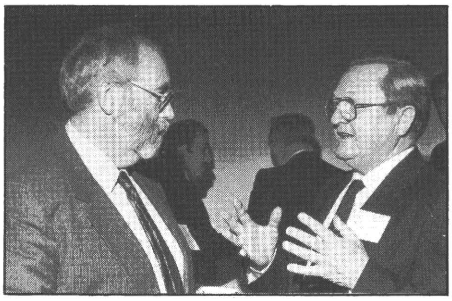
The ACP promoters came from Kenya, Malawi, Nigeria, Tanzania, Uganda and Swaziland. They represented companies engaged in steel fabrication, food processing and paint manufacture.

Among the thirty Scottish companies present, were four offering joint ventures in the manufacture of feed mills, road trailers, valves and paints. After the Glasgow meeting the ACP promoters visited the factories of these companies in the central belt of Scotland, to discuss proposals in detail.

For the first time at such a meeting, discussions took place on the proposals of EEC companies. Indeed, a number of production proposals put forward by Scottish companies attracted more interest and more discussion than the proposals of ACP sponsors.

The meeting was chaired by the Vice-President of the Glasgow Chamber of Commerce and Industry, Mr. H.L.I. Runciman. Among the speakers were the UK Member of CID's Advisory Council, Mr. Alan McGarvey (Director General of the Greater London Entreprise Board), CID Director Mr. Jens Mosgard and representatives of Scottish Banks and of businesses currently operating in ACP countries.

The problems — financial and political — facing potential investors were referred to; but CID indicated that it could provide some assistance in meeting these, particularly by arranging for feasibility studies in support of individual joint venture projects,



Two of the speakers at the Glasgow meeting: Mr. Alan McGarvey UK member of CID's Advisory Council (left) and Mr. Jens Mosgard, Director CID.

and by subsequently helping with the search for finance and with implementation.

Although the climate for investment in Africa was judged to be difficult, it is hoped that two or three joint feasibility studies, resulting from this meeting, will lead to the establishment of ACP-EEC joint venture companies. ■

OFFERS FROM ACP SPONSORS: EEC INDUSTRIAL PARTNERS WANTED

EEC industrialists are invited to contact CID, quoting the reference number, in response to any offer outlined in this section.

However CID will only reply to enquiries if EEC industrialists give brief descriptions of their current operations and are prepared to provide the kinds of cooperation requested by the ACP sponsors.

Organisations reprinting these offers in their own publications, are asked to ALWAYS include CID reference numbers.

Ceramic tableware plant ready for takeover talks
Lesotho — **660.LES.3.EXT.**

The Lesotho National Development Corporation (LNDC) is looking for an appropriately experienced EEC investor for a ceramic tableware plant. The products are mainly for export. Raw materials are imported duty free.

The company has been selling profitably in export markets and a takeover by a ceramics specialist is urgently desired for technical and financial reasons and to retain and expand existing export markets.

The annual capacity of the plant is 200 000 pieces. The factory building is rented from LNDC. The original investment in equipment amounted to about US $ 250 000.

Sheepskin products — company wants to expand
Lesotho — **660.LES.3.RUB.**

The Lesotho National Development Corporation (LNDC) is seeking a joint venture partner for an existing company manufacturing car seat covers, coats, jackets, slippers, and other items from sheepskins, mainly for export. The company has had a good record in export markets.

A joint venture partner's contribution must include assistance with marketing plus the provision of training and know-how; and there are no restrictions on the portion of equity he can take.

The shareholding is currently valued at around US $ 160 000. LNDC is willing to provide a local loan to the operation and can consider providing guarantees for a foreign loan.

A tax holiday of six years, accelerated depreciation allowances and repatriation of profits/dividends are among the incentives available.

Financial partner wanted for alcohol plant
Zambia — **660.ZAM.3.CHE.**

An Anglo-Zambian joint venture will produce 1000 tons per year of industrial and potable alcohol for the local market. A further EEC partner is required who will contribute to the equity in foreign exchange. The new partner will not necessarily be expected to provide know-how.

Following the expansion of the sugar industry, molasses will be available in excess of the country's requirements for animal feed, and will provide the basic feedstock for the distillery. In addition to fine spirits, Zambia also imports substantial quantities of industrial alcohol which this joint venture will in future be able to supply.

The total investment initially required is estimated to be about US $ 2.5 million (of which US $ 1.8 million will be in foreign exchange).

The equity contributions will amount to about US $ 1.2 million. ▶

▶ A feasibility study for this venture, was carried out in 1983.

The promoter is the only blender and bottler of spirits in the country.

CID ASSISTANCE

CID can assist the formation of ACP-EEC joint ventures by:
- **financing in-depth evaluations of industrial proposals;**
- **co-financing feasibility studies and market studies;**
- **acting as an honest broker during negociations;**
- **obtaining independent evaluations of the value and suitability of second-hand plant;**
- **locating sources of finance;**
- **contributing to the cost of business trips to allow prospective partners to meet;**
- **helping to draft legal agreements using standard models;**
- **providing funds for training and short-term expertise during commissioning and start-up.**

Wooden furniture plant needs partner
Lesotho — **660.LES.1.TIM.**

The Lesotho National Development Corporation (LNDC) is seeking a joint venture partner for a large company manufacturing wooden furniture (complete or knocked-down) mainly for export. The building is rented from LNDC and raw materials (mainly pine) are imported duty free. The company has already been successful in selling most of its output in export markets.

Annual turnover at full capacity is estimated to be US $ 1 million. Investment in equipment amounts to about US $ 320 000.

A joint venture partner must provide assistance with management and there are no restrictions on the portion of the equity he may take.

Shareholding is currently valued at about US $ 80 000. LNDC is offering a loan or loan guarantee for this operation.

Wool and mohair — washing and scouring
Lesotho — **660.LES.1.TEX.**

The Lesotho National Development Corporation is seeking a joint venture partner (whose contribution must include technical assistance), for a washing and scouring enterprise for wool and mohair. It is intended that this joint venture should increase the locally added value of these major export products.

Planned capacity: an anuual intake of 4000 tons and an output of 2000 tons.

Expected annual turnover: about US $ 4.9 million.

Estimate of the required investment: US $ 2.6 million (or US $ 1,6 million if the building is rented).

A feasibility study, requiring updating, is available.

Quarrying firm plans to make lime products
Nigeria — 660.NIA.4.EXT.

An existing company quarries dolomite marble and crushes it into chips. It now wishes to diversify into the production of the following lime products from the calcareous rocks located in its own quarries:

- Quick lime (6000 tons per year)
- Hydrated lime (6000 tons per year)
- Precipitated whiting (6000 tons per year).

All these products are currently imported.

A joint venture partner is required.

Processing local fruit
Tanzania — 660.TAN.2.F00.

A joint venture partner is required for the production of 600 tons (at full capacity) of juices, jams, canned fruit and tomato ketchup from locally available fresh fruit. Up to 70 % of the output will be sold on the local market to cater for the large demand from big institutions.

Plant intake capacity will be 900 tons per year. The initial investment required is estimated to be US $ 430 000.

In addition to providing some equity, the joint venture partner will be required to provide training, know-how, and technical assistance during the start-up period.

A pre-feasibility study is available.

Fish processing and trawling operation
Tanzania — 660.TAN.3.F00.

The sponsor proposes to catch 3 tons per day of fish, in a 12 m trawler to be purchased as part of the initial investment.

It is estimated that 30 % of the catch will be table fish. The remaining 70 % will be converted into fish meal. All the produce will be sold on the local market.

The fish meal plant will have an initial capacity of 1,5 tons per day.

A joint venture partner able to provide know-how is sought for this operation.

Copies of a locally prepared feasibility study are available.

Expansion of wooden furniture business
Tanzania — 660.TAN.6.TIM.

An established private company manufactures building elements, all kinds of wooden furniture and other items in wood. The company enjoys good facilities and services, and has easy access to sea ports. Hardwoods are available locally.

The company has specialised in the production of furniture for colleges, schools, technical institutes, hotels, etc., and wishes to expand into export markets. It has also supplied government schemes and various projects financed under foreign aid programmes.

To expand its operations the company wishes to make contact with EEC companies interested in any form of collaboration such as a joint venture, marketing, distribution, etc.

Edible oil made from cotton seeds
Uganda — 660.UDA.6.F00

A joint venture partner is sought for the manufacture of edible oil from cotton seeds. The plant is to be situated in the heart of the country's cotton-growing area.

The annual production capacity would be 2300-3000 tons of refined oil i.e. less than 10 % of the local market requirements.

The total investment required would be at least US $ 5 million. Shareholding of US $ 1.4 million is available in Uganda and an equity participation of up to US $ 1.15 million would be welcomed from an EEC partner.

A techno-economic feasibility study envisages a relatively high internal rate of return for this venture.

Irrigation equipment plant will need partner
Zambia — 660.ZAM.1.MEC.

A joint venture partner who will take-up to 25 % of the equity is sought for the manufacture of irrigation equipment (sprinklers, couplings, etc.).

The droughts over recent years have added impetus to the government's plans to increase the extent of irrigated agriculture. The venture will be initially import substituting, although there is likely to be some potential for export.

The sponsor owns a foundry which can supply castings.

Estimate of the initial investment required: US $ 610 000 (of which US $ 410 000 will be required in foreign exchange).

It is proposed that equity should total around US $ 160 000.

A feasibility study is available. ■

½-YEARLY RESULTS
SIX PROJECTS ENTER PRODUCTION

CID's Activity Report for the first six months of 1984 shows that during this period no less than 6 projects entered production. These were projects for which CID had provided substantive inputs such as studies, technical assistance and training.

The 6 implemented projects are:

Gabon — paint brushes
Gambia — tannery
Kenya — solar collectors
Madagascar — soya milk
Sudan — reconstituted milk
Vanuatu — button manufacturing

At least 12 further projects which received rehabilitation and training assistance, are known to have shown concrete results.

In this six-month period 13 **feasibility studies** were initiated; 8 projects received **implementation** assistance; and **rehabilitation** assistance was given to 9 existing industries.

No fewer than 18 **training** assistance projects were initiated or completed while a further 8 were approved and another 35 were under consideration.

Under CID's adapted technology programme, 11 projects were initiated.

Also during this period, CID was able to assign consultants to undertake **industrial potential studies** and to identify and substantiate industrial production proposals, in the following 8 countries: Rwanda, Burundi, Central African Republic, Gabon, Mauritania, Guinea (Conakry), Uganda and Zambia. ■

CID's INDUSTRIAL PROMOTION ATTACHE PROGRAMME

PROMOTERS SEEK EEC INDUSTRIAL PARTNERS FOR SIX ACP COUNTRIES

European industrialists are invited to contact CID about production proposals promoted from CID's offices during October by industrial promotion professionals from four of CID's ACP antenna organisations.

See the box below for details.

These professionals were looking for joint venture partners who could provide equity, technical assistance and in some cases markets, for a wide range of products including: yoghurt, charcoal, pharmacenticals, polyethelene bags and glass.

Three of the industrial promotion professionals who were attached to CID during October. Left to right: Donna Miller, Crispin Mubita and Foday Mansaray. ▶

EEC FIRMS MAY CONTACT CID ABOUT THESE ACP PRODUCTION PROPOSALS

Proposal promoted by Mr. Foday MANSARAY, Co-Manager Projects, Mano River Industrial Development Unit. (Acts for three countries: Liberia, Sierra Leone and Guinea).

- *Charcoal* (660.SL.1.TIM.) Partner wanted who can provide technical assistance and markets for the production of charcoal from wood wastes.

Proposals promoted by Ms Donna MILLER, Economic Development Executive, Jamaica National Investment Promotion JNIP) Ltd.

- *Precipitated calcium carbonate (PCC)* for use as a filler in paints, plastics, paper, tooth paste, inks, etc. (660.JAM.1.EXT.). Joint venture partner required to assist with marketing (and provide equity).
- *Shoes* (660.JAM.4.RUB). Joint venture partner wanted who can provide technical assistance, European markets (and equity) to an existing entreprise.
- *Yoghurt and a variety of cheeses* using cow's milk, goats' milk and recombined milk (660.JAM.6.FOO). Joint venture partner sought who can provide markets, technology (and equity).

Proposals promoted by Mr. Crispin Mubita, Senior Project Officer, Industrial Development Corporation (INDECO) Ltd. Zambia.

- *Bicylces* (610.ZAM.1.MEC.) Joint venture partner required to enable bicycle manufacturer to diversify and to increase to 75 % the portion of the components manufactured locally.
- *Glass* (660.ZAM.2.EXT.). Joint venture partner sought who can provide licences, know-how, technology and training for the production of clear sheet glass.
- *Pharmaceutical and medical products* (660.ZAM.4.CHE.). Joint venture partner required to provide technical assistance, technology, management, training, licences and equity for new import-substituting project.
- *Polypropylene and polyethelene bags and jute/kenaf twines* (610.ZAM.2.TEX.). Management, technical assistance and training sought for rehabilitation and development of existing entreprise.

Proposals promoted by Mr. Chaluwza NTABAJANA, Senior Economist, Small Industries Development Organisation (SIDO) Tanzania.

- *Concentrates from local fruits,* for soft drink industries (660.TAN.5.FOO.). Existing company wants to diversify and seeks joint venture partner who will provide equity and technology.
- *Glassware.* Plates, bowls lamps, jars, cups, etc. (660.TAN.2.EXT.). Joint venture partner wanted who will provide equity and know-how to manufacture for export and local markets.
- *Towel and cotton cloth,* manufactured from local yarn mainly for export. (660.TAN.1.TEX.). Joint venture partner sought who will provide equity and know-how.
- *Blackwood furniture and other blackwood products* (660.TAN.8.TIM.). Existing company wants joint venture partner to provide equity and technical assistance to manufacture high quality items for export.
- *EVA Sandals* (660.TAN.4.RUB.). Joint venture required for production for local and export markets.
- *Fish canning* for local and export markets (660.TAN.4.FOO.). Joint venture partner required for integrated fishing and canning operation. ■

OPERATIONAL SUMMARY

No. 25 — November 1984

(position as at 16 October 1984)

EEC-MEDITERRANEAN
EEC-ACP
EEC-NON ASSOCIATED DEVELOPING COUNTRIES

EEC-financed development schemes

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.25/1-2)
200, Rue de la Loi
B-1049 Brussels

who will pass on requests for information to the services in charge of projects.

Sectoral Index

AGRICULTURE	
Irrigation and soil development, infrastructures, improvement	Burundi, Cameroon, Cape Verde, Comoros, Chad, Dominica, Ghana, Guinea, Equatorial Guinea, Kenya, Malawi, Mauritius, Niger, Rwanda, Senegal, Sierra Leone, Somalia, St.-Lucia, Swaziland, Chad, Burkina-Faso, Togo, Zambia, Zimbabwe, Egypt, Syria, Bangladesh, Burma, Indonesia, Nepal, The Philippines, Dominican Republic, Haïti, Nicaragua, Honduras, Bolivia, Costa Rica, India, Peru, Yemen, Sri-Lanka, Mozambique, Thailand
Coffee, tea, tobacco, cereals, earth-nut, ground-nut, maize, sugar, coton, palm-tree, coco-tree, rice, gum-tree, potatoes, citrus fruit, hevea	Burundi, Cameroon, Comoros, Djibouti, Ethiopia, Ghana, Ivory Coast, Jamaica, Liberia, Madagascar, P.N.G., Solomon Islands, Senegal, Sierra Leone, Somalia, Suriname, Tanzania, Zimbabwe, CILSS, Bangladesh, Burma, Thailand
Seed and crop protection, environment	Bahamas, Benin, Burkina Faso, Burundi, Comoros, Ghana, Mali, Mauritius, Niger, Rwanda, Somalie, Tuvalu, Niger Basin Authority, CILSS, Saharian periphery, Egypt, Tunisia, Jordan, Mozambique, Bangladesh, Bhutan, India, China (People's Rep.), Bolivia
Agro-industry, Bolivia	Burundi, Grenada, Liberia, Rwanda, Solomon Islands, Togo, Morocco, Thailand, Yemen (Arab Rep.)
Forestry	Burkina Faso, Cape Verde, Mali, Mauritania, Niger, Chad, Guinea Bissau, Fiji, Nigeria, Tanzania, New Caledonia, Niger Basin Authority, French Polynesia, Mali, Burkina-Faso and Niger, Nepal, Kenya
STOCK FARMING-FISHING-PISCICULTURE	
Improvement	Antigua and Barbuda, Benin, Botswana, Burundi, Cameroon, Ethiopia, Ghana, Ivory Coast, Jamaica, Mauritania, P.N.G., St. Lucia, St. Vincent and Grenadines, Senegal, Sierra Leone, Togo, Burkina-Faso, Vanuatu, Zaire, Congo, Sao Tome & Principe, Equatorial Guinea, CARICOM, Tunisia, Angola, Algeria
Veterinary actions	Kenya, Zambia, Kenya-Gambia-Senegal, Suriname, 28 African Countries, Eastern Africa, ICIPE, Tanzania and SADCC, Chad, Zambia
Processing industry	Mali, Tonga, Neth. Antilles, French Polynesia, Algeria, Indonesia
RURAL HYDRAULICS	
Wells, bores, pumps, pipes, small dams	Botswana, Guinea Bissau, Mauritania, Liberia, Senegal, Sierra Leone, Sudan, Swaziland, Togo, Burkina-Faso, Zimbabwe, Montserrat, Egypt, Nepal, Syria, Burma, Pakistan, Laos, Haiti
TOWN WATER SUPPLY AND SEWERAGE	
Water supply, pipes, drinking water	Cape Verde, Comoros, Rwanda, St. Christopher & Nevis, Tanzania, Uganda, Zimbabwe, Lebanon
Sewerage, waste water, collectors, pumping stations, treatment	Cape Verde, Senegal
SOCIAL CONSTRUCTIONS	
Houses, schools, hospitals, buildings, laboratories	Belize, Benin, Burundi, Cape Verde, Central African Rep., Congo, Djibouti, Ethiopia, Fiji, Gambia, Grenada, Guinea, Guinea Bissau, Jamaica, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Niger, Rwanda, Sierra Leone, Somalia, Sudan, Suriname, Swaziland, Tanzania, Uganda, Burkina-Faso, Zimbabwe, CEAO, CERFER, Maritime Transport Conference, OCAM, UDEAC, Forum Fisheries Agency, MRU, Eastern Africa, CARICOM, Egypt, Syria, Yemen, Asean, Bolivia, Colombia
TRANSPORTS AND COMMUNICATIONS	
Roads, bridges, airports, railways, ports	Antigua and Barbuda, Benin, Burundi, Cameroon, Chad, Comoros, Grenada, Guinea Bissau, Equatorial Guinea, Uganda, Liberia, Madagascar, Mauritania, Mauritius, Niger, P.N.G., Senegal, Sierra Leone, Solomon Islands, Somalia, Sudan, Suriname, Tanzania, Tonga, Zaire, Anguilla, Turks & Caicos, Guyana-Surinam, Niger-Nigeria, Central African Rep., Senegal-Guinea, Djibouti-Ethiopia, Kenya-Uganda, Eastern Africa Countries, Swaziland-Lesotho, CARICOM, Pakistan, Nicaragua-Honduras
TELECOMMUNICATIONS	
Radio, telephone, satellites, hertzian	UAPT, Sierra Leone
ENERGY	
Power stations, dams, electrification	Cape Verde, Gabon, Ethiopia, Kenya, Mauritania, P.N.G., St. Christopher & Nevis, Somalia, Suriname, Tuvalu, Zaire, Zambia, O.M.V.G., Egypt
NEW AND RENEWABLE ENERGY	
Solar, wind-wills, biomass, gas, geothermics	Guinea, Senegal, Suriname, Rwanda-Zaire, South-Pacific (SPEC), Pacific OCT
MINING	
Soil survey, research, geophysical survey,	Congo-Gabon, Mali, Rwanda, Uganda
Infrastructure, production, processing plants	Ghana, Guyana, Rwanda
MAPPING	
Soil-Air	Botswana, Congo-Gabon, Mali, Rwanda
INDUSTRY	
Plants, productions	Burundi, Malawi
TRADE, INDUSTRY, TOURISM, INVESTMENTS PROMOTION - MANAGEMENT - MARKETING - S.M.E. TRAINING	Barbados, Burkina-Faso, Chad, Ghana, Gabon, Grenada, Guinea, Jamaica, Kenya, Liberia, Madagascar, Malawi, Niger, P.N.G., Rwanda, Senegal, Somalia, St. Lucia, St. Vincent and Grenadines, Trinidad and Tobago, Uganda, Zaire, Zambia, Neth. Antilles, SADCC, CARICOM, Indian Ocean ACP Countries, African ACP Countries, Pacific ACP Countries, Algeria, Lebanon, Egypt, Morocco, Indonesia, Thailand, ASEAN, Yemen, Banco Centro-Americano, Andean Pact., China (People's Rep.)

ACP STATES

★ Denotes new projects

ANTIGUA AND BARBUDA

Livestock development — Phase I. Resp. Auth.: Ministry of Agriculture. Estimated cost 2 mECU. Works, supplies and T.A. Project on appraisal. Date foreseen for financial decision 1st quarter 85. 4th and 5th EDF.

Road Reconstruction. Resp. Auth.: Ministry of Public Works. Estimated cost 3 mECU. Study for identification of works on the way by GEOPROGETTI (I). Project stage: identification. 4th and 5th EDF.

BAHAMAS

Fruit crop nursery. Resp. Auth.: Ministry of Agriculture. Estimated total cost 1.016 mECU. EDF 0.510 mECU, local 0.506 mECU. Works, supplies and T.A. T.A.: Short-list already drawn up. Project in execution. 5th EDF.

BARBADOS

Tourism development. Resp. Auth.: Barbados Board of Tourism — Barbados Hotel Association. 0.192 mECU. Production of a multilingual Travel Trade Manual and supply of equipment. Supplies: int. tender in 84. 5th EDF.

BELIZE

Belize College of Arts, Science and Technology (BELCAST). Resp. Auth.: Ministry of Education. Estimated cost 7 mECU. Works and supplies. T.A. for tender dossier and plans: short-list not yet drawn up. Project on appraisal. 4th and 5th EDF.

BENIN

Djougou-Porga road. Resp. Auth.: Ministère des Travaux Publics. Intermittent road improvements over 180 km. Economic study: SEDES Consultant (F). Technical study: BELLER Consultant (D). 4th EDF.

Dassa-Parakou road renovation. Resp. Auth.: Ministère des Travaux Publics. Reinstatement and asphalting of 75 km of the road. Estimated total cost 55 mECU. Estimated EDF participation 18 mECU. Cofinanced by IBRD and possibly by CEDEAO, BOAD and FADES. Project on appraisal. 5th EDF.

Upgrading of health service infrastructure in Porto Novo Hospital. Resp. Auth.: Ministère de la Santé Publique. Estimated cost 10 mECU: renovation and construction of the hospital building and equipment. Project on appraisal. Works: Int. tender with prequalification, launched (conditional) in August 84. 4th and 5th 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^2 of pedagogical and administrative buildings and hostels. Supplies and equipment. Technical and architectural study: Arch. VINOU (Local). Project on appraisal. Date foreseen for financial decision 1st quarter 85. 4th EDF.

Cotonou maternity hospital. Resp. Auth.: Ministère de la Santé Publique. ±1 mECU. Works: Acc. tender. Equipements: int. tender in '84. T.A.: TECHNOSYNESIS (I). Date foreseen for financial decision: 1st quarter 85. 4th EDF.

Livestock development in the Borgou region. Resp. Auth: Ministère des Fermes d'Etat, de l'Elevage et de la Pêche. Numerical and stabilizing cattle improvement for meat production increase. 5.950 ECU. Project in execution. 5th EDF.

National Parks development and environment protection. Resp. Auth.: Ministère du Développement Rural. 3,525 mECU. T.A. and equipment for roads and T.A. for scientific actions and Fauna and Flora protection. T.A.: Restr. tender after prequalification. Prequalification done. 5th EDF.

BOTSWANA

Village water supplies. Resp. Auth.: Ministry for Mineral Resources and Water Affairs. Planning Study: DECON-FLOTO (D). Project on appraisal. 5th EDF.

Sheep and Goat development. phase II. Resp. Auth.: Ministry of Agriculture. Animal Production Division and Animal Production Research Unit (APRU). Estimated total cost 2 mECU. EDF 1.6 mECU. Local 0.400 mECU. Works, supply of materials and equipment and T.A. Project in execution. T.A.: GITEC (D). 5th EDF.

★ **Airborne Geophysical Survey.** Resp. Auth.: Ministry of Mineral Resources and Water Affairs. 1.980 mECU. 2 int. tenders with prequalification foreseen in the 4th quarter 84. Airborne magnetic survey of 72 000 km, interpretation and electromagnetic survey of selected target areas. Project on appraisal. Date foreseen for financial decision November 84. 5th EDF.

BURKINA FASO

Development of the Douna plain. Resp. Auth.: Ministère du Développement Rural. 10 mECU. Irrigation and drainage works, supply of equipment, inputs and T.A. Int. tender for works launched in May 84. Project in execution. 5th EDF.

Young farmers' training. Resp. Auth.: Ministère du Développement Rural. 2.880 mECU. T.A., works and equipment. T.A.: C.E.R.E.D. (F). Project in execution. 5th EDF.

Small ruminants and poultry farming in the Yatenga region. Resp. Auth.: Ministère du Développement Rural. 1.150 mECU. Constructions, supply of equipment, training and monitoring. Project in execution. 5th EDF.

Strengthening of the health service in the North and Sahel Regions. Resp. Auth.: Ministère de la Santé. 1.3 mECU. T.A., training, works and supply of equipment. Project in execution. 5th EDF.

Development of the traditional poultry farming. Resp. Auth.: Ministère du Dév. Rural. Estimated cost 0.750 mECU. Supply of equipment, vaccines and vehicles. Project on appraisal. 5th EDF.

★ **Increase of the food emergency stocks at the O.F.N.A.C.E.R.** 2 mECU. Special programme hunger. Project on appraisal. Date foreseen for financial decision December 84.

★ **Development and vulgarization of agricultural and afforestation techniques.** 0.3 mECU. Special programme hunger. Project on appraisal. Date foreseen for financial decision December 84.

BURUNDI

Institut Universitaire de Sciences de l'Education (IUSE). Resp. Auth.: Ministère de l'Education Nationale — 0.7 mECU. Construction and equipment of educational buildings (general teaching classes, laboratories, workshops). Int. tender dossier: TETRA Consultants (Lux). Project on appraisal. 4th 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.

Bujumbura naval ship yard. Resp. Auth.: Ministère des Transports. Study by I.P.G. (D). Project on appraisal. 4th and 5th EDF.

Faculty of agronomy. Technical and architectural study. BRUSA-PASQUE (I). Project on appraisal. 5th EDF.

Food strategy—Priority measures. Resp. Auth.: Government and Ministère de l'Agriculture. 1 mECU. Soil aptitude map in the Mosso region. Plant protection pilot operation and development of seed nurseries. Versant basins protection. Works by direct labour. Supplies by direct agreement. Date financial decision December '83. Special programme hunger.

Bujumbura-Muzinda Road. Resp. Auth.: Ministère des Travaux Publics, de l'Energie et des Mines. 5.1 mECU. Reinstatement and asphalting of the road (13,5 km). R.I.G. Bujumbura-Bubanza. Works: int. tender. Supervision of works: ADK (GR). Int. tender conditional upon provisional finance launched in February 84. Project in execution. 3rd and 4th EDF.

Upgrading of the RN 1. Resp. Auth.: Ministère des Travaux Publics. Estimated cost 2 mECU. Works and supervision. Int. tender foreseen in the 2nd quarter 85. Project on appraisal, 5th EDF.

Improvement of the social and economical conditions in the Imbo-Centre in relation with the rural development of the East Mpanda. Resp. Auth.: Ministère du Plan. Estimated cost 8.5 mECU. Health programme, sewage, feeder roads, buildings, works and supplies. Study by SFERES(F). Project on appraisal. Date foreseen for financial decision October 84. 5th EDF.

★ **Food strategy. Priority measures.** Resp. Auth.: Government and Ministère de l'Agriculture. 1.4 mECU. Opening of an internal road towards the East of the country (Ruyigi-Gitega). Versant basins protection in the Ruyigi province. Special programme hunger. Project on appraisal. Date foreseen for financial decision December 84.

CAMEROON

Flood-farming development in Logone and Chari departments. Phase II. Resp.

Auth.: Ministère de l'Agriculture. (SEMRY) 8.970 mECU. Continuation and extension current operation. T.A.: Hydroplan (D) and SCET-AGRI (F). Project in execution. 5th EDF.

Fishery development in the Lagdo basin. Resp. Auth.: Mission d'Etude de la Vallée Supérieure de la Benoue. Stabex 81. Estimated total cost ± 3 mECU. EDF 2 mECU, FAC, local and NGO ± 1 mECU. Fisheries research, monitoring and T.A. T.A.: Restr. tender, short-list drawn up. 5th EDF.

Djuttitsa tea project. Resp. Auth.: Ministère d'Etat chargé du Plan et de l'Aménagement du Territoire. CAMDEV (Cameroun Dev. Corp.). Estimated total cost 1.366 mECU. EDF Stabex 81. 0.712 mECU. Local 0.654 mECU. Completion of works and tea and eucalyptus plantation cultivation. Eucalyptus for fuel wood for tea factory. Date financial decision October 84. 5th EDF.

Yaoundé — Ayos Road — Technical study. Resp. Auth.: Ministère des Transports. Estimated cost 0.860 mECU. Technical study for the execution and preparation of the tender dossier. Restr. tender. short-list foreseen in the 4th quarter 84. Date foreseen for financial decision October 84. 5th EDF.

CAPE VERDE

Praia water supply and sewerage. Resp. Auth.: Secretariat au Plan. Estimated cost 6.5 mECU, EDF 3 mECU, Kuwait 3.5 mECU. Prequalification before restr. tender launched in August and October 83. Date foreseen for financial decision October 84. T.A.: W.P.W (D). 5th EDF.

Civil works for laboratory construction. Resp. Auth.: Secretariat au Plan. 0.080 mECU. Construction of a laboratory for soil and rock mecanics in St. Jorge. Works by direct labour. Date foreseen for financial decision November 84. 4th EDF.

Soil protection and conservation. Resp. Auth.: Ministère du Dév. Rural. 1.360 mECU. Total execution by direct labour. Project in execution. 5th EDF.

Praia electrification. Resp. Auth.: Secretariat au Plan. Estimated cost 1.7 mECU. Project on appraisal. Date foreseen for financial decision, 1st quarter 85. 5th EDF.

★ **Reafforestation and anti-erosion constructions in the South-West of the Santiago Island.** Special programme hunger. Project on appraisal. Date foreseen for financial decision December 84.

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). Project on appraisal. Date foreseen for financial decision: 1st quarter 85. 5th EDF.

Paediatric complex in Bangui and Provinces. Resp. Auth.: Ministère de la Santé. Estimated cost 1.7 mECU. Buildings and supply of equipment. Works: acc. tender launched. Supplies: int. tender. Project on appraisal. Date foreseen for financial decision December 84. 5th EDF.

CHAD

N'Djamena-Guelendeng-Sahr Road. Resp. Auth.: Ministère des Travaux Publics. To repair the earth-road over 560 km. Int. tender (conditional) launched in October 84. Estimated cost 8.8 mECU. (EDF part 2.7 mECU). Date foreseen for financial decision October 84. 5th EDF.

Priority actions programme in the educational field. Resp. Auth.: Ministère du Plan et de la Reconstruction. Estimated cost 5.2 mECU. Works, supplies, scholarships and T.A. Project on appraisal. Date foreseen for financial decision October 84. 5th EDF.

★ **Improvement of the sahelian camel stock-farming.** Estimated cost 0.200 mECU. Special programme hunger. Project on appraisal. Date foreseen for financial decision December 84.

★ **Reafforestation programme.** Estimated cost 0.300 mECU. Special programme hunger. Project on appraisal. Date foreseen for financial decision December 84.

COMOROS

Economical and technical study to assess harbour infrastructure in Grande Comore and in Mohéli. Resp. Auth.: Ministère des Travaux Publics. Feasibility study: short-lists already drawn up. Project on appraisal. 5th EDF.

Maize development project. Resp. Auth.: Ministère de l'Agriculture. 2.34 mECU. Works, supplies and T.A. T.A.: Luxconsult (Lux). Project in execution. 5th EDF.

Mutsamudu water supply. Resp. Auth.: Ministère du Plan. 2.3 ECU. Works and supplies for drinking water supply to the town. Works and supplies: Int. tender conditional upon provisional finance launched in October 83. Work supervision: DOXIADIS (GR). Projet in execution. 5th EDF.

Improvement of the Jimilimé Region (Anjouan). Resp. Auth.: Ministère de la Production et des Industries Agricoles. 1.482 mECU. Works, supplies and T.A. Feeder roads, buildings, nurseries, vehicles, tools. T.A.: An agronomist. Project in execution. 5th EDF.

★ **Soil and plantations protection and rehabilitation in the Domoni Region (Anjouan).** Special programme hunger. Project on appraisal. Date foreseen for financial decision December 84.

CONGO

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

Revitalization and improved use of the doum palm plantations. Resp. Auth.: Ministère de l'Agriculture et du Dév. Rural. Estimated cost 0.750 mECU. 1st stage: study for preserving and making better use. After the study a pilot programme to improve project. Date financial decision December '83. Only for the study 0.200 mECU. Special programme hunger.

Administrative training centre. Resp. Auth.: Ministère de la Fonction Publique. Construction of two buildings. Estimated cost 0.560 mECU. Cofinanced by EDF and France. EDF 0.270 mECU. Works and supplies. Works by int. tender. Date financial decision October 84. 5th EDF.

DOMINICA

Crop diversification project. Resp. Auth.: Ministry of Agriculture. Estimated cost 0.547 m ECU. Continuation of essential oils programme. Works, supplies and T.A. Project on appraisal. Date foreseen for financial decision 1st quarter 85. 5th EDF.

Lime Rehabilitation Project. Resp. Auth.: Ministry of Agriculture. 0.560 mECU. Project in execution. 5th EDF.

EQUATORIAL GUINEA

Rural interventions. Project stage: identification. 5th EDF.

Rural development in the Bata district. Resp. Auth.: Ministère de l'Agriculture, de l'Elevage et du Dév. Rural, Ministère de la Santé. 1.350 mECU. Project on appraisal. Study by BDPA (F). Date foreseen for financial decision December 84. 5th EDF.

★ **Rebuilding of two bridges over Tiburones and Alena in the Bioko Island.** Resp. Auth.: Ministère des Travaux Publics et des Constructions Civiles. Estimated cost 0.800 mECU. Works by acc. tender. Tender dossier by Peter Fraenkel (UK). Project on appraisal. Date foreseen for financial decision 1st quarter 85. 5th EDF.

ETHIOPIA

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 '84. T.A.: GOPA (D). Project in execution. 4th EDF.

Coffee improvement (phase 2). Resp. Auth.: Ministry of Coffee and Tea Development. 27.2 mECU. Works, supplies. T.A.: Short-list already drawn-up. Int. tender for fertilizer, insecticides in '84. Project in execution. 5th EDF.

Construction and equipment of one agricultural research station in Gondar and Gojam. Resp. Auth.: Institute of Agricultural Research (I.A.R.). 2 mECU. Construction and equipping the station. Works: acc. tender. Supplies by direct agreement. Date financial decision December '83. Special programme hunger.

★ **Construction and equipment of one agricultural research station in Bale-Arsi.** Resp. Auth.: Institute of Agricultural Research (I.A.R.). Special programme hunger. Project on appraisal. Date foreseen for financial decision December 84.

FIJI

Forestry Logging Training School. Resp. Auth.: Ministry of Forest. 0.400 mECU. Constructions and supply of equipment. Works by direct labour. Supplies: int. tender. Project in execution. 5th EDF.

GABON

Mini power-stations in Ovan and Mbigou. Resp. Auth.: Ministère de l'Energie et des Ressources Hydrauliques. Estimated total cost 3 mECU. EDF 2 mECU and EIB (possibly) 1 mECU. Construction and supply of equipment. Ovan: 99 KW, Mbigou 225 KW. Project on appraisal. 5th EDF.

Line of credit to S.M.E. Resp. Auth.: Secretariat d'Etat aux P.M.E. Estimated cost 0.500 mECU. Intervention for semi-industrial and artisanal fishery. Project on appraisal. Date foreseen for financial decision November 84. 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, 4th quarter 1984. 4th EDF.

GHANA

Central and Accra Regions Rural Integrated Programme (CARRIP). Resp. Auth.: Ministry of Finance and Economic Planning. Prefeasibility study for potential projects within the two regions, with the aim of improving the food situation in Accra and other coastal towns. Halcrow-U.L.G. (UK). Study: rehabilitation irrigation project: HEDESELSKABET (DK). 5th 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.

Ghana Commercial Bank (GCB). Small-Scale Farmers' Scheme. Resp. Auth.: Agricultural Finance Department of GCB. 0.847 mECU. Stabex 81. Purchase of tractors, vehicles and rice hullers. Int. tender and direct agreements. Project in execution. 5th EDF.

Ghana Cocoa Marketing Board. Vehicle Workshop. Resp. Auth.: Cocoa Marketing Board. (CMB) 2.936 mECU. Stabex 81, Completion and construction of workshops. Supply of equipment and T.A. Works by acc. tender. Supplies: int. tender. T.A.: direct agreement. Project in execution. 5th EDF.

Second Line of Credit to the National Investment Bank (NIB). Resp. Auth.: Development Service Institute of NIB. 2.9 mECU. T.A. and supply of equipment. Project in execution. 5th EDF.

Assistance to Ghana Stone Quarry and Kas Products Ltd. Resp. Auth.: Bank for Housing and Construction. 1.670 mECU. Stabex 81. Equipment and spare parts. Project in execution. 5th EDF.

Line of Credit to the Agricultural Development Bank. Resp. Auth.: Agric. Dev. Bank (ADB) 6mECU. Purchase of marine diesel engines, spare parts, fishing net, and T.A. Project in execution. 5th EDF.

★ **Agricultural Rehabilitation through the Rural Banks Scheme. Phase II.** Supply of equipment to small scale farmers and fishermen. T.A. Estimated cost 8.760 mECU. Project on appraisal. Date foreseen for financial decision January 85. 5th EDF.

★ **Supplementary finance for Twifo Oil Palm Development.** Resp. Auth.: Twifo Oil Palm Plantation Ltd. (TOPP). 5.043 mECU. Infrastructure, housing construction by direct labour. Supply of crop inputs, vehicles, tractors and T.A. Project on appraisal. Date foreseen for financial decision December 84. 5th EDF.

★ **Supply of materials and equipment for increasing food production and reducing post-harvest losses.** Estimated cost 2.660 mECU. Special programme hunger. Project on appraisal. Date foreseen for financial decision December 84.

GRENADA

Eastern main road rehabilitation. Phase 2. Repairing and strengthening of a section of the circular road. Estimated cost 1.5 mECU. Project in execution. 5th EDF.

Hillsborough jetty. Resp. Auth.: Ministry of Public Works. 0.357 mECU. Construction of a jetty for goods and passenger handling. 5th EDF.

Rehabilitation of the Grenville nutmeg factory. Resp. Auth.: Ministry of Agriculture. Stabex 81. 0.043 mECU. Works by direct labour. Project in execution. 5th EDF.

Institute for further education. Resp. Auth.: Ministry of Education. Renovation and new construction. Supply of equipment. 0.450 mECU. Date financial decision October 84. 5th EDF.

Tourism promotion. Resp. Auth.: Tourism Department. 0.110 mECU. Printing of brochures, leaflets, dias and supply of equipment. Date financial decision October 84. 5th EDF.

GUINEA

Land development in Kankan and Labé regions. Phase II. Resp. Auth.: Ministère de l'Agriculture et des F.A.P.A. Valuation: Mac Donald and Partners (UK). Project on appraisal. 5th EDF.

New energy research and test. Resp. Auth.: Ministère de l'Energie et du Konkourè. Study on hand by A.I.D.R. (B). 5th EDF.

Rural development of the Kankan-Siguiri Region. Resp. Auth.: Ministère de l'Agriculture, des Eaux, Forêts et FAPA. 6.350 mECU. Rural infrastructure, supply of rural inputs, equipment, vehicles and T.A. T.A.: CFDT (F). Project in execution. 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. and complementary equipment for the "Institut Polytechnique Secondaire Maritime" (IPS) in Conakry. Resp. Auth.: Ministère de l'Enseignement Moyen et de la Formation Professionnelle. T.A. and equipment by restr. tender after prequalification. Prequalification done. 1.260 mECU. Project in execution. 5th EDF.

Ignace Deen hospital renovation in Conakry. Resp. Auth.: Ministère de la Santé Publique. 5 mECU. Works and supplies by int. tender. Works supervision by direct agreement. Project in execution. 5th EDF.

GUINEA BISSAU

Health infrastructures. Resp. Auth.: Commissariat d'Etat au 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 2nd half 84. T.A.: Ass. Engineers (I). Project in execution. 5th EDF.

North-East forestry development. Resp. Auth.: Commissariat général au développement rural. Study under way by Atlanta (D). 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. Date foreseen for financial decision 1st quarter 85. 5th EDF.

Reconditioning of 3 self-propelled ferries. Resp. Auth.: Gov. of G.B. 0.390 mECU. Supplies by direct agreement. Training. Project in execution. 4th EDF.

GUYANA

Sysmin. Bauxite Advance. 3 mECU. Spare parts supply by direct agreement and study on the European market. Date financial decision October 84. 5th EDF.

IVORY COAST

Coffee-shrub regeneration programme. Resp. Auth.: Ministère de l'Agriculture and SATMACI. ±7.7 mECU. Stabex 81. Supply of equipment, fertilizers and pesticides. Project on appraisal. Date foreseen for financial decision November 84. 5th EDF.

★ **Prawn farming pilot farm.** Resp. Auth.: Ministère du Dév. Rural. Estimated total cost 1.405 mECU. Works, supplies, T.A. and training. Project on appraisal. 5th EDF.

JAMAICA

Board of Revenue — revenue information system. Resp. Auth.: Govt of Jamaica. 3.26 mECU. Reorganization of the administration and preparation of the Revenue Information System. Supplies and T.A. Int. tender for supplies foreseen in 4th quarter '84. Supervision of project: X-TRA Consult. (B). Project in execution. 5th EDF.

Citrus fruit production improvement. Resp. Auth.: Ministère de l'Agriculture. Estimated cost 3.5 mECU. Equipment, training and T.A. Credit line. T.A.: Short-list already drawn-up. 5th EDF.

Coffee development. Resp. Auth.: Ministry of Agriculture. Estimated total cost 3.7 mECU. EDF 3.5 mECU. Local 0.2 mECU. Supply of equipment, T.A. and credit line. Project on appraisal. Date foreseen for financial decision October 84. 5th EDF.

"Public Health Laboratory Services". Construction and supply of equipment for a new laboratory in Kingston. Training. Estimated total cost 5.230 mECU. EDF 4.900 mECU. Local 0.300 mECU. Project stage: identification. 5th EDF.

Scientific Research Council (SRC). Resp. Auth.: SRC 0.650 mECU. Supply of equipment, T.A. and training. Project in execution. 5th EDF.

Bee-keeping Development Project. Resp. Auth.: Ministry of Agriculture. Estimated cost 1.4 mECU. Supply of vehicles, T.A. and line of credit. Project on appraisal. 5th EDF.

KENYA

Eldoret Polytechnic. Estimated cost. 6 mECU. Construction, supply of equipment (pedagogical) and T.A. Preliminary Plan Study: Hughes & Polkinghorne (ACP). Project on appraisal. 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 launched in September 84. T.A.: direct agreement. 5th FED.

Turkwell hydro-electric project. Resp. Auth.: Ministry of Energy. Feasibility study and final study design: PREECE CARDEW RIDER (UK). Project on appraisal. 5th EDF.

Machakos Integrated Development Programme. Phase II. Resp. Auth.: Ministry of Finance and Planning (MFP). 15.2 mECU, EDF part. Local 6.5 mECU. Works, supplies and T.A. Int. tender for insectides launched in October 84. Project in execution. 5th EDF.

Bura Management II. T.A. for the management of the Bura Irrigation and Settlement Scheme. (West Bank of the Lower Tana). 1.55 mECU. Date financial decision October 84. 5th EDF.

Strengthening of existing facilities for research in the field of public health. Construction of a laboratory by int. tender. Work supervision by direct agreement. 1 mECU. Project on appraisal. Date foreseen for financial decision October 84. 5th EDF.

LESOTHO

Primary School Development Project Extension. Resp. Auth.: Ministry of Works and Ministry of Education. 0.307 mECU. Works by acc. tender. Supplies by direct agreement. Project in execution. 4th EDF.

LIBERIA

Coffee and cocoa development project at Zwedru and Plahn. Resp. Auth.: Ministry of Agriculture 5.7 mECU, EDF 2.9 mECU, Local 2.8 mECU. To develop 980 hectares of robusta coffee and 1 320 hectares of cocoa in Grand Gedeh and Sino counties. Works by acc. tender. — Supplies by int. tender in '84. Project in execution. 4th EDF.

Buto oil palm. Phase II. Resp. Auth.: Ministry of Agriculture. 5.3 mECU. Continuation of the existing project in connection with the construction of an oil mill. T.A. and supply of equipment. Project on appraisal. Date foreseen for financial decision October 84. 5th EDF.

Improving agricultural training in the Rural Development Institute (R.D.I.). Resp. Auth.: Ministries of Agriculture and Education. 0.880 mECU. Works, supply of equipment and training. Project in execution. 5th EDF.

Development of Harper Port. Resp. Auth.: National Port Authority. Rehabilitation and fendering of the existing jetty, dredging in the harbour basin, services. Int. tender (conditional) with prequalification foreseen in November 84. Project on appraisal. 5th EDF.

Rural Water Supply. Resp. Auth.: Ministry of Rural Dev. Estimated cost 2.5 mECU. Project on appraisal. 5th EDF.

MADAGASCAR

Intermediate level health infrastructure strengthening. Resp. Auth.: Ministère de la Santé. Estimated total cost 4.820 mECU. Works, supply of equipment, training and T.A. T.A.: SEMA (F) SERDI (ACP). Project in execution. 5th EDF.

Supply of equipment for rural and road transport. Resp. Auth.: Ministère des Transports du Ravitaillement et du Tourisme (MTRT). Cofinancing with CCCE (F), KFW (Germany) and World Bank. Estimated total cost 17.828 mECU. EDF part 2.2 mECU. Project on appraisal. Date foreseen for financial decision October 84. 5th EDF.

Ankaramena — Jhosy Road. Resp. Auth.: Ministère des T.P. Estimated cost 4.8 mECU. Reinstatement of 52 km. Works and supervision. Works by int. tender (conditional) launched in September 84. Project on appraisal. 5th EDF.

Rehabilitation of «Centre Semencier Riz» in Marofarihy. Resp. Auth.: Ministère de la Production Agricole et de la Réforme Agraire. Estimated total cost 1.875 mECU. EDF 1.570 mECU. Works, supply of equipment and training. Date foreseen for financial decision December 84. Project on appraisal. 5th EDF.

★ **Assistance to the malagasy handicrafts industry.** Resp. Auth.: Ministère de l'Industrie. Estimated cost 1 mECU. Supply of row materials for handicrafts by int. tender. Project on appraisal. Date foreseen for financial decision December 84. 5th EDF.

★ **Food strategy. Priority measures.** Special programme hunger. Project on appraisal. Date foreseen for financial decision November 84.

MALAWI

Salima Lakeshore Agricultural Development Division (SLADD) Phase IV. Resp. Auth.: Ministry of Agriculture. Estimated cost: 19.1 mECU. EDF 9.5 mECU. Local 9.6 mECU. Works, Supplies and T.A. Project in execution. T.A.: restr. tender, short-list drawn up. 5th EDF.

Central and northern region fish farming development, training and research. Resp. Auth.: Ministry of Agriculture. Estimated cost: 3 mECU. Works, supplies, T.A. Project on appraisal. 5th EDF.

Strategic fuel reserve. Resp. Auth.: Economic Planning Division. OPC. 4.2 mECU. Construction of tanks farm for gasoil, petrol, ethanol. Associated infrastructure and equipment. T.A. Project on appraisal. 5th EDF.

Small Enterprise Development Organisation of Malawi (SEDOM) — Phase II. Resp. Auth.: Sedom secretariat. Estimated total cost 5.4 mECU. Works by direct labour. Supply of vehicles and equipment by int. tender in '85. T.A. end '84. Project on appraisal. 5th EDF.

Ntchisi Project Area. Phase II. Resp. Auth.: Ministry of Agriculture. Estimated total cost 6.4 mECU. EDF 3.6 mECU, local 2.8 mECU. Works, supplies and operating costs. Project on appraisal. Date foreseen for financial decision December 84. 5th EDF.

MALI

Strengthening of sanitary infrastructure in the Nioro region. Resp. Auth.: Ministère de la Santé et des Affaires Sociales et Ministère des Transports et T.P. 2.570 mECU. Buildings, equipments, training. Architectural and technical studies: GOUSIER (F). T.A.: Short-list already drawn up. 4th EDF.

Refrigerated slaughterhouse in Bamako (Rehabilitation Project). Resp. Auth.: Ministère du Dév. Rural. 1 mECU. Renovation and purchase of equipment and machinery. To purchase 6 refrigerated vans int. tender. The rest, acc. tender and direct agreement. Project in execution. 5th EDF.

★ **Geological and mining research. Western Mali 1.** Resp. Auth.: Direction Nationale de Géologie et des Mines (DNGM)). Estimated cost 7.3 mECU. Geological and mining mapping, gold mine research by boring, supply of laboratory equipment. Geological mapping by restr. tender. Boring by int. tender. Supervision of works by direct agreement. Equipment by int. tender. Project on appraisal. Date foreseen for financial decision December 84. 5th EDF.

★ **Support to the food strategy. Phase II.** Project on appraisal. Special programme December 84.

★ **Support to the reafforestation programme and to the fuel-wood saving programme. Phase II.** Project on appraisal. Special programme hunger. Date foreseen for financial decision December 84.

MAURITANIA

Extension of Kaëdi regional hospital. Resp. Auth.: Ministère de l'Equipement. 1.925 mECU. Construction, equipment and TA for Kaëdi hospital (100 beds). Works under way. Medical-technical equipment int. tender, foreseen end 84 or 1st quarter 85. Project in execution. 4th and 5th EDF.

Small dams construction in the Hodhs region. Resp. Auth.: Ministère du Développement rural. Estimated cost 2 mECU. Study under way. Binnie and Partners (UK). Project on appraisal. Project stage: identification. 5th EDF.

Nouakchott Wharf. Resp. Auth.: Ministère de l'Equipement et des Transports. Estimated cost 1.6 mECU. Maintaining, equipment and repairing. Project in execution. 5th EDF.

Aioun El Atrouss hospital. Resp. Auth.: Ministère de l'Equipement. 1.050 mECU. Renovation and supply of equipment for 3 buildings. Works by acc. tender. Supplies by int. tender. Project on appraisal. 5th EDF.

"Centre de Formation Professionnelle Maritime de Nouadhibou (C.F.D.M.). Resp. Auth.: Ministère de l'Equipement. 2.5 mECU. Construction, supply of equipment and purchase of a wooden-trawler, T.A. Project on appraisal. Date foreseen for financial decision November 84. 5th EDF.

Supply of drilling equipment. Resp. Auth.: Ministère de l'Hydraulique et de l'Energie. Direction de l'Hydraulique. 0.943 mECU. Supply and installation by direct agreement. T.A.: by direct agreement. Project in execution. 5th EDF.

★ **Incentive fund for fisheries.** Resp. Auth.: Fonds National du Dév. (FND). 0.800 mECU. Amount available to constitute the fund. Project on appraisal. Date foreseen for financial decision October 84.

★ **Renewing of the "Reafforestation Fund".** Project on appraisal. Special programme hunger. Date foreseen for financial decision December 84.

MAURITIUS

Development of Ile Rodrigues. Resp. Auth.: Ministry of Agriculture. 3 mECU. Development centred on agricultural production. Economical and technical study, on the way. T.A.: Luxconsult (Lux.). 5th EDF.

Phoenix — Nouvelle France Road. Resp. Auth.: Ministère du Plan et du Dév. Ministère de Finances. Total estimated cost 14 mECU. EDF $\pm$8.5 mECU, FAC(F) $\pm$2.6 mECU, Local $\pm$2.9 mECU. Upgrading of the road. EDF part: works by int. tender. Tender dossier: SETEC (F). Project on appraisal. Date foreseen for financial decision October 84. 4th and 5th EDF.

Cold stores for onions. Resp. Auth.: Ministry of Economic Planning. Estimated cost $\pm$2.5 mECU. Cold stores for 1 500 T of onions. Int. tender dossier definition: Berlin Consult (D). T.A.: by direct agreement. Works and supplies: int. tender with competition (conditional) launched in October 84. Project on appraisal. 5th EDF.

NIGER

Air Valley development. Resp. Auth.: Ministère du Dév. Rural. Estimated cost 2.052 mECU. Hydro-agricultural works. Construction and equipping of wells. Equipping and operation of nurseries. T.A. and training. Works and equipment: int. tender. Date financial decision October 84. 5th EDF.

Rural health programme. Resp. Auth.: Ministère de la Santé Publique et des Affaires Sociales. 4.5 mECU. Construction of a medical centre in Mirria and 14 rural dispensaries, supply of equipment and T.A. Works: acc. tender. Supply of equipment, medicines, vehicles and motor-cycles: int. tender. T.A.: restr. tender short-list done. Project in execution. 5th EDF.

Reconstruction of the « Grand Marché » in Niamey. Resp. Auth.: Ministère des Travaux Publics. Estimated total cost 16 mECU. EDF 10 mECU, C.C.C.E. (F) 6 mECU. Study: Kalt-Pouradier (ACP). Works by int. tender foreseen end 84. Project on appraisal. Date foreseen for financial decision October 84. 4th and 5th EDF.

Hydro-agricultural development of Daibery. Resp. Auth.: Ministère du Dev. Rural. Estimated cost 9.6 mECU. Feasibility study: Belgroma (B). Works : int. tender (conditional) launched in October 84. Project on appraisal. Date foreseen for financial decision December 84. 5th EDF.

★ **Training for Cooperatives.** Resp. Auth.: Ministère du Dév. Rural. Estimated cost 0.800 mECU. T.A. and supply of equipment. T.A. by restr. tender. Supplies by int. tender or direct agreement. Project on appraisal. 5th EDF.

★ **Revolving fund for the O.P.V.N.** Special programme hunger. Project on appraisal. Date foreseen for financial decision November 84.

★ **Renewing of the "Reafforestation Fund».** Special programme hunger. Project on appraisal. Date foreseen for financial decision November 84.

NIGERIA

Kaduna afforestation project. Resp. Auth.: Federal Department of Forestry. 9.4 mECU. Works, supplies and T.A. Project on appraisal. Date foreseen for financial decision November 84. 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.

Magi highway. Resp. Auth.: Department of Transport. 3.5 mECU. Upgrading and sealing of a road section. Works: int. tender foreseen 2nd half '84. 5th EDF.

Huris Grasslands cattle ranch and cocoa Project. Resp. Auth.: Department of Primary Industry. 1.460 mECU. Works, supplies, T.A. and training. Project in execution. 5th EDF.

Trade Promotion Programme. Resp. Auth.: Trade and Investment Promotion Branch and Chamber of Commerce and Industry. 0.350 mECU. Project in execution. 5th EDF.

Diesel Power Replacement Programme. Resp. Auth.: Electricity Commission (ELCOM). Estimated cost 4.850 mECU. 4 small hydroelectric power plants with transmission lines extensions from existing grids. Project on appraisal. 5th EDF.

RWANDA

Bugesera water supply. Resp. Auth.: Ministère du Plan. Construction of a drinking-water network in Bugesera. Works : int. tender launched in October 84. Supervision : short-list already drawn-up. Project on appraisal. 5th EDF.

Development of Zaïre Nil Crest. Resp. Auth.: Ministère de l'Agriculture 13.8 mECU. Development of agricultural production and social-economic infrastructure. T.A. : INSTRUPA (D). Supply : int. tender in '84. Project in execution. 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.: GOPA (D). Project in execution. 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.: CARL BRO (DK). Project in execution. 5th EDF.

Food strategy — Priority measures. Resp. Auth.: Government. 4 mECU. Construction of 4 warehouses for OPROVIA. Construction and equipping of stores, purchase and stocking of sorghum. Supply of equipment, T.A. and training. Works by direct labour or acc. tender. Supplies by int. tender or direct agreement. T.A. and training by direct agreement. Date financial decision December '83. Special programme hunger.

Mapping, soil prospection and utilization. Works by restr. tender. Project on appraisal. Short-list foreseen in January 85. Special programme hunger.

★ **Development of the small scale tin industry.** Resp. Auth.: Ministère de l'industrie, des mines et de l'artisanat. 6.6 mECU. Sysmin. Works, supplies, training and T.A. Project on appraisal. Date foreseen for financial decision October 84. 5th EDF.

★ **Food strategy. Priority measures (continuation).** Estimated cost 3 mECU. Special programme hunger. Project on appraisal. Date foreseen for financial decision December 84.

ST. CHRISTOPHER AND NEVIS

Nevis Water Supply Project. Resp. Auth.: Ministry of Works 0.6 mECU. Installation of storage tank and piping. Project on appraisal. 5th EDF.

Electricity Supply Project. Resp. Auth.: Electricity Dept. Estimated cost 1.540 mECU. Upgrading electricity supply system. Project on appraisal. Date foreseen for financial decision December 84. 4th and 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.

Tourism development project. Resp. Auth.: Department of Tourism. 0.120 mECU. Preparation of promotion material and training. Project on appraisal. 5th EDF.

Rural drainage project. Resp. Auth.: Department of agriculture. Estimated cost 1.6 mECU. Study to define the project: Huntings (UK). Project on appraisal. Date foreseen for financial decision October 84. 5th EDF.

ST VINCENT AND GRENADINES

Livestock development project. Resp. Auth.: Ministry of Agriculture. 0.415 m ECU. Works, equipment and supply of vehicles. T.A. : shortlist already drawn up. Project in execution. 5th EDF.

Tourism development project. Resp. Auth.: Department of Tourism. 0.125 mECU. Upgrading Department of Tourism and preparation of promotion material by CEGOS (F). 5th EDF.

SENEGAL

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: AGIP-AFOR (I). Equipments: int. tender in 84. 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.: Deutsche Forstinventur Service (D). Project in execution. 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.

Noirot Bridge at Kaolack. Resp. Auth.: Direction Générale Travaux Publics. Estimated cost 2.5 mECU. Existing bridge replacement with a new. T.A.: to prepare technical dossier for an int. tender with competition. Int. tender launched in May '84. T.A. : Bureau Obermeier (D). Project on appraisal. Date foreseen for financial decision October 84. 5th EDF.

Continuation of cereals-growing development in agricultural areas. Resp. Auth.: Ministère du Dév. Rural-Société des Terres Neuves. Estimated cost 2.2 mECU. Works (roads, drillings, wells) supply of fertilizers, building materials and T.A. Project in execution. 5th EDF.

Podor rural irrigated areas. Phase II. Resp. Auth.: Ministère du Dév. Rural. Société d'aménagement du Fleuve Sénégal et de la Falémé (S.A.E.D.). Estimated cost 2.4 mECU. Works by direct labour. Supply of motor-pumps by int. tender. Project on appraisal. Date foreseen for financial decision December 84. 5th EDF.

Consolidation of the livestock development programme. Resp. Auth.: SODESP. Estimated cost 1.6 mECU. Study on the way by BESSEL Ass. (UK). 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. Project in execution. 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). 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. T.A.: Short-list already drawn up. 5th EDF.

Economical study of the Sambamba-Kabala Road. Short-list already drawn up. Project stage: identification. 5th EDF.

Buildings for Njala University College (N.U.C.). Resp. Auth.: Ministry of Education. 2.5 mECU. Construction of academic block and student hostel, supply of equipment and work supervision. T.A.: OLU WRIGHT ASS. (ACP). 5th EDF.

Rubber development project. Resp. Auth.: Ministry of Agriculture and Forestry. Estimated cost 5 or 6 mECU. Project on appraisal. 5th EDF.

Rehabilitation of the Telecommunications Network. Resp. Auth.: Post and Telecommunications Dept. Estimated cost ±3.5 mECU. Project on appraisal. 5th EDF.

SOLOMON ISLANDS

Coconut industry development project. Resp. Auth.: Ministry of Land and Natural Resources. Study on hand. Project stage: identification. 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. 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.: short list already drawn up. Land improvement works and estate infrastructure: contracts awarded. Supplies: int. tender in '84. 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, Kuwait 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 223 000 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: Int. tender for site prospection launched in February 84. 5th EDF.

Mogadishu Institute of Statistics. Resp. Auth.: Ministry of Public Works. Estimated cost: 1 mECU. Supply: int. tender in 85. Project on appraisal. 4th 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. Study for frankincense and myrrh by INRA (F) TDR (UK). 5th EDF.

"Aula Magna" Mogadishu National University. Resp. Auth.: Ministry of Public Works. ±2.5 mECU. Project on appraisal. 4th EDF.

Upgrading of the road Afgoi-Shalambok-Goluen. Resp. Auth.: Ministry of Public Works. Works by int. tender in 85. Supervision of works. Studies:: OLU WRIGHT ASS. (ACP). Project on appraisal. 5th EDF.

★ **Grapefruit Development Project.** Resp. Auth.: Ministry of Agriculture. 3.8 mECU. Works supply of vehicles, equipment and rural inputs. T.A. Project on appraisal. Date foreseen for financial decision December 84. 5th EDF.

★ **Food Early Warning System.** Resp. Auth.: Ministry of Agriculture. Estimated total cost 4 mECU. EDF ±3.1 mECU. Supply of meteorological and office equipment and T.A. Project on appraisal. 5th EDF.

SUDAN

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^2 each) dining hall and kitchen (360 m^2), 3 college buildings (1 850 m^2), 21 staff houses (each 170 m^2). Works including infrastructure for water, sewerage and electricity: int. tender launched September '82. Equipment: int. tender in 1984. Supervision of works: HAMDI GROUP (ACP). Project in execution. 4th EDF.

Port Sudan-Hayia railway. Resp. Auth.: Sudan Railway Corporation. Expertise: KAMPSAX (DK). 4th EDF.

Magwe — Upper Talanga feeder road. Resp. Auth.: Ministry of Finance and Economic Planning. 1.170 mECU. Rehabilitation and regravelling of existing roads and construction of feeder roads. Preparation of the tender dossier: GITEC (D). Project in execution. 5th EDF.

★ **Rural water supply in the West.** Special programme hunger. Project on appraisal. Date foreseen for financial decision December 84.

SURINAME

Rice project at Coronie. Resp. Auth.: Ministerie van Landbouw, Veeteelt, Visserij en Bosbouw. 7.650 mECU. Rice production developments. T.A. short-list already drawn up. 3rd and 5th EDF.

LTS — Geyersvlijt. Resp. Auth.: Public Works Department. Construction of school building. Lower level technical education. Estimated cost 2.8 mECU. Int. tender launched in September 84. Project in execution. 3rd EDF.

Biomass energy project at Wageningen. Resp. Auth.: Government. Installation of an energy generator on the basis of rice husks. Project stage: identification. 5th EDF.

Artificial Insemination Project. Resp. Auth.: Ministry of Agriculture, Fisheries 0.7 mECU. Building of a new station and provision of equipment and material. Project on appraisal. 5th EDF.

★ **Rehabilitation of the road Burnside-Wageningen.** Resp. Auth.: Ministry of Finance and Planning. Estimated total cost 5.5 mECU. Study to be done: technical methods for the implementation of the project. Short-list foreseen in October-November 84. Project on appraisal. 4th and 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. Study and works supervision: short-list already drawn up. Project in execution. 5th EDF.

Teacher training colleges; Ngwane, Pigg's Peak. Resp. Auth.: Ministry of Works. 7.4 mECU. Extension for Ngwane and new construction for Pigg's Peak. Supply of equipment and T.A. to prepare tender dossier and site supervision. For Ngwane acc. tender, for Pigg's Peak int. tender. Supplies: int. tender. T.A.: Cusdin, Burden and Howitt (ACP). Project in execution. 5th EDF.

Rural Development Areas Programme. Phase II. Resp. Auth.: Ministry of Agriculture. Estimated Cost 3.3 mECU. EDF 3 mECU, local 0.300 mECU. Farming inputs, T.A. and training. Project on appraisal. Date foreseen for financial decision 1st quarter 85. 5th EDF.

Smallholders Support Project, Credit and Marketing. Resp. Auth.: Ministry of Agriculture. 3.550 mECU. Works, supplies, Line of credit, T.A. and training. Project on appraisal. Date foreseen for financial decision December 84. 5th EDF.

TANZANIA

Lusahunga-Bukombe road. Resp. Auth.: Ministry of Works. 20 mECU EDF part. Bitumen road of 127 km. Works: Int. tender foreseen 2nd half '84. Supervision of work: GITEC (D). Search for co-funding. 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^2. Equipment: int. tender with possibility of direct agreement depending on nature of supply. Supplies: direct agreement, all in '84. 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 '84. Supplies: int. tender in '84. Supervision of works: G.W.E. (D). 5th EDF.

Fuel-wood substitution programme. Resp. Auth.: Government. 1 mECU. Date financial decision December '83. Special programme hunger.

Coffee Development Programme. Phase II. Resp. Auth.: Ministry of Agriculture. Continuation and consolidation of the Phase I. EDF 9.5 mECU. Supplies: int. tender launched in July 84. Date financial decision October 84. 5th EDF.

TOGO

Provisions improvement for Agou oil palm plant. Resp. Auth.: Ministère du Développement Rural. EDF 5 mECU. Project on appraisal. 5th EDF.

Draught animal farming development. Resp. Auth.: Ministère du Développement Rural. Estimated total cost 2.300 mECU. EDF 0.700 mECU. US aid 1.275 mECU. Local 0.325 mECU. Supply of equipment and T.A. Creation of a revolving fund. T.A.: Short-list for restr. tender already made. Project in execution. 5th EDF.

Enquiry into consumer expenditures. Resp. Auth.: Ministère du Plan, de l'Industrie et de la Réforme Administrative. Estimated total cost 1.3 mECU. EDF 1 mECU, Local 0.3 mECU, T.A. to produce, collect and treat statistical data, training and supply of equipment. Project on appraisal. Date foreseen for financial decision November 84. 5th EDF.

TONGA

Supply of a dredger. Resp. Auth.: Ministry of Works. Estimated cost 0.500 mECU. Technical study: EUROCONSULT (NL). Int. tender foreseen 2nd half '84. Project on appraisal. 5th EDF.

Faua Fisheries Harbour. Resp. Auth.: Ministry of Works. Estimated cost 3.3 mECU. Construction of a new fisheries harbour, repair yards, fish market and wholesale store with ice-making equipment. Int. tender for the supply of sheet steel piles launched in November 83 (conditional). Supply of cooling and ice equipment int. tender in 84 or 85. Works by direct labour. Project in execution. 5th EDF.

TRINIDAD AND TOBAGO

Training programme, health sector. Resp. Auth.: Ministry of Health and Environment. 1.2 mECU. Training awards, laboratory equipment (sound-meters, chemical chromatographs, spectrometers) by int. tender. Short-term T.A. to coordinate and establish new laboratory. Project in execution. 5th EDF.

TUVALU

Coastal protection project. Resp. Auth.: Ministry of Works. 0.379 mECU. Works, supplies and supervision of works. Int. tender for supplies launched in October 84. Date financial decision October 84. 5th EDF.

Low voltage distribution. Resp. Auth.: Tuvalu Electricity Authority 0.305 mECU. Extension of the LV distribution network. Supply and installation of transformers by int. tender launched in October 84. . Date financial decision October 84. 5th EDF.

UGANDA

Rural health programme. Resp. Auth.: Ministry of Health and Ministry of Local Government. 3.1 mECU. To improve health care in rural areas. Project on appraisal. Date foreseen for financial decision November 84. 4th and 5th EDF.

Kampala water supply rehabilitation. Phase II. Resp. Auth.: Ministry of Lands, Minerals and Water Resources. 5.27 mECU. Works, supplies and supervision. T.A. Project in execution. Int. tender for supplies launched in October 84. 5th EDF.

Kampala-Masaka Road. 2nd section. Upgrading of the road over 60 km. Study: short-list done. Estimated cost 0.200 mECU. Works by int. tender foreseen in November 84 (conditional). Estimated cost 10 mECU. Project on appraisal. 5th EDF.

Conservation of natural resources. Resp. Auth.: National Board of Trustees of the Uganda National Parks. Estimated cost 3.1 mECU. Works, supply of equipment, training and T.A. Project on appraisal. Date foreseen for financial decision October 84. 4th EDF.

★ **Line of credit to the Uganda Commercial Bank. UCB.** Resp. Auth.: UCB. 4.3 mECU. Line of credit, training and T.A. Project on appraisal. Date foreseen for financial decision December 84. 5th EDF.

★ **Support to the mining research.** Estimated cost 0.900 mECU. Project on appraisal. 5th EDF.

VANUATU

Village fisheries, Research and development. Resp. Auth.: Fisheries Department. 0.600 mECU. Promotion and improvement of artisanal fishing. Project in execution. 5th EDF.

ZAIRE

Akula-Gemena road. Resp. Auth.: Commissariat aux Travaux Publics. 11.6 mECU. Upgrading and asphalting of the road (115 km). Project on appraisal. Int. tender (conditional) launched in May 84. Date foreseen for financial decision October 84. 5th EDF.

Kalemie port rehabilitation. Resp. Auth.: Département des Transports et Communications. 6.5 mECU. 2 Int. tenders (conditional) launched in March 84.Works and supplies. Project on appraisal. Date foreseen for financial decision November or December 84. Regional project. 5th EDF.

Banana deep water port. Resp. Auth.: Département des Transports et Communications. Economic and financial evaluation: SEMA (F). 5th EDF.

Butembo-Beni hydro-electrical development. Preliminary study done by Tractionnel (B) on local funds. Detailed economic and technical studies: WLPU (UK). Project on appraisal. 5th EDF.

T.A. to the SME in the Shaba district. Resp. Auth.: Association Nationale des Entreprise du Zaire (ANEZA). Industrial and trade promotion. 0.559 mECU. Date financial decision October 84. 5th EDF.

ZAMBIA

Animal vaccine unit production. Laboratory construction. Supply of equipment and T.A. Estimated cost 3.79 mECU. EDF 3 mECU, local 0.79 mECU. T.A.: short-list already drawn up. 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.

★ **Animal health improvement.** Special programme hunger. Project on appraisal. Date foreseen for financial decision December 84.

ZIMBABWE

Rural clinics. Resp. Auth.: Ministry of Health. 4.5 mECU. Construction and equipment of 64 rural clinics and 128 staff houses. Works: direct labour. Equipments: int. tender 2nd half 84. (Non associated dev. countries budget).

Rural water supply — accelerated programme for drought relief in Victoria Province. Resp. Auth.: Ministry of Water Resources and Development. Total cost 3.9 mECU. EDF 2.5 mECU. EDF part: drilling and linings. Works: short-list done. Project in execution. 5th EDF.

Small-holder Coffee and Fruit Development Programme. Resp. Auth.: Ministry of Lands, Resettlement and Rural Development. Estimated total cost 5.85 mECU. EDF 4.2 mECU, local 1.65 mECU. Date foreseen for financial decision October 84. Project on appraisal. 5th EDF.

Overseas Countries and Territories (OCT)

ANGUILLA

Road Bay jetty and port facilities. Resp. Auth.: Gov. of Anguilla and British Development Division (Barbados). 0.659 mECU. Expertise for technical and economic appreciation and to prepare designs and tender documents. Short-list already drawn up. Project on appraisal. Date foreseen for financial decision November 84. 5th EDF.

NETHERLANDS ANTILLES

Curaçao slaughter-house. Resp. Auth.: Departement voor Ontwikkelingssamenwerking, Willemstad, Curaçao. Estimated cost 3.45 mECU. Work plans: Bureau T. Janga (Local). Works by int. tender foreseen in the 1st quarter 85. Project on appraisal. Date foreseen for financial decision December 84. 5th EDF.

Line of credit to the Aruba Dev. Bank to improve agriculture livestock and fishery. Resp. Auth.: Departement voor ontwikkelingssamenwerking. Estimated cost 0.3 mECU. Project on appraisal. 4th EDF.

FRENCH POLYNESIA

Tahiti territorial abattoir. Resp. Auth.: Service de l'Economie Rurale, Papeete (Tahiti). Secrétariat d'Etat des Départements et Territoires d'Outre-Mer, Délégation de la Polynésie Française, Paris. Cofinancing with France. Project on appraisal. 4th EDF.

Reafforestation project. 1.319 mECU. Caribbean pines for Marquises and Société Archipelago. Works by direct labour. Supplies by int. tender and T.A. by direct agreement. Project in execution. 5th EDF.

NEW CALEDONIA

Reafforestation programme. Resp. Auth.: Territoire de la Nouvelle Calédonie des Eaux et Forêts. Estimated total cost 4.7 mECU. EDF part ±3 mECU. Cofunding with France, CCCE (F) and Local. 3,000 ha plantation "Pin de Caraibes" with all necessary infrastructure and investments. Project on appraisal. 5th EDF.

TURKS AND CAICOS ISLANDS

Transport study, North and Middle Caicos. Resp. Auth.: Public Works Department. Wallace Evans and Partners (UK). 5th EDF.

MONTSERRAT

Water Supply Project. Resp. Auth.: Montserrat Water Authority and Ministry of Public Works. 1.1 mECU. Project planning: Short-list already drawn up. Project on appraisal. 4th and 5th EDF.

PACIFIC OCT

Regional programme rural photovoltaic electrification. Resp. Auth.: SPEC. Estimated total cost 4.365 mECU. EDF 3.184 mECU. T.A. by direct agreement. Supplies by int. tender. Project on appraisal. Date foreseen for financial decision December 84. 5th EDF.

Regional Projects

O.C.A.M.

Inter-state scientific school of veterinary medicine (EISMV), Dakar. Resp. Auth.: EISMV Secretariat. 0.455 mECU. Construction work for a three-storey building, supply of equipment and supervision of works. Project in execution. 5th EDF.

Institut Africain d'Informatique (I.A.I.). Resp. Auth.: I.A.I. secretariat in Libreville-Gabon. 2.33 mECU. Building extensions. Project on appraisal. Date foreseen for financial decision November 84. 5th EDF.

CENTRAL AFRICAN REP. — CONGO

Aid to the "Service Commun d'Entretien des Voies Navigables. (SCEVN). Estimated cost 5.1 mECU. Supply of equipment and improvement of the maintenance base in Bangui. Project on appraisal. 5th EDF.

CONGO-GABON

Haut-Ivindo iron mine. Resp. Auth.: Ministère des Mines et de l'Energie (Congo) — Ministère des Mines, et du pétrole (Gabon). EDF 7.6 mECU. Mapping, soil survey, borings. Int. tender (conditional) launched in July 83. Date financial decision October 84. 4th and 5th EDF.

MEMBER COUNTRIES OF CEAO

ESITEX Ségou (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, BAD, D. Works: prequalification launched in October 83. Project in execution. 5th EDF.

WESTERN AND CENTRAL AFRICAN COUNTRIES MEMBERS OF CONFERENCE MINISTERIELLE SUR LE TRANSPORT MARITIME

Académie régionale des Sciences et techniques de la mer in Abidjan. Resp. Auth.: Ministère de la Marine Ivory Coast. Estimated total cost 32 mECU. EDF part for pedagogical equipment 2 mECU. Int. tender (conditional) foreseen early 84. Works, T.A. and other equipments: BAD, Japan, Norway, UNDP, France and local. Date foreseen for financial decision 1st quarter 85. 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). For Phase I - Phase II: Rhein-Ruhr (D). Project stage: identification. 5th EDF.

Agronomical study for the area concerned by the bridge barrage. Short-list already drawn up. 5th EDF.

GUYANA — SURINAME

Guyana — ferry-link. Resp. Auth.: Ministry of Public Works and Ministerie van Openbare Werken. Link ferry on Corentine river. Study on the way by C.A. Liburd and Ass. + Sescon Group (ACP). Project on appraisal. 4th EDF.

MEMBER COUNTRIES OF M.R.U. (MANO RIVER UNION)

Telecommunication and Postal Training Institute (TPTI) of the MRU. Resp. Auth.: MRU Secretariat in Freetown. Extensions, supplies and training. Estimated total cost 8.5 mECU. EDF 2.5 mECU. Project on appraisal. 5th EDF.

BENIN — IVORY COAST — NIGER — TOGO — BURKINA FASO

Regional training centre for road maintenance in Lomé-Togo. (CERFER). Resp. Auth.: Secretariat CERFER. Training. T.A. and scholarships. 1.08 mECU. Date financial decision October 84. 3rd, 4th and 5th EDF.

RWANDA — ZAIRE

Methane gas from Lake Kivu. Resp. Auth.: CEPGL and Commission mixte de 2 pays. 1.7m ECU. 2 stations with urea unit, compressed gas and methane. Int. tenders on the way. Date financial decision October 84. 5th EDF.

NIGER BASIN AUTHORITY

Protection and reafforestation 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.

ZAIRE — CONGO — GABON — SAO TOME AND PRINCIPE — EQUATORIAL GUINEA — CAMEROON

Fishery development in the Gulf of Guinea. Estimated cost ±5 mECU. T.A. to prepare these project: S.G.T.E. (F). Project on appraisal. 5th EDF.

SENEGAL — GUINEA

Tambacounda-Labe road Resp. Auth.: Ministère des Travaux Publics. Upgrading and asphalting of the road (455 km). Economic study: SONED (SE). Technical study to be done. Short-list already drawn up. Project on appraisal. 4th EDF.

SENEGAL — MAURITANIA

★ **Establishment of cultivated areas in the Senegal River Valley.** Special Programme Hunger. Project on appraisal. Date foreseen for financial decision December 84.

FRENCH-SPEAKING AFRICAN AND INDIAN OCEAN ACP COUNTRIES

Ecole de statistiques d'Abidjan. Resp. Auth.: Ministère du Plan et de l'Industrie. Total estimated cost 3.7 mECU. EDF 2 mECU. Ivory Coast 1.7 mECU. Construction and equipments. Architectural study: Bureaux DLM. Architects and Cabinet AR CAUD (ACP). Project in execution. 4th EDF.

WESTERN SAMOA — FIJI — SOLOMON — KIRIBATI — TUVALU — PAPUA NEW GUINEA — TONGA — VANUATU

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. Prefeasibility study on the way: LAHMEYER and DORNIER (D). Works, supply and T.A. Supplies: int. tender launched in October 84. T.A.: restr. tender short-list done. Project in execution. 5th EDF.

TOGO — MALI — BURKINA FASO — 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.

BURKINA FASO — CAPE VERDE — CHAD — GAMBIA — MALI — MAURITANIA — NIGER — SENEGAL

★ **Establishment of a regional plan for food policy and ecology.** Special programme hunger. Project on appraisal. Date foreseen for financial decision December 84.

MEMBER COUNTRIES OF UDEAC

Sub-Regional Institute for Applied Technology and Planned Economy (ISTA). Resp. Auth.: ISTA Secretariat in Libreville-Gabon. Estimated cost ±6 mECU. Building centre construction and T.A. for 3 actions. Project on appraisal. 5th 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. Project in execution. 4th and 5th EDF.

★ **Pacific Regional Tourism Programme.** Resp. Auth.: Tourism Council of the South Pacific (TCSP) and SPEC. Estimated cost 3.2 mECU. Study to be done: data base, organization and stragegy. Short-list not yet drawn up. Project on appraisal. 5th EDF.

★ **University of the South Pacific. Agricultural, Rural and Marine Resources Programme. Stage II.** Resp. Auth.: SPEC. 0.880 mECU. Project on appraisal. 5th EDF.

SENEGAL - MAURITANIA - MALI NIGER - BURKINA FASO

Environmental conservation in Sahel countries. Resp. Auth.: Governments of the 5 countries. Exploitation of existing boreholes for SE — Support for reafforestation programmes for MAU — Support for reafforestation and savings on fuel wood for MA. Establishment of a forestry fund for NI — Promotion of village tree-planting schemes on the Mossi plateau for Burkina Faso. T.A. by direct agreement only for SE. Other actions by direct labour. Date financial decision December '83. Special programme hunger.

MEMBER COUNTRIES OF CEAO AND CILSS

Construction of Centre Régional d'Energie Solaire (CRES) in Bamako, Mali. Estimated total cost 30 mECU. EDF part. 2.270 mECU. T.A. and equipment. Project in execution. 5th EDF.

MEMBER COUNTRIES OF CILSS

Provisional survey of natural renewable resources in the Sahel. Resp. Auth.: CILSS Secretariat. Estimated cost 6 mECU. EDF ±2 mECU. Setting up of an observation unit to forecast crop production. Remote sensing by satellite, air survey and ground control. Project on appraisal. 5th EDF.

Project to improve the means of monitoring on a permanent basis agricultural production and stock-raising. Resp. Auth.: CILSS secretariat. ±3.130 mECU. Studies for means to produce, collect and treat agricultural production and stock-raising data. T.A., vehicles and data collecting and processing equipment. Date Project in execution. 4th and 5th EDF.

Millet, maize, sorghum and niébé project. Resp. Auth.: CILSS Secretariat. Estimated cost 2 mECU. To provide improved varieties for farmers. Local tests. Purchase of vehicles and equipment and to take charge for local tests control staff. Project stage: identification. 5th EDF.

Setting up of a system to estimate cereal stocks in private hands. Resp. Auth.: CILSS Secretariat. Estimated cost 1 mECU. EDF 0.5 mECU FAC 0.5 mECU. Creation of a system to monitor permanently the global availability of food stocks. T.A. and equipment. Project stage: identification. 5th EDF.

Fight against drought in the Sahel. Resp. Auth.: CILSS Secretariat. Estimated cost 1 mECU. T.A. and experts for the CILSS Executive Secretariat. Project stage: identification. 5th EDF.

Regional coordination of food production and distribution of improved cooking stoves. Resp. Auth.: CILSS Secretariat. Studies on food marketing, pricing and trading. Studies and aids for improved cooking stoves distribution. Estimated cost 0.276 mECU. Project stage: identification. 5th EDF.

AFRICAN ACP COUNTRIES

T.A. for statistical training to the Training Centres associated in the "Programme de formation statistique pour l'Afrique" (P.F.S.A.). 0.925 mECU. T.A., training, seminars and supply of equipment. Project in execution. 5th EDF.

SAHARAN PERIPHERY

Characterization by remote sensing of the dynamics of the desertification in the Saharan periphery. 2 mECU. 1st part.: Purchase and installation of the equipment. First data processing and distribution. 2nd part: Research and Development operations. Execution in Europe with local missions. Contracts by direct agreement. Regional coordination in Europe: CRC in Ispra. National coordination in Europe: representatives from each European organization or institute. ESA participation for the Maspalomas station and of Institutes and Organizations for the Research from the 10 countries Members of the EC. Date financial decision December '83. Special programme hunger.

MEMBER COUNTRIES OF U.A.P.T.

Satellite telecommunications project. Resp. Auth.: U.A.P.T. Secretariat in Brazzaville. R.P.C. Parametric study on the way by national organizations of I, UK, F and D. Project stage: identification. 5th EDF.

EASTERN AFRICAN 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-rooms, offices and housing. Project stage: identification. 5th EDF.

★ **Kabale-Gatuna Road.** Resp. Auth.: Uganda Government. Estimated cost 2.5 mECU. Asphalting of the road (21 km) up to the Rwanda border. Study to be done: final dossier and tender documents. Short-list not yet drawn up. Project on appraisal. 5th EDF.

INDIAN OCEAN ACP COUNTRIES

Assistance for training, research and T.A. 1 mECU. Training, seminars, studies, T.A. for the "C.O.I." Commission de l'Océan Indien. Comores, Madagascar, Mauritius, Seychelles. Project in execution. 5th EDF.

DJIBOUTI-ETHIOPIA

Djibouti-Ethiopia Railways. Phase II. Resp. Auth.: CFDE (Compagnie du Chemin de Fer Djibouti-Ethiopie). Estimated total cost 28 mECU EDF 15 mECU, France 13 mECU. Supply of rails, wagons and equipment. Int. tender foreseen end of 84. Date financial decision June 84. 5th EDF.

KENYA — UGANDA

Turbo-Webuye Road. Resp. Auth.: Ministry of Public Works, Kenya. Estimated cost 10 mECU. Works and supervision foreseen end 84. Project on appraisal. 5th EDF.

GAMBIA — SENEGAL

Ndama production research. Estimated total cost 13.620 mECU. EDF 2.5 mECU other sources ODA, ADB, FAO. Research project to be implemented by ILRAD-ILCA (International Livestock Centre for Africa and International Laboratory for Research on Animal Disease). Supplies, T.A. and training. Date financial decision July 84. 5th EDF.

TANZANIA AND SADCC

Regional Rinderpest Control Programme. Resp. Auth.: Ministry of Livestock-Veterinary Services Department. 4.3 mECU. Purchase of 27 four-wheel drive vehicles, 30 lorries (7 ton), vaccines, veterinary and laboratory equipment, camping equipment, T.A. Int. tender launched in August 84. Project in execution. 5th EDF.

28 AFRICAN COUNTRIES

Pan-African campaign against Rinderpest. Resp. Auth.: OUA and IBAR. Estimated total cost for 1st year 53 mECU. Supply of equipment and T.A. Project on appraisal. 5th EDF.

SWAZILAND — LESOTHO

Matsapha Airport. Construction of a control tower, equipment and T.A. Estimated total cost: 31 mECU. EDF 2.1 mECU. Int. tender foreseen in 84. EDF part: date foreseen for financial decision 1st quarter 85. Project in execution. 5th EDF.

BOTSWANA — LESOTHO — MALAWI — SWAZILAND

Multi-country post-telecommunication training scheme. Resp. Auth.: Postmaster general of 4 countries. 1.2 mECU. Training and supply of equipment. T.A. restr. tender. Short-list already drawn up. Supplies: int. tender. Project in execution. 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: short-list already drawn up. 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. T.A.: Short-list already drawn up. 5th EDF.

Regional hotel trade school in St Lucia. Resp. Auth.: Caricom Secretariat. Estimated total cost 0.9 mECU. EDF 0.2 mECU. Work financed locally. EDF part: supply of pedagogical equipment, furniture and 1 vehicle. Project on appraisal. 5th EDF.

Regional marketing of agricultural inputs. Resp. Auth.: Caribbean Food Corporation. (CFC). 2.3 mECU. Supply of fertilizers and seeds. Works and equipments. Supplies: int. tender in 84. Project in execution. T.A.: Short-list already drawn up. 5th EDF.

Research development in the Caribbean region. (CTRC). Resp. Auth.: Caricom Secretariat 4.1 mECU. T.A. marketing and tourism promotion. Project in execution. Training: U.W.I. (Jamaica). 5th EDF.

Regional tourism promotion study. Resp. Auth.: Caricom Secretariat. Caribbean Tourist Association. 0.8 mECU. Steigenberger Consulting (D). Project in execution. 5th EDF.

Assistance for Point-Salines International Airport-Grenada. Resp. Auth.: Caricom Secretariat and Grenada Int. Airport Authority. EDF part 1.74 mECU, T.A. and supply of radio and electronic navigational equipment. T.A. by direct agreement. Equipment by int. tender. Date foreseen for financial decision 1st quarter 85. 5th EDF.

★ **Caribbean Food Corporation. 2nd line of credit for rural S.M.E.** Resp. Auth.: CFC. Estimated cost 2 mECU. Project on appraisal. 5th EDF.

University of the West Indies. Resp. Auth.: Caricom Secretariat and Ministries of the member countries of CARICOM. Works, supply of pedagogical equipment, training and T.A. 10.437 mECU. Int. tender for supplies launched in October 84. Project in execution. 5th EDF.

MEDITERRANEAN COUNTRIES

ALGERIA

Training of technicians for rural development and hydraulics. Resp. Auth.: Ministère de l'Agriculture. 1.440 mECU. T.A. and training. For T.A.: X-TRA (B), AAB (D), AGROTEC (I) SATEC (F). Project in execution.

★ **Training for fishery.** Resp. Auth.: Ministère de l'Agriculture et de la Pêche (MAP). 3.5 mECU. Purchase of pedagogical equipment and T.A. Project on appraisal. Date foreseen for financial decision December 84.

EGYPT

Soil improvement programme in Kafre-el-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 Kafre-el-Sheikh Governorate. Short-list already drawn up. Project in execution.

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 warehouses on prefabricated steel of 1 700 m^2 each providing a total capacity of 27 000 T. Works: int. tender foreseen end '84.

Egyptian Renewable Energy Development Organization. EREDO. Resp. Auth.: Egyptian Government. Estimated total cost 10.741 mECU. EEC contribution 7.7 mECU. Construction and equipment for the centre. Works and supplies: int. tender in '84. T.A.: GET/KFA (D).

Feasibility study for Thermal Power Station at Sidi-Krir. Resp. Auth.: Egyptian Electricity Authority. Study for a 1200 MW thermal power station. Estimated cost 2 mECU.

University Cooperation. Resp. Auth.: Academy of Sciences, Cairo University and Suez Canal University. Estimated cost 4.7 mECU. Cooperation with Liverpool University in the field of Marine biology, with Gent University for artemia cultivation and with Netherlands Kanker Instituut for cancer therapy. Project in execution.

Export Promotion. Resp. Auth.: Egypt Export Promotion Company (EEPC). T.A. to the EEPC. 0.92 mECU. Project on appraisal.

Sinaï Water Resources Study. Resp. Auth.: Water Resources Centre (WRC). 3 mECU. Soil prospection and investigations. Project on appraisal.

Kom-Ombo Soil Improvement Study. Resp. Auth.: EALIP. 1 mECU. Date financial decision October 84.

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 ±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. T.A.: Short-list already drawn up.

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 '84. T.A.: M. Savitsky (F).

MOROCCO

Interventions for Laboratoire de Technologie des céreales 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 already drawn up.

★ **Credit for small farmers.** Resp. Auth.: Caisse Nationale de Crédit Agricole (CNCA). Estimated total cost 33 mECU. EEC contribution 24 mECU. Date financial decision October 84.

TUNISIA

Participation in creating 3 Training Vocational Centres: in Nabeul, Menzel-Bourguiba, Zaghouan. 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 3.87 mECU. Supply of equipment, T.A. and training. Supplies: int. tender for Nabeul foreseen in 2nd half '84. T.A.: A.A.B. (D).

Purchase of 10 ocean trawlers. Resp. Auth.: Banque Nationale de Dév. Agricole (BNDA). Estimated total cost 8.5 mECU. EEC 2.25 mECU, EIB 4.55 mECU, Local 1.7 mECU. Project on appraisal.

★ **Experimental station to compost household refuse in the city of Tunis.** Special programme hunger. Project on appraisal. Date foreseen for financial decision December 84.

JORDAN

★ **Research Programme into Agricultural Production in the semi-arid zones and areas suffering from desertification.** Special programme hunger. Project on appraisal. Date foreseen for financial decision November 84.

SYRIA

ISSAT. Institut Supérieur des Sciences Appliquées et de Technologie. Resp. Auth.: State Planning Commission. Estimated total cost 22.2 mECU. EEC part: supply of teaching and training equipment for the institute. Project on appraisal.

★ **Euphrates drainage and irrigation.** Resp. Auth.: Ministry of Irrigation. General Organization for land development (GOLD). Estimated total cost 134.9 mECU. EEC 10 mECU, EIB 20 mECU, local 104.9 mECU. Works, supplies and T.A. Date financial decision October 84.

★ **Rural Water Supply Suweida Region.** Resp. Auth.: Ministry of Local Administration and Ministry of Housing and Utilities. Estimated total cost 8.1 mECU. EEC 3.2 mECU, local 4.9 mECU. Project on appraisal. Date foreseen for financial decision December 84.

Non-associated developing countries

ANGOLA

Repatriates project. Cofinanced with UNICEF. 2 mECU. Project in execution.

★ **Assistance to the fishing and fish-processing industry in the Namibe Province.** Resp. Auth.: Ministerio das Pescas. Estimated total cost 7.730 mECU. EEC 6.760 MECU. Supply of equipment and T.A. Project on appraisal. Date foreseen for financial decision December 84.

MOZAMBIQUE

Potato seed production project. Resp. Auth.: Ministry of Agriculture. 7.1 mECU.

Works, supplies, equipments, training and T.A. Supplies : int. tender. Project in execution. Technical study : K.W.S. (D).

★ **Rural development in the Moamba District.** Resp. Auth.: Ministerio da Agricultura. Estimated total cost 12.5 mECU. EEC 8 mECU. Supply of equipments rural inputs and T.A. Project on appraisal. Date foreseen for financial decision December 84.

BANGLADESH

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, 2nd half '84.

Building of storage for fertilizers. Resp. Auth.: Bangladesh Agricultural 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.

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 training. Project in execution.

Improvement of Grain Storage. Resp. Auth.: Ministry of Food. 7 mECU. Works by direct labour or acc. tender. T.A. and training by direct agreement. Project in execution.

Cereal Seeds II. Resp. Auth.: BADC. 17 mECU. EEC 10 mECU. Germany 7 mECU. Works, supplies, storages, T.A. Project in execution.

BHUTAN

Plant protection services. Resp. Auth.: Ministry of Development (Agricultural Department). 3.4 mECU. Building of laboratories, equipments training and T.A. Works: acc. tender. Supplies: int. tender or direct agreement. Project in execution.

CHINA (PEOPLE'S REP.)

Fruit Cultivating and Preservation Techniques. Estimated total cost 4.350 mECU. EEC 1.650 mECU. Cofinancing with Italy. T.A. and transfer of technology. Project on appraisal. Date foreseen for financial decision October 84.

Flood forecasting and management of Beijiang River. Estimated total cost 5.5 mECU. EEC 1.7 mECU T.A. and transfer of technology. Project on appraisal. Date foreseen for financing decision October 84.

★ **Prawn farming development.** Estimated cost 0.700 mECU. Supplies and T.A. Project on appraisal. Date foreseen for financial decision December 84.

★ **Hainan Cashew Development.** Resp. Auth.: Prefecture of the Autonomous Department of Li and Miao National Minorities. Estimated total cost 2.350 mECU. EEC 0.800 mECU. Supply of equipment and T.A. Project on appraisal. Date foreseen for financial decision December 84.

★ **Beijing Vegetable Seedling Production.** Estimated cost 1.2 mECU. Supplies and T.A. Project on appraisal. Date foreseen for financial decision December 84.

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 in 84. I.R.H.O. (F).

Rural water supply and sanitation outside the dry zone. Resp. Auth.: Ministry of Agriculture and Forests and Ministry of Health. Estimated total cost 11.5 mECU. EEC part 2.5 mECU. Germany and Canada via Unicef 1.68 mECU and 0.85 mECU. Local 6.47 mECU. Works and supply of equipment for wells. Works by direct labour supplies by int. tender and direct agreement. Project in execution.

INDONESIA

Baturraden Dairy Development. Resp. Auth.: D.G. for livestock services. Estimated cost: 8.385 mECU. EEC 4.4 mECU, Italy 0.41 mECU. Construction, infrastructure, supply of equipment, T.A. Works and supplies: int. tender 2nd half '84. 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.

T.A. to Bank Indonesia for SEDP II. Resp. Auth.: Bank Indonesia. Total estimated cost 12.5 mECU. EEC 8.3 mECU. Local 4.2 mECU. Expatriates and local consultants. T.A. and training in Bank Indonesia regional offices to implement Bank's large ongoing programme of small-scale credits. Consultants will be contracted by Bank Indonesia, after approval by the Commission, on the basis of tender or mutual agreement procedures. Project in execution.

Pilot Project for Artisanal Fisheries in East Java. Resp. Auth.: Directorate General of Fisheries (DGF). Total cost 4.88 mECU. Parallel cofinancing with Italy. EEC 3.178 mECU. Italy 0.876 mECU, Local 0.826 mECU. Works, equipment and supplies. Works by direct labour. Supplies: int. tender and direct agreement. Supply of refrigeration equipment: Italy. T.A.: direct agreement. Project in execution.

Madura groundwater development. Resp. Auth.: Ministry of Public Works. DG for Water Resources Dev. Total cost 19.3 mECU. EEC part 13.10 mECU, U.K. 2 mECU, Local 4.2 mECU. EEC part: supply of pumps, drilling equipment, vehicles, casing and screening and local T.A. U.K. part: expatriate T.A. Supplies: int. tender.

West Pasaman Irrigation Project. Resp. Auth.: Ministry of Public Works. DG for Water Resources Dev. 7.5 mECU. Project in execution.

INDIA

Pilot project for village trout fish farming in Jammu and Kashmir. Resp. Auth.: Department of Fisheries of Jammu and Kashmir. EEC 1 mECU. Local 0.37 mECU. Works, equipment, T.A. and training. Works by direct labour or acc. tender. Supplies: restr. tender with specialized companies. T.A.: Fish Farming Dev. Int. (UK). Project in execution.

Supply of fertilizers. Resp. Auth.: Minerals and Metal Trading Corporation of India (MMTC). Purchase of 230 000t of urea by int. tender foreseen in January 85. ±45 mECU. Date foreseen for financial decision December 84.

PAKISTAN

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 : int. tender after prequalification. Works and supplies in 84.

Baluchistan Water Supply Programme, phase II. Resp. Auth.: Baluchistan Integrated Area Development Programme (BIAD). Estimated total cost 13.20 mECU. EEC 7.80 mECU. UNICEF 1.88 mECU. Local 3.52 mECU. EEC part: civil works, materials, vehicles and training. UNICEF will manage EEC contribution. Supplies for EEC part by int. tender. Contracts by direct agreements. Project in execution.

NEPAL

Rural water supply and health infrastructure. Resp. Auth.: MPLD (Ministry of Panchayat and Local Development) and DWSS (Department of water supply and sewage). 4.8 mECU. EEC 3.7 mECU Local 1.1 mECU. Supply of equipment (pipes, tubes, manual-pumps, vehicles) and T.A. Management by UNICEF for EEC contribution. Supplies: int. tender or direct agreement. Date foreseen for financial decision 2nd half 84.

Forestry development. Resp. Auth.: Ministry of Forest and Soil Conservation. Estimated total cost 33 mECU. EEC part 2.8 mECU (+5.3 mECU counterpart funds arising from the supply of fertilizers). I.D.A. 18.389 mECU, UK (O.D.A.) 0.385 mECU. Local 6.126 mECU. Reafforestation and seed units. Construction of 2 training centres, supply of vehicles and equipments training and T.A. Buildings and vehicles: int. tender. EEC: T.A. for reafforestation and a part of the local expenditures. Date financial decision December '83. Special programme hunger.

Nepal Administrative Staff College. NASC. Resp. Auth. NASC Secretariat. Estimated total cost 6.5 mECU. EEC 5 mECU, U.K. 1.5 mECU. Renovation and construction works, supply of equipment T.A. and training. Project on appraisal. Date foreseen for financial decision October 84.

★ **Soil and water conservation in Bagmati Watershed.** Special programme hunger. Project on appraisal. Date foreseen for financial decision December 84.

THAILAND

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). Tenders in '84.

Oilseed crop development programme. Resp. Auth.: Ministry of Agriculture — Oilseed Project Steering Committee. Total estimated cost 4.2 mECU. EEC 3.3 mECU. T.A.

and supply of equipment. T.A.: Short-list not yet drawn up.

Agricultural credit project. Resp. Auth.: Bank for Agriculture and Agricultural Cooperatives (BAAC). Estimated total cost 125 mECU. EEC 20 mECU, As. Dev. Bank (ADB) ±59 mECU, BAAC 46 mECU. Purchase of equipment, fertilizers, training and T.A. Supplies by int. tender, T.A. by direct agreement via EEC. Project in execution. Int. tender for fertilizers launched in October 84.

Cashew development, NE. Resp. Auth.: Ministry of Agriculture. EEC 1.3 mECU, local 0.620 mECU. Works, equipment and T.A. Project in execution.

★ **Mae Nam Chi River Basin. Water Management Development.** Resp. Auth.: Ministry of Agriculture and Cooperatives. Royal Irrigation Department. Estimated total cost 5 mECU. EEC 4 mECU. Supply of equipment, T.A. and training. Project on appraisal. Date foreseen for financial decision December 84.

THE PHILIPPINES

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.

MALDIVES

Water supply and Sanitation at Male. Resp. Auth.: Maldives Water supply Agency (M.W.S.A.). Cofinanced with Saudi Fund and Germany. EEC part 1.79 mECU. Project in execution.

SRI LANKA

Integrated Rural Development of System B (Zones 2 and 3) of the Accelerated Mahaweli Development Programme. Resp. Auth.: Mahaweli Authority of Sri Lanka. Estimated total cost 73 mECU. EEC participation 20 mECU, Saudi Fund 29 mECU, Local 24 mECU. Roads, tertiary irrigation, social and administrative infrastructure, land development, training and T.A. Supply of equipment and vehicles by int. tender. Works by acc. tender. T.A. and training by direct agreement. Project in execution.

ASEAN

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 already drawn up.

Asean Timber Technology Centre (ATTC). ATTC Secretariat. EEC 7.5 mECU for works, supply of equipment, T.A. and research programme. T.A. by direct agreement. Project in execution.

LAOS

Water Supply. Cofinanced with UNICEF. EEC contribution 1.2 mECU. Date financial decision October '84.

DOMINICAN REPUBLIC

T.A. for agrarian reform and integrated rural development. Resp. Auth.: Instituto Agrario Dominicano (I.A.D.). Total cost 13.6 mECU, EEC 12 mECU, Local 1.6 mECU. Infrastructure, equipments, T.A. and training. Supplies: int. tender or acc. tender or direct agreement. Works: direct labour or acc. tender. T.A.: short-list already drawn up. Project in execution.

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 '84.

Integrated rural development of Jeremy region. Resp. Auth.: Présidence de la République. Total cost 7.4 mECU, EEC 6.6 mECU, Local 0.8 mECU. T.A. works, equipments and training. T.A.: contracts made by the Commission after government agreement. Supplies: int. tender launched in August 84. Works: direct labour. Project in execution.

Hydraulic support programme for the "mornes" and soil conservation. Resp. Auth.: Ministère de l'Agriculture. Micro-projects, training and T.A. Cofinanced with France. 2.23 mECU. Local 0.2 mECU. Supplies: int. tender or direct agreement. T.A.: direct agreement. Date financial decision December '83. Special programme hunger.

NICARAGUA

T.A. for agrarian reform and integrated rural development. Resp. Auth.: Ministerio de la Agricultura e de la Riforma Agraria (MIDINRA). Total cost 12 mECU. EEC 9.8 mECU. Local 2.2 mECU. Infrastructure, equipments and T.A. Equipments: int. tender. T.A.: short-list already drawn up. Project in execution. Int. tender for motorcycles launched in February 84.

Waslala regional development. Resp. Auth.: MIDINRA. Total cost 8.5 mECU. EEC 3.5 mECU. Local 5 mECU. Road infrastructure and social. Supply of agricultural equipment. T.A. Roads by direct labour. Supplies: launched in March 84. T.A.: AGRER (B). Works: direct labour or acc. tender. Project in execution. Int. tender for motorcycles launched in February 84.

Crop development. Resp. Auth.: Ministerio de la Agricultura e de la Riforma Agraria (MIDINRA). Total estimated cost 19.930 mECU. EEC 7.4 mECU. Studies, monitoring, training, supply of equipment and T.A. Supply: int. tender or acc. tender according to importance or urgency. Contract: CONSULINT (I). Project in execution.

NICARAGUA — HONDURAS

Bridges reconstruction. Resp. Auth.: Ministry of Public Works. 3.2 mECU. Reconstruction of 3 bridges. Works, T.A. and site supervision. Date foreseen for financial decision 1st quarter 85.

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.

Rural microprojects. Resp. Auth.: Corporation de Développement de Potosi (CORDEPO) and Corporation de Développement d'Oruro (CORDEOR). Total cost 18 mECU. EEC 16 mECU. Drinking water supply, roads, lines of credit, T.A., training. Works by direct labour or acc. tender. Supplies: int. tender launched in March 84. T.A.: direct agreement by CCE. Project in execution.

Reconstruction programme. Resp. Auth.: Servicio Nacional de Caminos (SNC) for the bridge. "Corporacion Regional de Desarollo del Beni (CORDEBENI) for flood control. Servicio Nacional de Meteorologia e Hidrologia (SENAMHI) for prevention and PHICAB programme. EEC contribution 3.4 mECU. Works and supplies. Project in execution.

★ **Food strategy. Environment protection.** Special Programme Hunger. Project on appraisal. Date foreseen for financial decision December 84.

HONDURAS

T.A. for agrarian reform and integrated rural development. Resp. Auth.: Instituto Nacional Agrario (I.N.A.). Total cost 17.7 mECU. EEC 16.9 mECU. Local 0.8 mECU. Infrastructure, supplies, equipments and T.A. Works by direct labour or acc. tender. Supplies: int. tender or acc. tender or direct agreement. T.A.: BOOM (NL). Project in execution. Int. tender for vehicles launched in January 84.

Consolidation of the agrarian reform. Resp. Auth.: I.N.A. Estimated cost 9 mECU. Project in execution.

MEMBER COUNTRIES 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.

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. Project in execution.

Regional project for industrial timber promotion. Resp. Auth.: Junta del Acuerdo de Cartagena. Total cost 12.610 mECU. EEC 6 mECU. Industrial promotion, vocational training, rural buildings and housing. T.A.-Works: direct labour or acc. tender. Supplies: int. tender or acc. tender or direct agreement. T.A.: choice by the JUNAC on the basis of short-list proposed by CCE. Project in execution.

Regional programme for technical cooperation: food strategy. Resp. Auth.: JUNAC. EEC contribution 7 mECU for European T.A. and supply of data-computerized equipment by int. tender. Project in execution.

COSTA RICA — HONDURAS — NICARAGUA — PANAMA — DOMINICAN REPUBLIC

Latin American qualified nationals reinstatement in 5 Central American countries. Resp. Auth.: CIM (Comité Intergouvernemental pour les migrations). 1.4 mECU. Reinstatement of 75 qualified nationals via CIM. Date foreseen for financial decision 1st quarter 85.

COSTA RICA

T.A. for agrarian reform and integrated rural development. Resp. Auth.: Ministerio de la Agricultura. Total cost 25.8 mECU. EEC 18 mECU. Local 7.8 mECU. Infrastructure, equipment and T.A. Works by direct labour or acc. tender. Supplies: int. tender or acc. tender or direct agreement. T.A.: SCET-AGRI (F). Project in execution.

COLOMBIA

★ **Reconstruction Programme.** Resp. Auth.: Corporation de Reconstruction de Cauca. Total cost 5.9 mECU. EEC 3.9 mECU. EEC part: supply of materials and T.A. Date financial decision October 84.

PERU

Pilot project Majes. Irrigation. Resp. Auth.: Autoridad Autonoma del Proyecto MAJES (Autodema). Total cost 17 mECU. EEC 5.6 mECU, Italy 2 mECU, Local 9.4 mECU. Supply of equipment and inputs, T.A. and credit system. Project in execution.

Rural investments programme. (Microregions in Cusco). Resp. Auth.: Corporation Departimentale de Desarollo de Cuzco (CORDECUZCO) and (PRODERM) Proyecto de Desarollo Rural en Microregiones. EEC part 6 mECU. Works and supply of equipment for forestry, natural resources, infrastructures, monitoring and research. Works by direct labour or acc. tenders. Supplies by int. tenders or acc. tenders. Project in execution.

BANCO CENTRO-AMERICANO DE INTEGRACION ECONOMICA

★ **Support for S.M.E. in Central America.** Project on appraisal. Date foreseen for financial decision December 84.

YEMEN ARAB REPUBLIC (YAR)

Seed production project. Resp. Auth.: central Agricultural Research Station (CARS). Total cost 6.6 mECU. EEC 5.2 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.: K.W.S. (D).

Dhamar Rehabilitation Project. Resp. Auth.: The Executive office for Reconstruction. EEC part 2.55 mECU. Supply of equipment and T.A. to support the self help house reconstruction effort after the earthquake of December 82. Project in execution.

Al Bayda integrated rural development. Resp. Auth.: Ministry of Agriculture and Rada integrated Rural Development Project Organization. EEC part 2.74 mECU. Improvement of crop and livestock production, road infrastructure and drinking water supplies. T.A. All by direct labour. T.A. by direct agreement. Project in execution.

AFRICAN - LATIN AMERICAN AND ASIAN COUNTRIES

Fuel wood. Resp. Auth.: Commission of the European Communities. 2.7 mECU. a) Information and dissemination of knowledge. Seminars in Asia. b) Research and Development programme in Asia-Kenya: euphorbia. c) Technical support for national strategies, Niger, Rwanda, Burundi, Haiti and SADCC members. d) Nepal pilot scheme. Studies, T.A. Laboratory facilities, supplies. Studies and T.A. by direct agreements. Laboratories: AIT (Asian Institute of Technology in Bangkok) and CRA (Centre de Recherche Agronomique de Gembloux. Station de Technologie Forestière - B). Supplies: int. tender. Date financial decision December '83. Special programme hunger.

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every year new teachers and new research workers come to swell the ranks.

Their predecessors' careers develop as their work develops and AUPELF's aim is to reflect these developments as far as possible. So every year, the African office in Dakar organizes the collection of the data required to keep the index up to date and channels them to the computer service in Montreal.

The whole process of course depends on the desire of the people at grass roots level—the graduates, the teachers and the researchers of French-speaking Africa—constantly to improve this means of cooperation with each other, first, and then with the rest of the world. So the directory is also an appeal for the relevant data to go on reaching AUPELF.

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Bernard LEHEMBRE — **Mauritius** — Editions KARTHALA, 22-24 Blvd. Arago, 75013 Paris — 246 pages — 1984

Thanks to its geographical position, l'Ile de France—present-day Mauritius—appeared to the early seafarers as a haven of peace. For a long time uninhabited, the island then became a place of immigration in the 18th Century.

The first to arrive were the Europeans, who introduced the slave-trading and slavery of the peoples of East Africa. In the 19th Century, manpower requirements created by the sugar cane plantations brought about a further wave of immigration, this time from India.

The present-day reality of Mauritius is indissoluble from this past: with a mosaic of races coming from three continents, Mauritius cannot be reduced to the idyllic vision that the West has made of it. Mauritius has, in its turn, become a point of emigration to Europe, to Canada and to Australia.

What, then, is the future of this "star and key of the Indian ocean" as the island is described in a fine motto adopted by Mauritius? Will the political swing of the 1980s prove decisive? How will Mauritius fit into the Mascarene islands?

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OECD — **Foreign debts of developing countries: 1983 Study** (Endettement Extérieur des pays en développement: Etude 1983) — Organization for Economic Cooperation and Development — 2, rue André-Pascal, 75775 Paris CEDEX 16 — 232 pages — 1984

The figures shown in this OECD study of foreign debts of the developing countries are similar to those of the World Bank and the IMF, except that they provide details on the volume of debts incurred and on payment for services. So this study is more of a complement to those of the World Bank and the IMF.

This study, furthermore, contains analyses of the figures: total debts, the structure and service of the debts, the cost of foreign financing, the amount of money owed to groups of countries, the principal debtor nations, the risks of private banks and the rescheduling of debts.

The study observes that overall long-term borrowings have decreased markedly over the past ten years from its peak of 26% in 1978 to 10% in 1983. This, it says, was notably as a result of increased short-term borrowings, the slow constitutions of reserves during the period 1979-81 and the adjustments of current accounts deficits in 1982-83.

Debt servicing also declined for the first time in 1983 after almost a decade of continuous increase. It fell from US$ 108 billion in 1982 to 96 billion in 1983 for medium- and long-term loans.

Inspite of these welcome developments the burden of debts generally continue to deal crippling blows to the economies of the developing countries.

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ODA— **British Overseas aid 1983** — Overseas Development Administration — Eland House, Stag Place, London SW 1E 5DH, — 70 pages — HMSO, £ 5.95 — 1984

Good stewardship and constructive ideas in balancing needs through Britain's aid to the developing world are reflected in this Overseas Development Administration's second Annual Review.

Commenting in a foreword to the Review, Mr Timothy Raison, Minister for Overseas Development, says: "We believe strongly in encouraging private sector investment wherever it is feasible; but we have to recognize that official development assistance is also essential, in the poorest countries especially".

The Review sets out ODA's objectives and describes the achievements and difficulties it faced during the year in the context of international events. It says that, despite continuing public expenditure constraints in Britain in 1983, £ 1 080 million went to 126 countries, Commonwealth countries and the poorest countries being strongly favoured.

The Review also says that one of the areas emphasized in Britain's aid programme in 1983 was the creation of a pool of skilled manpower in developing countries. This was achieved both by providing experts from Britain and by training local people.

The bilateral and multilateral programmes are outlined in the opening chapters. Further chapters include details of individual country programmes; the supply of skilled manpower; aid to sectors ranging from education to engineering; scientific research and development; the activities of the private sector and voluntary organizations; and emergency relief.

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