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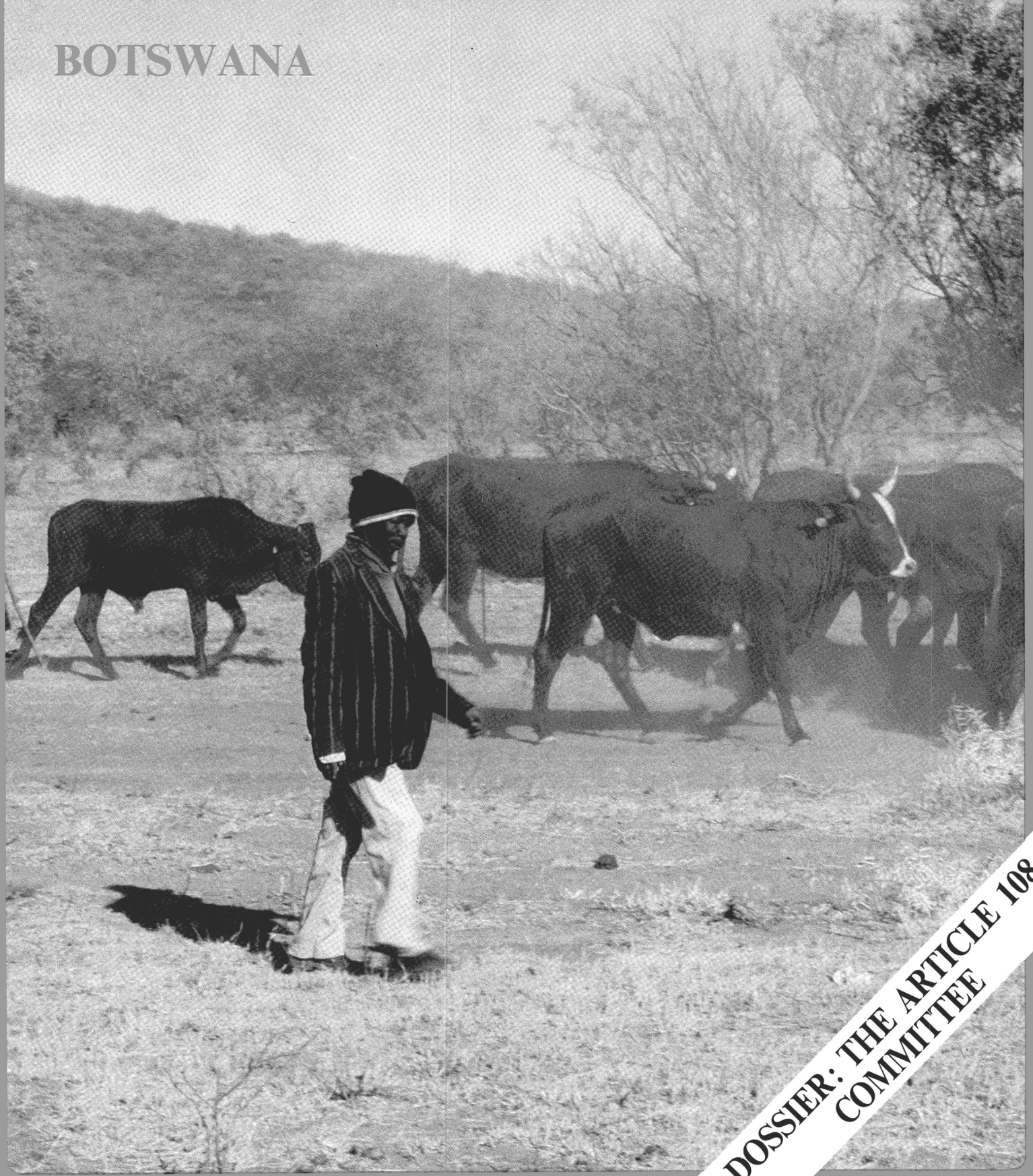
The Courier

AFRICA-CARIBBEAN-PACIFIC - EUROPEAN COMMUNITY

Published every two months

N° 90 - MARCH-APRIL 1985

BOTSWANA



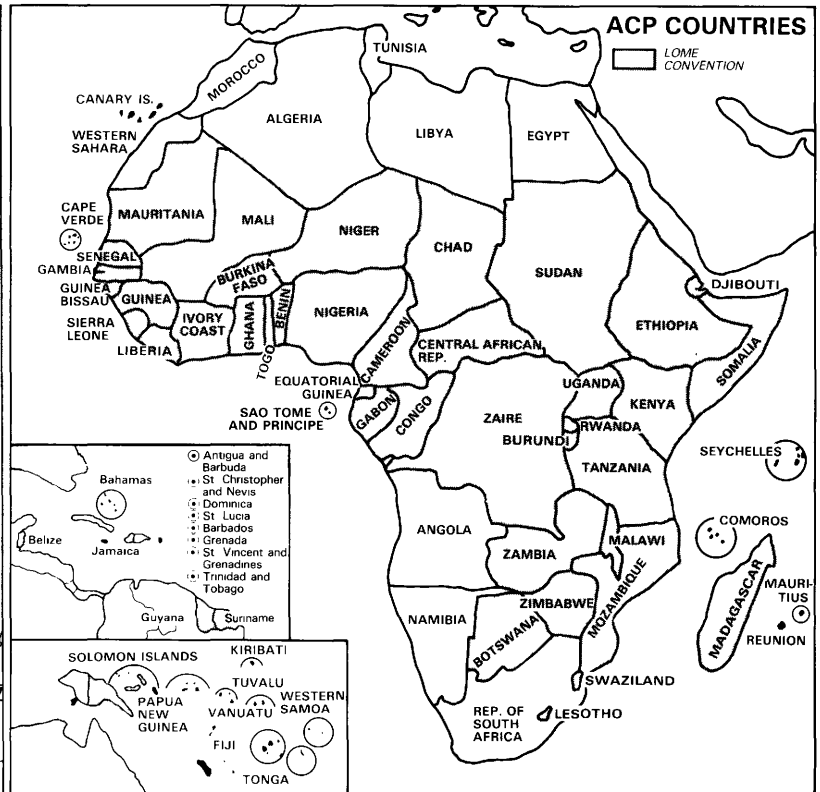
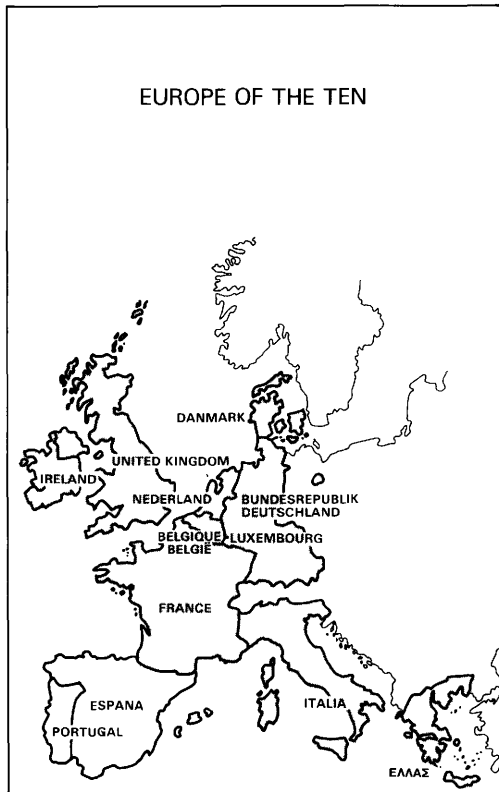
**DOSSIER: THE ARTICLE 108
COMMITTEE**

THE EUROPEAN COMMUNITY

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

THE 65 ACP STATES

ANTIGUA & BARBUDA	GHANA	ST. LUCIA
BAHAMAS	GRENADA	ST. VINCENT & THE GRENADINES
BARBADOS	GUINEA	SÃO TOMÉ & PRÍNCIPE
BELIZE	GUINEA BISSAU	SENEGAL
BENIN	GUYANA	SEYCHELLES
BOTSWANA	IVORY COAST	SIERRA LEONE
BURKINA FASO	JAMAICA	SOLOMON ISLANDS
BURUNDI	KENYA	SOMALIA
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CAPE VERDE	LESOTHO	SURINAME
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COMOROS	MALAWI	TOGO
CONGO	MALI	TONGA
DJIBOUTI	MAURITANIA	TRINIDAD & TOBAGO
DOMINICA	MAURITIUS	TUVALU
EQUATORIAL GUINEA	MOZAMBIQUE	UGANDA
ETHIOPIA	NIGER	WESTERN SAMOA
FIJI	NIGERIA	VANUATU
GABON	PAPUA NEW GUINEA	ZAIRE
GAMBIA	RWANDA	ZAMBIA
	ST. CHRISTOPHER & NEVIS	ZIMBABWE



FRANCE

(Overseas departments)

Guadeloupe
Guiana
Martinique
Reunion
St Pierre and Miquelon

(Overseas territories)

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

NETHERLANDS

(Overseas countries)

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

DENMARK

(Overseas territory)

Greenland

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.

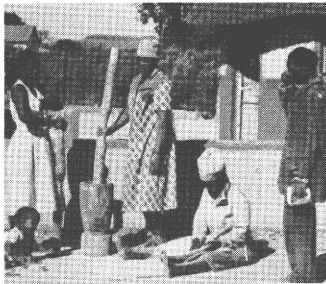
The *Courier* uses maps from a variety of sources. Their use does not imply recognition of any particular boundaries nor prejudice the status of any state or territory.

ACP-EEC — Joint Committee

The last meeting of the ACP-EEC Joint Committee at Bujumbura (Burundi) had a particularly important agenda: famine in Africa, deforestation and desertification, human rights, women and development and a general debate on the new Convention. A meeting which saw much common ground being reached on the main points of the analyses and on the actions to be undertaken. All these dossiers will be handed on to the ACP-EEC Joint Assembly, set up under Lomé III, and which will meet for the first time in September. **Pages 3 to 9**



ACP — Botswana



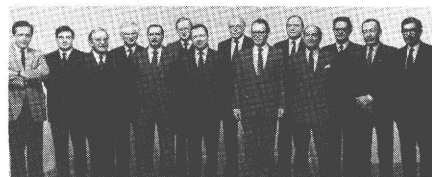
With an economy based on diamonds and beef, Botswana has maintained over the past few years a steady economic growth rate of 12% per annum. This at a time when the rest of Black Africa is engulfed in an unprecedented economic crisis. The Courier analyses this boom. **Pages 12 to 28**

— Ghana

On 31 December 1981, the Army, led by Flt. Lt. Jerry J. Rawlings seized power in Accra, toppling President Limann who had been elected in September 1979. The reasons given for this intervention were the steep decline of the economy as well as popular discontent with the policies pursued. The new government, the PNDC, has been trying since then to return the situation to normal, and has scored successes in bringing down the rate of inflation and in restoring the country's credit on the international scene. **Pages 29 to 46**



EUROPE — The Delors Commission



It was a thoroughly remodelled Commission of the European Communities that met for the first time under its new President, Jacques Delors, of France, in Brussels on 7 January. Only four of its 14 Commissioners sat as members of the previous Commission. **Pages 50 to 53**

DOSSIER — The Article 108 Committee

The Article 108 Committee, made up of ACP and EEC representatives, was given responsibility, under the Lomé II Convention, for scrutinizing the problems encountered in financial and technical cooperation and for finding ways of overcoming delays and bottlenecks.

The Courier devotes its dossier to highlighting the results of more than three years of work done by the Committee. **Pages 56 to 88**

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Change and continuity



Alain Lacroix

No doubt many of you have been wondering why a signature that had become so familiar to you over so many years in this spot has disappeared from view. Perhaps some of you will have investigated a bit further and checked on the inside back cover, to discover that there has been a change of editor. Alain Lacroix was, indeed, promoted to the rank of Head of Division responsible for "Consumer Information, Education and Representation", and left our editorial team at the end of last year.

This promotion, the well-deserved reward for his discreet, but dynamic and well-judged service to ACP-EEC cooperation, marks the end of a period which he himself described as one of the richest and fullest of his career: 13 years, a significant 'slice of life' passed at the helm of *The Courier*, leading a team, 'his' team, unique both in its composition of ACP and EEC members, and in the nature of its work.

Of course, every magazine is above all the result of teamwork, as Alain Lacroix was the first to acknowledge. But one can state without offending his sense of modesty that it was his drive which transformed *The Courier*. What had started as a modest liaison leaflet for African EDF scholarship-holders, eight pages long and published in 2 000 copies, has become a respected organ of information about development. And a much-appreciated organ, covering numerous topics, with

80 000 copies in French and English printed every two months and reaching a growing readership in 130 countries, most of it, of course, in the ACP and the Community Member States.

Moreover, over the years, *The Courier* has become an invaluable forum for exchanging ideas, a meeting place and a debating platform, open as it has been to leading figures from ACP and European countries, from international organizations and to all those who work in development.

The ACP Committee of Ambassadors was well aware of this and tendered to Alain Lacroix its formal expression of "the sincere gratitude of the entire group of ACP States for the magnitude of the task accomplished". I should like to echo that sentiment and add to it our own warmest thanks.

Fernand Thurmes, his successor, has worked with us for some years. I have come to appreciate his qualities, most particularly during the lengthy negotiations for Lomé III when, as one of a small 'task force', he gave me untiring support and was always on hand with excellent advice. He is a dynamic man, committed, full of ideas, who communicates with ease and knows how to get through to people.



Fernand Thurmes

With him, continuity is assured: the magazine will maintain and, indeed, enhance its role as a link between the Community and the ACP States and between the ACP States themselves. o

DIETER FRISCH

Bujumbura: the last meeting of the Joint Committee



It was by Lake Tanganyika, in Burundi, where the people and the natural surroundings are a joy to the visitor, that the Joint Committee held the last session of its term of office. The meeting, on 28-31 January, was far from being a typical 'end-of-series' product and, instead, left the impression of a Committee at its peak, true to its political reputation and a vital part in the machinery of ACP-EEC cooperation, as the main subjects of debate—the food situation in the ACP countries, deforestation and desertification, women and development, human rights and, of course, the prospects and constraints of Lomé III—showed. The big concern of all the participants which came out of these discussions was to help find useful, genuine solutions to the scourge of famine and malnutrition, to Africa's tragedy that we see in the shocking photos that remain so sadly in the headlines.

Bujumbura was marked by general agreement on most of the subjects discussed. The question of ACP sugar was the only discordant note, but one which failed to detract from the substantial results of the meeting, which, the co-chairmen said, was "one of the best". Thorough groundwork by the working groups and rapporteurs meant that resolutions, many of them constituting a further valuable contribution to ACP-EEC cooperation, could be adopted. One of the outstanding things was the general awareness of the link between the main topics under discussion and the need for a global approach if the vital coherence of schemes was to be achieved. Never before had the difficult subject of ACP demographic trends and their consequences for development been tackled with such frankness or attracted so much attention from ACP or EEC members. This debate, which has only just begun, would, in a more structured form, be a suitable one for the new Joint Assembly.

A total of 13 resolutions were voted through—on Lomé III and the environment, Southern Africa (the Commission was invited to report to the first meeting of the Joint Assembly on EEC-Southern Africa trade and economic relations), cooperation and security in Africa and Europe, the North-South dialogue, fisheries, the landlocked countries, refugees, cocoa and chocolate, as well as those covered in greater detail below.

The official opening was attended by the President of the Republic of Burundi, Colonel Jean-Baptiste Bagaza, and various members of his Government. The President talked about hunger in his speech, saying that "the best land in the countries that are short of food is being used for export crops for the rich countries and it is the poorest land that is used to feed the poor". Mr Fioret, the Italian minister who is currently President in Office of the EEC Council and the ACP-EEC Council of Ministers, devoted a great deal of time to the work of the

meeting and this was both noticed and very much appreciated. He appealed to everyone to ratify Lomé III quickly and announced that the appropriate transitional measures would be adopted soon. Other personalities, including Rabbie L. Namaliu (then chairing the ACP Council of Ministers) and the Hon. J.T. Kolane (Lesotho), co-President of the ACP-EEC Consultative Assembly—also attended the meeting. The Commission Delegation, led initially by Director-General Frisch and later on in the week (and for the first time) by Lorenzo Natali, the new Development Commissioner, was an active participant in the meeting, which was chaired jointly by Giovanni Bersani (PPE, Italy) and Ganga Zandzou (Congo).

General debate on the new Convention

Ambassador Raymond Chasle, acting as general rapporteur, opened the debate and reminded participants of the important recommendations which the Joint Committee and Consultative Assembly had made and which had been very largely put into practice in the new Convention. The ACPs, he said, had never been so well equipped for the negotiations as they had this time. It was back in 1982 that the ACP Council of Ministers decided that the new type of relations between the EEC and the ACP Group should be based on the strategies, ideologies and approaches to development of the ACPs themselves and should take their values, preferences and cultural structures into account. The rapporteur then took time to explain the differing views and misunderstandings that the EEC and the ACP Group had had at the beginning of the negotiations about the policy dialogue and human rights and then investigated the compromises on which the two parties had eventually agreed.

Ambassador Chasle briefly outlined each of the chapters of the new Convention, stressing innovations, particularly in the matter of regional cooperation, fisheries, energy, transport and communications and cultural cooperation. He did, however, mention ACP frustration about the inadequacy of the resources and the lack of flexibility in the rules of origin. He also mentioned a proposal which economic

operators had made on setting up a technical commercial centre, but which the ACPs had never followed up (the Bujumbura resolution echoes this). Coming to the joint declaration on human dignity and the two Parties' commitment to fight apartheid effectively, Mr Chasle asked the Member States of the Community to take steps to get firms in their countries to stop any military or nuclear activities that strengthened apartheid to the detriment of the peoples of Southern Africa.

He concluded by saying that apart from the fact that the resources did not match the aims of the Convention and that there were one or two imperfections, "this is a sound Convention which has produced a dynamic synthesis of new ideas and past achievements. It restructures relations between the ACP countries and the EEC and reflects a concern with a constant enquiry into the human value of development. And it shows that, in spite of all the crises which our cooperation goes through, our ability to overcome them, still very much alive, is an opportunity to advance further and, in doing so, to enhance the partners."

Mr Namaliu (PNG), the President of the ACP Council, spoke, confirming the globally positive opinion expressed by Raymond Chasle, but saying they would have to have "a taste of the pudding" before they could say whether it was good or not. He went on to mention Development Commissioner Edgard Pisani's current mission to New Caledonia and hoped that this country could join the Convention one day. Ambassador Diarra (Mali), Chairman of the ACP Committee of Ambassadors, was also positive about the way the negotiations had turned out—Lomé III covers 18 areas of cooperation—and pointed out that improvements, to access for agricultural products for example, could still be made along the way. This was the tone of most of the speeches. Guy Guermeur took up what Mr Namaliu had said, indicating that New Caledonia was already part of the Convention. He also emphasized the importance of the provisions on private investment—without which there would not really be any development. Mr Verbeek (ARC, NL) thought that Lomé III was a European product, as European industries needed ACP markets

and the finance the Community provided in fact very largely came back into the Community. Ove Fich (S, DK) saw a contradiction between the support to be given to the fishing sector and the over-rigid provisions on the rules of origin, which would prevent the ACPs from exporting their fish. Many speakers from both the ACP Group and the European Parliament mentioned the family planning/population issue and the PNG representative thought that the population explosion was the second most dangerous weapon in the world—the atom bomb being the first. A motion for a resolution from Messrs Jackson ED, UK and Loo (S, F) on demographic growth in the developing countries was referred to the ad hoc working group on Women and Development.

Other speakers dealt with commodities, particularly cocoa (following the tabling of resolutions by the represen-



Raymond Chasle, Ambassador of Mauritius

*Apart from ... one or two imperfections
"this is a sound Convention"*

tative of Cameroon and other ACP producers), and chocolate. Two other motions for resolutions tabled by Burundi (fishing in inland lakes and rivers and the landlocked countries) were also discussed and then adopted.

Lomé III from the point of view of trends in ACP-EEC cooperation and as a constituent of the North-South Dialogue was the focus of the concern of the President of the ACP Council of Ministers, Mr Namaliu, as of the President in Office of the ACP-EEC Council of Ministers, Mr Fioret—who stressed that, "in an international con-

text marked by a general reduction in multilateral development schemes, we have maintained the achievements of the previous Convention and improved on them in many respects, "particularly when it comes to things that affect man as such".

The final declaration reflects all the debates about Lomé III. It recognizes the important structural improvements and notes the inadequacy of the resources. The Committee commits the Community and the Member States to making a special effort to mobilize additional resources as part of the schemes on particular subjects and calls for a special investment fund (ECU 50 million, independent of the EDF) to encourage joint ventures between SMEs in the EEC and the ACP Group.

Large sections of the declaration are also devoted to Southern Africa and there is also a special declaration on this, an issue that the Committee has constantly discussed with such determination.

The food situation in Africa

The tragedy which many of the ACP countries are experiencing at the moment had a very strong influence on the Committee's discussions throughout the week and catalyzed the obvious link between the main items on the agenda. Many of the speakers added pieces to the puzzle of the disaster. Director-General Dieter Frisch speaking for the Commission, explained how the Community was contributing to international solidarity and coping with the most urgent needs (see article on page 47). The extent of this action and the crisis provisions brought in to ensure speedy implementation were appreciated by all participants, many of whom highlighted the problems of transporting and distributing aid in the field. There were many candid and direct questions on this subject from such people as Roger Chinaud (L, F) who asked "if it were right for the ports where food aid was unloaded in one of the worst-hit countries to be encumbered with military equipment from one of the countries that helps the least".

Ambassador Berhane (Ethiopia) formally refuted this allegation and referred participants to reports about the

capacity of the ports in his country. He emphasized the extremely remarkable work and solidarity with the stricken countries, his in particular, in Europe and the whole world and made a general appeal for people to do more, as needs were great, assuring the meeting that Ethiopia could deal with however much aid was required to provide the affected populations with the basic minimum. Mr Berhane also reminded participants that agricultural and rural development was a top priority in his country's ten-year plan that had just got off the ground and that it would also be a priority in the implementation of Lomé III.

It was this latter topic, the structural aspect of the problem, that was strongly emphasized by both sides. Ambassador Ouedraogo (Burkina Faso), speaking more particularly for the countries of the Sahel, felt that the introduction of food strategies was a every bit as important as the absolutely vital emergency measures. The fight against famine was one with the fight against drought and desertification and extensive programmes that involved the local populations should be run quickly, in accordance with the special section of Lomé III. Along the same lines, Carla Barbarella (Com, It.), among others, insisted on the need to improve the early warning systems to make for better multiannual programming and a better link between emergency measures and the medium and the long terms. It is also

worth noting that speakers talked about refugees, which are a very heavy burden on the host countries (Sudan), about demographic trends, one of the causes of the present difficulties (Uganda) and about the need for international promotion of a credit policy that would allow for the development of agriculture in the ACP countries (Senegal). And the Chadian representative sent out an SOS and thanked the NGOs for their work in his country.

The Committee's conclusions on this, which are set out in the final declaration, call on the Commission to introduce supplementary aid schemes, to ensure that emergency aid continues until the next harvest, to stress the urgency of introducing food strategies in all the ACP countries and to underline the difficulty of actually getting the aid to its destination, on the need for coordination and the importance of systems that will sound the alarm. The Committee calls for speedy definition of a system of decentralized stocks in the regions and countries that have been or are likely to be worst hit. It calls for official development aid to be stepped up with a view to reaching the 0.7% of GNP of resolution 26.26 of the UN General Assembly. This, then, was a good debate on a subject which has been a concern of the Joint Committee for many years and one which it has lost no opportunity of bringing before anyone responsible for ACP-EEC cooperation.

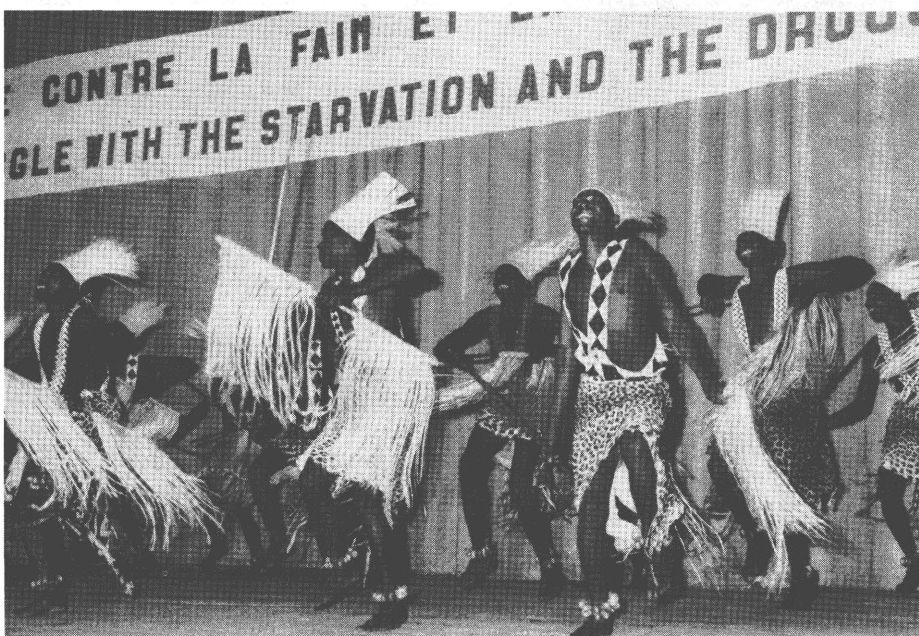


André Mouele (Congo)
"Man is the first to blame" for desertification

Fighting deforestation and desertification

André Mouele's very detailed report touched on a problem where the statistical data are both impressive and distressing. Every year, an estimated 1% or even 2% of the total area covered by tropical forest is wiped out or severely damaged. This means that 20 hectares are being destroyed every minute! If the present trend continues, all the primary tropical rain forests could well disappear by the end of the century. The main causes of this, the rapporteur says, are itinerant farmers, the use of wood as a source of energy, the commercial exploitation of timber, large-scale herding, population pressure, spontaneous settlement by squatters and so on. But 40% of the farmers in the developing countries depend on the tropical forests for their water supplies.

The data on desertification, the destruction of the biological potential of the earth, are just as frightening—9 million km² have already been lost and a further 10 million km² are more or less under threat of desertification... and this out of a total of around 50 million km² (used and unused) arable land. About 100 countries, 27 of them in Africa, are suffering from the consequences of desertification. An estimated 6 million ha of arable land is lost around the world every year and 1.5 million of this is in Africa, where 77% of the world's natural deserts take up 20% of the continent. In the arid and semi-arid regions of Africa,



Fighting hunger and drought, but respecting culture and tradition

17.3% of irrigated land and 82.5% of the river-fed cropland is affected by desertification!

"Man is the first to blame", said the rapporteur, echoing the opinion of most specialists. The increases in human and animal population are enough to set the vicious circle of overexploitation, overcropping and rapid destruction of forestland in motion.

After going into these problems at some length, covering their importance and causes and their consequences for the human and natural environment, the rapporteur discussed potential solutions and schemes and called on the ACPs in particular to inform and educate the rural populations, to take the relevant legal measures, to encourage sources of alternative energy, to favour the development of appropriate technology, to set up programmes, plans, projects and micro-projects. The European Commission ought to release enough funds for an effective campaign. Guidelines are laid down for the implementation of actions on specific themes provided for in the new Convention, for agricultural cooperation and food security, for regional cooperation and financial and technical cooperation.

The main thing to come out of this outstanding and very thorough report was that something must be done with man and his behaviour, because man is one of the principal causes of the problem. The importance of information policies and of making the people most directly concerned aware of what is at stake was firmly underlined, as was the value of micro-projects in this particular field and of making the most of small things (economical cooking methods, for example) that can have big results.

But it was demography that came up most often— not, as Roger Chiraud (L, F) said, to dictate a particular policy to the ACPs, but to urge them to devise their own policies. Lastly, the discussion clearly established that the responsibility is on all our shoulders and that there has to be a stop to the real wasting of wood in the industrialized countries (Mauritania). European forests are dying, too, and it would be most opportune for Europe to introduce a common forestry policy (Giosuè Ligios, PPE, It.). Burundi in-



Mario Fioret (Italy), current Chairman of the ACP-EEC Council of Ministers

sisted that the regional approach was vital to national efforts, Senegal pleaded in favour of building as many dams as possible in the Sahel countries and Tom Normanton (ED, UK) wanted to see full use made of advanced technology when it came to detection and forecasting. "But we must not allow ourselves to sacrifice the long term to the short", Hemmo Muntingh (S, N) said, urging the Commission to be as active as possible and put the provisions of the new Convention into application without delay. Mr Mouele will be taking all these speeches into account when making additions to his report.



*Colette Flesch (Luxembourg)
"Our two approaches to the human rights issue are closer than they have ever been"*

Human rights

The Brazzaville Declaration of 24 February 1984, which was endorsed by the Consultative Assembly that met in Luxembourg in September, said that the working group should make proposals to promote the dialogue between the parties on the fundamental rights of men and nations both in the Community and the ACP Group.

This difficult job was carried out by a working group and presented by the rapporteur, Colette Flesch (L, L). Man as the focus and the beneficiary of development policy was the key to the success of the new Convention, which, Miss Flesch said, was the basis for agreement on this issue. The positive relationship between economic and social development on one hand and wellbeing and dignity on the other was something everyone recognized, so, as Miss Flesch said, "We have reached a stage in our relations where our two approaches to the human rights issue are closer than they have ever been. But let us not put the flags out yet—we still have to achieve the degree of liberty in our societies that we say we are aiming for".

This much-appreciated report analyses the European and the ACP concepts of human rights and then looks at how to work towards a consensus on things, "that would have profoundly divided us a few years back". Part three deals with human rights policy and such important issues as racialism (cultural cooperation can reduce the tension), nationalism, the right to development and the closely related problem of world hunger.

On the subject of the right to development, in particular, Colette Flesch said this was one of the fundamental aspects of the Lomé Convention in that its aim was to improve quality of life and living conditions, even if it was not intended to be an instrument of human rights policy. Development should also aim to promote human dignity, not just concern itself with economic wellbeing, and the rapporteur was pleased that Lomé III took this into account.

The conclusions of this report are provisional, since the discussion should be continued. The idea was not to deal with individual cases in the

Committee, but to encourage discussions between the Community and the ACPs on how to make practical improvements to the situation. On the specific matter of violations, she felt that it would be wise to exert pressure through the usual diplomatic channels to get such rights re-established, but thought that regional political groups like the EEC and the OAU were also suitable bodies to put pressure on any governments that violated their citizens' civil and political rights.

Many members spoke in the debate which followed. Most importantly, it generated a general consensus on the report's very constructive approach that was based on a balance between the various aspects of the question. This, of course, did not prevent some speakers from bringing out more personal nuances and ideas (that sometimes went beyond the compromise reached elsewhere).

The Kenyan representative attracted attention in this way by blaming people who, by investing in the ACP countries with an eye to profit, encourage the sort of corruption that led to the violation of individual rights. He also urged his colleagues to overcome their fear of interfering in the internal affairs of other countries and to be brave enough and frank enough to do so when human rights were under threat, otherwise there would never be any progress. Olivier d'Ormesson (DR, F) insisted that, "respect for human rights means peace and freedom first". Much along the same lines, An-

drew Pearce (ED, UK) stressed the importance of the right to life, which, Richard Balfe (S, UK) then said, was in danger in Eritrea. Other speakers, Luciana Castellina (ARC, It.) for example, and Francis Wurtz (Com, F) thought the report was very moderate when it came to apartheid. An amendment on stopping all economic, financial and military relations with South Africa was defended by the Communist Group and adopted.

The resolution adopted at the end of this discussion expressed the hope that those ACP countries that belonged to the OAU would all ratify the African human rights charter and that the Member States of the European Community would do as much for the European Convention. The resolution also suggested that more of the appropriate economic resources should go to solving problems that prevented the peoples of the ACP Group from enjoying their fundamental human rights, that more be done, both financially, logistically and politically, to support organizations working to help refugees, that immigrant students and workers and their families be given proper treatment in their host countries and that the Bureau of the Joint Assembly monitor trends in the human rights situation in Europe and the ACP countries and make suitable recommendations.

Women and development

Rose Waruhiu (Kenya) reported on the work of the ad hoc working group, stressing, in particular, that this was the right time for a discussion on this subject, not long before the big UN conference in Nairobi in July, to bring women's decade to a close. Since the Mexico Conference of 1975, she said, things had improved and the subject was now taken seriously—although it was still all-too-often confined to welfare. She pointed out that the national machinery needed for the plan of action adopted at the start of the decade had not always been set up or, as happened in many cases, did not have the power to take the necessary decisions. Mrs Kandeke, Burundi's Minister for Women's Affairs, made out a strong case for this machinery—which Ambassador Tuho (Ivory Coast) felt was more of a gadget than a machine. The rapporteur also mentioned the shor-



Rose W. Waruhiu (Kenya)

"If women are fully involved in the development process, they may considerably increase its benefits and success"

tage of detailed statistics (by age group, for example) and suggested that research in this field be continued. Lastly, although the ACP constitutions tended to offer equal opportunities to men and women, tradition and practice often prevented women from getting the benefit of this.

The aim of the resolution, Mrs Waruhiu said, was to lay down many general guidelines, including, for example, for national governments to devote a certain number of their projects to women, for EDF-financed projects to be spread more equally between the two sexes and for specifically female projects to be on an equal footing with the rest. The resolution also says it is vitally important for the EDF to release more money. It recommends that the number of women working within the framework of ACP-EEC cooperation be stepped up and calls upon the governments to put higher priority on women's education and training and on those sectors that are of particular importance to them—the ACP women whose vital role in some socio-economic sectors (farming, food, health, and family education) is emphasized in the resolution which the Committee adopted.

The debate which followed Mrs Waruhiu's report was not just a women's affair, far from it, in spite of the fact that women are always well represented on the Committee and very



Ephrasie Kandeke, Minister for Women's Affairs in Burundi

ABP

much part of all the discussions. Mrs Rabbethge (PPE, D), who led the ad hoc working group, summed up the group's approach as "integrating all our strengths for the development of our peoples. We do not want a race of latter-day Amazons. We want to act together". Amédée Turner (ED, UK) said that women's involvement in decision-making was more noticeable in the ACP Group than in Europe. Ambassador Tuho regretted that the rapporteur had not dealt with some of the things that "debase the role of women in our regions, the prostitution and the abortion and the slavery..." and he stressed that it would be useful to place this discussion in a general reflexion as to the kind of society we are aiming at. Lydie Schmit (S, L) said something similar, that we should strive for a different society, since the one we have, as Katharina Focke maintained, was getting more and more inhuman. For the first time, Lomé III has laid down specific provisions to help women and we should make the very most of them!

Population, family planning, birth control and abortion were even more a feature of this debate than of the others. Abortion, according to the representative of Rwanda, was a violation of human rights and not a form of contraception. Mrs Waruhiu gave the very interesting example of Kenyan population policy, concluding that such things are indeed possible, although it may be just as difficult to decide what message to put across to the population to reach the desired aim as actually to transmit it. The meeting voted for an interesting

amendment, from Amédée Turner, stressing that all couples should be able to exercise their fundamental human right and be free to decide, unhindered, on the number and spacing of their children and have access to the appropriate information, training and means to do so.

There was one complaint (also from Mr Turner) about the working group, namely that it had produced a resolution before drafting a report. Mrs Waruhiu's answer to this was that you had to write your shopping list before going round to the grocer's—which the working group had done by laying down guidelines to help it in the production of the report. This was a very feminine response ... and the men took it without a murmur! The report will be ready for the Joint Assembly meeting in September.

Lorenzo Natali's address

Lorenzo Natali's first speech to the Joint Committee dealt with the role both the Committee and the Consultative Assembly had played in defining new policies for Lomé III. He contributed to the discussion on the new Convention, saying that, "Now we have an instrument that we have forged together. It is part of the dynamic process of ACP-EEC cooperation, it has consolidated past achievements and the spirit of our cooperation, it specifies our aims and it highlights the real priorities better than in the past. It is a Convention in which most of the provisions have been updated. It is enhanced by our joint experience of past action, it has been



Lorenzo Natali, the Development Commissioner. "We must move on from good intentions to the practical attainment of the aims of the Convention"

extended to include fresh fields and it has been adapted to the realities and challenges of our time and to more countries—to Mozambique and soon, I hope, to Angola as well.

There are two priorities in the immediate future, one a formal and procedural matter and one which is more a question of substance. First, we must ratify the new Convention as soon as possible so we can start applying it without delay. And second, we must start preparing for implementation of the new Convention now. We must move on from good intentions to the practical attainment of the aims laid down in the Convention. The groundwork for programming is under way."

Mr Natali talked about famine in Africa, calling it a disaster of biblical proportions. He insisted on the search for "greater coherence in using the various instruments of EEC cooperation (both within and outside the Convention), something which is extremely important in the present circumstances. At this critical time when all attention is, quite rightly, focussed on the emergency, I think it would be wrong to underestimate or overlook the importance of a coherent medium- and long-term scheme. In other words, what we have to do is seek the best way of balancing concerted schemes that are supported by the international community and cover the short, the medium and the long term. The Com-



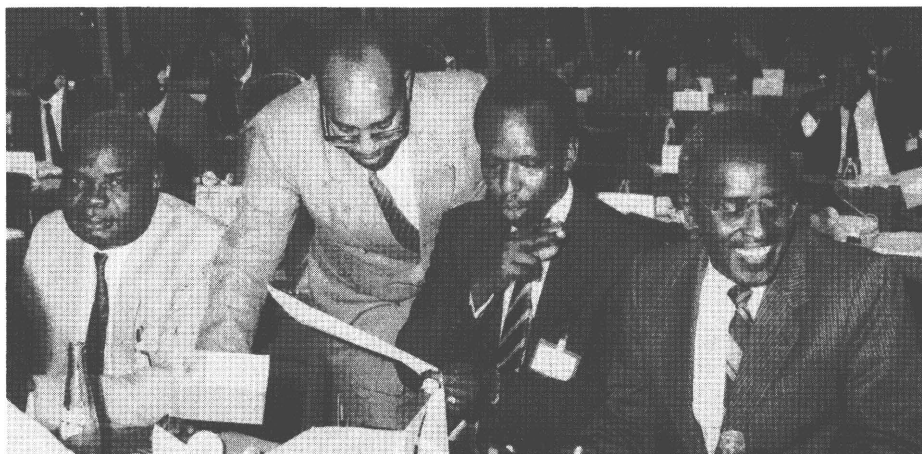
The Development Commissioner during his press conference after the Joint Committee meeting

munity has a range of instruments, both in the Convention and outside it. With food aid and emergency aid and EDF and EIB resources, it can help take up the challenge, which is why we, together with some ACP countries interested in doing so, defined the concept of global food strategy almost three years ago... This approach is needed more today than ever it was..."

The Commissioner also emphasized the need to organize better general coordination of the donors and to focus efforts and he stressed the importance of regional cooperation. "I shall address myself to the vast and difficult tasks before us", he said, "and aim for speed and practical efficiency in implementation. I shall join with you in attacking the problems of development at the roots, being faithful to the approach of my predecessor and friend, Edgard Pisani". And, he concluded, "the success of our cooperation under Lomé III will no doubt facilitate that peaceful coexistence that is at the very heart of our concern".

Question time

Fifteen questions were put to the Commission and they all came from European members of the Committee. As time was short, no extra questions could be allowed this time—which made the process less dynamic than usual. There was very little surprise at the subjects—the LIAT affair (the regional EDF project to buy four planes to replace the Leeward Islands Air Transport fleet). Lorenzo Natali went into this in detail, reminding the meeting that the Commission had, "to the best of its knowledge and in all conscience, acted in accordance with



From right to left, MM Emile Mworoha, President of the National Assembly of Burundi, Cyprien Mbonimpa, Burundi's Ambassador in Brussels, and Vénérand Ngendakumana, First Councillor at the Burundi Embassy in Brussels

Lomé provisions throughout. Any other attitude would have laid it open to criticism about not respecting the rules".

There were other questions on emergency aid, fisheries and the rules of origin in the fisheries sector, coordination of the aid donors and the role of the Commission in this respect, the development of private enterprise in the developing countries, supplies of available agricultural products, the CARAJAS project and the distribution of portfolios in the new Commission!

Sugar

One motion for a resolution tabled by the ACP Group and co-signed by Amédée Turner (ED, UK) and Renate-Charlotte Rabethge (PPE, D) was difficult to vote on because the Europeans refused to accept passages which, in essence, said that the Community was not applying the provisions of the Protocol properly, that the

ACP demands were not taken into consideration, that the non-association of the ACPs was counter to the spirit of Article 181 of Lomé II, that the Community's price policy was restrictive and alarming and that it should reallocate the 25 500 t of sugar currently available. Ultimately, the ACPs voted against the amended motion, in spite of the fact that it contained a number of important and constructive things on, for example, biotechnology.

As this question had not been properly prepared or discussed, as a number of European speakers pointed out, the voting could not perhaps have gone otherwise—which the ACP party deeply regretted.

The ACP-EEC Joint Assembly

The new Joint Assembly set up by Lomé III will be holding its first meeting in Athens on 23-27 September (subject to agreement from the Bureau of the European Parliament). It replaces the Joint Committee and the ACP-EEC Consultative Assembly—which were the subject of a press conference which Co-Chairman Giovanni Bersani gave in Bujumbura. "For 10 years, we have been a large family. Not just an institution that adopted resolutions. An ambitious, political and creative body. The working methods have improved over the years, becoming more flexible and closer to the people." The new Joint Assembly will certainly derive the greatest benefit from this wealth of experience. o

Fernand THURMES



Ganga Zandzou and Giovanni Bersani, the last co-Chairman of a Joint Committee at its peak

ABP

Official inauguration of the Technical Centre for Agricultural and Rural Cooperation (CTA) Science and technology at the service of the farmer

The Technical Centre for Agricultural and Rural Cooperation (CTA)⁽¹⁾, set up by Lomé II (1980-85), was officially inaugurated in Wageningen-Ede (Netherlands) on 6 February. The ceremonies were attended by leading Dutch personalities, including HRH Prince Claus, the husband of Queen Beatrix of the Netherlands, the Minister for Cooperation, the Minister for Agriculture and Fisheries and the Secretary of State for Foreign Affairs responsible for the Coordination of ACP-EEC Cooperation. The ACP Group was represented by a number of Ambassadors from Brussels and the Hague. Mr Edwin Carrington, Deputy Secretary-General of the ACP Group was also present.



Prince Claus of the Netherlands with Daniel Assoumou Mba, Director of the CTA and Mrs Schoo, Development Minister. The Prince and the Director are exchanging gifts of books. The Netherlands has given the Centre a computer that is linked to most of the agricultural data banks in Europe

Mr Ascani, Director-General (Ministry of Agriculture — Italy), represented the Presidency of the Council of Ministers of the Community and Dieter Frisch and Michel Hauswirth (respectively Director-General and Deputy Director-General for Development) attended on behalf of the EEC Commission.

The Centre was set up 15 months ago (some time, in fact, after Lomé II took effect), but it nevertheless got under way and “fully completed its programme for 1984”. The Director,

Daniel Assoumou Mba, gave a short speech stressing, the support the Government of the Netherlands had given in getting the Centre off the ground, saying that the inauguration could not have taken place without it. He cited the location of the offices and the headquarters agreement—decisions taken very rapidly, on 7 July 1984—as examples of this support.

Although the Centre had only a small staff as yet, it was determined to complete its work of “supplying the scientific and technical information that is vital to agricultural development in the ACP States”, Mr Assoumou Mba said.

The specific task of the Centre was the focus of the speeches made in Wageningen. Article 88 of the Lomé II Convention states that the Centre is to ensure the dissemination of scientific and technical information relating to particular questions of agricultural development.

So, Prince Claus said, “the Centre has a job to do, because there will be no real improvement in the food production capacity of the developing countries unless the knowhow and experience available to us in various fields is put to the best advantage”. But know-how and experience are not the only conditions of success, because “although the fund of know-how, particularly here in Wageningen, may be impressive, the essential thing is that it reach those of whom it will be of practical use”. Hence the imperative need for a selective approach to technology if the ACP users are to make proper use of it. The target groups (politicians, decision-makers, rural extension workers, farmers etc.) of the Centre are an indication as to the importance of its tasks, Prince Claus went on, emphasizing the fact that, “the history of the industrialized world is a simple and convincing illustration of the importance of having a strong agricultural sector to the national economy”.

One of the finest example of North-South cooperation is the selection, collection or provision of the results of scientific and technical agricultural research in the North to serve the development of the South, said Humberto Bettencourt-Santos (Cape Verde), who represented Yaya Diarra (Mali) as



Humberto Bettencourt-Santos, Cape Verde's Ambassador: “Select the results of agricultural research in the North to help development in the South”

(1) CTA, De Rietkampen, Postbus 380, 6700-AJ Wageningen, The Netherlands. Telex 30160.



Many leading figures, including Prince Claus, several Dutch Government Ministers and ACP Ambassadors and the Deputy Secretary-General of the ACP Group, were at the inauguration

Chairman of the Committee of Ambassadors. He also emphasized the importance of the practical work of the Centre, which, Mr Frisch said, "really began where development policy changed to give the top priority, agriculture, its full importance". "Fifteen years ago", he continued, "we were sure that the modern sector, industry, was the driving force of development. But today, we modestly realize, things are the other way round". This change in priority seems even greater in that, according to FAO figures, the countries that have been worst hit by the food crisis will need to import something like 10 million tonnes of cereals in 1985, where they only needed 7 million tonnes last year. And there has been a regular average decline of at least 2.5% p.a. in their food output over the past decade.

The Community has, of course, been giving increasing attention to agriculture, which now accounts for 40% of EDF schemes (2/3 food crops and 1/3 export crops) as against 15% in 1958. This is also one of the changes in priority of the new Lomé Convention, which, according to Mr Frisch, "introduces a hierarchy of priorities, with human development at the centre of our action". The ACPs should help the Community introduce a new approach based on a coherent whole that will "combine all our efforts to give the best results", using what is now an overall concept of the food sector that is quite unlike the old one-off action method practised in the past. Mr Frisch also stressed the *need* for food aid, as well as the *danger* it brings by perturbing local markets, stressing the importance of acting in such a way as to "make food aid part of a whole".

The Centre has an important part to play in bringing about this vital revolution—i.e. in engineering a fundamental and positive overturning of the present critical food situation in many of the ACP countries—and it must "see that scientific and technical information gets right to the ultimate users". Mr Frisch had no doubts as to the Centre's efficiency when it came to this very important (because practical) task, particularly "since it will confirm that it was wise to site the Centre at Wageningen, the mecca of agricultural science. So the Centre must not become just one more research and resource centre. It must be a real supplier of information that "will help in the campaign against hunger and for agricultural development in the ACP States". The long-term problems must be taken seriously if we are to "take up the biggest challenge of our generation", said Mr Frisch, who thought that history would never forgive us if we failed. Prince Claus also pointed out how essential it was for the Centre to succeed. "It is near the sources of most of the agricultural knowledge and experience in the Netherlands. Without exaggerating, Wageningen can be considered as a "summit of technology" and he continued, "good neighbourliness such as this could well inspire cooperation with other research institutes in the Community and the ACP Group".

The speakers not only dealt with the fundamental task of disseminating the scientific and technical information needed for agricultural development in the ACPs. They also stressed the importance of intensifying the exchange of knowhow between the ACP States. This could be made more dynamic, said Mr G. Braks, the Dutch

Agriculture Minister, thanks to the Centre acting as a relay between Europe and the developing countries. And Mr Braks reiterated his firm intention of giving the Centre "the feeling of being built here on fertile ground". He also said he was convinced that agricultural institutes in other Member States of the EEC were willing to do whatever would ensure the Centre's success. This echoed Mr W. van Eekelen, the Secretary of State for Foreign Affairs, who wanted to see the Centre help the ACPs with national production to substitute for food imports. Mrs E.M. Schoo, the Development Minister, also pointed out that population increase, together with



Director-General for Development Dieter Frisch: "Development policy changed to give the top priority, agriculture, its full importance"

lower priority being given to agricultural policy, was partly behind the worsening of the famine in Africa. And here, she said, the Centre could also act as adviser on ACP agricultural policies by giving the countries such information as would enlighten their decisions.

The Government of the Netherlands showed its intention of making the Centre an instrument of successful ACP agricultural development by giving it a micro-computer and a terminal (linked to the Agralin system) whereby it could get immediate access to most of the agricultural scientific and technical data bases in Europe and, later on, the USA.

The Centre's job is not an easy one. Yet Prince Claus said he hoped the Centre would not grow into too big an institution and that all energy and money invested in it would to achieving its stated aims. ○ L.P.

BOTSWANA

The Khama legacies

In these times of political upheavals, economic decline and despondency in the Third World, Botswana presents to the visitor reassuring characteristics: a virile democracy; a high degree of racial harmony; efficiency and probity in the public service; official exuberance and confidence in the future. These features of modern Botswana are largely the legacies of Sir Seretse Khama who led the vast, mineral-rich and sparsely populated country for 14 years, from independence in 1966 until his death in July 1980. That they have been maintained and even reinforced by Khama's successor, President Quett Masire, is evidence of Botswana's determination to bear a torch of progress and social justice in a continent where the vast majority of the countries are still in search of suitable political systems and development models.

Botswana has firmly set its sights on a multi-party democracy with all its attendant freedoms—of speech, of the press, of associations—which are clearly evident in the daily life of the people. Five general elections have been held in this Southern African country since independence. All have been won comfortably by the ruling Botswana Democratic Party (BDP). Because elections in a multi-party democracy must be fair and must be seen to be fair, no effort is spared to ensure that they are in Botswana. A recent by-election provided proof of Botswana's commitment to that ideal when wild rumours, during the campaign, of mysterious movements of a ballot box so much distressed ministers that an emergency cabinet meeting had to be convened to clear the air. Few democracies in the Third World, and indeed in the Western

(1) Citizens of Botswana.

world, would take allegations of this nature so seriously as to warrant an emergency cabinet session. But that is the measure of the strength of democracy in Botswana.

It is said that democracy took root in the country because of the almost homogeneous nature of its people. Most Batswana⁽¹⁾ are, indeed, members of the Setswana-speaking tribes. The remainder are minority groups like the Bakalanga, Basarwa (Bushmen) and Baherero, but there is no doubt that unity and fairness which are the guiding principles of government actions are by far the most powerful factors.

The natural friendliness and courteousness of Batswana ensure that they live in harmony with the other component of the population — the small number of people of European origin who, together with White tourists from South Africa and elsewhere,

make such towns as Gaborone, Francistown and Selebi-Phikwe colourful examples of multi-racial societies. Indeed, the Black and White mix of the population in the street, in offices, in hotels, in corridors, etc, make it unbelievable that a couple of kilometres across the border, in South Africa, operates a most despicable racist regime.

South Africa is, in effect, Botswana's dilemma. On the one hand, Botswana's geography and South Africa's overwhelming regional economic domination dictate its close economic links with South Africa whose apartheid system Botswana, on the other hand, opposes. This has by no means been a comfortable situation for Botswana. The country has had to receive significant numbers of refugees in recent years from the neighbouring countries, mainly from Zimbabwe. Pretoria is believed to be seeking a non-aggression pact of the Nkomati type with Botswana — a pact which the authorities believe is unnecessary.

The South African dimension in the economic future of Botswana must not and cannot be overlooked. Botswana has a great economic potential. Serious disturbances in South Africa could jeopardize the growth that is now gathering momentum. So, the delicately balanced diplomacy being conducted by Botswana to prevent the simmering bubbles in South Africa from bursting is understandable, even though more radical African states would prefer a more confrontational approach. Whether that diplomacy will succeed is yet to be seen.

In Gaborone, meanwhile, racial harmony, efficiency and accountability are the rules of the game in government departments. Cases of corruption are rare here and a visitor will not be too surprised to note the dedication of civil servants to duty and their mastery of government policies and strategies. Critics say that Botswana's economy is one of the least complex in Africa and therefore simple to understand. Whether or not it is simple, those charged with the execution of the country's development plans certainly make a coherent team and, furthermore, they do it with enthusiasm. Perhaps that has something to do with a buoyant economy. ◊

AUGUSTINE OYOWE



A political rally during the 1984 elections
In Botswana, it is the people who decide

Living up to principles

Interview with Dr Quett Masire, President of Botswana

Dr Quett Masire became President of Botswana following the death, in July 1980, of Sir Seretse Khama. During these five years, Botswana's economy has grown steadily and, along with it, the country's importance in Africa and in African affairs.

In the following interview ⁽¹⁾, President Masire states his views on the political and economic situation of Africa, on Botswana's economic objectives and on the Lomé Convention.

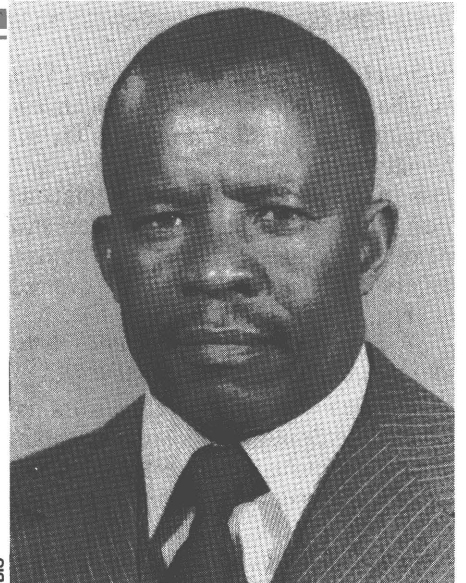
► *Mr President, a certain atmosphere of lethargy has reigned in Africa over the past five years in the face of the worsening political situation in Southern Africa, i.e. the apparent success of South Africa's gun-boat diplomacy, and the drought and famine that are creating havoc in several parts of the continent. What is your analysis of the situation and how do you see, in this context, the recent OAU Summit in Addis Ababa? Do you not think the time has come for a reorganization of the OAU?*

— We were hopeful in 1980 when Zimbabwe became independent that the situation in Southern Africa was changing for the better. We have been proved completely wrong. South Africa has since then arrogated to herself the role of policeman in the region and a custodian of regional security and political morality. Apartheid remains the root cause of political instability and destabilization in Southern Africa. But, the authorities in Pretoria see this matter differently. For this reason, when the liberation forces strike deep in South Africa, scapegoats are always sought and found elsewhere in the region and this has led to unrestrained destabilization, either direct or by proxy, of countries neighbouring South Africa. Today South Africa demands to enter into non-aggression agreements with the neighbouring states in the belief that resistance to apartheid oppression will be curtailed once the non-aggression pact takes effect. This is a complete falsification of the situation. The problems of South Africa are internal and the South African authorities must find an internal solution to them. Confrontation between the police and rioters is a daily

occurrence inside South Africa and only a fool can be made to believe that a solution can be found outside the borders of South Africa.

Equally, South Africa demands the withdrawal of Cuban troops from Angola as a pre-condition for the implementation of the UN Security Council Resolution 435. This linkage is clearly extraneous to the Namibian issue but South Africa demands it as an assurance that an independent Namibia will not have strong neighbours to pose a threat to apartheid. If there is any lethargy, it cannot be ascribed to Africa but to those who have the means and influence to restrain South Africa. Africa is weak and South Africa has taken full advantage of the situation.

The drought and famine situation in Africa is very serious and what is even more painful is the fact that no solution seems to be in sight. Of all the countries in the world that are recipients of food aid, over 30 are in Africa. This is humiliating to African pride and dignity. The seriousness of the situation was recognized by the recent OAU Summit. Apart from the resolutions adopted on Southern Africa and other areas of concern to Africa, the Summit established a Special Emergency Assistance Fund for drought and famine in Africa. Developing and developed countries and the UN Agencies are called upon to contribute generously to the Fund. The African leaders, however, also recognized that the ultimate responsibility of feeding Africa rests with the Africans themselves. The Summit also established a Drought and Famine Relief Fund to which Algeria and Libya pledged \$ 10 m each. The Summit also agreed that the next Council of Ministers Meeting should be a joint one be-



tween Foreign and Economic Affairs Ministers to prepare for the 21st Summit which will be devoted for most part to economic issues including drought and famine.

I consider the recent OAU Summit to have been a success even though it was unfortunate that Morocco decided to quit and Zaïre to suspend her membership of the Organization. The OAU has come of age. The predictions of the doomsayers that the OAU was in for another tumble were frustrated by Africa's commitment to her unity. I hope that in time we shall have Morocco and Zaïre back in the fold. There exists a Charter Review Committee that is looking into the question of whether or not there is need to reorganize the OAU. Once its work is finalized we shall see which areas need reorganization. The immediate reorganization that I think is necessary is that of rededication to the principles and objectives of the OAU. We have had enough of the polemics and brilliant proposals but no follow-up action yet. This is what Africa should do now in order to keep abreast of the changing circumstances.

► *How would you characterize Botswana's attitude towards South Africa?*

— Our attitude towards South Africa is one of frustrations at the way things are run in that country. We believe in a democratic South Africa in which all South Africans can live in peace and freedom in spite of their racial diversity. This means the dismantlement of apartheid and its replacement by democratic structures and institutions that will accommodate all racial groups in the political

(1) Written.

and economic decision-making. This is what we feel the South African authorities should start doing for the alternative is continued violence and loss of human life. The democratization of South African society can still be done. It is never too late in human affairs to bring about the desired change.

► *How do you see the recent constitutional changes in South Africa?*

— The recent constitutional changes in South Africa are unacceptable to Botswana because the majority black people have been left out in the cold. Even the Indian and "Coloureds" Chambers in the new system are still subordinate to the White chamber. This shows that the new constitution is but a facade aimed at making those who do not know the South African situation well to believe that the process of change has begun. Apartheid remains the policy of South Africa and the new constitution has entrenched this system. It leaves much to be desired. Most "Coloureds" and Indians saw it for what it is and rejected it by staying away from the polls.

► *Is a non-aggression pact of the Nkomati type on the cards between Botswana and South Africa?*

— Botswana does not wish to sign a non-aggression pact of any kind with South Africa. We abhor the system of apartheid but do not harbour any aggressive intentions towards South Africa nor, for that matter, against any of our neighbours. We stand by our time-tested policy of non-use of Botswana territory for attacks against our neighbours. Botswana is not at war nor has it ever been at war with South Africa. Therefore, we do not understand the import of non-aggression treaty. Our image would be irreparably tarnished and our word would not be respected as ours any more if we were to sign such a pact. Clearly, we stand to lose everything and gain nothing by signing a treaty with South Africa. This is why we have resisted pressure to sign such an accord and hope to continue doing so in the future.

► *Botswana is a prominent member of the SADCC; what is your opinion, though, of the PTA (2)?*

— The SADCC and the PTA are very young organizations in the history of regional groupings. Both have to

be given a chance to evolve and to demonstrate their relevance to the present economic situation in this part of Africa.

My own view is that any organization that brings real economic benefits to the region should be welcome. That to us is the standard against which the SADCC and the PTA will be judged. In other words, I believe it is too early to form an opinion on the PTA.

► *Botswana's economy is based essentially on diamond and beef; what role has been reserved for agriculture, bearing in mind the present food situation in Africa?*

— While the Botswana economy is dependent on the sales of diamonds and beef for revenue and foreign exchange earnings, 80% of the total population is classified as rural and as such is partially dependent upon arable production for income and employment. Thus the agricultural sector has a major role to play in fulfilling national objectives of social justice, increasing economic growth and economic independence.

During the next Development Plan (1985/86-1990/91), agricultural policy will be aimed at providing the rural population with adequate incomes and employment opportunities, increasing agricultural production and achieving food self-sufficiency. Programmes such as the Arable Lands Development Programme will continue during NDP VI with a view to assisting small farmers while additional projects such as Arable Recovery Measures will be introduced to provide arable producers with assets lost during the present drought. Because of the high incidence of drought in Botswana and the damaging effects on dryland agricultural production, the potential of irrigated agriculture will be examined. If this proves to be viable, private and parastatal investment will be encouraged in order to develop irrigated agriculture on both a small and commercial scale. Although one of the major objectives of the development of irrigated agriculture will be to increase food production, the objective of increasing incomes and employment opportunities for the poorer sections of the rural population will remain a priority. To tackle the medium term implications of unpredictable rainfall

(2) Preferential Trade Area.

in terms of food availability, a National Food Strategy (NFS) has been introduced. The NFS is not a new programme but a planning process aimed at existing activities and initiatives to ensure adequate food supplies at a national and household level. The areas to be examined under the NFS will be the links between food availability and planning for drought relief programmes, agricultural programmes and nutrition and job creation in rural areas and food consumption. As a part of the National Food Strategy, a data base will be established to support planning for food security, effective support and incentives policies for increasing both small-scale and commercial producers will be designed and implemented, nutrition-oriented programmes will be strengthened and planning on a medium-term basis for drought preparedness will take place.

► *Among other things, the cordon fence system in the livestock industry has created problems for wildlife migration in Botswana and caused some anxieties amongst environmentalists. What is the Government's view on the issue?*

— We have had a 'poor' press in recent years in regard to the veterinary cordon fences and the priority we give wildlife vis-à-vis livestock. I believe much of the criticism has been misleading and ill-informed. The following are the main points:

(a) Botswana is extremely prone to droughts. During severe droughts wildlife and livestock suffer. Historically, before the cordon fences were established, there were massive wildlife losses during droughts. We have to learn that droughts will recur in the future and manage our livestock and wildlife resources, and our pastures, better in the future.

(b) There is room for both wildlife and cattle in Botswana, but preferably not in the same areas. Seventeen percent of the country has been designated as National Parks and Game Reserves and an additional 15% is free of cattle. Thus wildlife has virtually exclusive use of over 30% of the country.

(c) The livestock industry is very important both nationally and individually. Fifty thousand producers now earn ±P100 million from livestock sales. We do not have alternative

sources of income for these producers.

(d) The cordon fences are essential for disease control and marketing of beef. Many independent observers do not regard the fences as amongst the more serious problems for wildlife. Deaths on the fences are primarily as a result of overstocking, denuded pastures and exhausted water resources. If wildlife, livestock and pastures were better managed and if overstocking of both wildlife and livestock could be prevented, the fences would not be a problem.

(e) Better management of livestock will be achieved through education and legal enforcement. Through the use of such programmes as Tribal Grazing Lands Policy (TGLP), wildlife will be protected in reserves and 'Cattle Free Zones' and Government will assist with water points etc. for wildlife.

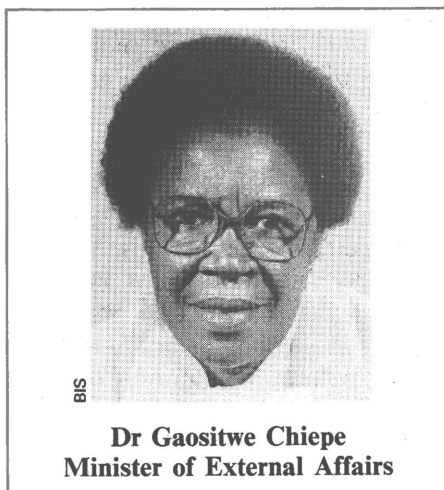
► *On what areas are you laying emphasis in industry and why?*

— During the past four years, we have more than doubled the number of operating manufacturing establishments employing 10 or more people. In addition, my Government has given particular assistance to the establishment of a large number of small citizen-owned industrial manufacturing enterprises in both the rural and urban areas. It is the Government's intention to do all that is possible to maintain this very impressive momentum of growth in our industrial sector. At present we are having discussions with several large international organizations for the establishment of such larger industrial activities as a foundry, vehicle assembly plants, a major can-making plant and large tanneries.

In recent years the Ministry of Commerce and Industry has participated in 8 or 9 international fairs each year and the Minister of Commerce and Industry has led trade and investment promotion missions to 11 countries during the past 3 years. EEC has given assistance to these promotional activities through the Trade Promotion project. I am pleased to say that the participation in international fairs has undoubtedly generated greater trade for Botswana. Furthermore, each of the trade and investment promotion mission has succeeded in attract-

ing additional investment to our country and contributed to greater—and mutually beneficial—trade diversity.

My Government will shortly be announcing a range of commercial and small industrial projects that will, in future, be restricted for citizen investment only. However, we remain very much committed to attracting foreign investment for medium- and large-scale ventures and hope that an increasing amount of this will be on a joint-venture basis, with both foreign and Botswana participation.



► *How do you see the European Community in the development of Botswana?*

— Beef production remains the only industry that is truly indigenous to this country. Cattle ownership may not be as widely distributed as we would wish, but the industry remains the greatest source of livelihood for the majority of the people in this country. Consequently, the continued access of Botswana beef is of great national importance to us. We would be very disappointed if the access provisions of Lomé II were to be reduced in effect or in any way degraded.

ACP/EEC relations are important to us in another way — as one of the most important possible sources of capital for investment. The amount of direct financial assistance under the EDF may not be much, looked at against the duration of the Convention. However, the other instruments of the Convention, properly used and given sufficient good-will on both sides, should be able to generate additional resource flows into ACP countries. I have in mind, particularly, an enhanced role for the EIB in ACP

countries, a flexible approach to the rules of origin and a deliberate effort on the part of the EDF to promote ACP trade, to mention just a few.

Brussels bureaucratic controls

► *Lomé III has just been signed and naturally this is the moment to reflect on ACP/EEC relations. Have you any comments?*

— Whilst Botswana, like other ACP countries, obviously greatly appreciates the aid given under the Lomé I and Lomé II agreements, it can be clearly seen from the discussion preceding Lomé III that all is not perfect.

The EEC sometimes complains that ACP countries have not utilized their aid from the Community in the time originally envisaged. One of the reasons, I feel, is the rather bureaucratic controls over specific expenditure. Brussels officials do not necessarily know how project funds should be best utilized. The needs may be very different from those of Denmark or Ireland or France and should not be judged on these different criteria. Agricultural projects may have to be much more experimental in nature; trade promotion projects may have to be directed particularly to investment attraction; educational projects may have to have geographical aspects, which would not be appropriate to Community countries.

Therefore, when ACP countries give detailed attention to the design of individual projects for Community assistance, they are well aware of the priorities of their national plans. We, in Botswana, certainly make sure that requests for particular kinds of assistance are always closely aligned to National Plan priorities. Therefore, when such projects have been accepted by representatives of the Ten, there should not be unilateral action by Brussels officials to prevent the implementation as envisaged or to delay requested flexibility when circumstances suddenly change. In general, the man or woman on the spot is closer to the problems and therefore better able to know the needs. ACP Governments and representatives must be treated with the respect that their practical knowledge of Third World needs demands. ○

Interview by A.O.

Plain sailing on rough seas

Botswana's economy has been described variously in recent years as "very buoyant", "the fastest growing in Africa", "miraculous", etc. Modest by nature as the Batswana is, he can hardly quarrel with such superlatives, for few, if any, believed 18 years ago that this former British Protectorate of Bechuanaland was anything more than a political entity that was bound to survive on charity.

The British had protected it from South Africa's encroachment for 81 years and finally granted it independence in 1966. With an area two and a half times the size of the United Kingdom, two-thirds of which is covered by the sand and shrub of the Kalahari

desert, the new nation was landlocked, sparsely populated, had a total of no more than 5 km of tarred roads, a per capita income of US \$ 50 and an economy that was based entirely on cattle. It was virtually written off as without prospects — an unenviable inheritance for its leader, the late Sir Seretse Khama. Today the evidence is overwhelming. Botswana has made tremendous progress: it has some 1 500 km of bituminized roads, a per capita income of \$ 870, a healthy foreign exchange reserve of around 673 million Pula⁽¹⁾ (about seven months of imports), a balance of payments surplus of over 112 million Pula and an average annual economic growth rate of over 12%.

The driving forces

It may appear somewhat exaggerated to attribute this 'miraculous' escape from poverty to the pragmatic leadership of Sir Seretse Khama, but that leadership earned Botswana not only peace and stability internally, indispensable for economic development, but also foreign interest which was translated into investment and aid. The South African diamond mining company De Beers, which had been on the scene 11 years before independence, prospecting for minerals, was not sent packing. Indeed, a year later, in 1967, De Beers discovered the Orapa diamond deposit which was to be the catalyst in the transformation of the economy when it came on stream in 1971. The company, which went into partnership with Botswana in 1969, has since opened two more diamond mines at Letlhakane in 1974 and Jwaneng in 1982.

With the commissioning of the then Roan Selection Trust's copper-nickel complex at Selebi-Phikwe in the 1970s, mining and beef became the driving forces of Botswana's economy.

Vulnerable but surviving

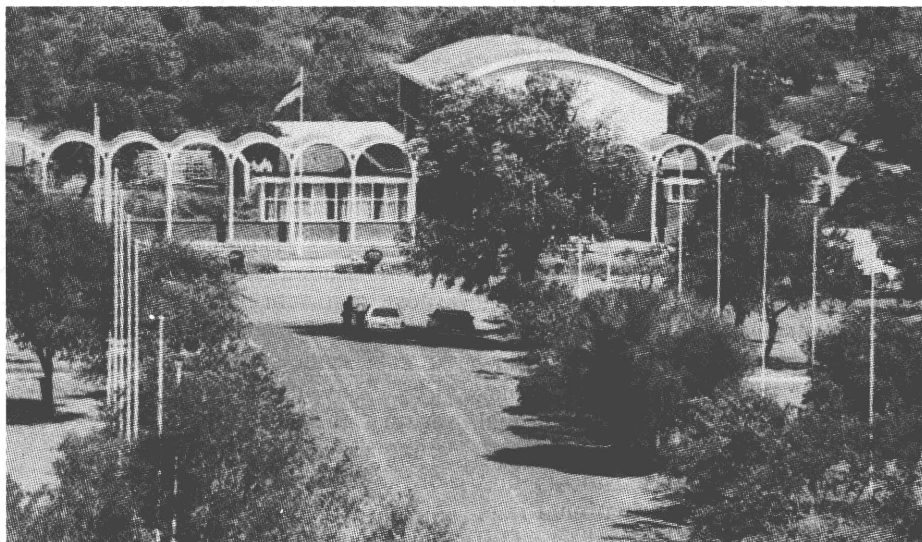
Yet Botswana has lived, and has continued to live, within the shadow of disasters with an economy that is vulnerable vis-à-vis the country's geopolitical situation and physical features, on the one hand, and unstable

or delicate market conditions for minerals and beef, on the other. Showing good performance at this time of world recession, Botswana is like a ship plain sailing on rough seas.

It is situated in a region that has known nothing but turmoil over the past 20 years. Like all the 'frontline states', the liberation wars that led to the independence of Angola and Zimbabwe placed considerable strains on the resources of Botswana in terms of the large number of refugees, about 35 000, who arrived in the country. Today most of these refugees have returned home with the end of the wars, but the continuing struggle for the independence of Namibia and for human dignity in South Africa threaten new influxes. The United Nations

High Commission for Refugees has helped and is continuing to help Botswana to cope. The struggles in Namibia and South Africa have placed Botswana in a particularly difficult situation vis-à-vis South Africa with which it maintains unavoidable, but fruitful economic links in terms of trade, investments and outlets to the outside world. The risk of blackmail from the apartheid regime as international pressure builds on it has always been high. Botswana has, since independence, recognized the risk. So, as well as conducting a pragmatic and delicately balanced diplomacy, it has been moving gradually to reduce excessive dependence on South Africa on all fronts.

The Government's efforts over the past 18 years have been geared to-



The National Assembly building in Gaborone

Multi-party democracy: a solid political system guaranteeing peace and allowing steady economic growth operates in Botswana

(1) Pula, the national currency of Botswana introduced in 1976.

wards resolving the most important problem of them all — transport and communications. At independence, these were very skeletal and the first three National Development Plans overwhelmingly emphasized social and infrastructural investments, improving not only internal road-rail-air networks but also overall 'disenclavement'. Today Botswana can boast of at least 8 000 km of roads of which 1 500 km is bituminized, as already noted, and some 128 airports and airstrips, including a new international airport near Gaborone. The sole railway, which has been owned by the National Railways of Zimbabwe (formerly Rhodesia Railways) since before the independence of Botswana, is being gradually taken over by Botswana — a long process since it does not only involve buying the assets, which is very expensive, but also training of Botswana to run the railways. The railway is vital to Botswana's economy, running as it does through the copper-nickel and coal mining towns of Selebi-Phikwe and Morupule respectively to Bulawayo in Zimbabwe and Mafeking in South Africa. It has given Botswana direct links with its two most important regional trading partners and, in effect, two possible outlets to the outside world: through Zimbabwe and Mozambique or through South Africa. It has, furthermore, even the possibility, though prohibitively expensive, of going north to Zambia, Zaïre and Angola. The economic feasibility of a Trans-Kalahari Railway has been recently studied and, in the prevailing economic circumstances, is negative.

The South African and EEC markets

On economic links with South Africa, the problem is much more complex. Although Botswana buys more from than it sells to the Republic, South Africa remains a potential market with its population of 30 million as against Botswana's one million. Moreover, a number of Western companies use South Africa as a warehouse for goods in transit to Botswana. The Southern African Development Co-ordination Conference (SADCC), on the other hand, was designed to reduce overdependence of its members on South Africa. For Botswana, where the headquarters of the



Diamond sorting at the Botswana Diamond Valuing Company

These precious stones are, to a large extent, responsible for the economic growth Botswana has known in recent years

organization is located, this does not only mean reduction of dependence on transport and communications, it also means alternative markets to the north, in the SADCC countries. Zimbabwe is already proving to be an indispensable partner to Botswana.

The uncertainties surrounding the mining and beef industries are of a particular nature. Botswana has been lucky throughout, but for the period 1978-80 when there was a crisis in the livestock industry. On mining, there is nothing to suggest that investment is drying up. Indeed, in spite of high costs, prospecting is going on — an indication of the continuing interest and confidence in this sector. But demand for diamonds, the real money-spinner for the country, has slumped, and with it, prices as well as revenues, despite increased production. Although Botswana is stockpiling and earnings have increased in real terms, the authorities feel that the depression of the markets is preventing the tackling of some urgent development problems. Diamonds have made Botswana creditworthy and as such it can secure loans for such projects, but observers are warning of the danger of wading into the money market, as the pitfalls are great. Most Third World countries

have already been caught in the trap. The equally depressed demand for copper-nickel does not hold out hope, nor do Botswana's considerable coal reserves.

Livestock

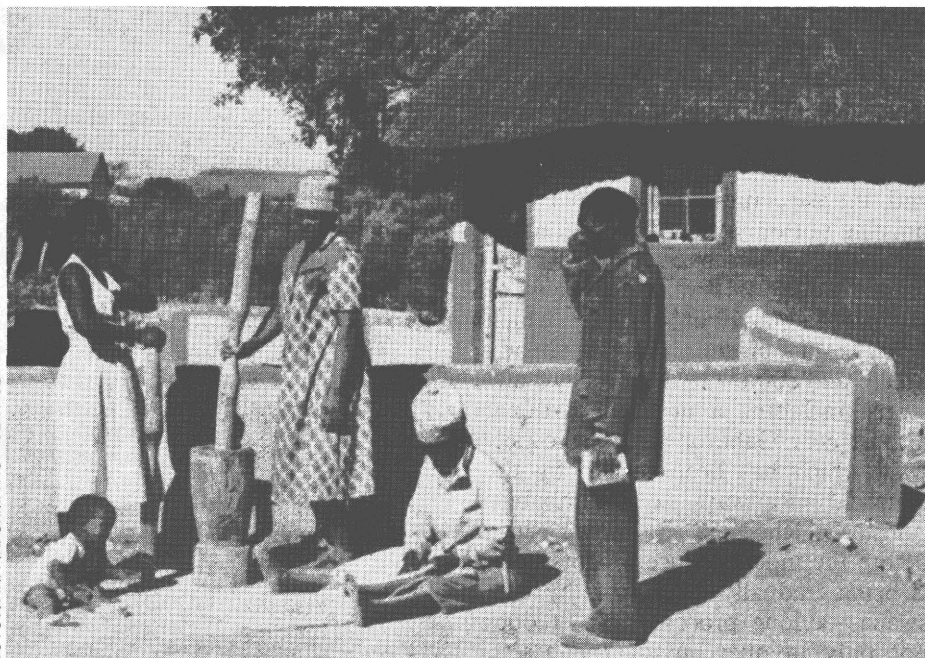
Because of the role cattle plays not only in the economy as a whole but also in the lives of so many people in Botswana, the livestock industry is a constant source of concern, especially with regard to the European Community market where Botswana sells between 70-80% of its production of chilled/frozen boneless meat and corned beef at prices well above world levels. The problem is mainly guarding against diseases, especially foot and mouth disease, an outbreak of which in 1977 led to Botswana's beef being shut out of Community market for nearly three years. The outbreak occurred as a result of infection from Zimbabwe. The EEC lifted the ban in 1980 after Botswana had brought the disease under control through vaccination, thanks to the Botswana Vaccine Institute (BVI) (see box) set up with EEC funding, and also thanks to an elaborate but controversial system of cordon fences set up by the Botswana authorities and to an efficient veterinary service.

The country is now divided into north and south with a buffer zone in-between. The south, which is a disease-free zone, is the area from where cattle destined for Europe are slaughtered. In the north, close to the border with Zimbabwe which was the zone infested in 1978, vaccination still takes place every six months in spite of the fact that there have been no outbreaks since 1980. This illustrates Botswana's determination to avoid a recurrence of the 1978-80 disaster which almost destroyed the livestock industry.

Botswana has so far been able to take advantage of its quota with the EEC with cattle from the south. There are provisions for certified disease-free cattle from the north to be slaughtered for the EEC market: in this case, 12 months must elapse between the time of vaccination and the time of slaughter. No cattle from the buffer zone are accepted.

Diversification

The mining and livestock industry between them account for 88% of foreign earnings and at least 70% of government revenues. They are surviving and even prospering on a knife-edge, as has just been seen. Since they remain the pillars of the economy, Botswana plans to expand them. However, since the fifth National Development Plan (1979-85) the authorities have embarked upon broadening the base of the economy through emphasis on arable agriculture and strengthening of the manufacturing sector with a view to achieving self-sufficiency in basic foods, improving rural income and creating employment.



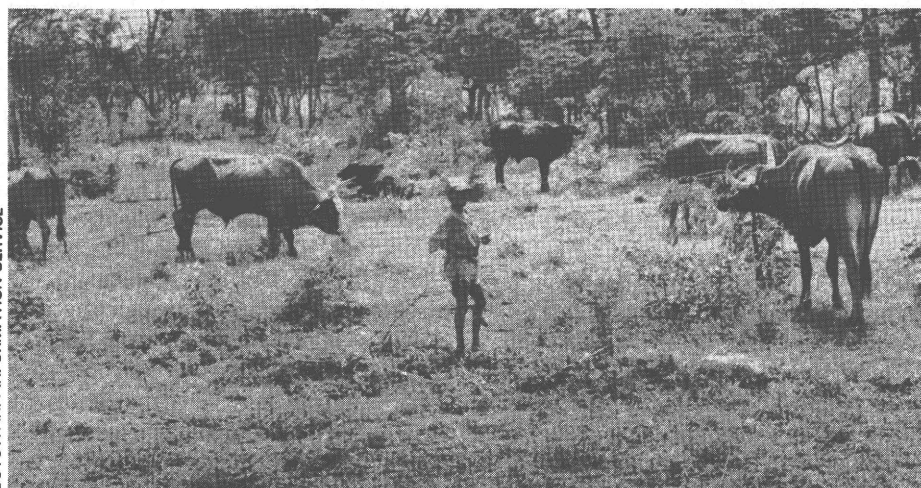
The problem in the coming years will be to ensure that the benefits of diamonds really reach the people in a spirit of social justice

Botswana has never been self-sufficient in cereals. Internal grain consumption stands at between 180 000 to 200 000 tonnes per annum of which only less than 10% has been produced domestically, at least in the last three years. The country's production capacity is put at 50 000 tonnes in a normal year. So its deficits have always been made up by imports. Even the government's strategic grain reserve of 30 000 tonnes, stored in 16 distribution centres throughout the country, was constituted with imports. With more storage facilities being built around the country by the Botswana Agricultural Marketing Board, (BAMB), the body that is required by law to buy surplus foods from peasant

farmers in order to strengthen Botswana's food security and at the same time encourage farmers to produce more, the need to boost production had become imperative by 1980.

Agriculture

However, the government's anxiety to ensure that advantage is fully taken of the booming diamond industry, that the benefits of it filter through to the rural population and that there are job opportunities for Botswana's ever increasing labour force, dictated that diversification had the most important place in the fifth National Development Plan. The cornerstone, as expected, was rural development, developing areas where more than 85% of the people live. The Arable Land Development Programme (ALDEP), the Tribal Grazing Lands Policy (TGLP) and the Financial Assistance Policy (FAP) are three of the keys by which the government hopes to achieve these objectives. The ALDEP is, among other things, a package of financial arrangements, a system of loans and subsidies, to assist small-scale farmers. Under it, the government takes charge of 85% of costs and the farmer 15%. The Tribal Grazing Lands Policy is designed to ensure better land utilization and conservation of Botswana's ranges. This is in recognition of the fact that there are peasants who earn their living through cattle rearing and



Livestock, the second pillar of the economy

through hunting. The system thus divides lands into three zones; commercial, communal and reserved. The Financial Assistance Policy, on the other hand, is directed more to medium- and large-scale farmers also involved in some kind of manufacturing or transformation of agricultural produce.

Drought

However, three years of drought have seriously impeded the implementation of these lofty plans as resources are diverted to combating its effects. The drought has led to drastic falls in food production to the extent that the government, with external aid, had to embark on a large-scale relief programme involving feeding some 502 000 people. Livestock has been lost and social projects, like housing, have either been scaled down or halted altogether.

Rainfall in 1984, though better than the previous years, has been insufficient and the harvest this year is not expected to be great. However, Botswana has started a programme of water supply which involved drilling of boreholes and building of dams throughout the country.

Under its rural water supply scheme, it aims at providing 55% of the rural population, which can at present be economically reached, with water for human consumption. So far, 240 of the 354 villages earmarked have been served with boreholes. The government is examining how best it can reach the remaining 45% which are in scattered settlements. Alongside this rural programme of water for human consumption is another project of boreholes for livestock and wildlife, under the Tribal Grazing Lands Policy.

Water resources

The drought has awakened Botswana to its unexploited water resources: the biggest of these, of course, are found in the Okavango delta. Although several companies have applied to operate large-scale irrigation schemes in the area, the authorities are cautious. They believe that it would be unwise to give a go-ahead to projects of this nature without first designing a water management strategy. This strategy

is in the process of being drawn up. There is a school of thought, though, in the Ministry of Minerals and Water Affairs, which feels that the water of the delta should be transferred to the eastern parts of the country where there are concentrations of people. The sixth National Development Plan which is due out shortly is expected, however, to give guidelines on how the Okavango delta is to be exploited.

There are additional water resources in the Chobe district that are to be exploited. So, in the coming years, Botswana will have adequate water to carry out its ALDEP programme which, incidentally, has become very popular with farmers since the government introduced attractive conditions for grants late in 1983.

The former Assistant Minister of Agriculture, Mr Matlabaphiri, believes that, if rainfall is good in the coming months, the first results of ALDEP will be reflected in increased agricultural yields in the 1985/86 season.

The ALDEP programme is aimed at 70 000 to 80 000 small-scale farmers and it is unlikely that together, with the small acreage at their disposal (five hectares on average), output will exceed domestic consumption level to a significant extent. So Botswana is bringing more land under cultivation, especially in the Chobe district which has good soil and which, in addition to its irrigation potential, normally has good rainfall even in bad years. Already

50 000 hectares are being considered for rainfed farming. Eleven thousand hectares have been allocated. Irrigation farming is also planned in the Chobe enclave, a long stretch of land near the Chobe river. As part of the plan a main tarred road to Kazungula has been constructed with feeder roads inland. The main road was built with EDF funding.

Mr D. Finlay, the Permanent Secretary in the Ministry of Agriculture, estimates that by the late 1990s Botswana should be producing, on average, 100 000 to 150 000 tonnes of grain a year as a result of these strategies.

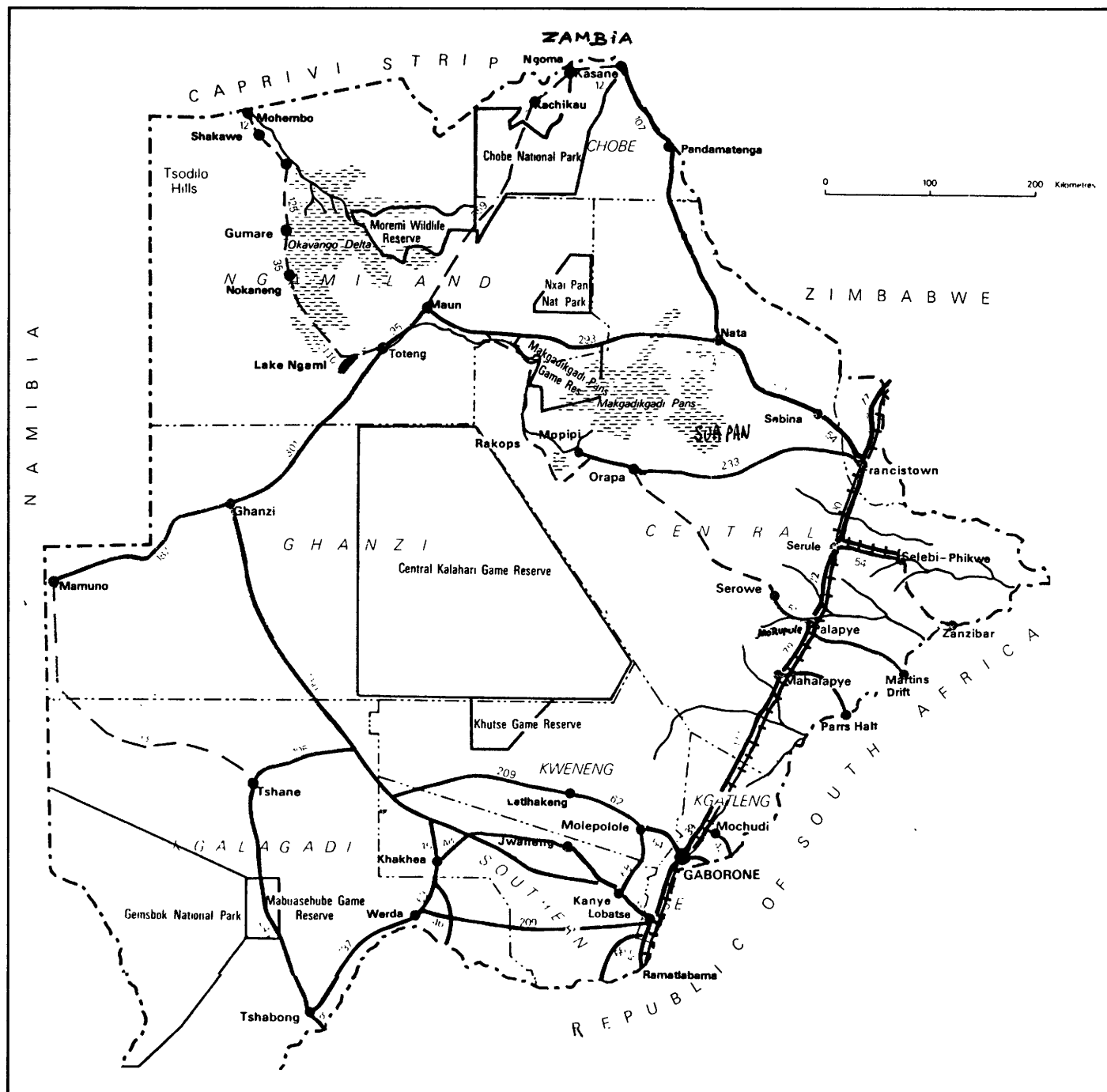
Manufacturing

The manufacturing sector, meanwhile, is responding appreciably to diversification. This sector, it should be noted, had initially faced what seemed to be insurmountable obstacles like the smallness of the domestic market, the low purchasing power of the people and the lack of infrastructure. The consequences of these constraints have been enormous. Botswana for more than 14 years, from independence in 1966 to 1980, could only muster 88 manufacturing units. Unemployment has been widespread, leading to a large number of Botswana migrants to South Africa to work. These migrants number about 45 000 today and represent a non-negligible source of foreign earnings for Botswana, particularly, and an essential element in the economy of the rural ar-



Cereals harvest

Botswana has never been self-sufficient in cereals



A profile of Botswana

Area: 582 000 km²

Population: 936 000 according to the 1981 census. This is now put at around one million with an annual growth rate of 3%. The population is concentrated mainly in the eastern parts, along the railway line that runs to Zimbabwe in the north and to South Africa in the south. The main tribes are the Tswana, which make up more than half of the population, Kalanga, Yei, Mbukushu, Subiya, Herero,

Khalagudi, Lala and the Bushmen (Basarwa)

Political system: A multi-party democracy with a 32-seat Parliament (National Assembly), elected for a five-year term and an Executive President elected by the National Assembly for a four-year term. The main political parties are: Botswana Democratic Party (BDP); Botswana Independence Party (BIP); Botswana National Front (BNF); Botswana Peoples Party

(BPP); Botswana Progressive Union (BPU).

Mainstays of the economy: Diamonds and beef

Currency: Pula, subdivided into 100 Thebe (t)

Foreign Exchange reserves: (mid-November 1984) 673 million Pula

Income per capita: US\$ 870

Main towns: Gaborone (the capital), Francistown, Lobatse, Molepolole, Selebi-Phikwe.

eas. Employment opportunities in South Africa have tapered off in recent years, but Botswana has been lucky, for this has coincided with a period of expansion in the manufacturing sector, made possible by the removal of the main constraints, notably the move to exploit the accessibility that the Southern Africa Customs Union offers Botswana to the South African market, the markets of the SADCC countries through the SADCC agreement and those of Europe through the Lomé Convention; the provision of various kinds of incentives, including tax holidays and outright grants outlined in the Financial Assistance Policy; and, above all, the considerable improvement in infrastructure.

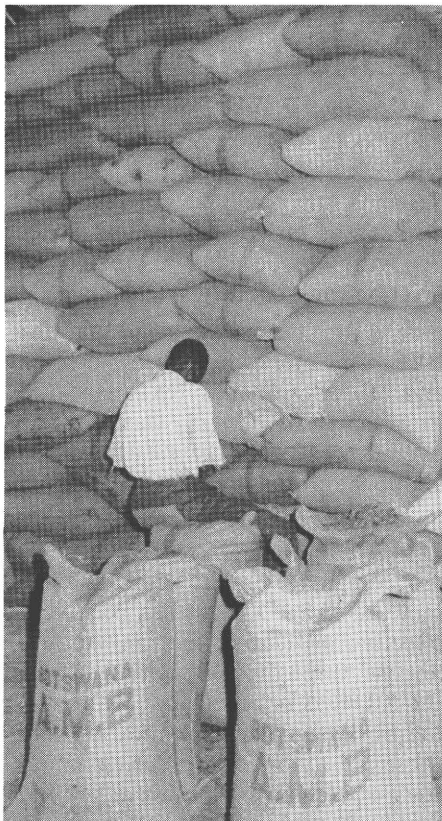
The expansion of the manufacturing sector in the past four years has been spectacular. Business has, in fact, trebled from 88 units in 1980 to some 276 in 1984. The last two years, 1983 and 1984, were record years with respectively 126 and 158 new businesses.

Contrary to expectations, Botswana has potential for small- and medium-sized enterprises which could use local materials. For example, a number of industries can grow around beef-leather, boot and shoe manufacturing — and around wildlife, like gameskin, trophies and curios. Opportunities exist for the manufacture of such items as candles, toilet and plastic products, clothing and pharmaceuticals.

There is now a medium-sized diamond cutting, sawing and polishing industry in the country.

“Tourism has received increasing attention from Government during the last years as it is now perceived to have good potential for employment creation in the industry itself, in the supplying industries, but most of all in the informal rural sector”, says the EEC delegation in Gaborone. “This, as much as the fact that tourism is presently the fourth export performer, has led the subject to become very topical during recent general elections. A tourism policy statement is being finalized, which shall provide for Government’s increased role in the promotion and controlled development of the industry, jointly with a dynamic profession of local private operators.

Botswana has one of the greatest tourist potentials in Southern Africa,



BOTSWANA INFORMATION SERVICE

One of the many cereal stores established throughout the country by the Botswana Agricultural Marketing Board (BAMB), the body required by law to purchase surplus food from farmers



BOTSWANA INFORMATION SERVICE

One of the waterpoints installed under the rural water supply programme

mainly because of its vast and still mostly untouched wildlife resources. The Okavango Delta, for example, constitutes an absolutely unique environmental system still teeming with

game. Yet, a constraint remains which is Botswana’s landlocked position, a serious handicap as most tourists like to combine safaris with the beach. However, specific tours taking account of possibilities for combinations with other regional tourism assets are presently being developed and promoted in the SADCC context.”

The government’s overall industrial strategies are three-pronged: import substitution, export and employment. If manufacturing activities have increased and export earnings improved, the government is nevertheless far from achieving one important aim — that of locating new businesses in the rural areas despite the Financial Assistance Policy which specifically favours small companies locating in the rural areas. Furthermore, Botswana has begun to face competition in investments from South Africa, not necessarily from the Republic itself but from the so-called homelands which have unbelievable tax concessions — concessions offered in a bid to win some kind of political recognition and acceptance and to see some forms of economic activity taking place, in otherwise unviable territories. So rural industrialization faces considerable problems.

Concentration of enterprises

Meanwhile, enterprises are concentrated in four towns: Francistown, Gaborone, Lobatse and Selebi-Phikwe. The first, an old gold-mining city, is rapidly acquiring the status of the country’s main industrial town, specializing and prospering, as it were, on textiles made in factories which grew up as a result of the independence war in Zimbabwe: most of the companies, in fact, came to Francistown during and after the war. Today they export the textiles to Zimbabwe to satisfy an old market, though this created a trade problem between Zimbabwe and Botswana until it was resolved by a system of quotas.

Botswana is unique in that it is hard to see any loss-making concern. All businesses are making profits, including most parastatals.

The whole of the energy crisis has passed Botswana by, as it imports only a small quantity of fuel for vehicle, water-lifting and rural use. Power

The Botswana Vaccine Institute

On a 12 000 sq metres plot in Broadhurst Industrial Area of Gaborone stands an unimposing building that is now often referred to as an example of a successful project in almost every conference on development in Southern Africa: the Botswana Vaccine Institute (BVI).

Established as an emergency measure (in a prefabricated building) following the outbreak, in 1978, of foot and mouth disease in Botswana, the Institute was charged with producing vaccine to fight the disease. It was set up with the help of the "Institut Merieux" of France.

Foot and mouth disease is peculiar to cattle in Southern Africa. Previously the vaccine, called SAT (1) (Southern African Territories), was imported. However, within a few weeks of establishment the Institute had produced the first batch of experimental doses (15 000) which proved effective. Large-scale production began with output averaging 100 000 monovalent doses per week. By 1980, thanks to the dedication of the Department of Veterinary Services, Botswana was rid of the disease.

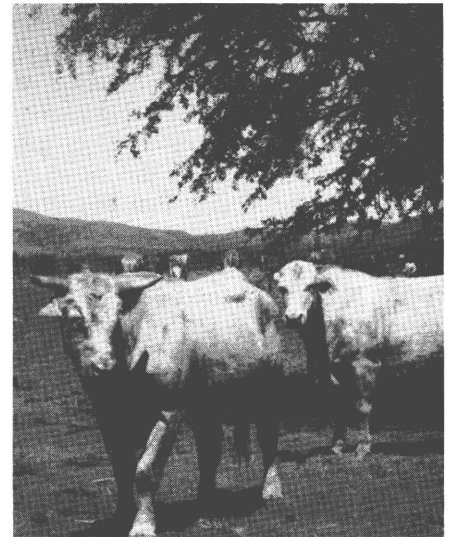
The production capacity of BVI

(1) There are marks 1, 2 & 3.

rose, between 1979 and 1980, from 100 000 to 250 000 doses per week. Under what was known as Phase I, designed originally for Botswana, output was raised to 8 million doses per year as demand increased in neighbouring countries.

A more permanent building for BVI had, meanwhile, been erected and officially opened by Botswana's President, Dr Quett Masire. The overall cost of the Institute was about 9 million Pula with the EEC footing most of the bill.

The Institute has become, more or less, a regional project within the framework of SADCC. It has been very effective in fighting foot and mouth disease throughout Southern Africa. Indeed, it is believed that without it the Botswana livestock industry and those of many neighbouring countries would have been destroyed. At the moment, the Institute is going through Phase II which was financed with an EIB loan after an initial support from EEC emergency aid. Production has been cut from more than 500 000 doses per week to 350 000, due to reduced demand. After going into commercial production and making profits, it is now losing money. Its budget is about 2 million Pula and it is virtually surviving on loans. Most people agree that the losses are



With its capacity of about 21 million doses of vaccine per annum, the BVI can play a major role in combatting foot and mouth disease in Africa

worthwhile because of the Institute's importance, but there are others who think, as it is now envisaged, that it should be supported financially through levies on cattle owners not only in Botswana but also in all the countries that benefit from BVI services. BVI officials, meanwhile, believe the Institute can play a great role in combatting animal diseases in Africa, especially rinderpest in East Africa. Its full capacity for foot and mouth disease is about 21 million doses of vaccine per annum. ○
A.O.

for almost all the industrial and mining towns and the surrounding villages is provided by stations fired with locally produced coal. Although Botswana, in 1983, had to be connected to the South African grid for electricity supply to Gaborone, Lobatse and Kanye, following the reduction of the volume of water in the Gaborone dam in the wake of the drought which constrained the cooling and steam-making of the Gaborone power station, it expects to be self-sufficient in electricity when the central power station, nearing completion in Morupule, is commissioned. So Botswana has not been threatened by the oil crisis. It has, though, like every country had to import oil-induced inflation in goods. It does not expect heavy expenditure on energy in the coming years.

Management of the economy

The Sixth National Development Plan will further emphasize productivity and diversification. With increased earnings from diamonds (554 million Pula in 1984), from beef and from the Southern Africa Customs Union (158 million Pula in 1983), Botswana has room to manoeuvre in the execution of the Plan.

Botswana's withdrawal from the Rand Monetary Area (RMA) and the introduction of its own currency, the Pula, in 1976 was a bold step. Continued membership of the RMA would have meant continuing to follow or to adapt to policies determined by the Central Bank of South Africa or by the

South African government as the Permanent Secretary in the Ministry of Finance, Mr B. Gaolathe, has pointed out. Botswana now has greater freedom in devising its economic policies, and officials have, so far, competently risen to the occasion. At the beginning of January this year, for example, the Pula was devalued by 15% in response to the competition that the fall in the value of the South African currency, the Rand, has provoked between goods manufactured in Botswana and those imported from South Africa. Admittedly, the country has a relatively large number of foreign experts in the public and private sectors, but that is a problem that cannot be solved overnight. A policy of gradual training of skilled manpower is being pursued. ○
A.O.

A deep-pile carpet of minerals under the Kalahari

The importance of mining to Botswana's economy cannot be underestimated. It is responsible for the high rates of growth the economy has experienced in recent years, accounting for no less than 75% of foreign earnings and 60% of government revenue.

Activities centre mainly around diamonds, copper-nickel, coal and, to some extent, gold and the outlook is good for expansion on many fronts.

Diamonds, however, are by far the most important. They were first discovered at Orapa by geologists of the South African De Beers Consolidated Mines in 1967, 11 years after the search began. In 1969, the Government of Botswana went into partnership with De Beers and incorporated what is now known as Debswana (De Beers Botswana Mining Company) to develop the Orapa deposits. Although shares are 50/50 between the partners, the Government of Botswana gets a larger share of the profits, about 60-70%, as the custodian of the nation's natural resources.

The Orapa mine came on stream in 1971 with an initial capacity of 2.5 million carats a year, but with expansion and the opening of a smaller mine nearby, at Letlhakane in 1977, diamond production soared, reaching 7.7 million carats per annum in 1982 and firmly putting Botswana in the top league of diamond producers in the world. South Africa's total production

in 1982 stood at 9.5 million carats per annum but that figure included the Namibian production. With the commissioning, however, of the Jwaneng mine in 1982, Botswana's diamond production has gone up dramatically to 12 million carats per annum, making the country the second biggest producer (in value) in the world after the USSR and the third (in carats) after Australia. Jwaneng alone produces at the moment, 6 million carats. The gem and industrial content of Botswana's mines are as follows: Orapa 70% industrial; Letlhakane 60% gem; Jwaneng 50% and 50% industrial (see box for a lighthearted explanation of the difference between the two types of diamond by Debswana). Earnings from diamonds have accordingly shot up, from less than P 100 m in the 1970s to P 360 m in 1983 and to an all-time high of P 554 m last year.

In spite of this, the market has been depressed for more than four years. World diamond sales have slumped from a record of US \$2.7 billion in 1980 to \$ 1.6 billion last year.

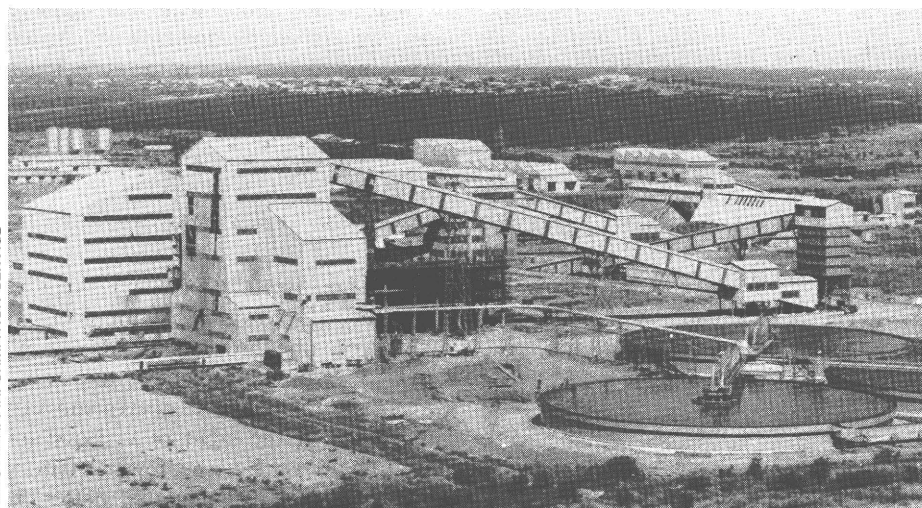
Botswana sells all its diamond production by agreement to the Central Selling Organization (CSO) which is a subsidiary of the De Beers Consolidated Mines. The CSO controls 85% of the world diamond trade, virtually dictating who sells how much and at what prices. CSO quota allocation to Botswana is 70% of its production,

which means that 30% has to be stocked each year, a stockpile that was valued, at the time of *The Courier's* visit, at \$ 500 million. Botswana, like other diamond producers, is pinning its hopes on the recovery of the United States economy which will stimulate demand as the US is the biggest market for diamonds.

Mining of known reserves, according to officials, will continue for 40 or more years. Despite this and the depressed demand for minerals in general, prospecting has picked up in recent months with De Beers, Falconbridge, African Selection Trust and Shell BP leading the way. A number of kimberlite pipes have already been discovered and most are known to contain some diamonds but the extent to which they are rich enough to form the bases of mines is still being determined. The chances are said to be good.

Prospecting for *copper-nickel* is surprisingly going on, as well, in spite of the depressed markets and continuing losses of the BCL-owned copper-nickel complex at Selebi-Phikwe. This somewhat paradoxical situation was explained in these terms by Mr P. Freeman of the Ministry of Mineral Resources and Water Affairs: "There has been a revival in the prospecting of base metals like copper-nickel, chrome, lead—areas where the interest of the private sector was non-existent three years ago—because there is a general feeling that we are somewhere near the bottom of the depression. Companies are taking the view that ten years from now, at some point, demand will overtake supply". Some 41.3 million tonnes of copper-nickel ore deposits are known to exist in the Selebi-Phikwe area. Understandably, the shareholders of the company are keeping it going in anticipation of a revival in the market. The mine's last best performance was in 1981 when it produced 40 000 tonnes of copper, nickel matte worth P 79 million.

As for *gold*, there have been no new finds in Botswana since independence. All the production that is now taking place is concentrated on the deposits that were worked a long time ago around Francistown. Indeed, some underground mines have been re-opened because new chemical technology, which was not available when gold



The Orapa diamond mine

The working diamond

The industrial diamond is the humble relation of the gem. While Cinderella's sisters went to the ball, Cinderella stayed at home to do the housework. While the gem graces beautiful hands and slender necks, the industrial diamond is at home in the workshop.

The brilliant gem will be found at glittering premieres, in courts and palaces, in the company of stars and rising stars. The industrial diamond will be found cutting everything from marble to fish, grooving the concrete surfaces of runways and roads to prevent skidding, drilling

out test cores from the masonry of ancient buildings or from the ocean floor, or simply resisting the great ranges of temperature and pressure in space. Before each car rolls off the production line in Detroit, 15 carats of industrial diamonds are consumed polishing the pistons or rounding the window glass. Spectacle and contact lenses are ground with diamond abrasive. Even the humble plastic washing-up bowl is cheap because its mould can be honed so smooth by a diamond powder, acting as a superior sandpaper, that 10 000 bowls can be turned out before the mould has to be repolished. ○ Debswana

mining began in Botswana, allows maximum recovery of gold today. Sophisticated modern equipment, however, should soon permit the discovery of new mines, "I think it will be surprising if there are no new deposits", says Mr Freeman.

Known *coal* reserves, on the other hand, are considerable, about 17 000 million tonnes, which, it was hoped, could be commercially exploited. But the result of a feasibility study just completed by Shell Coal is not encouraging. It confirms what many have always feared, that it will be too expensive to get the coal to and from any port and, furthermore, that the market is too depressed to make mining viable. Mr Freeman points out

that, even if there is a revival in the demand in the near future, the huge coal mines of Colombia in South America are likely to be the ones to snatch the markets. Botswana's coal is of average quality and would find competition tough. So its reserves are expected to lie where they are for some time except of course, for those required for fuelling the country's power stations.

The only mineral that is likely to be the subject of a major project in the near future, according to Mr Freeman, is the development of *soda ash, salt potash, and sodium sulphate* in Sua Pan. Botswana is believed to have big deposits of natural brine. BP Minerals International has built a pilot plant in

Sua Pan which is working satisfactorily — the plant already has fully developed technical capability to produce soda ash and salt at least. The problem, however, is finding a convenient market: Botswana is looking towards the South African market where demand is high but where the United States is virtually dumping soda ash. The problem, according to Mr Freeman, is persuading the Southern African Customs Union of the need to have locally produced and secure sources of soda ash. He admits that prices will initially be high but says that that is the kind of price consumers have to pay to promote regional development and secure a reliable source of supply. Latest information indicates that Botswana has succeeded in securing the markets of South Africa, Zimbabwe and Zambia. It remains to be seen if the Southern African Customs Union will exempt Botswana's soda ash and salt from duties in these countries.

With good management, mining of the various minerals is bound to remain for a long time the most important source of revenue for Botswana, not only because the sector itself is diversified, but because, together, they represent a formidable driving force for other sectors. ○ A.O.

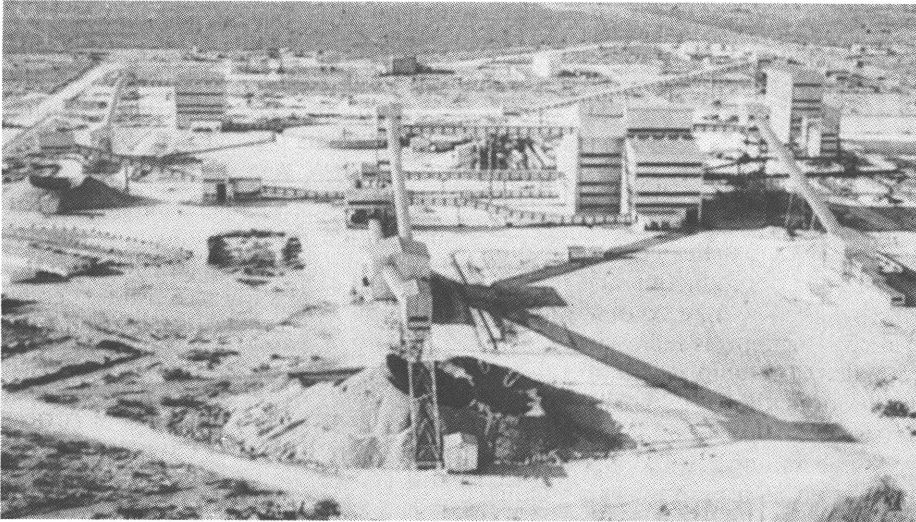
Jwaneng Debswana's "gem" asset

"Fantastic. You will not believe what we are seeing down there. Absolutely incredible. This mine is yielding diamonds in quantities beyond our wildest dreams. Come along, you will see for yourselves", said the little protocol man who was taking us for a guided tour of the Jwaneng diamond mine.

The De Beers Botswana Mining Company (Debswana) is not particularly keen on showing off its 'gem' asset to visitors. Indeed, if the tightness of security and the nervousness of the guards at the sight of visitors are anything to go by, the fewer visitors there are to Jwaneng the better it would seem to Debswana. Our proto-



The Selebi-Phikwe copper/nickel complex



A general view of the Jwaneng diamond mine

col man was simply elated at a forecast that has come true — the forecast of Harry Oppenheimer, the South African diamond magnate and former Chairman of De Beers, who predicted at the discovery of Jwaneng that the kimberlite pipe could prove to be the “most important discovered anywhere in the world since the original discoveries at Kimberley more than a century ago”.

Pipe mining, as opposed to alluvial, is practised in Botswana. This is the process of extracting diamonds from the kimberlite ore (the blue ground) of volcanic pipes with which Botswana is blessed. These pipes are very large, with surface areas ranging from Orapa's 110 hectares to Jwaneng's 54 ha. The largest pipe in the world is the Williamson mine at Mwadui in Tanzania which has 146 ha. A pipe's size is not necessarily an indication of its richness in diamonds.

A distinctive three-lobed pipe, Jwaneng was buried beneath 60 metres of sediment in the Kalahari desert, invisible from the surface. So it took several years of exploration of the area, which is 125 km west of Gaborone, and the expertise of De Beers' geologists, to be discovered in 1973, and, furthermore, the removal of 20 million tons of overburden from the central lobe to expose the blue-coloured kimberlite ore. Initial diamond yields, though large, were in quantities which put the most optimistic production forecast in 1982 at 3 million carats per annum, rising to 4.5 million at most by this year. Jwaneng has already proved to be something much more

than that with output running in 1984 at well over 6 million carats.

A whole new town, Jwaneng, has been built near the mine by Debswana for its more than 2 000 employees who, together with dependants, form a large community. With, among other things, power and water supplies of its own, shops, banks, a post office, several social amenities, an airstrip and land access from Gaborone by way of the Sir Seretse Khama Highway, Jwaneng has become the most beautiful and rapidly expanding town in Botswana. Indeed, it is hard to imagine that five years ago it did not exist. This is just one example of now diamonds are transforming a basically rural Botswana.

As for the mine itself, operations are still at the open cast stage, although the pit is already wide and deep enough to make the giant 77-ton

trucks, used in transporting ore from the mine to the crushing site 550 metres away, look like toys when seen from above.

Officials put the diamond content of the ore at 150 carats per 100 tonnes of kimberlite. Jwaneng, they say, could be viably exploited for at least 30 years. But it goes without saying that the deeper the mine becomes the more expensive the operations will become as shafts will have to be sunk at the edges of the pipe and tunnels eventually driven to reach deeper parts. It has been forecast that the ratio of diamond yield per 100 tonnes of ore will drop after five years, from the present 150 carats to 128 carats.

The diamonds recovery process in Jwaneng is a long, complex but sophisticated one. The shuttling trucks tip their kimberlite into a huge pit in which a gigantic bell-shaped hammer vibrates and crushes the ore into smaller particles. These fall beneath the hammer and are conveyed by a belt, nearly 150 metres long, to the recovery section where they are washed until only the diamond bearing gangues are left. The gangues are then passed through an X-ray separator to isolate the diamonds. (Few visitors are allowed beyond the crushing stage).

Sorting by hand takes place on the spot before stones are sent to Gaborone for final sorting and grading at the Botswana Diamond Valuing Company, a subsidiary of Debswana. Jwaneng, by all accounts, is a monument to human adventure, technology and industry. ○ A.O.



Sorting by hand takes place on the spot before being sent to Gaborone for final sorting and grading

Botswana Meat Commission: 18 years of service

Titus Madisa, the Executive Chairman of the Botswana Meat Commission (BMC) is obviously a contented man. At his headquarters in Lobatse, 80 km from Gaborone, from where he presides over the growth in both size and importance of the enterprise, he told *The Courier* last November of how anxious he was to meet his target kill for 1984, report to the Cabinet before the year ran out, and to secure from the latter approval to establish a new abattoir in Francistown. Well, everything went as he wished: BMC's kill recovered last year, from the 1983 fall of 233 900 to 239 000. The Cabinet, on the other hand, gave the green light in February for a new abattoir to be built in Francistown. This, when completed in 1990, will bring the total number of industrial abattoirs in Botswana to three. The existing two are in Lobatse and Maun.

Asked whether the BMC, like most parastatal concerns in Botswana, was making any profit, Mr Madisa sidestepped the question and talked instead of the all-round satisfaction the enterprise has given to everyone concerned: cattle owners, the workers, the government, the consumers of the enormous amount of meat the BMC produces, etc. The Botswana Meat Commission is, in fact, a statutory non-profit organization which had the reputation of being effectively financially managed and which, invariably, wound up at the end of each year, with surplus cash notwithstanding the loss-making Maun abattoir until last year, that is. The BMC, in 1984, made an overall loss of 2 million Pula and has

come under severe criticism in many quarters.

A highly sophisticated organization whose style of production and marketing (it has a holding company in the United Kingdom) is increasingly being emulated by countries in the developed world, the BMC is the pride of Botswana, having been deliberately set up by the authorities, more or less as a declaration of faith in the cattle industry.

Its abattoir at Lobatse is the largest single integrated operation in Africa and is ranked among the continent's most advanced, complete with cannery, tannery, research, storage and by-product processing. Here, as in Maun, draconian health and hygiene regulations are closely monitored and controlled to ensure that they comply with the requirements for the entry of Botswana's chilled and frozen boneless meat and corned beef into the EEC market. That market has been broadened in recent years from its overwhelmingly UK outlet to include Germany, Greece, France, Holland and Belgium. Other sales outlets include South Africa, Reunion and Hong Kong. Hides are sold to Italy and of-fals to Zaire.

The kill capacity of Maun has not yet been fully utilized. The decision to build another abattoir in Francistown may be for logistic reasons: the need to ensure an even geographical distribution of abattoirs in the country, Francistown being in the north-east and a long way from Lobatse in the south and Maun in the north-west. It

would, nevertheless, increase the kill capacity of BMC when it goes into operation in about 1990 and put the company in good stead for expansion of operations if its present promotional campaign pays off.

Mr Madisa understandably has great pride in BMC and his country, Botswana, he points out, has a cattle population of only 2.7 million compared with those of neighbouring countries which range from 8 m to 12 m each. Yet it has the largest and best organized beef industry in Africa. He does not rule out the possibility of stiff competition in the future. When it comes, he says, Botswana will adjust.

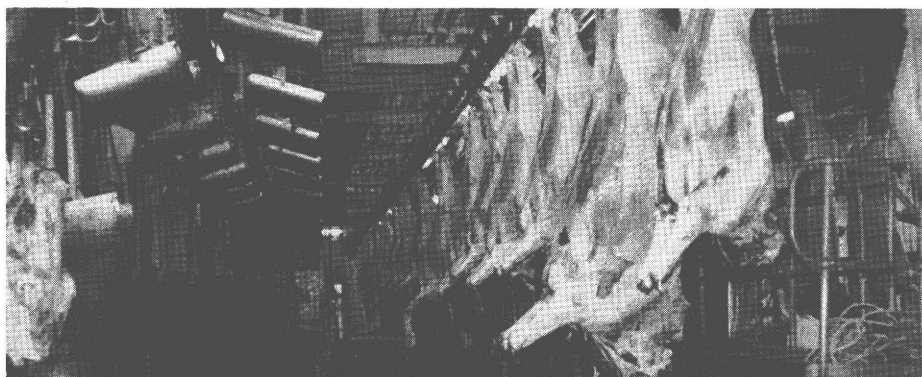
Meanwhile, there are reasons for the BMC to congratulate itself or be congratulated for the past 18 years which clearly have been very successful in terms of paying high prices to cattle owners. There has never been a better time to invest in cattle in Botswana.

o A.O.

The wildlife debate

With less than 20% of its territory under forest cover, range degradation is naturally a major environmental problem for Botswana, much more so for a country that is heavily dependent on livestock and is blessed with one of Africa's richest and most spectacular wildlife. The expansion of the cattle population in recent years has compounded that problem, although latest reports suggest there has been a diminution of the number of cattle as a result of drought.

The government has always recognized the need to ensure a balance between livestock and wildlife and has taken a series of measures in this direction, e.g. borehole drilling for both livestock and wildlife, the Tribal Grazing Lands Policy and the setting up of a monitoring committee. Whether these measures are adequate is a matter of opinion, but there is no denying the fact that environmentalists, inside and outside Botswana, are gravely concerned, especially since the erection, a couple of years ago, of a cordon fence on the northern boundary of the Central Kalahari Game Re-



Inside the abattoir with carcasses on a conveyor belt



Cattle concentration in the Kalahari
Overgrazing occurs within a short time

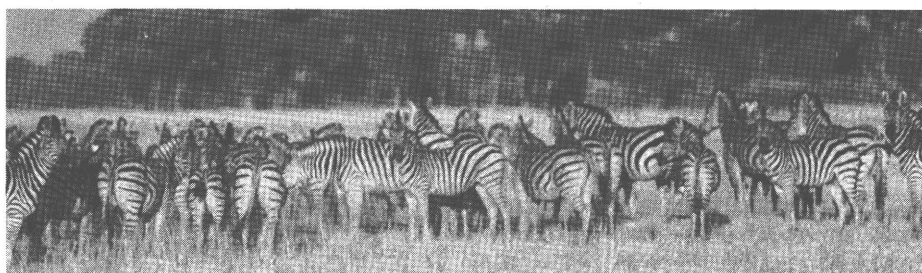
serve which is right in the middle of the country. The fence is aimed at preventing the spread of foot and mouth disease to areas from which cattle destined for the European Community market are slaughtered. The importance of cattle to Botswana need not be stressed again. (See interview with President Masire on this issue). As Mr Louis Nchindo, director of Debswana and chairman of the Kalahari Conservation Society puts it: "Diamond revenues accrue to Government for disbursement, cattle revenues accrue directly to the people".

This is the reality of Botswana today which, unfortunately, does not cut much ice with environmentalists who see the cordon fence as cutting across the migratory routes of wildlife, preventing them from reaching natural waterpoints and resulting, they say, in the deaths of thousands of animals. This was, in fact, the subject of a question put to Botswana in the ACP-EEC Consultative Assembly last year to which the authorities replied by pointing out that cordon fences were first put up in the country as far back as 1954. This, they said, reflected the importance of cattle to Botswana's economy and people. If more fences were put up recently it was to conform with the EEC's stringent veterinary regulations on ACP beef exports to Community markets. The cordon fences were a long-term measure to protect the livestock industry irrespective of the destination of Botswana's beef exports.

Botswana, meanwhile is preparing a memorandum on wildlife to be submitted to the European Parliament (in view of the latter's concern about the issue) and to the press. Furthermore, a project to be submitted to the EDF committee for financing in a couple of months on conservation, wildlife and tourism, under Lomé II, is being pre-

pared jointly by the EEC delegation in Gaborone and the Botswana authorities.

Should Botswana nevertheless discourage the expansion of the cattle industry? Cattle, it should be noted, have traditionally been subsidized in Botswana, even during colonial times. The high prices the BMC now pays, in an effort to spread the gains of the beef trade with the EEC as widely as possible, coupled with incentives like virtual free veterinary services, subsidized feeds and low taxes, mean that in Botswana today the best short-term investment for an individual appears to be in cattle. It is not uncommon for civil servants to spend their salaries on acquiring cattle instead of depositing them in the bank or even securing loans: they breed cattle and are reluc-



Zebras (the national animal of Botswana)

Once common in many areas they are now restricted to northern Botswana, on the Moromi Wildlife Reserve

tant to sell notwithstanding sufficient capacity at the BMC slaughterhouses. At the rate at which overgrazing is taking place in Botswana, some environmentalists estimate, the entire country could be affected in 10 to 20 years and serious desertification would occur.

In a democracy, it is hard to see what can be done other than the introduction of disincentives; low prices and heavy taxes perhaps. But these could deal a death-blow to the whole industry. That is why, says a govern-

ment official, those carrying out the studies for the Kalahari Conservation Society with the aim of showing how tourism and game are contributing to the coffers of the government and people will have to overcome a lot of reluctance. Cattle is the second most important item in Botswana's economy and shall remain ahead of tourism for some time.

As for the controversial fence, Mr Nchindo says that the Kalahari Conservation Society is trying to persuade the government to open it in times like this when there are no outbreaks of foot and mouth disease so that game can go through. He points out, however, that the reasons why wildlife in the Central Kalahari Game Reserve migrate in the first place needs to be established; for example, there is a need to establish whether the reserve is a complete habitat like the game reserves in the west, north and south of the country where there are no migrations. He believes that the provision of waterpoints in the Central Kalahari Reserve could be the first step towards finding out whether animals in the area seasonally move north because of water.

He cites the example of the "buffalo fence" in the Okavango which surrounds the south of the delta, the sou-

thern side given over to cattle the other to game. "If you fly along the fence, he says, you will be surprised. One side is green and the other side is almost a desert", which proves that fences are not necessarily bad things.

It is reassuring, however, to note that the authorities are disposed to finding solutions to this problem which is very important to the future of Botswana. The debate that is now going on must therefore be seen as being in the interest of Botswana. ○

A.O.

EEC-Botswana cooperation (*)

As the preceding articles show, the EEC plays a very important role in the economy of Botswana. Indeed, Botswana presents a classic example of how the Lomé Convention works and ought to work in an ACP state both in terms of trade and aid.

In addition to the trade provisions of the Convention, which aim at widening trade opportunities for ACP States through free access to European markets for over 95% of their exports, Botswana is among the five countries covered by the Beef Protocol. This allows the country to export chilled/frozen boneless meat to the tune of 18 916 tonnes per annum to the EEC with a levy abatement of 90%. This scheme earned Botswana an estimated ECU ⁽¹⁾ 40 million under Lomé I and could earn it well over ECU 100 m under Lomé II.

Botswana is still considered "least developed" (in spite of its recent economic progress) and "landlocked" under the Lomé Convention, thus, funds are made available to it almost in the form of grants.

EDF aid to Botswana amounted to ECU 21.36 million under Lomé I and ECU 23 m are earmarked under Lomé II for, among others, the following priority sectors:

— Rural development, livestock improvements & wildlife projects:

SLOCA ⁽²⁾ projects; sheep & goat project; poultry project; wildlife and range survey; wildlife training centre in Maun; etc.

— Industrial development:

Development of industrial sites; lines of credit to National Development Bank.

— Training:

University of Botswana pre-entry science courses; various scholarships; Technical Assistance, etc.

— Economic and social infrastructure:

Gaborone Stage II & III water supply scheme; rural administration

(*) Information provided by the EEC Delegation in Gaborone.

(1) 1 ECU = 1.07 Pula in November 1984.

(2) SLOCA: Service to small cattle owners in communal areas.

centre at Molepolole; major village water supply scheme, etc.

— Communications:

Lobatse-Ramatlabama road; Nata-Kazungula road (with regional funds).

— Trade and investment promotion:

Establishment of trade promotion and investment agency; participation in trade fairs; technical assistance, etc.

— Energy and Minerals:

Various studies and surveys.

Money for development projects was also provided by the *European Investment Bank*, the EEC's long-term financing body. This money is, however, in the form of loans, carrying an interest subsidy from the European Development Fund, or in the form of risk capital.

Under Lomé I, EIB loans amounted to ECU 6.5 million, carrying 1.25 m in interest subsidy. Under Lomé II, the EIB has so far provided ECU 19 m, topped up by 5.2 m interest subsidy. This aid concentrated on the following projects: Selebi-Phikwe and Morupule Central Power Stations; Botswana Vaccine Institute (BVI); and, more recently, financial assistance to the Botswana Development Corporation.

Under the EDF regional fund, a special feature of the Lomé Convention showing the EEC's strong commitment to furthering regional cooperation, Botswana is entitled to funds earmarked for the SADCC region. Regional cooperation projects of benefit to Botswana under Lomé amounted to

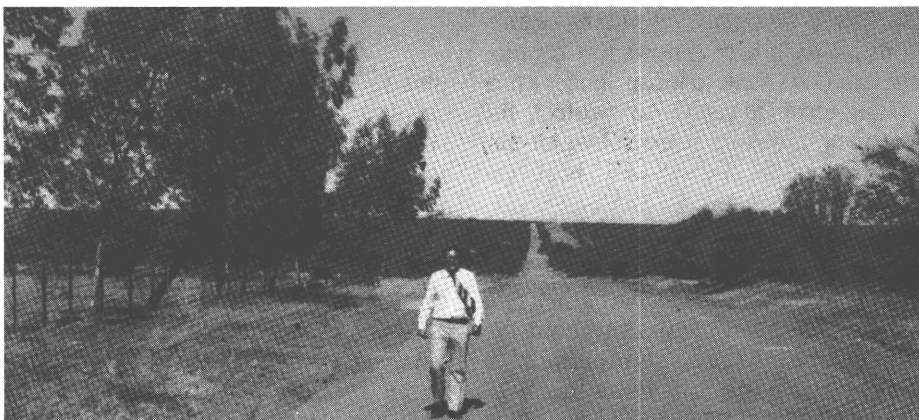
about ECU 25 m and included: Nata-Kazungula road; Students Union hostel and Administration building on the campus of University of Botswana;

— Railway Customs and Post & Telecommunications Training programmes; foot and mouth disease projects with Zimbabwe; Assistance to the SADCC Secretariat; and the continuation of various training programmes.

In addition to these programmed aids, the EEC has also provided "non-programmable aid", in the form of "emergency aid" and "food aid". *Emergency Aid* to Botswana was given to fight the outbreak of foot and mouth disease during 1977 and on various occasions to help alleviate the burden of the situation created by the refugee community living in the country. To date, EEC emergency aid to Botswana amounts to ECU 7.5 m.

Food Aid valued at more than ECU 5 m was the EEC's response to the current drought in the country which began in 1982: 7 000 t of maize and 600 t of skimmed milk powder were delivered mid-1984 under different programmes; 4 000 t of maize was expected at the end of 1984/early 1985 together with 480 t of skimmed milk powder.

The EEC further helped to set up small-scale projects with aid channelled through European Non-Governmental Organizations. Funds provided under this scheme went towards the "Kagisong Centre" in Mogiditshane, the Red Cross Headquarters in Gaborone, the Regional Red Cross centres in Maun and Francistown, the SOS Children's Village at Tiokweng, as well as to various other small scale village projects. ○



The Lobatse-Ramatlabama road, the construction of which was financed by the EDF

GHANA

The success of the revolution depends on the success of the economy

Young Flight-Lieutenant Jerry J. Rawlings led the army into power in Accra on 31 December 1981 as he had before on 4 June 1979, overturning Hilla Limann, the President elected by universal suffrage in September two years previously. It was the same army which had placed Limann in power by returning civilians to government four months after the first takeover. The history of Ghana, independent since 1957, is one of the most eventful in Africa — its first coup d'état, which brought down Kwame Nkrumah, who had raised his country to the height of international renown, was in 1966. The return of the army was all the more unpopular for the re-establishment in September 1979 of a pluralist, parliamentary democracy having been hailed as an event of paramount importance that would enable the people of Ghana to get their country, and the economy especially, back on its feet.

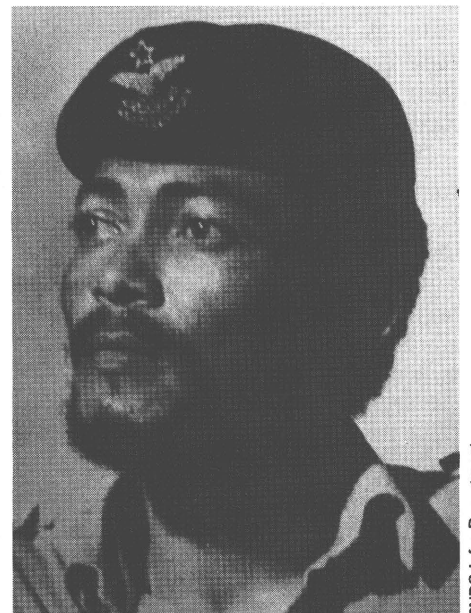
But there were soon things to mar the beginnings of this 3rd Ghanaian Republic of Dr. Limann. First, the personality of the new President, whose political standing was shaky, in spite of his having been elected by the majority People's National Party, which was close to Dr Nkrumah's old Convention People's Party. Second, the sharp deterioration of the socio-political life of the country, with corruption, at its worst, almost everywhere. Right from the start, President Limann had done his best to defend national democracy, but he failed in the attempt through being unable to create the essential preconditions. The third and by far the most important thing that was to endanger this young democracy was a widespread economic collapse — for which President Limann could not or would not propose any convincing solutions or coherent programme of action, given the general climate in which he was elected, and which explained Lt. Rawlings' first coup d'état some months earlier.

So it was the state of the economy which was the major cause of army intervention in 1981, unlike what happened back in 1972, although the chronic political instability the country had known since 1966 led the new Provisional National Defence Council (PNDC), headed by Jerry Rawlings, to announce that there had to be a political revolution before the economic targets could be achieved.



PNDC Info. Department

foundations of society and led to the economic and political collapse of the nation. Could the new revolution be credible? PNDC Secretary for Information, Joyce Aryee, says: "We want to show in Ghana that it can be and that revolution really does have another meaning. The countries of Africa were projected straight into an economic and social system too far removed from their way of life and of production with no transitional period, and the people who have been leading them for nearly 20 years now have not given enough thought to the widening gap between the real country, with what are often strong traditions, and an essentially hollow economic structure, dominated by a small minority whose concerns are not in line with the progressive aims of the population". Mrs Aryee thinks that



PNDC Info. Department

Dr Kwame Nkrumah, founder of the Republic of Ghana; Ft.-Lt. Jerry J. Rawlings, the man who means to bring about the economic and moral recovery of the Ghanaian nation

Two men, shaped by their country and whose actions will long continue to shape its history

The other meaning of revolution

People have the idea that revolution means violence and profound social upheaval and this has indeed been the case wherever régimes have been set up calling themselves revolutionary, particularly in Ghana where the arrival of Flight-Lieutenant Jerry Rawlings in 1979 heralded the execution of those deemed responsible for the corruption that had undermined the

political action has not been geared to serving the people. This, she said, would have meant "establishing a link between thought and deed and, in the Third World, this link has not been forged and in many cases the vital thought does not even follow, let alone precede the deed. So most African leaders have vast bank accounts and own property abroad, although at home they only have functional palaces and residences built and their modest houses are nothing to compare

with the money and property they have abroad. When they leave power, they go into exile, usually away from Africa, and settle in Europe. Their fortunes apparently run to hundreds of millions of dollars. Has anyone in Africa or Europe ever wondered how African politicians get rich quick while their populations and their countries get poorer?" And she added, "The aid which, say, the IMF gives to some countries is sometimes equal to the interest which many of the continent's leaders get on their deposits in banks abroad". The essential aim of the revolution of 31 December 1981 was to "bring back proper political and economic nationalism" to the country. "What could be more normal and more legitimate?" Joyce Aryee asks. "Did not France, Germany and the USA, all industrialized countries, do the same? And these nations' strength today is the high ideas they have of their countries that they defend with their economic and military achievements".

However, what the PNDC says sometimes smacks of conventional revolutionary rhetoric. And Jerry Rawlings' trips to Cuba and other revolutionary countries of Central America might provoke scepticism in the West which would like to believe in Ghana's new nationalism. The PNDC Secretary for Information, who seems to have the ideological ear of Jerry Rawlings and understand his ideas, is categorical about the meaning of the Ghanaian revolution. "We do not intend to be tied to any political bloc in the standard East-West division". But, economically speaking, the food shortages and some commercial practices (state shops) have brought about the increasing parallel markets, (which the locals call *Kalabuli*) which have contributed to a state of affairs which is the exact opposite of what the government was hoping for in its fight against corruption. But as far as the government's ideological independence is concerned, Joyce Aryee is fairly clear. "We want to draw a line on rigid dogmatism, be it left or right. Pragmatism is our line of action. All individual interests will be safeguarded, but they should not transcend the national interest. This is how we view foreign investments in Ghana and development aid as well, which must not be a devious way of controll-



PNDC Info. Department

Joyce Aryee, PNDC Secretary for Information

"We want to draw a line on rigid dogmatism, be it left or right"

ing our country. For our liberation from colonization was not followed by recognition of our identity as a people. If we are to achieve this, we have to purge the economic and political foundations that will lead us both to the genuine independence on which all individual and collective freedom depends and to the assertion of our full identity".

The economy — 25 years at a standstill

The economy is the biggest challenge to the policy the PNDC has been running for the past three years, as a close analysis of the situation over the past 20 years shows that Jerry Rawlings' team will have to do more than just rectify the errors and mistakes of previous régimes. It will also have to design and apply a vast economic policy to make up for 25 years of general immobility in much of the national economy.

Ghana has remained heavily dependent on one product, cocoa, as a

source of both foreign exchange and domestic income. It has always had a strong tendency to import: it does not produce enough food of its own and one or two attempts at industrialization have failed. In December 1981, when the army took over, the economic situation was desperate. The country's import capacity was an estimated \$33 million and its short-term debts amounted to something like \$348 million. There were enough maize reserves for 10 days and enough rice for about three months. The few industries still in running order were only working to 20% of capacity as they were short of raw materials and it would have taken more than \$400 million to get the figure up to 40% or 50%.

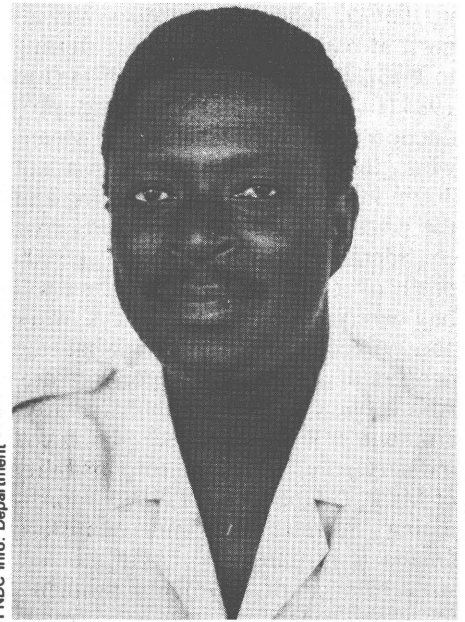
The oil bill was up at \$110 million — around 80% of the total import bill.

A vigorous plan for recovery

The PNDC reacted to this real collapse of the economy with a major revival plan, which it brought out in 1983 (see interview with Dr Botchwey on page 35) for the 1983-86 period. It was conceived in the spirit of pragmatism to which the present leaders subscribe. It deals with the main sectors driving the economy and has considerable support from the IMF, the World Bank and, in particular, the main countries of the industrialized world. However, the programme cannot continue unhindered without more aid. And at the Paris meeting of creditors in November 1983, the donors aimed at making available about \$156 million for the first year of the programme, which was aimed, PNDC President Jerry Rawlings said, at "revitalizing and rationalizing the economy and making the country solvent once more abroad". In addition, the Government restricted subsidies to petroleum products and injected large sums into the potentially very rich export sectors. The waning of the export trade (in cocoa, gold, timber, etc) was indeed one of the main causes of unbalanced trade. Timber, for example, the country's second biggest export product in 1970, when it brought in \$100 million, now brings in a mere \$15 million worth of foreign exchange. The Government introduced

tax measures to make up for the dwindling export earnings, aiming to push up tax on high incomes and lighten the load on smaller earnings (which went from 17% down to around 0.07%). The initial results of the economic recovery programme, as the Vice-Governor of the Bank of Ghana says (page 37) says, suggest that the drive to deflate is working. Price increases have dropped considerably and the *de facto* devaluation of the Cedi, the national currency, has led to improved exports, particularly in 1983. However, on the domestic scene, the consumer price index, which has risen by almost 100% in two years, is still cause for serious concern. In 1984, serious efforts in economic policy have reduced inflation to 30% in the first six months. Mr A. W. Clausen, President of the World Bank, visited Accra in the second half of

is devoted to food crops. The Paris meeting of creditors discussing the development of Ghana's economy agreed that the mobilization programme was one of the main aspects of recovery and it had to provide financial support for it if the Government was to get the means to achieve success. The job of Commodore Obimpeh, chairman of the National Mobilization Committee and one of the few non-civilians in the team that leads Flight-Lieutenant Rawlings' military régime, is to channel these resources into the relevant sectors, particularly agriculture, in which most of the (million or so) Ghanaians expelled from Nigeria should find work. The population mobilization plan, coupled with other factors (better rainfall, for example) made for reasonably good harvests in 1983/84 and the food situation has improved. "Of course",



P. V. Obeng, Coordinating Secretary

other African countries is the result of bad management and lack of organization. Recovery programmes are still dependent on the same export sectors which were inherited from the colonial era and have been declining for many years, largely because of internal economic and political problems, the changing habits of the industrialized countries that buy the raw materials the Third World supplies and the diversification of the competition between the sources of supply of the importing countries. This is what has happened in the cocoa, timber and mining industries, with which Ghana hopes to boost its exports and re-establish a proper balance of trade. But even if Ghana's economy had been properly run on the domestic front, it is still subject to pressure from the international situation, which has been a particular handicap to it for several years now.

Cocoa is a shining example. This is the key sector of the national economy, taking up more than 50% of the crop space, supplying jobs for 30% of the labour force and accounting for around 60% of exports. Ghana was the world's second largest producer of cocoa for years, but its share of world production (which was a third a decade ago) began to drop in the early 1970s and constant decline brought the figure down to 17% in 1980 and even below 12% in 1983.

Prices slumped at the same time. Ghana's cocoa went from c264 per t



A demonstration in favour of Lt. Jerry Rawlings and the Provisional National Defence Council (PNDC): the crowd clamours for a "holy war", but the country's leaders must avoid the demons of extremes

1984 and gave the government high marks for this achievement. Nevertheless, the battle against inflation makes it impossible to avoid hostility towards the Party's economic policy which has brought hardship to most families.

But the PNDC has no intentions of dropping the provisions of its recovery plan, particularly those about mobilizing the population, in the agricultural sector above all. An estimated 17% of arable land is all that is being worked in Ghana at the moment and only 5%

Commodore Obimpeh says, "we still cannot meet the basic needs of all Ghanaians, but the level of supplies seems fairly good". But he also thought the improvement might only be short-lived if more aid did not come to back up the efforts being made by the State.

Profound reorganization of the economy called for

It is common to hear that the economic collapse of Ghana and many

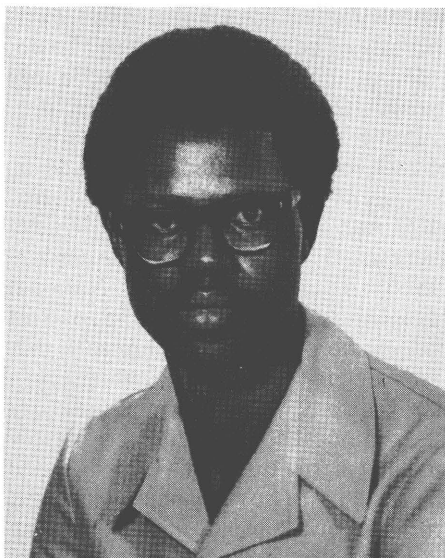
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in 1956/57 when the currency was almost at parity with the pound sterling to ¢ 731.7 in 1976/77 and ¢ 30 000 in 1984 (£ 1800 per t), for an average production cost of ¢ 27 000 per t. Meanwhile, the national currency lost about 300% in comparison with sterling and the price of agricultural imports rose considerably. Note that the ¢ 3000 profit over the cost of production will buy barely 16 loaves or 75 days' work and it becomes clear just what the dangers of a single-crop economy are. And in view of the role that the Government still wants to see the cocoa industry play, under the responsibility of Mr P.V. Obeng, the PNDC Coordinating Secretary (Prime Minister), Ghana is in danger of having to live with balance of payments problems for a long time if progress is not made both on the national level in terms of production, and on the international level in terms of prices. This is why the government is determined, while maintaining efforts to modernize this sector, to completely reorganize the economy to make for greater diversification and lay stress on food products so as to generate export earnings to industrialize and buy equipment. For it is idiotic to see Ghana, with its population of 12 million, with its many mineral and other resources, spend \$200 million in 1984 on imported food, which, even combined with international food aid, is still inadequate to meet the daily needs of the Ghanaians.

Conversely in international trade, it is only the industrial products, i.e. those with added value, which continue to rise in price and, as long as the countries of the Third World cannot compete here, their raw materials will always be at a disadvantage. Even the producers' cartels—like the cocoa one which held its constituent meeting in Accra in October 1984—will be unable to do anything about it. OPEC's failure may be instructive here. The organization has been unable to prevent oil prices from deteriorating and the USA, for example, is now buying its oil at the price asked in 1974 when the rate quadrupled.

Some arrangements, like for example Stabex in the framework of the Lomé Convention, do give considerable support, even though the benefits can be significantly reduced at times when there are wild currency fluctua-



John Ndebugre, PNDC Secretary for Agriculture

"It is not our immediate policy to encourage state farms because... they were a lamentable failure..."

tions in the beneficiary country. Thus Ghana obtained compensation for loss of income from cocoa exports for the years 1981 (ECU 32.776 m) and 1982 (ECU 31.160 m). However, for the implementing year 1983, the country was unable to qualify despite a continuing decline in its cocoa exports. In effect, according to the rules governing the administration of Stabex, whose aim is not solely to aid in balance of payments problems, the evaluation of transfer requests covers in addition to

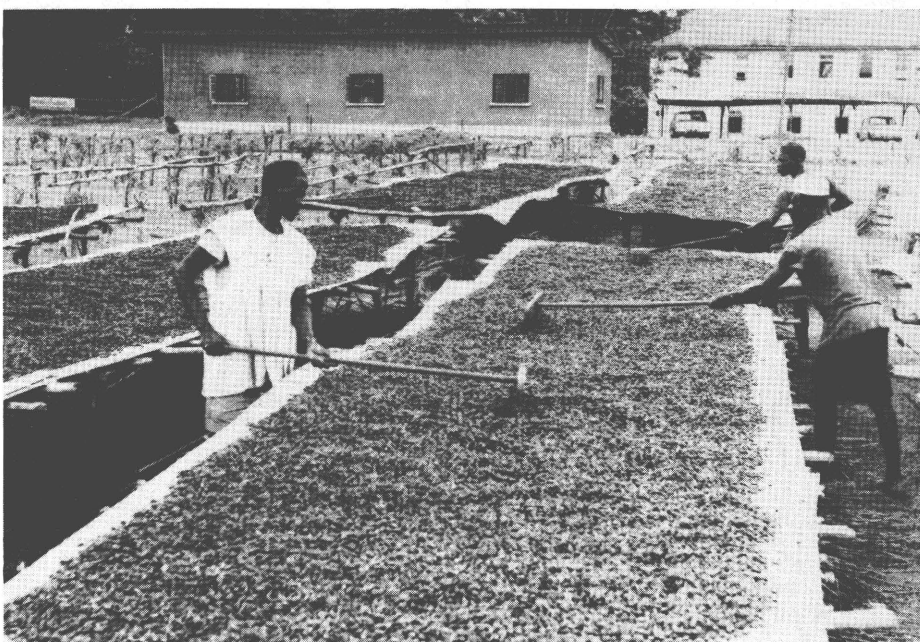
the situation of the sector concerned, the income in local currency. Now, in the precise case of the cocoa sector it was found that the effects which caused the loss of foreign currency income were largely compensated in local currency by the significant depreciation of the Cedi in 1983.

Mr Harry A. Dodoo, Director of the Cocoa Marketing Board, regretted that in a case like Ghana's, an approach could not be made to stabilize foreign currency receipts, to make full use of the purpose of Stabex which is to encourage recovery in the sectors concerned.

The other sectors

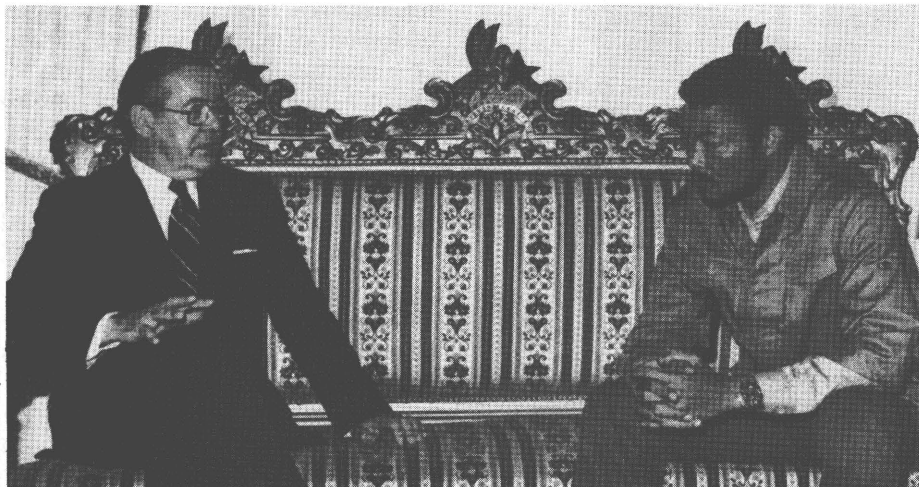
The other main sectors of the national economy—agriculture, forestry and mining—are in a decline similar to that of the main product, cocoa.

The country has enormous mineral wealth, including gold, diamonds, manganese and bauxite, which is in second place behind cocoa and supplies 15% of export earnings. In 1982, gold accounted for 83% of all mineral exports, having brought in \$13.9 million. Mineral production has been declining constantly for ten years. Gold, for example, went from 22.5 t in 1972 to only 10.2 t in 1983—which is a catastrophe, bearing in mind the fact that the country used to be called The Gold Coast. The reasons behind the general decline of the mineral sector



Drying cocoa beans in Ghana

Cocoa is still the key sector of the economy, but has declined sharply



Mr A. W. Clausen, President of the World Bank, with Flt.-Lt. Jerry J. Rawlings, Chairman of the PNDC, the Ghanaian Head of State — “A good mark for economic recovery”, but the battle is far from being won

are the same as those behind the economic difficulties—bad management and little or no investment or skilled labour and, of course, no industrial strategy when it comes to the processing of minerals. Since the 19th century, when gold and diamond mining first began in Ghana, the country could have become an international focus for the precious minerals industry. Belgium and Switzerland produce neither gold nor diamonds, but their exports of gold and diamond goods are worth billions of dollars.

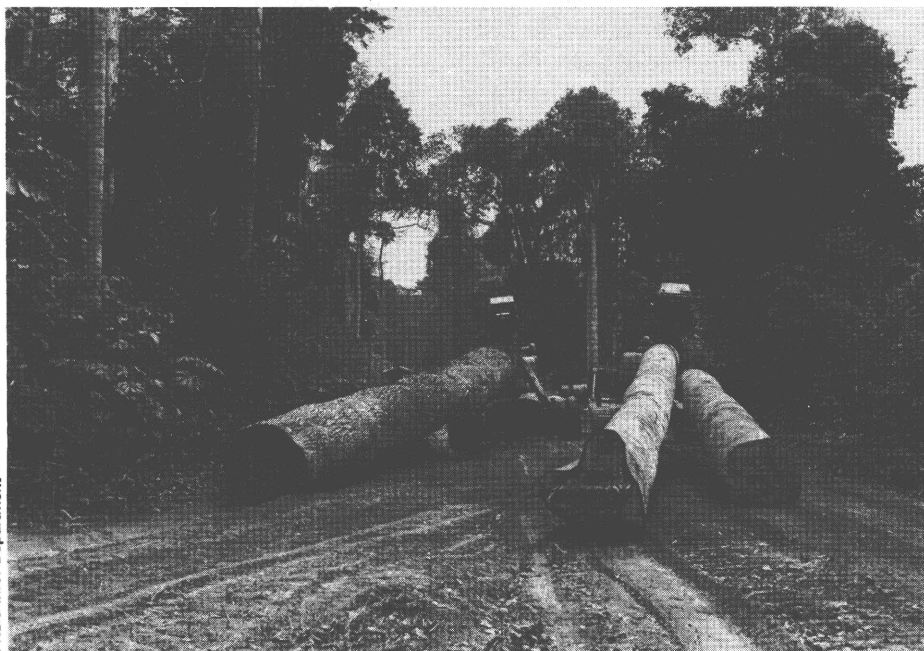
And in spite of the high quality of Ghana's timber, forestry products have slumped too — for the same reasons. There are only one or two factories in the country producing furniture of a quality that compares with what is available in Europe, but although the industry could try to export throughout Africa, it cannot even meet domestic demand at the moment, as it has no commercial strategy or (and this is most important) foreign exchange to improve its technical facilities.

All the analyses and statistics show that there is an intensification of the drop in the quantity and quality of food production. Cereal production went from 890 000 t in 1974 to 537 000 in 1982, while food imports rose from 43 000 t to 152 000 t over the same period. Changing consumer tastes and exaggerated exchange rates are partly to blame for the increase in food imports, but it is thought that inadequate domestic output is the main reason for increased food purchases abroad.

Reforming the land ownership system to relaunch agriculture

But Agriculture Secretary Mr J. Ndebugre thinks that the problems of Ghana's agriculture also have something to do with the system of land ownership. More than half the land is owned by people who are not directly involved in agriculture, he said, and “we have to have a courageous reform of the system of land ownership if we are to bring more than the present 17% of arable land under cultiva-

tion”. This does not mean robbing the present owners, the Agricultural Secretary assured us. It will primarily be a question of making owners of the people who work the unoccupied land and farm cooperatives will be encouraged to make it easier to buy machinery and input. Mr Ndebugre also gave the Government line on State plantations. “It is not our immediate policy to encourage State farms, because the Government already tried them during the 1st Republic and they were a lamentable failure, although for reasons that were understandable. First of all, the Government and the Party of the time looked after them and, second, the people did not understand the reason for them and looked upon them as nobody's property. Anyone who was responsible for State equipment or a State farm thought he could use it for his own ends without worrying what this might do to the national economy.” So it would be difficult for the PNDC to try something like it now, particularly since the Ghanaians seem very allergic to State ownership and any increase in State involvement in trade and production. As one former minister put it, “In a country where the economy is badly run, the administration inefficient and the means of communication non-existent, more red tape means chaos.”



Exploiting timber in Ghana

“Lack of skill and of managerial performance brought about a fall in timber exports and speeded up the destruction of age-old forests without any corresponding reforestation”



Vehicles without wheels. A chronic lack of spare parts ... Transport is a massive problem for Ghana

Transport and communications

There is no doubt that this is the most dramatic aspect of Ghana's economic problems. The whole of the country's communications network, long the most extensive in West Africa, has run down completely over the years through lack of maintenance. And roads have replaced rail as the main means of transport, so that whereas 50% of the cocoa used to be moved by rail, only 1% is now and passenger traffic is increasingly rare too. But the very poor state of the roads leads to something else — the rapid deterioration of vehicles. Because there is a shortage of spare parts, only 30 of the State transport company's 80 buses are still running, and that is thanks to the policy of cannibalization, while the private companies' fleets are strangely reminiscent of those of the 1950s.

The situation is exactly the same with posts and telecommunications. It takes between 6 and 8 weeks for a letter posted in Ghana to reach its destination, if it gets there at all. Some of the telephone equipment dates back to the Second World War and has never been maintained. So Ghana, and particularly Accra, is virtually cut off from the majority of economic centres of the rest of the world. It was only last October that a direct telephone link was opened between London and Accra, but in the capital itself, the ministries were difficult to get through to and the neighbouring countries even worse. In a country which has a

very serious oil shortage, Dr Botchwey says, "this costs us a lot of fuel, because we have to go by car to places we ought to be able to reach by telephone".

But the Government is making a big effort to rehabilitate the transport and communications networks and, with particular help from the World Bank, the European Community and Canada (telecommunications). "We hope that our communications satellite will soon be working", Dr Botchwey said, "as this will link us to most of the countries of the world, including the neighbouring states which we currently have to phone via London or Paris".

Undeniable assets

Anyone who has visited Ghana over the past few years has returned with a feeling of discouragement combined with hope. But setting aside the emotional reaction to a situation of real economic difficulty, there are sound reasons for hope. Ghana has major assets which should enable the people to emerge from the profound economic crisis which they have known for more than a decade.

The first of them, is of course, the potential wealth of the country, that described here and other areas such as tourism. This completely neglected sector in fact offers enormous possibilities which could play a vital part in righting the trade balance.

Ghana is a beautiful country with one of the most refined civilizations of Africa and an amiable and welcoming people. It is a pity that, because there

has not even been a minimum of development of natural sites or of hotel facilities, the country is depriving itself of a significant source of foreign exchange and also of development. The national and international private sector could be both useful and efficient here, particularly in the hotel trade, where a major effort is called for.

Another advantage, and by no means a small one, is the quality of its people. The men and women of Ghana were to English-speaking Africa what the people of Benin were to French-speaking Africa. They are some of the most cultured of the continent and they certainly have a bigger contingent of cadres in the big international organizations than the other countries of Africa. Ghana's administrators, trained at the national university (which with Makerere in Uganda, had an international reputation), could well help with the current drive to get their country back on its feet — provided, of course, as one European technical assistant said, the Government gives them the necessary psychological and material means to do so, because "technical assistants do better as they are eased from certain pressures, especially financial ones".

Jerry Rawlings' Government is aware of this. And the PNDC's desire to overhaul the economic and political foundations by removing corruption from the general running of the life of the nation reflects this profound desire to "give the Ghanaians back their taste for work, so that the idea of enrichment is tied to the individual desire of each in a nation that is united for the good of all" as Mrs Aryee put it.

This is the meaning of the new nationalism and the pragmatic revolution which the present authorities are advocating. The President of the People's National Defence Council, Jerry Rawlings, is aware of this and of the fact that he is playing a close hand — double or quits for him and his country. He has the will and, no doubt, a chance of succeeding. But he will have to add as much intelligence and economic know-how as he can muster to his undoubted charisma. The success of the revolution depends on the success of the economy. Not the other way round. ◊

LUCIEN PAGNI

Dr K. Botchwey, Secretary for Finance and Economic Planning

“We are determined to keep a tight lid on price pressures”

Dr Kwesi Botchwey is one of the most eminent PNDC Secretaries (ministers), with responsibility for Finance and Economic Planning. The IMF, the World Bank and the main donor countries widely share his views on Ghana's economic recovery. He explains the policies now being implemented.

► *Dr Botchwey, the IMF assessment of Ghana's economic recovery is pretty good. But looking at the most significant data, inflation is still increasing and about \$200 m is spent yearly on food imports. Do you envisage a successful economic recovery with such food deficits and inflation?*

— Prices rose rather steeply in 1983; the national index of consumer prices increased by 123% as compared to 1982. But the causes of this inflation were entirely different from the pre-revolution years of high inflation. Due to drought-induced crop failure, food prices were two and a half times higher than in 1982. Other factors were the sudden influx of about one million Ghanaian nationals from Nigeria and a slower than expected flow of imports.

However, as a result of the policies pursued by the government, and help from nature, inflation in 1984 is running at a significantly lower rate. In January-June 1984, prices increased by only 26% as compared to the previous six months. We are determined to keep a tight lid on price pressures. I can assure you that, barring circumstances beyond our control, inflation in 1985 will not be any higher than in 1984, in spite of the expected acceleration of economic growth.

Food imports are a matter of serious concern for us. The heavy imports in recent years were associated with the prolonged drought faced by the sub-Saharan countries. With the recovery in domestic production, the food import bill is expected to be cut down although we will always need to import some products, such as wheat, to balance the basket. Nonetheless, Ghana is faced with shortages of essential

foods such as rice, sugar and cooking oil. A successful recovery programme must ensure that the domestic supplies of these products increase, thereby reducing the import bill as well as improving the nutritional and cultural levels of the working class. To achieve this end, the recovery programme has aimed at increasing farm gate prices, expanding the supply of agricultural



Round piles of maize plants. This traditional and sophisticated way of stocking harvested crops shows that Ghanaians were excellent farmers before the spread of the decline of agriculture

inputs, expanding rural credit, improving extension services, rehabilitating the processing industry, and streamlining the transport network with a view to eliminating marketing bottlenecks and reducing marketing costs.

► *You said: “A revolution which does not face objective realities is a re-*

volution that is groping its way”. To whom is this statement addressed and can you elaborate?

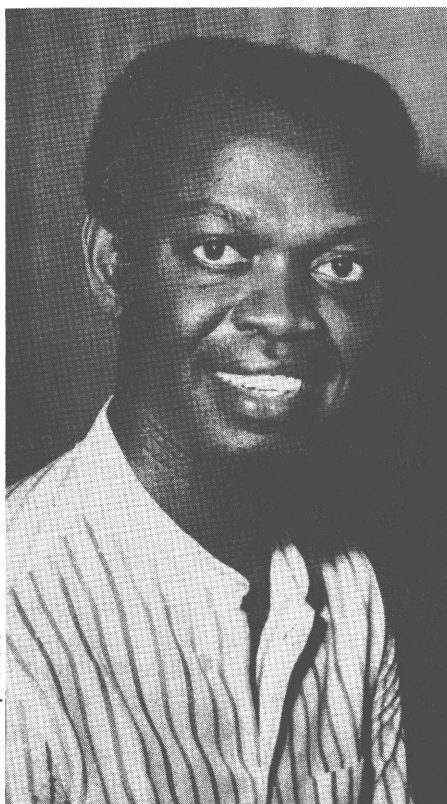
— The statement is a general one; a sort of reminder to oneself, and to the nation at large. In that sense, it is a timeless statement. For a revolution to succeed, it has to cope with real problems without sacrificing its ideals. A revolution cannot be built on the basis of ideal conditions imagined in one's head.

► *Whether you are a developed or under-developed country, one reality is that you cannot get economic progress with closed borders or with an artificially high exchange rate, for instance. What is your feeling about this?*

— As a general statement what you say is probably true. But there may be special circumstances that may necessitate the temporary closure of a nation's borders. Moreover, depending on the prevailing international power

relations, a country can make some economic progress with artificially high exchange rates. That is what is happening in the United States today. However, it is generally true that, for economic growth, it is imperative that production should be efficient and quality standards high, commensurate with the developments in competing countries.

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Dr Kwesi Botchwey,

"A revolution cannot be built on the basis of ideal conditions imagined in one's head"

► *A simple but significant question. What do Ghanaians complain about today? What are the concrete solutions proposed?*

— The main complaint of the Ghanaian people is the same as that of the people in other low income countries: despite the arduous labour they give each passing day, their basic needs are not being met because they lack the buying power. For instance, take our present situation: the country has sufficient food supplies but the rate of economic activity in other productive sectors is sluggish. This limits effective demand. Our transport system—another area of people's complaint—is in a shambles because of years of neglect. We also face acute housing shortages in some of our urban centres.

If sufficient foreign assistance on concessional terms is made available to Ghana, speedy import of agricultural and industrial inputs, spare parts and equipment will act as a catalyst for an economic upsurge. Transport efficiency alone can induce expanded supply of exportable products such as cocoa and timber. However, I ac-



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Traditional harvesting of rice in Ghana. Modern farming techniques and an improved production policy could make Ghana one of the top rice-producers in the world

knowledge that we will also need to take appropriate domestic policy actions to take full advantage of such external assistance. The appropriate domestic policies are already in place here.

Meeting the basic needs of our people will require a sustained effort on the part of all economic systems—an international economic connection in which aid will be supplemented by trade. It is in the mutual interest of all nations that in every country, that the labour force is made more productive, that living standards are improved and social tensions are reduced.

► *As far as the internal situation is concerned, do you think the economic recovery measures taken so far constitute sufficient incentives to Ghanaian farmers and other producers?*

— Increased incentives to our farmers is an area of high priority for us. We have already increased procurement prices of some commodities, e.g. cocoa, expanded rural credit and given highest priority to rehabilitation of feeder roads. Certainly, much more needs to be done. We must not only provide for productive inputs such as seeds, fertilizers and insecticides, but also make sure that productivity gains are passed on to our farmers and the prices received by them do not decline in real terms as happened during the 1970s and early 1980s.

We are also taking a series of steps in the non-agricultural sector to exploit the ingenuity of our productive entrepreneurial class. We are expanding production incentives to the private sector. We are also reviewing the Investment Code with a view to helping industry become more competitive. This should bring about the needed supply response, especially now that we are pursuing the correct economic policies.

► *Do you think foreign aid is well adapted to the needs of African countries as to start real and sustained economic development?*

— I think the world community has finally recognized the fact that foreign aid was neither sufficient nor well adapted to the needs of African countries. At the September Development Committee meetings which I attended in Washington, the World Bank proposed significant improvements in the scale and mode of assistance to sub-Saharan Africa. These proposals were approved and widely acclaimed. However, the implementation of these proposals would depend crucially on the availability of resources. In this connection, it is regrettable that the Bank's efforts to mobilize an additional \$3 billion for the IDA have not so far yielded fruit.

► *What is the importance of EEC financing programmes to Ghana's eco-*

conomic development? What have you got from the European Community that has proved useful to the people of this country?

— The financing programmes of the EEC have been quite good and we are appreciative of that. However, I am sorry to say that the funding has been insufficient largely because the resources originally made available under the Lomé Convention have not increased in real terms whereas the needs have grown, as evidenced by the documentation presented to the Development Committee. We certainly hope that the current negotiations will come to a fruitful end and Stabex resources will be expanded in real terms (1).

In the last 10 years, Ghana has benefited from its association with the EEC in the following areas: support for small- and medium-sized industries, Stabex, agriculture, specifically oil palm development, land irrigation, rural credit schemes, livestock and road construction and management training.

► *What in your opinion, makes or breaks a cooperation agreement like the Lomé Convention?*

— The issue is not what makes or breaks cooperation agreements like the Lomé Convention. Rather, the issue is what can be done to further strengthen the Lomé Convention which has to some extent been useful in helping stabilize the primary product export earnings of the associated countries, including those in Africa. We need to build on the experience gained and convince those of our partners in the Community whose will to expand Lomé resources seems to be weakening that, in economic history, the Lomé Convention will go down as a very productive contribution to economic development. So far the gains from our cooperation have tended to be lopsided in favour of the Community. It is important that the balance be readjusted, and that the barriers to ACP exports which are competitive be speedily removed. Finally, I think it is important to resist the intrusion of conditionalities that would impair the already fragile sovereignty and independence of the ACP countries. ○

Interview by L.P.

(1) *Ed. Note:* Interview conducted in October 1984.

Dr Alhassan Mohammed Vice-Governor, Bank of Ghana

- **Monetary policy — its role in the economic recovery**
- **The requirement for the convertibility of the Cedi**

What is the Central Bank's role in restoring the economy and how does the non-convertibility of the national currency pose a major problem for the development of the country? The Deputy Governor of the Bank of Ghana, Dr Alhassan Mohammed, replies to these questions.

► *The economy of Ghana is characterized by a high rate of inflation and financial imbalance. Does this mean the Central Bank is not succeeding in promoting internal and external balance of payments?*

— This question needs some modification to enable us to have a useful analysis. It must be clear to all of us that the reported high rate of inflation was not a unique phenomenon. This period was, generally, marked by the global recession and inflation. From the published figures, some interesting issues emerge. The rate of inflation was 73.3% in 1978, 54.2% in 1979 and 50.1% in 1980. The rate for 1981 was 116.5%, which was followed by 22.3% in 1982. The figure for 1983 was 122.8%. A review of these figures would make us realise that the trend has not been consistently on the increase. There have been fluctuations in the rate of inflation over the period: for example the rate for 1982 was very low because that was not a normal year for price developments. The drastic decline in prices marked the era of severe price control measures introduced and implemented by the Government. The year 1983, however, marked a period of return to a high rate of 122.8%. This new development in prices and the rate of inflation can be attributed to major shortfalls in domestic food supplies because of ad-

verse climatic conditions. Severe drought affected local output of food, and later, bush fires destroyed some part of the little that was available. The country-wide decline in food supplies pushed the price of food up, The consumer price index therefore showed a significant increase because local food forms about 50% of the overall index.

The high price of imported items in the economy also explains the 1983 rise in the rate of inflation. The higher world prices were imported into the domestic economy and this resulted in an increase in the rate of inflation.

There was a shortfall in the level of imports because of the tight foreign exchange position of the country. The lower level of imported items available in the economy also created more pressure on prices.

The rate of inflation was also increased by the influence of money creation which resulted principally from the financing of the deficits on the accounts of Government. It must, however, be emphasized that the effect of the deficits was not as extensive as in previous periods because the deficit was controlled and expanded at a reduced rate. The budget deficit as a percentage of GDP was reduced from 4.4% in 1982 to 2.6% in 1983.

In 1984, the economy showed some marked improvement in price levels following the easing of the supply situation. The supply of local food items is relatively adequate reflecting the more favourable climatic conditions of the year and greater efforts to increase local food production. The flow of imports is also very promising following the assistance and support of various international organizations and friendly countries.

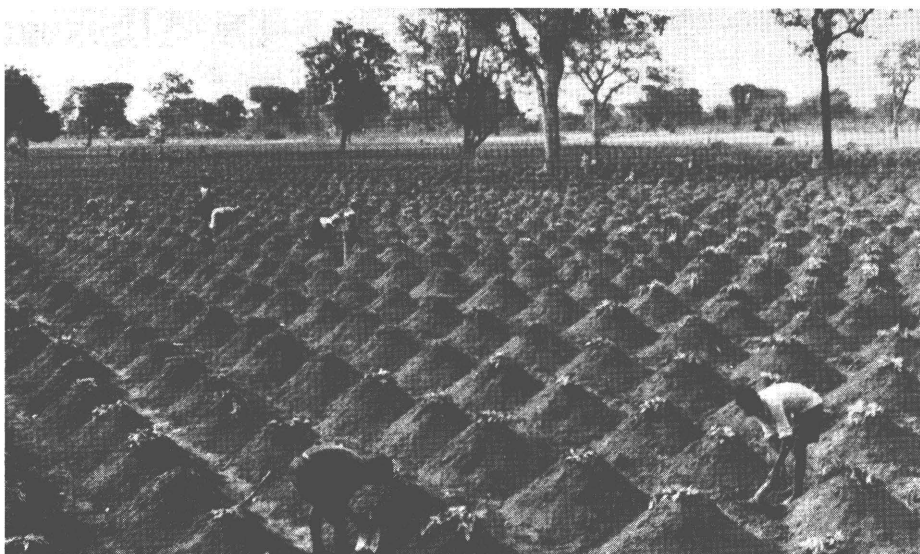
“Better control over Government expenditure”

From the indicators available, the inflationary pressure is declining from the levels that were attained in 1983 because of increased imports, better local food supply and a better control over money creation. If these favourable developments continue through the end of the year we would anticipate that the rate of inflation would decrease to 70%. We could even achieve 50% if we continue with the policies that have provided so many beneficial results to the developments in prices.

The Central Bank is working to promote internal and external balance. As already stated, the adverse effects of increasing Government deficits are being eliminated through better control over expenditures and increased efforts to raise the level of revenues. The Government is operating within the ceilings set for net credit from the banking sector and this policy has restrained the extent of money creation.

The Government is also making efforts to limit expenditure growth by eliminating waste and corrupt practices in the system. The policy of re-deployment is also being pursued so that the size of the public sector would be cut down to more manageable levels that would not intensify the deficits. The revenue front has made progress following the functioning of the Citizens' Vetting Committee (now named the Office of Revenue Commissioners). Investigations have been conducted to ascertain the tax obligations of various institutions and individuals. Any outstanding or underestimated taxes have been charged plus appropriate penalties against any offenders. The tax net is therefore being widened and collection procedures are being made more effective. With this new level of awareness of tax obligations and improvements in the economy, we could anticipate that revenue collection would show considerable improvement. The success of revenue would be closely related to a better economic environment reflecting increased exports, imports, production and distribution.

The external sector has also displayed traces of imbalance. Export performance has shown considerable



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Yam growing in the north of Ghana. The consumer price index rose sharply, following a marked decline in the supply of food products

decline over the past five to six years. Cocoa exports which stood at over 300 000 tonnes per year in the 1970s, fell to 170 000 tonnes in 1981 and about 150 000 tonnes in 1983. The declines in exports were accompanied by lower export receipts. Timber also fared very poorly. From average export receipts of about \$40 million in 1979, receipts declined to about \$15 million in 1983. Gold exports declined during the period.

The timber and mining sectors had poor performance because of lack of equipment and spare parts as well as insufficient inputs. These setbacks were aggravated by cost problems which arose from the exchange rate that prevailed up to 1983. The exporters found it impossible to cover their costs from the cedi counterpart they received for the foreign exchange earned from exports.

The fall in export earnings and the depletion in the country's reserves made it difficult for the import requirements of the country to be met. It is also worth noting that the escalation of the world price of oil has created a serious problem for Ghana through the growth in the total import bill for oil. On average, Ghana now devotes about one-third of foreign exchange earnings to oil imports. After such a distribution, other needed imports are left with very little to meet requirements. With the introduction of the Economic Recovery Programme in 1983 and the commencement of the IMF Standby Arrangement, the Gov-

ernment introduced far-reaching economic measures to correct the structural imbalance and the deterioration in the economy. The exchange rate was adjusted in 1983 from \$1.00 = c2.75 to an average rate of \$1.00 = c25.00 and later to \$1.00 = c30.00. In 1984 the exchange rate was adjusted to \$1.00 = c35.00. The last rate change, in August 1984, was \$1.00 = c38.50. It is anticipated that the rate change would help most exporters to cover their costs and to get the appropriate incentive to expand exports.

The Government has attached much importance to agriculture. The necessary inputs and credit are therefore being provided for this priority sector of the economy. Measures to limit bank credit to Government have been introduced. Price deregulation policies are also being implemented to encourage producers to cover their costs and therefore to produce to improve the supply situation. The improvements emerging in 1984 portray the impressive results of the policies adopted under the Economic Recovery Programme.

The economy has faced some problems with the changes in the domestic price level but it is clear that the rate of inflation has not been too spectacular. Very special circumstances that affected the local supply of food, and the inflow of needed imports caused a major rise in the price level of 1983. With the adoption of the appropriate policies and assistance from other countries, major improvements have



PNDC Info. Department

Extracting cocoa-nibs. Ghana, for many years the world's n° 2 producer, can no longer count on cocoa to cover its import bills, which account for a third of its foreign exchange earnings

started to emerge in the economy. The rate of inflation is expected to fall sharply by the end of the year. It is anticipated, that if the current favourable trends prevail, the rate of inflation could decrease from 122% in 1983 to about 50% in 1984.

The question of external and internal imbalance is also being addressed by our policies on exports and imports as well as keeping Government borrowing within the ceilings set under the Economic Recovery Programme.

► *To what extent does the Central Bank control the active operations of the banking system?*

— The Central Bank relies on the traditional policies of interest rates, reserve requirements, credit guidelines and moral suasion to control the operations of the banking system.

The measures announced in August 1984 included an increase in the Bank rate from 14½% to 16½%. Commercial bank borrowing rates have also been raised by 2% from 11¼%-12½% to 13¼%-14½%, while lending rates have moved from 11%-19% to 13%-21%.

Interest rates were reduced drastically by the measures introduced in February 1982, as a result of the policy to reduce the cost of credit. However the new measures of October 1983



PNDC Info. Department

Purchasing diamonds. Precious minerals, one of Ghana's greatest sources of wealth, are being exhausted without leaving any glitter behind

started an upward trend in interest rates to reflect the cost of capital. The prevailing rates of inflation far exceeded the interest rates in the banking system. With the higher interest rates and a drastic reduction in the rate of inflation it is expected that some degree of success would be achieved in having positive real interest rates.

The Central Bank issues credit guidelines to reflect the priority areas of the economy and to offer appropriate guidance to the whole banking system. The regulations of August 1984 set a 100% credit ceiling to the priority sec-

tors of export trade, manufacturing, transport, storage and communication; a credit ceiling to import trade was set at 350%, the increase based on the total credit outstanding as at the end of December 1983.

The Central Bank also monitors the operations of the banking system to check compliance with the rates and rules in force. The appropriate sanctions are applied against institutions that do not observe reserve ratios, distribution of credit, maintenance of stated ceilings on credit as well as mandatory lending to stated sectors. The effectiveness of these requirements and regulations would depend on the prospects the economy could present to the banking system and the customers. A period of brisk economic activity would give rise to demand for

credit to carry out the activities in production, export and distribution.

“Ghana's attitude to the convertibility issue is a positive one»

► *What role does the Central Bank of Ghana play in West African economic integration?*

— The Bank of Ghana is closely associated with the establishment of the clearing and payments arrangements in the West African sub-region. The Bank of Ghana is a founding member of the West African Clearing House (WACH) — an institution es-

established to facilitate payments and finance of inter-West African trade. The experiment in limited convertibility was aimed at minimizing the problems which the various currencies in member countries posed to trade in the sub-region. The clearing system has not shown a resounding success because of factors other than payments difficulties. The sub-region has faced problems related to trade barriers, communications difficulties, political interference and trade restrictions which have tended to limit the free flow of goods and services. Without growth in trade transactions, the payments arrangements would not operate successfully. It is expected that the countries in the sub-region work out a policy that would promote trade and enhance the use of the clearing arrangements to effect payments.

Economic integration in the sub-region is progressing through studied and projects on telecommunications, agriculture, money and payments and industrial development. One study being undertaken relates to convertibility of the various West African currencies within the sub-region. This study which is a follow-up of two earlier ones aims at finding a solution to the problem of non-convertibility and how to make these currencies convertible within the sub-region. The study is also to submit proposals for the establishment of a West African Monetary Union.

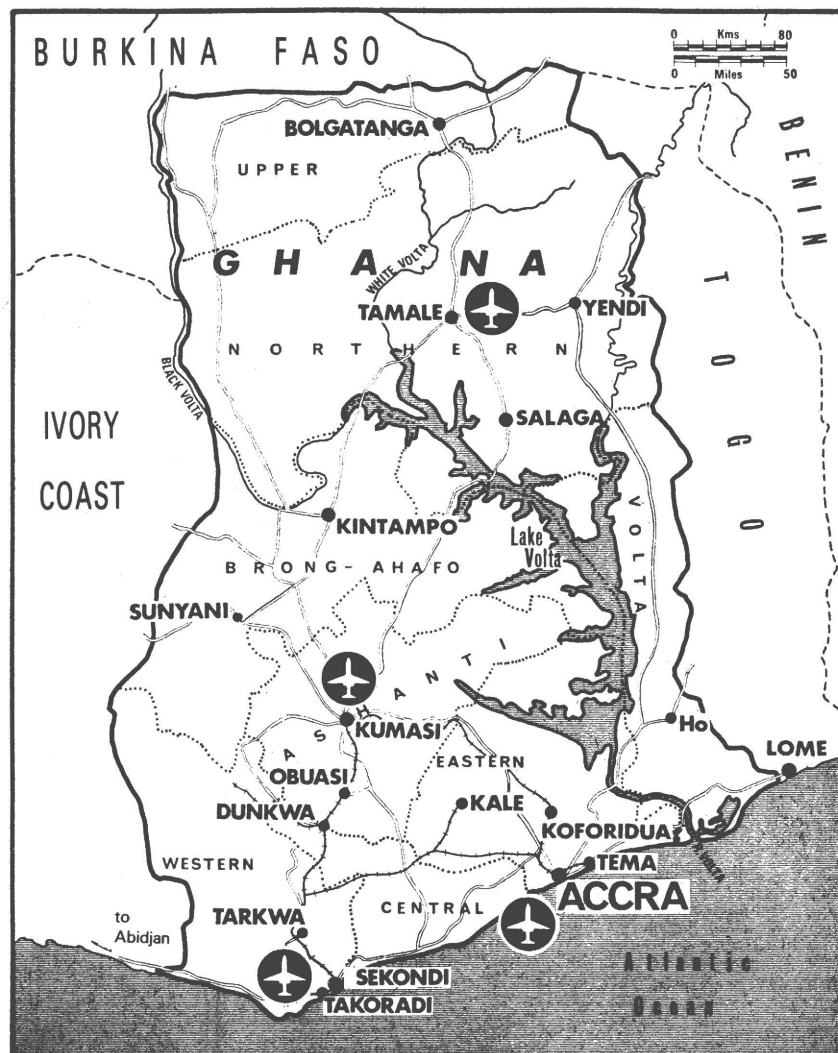
Ghana's attitude to the convertibility issue is a positive one. Ghana is ready to support and promote recom-

mendations that would help to make the various currencies achieve a greater degree of convertibility within the region, because the current status of many of the currencies has posed great

obstacles to trade and development. It is hoped that when the convertibility issue is settled, economic cooperation would be enhanced and improved. ○

Interview by L.P.

Ghana Profile



Area: 238 537 km²

Population: 12 million (in 1984) of which about 60% are under the age of 20, and almost half are employed in the primary sector of the economy. Ghana has a low overall population density (45 inhabitants/km²) but a high density in relation to arable land (320/km²).

Capital: Accra. The capital and its environs (Greater Accra) is not densely populated, with about 500 000 inhabitants, compared with other parts of the country, for example Brong-Ahafo Region (about 600 000) or Ashanti Region (1 100 000).

Major towns: Kumasi, Sekondi-Takoradi, Tarkwa, Tamale, Bolgatanga

Working language: English

Independence: 6 March 1957

Currency: Cedi. (1 US\$ = c 38.50 in 1984)

Principal Products:

- Agricultural: maize, rice, cassava, millet and sorghum
- Agro-industrial: cocoa (158 000 tons in 1983-84), coco-

nuts (350 000 tons), oranges (170 000 tons), cotton, palm nuts (19 000 tons), timber (515 000 tons).

Production of all these items has been in decline for some years.

- Livestock: cattle 1.2 million head; sheep and goats 3,5 m head.
- Industrial: electricity, aluminium, cement, a little oil
- Mining: bauxite, gold, diamonds, manganese

GNP (1983) by broad sector and percentage of the total

Agriculture: c 101 858 m (53.7%)

Industry: c 13 676 m (7.2%)

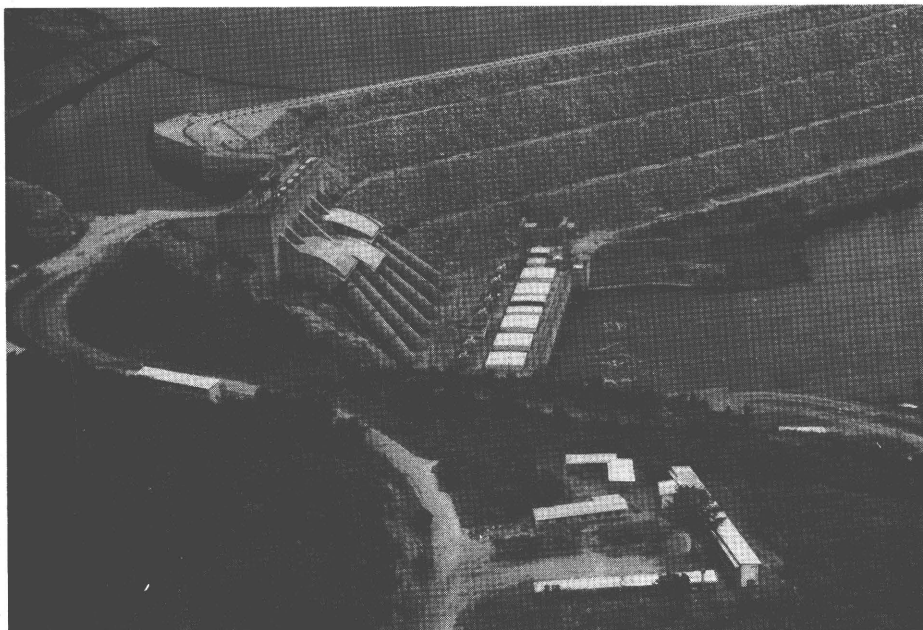
Services: c 74 154 m (39.1%)

Balance of payments: Deficit of US\$ 49.2 m in 1983

External debt: US\$ 1 370 906 m. Bilateral loans total loans US\$ 630 812 m. Interest on the external debt and on bilateral loans in 1984 reached respectively US\$ 2 447 m and 4 766 m.

Source IBRD November 1984.

The Volta River Authority and its development projects (1)



View of the Akosombo dam, which enabled Ghana to generate KWH 4.103 m in 1982. Together with the Kpong dam, Ghana's total electricity production for 1982 amounted to KW 4.941 m (1982 Annual Report)

The Volta River Authority is one of the largest electrical utilities in the West African sub-region. Its area of operation covers the whole of the southern portion of Ghana, a large portion of the Ashanti Region and the neighbouring West African countries.

It was established by the Volta River Development Act of 1961 as a Statutory Public Utility Corporation and charged with the planning, execution and management of the Volta River Project.

The Volta River Authority is administered by a Board of Directors appointed by the Government, including the Chief Executive of the Authority, the Managing Director of Electricity Corporation of Ghana, the Managing Director of the Volta Aluminium Company Limited (VALCO) and a finance expert as members.

In carrying out its business of providing electricity to the people of Ghana, the Volta River Authority has developed a power grid in which its two hydro-electric generating stations at Akosombo and Kpong, are intercon-

nected with load centres by a network of transmission lines and 19 sub-stations. Future extension of the grid to rural areas and other urban centres is envisaged.

In the West African sub-region, the Volta River Authority supplies power as radial feeds to its neighbouring countries of Togo and Benin. Also the construction of an intertie with the network of Energie Electricité de Côte-d'Ivoire (EECI) has also been completed and commissioned. Another interconnection programme between Ghana, Togo, Benin and Nigeria is also being planned. An extension of the grid to Burkina Faso in the north is also being considered. These interconnections will link VRA in an international electric network involving power systems in the six West African countries. The VRA envisages in the future a comprehensive transmission system throughout the region that will benefit all West African states.

Hydro-electricity is one of Ghana's most important heritages as it is a renewable energy source. Hence plans are actively on hand to proceed, subject to the availability of financial resources, with the construction of the next dam

on the Volta River at Bui where 300 MW could be generated. There are also plans to set up, if possible, a network of mini-hydro-electric projects throughout the country.

Aside from power generation and transmission, the Volta River Authority is also involved in other activities such as Volta Lake Research and Development Project, Volta Lake Transport System, and a Pilot Irrigation Project (Kpong Farms Limited).

Volta Lake Research and Development project

The Volta Lake Research and Development Project (VLR & DP) was set up as a joint UNDP/Ghana Government Project in 1968.

The objective of the project was to study the endowed potentials of the Volta Lake and evolve ways and means of harnessing and developing these potentials.

From its research findings, the project has established certain facts about the nature and characteristics of the Volta Lake in the areas of fisheries and lakeside agriculture.

Fisheries. It has been established that there are 1 500 villages around the lake and that about 40 000 tons of fish can be harvested annually. In order to increase the fish catching capacity of the fishermen and generally improve fishing in the lake, the VLR & DP recommended the use of an improved fishing canoe that was heavier and more stable than the indigenous canoes and can be propelled by a 5-15 HP outboard motor, as well as more efficient fishing gear such as nylon monofilament nets.

Through the initiative of the VRA, the Government also constructed the first improved landing and marketing facilities at Kpandu-Torkor, where young boys and girls are being trained in modern gear techniques, boat building, principles of outboard motor mechanism and fish processing.

Lakeside agriculture. With a drop of about 10 feet in water level, it is estimated that at least 200 000 acres of lakeshore land is exposed and that almost all villages around the lake could use this exposed land to grow crops

(1) Text provided by the Volta River Authority.



Students of the Akosombo International School at work in their chemistry laboratory

like tomatoes, cassava, sweet potatoes and many others.

Through project research work, the VLR & DP has established that with tomato cropping, the average yield per hectare under improved agricultural practices is about 6.8 tons.

These improved methods of farming were introduced under a pilot scheme at Ampaem on the Afram arm of the lake. The idea was to encourage interested farmers to seek technical advice and evaluate new methods in the various resettlement townships to improve their economic conditions.

Volta Lake transport system

As one of its many functions under its Act of Incorporation, the Volta River Authority is responsible for the provision of facilities and assistance for the development of the lake as a route for the transportation of goods and passengers.

Until recently, the activities of the Authority with regard to transportation on the lake were limited to the enforcement of safety regulations and the issue of licences for river craft.

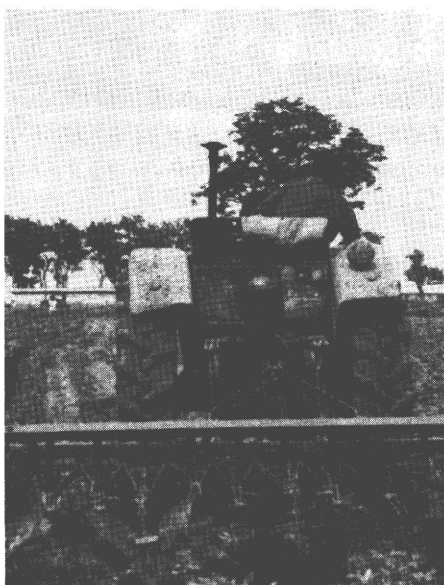
There is approximately 418 kilometres of navigable waterway from Akosombo in the south to Buiepe in the north by the lake.

Unfortunately, transportation on the lake has been limited to a few ferries and numerous canoes and small boats, which travel across the lake as well as between the numerous villages along the lake.

The Volta Lake Transport Company, a Government-owned Company, also operates two small river craft for

passenger and cargo services from the south to the north.

In 1980, the Governments of the Federal Republic of Germany and Ghana signed various loan agreements



In addition to energy exported to neighbouring states, the Akosombo dam will enable some 100 000 hectares to be cultivated, and will include other schemes, too, such as fisheries projects



Fishing in a pond of the Kpong Farms

amounting to DM 79 m (c 1 027.8 m) for a project for the improvement and expansion of the Volta Lake Transportation System, with the VRA acting as project sponsors.

The project envisages the establishment of a revitalized and efficient Volta Lake Transport Company, the building of major ports and servicing facilities at the lake's northern and southern terminals, the provision of more river craft for the conveyance of goods, passengers and fuel and the use of the water-way by the Company's craft all year round, even at a very low lake level of 240 ft.

The project, which has already started, is expected to be completed by the end of 1987.

Kpong Farms Ltd

Kpong Farms Limited, a subsidiary of the Volta River Authority, was incorporated in Ghana in 1982 and is located at Akuse.

It is spread over an area of 450 hectares of land with 12 irrigation units.

The main undertaking of the farms is the cultivation of crops such as rice, legumes and vegetables on a year-round basis.

It also has seven fish ponds; six of which are of one hectare, the seventh being two hectares. Fish reared in these ponds include niloutica, tilapia and zillia.

The farm has livestock facilities as well. These consist of one pig house with a capacity of 200 pigs per year; one chicken house of 672 cages, with a total capacity of 1 344 birds; two cattle corrals of 6 000 m² with a total capacity of 200 heads, and four fowl runs of 364 m² with a total capacity of 728 birds. ○

EEC-Ghana Cooperation

Since 1976 when the Community's programme of cooperation with Ghana got underway with Lomé I, the Community has made available in excess of ECU 276 million⁽¹⁾ to Ghana.

In addition to the direct financial benefits (Stabex, project aid, emergency assistance, EIB operations, etc), the two Conventions guarantee free access to the Community market of almost all (99.5%) of ACP exports.

The following sections give further details of the main benefits which Ghana has received under the two Conventions.

Trade

The European Community is Ghana's largest trading partner, accounting for 43% of Ghana's imports and 50% of exports in 1983. Under the provisions of the Lomé Conventions, Ghana's exports benefit from duty-free and unrestricted access into the EEC. The trend of trade between 1980 and 1983 was as follows:

(ECU million)

EEC-Ghana Trade	1980	1981	1982	1983
Total Imports	985	750	697	648
of which from EEC	315	356	249	274
Total Exports	1063	765	645	494
of which to EEC	392	252	337	245

Cocoa is Ghana's most important export crop, accounting for around two-thirds of export revenues. Steadily falling cocoa production in recent years has resulted in sharply reduced export earnings. The EEC purchases a substantial proportion of Ghana's cocoa exports, together with minerals and timber. Imports from the EEC include manufactured goods, capital equipment and industrial raw materials.

Financial and technical cooperation under the First Lomé Convention

The European Community's overall contribution to Ghana under Lomé I was over ECU 84 m. The Lomé I Indicative Programme to Ghana was ECU 50 m of which ECU 39% was in the form of special loans⁽²⁾ with the remainder as grants. The following table summarises the sectoral breakdown of resources under Lomé I. As at end 1984, an amount of ECU 48.5 m had been disbursed. The table on p. 45 provides further details.

Lomé I Indicative Programme	ECU 000's	%
Agricultural/Rural Development	17 705	35.4
Industrial Cooperation	1 930	3.9
Transport Infrastructure	15 800	31.6
Energy	8 980	18.5
Training	2 587	5.1
Trade Promotion	1 010	2.0
Administration Costs	1 984	4.0
	50 000	100

Projects financed under the first Lomé Convention include the following:

Agricultural projects

Weija Irrigation Pilot Project — ECU 4.8 m under Lomé I plus ECU 0.58 m under Lomé II to finance the necessary infrastructure for the cultivation of vegetables and maize under irrigation. The project covers the construction of a pumping station, the main conveyance system, branch canals and the infrastructure required for the development of 700 hectares of irrigated land, of which 200 ha is being cultivated initially. Virtually all the physical infrastructure is now completed and most of the land has been brought under smallholder cultivation. An evaluation of the project has been undertaken to review achievements to date.

(2) Special loan terms: 1% p.a. interest, 40-year repayment including 10-year grace period.

Twifo Oil Palm Development — ECU 6.8 m under Lomé I, plus ECU 7.82 under Lomé II to cover the off-shore cost of developing an oil palm plantation of 4 800 ha including technical assistance. It is also intended to develop a 1 200 ha smallholder scheme. The project has been the subject of substantial delays and at the present time around 3 000 ha of plantations have been developed. Additional EDF finance has been provided to complete the plantation and provide technical assistance to end 1986.

In 1987, a processing factory financed by the CDC (Commonwealth Development Corporation — UK), the Netherlands and the Government of Ghana is scheduled for start-up. The administration and the technical assistance are to be under EEC financing.

The factory is to have a processing capacity of 20 000 tonnes of palm fruits per hour giving 20% of processed product. This project is designed not only for domestic consumption but also for export.

Pretsea Oil Palm Plantation Rehabilitation: ECU 1.91 m under Lomé I plus ECU 1.202 m under Lomé II for the rehabilitation of a 4 500 ha oil palm plantation and oil mill. The EDF commitment covers all off-shore costs and technical assistance. After initial delays, work is now well advanced, and the project is now substantially completed.

Rural Banks Scheme: ECU 2.82 m for the provision of essential farming and fishing inputs to assist approximately 20 000 small-scale farmers and fishermen. Technical assistance was also provided to strengthen the operations of the Rural Banks. This project has been successfully completed and assistance under Lomé II for a total of ECU 8.76 m has recently been approved.

Microprojects: ECU 0.876 m in three programmes for small-scale projects in the rural areas intended to have an impact on life at the village level e.g. water supply, educational and health facilities, food production and processing. These programmes have all been successfully completed

(1) 1 ECU = c 24 = US \$ 0.8.



The Aveyime Livestock Development Project is to increase meat production through improved stock management

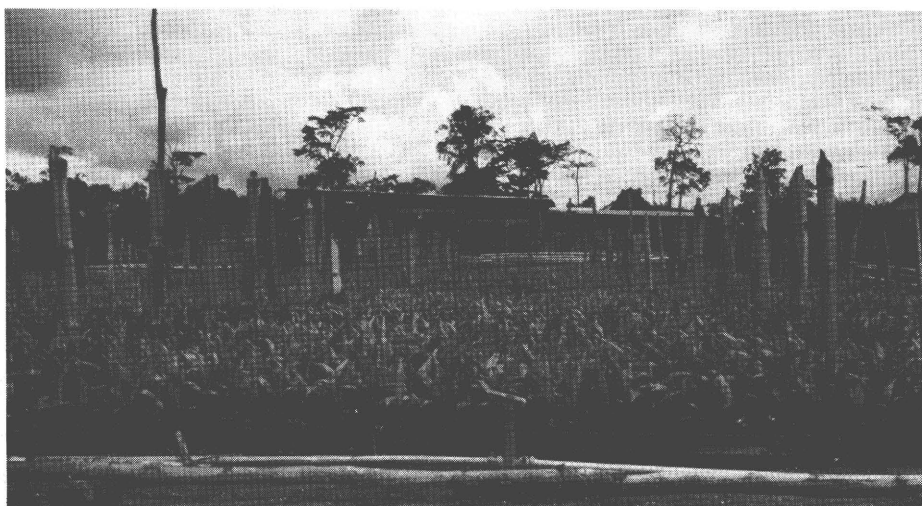
and are being continued under Lomé II.

Industrial Cooperation

Line of Credit to National Investment Bank: ECU 1.88 m for on-lending to small and medium-sized enterprises (SMEs) particularly those in the wood, agro- and clay-based sectors utilizing a high proportion of domestic raw materials. This project also included the local manufacture of agricultural machinery for small-scale farmers. It is estimated that the project has had a significant impact on the SMEs assisted and therefore a proposal for a second credit line of ECU 2.9 m has recently been approved.

Transport Infrastructure

Axim-Mpataba-Elubo Road: a grant of ECU 15.8 m under Lomé I, ECU 7 m under Lomé II, plus a special loan of ECU 5 million under the Lomé I regional programme to cover the construction of 85 km of two-lane bitumen road with all related structures, together with supervision of works in Ghana. This road will form part of the Trans-West African Highway. The African Development Bank is contributing ECU 6.3 m, with the Government meeting the local costs. Work is now well advanced with the alignment completed right through to Elubo.



Palm tree nurseries are produced in Twifo for the Project and for the smallholders scheme

Energy

Kpong Hydroelectric Project: ECU 8.98 m as EDF contribution towards the cost (ECU 231 m) of constructing Kpong hydroelectric dam plus certain developments for the electricity supply system. The project was inaugurated in July 1982.

Training

Multi-Annual Training Programme: ECU 2.587 m to finance the training of management staff, particularly at the middle level. The project is completed, with over 300 scholarships awarded.

Trade Promotion

ECU 1.01 m to assist in promoting certain non-traditional exports. The project comprised technical assistance to the NIB in connection with the above line of credit; a study of timber marketing; and the production of off-season vegetables for export. This project has been completed.

Other assistance given Under Lomé I included the following:

Regional Cooperation

The EEC gave substantial support for regional cooperation in West Africa. Out of ECU 66 m allocated for West African regional projects, ECU 5 m was made available to Ghana for the Mpataba-Elubo road, ECU 2 m in the form of a risk capital loan to Ghana for CIMAO, and ECU 0.99 m as an interest-rate subsidy on an EIB loan

for the power interconnection project with Ivory Coast (see below).

EIB activities

The European Investment Bank made two loans to Ghana under Lomé I. ECU 10 m was provided towards the Kpong hydroelectric project (see above), and ECU 6 m for the interconnection of the power grid between Ghana and Ivory Coast. Work on this project is completed. In addition, a risk capital loan of ECU 250 000 was made available for a feasibility study of the expansion of Akwatia gold mine. Risk capital funds are managed by the European Investment Bank.



The entrance of the Twifo oil palm plantation which covers 4 800 hectares

Indicative Programme Lomé I

	Indicative Programme '000 ECU	Amount Committed '000 ECU	Amount Disbursed '000 ECU
RURAL DEVELOPMENT			
Weija Irrigation Pilot Project	4 800	4 788	4 341
Twifo Oil Palm Project	6 800 (*)	6 800	6 800
Oil Palm Development Study	190	190	187
Pretsea Oil Palm Plantation Rehabilitation	1 910 (*)	1 910	1 910
CARRIP Pre-Feasibility Study	118	118	118
Rural Banks Scheme	2 521	2 484	2 455
Jema/Enchi Rubber Study	235	235	224
Ayensu Irrigation Pilot Study	258	212	182
Microprojects	876	876	773
INDUSTRIAL DEVELOPMENT			
Rural Housing/Industrial Plant Study	50	—	—
Line of Credit to NIB	1 880 (*)	1 880	1 617
TRANSPORT INFRASTRUCTURE			
Axim-Mpataba-Elubo Road	15 800	15 800	15 402
ENERGY			
Kpong Hydroelectric Project	8 980 (*)	8 980	8 980
TRAINING			
Multi-annual Training Programme	2 587	2 587	2 587
TRADE PROMOTION			
	1 010	996	915
MISCELLANEOUS			
Administrative Costs	1 984	1 984	1 984
	50 000	49 828	48 531
	100%	99.7%	97.1%

(*) Special Loan.
(1) As at end 1984.

STABEX

In 1976 Ghana received a Stabex transfer of ECU 5.2 in respect of a shortfall in the earnings from timber exports to the Community in 1975. Stabex transfers are in the form of interest-free loans, repayable when export earnings from the commodity rise.

Emergency Aid

For Ghana totalled ECU 2.73 m under Lomé I. It was provided for the following three projects:

In July 1977, ECU 2.13 m was approved for the provision of 66 trucks and 6 fuel tankers in order to transport emergency food aid to the Northern and Upper Regions which had been affected by drought.

In April 1979, ECU 300 000 was provided for the purchase of vaccines, drugs and equipment to combat a yaws and yellow fever outbreak. This was followed in 1980 with a further tranche of ECU 300 000 for the purchase of twenty vehicles for logistical support, plus vaccines and other medical supplies.

Cooperation under Lomé II

Financial and Technical Assistance

By the end of January 1985, the European Community's assistance to Ghana under Lomé II totals ECU 143 m. The Lomé II Indicative Aid Programme has been set at ECU 60 m, of which ECU 7 m is in the form of special loans (11.7%), with the remainder as grants. The sectoral breakdown of the programme, which was originally established in February 1980 during the visit of a Programming Mission, has recently been re-

	Original %	Revised
Agriculture/Rural Development	45	68.9
Transport Infrastructure	22.5	20
Social Infrastructure	7.5	—
Energy	8.0	1.8
Industrial Cooperation	—	4.8
Support Activities	5.0	4.3
General Reserve	12.0	0.2
	100	100

**Lomé II
Indicative Programme
Situation as at January 1985**

Sector	Projects approved (in millions of ECUs)	
Agriculture and rural development	Aveyime Livestock	3,200
	Pretsea Oil Palm rehabilitation	1,202
	Rural Banks I	0,299
	Wejja I	0,581
	Microprojects I	0,500
	Studies	0,857
	Twifo Oil Palm	6,063
	AgDB credit line	6,000
	Rural Banks II	8,760
Total		27,562
Transport infrastructure	Axim road	7,000
Energy	Kpong A.T.	0,080
Industry	Credit line for N.I.B.	2,900
Support activities	MATP	2,243
	Inter-Univ. Study	0,030
	Trade fairs	0,063
	TCC (Dr. Powell)	0,240
Total committed available		40,118
		19,882
TOTAL I.P.		60,000

vised in order to increase the emphasis upon agriculture and rural development and introduce a new allocation for industrial cooperation. The original and revised sectoral breakdown of the Indicative Programme is as follows:



A road linking western Ghana with the Ivory Coast, financed by the EDF

Agricultural and Rural Development

Aveyime Livestock Development: ECU 3.2 m to develop Aveyime Cattle Ranch, in order to increase meat production through improved stock management, veterinary and extension services.

The project is now operational. It is of great importance for cattle production in Ghana where, with its 12 million people, there are only about one million cattle and 3 million goats.

Other projects: The Community has also been financing other agricultural project schemes under the EDF, the CARRIP Irrigation study (ECU 310 000) including the CARRIP IADP (Integrated Agricultural Development Project) study (ECU 500 000) aimed at the preparation of an integrated agricultural development programme for each area.

The Community has also approved an ECU 6 m line of credit to the Agricultural Development Bank (ADB) for the provision of engines and fishing gear to rehabilitate the in-shore fishing fleet. Another line of credit of ECU 8.76 m has recently been approved for the Rural Banks to provide agricultural and fisheries inputs to small-scale farmers and fishermen.

Microprojects (ECU 500 000): A series of village-level projects in the Volta, Greater Accra and Central regions. They are predominantly productive projects.

An ECU 2.24 m multi-annual training programme (1981-85) has also been set up with greater emphasis upon in-country training.

Regional Cooperation: the allocation for regional cooperation for the West Africa region is ECU 120 m under Lomé II. Amongst the projects assisted is a risk capital loan of ECU 7.29 m split equally between Ghana, Togo and Ivory Coast to cover their additional shareholding in CIMAO.

Stabex: Ghana has been a major beneficiary from Stabex under Lomé II. In 1982, Ghana received a transfer of ECU 32.8 m in respect of a shortfall in earnings from cocoa exports to the Community in 1981. Of this amount, ECU 25.6 m was a normal Stabex transfer of which ECU 20 m was used for the purchase of essential inputs for the Cocoa Marketing Board and ECU 5.6 m for other key sectors. The remaining amount of ECU 7.2 m is in the form of a grant for projects. The Government has proposed the following projects for funding:

	ECU
Cocoa Marketing Board Vehicle Workshops	2 936 000
Ghana Commercial Bank Small-Scale Farmers' Scheme	847 500
Rehabilitation of Shai Hills Quarry	1 716 537
Assistance to Ghana Stone Quarry and KAS Products Ltd	1 670 000
	7 170 037

In March 1984, a further Stabex transfer of ECU 31.2 m was approved in respect of a shortfall in cocoa export earnings to the Community in 1982. The Government has indicated that 80% of this amount will be used to finance inputs for the CMB and the remainder used in other sectors indirectly supporting cocoa production.

Ghana has benefitted from two risk capital loans under Lomé II. The first provided ECU 6 m to the National Manganese Corporation for the rehabilitation of Nsuta mine and the second, for ECU 7.6 m is for the rehabilitation of the oil refinery at Tema, co-financed with the World Bank.

Food aid and emergency food aid have also been provided outside the Lomé Convention since 1977. (Material provided by the EEC Delegation in Accra). ○

Fighting famine in Africa: how the EEC can help

About six months ago, British TV shots of the camp at Korem in Ethiopia were screened, bringing the horror of people dying of hunger, a painful procession of starving survivors dragging their exhausted bodies to hypothetical sources of assistance and the silent waiting of the ill-fated and emaciated, into homes the world over. The cause of all this suffering is the drought, which has put paid to harvests in several provinces of Ethiopia and brought the constant threat of death to almost 6 million Ethiopians — about 15% of the population.

The shock of these pictures, soon followed by others just as harrowing, is behind a vast wave of solidarity in Europe and throughout the world, both with Ethiopia, where things are most dramatic, and with many other countries of Africa, where inadequate, irregular rainfall or no rainfall at all has caused serious food shortages. This has happened in, for example, the Sahel countries, in Mali and Mauritania and Niger and Chad, where drought even worse than the one in 1973 is a direct threat to the lives of tens of thousands of people who have been utterly ruined by the annihilation of their herds and are converging on the towns. And it has happened in Sudan and Mozambique, where very serious drought followed by disastrous flooding against a background of internal warfare has led to a very precarious situation indeed.

Harvests in all these countries are 30-40% down on usual figures and so food requirements are enormous. Estimates from the EEC Member States and the FAO (the UN Food and Agriculture Organization) both point to the fact that 3.7 million tonnes of grain overall are needed, of which 2 m will be needed urgently before the next harvest in November (assuming a daily ration of 400 grammes of grain per head). And five of the countries—Ethiopia, Mali, Mauritania, Niger and Chad—will also need something like 65 000 t of seed if their grain shortfall is not to get even worse in the absence of any harvest.

The Community reacts instantly and well

The Community, of course, did not wait for the media to cover the situation before it sat up and took notice,

as the then Development Commissioner Edgard Pisani took care to emphasize at a joint press conference (with Katharina Focke, Chairman of the European Parliament's Committee on Development) in Brussels on 30

Parliament and the Council of Europe took up led to the decision to run a second (and extremely rapid) emergency plan and, in only a few days, thanks to speedy discussions by the Parliament and the Council, aid worth almost ECU 60 m (and similar in content to the first plan) was implemented, almost half of it going to Ethiopia.

The standard aid programme plus the two emergency schemes add up to something like ECU 266 m that the Community poured in to the hunger campaign in Africa last year.

Dublin: third emergency plan

What is more, Jim O'Keefe, Ireland's Secretary of State for Foreign



The Community and its Member States made a substantial quantity of food aid available to Ethiopia and provided aircraft to ensure that the aid reached even the most inaccessible areas

October. It was in fact in April 1984, six months before the first television pictures, that the EEC brought in its first emergency plan (ECU 23 m emergency aid and ECU 60 m food aid, making ECU 83 m in all) for Africa. Many governmental and non-governmental organizations helped distribute the 210 000 t grain, 7 330 t milk powder, 2 350 t butteroil and 1 000 t of other foods, plus seed, drugs, tents and blankets to the distressed areas. But, of course, the wave of public opinion about the Ethiopian famine which the media triggered off and the European

Affairs and President-in-Office of the Development Council, went out to Kenya and Ethiopia to appraise the problem personally. Following this mission and the Irish presidency's proposals to the Dublin summit on 3 and 4 December, the Community decided on a third emergency plan, this time to supply 1 200 000 t grain to the countries of Africa hit by drought, as quickly as possible and to call on the international community to send a further 800 000 t, making 2 m t in all, exactly the estimated requirements until the next harvest in November

First emergency and food aid plan (ECU 80 million approx.)

Commitments as of 15 December 1984

A. Emergency aid (ECU 23 million)

Country	Decision (ECU)	Implemented by	Commitment ECU	Used for
Benin	500 000	UNDRO	500 000	food, transport
Ethiopia	2 500 000	UNDRO	2 500 000	seeds tents & blankets, transport
Ghana	2 500 000	Commission Delegate Danchurchaid	2 500 000	seeds transport
Burkina Faso	500 000	Commission Delegate	500 000	transport
Mali	1 010 000	MSF (Belgium)	1 010 000	medical and nutritional programme
Mauritania	2 500 000	Commission Delegate LICROSS	2 500 000	food seed transport medical care
Niger	2 000 000	Commission Delegate	2 000 000	food transport
Senegal	2 000 000	Commission Delegate	1 000 000	seeds transport
Sudan	500 000	Commission Delegate	500 000	food transport seeds
Chad	2 000 000	Commission Delegate	2 000 000	seeds transport
Togo	500 000	Commission Delegate	500 000	seeds
Gambia	500 000	Commission Delegate	500 000	seeds transport
Djibouti	250 000	Commission Delegate	250 000	reservoirs transport
Sao Tomé	80 000	LICROSS	80 000	transport
Zimbabwe	2 500 000	Commission Delegate LICROSS UNHCR	2 500 000	
Mozambique	3 100 000	Commission Delegate in Swaziland CEBEMO MSF (France)	3 000 000	seeds transport medical care food
TOTAL	22 940 000	—	21 840 000	—

B. Food aid (ECU 60 million)

Country	Cereals (t)	Skimmed milk powder (t)	Butteroil (t)	Other (t)
Sahel				
Cape Verde	9 000	320	300	1 000
Gambia	2 000	—	—	—
Burkina Faso	8 000	—	—	—
Mali	23 000	460	200	—
Mauritania	17 000	800	900	—
Niger	—	200	—	—
Senegal	24 000	950	—	—
Chad	9 000	—	—	—
Western Africa				
Ghana	8 000	—	—	—
Guinea Bissau	2 000	—	—	—
Togo	2 000	—	—	—
Southern Africa				
Angola	20 000	—	—	—
Mozambique	59 000	600	200	—
Zimbabwe	30 000	4 000	750	—
	210 000	7 330	2 350	1 000



BELGA/L. Aström

The refugees, starving in their camps, need not only food but tents and blankets as well, since the nights on the high Ethiopian plateaus are very crisp

The Georgetown (Guyana) Meeting The ACP special Council of Ministers deplores the “violation of the Sugar Protocol”

A special ministerial session of the sugar-producing ACP States, the second such meeting since the Group's creation in Georgetown (Guyana) on 6 June 1975, was held in the Guyanese capital from 13-15 February 1985. Fourteen ⁽¹⁾ of the 18 signatories of the Sugar Protocol annexed to the Lomé Convention were represented, most of them at ministerial level, the remainder principally by their Ambassadors to the Community. The head of the Technical Centre for Agricultural and Rural Cooperation was also there, as was a delegation from CARICOM (the Caribbean common market) and two experts (from the World Sugar Research Organization and the FAO). The ACP Secretariat was represented by Edwin Carrington, the Deputy Secretary-General, and Gloria Francis, a sugar expert at the ACP Secretariat.

The special Council on sugar was the first major ACP event in 1985. It was held in the Management Training Centre in Ogle, west of Georgetown, which is historically and economically one of the most important plantations in the Cooperative Republic of Guyana.

The Guyanese Finance Minister, Comrade Carl B. Greenidge, chaired the meeting, which was opened by the Prime Minister, Comrade Desmond Hoyte, who gave a noteworthy speech that set the tone of the discussions. He underlined the need for unity and solidarity in the ACP Group and said these two words should be the watchwords of the conference. The meeting, he said, should be more, than a “simple exchange of generalities and a statement of problems”. It should strive to come up with “practical, clear and positive proposals” on protecting the ACP sugar industries in what he called a “harsh and hostile” international environment. “We should spare no effort to look after our

own interests”, he said. The PM went on to emphasize that sugar was vital to some countries in the ACP Group, as it was their life-blood. “We have to close ranks”, he affirmed. This forthright speech made a strong impression on the delegates in Georgetown, a city that is both the symbol of the ACP desire to unite to be a coherent force in the face of their European partners and also the capital of one of the biggest sugar cane producers in the Group. The history of Guyana could be written around sugar, because most



The Ministers and other delegates at the opening of the special ACP Council session on sugar in Georgetown. Interest was maintained from start to finish of the meeting by virtue of the importance of the matters under discussion

of the people living there were brought in because of it, said the PM, a former member of the ACP Council of Ministers and spokesman on sugar) (see page IV for extracts from the Prime Minister's speech).

The Ministers then heard an interim report from Ambassador Cavalevu of Fiji, Chairman of the Sub-Committee on Sugar, before dealing with the agenda. Work focused on two main topics—the international sugar situation and the development of substitute sweeteners. The Council asked the Ambassadors' Sub-Committee to produce a technical document which would allow the matter to be discussed in greater depth at a future meeting.

They then looked at the EEC's present and future sugar policy and the entry of ACP sugar to the Community

markets, particularly in the United Kingdom, on the basis of a report by Christopher Stevens, an FAO consultant, who analyzed the relationship between the common agricultural policy and the future of ACP sugar. It emerged that this relationship did not seem favourable to ACP cane sugar exports in either the short- or medium-term. Even if it were possible to “negotiate minor changes along the lines the ACPs want, using fob prices instead of cif ones, for example, the price of cane sugar would not be much different from the price of beet sugar”, said the report. So, given the different parameters of the sugar market since 1969, particularly the European refiners' profit margin, which has gone up by 140% in comparison with the prices in the Sugar Protocol, and the rapid devaluation of the currencies in which the sugar is paid for (one tonne of sugar, which brought Barbados in

\$ 900 three years ago, only brings in \$ 600 now), the Ministers said they felt that the next six months would be crucial in the examination of their relations with the Community. They also thought the ACPs should increase the extent to which they “geared their efforts towards the positive and constructive” aspects of EEC policy by stressing “the Community's obligation to open its market—which they are determined to keep open”—to ACP cane sugar. The Council said that the British beet sugar producers' request for a bigger quota was the subject of serious concern and that an approach to the authorities in London was justified. A delegation comprising Carl Greenidge (spokesman), R. Cheltenham (Barbados), Col. Raoul (Congo) R.C. Hove (Zimbabwe), J. Cavalevu

(1) Barbados, Belize, Congo, Fiji, Guyana, Ivory Coast, Jamaica, Malawi, Mauritius, St Christopher & Nevis, Suriname, Swaziland, Trinidad & Tobago, Zimbabwe. Kenya, Madagascar, Tanzania, and Uganda did not attend.



At the end of a noteworthy speech on the ACP sugar problems and cooperation with the Community, the Prime Minister, Desmond Hoyte (right) is handed a copy of the Lomé III Special issue of The Courier by Edwin Carrington, Deputy Secretary-General of the ACP Group. Carl Greenidge, Minister of Finance, is seated on PM Hoyte's left

(Sugar Subcommittee), etc. and Edwin Carrington, ACP Deputy Secretary-General, would be meeting the British Agriculture Minister, M. Jopling, on 19 and 20 February to reiterate the importance of secure access to the UK market for ACP sugar. The delegation was also to meet members of the European Commission, notably Mr Natali (Development Commissioner) and Mr Andriessen (Commissioner for Agriculture and Fisheries).

The sugar industry and the economic prospects of ACP sugar producers

However, the Ministers did recognize that the "defence of the positive aspects" (access to the Community market at guaranteed prices) of their relations with the Community was no longer enough to assure the future of their sugar industries. Hence the need to diversify the sector—although the ACPs do not take this to mean substituting other products for sugar cane. They do not mean a strategy of pulling up the cane, but a long-term policy of growth and development of the sugar sector as part of the quest for a general strengthening of the economy of each ACP State. For, as Edwin Carrington observed, a close look at the figures shows, for example, that the purchase of 1.3 million t of sugar by the Community every year is a nominal operation if ACP countries (Nigeria, say) import tens of thousands of tonnes of sugar from the Community at the same time. So diversification should

involve both increasing the economic profits of the sugar industry and cutting ACP dependence on the traditional markets. A growth, long-term development and diversification plan for the ACP sugar industry will be devised by a working party, under the authority of the Commodities and Industry Division of the Secretariat, which will be presenting an interim report in a year's time. Final reports will be written on the various sectors and pro-

ducts.

In this concern for diversification, the Ministers identified how pressure might be exerted on European economic forces that were hostile to ACP interests by seeking joint schemes with economic lobbies and pressure groups that might be used to protect ACP interests from the Community or by using the media (which the Council recognized as making a decisive contribution to the success or failure of an enterprise in Europe) to explain things more clearly. Nevertheless, it is no longer possible to envisage diversification seriously unless a study is made of the "consequences of such an operation in the short term". For, as Mauritian Agriculture Minister M.N. Deerpalsingh said, "we must start by running suitable schemes to parry the political pressure from European economic lobbies, for the problem has turned into a political one".

Fixing guaranteed prices

The second big item on the agenda of this special Council was the fixing of guaranteed prices for ACP cane sugar and how to negotiate these prices under the Sugar Protocol. ACP-EEC cooperation in the sugar sector was also discussed.

The Ministers felt that there had not been any real negotiations on fixing

Figures (in tonnes) explaining the disagreement between the ACP States and the Community on the reallocation of sugar not delivered by Trinidad & Tobago

	ACP proposal (50/50 formula)	Quantity redistributed by the EEC (Jan. 85)	New quotas
Barbados	1 309.7	748.8	50 048.8
Belize	1 206.7	704.4	40 104.4
Congo	880.1	2 000.0	10 000.0
Fiji	2 498.6	1 262.1	164 862.1
Guyana	2 437.3	1 235.3	158 935.3
Ivory Coast	817.7	8 000.0	10 000.0
Jamaica	2 027.5	0	118 300.0
Kenya	838.4	1 000.0	5 000.0
Madagascar	900.9	572.8	10 572.8
Malawi	1 035.0	617.8	20 617.8
Mauritius	5 864.8	2 714.2	489 914.2
Swaziland	2 007.7	1 050.2	117 450.2
St. Christopher & Nevis	950.8	594.4	15 394.4
Suriname	0	0	0
Tanzania	900.9	0	10 000.0
Trinidad & Tobago	0	5 000.0	43 500.0
Uganda	796.9	0	0
Zimbabwe	1 057.0	5 000.0	30 000.0
Total	25 500.0		



The Minister of Trade of Zimbabwe, R. C. Hove, (left) in conversation with Hamilton Green, Vice-President and first deputy Prime Minister of the Guyanese government. On the far right, Edwin Carrington with R. Jackson (centre) Minister of Foreign Affairs and Haslyn Perris, deputy Prime Minister

the guaranteed price for their cane sugar—which was counter to the terms of the Protocol—and the Community “offered” them a price they could “take or leave”. They expressed their concern at the imperfections of the body which was responsible for the annual guaranteed price negotiations and insisted that they should plead their cause before all the institutions of ACP-EEC cooperation. The Sub-Committee on Sugar and the ACP Secretariat will have an important part to play when it comes to putting public opinion in the picture. The Council also stressed the need for proper, regular consultations with the President of the Commission and the Development and Agriculture Commissioners during the course of these annual negotiations.

On the thorny question of Portugal’s request to import 300 000 t of ACP cane sugar for its sugar industry, the Council said that the ACP countries would continue to support the application because the subject is “an important one which justifies both this step and a meeting with the Community”.

As we know, Portugal, in the light of its accession to the Community (scheduled to take place in early 1986), had offered to buy 300 000 t of ACP sugar for its industry—which is largely geared to refining cane sugar. In view of the Community preferential rules whereby Member States have to purchase Community products first and foremost, the Commission is against Portugal’s offer and suggests that the ACPs only export 70 000 t of sugar to it and to do so at international market rates.

The problem of reallocation

Over and above the problems of guaranteed prices and exports to Portugal, one subject of long and even heated discussion on the part of certain Ministers was the reallocation of quantities of sugar which Trinidad & Tobago had failed to deliver under the quota arrangements. The Community had 25 500 t to reallocate and the ACP Ministers felt that this should be done on a 50-50 basis, according to a formula that had been presented to the Commission in the light (the ACP Council said) of Article 7(4) of the Protocol. But the Commission had ignored the ACP proposal, the Ministers said in Georgetown, and “arbitrarily reallocated the quantities that had not been delivered using new criteria whereby ACP countries which were signatories of the Protocol but importers of sugar for their own consumption were excluded”. The Ministers deplored the fact that the Commission had not taken their proposal into con-



Rashleigh Jackson, in conversation with Richard Cheltenham

sideration and felt that, by acting as it did, the Commission had “violated the Sugar Protocol”. So they reiterated their commitment to the 50-50 formula in any future reallocation and they reiterated their idea that the process of reallocation should be a joint matter and all decisions should, in line with the principle, be mutually accepted. However, while supporting the principle that the quotas of Zimbabwe and Ivory Coast should be revised upwards, the Ministers considered the quantities granted to them as falling outside the scope of the recent reallocation. They also considered that those of Congo and Kenya should be re-established. They decided to give their full backing to any action (arbitration included) any country might take if it felt its rights in the sugar sector had not been respected.

The Council marked its “profound disagreement” with the Commission’s procedure by voting on a resolution (covering many points) that was particularly harsh and condemned “the Commission’s arbitrary decision”, while still leaving the door open to a fair solution, particularly as regards Portugal’s entry to the Community—which was a good opportunity for the Community to meet the ACPs’ longstanding claims to improve their position. However, Ivory Coast had reservations about the adoption of this resolution, without, however, disapproving the basis of it.

The Council wound up the session with a discussion of other ways in which cane and sugar might be used. A report by Mr Vlitos, the head of the World Sugar Research Organization, enabled the Ministers to view the prospects of their own sugar crops optimistically. However, if the ACPs really are to glimpse the beginnings of optimal utilization of sugar or cane in the various fields of energy, food and so on, they will also need to put their backs into obtaining the relevant technology, which, Mr Vlitos said, “can be easily transferred as things stand, even at a modest level”.

The Georgetown meeting certainly outlined a new and more structured approach to the problem and one which now takes account of the “political data influencing their EEC partners’ economic decisions”. ACP strategies will be adapted accordingly, so that the results of their cooperation with the Community may be improved. ○ L.P.

**“The scales are so weighted
against us...”**

Desmond Hoyte, Guyana's Prime Minister at the ACP ministerial meeting on sugar

Below are highlights of the Guyanese Prime Minister's address to the special ACP ministerial meeting on sugar in Georgetown.

Glut and depressed prices of sugar

“There is a glut of sugar in the world today. I am told, for example, that the ratio of stocks to annual consumption is some 40%, which is, of course, a level that is far higher than is necessary to ensure stability in the world market. But more than that: over the past six years, production has been increasing annually at an average rate of some 3%, while consumption has been increasing at an annual rate of only 1%. Thus, in a situation of glut, production continues to outstrip consumption.

While all this is happening, we are experiencing the lowest prices for sugar, in real terms, since the beginning of this century, which is to say, the lowest prices, in real terms, since sugar marketing statistics began to be recorded. So we have the twin problems of glut and depressed prices, and, as if these were not enough, we are encountering rabid protectionism. It is an interesting commentary on the world in which we live, that those countries which most stridently advocate ‘free trade’ are the very countries which by their very actions show that they are not interested in free trade.

Some of us who attended the last General Conference of the GATT a few years ago, will remember the ritual statements made, one after the other, by the representatives of the developed world: “We must dismantle protectionism.” “We are against protectionism”. Yet the fact really is that the very countries which preach to us about the evils of protectionism, re-



**Prime Minister
H. Desmond Hoyte**

quiring us not to establish tariff and non-tariff barriers, are themselves the most guilty in this practice.

If we carefully examine the situation, we would note that the undermining of the viability of our sugar industries springs from several causes, not the least of which is the very fact of the protectionism of which I speak.

In 1974, for example, when the previous United States quota system lapsed, we had a quota of 91 000 tons in the US market. In 1984/1985, that quota has declined to 27 000 tons. I mention this fact, not by way of criticism or complaint, but merely to illustrate by hard figures what I mean by protectionism and the contraction of markets for our sugar exports.

You will note that, last year, the negotiations for a new International Sugar Agreement failed, not through any fault of our own, but because the big importers played a very passive, if not a cynical, role, while the big exporters quarrelled among themselves. And truly as the proverb has it, “when elephants quarrel, the smaller beasts

are trampled underfoot”. And I am told the same thing happens when elephants make love.”

The Prime Minister believed that some big countries wanted to reform all international agencies involved in Third World development. But, he went on “the International Monetary System? Not at all. And so we find that our earnings from sugar are eroded because of unpredictable currency fluctuations inherent in the unjust international financial structure.

Every day those who manage our sugar industry have to be looking very anxiously at the rate of the pound Sterling vis-à-vis the US dollar vis-à-vis the Guyana dollar. And every day as the pound slides, the Guyana dollar receipts from our sugar exports decline dramatically. And we all suffer the same fate, whatever currency our export receipts are denominated in — apart from US dollar.

These are just some of the problems we face. We cannot deal with them individually, and I am sure that all of us in the ACP Group will not be able to tackle them successfully by ourselves alone (...)

We have a particular problem with the EEC. We have had a Sugar Protocol which was designed to regulate the relationship between the ACP countries and the EEC in so far as the sugar regime is concerned. Yet, the EEC has adamantly refused to honour the letter of the Protocol, much less its spirit. For example, Article 54 requires the sugar price to be negotiated annually, taking into account all relevant economic factors.

Now, what happens? Every year we are handed a price by the EEC. There is no negotiation. I raised this matter, when I was the ACP Sugar spokesman, with one of the high officials of the Community, and the gentleman said to me, with a very sweet smile, that the French verb used in the French version of the text did not quite mean the same thing as the English verb “to negotiate”.

(...) Our colleagues here, who are French-speaking might be able to say (whether that is true or not). But I would say that, if that were true, it was a very odd and remarkable situation to have a Protocol of which both the French and English versions were of equal validity, but the French version said something different from the English version!

Politics

But the fact of the matter does not really lie in semantics or linguistics; it lies in politics. I remember in 1983 telling Mr Dalsager, who was the EEC spokesman at the time, that we could not accept the 4% increase being offered. And he said to me that he understood all the arguments I was making, he understood my reference to Article 5(4) of the Protocol, but that politically the EEC could not give the ACP countries a larger percentage increase than it was giving its own farmers.

It was not a matter of a solemn contract, solemnly signed; it was not a matter of the proper interpretation of Article 5(4) of the Protocol; it was a matter of politics.

And yet the argument was specious, for we were not comparing like with like. The ACP countries, out of that 4% increase, had to bear transportation and freight costs. The sugar industries in the ACP countries were not the recipients of the large subsidies, overt and hidden, which EEC farmers enjoyed. I mentioned these facts to Mr Dalsager, pointing out to him that one could not compare a 4% increase to the ACP sugar producers with a 4% increase to the European farmers. The equivalence was merely nominal, not real. But he stuck to his argument about political expediency. So we have this problem about a remunerative price for our sugar exports to the EEC and the solution of this problem is crucial to the viability of our sugar industries.

“We need to ... get the maximum leverage for ourselves”

But what are we to do? Are we to despair? We can do that if we wish, except that, as one writer puts it, “despair wins neither heaven nor earth”. I know that we will choose a more courageous and practical course. But while it is important that we should advance the economic arguments, and even, if you wish, the moral and ethical arguments in support of our case, the most important steps which are likely to yield results are political. We cannot divorce economic from political action. Mr Dalsager did not. The EEC does not. And we must avoid any temptation to believe that we can argue straight economics with the EEC.

We are not without leverage. What we need is to take stock of our position, of our advantages. Very often we behave as if all the cards were with the EEC. And I want to suggest to you that all the cards are not with the EEC or other major countries in the world. We have resources that they require; we have markets; and we have political and strategic advantages which are of importance to them. We need to identify these things, so that in our discussions, in our deliberations, we can link economic and political interests in order to get the maximum leverage for ourselves.

We are not beggars or supplicants; we are not seeking alms or handouts. What we are asking for is the opportunity to be able to trade on fair terms. And, with respect to the EEC in particular, to gain access for our sugar at a guaranteed price in terms of the Sugar Protocol.

We are prepared to help ourselves: that has always been our position. But what we find intolerable and unacceptable is the systematic weighting of the scales against us.

We have been accused of being inefficient and uncompetitive; and yet that accusation has no basis in fact and cannot be sustained on proper economic analyses.

We know that one hectare of land properly cultivated will give 11 to 13 tonnes of cane sugar and that same area will give only eight to nine tonnes of beet sugar. We have a comparative advantage, but this is nullified by the massive subsidy programmes and the protectionist policies which the EEC and other developed countries have designed and entrenched.

It is simply not true that the ACP sugar producing countries are uncompetitive and inefficient. What is true is that the scales are so weighted against us that, in the final analysis, we get prices that are not true market prices but really administered prices. Spurred on by the incentive of elaborate production and export subsidies, the European farmer produces huge sugar surpluses which they then dump upon the world market, thus depressing the world price and undermining the viability of our own industries.

We need to keep reminding the EEC about these matters and keep insisting that they are unacceptable practices. And we must reject any assessment of the efficiency and competitiveness of our sugar industries that is not based

upon accurate data and the application of correct economic criteria.

In 1974, when the world was desperately short of sugar and prices were sky high the United Kingdom Agriculture Minister came to this country to seek an accommodation, to seek an assurance that Guyana would continue to supply the UK market at reasonable prices. And we did that, notwithstanding the fact that the Commonwealth Sugar Agreement was about to come to an end and nothing had yet replaced it. We supplied the UK market because of historical association and because we looked forward to the establishment of mutually advantageous partnership when the Commonwealth Sugar Agreement came to an end and Britain acceded to the European Economic Community.

We did not abandon our traditional customers. And it was the same thing with other ACP countries, which continued to supply the European market at prices which were well below the prevailing world market prices (...)

“We have, very seriously, to consolidate our action”

I believe that we ACP countries now have, very seriously, to consolidate our action. This meeting, I would like to suggest, should be one in which we decide upon a common strategy and common tactics to protect our vital interests. But, whatever we do, we have to start from the basis of unity. Let us face facts: the European Community has always spoken to us with a single voice. Have we ever known one occasion when there was diversity of opinion in the EEC ranks when they confronted us? There is always one spokesman, carrying a single message on behalf of the Community.

Unity is easier for the EEC countries, because they are a small and manageable group. We are 65 in number. It is, therefore, more difficult for us to achieve that unanimity of opinion and action. But it does appear to me that that is all the more reason why we have to try as hard as possible to speak with a single voice.

We must have that basis of unity or else success will continually elude us. If we lack unity, the Community will be able to apply the classic technique of dividing and ruling (...)

We need now, in confronting the EEC, to put our sugar relations on a more secure and trustworthy basis (...)

ACP COUNCIL

At its 37th meeting in Lomé: "Reorganize the Secretariat to make it more efficient"

The 37th ACP Council of Ministers was held in Lomé in December 1984, just before the signing of the third ACP-EEC Convention, with Rabbie Namaliu (1), Papua New Guinea's Foreign Affairs and Trade Minister, in the chair. The first part of the discussions covered the negotiations and the positions which the ACPs had defended as regards the overall package, with particular reference to human rights and the resources of the new Convention. The Ministers also had another look at the question of ACP works of art currently in the Member States of the Community being returned or restored to their countries of origin, something which was considered to be of considerable importance but which had not been settled in the chapter on cultural cooperation in Lomé III. The Ministers felt this discussion should be taken further, with a view to finding an answer during the life of the new Convention.

A Committee of Ambassadors report introduced by the Chairman, Yaya Diarra (Mali), led to discussion of remaining Stabex and Sysmin funds. The Council wanted to see this remainder put to proper use in ACP development and to avoid the Stabex remainder, in particular, from being used "to repair future errors". It should go to cover past mistakes, it said, as some ACP States felt they had incurred losses in their transfers over the past two years. The Sysmin remainder, the Council thought, should be paid into the mining and energy financing facility (Sysmin, Lomé III).

The Council of Ministers reiterated its position on the Technical Centre for Agricultural and Rural Cooperation and the Centre for the Development of Industry, particularly as regards the principle of alternating CDI directors.

It also mentioned how the Lomé II Article 108 Committee worked in rela-

(1) Mr Namaliu is now Minister for Primary Industries and has been replaced in the post of President of the ACP Council of Ministers by John Giheno.

tion to the general conditions of eligibility and the implementation and maintenance of projects run as part of ACP-EEC cooperation (see Dossier).

The Council also discussed the dramatic consequences of the drought in the Sahel and other parts of Africa, in Ethiopia and Mali especially. It noted that schemes had been run in Brussels to contribute to emergency aid for the afflicted areas. ACP nationals, some municipal authorities and leading Brussels figures had been involved, to varying degrees, in these schemes and an amount equal to at least 1 million Belgian francs had been collected. The idea of a solidarity fund was put forward and Papua New Guinea and Mauritius (through their spokesman Rabbie Namaliu and Raymond Chasle) at once offered contributions of BF 1 million and BF 0.5 million respectively. Alioune Blondin Beye, Mali's Foreign Affairs Minister, thanked everyone, on the afflicted countries' behalf, for this mark of sympathy.

However, Uganda wanted to see the ACPs give greater thought also to long-term answers to the drought and Tanzania hoped that they could avoid having a number of solidarity funds, as, in Addis Ababa, the Heads of State of the OAU had decided that one should be set up, allowing all contributions to be paid into that.

The Council spent much of the last two days of the meeting on internal matters, including the election of a new Secretary-General and the reorganization and running of the Secretariat. Although the discussion of the new appointment was the most heated, it emerged only as one aspect of a more serious general problem—that of the organization and operation of the joint ACP Group institution in Brussels. The Council was unable to agree on any of the four candidates (J.B. Wilmot, Ghana; T. Okelo-Odonogo, Kenya; S. Okabé, Congo; E. Carrington, Trinidad & Tobago) for the post of Secretary-General, so the decision was postponed until the next

Council of Ministers' meeting in Brussels in April or May. Meanwhile (as from 1 March) Edwin Carrington, the outgoing Deputy Secretary-General, will do the job on an interim basis. The Ministers insisted that the Secretary-General's authority be restored and strengthened and that his relations with the organs of the ACP Group should be re-examined. They also looked at the working conditions of Secretariat staff. The Committee of Ambassadors will have to finalize the document presented at Lomé with a view to decisions being taken at the next meeting of the Council. This document should "re-establish staff confidence by offering them stability and the possibility of advancement in their jobs".

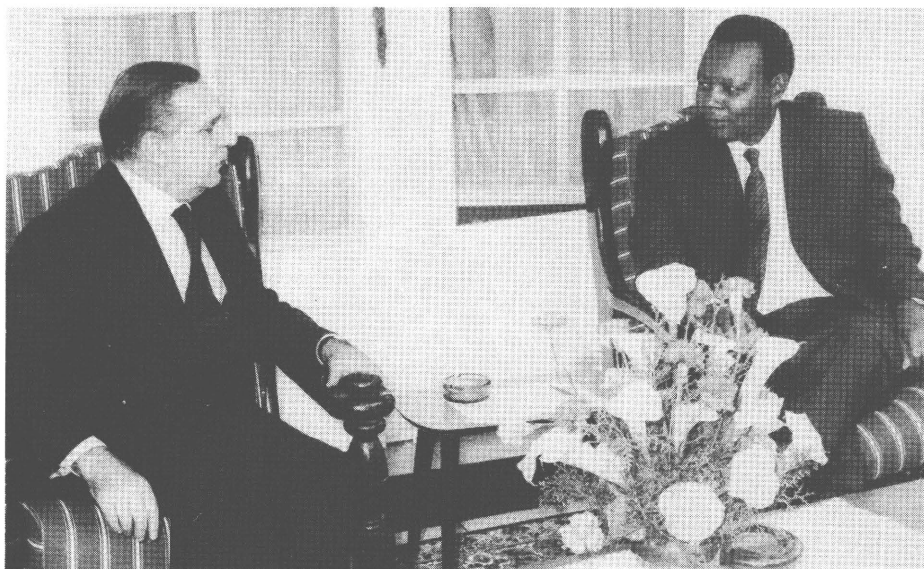
Lastly, the Council said it very much hoped that the ACP States would shoulder their responsibilities vis-à-vis the Secretariat better, as the organization leaves something to be desired, even if greater stringency is called for on the budgetary side. This 37th session of the ACP Council, which ended only a few hours before Lomé III was signed, took a number of decisions, including the entry of Mozambique as the 65th member of the ACP Group, a Council of Ministers for Transport and Communication at Paramaribo in Suriname (third quarter) and an extraordinary Council of Ministers at Harare (Zimbabwe) during the fourth quarter.

Following a proposal by Yaya Diarra, the Chairman of the Committee of Ambassadors, the meeting agreed on the principle of celebrating the 10th anniversary of the Georgetown Agreement (6 June 1975) and, at the request of the Council, on a revision of the arrangements for electing the Secretary-General of the Group laid down in this Agreement. o L.P.

VISITS

Lorenzo Natali in Burundi: First visit to an ACP country in his capacity as Development Commissioner

Combining it with the work of the Joint Committee, Mr Lorenzo Natali, the new Commissioner for Development, who was making his first visit to an ACP country, undertook a broad 'tour d'horizon' on EEC-Burundi coo-



Lorenzo Natali with President Bagaza

peration with the Bujumbura government.

Mr Natali, accompanied by Messrs Frisch, Pensa, Filori and Bonacci was received at great length by President Bagaza who had called in his inner cabinet, the Ministers of Planning, Foreign Affairs and Agriculture and Cyprien Mbonimpa, Burundi's Ambassador to Brussels.

During the meeting, which took place in a relaxed and friendly atmosphere, a number of different subjects were touched upon: negotiations for the enlargement of the Community, Mediterranean policy, the role of the European Parliament, and prospects for Community cooperation with Burundi, among others.

Mr Natali reminded President Bagaza of the importance of preparing for a rapid launch of the new Convention, underlining in particular the idea of concentration and on the need for improved coordination of external assistance.

President Bagaza, for his part, outlined some of Burundi's specific difficulties on the political as well as the economic level: dependence on the outside arising from the country's landlocked situation, the alarming rate of population growth in relation to the availability of arable land and the question of birth control.

On the matter of donor coordination, the exchange of views highlighted the reservations of the Burundi government, which, while agreeing to the concept in principle, feared a coordination by donors moving progressively to the 'dirigiste' approach adopted

by the IMF and the World Bank which did not take sufficiently into account "the nature and constraints of internal policy".

During the course of a meeting with the Minister of Planning and his senior staff, Mr Frisch explained the Commission's approach to the preparation of programming for Lomé III in the framework of the arrangements set out in the new Convention.

He confirmed the willingness of the Commission, at the level of the Delegation, to hold a series of exchanges of views with the Burundi authorities to prepare for the programming mission.

According to the Minister of Planning, the mission could take place towards the end of the first half of 1985. For his part, Mr Frisch indicated that this objective was not attainable unless contacts between the Government and the Delegation took place in the near future. ○

REGIONAL COOPERATION

Ministerial meeting of the Indian Ocean Commission

The Indian Ocean Commission, created in 1983 by Madagascar, Mauritius and the Seychelles, held a meeting at ministerial level at Antananarivo (Madagascar) from 14-18 January 1985.

The meeting was marked by the formal admission of the Comoros to the

Commission, as well as of France, which will be largely represented by participants from Réunion, a neighbour of the four other Indian Ocean countries.

Regional cooperation in this zone, which has been a slow starter, thus takes a decisive step forward especially in the wake of the colloquium on 'Cooperation and Development' which took place, with the same participants, in October 1984 at St. Denis on Réunion.

The European Development Fund plays an active role in the region in financing new projects (studies and implementation) in various areas (tourism, handicrafts, trade relations and new sources of energy).

Other countries, such as Australia, are beginning to take an interest in the work of the Commission.

The next meeting of the Commission will take place in Mauritius, which will assume the presidency for one year, at the level of experts as of July 1985, at Ministerial level as of December 1985. ○

FISHING

EEC-Madagascar fishing agreement

The EEC Commission and the Democratic Republic of Madagascar initialled an agreement in Brussels in December settling future fishing arrangements for Community vessels in Madagascar's fishing zone.

The Agreement, concluded for three years in the first instance (as from entry into effect), covers the Community's ocean-going tuna fleet and particularly the French vessels that already spend a large amount of their time in the Indian Ocean, in the Seychelles' economic zone (see Memo 4/84). It also provides the possibility of fishing for deep-water crustacea as part of a reconnaissance campaign to be run in Madagascar's waters during the first 18 months of the Agreement.

The main points of the Agreement are as follows:

A. Madagascar will grant fishing licences to 27 ocean-going freezer tuna vessels, although no more than 18 of these vessels may fish simultaneously.

Licences to fish other species (and

scampi, crab and shrimp in particular) will be granted for an initial period of 18 months. The tonnage of the vessels to which these licences are granted will not exceed 5 000 GRT per month (annual average).

B. The Community will pay Madagascar for these fishing rights. Compensation has been fixed at ECU 900 000 for the three years of the Agreement, payable in three annual instalments of ECU 300 000 each. This amount covers catches of up to 6 000 tonnes of tuna p.a. If Community vessels catch more than this, the amount of compensation will go up proportionately.

The Community will help (ECU 350 000 for the duration of the Agreement) finance Madagascar's scientific programme to improve knowledge of fishing in the part of the Indian Ocean where Madagascar is situated and it will also finance a scholarship programme.

The Community's financial contribution for crustacea fishing has been fixed at ECU 375 000 p.a. for the duration of the reconnaissance campaign. This amount also covers the European ship-owners' dues of ECU 20 per t of tuna fished and ECU 25 per t p.a. for crustacea fishing.

Towards an agreement with The Gambia

The Community has already concluded fishing agreements with other countries of Africa (Senegal, Guinea Bissau, Equatorial Guinea, Sao Tomé & Príncipe and the Seychelles). Negotiations are under way with Mauritania and exploratory talks have taken place in Banjul with Gambian authorities at their request; the outcome of which has been that the Commission is seeking a mandate from the Council to negotiate an EEC-Gambia fisheries agreement.

The overall approach remains that given in negotiation directives to the Commission for concluding fisheries agreements with certain third countries, for which the Community does not offer reciprocity of fishing rights.

In return for fishing rights, the Community will pay The Gambia financial compensation, aimed at promoting the development of the fisheries sector in that country. It is also envisaged that a direct payment will in addition be made by the European fishermen actually involved. ○

STRAWBERRIES

Tariff quota for the ACP States

In July 1982 the ACP States made a request, under Annex XXVI of the second Lomé Convention, for strawberries from those countries to be allowed free access to the Community during the period from 1 August to 30 April.

After long negotiations in the Council leading to an agreement between the parties, the Commission has decided to open a tariff quota for 700 tonnes of strawberries from the ACP States for the period from 1 November 1984 to 28 February 1985.

The rate of duty to be applied is 40% of the CCT (Common Customs Tariff) duty, i.e. 5.6% instead of 14%. ○

TRAINING

The Dutch government helps the reinforcement of ACP administration

The Netherlands Government—and its Minister for Cooperation, Mrs Schoo, in particular—is launching a two-stage training and research programme in development administration in collaboration with the Commission.

The first stage will consist of analysis, to be carried out by the European Institute of Public Administration in Maastricht with the assistance of the Commission. This research will serve

as a basis for discussion in the symposia which the Institute is to organize with the ACP countries' representatives in order to draw up an overall training, research and institutional development programme in the field of development administration.

In both this and the later phase, the Maastricht Institute will seek the support and cooperation of other institutes in Europe and the ACP countries which have been involved in training outside the scope of the Lomé Convention.

The Institute and the Commission could then embark on the second phase, during which seminars and round tables will be organized in Maastricht or in ACP countries. Under its study and awards programme, the Dutch Ministry of Cooperation will defray part of the costs incurred by participants from ACP countries. In addition, a guarantee is to be given for the cost of the new buildings required by the Institute. ○

ACP EMBASSIES

The newly-appointed Ambassadors of Guinea and Somalia have presented their letters of credence to the Presidents of the Council and the Commission of the European Communities.

Guinea

Before becoming Guinea's Representative to the Communities, Ibrahim Sylla worked in the ACP Secretariat-General as an expert on transport and communications. He is therefore well-versed in the internal workings of the Lomé Convention.



The new Guinean Ambassador, Ibrahim Sylla (above) and the new Somali Ambassador, Mohamed Omar Giama (following page) talking to President Jacques Delors



An economist and sociologist, the new Ambassador was formerly a senior official in the Guinean administration. Mr Sylla is aged 41, married with three children.

Somalia

Mohamed Omar Giama, the successor of Mohamed Malingur as Somalia's Ambassador in Brussels, has even more experience of the Lomé Convention. Between 1970 and 1979 he represented his country in Brussels and took part in the negotiations for the first two Conventions, acting as President of the ACP Committee of Ambassadors between April and December 1975. Subsequently, as his country's Minister of Commerce, he took part in the Lomé III negotiations, signing the final document as his country's representative.

Mr Giama is 52 years old and has served as Somalia's Ambassador to Paris, President of the Somali Development Bank and economic adviser to the President of the Republic. ○

EDF

Following favourable opinions delivered by the EDF Committee (194th, 195th, 196th and 197th meetings), the Commission has approved the following projects:

St Lucia

Drainage and land conservation programme
Fifth EDF
Grant: ECU 1 600 000

The valleys of Roseau, Fond d'Or and Cul de Sac contain the most extensive areas of arable land and the largest banana plantations in St. Lucia.

The purpose of the project is to rehabilitate the drainage system in each valley by river dredging, channel realignment, reconstruction of bridges and culverts and installation of pumps to lower water-table. The project also aims to establish the organization necessary for the maintenance of the drainage system and for the protection of the watershed forests from further depletion. The project builds on the Land and Water Use Unit (LWUU) of the Ministry of Agriculture, which was established with EDF support.

Jamaica

Coffee development project
Fifth EDF
Grant: ECU 200 000
Special loan: ECU 3 300 000

The purpose of the project is to expand quality coffee production in Jamaica aimed at earning additional foreign exchange through export development.

Until recently many of the farmers in the areas covered by the project were reliant on bananas as the principal source of cash income. However, banana cultivation is no longer profitable and coffee is now regarded as the most appropriate cash crop.

The project aims to enhance family farm incomes through the cultivation of some 600 ha. of coffee, thus improving rural living standards.

Niger

The Grand Marché of Niamey
Fourth EDF
Grant: ECU 2 000 000
Fifth EDF
Special loan: ECU 8 000 000

The purpose of the project is the rebuilding of the Grand Marché of

Niamey, the principal centre of traditional trade in Niger, which was devastated by fire in March 1982.

The work will consist mainly of the construction of roads and various utility networks, an administrative building, sanitation blocks, a surrounding wall and approaches (to be financed by the Caisse Centrale de Coopération Economique (CCCE)), together with 5 175 m² of covered market and 19 341 m² of shops (to be financed by the EDF).

Chad

Programme covering priority needs in the educational sector
Fifth EDF
Grant: ECU 5 200 000

The project consists of several parts aimed variously at providing vocational training for people to train future teachers and also at building up Chad's planning capability in the educational sector. The purpose of the project is to support efforts at revitalizing the educational sector, which has been considerably weakened during the last few years of civil war.

To this end, the following operations will be financed: reconstruction of renovation of school buildings and supply of equipment and educational materials, the allocation of training awards and the organization of seminars, the costs of management in the initial phase and the provision of technical assistance from abroad.

Repair of the N'Djamena/Guelendeng/Sarh road
Fifth EDF
Grant: ECU 8 800 000

The project consists of the repair of the N'Djamena/Guelendeng/Sarh road. The aim of the project, apart from improving access to and from the area concerned, is to bring about a substantial reduction in transport costs by carrying out rehabilitation works over 560 km of the main trunk road linking the north and the south of the country, and in this way to promote trade between the two regions.

Cape Verde

Water supply and sewage disposal for the town of Praia
Fifth EDF
Grant: ECU 2 000 000

As part of its policy of improving

living conditions for the population of Praia, the government of Cape Verde's intention is that this project should back up the measures already taken in the field of environmental hygiene.

The project has three basic components:

- the extension of the drinking water supply to the districts most in need;
- the collection and disposal of waste water from the densely populated areas;
- the collection of urban refuse and the supervision of its tipping.

Mauritania

Incentive fund for fisheries

Fifth EDF

Special loan: ECU 800 000

The purpose of the project is to meet the needs and foster the development of small and medium-sized groups of businessmen and cooperatives willing to invest in artisanal fishing projects.

The fund will finance public expenditure and provide part of the capital needed by private firms (light infrastructure and assistance with the purchase of artisanal fishing gear).

Senegal

Building of a new Noiret Bridge

Fifth EDF

Special loan: ECU 2 500 000

This project provides for the building of a new, 220 m long Noiret bridge over the Saloum at Kaolack.

This project forms part of the scheme to improve the road links in Senegal and in the region as a whole, since the bridge is a very important part of the road network between Dakar, the southern part of Siné-Saloum and Casamance and also between Dakar and the subregion (Gambia, Guinea Bissau). It is also at the centre of a densely populated region of major economic importance.

Cameroon

Yaoundé-Ayos road: technical study

Fifth EDF

Grant: ECU 860 000

Given that the volume of traffic and the difficulties in transporting goods have increased appreciably, the improvement of the transport infrastructure is one of the priorities for Cameroon's development policy.

This project consists of carrying out studies for the improvement of the Yaoundé-Ayos road (165 km), which links the east of the country to the capital.

Zaire

Specific improvement to the Akula-Gemena road

Fifth EDF

Grant: ECU 11 600 000

This project is one of the highway projects to be financed under the interim programme for economic rehabilitation (1983-1985) presented by the Government of Zaire to the World Bank Consultative Group in December 1983. Its purpose is to improve the poorest sections of the road which links the chief town of the agricultural sub-region of Ubangui (Equateur) with the port of Akula, which is itself linked to the capital Kinshasa by the Zaire river and its tributary, the Mongala. This is to be the first phase of the project for the complete rehabilitation and asphaltting of the Akula-Gemena road.

Madagascar

Strengthening and rehabilitation of the transport sector

Fifth EDF

Grant: ECU 2 200 000

The aim of the project is to strengthen and rehabilitate the road and agricultural transport infrastructure belonging to the public and the private sector, in the Democratic Republic of Madagascar.

This objective will be attained by the provision of supplies (tyres, spare parts, workshop equipment) and also by repairs to the network of rural tracks.

Mauritius

Road from Phoenix to Nouvelle France

4th and 5th EDF

Special loan: ECU 8 468 000

The purpose of the project is the construction of a new road between Phoenix and Nouvelle France on the Port-Louis-Mahébourg axis, which is the principal road on the island. The bulk of the country's road traffic (goods and passenger) is carried along this road.

Seychelles

Multi-annual training programme

Fifth EDF

Grant: ECU 265 000

This project involves a programme of grants for studying abroad and a specific training programme for craftsmen. Since there are few training courses available in the Seychelles because of the small size of the country, the study grant programme aims to provide training in high priority sectors.

Comores

Multi-annual training programme

Fifth EDF

Grant: ECU 520 000

The purpose of this financing proposal is to carry out training activities considered to be a priority.

This financing will be allocated as follows:

Rural sector: The sum of ECU 103 000 to cover awards for study and training in the ACP States and to pay for technical and educational assistance provided by outside experts in rural economics and management.

In other sectors: The sum of ECU 420 000 for study awards and advanced training courses for senior officials employed in the technical and administrative departments of the public service and the vocational training sector. The training outside the country will mainly concern people working in the Ministry of Finance and the Directorate-General for Planning. Most of the training will be undertaken in other ACP countries, with some trainees going to Europe.

Ethiopia

Section Shebel-Gambela of the road Ghimbi-Gambela

Fifth EDF

Special loan: ECU 4 400 000

The project provides for the construction to feeder-road standard of a 25 km all-weather road linking the towns of Shebel and Gambela in the provinces of Wollega and Illubabor respectively.

The section completes the 306 km road between Ghimbi and Gambela, of which 251 km are nearing completion, financed from 4th EDF.

Kenya

Strengthening of the existing facilities for research in the field of public health

Fifth EDF

Grant: ECU 1 000 000

This project is aimed at the further development of Kenya's scientific institutions conducting biomedical research related to human reproduction and tropical infectious diseases.

In particular the project provides for the further development of research facilities of the IPR (Institute of Primate Research) in Ololua (Nairobi), where studies are being conducted in relation to birth control techniques, human reproduction and such tropical infectious diseases as schistosomiasis, trypanosomiasis, leishmaniasis, filariasis and leprosy.

Burundi

Improvement of the social and economic conditions in Central Imbo and development of Eastern Mpanda

Fifth EDF

Grant: ECU 8 500 000

The project consists of the implementation of a programme of measures and the creation of infrastructures to improve the living conditions of the inhabitants of Central Imbo. It is part of the integrated development policy followed by the Burundi Government.

To attain its objectives, the project provides for the creation of a health programme designed to improve working conditions in the existing dispensaries, to set up new health centres, and to promote and improve sanitation together with campaigns to combat the chief endemic diseases (malaria, schistosomiasis, etc.).

The project also includes the improvement of access roads, and the building of schools and stores.

Zimbabwe

Smallholder coffee, fruit and irrigated food crop and vegetable development programme

Fifth EDF

Special loan: ECU 4 200 000

Besides resettlement of the landless population, the Government aims to intensify the existing agricultural production in Communal Lands to increase income and create additional employment. The purpose of the pro-

ject is to introduce to smallholders a coffee, a fruit and an irrigated food crop and vegetable development programme, which capitalizes on the use of favourable climatic conditions in the eastern part of Zimbabwe (Manicaland). Initially, the project aims at 600 coffee farmers in Pungwe/Honde Valley on 300 ha and 840 fruit free farmers in Ngorima Valley on 370 ha. Furthermore, approximately 400 of these 1 440 farmers will be involved in 26 self-help schemes, irrigating 125 ha for the production of off-season food crops and vegetables, mainly for home consumption.

ACP States and the OCT

Overall commitment authorization

Fifth EDF

Grant: ECU 30 000 000

The project is an overall authorization to commit ECU 30 000 000 for the financing by accelerated procedure of technical cooperation and trade promotion schemes in favour of the ACP States and the OCT.

Niger

Development of modern rice-growing techniques on the River Niger

Fifth EDF

Grant: ECU 11 000 000

The principal objectives of rural development are to achieve self-sufficiency in food, improve the quality and increase the quantity, while maintaining the potential of the land and safeguarding the vegetation.

The government has established a programme aimed at guaranteeing the yield of irrigated crops whatever the climatic conditions.

It provides for:

- works designed to restore and increase the productive potential of earlier schemes
- further major water engineering works, some to supplement existing facilities (about 2 550 ha), others to be started from scratch (about 1 720 ha).

This project is located in the Daïbéry basin, where the main centre is the village of Daïbéry, on the left bank of the river Niger 100 km upstream from Niamey and 12 km downstream from Tillarbéry.

It makes provision for hydro-agricultural improvements over an area of 400 ha, with complete harnessing of this outlet intended for rice crops,

market gardening and reforestation, and these are to be back-up measures to help development, together with social and production infrastructure.

CILSS countries

(Burkina Faso, Mali, Niger, Senegal and Guinea)

Monitoring of renewable natural resources in the Sahel

Fifth EDF

Grant: ECU 2 000 000

The purpose of the project is to carry out theoretical and applied research in order to set up, for the benefit of the Sahel countries and Guinea, a method of forecasting and monitoring their renewable natural resources, in particular using remote sensing:

- forecasting of cereal production: rice, traditional dryland cereals;
- forecasting of the availability of irrigation water in the catchment area of the river Niger.

Cape Verde

Construction of a soil- and rock-testing laboratory

4th and 5th EDF

Grant: ECU 80 000

The purpose of the project is to build a soil- and rock-testing laboratory which will be used to back up rural development projects in Cape Verde.

The objective is to provide information on soil and rock properties which is essential to the design of works such as small and large dams, dikes and so on.

Ivory Coast

Programme for rejuvenating coffee plantations

Fifth EDF

Grant: ECU 7 728 523

The project involves stumping and shape-pruning the coffee shrubs and planting a food cover crop for two years; the latter will protect the soil in order to ensure the success of the stumping and at the same time provide growers with a useful source of income.

The objective is to increase yield from 300 kg/ha to 700 kg/ha. Thus, by rejuvenating 40 000 ha, the output of clean coffee should increase by 16 000 t. For two years there will also be food crop by-production of 80 000 t. annually.

Nigeria

Kaduna arid zone afforestation

Fifth EDF

Grant: ECU 9 400 000

The project is intended to help to halt the spreading desertification in the northern arid areas of Nigeria's Kaduna State which is leading to declines in agricultural productivity. This is to be achieved partly by planting shelterbelts of trees to check desiccating winds and partly by on-farm afforestation activities.

The project involves the planting of approximately 2 million trees both by the national forestry administration and by individual farmers, under the guidance and supervision of technical assistance, which will include training and extension services. Tree seedlings and various planting materials and equipment are the main inputs of the project. A limited number of houses and vehicles will be required for project staff, including forest rangers, but no major items of equipment are needed.

Gabon

Line of Credit to the Fonds d'Aide et de Garantie (FAG)

Fifth EDF

Special loan: ECU 500 000

The aim of the project is to enable the State Secretariat for the promotion of small and medium-sized enterprises (SME), through the Fonds d'Aide et de Garantie (FAG), to cope more readily with requests from the country's small businessmen for credit on favourable terms.

Member States of OCAM and other African countries which are members of the Institut Africain d'Informatique (IAI)

Institut Africain d'Informatique

Fourth EDF:

Grant: ECU 2 330 000

The Institut Africain d'Informatique—IAI (African Data-Processing Institute), situated in Libreville, was set up under the aegis of the Organisation Commune Africaine et Mauricienne—OCAM (the African and Mauritian Common Organization), but with other interested countries participating. It is housed in temporary buildings origi-

nally intended for Biafran refugees. It received a grant of 500 000 ECU from the regional allocation of the fourth EDF with which to build a room to house its computer and to purchase sundry equipment.

The purpose of this project is to enlarge the Institute by building and equipping additional classrooms and students' accommodation. Such an extension is necessary to cater for students on a new advanced-level course and to increase the number that can be accepted on existing courses at the Institute.

Somalia

Food Early Warning System

Fifth EDF

Grant: ECU 3 135 000

The Food Early Warning System (FEWS) is a five-year project aimed at developing a reliable and effective crop production database and forecasting system for food policy planning in Somalia.

The project is a continuation of an exercise started in 1979 with financial support from the Federal Republic of Germany. Up to now, planning has been constrained severely by particularly poor information in the agricultural sector. Thus, in the years to come, FEWS will be refined and extended so that both Government and aid donors will be better equipped to achieve an improved allocation of development and food aid resources.

Uganda

Conservation of natural resources

Fourth EDF

Grant: ECU 3 100 000

This is a project for the conservation of Uganda's natural resources in the Victoria Nile, Lake Edward, Lake George, Lake Mobutu and Kidepo basins. The unspoiled ecosystem of these protected areas is an important asset in terms of vegetation, water catchment, genetic diversity and fish breeding grounds.

The project provides for:

- the rehabilitation of the Uganda Institute of Ecology, the body in charge of studying and monitoring the ecosystem;
- the rehabilitation of facilities and provision of equipment for the implementation of conservation measures;
- the provision of basic social infra-

structure for the population in the project area.

Rural Health Programme

4th and 5th EDF

Grant: ECU 3 100 000

The aim of the project is to improve the health conditions in the rural areas of South-Western Uganda, with particular emphasis on the reduction of child mortality, preventive medicine campaigns, and health education.

During the 1971-1979 period, the health network became ineffective and during the 1979 war most remaining equipment was lost and buildings were damaged. As a consequence, public health conditions have deteriorated considerably, with a resurgence of child mortality and infectious disease.

The project provides for the urgent rehabilitation of the basic components of rural health services: essential repairs to buildings, basic equipment, water supply, retraining of personnel, basic drugs and immunization. Its aim is to restore the working of the basic health services and at the same time to curb child morbidity and mortality from infectious diseases which now account for a large share of child mortality.

Tanzania

Morogoro canvas mill management

Fifth EDF

Grant: ECU 2 200 000

During the period 1978-1984, the EEC and the European Investment Bank (EIB) have provided some ECU 22.8 million for the design, construction, equipping and management of a canvas mill, located at Morogoro, approximately 200 km west of Dar-es-Salaam, and known as the Morogoro Canvas Mill Ltd (MCM).

The project presented here is due to finance the extension of the above management and marketing contract for a further two years from 1985 to 1987.

Botswana

Airborne geophysical survey

Fifth EDF

Grant: ECU 1 980 000

The aim of the project is to obtain sufficient basic knowledge of Eastern

Botswana in order to identify prospects for mineral exploration.

The basic geophysical characteristics of the 72 000 km² area will be determined by an aeromagnetic survey employing a magnetometer and subsequent airborne electromagnetic coverage of selected target areas within the region. This information will then be interpreted and presented in the form of maps and digitized data.

Anguilla

Road Bay Jetty and Port Facilities

4th and 5th EDF

Grant: ECU 659 000

Under the project a jetty at Road Bay will be built and some related on-shore facilities improved.

The jetty will replace the existing one, the condition of which has seriously deteriorated and which is now below safe working standards and acceptable levels of operational efficiency. The new jetty will be 64 m long, allowing for berthing of cargo vessels up to 1 800 tonnes.

All ACP States

Financing the participation by ACP States in international trade events

Fifth EDF

Grant: ECU 1 440 000

The purpose of this financing proposal is to provide the ACP States, in the framework of regional cooperation, with effective financial and technical assistance for the organization of their participation in international trade events.

Besides administering the funds provided for this purpose, the Commission's role includes a series of interconnected measures, chief among them being the identification of the ACP States' productive potential and export capacity, the improvement of their marketing structures, the tailoring of their products to foreign markets, the selection of the most suitable trade fairs, technical assistance for the bodies and individuals responsible for organizing trade fair participation and, lastly, the coordination and implementation of this participation and the collection and analysis of the trade results obtained by the various ACP States during and after their attendance at international fairs.

Togo

Budget-consumption survey

Fifth EDF

Grant: ECU 1 000 000

The Government of Togo has decided to entrust the Directorate-General for Statistics (DGS) with the carrying out of a survey of household consumer budgets, as this is necessary for any kind of rational management of the country's economy.

The project is to be supported by the French Aid and Cooperation Fund (Fonds d'Aide et de Coopération = FAC) and the Government of Togo and is also in line with the African Programme for the Setting Up of Permanent Means of Surveying Households (Programme Africain de mise en place de Dispositifs permanents d'Enquêtes auprès des Ménages = PADEM).

The Commission is to cover the cost of a technical adviser at the Directorate-General for Statistics for the duration of the survey. Community aid also includes equipment for carrying out the survey and covers the cost of local staff taken on for the purpose.

Ghana

Twifo Oil Palm development

Fifth EDF

Special loan: ECU 4 778 500

Grant: ECU 264 500

This financing is necessary to plant a further 1 850 ha to complete the development of a 4 800 ha oil palm plantation at Twifo in Ghana's Central Region. Since 1979, 2 950 ha have been planted, utilizing EDF finance totalling ECU 7 820 000.

Equatorial Guinea

Rural Development in the district of Bata

Fifth EDF

Grant: ECU 1 350 000

The aim of the project is to provide the rural people living in the district of Bata with the resources and technical assistance required to improve their living conditions, and in this way to promote agricultural production through the farming and village organizations. The project will:

- enable all the farmers in the district to obtain small farm tools and seeds more easily;

- popularize simple technical subjects among selected farmers;
- cover the cost of rehabilitating four clinics and the building of four new ones.

Senegal

Village irrigated areas (Podor)

Fifth EDF

Grant: ECU 2 400 000

The project involves developing 600 ha of village irrigated areas (VIA), divided into 25 sections with an average area of about 24 ha, along the Senegal river and its tributaries in the department of Podor, with the aim of increasing cereal, market garden and fodder production to ensure that the population is self-sufficient in foodstuffs and has a significant money income.

Niger

Multi-annual training programme

Fifth EDF

Grant: ECU 905 000

The aim of this proposal is to finance a multi-annual training programme in the Republic of the Niger over the period 1981-85. The programme makes provision for granting study and training awards and for organizing technical and vocational re-training seminars and courses.

Madagascar

Rehabilitation of the Marofarihy rice seed farm

Fifth EDF

Special loan: ECU 1 630 000

The objective of the project is to improve the quality of the seed available to peasant farmers for rice planting, through relaunching the Marofarihy rice seed farm (on the east coast of Madagascar).

The operation consists of:

- rehabilitating an area of 80 ha of rice fields and increasing the capacity of the pumping station;
- the repair of existing buildings and construction of new ones;
- the purchase of agricultural machinery and equipment for processing the seeds;
- additional staff training;
- aiding the peasant farmers who will reproduce the seeds by support for the extension services.

Madagascar

Assistance for Madagascar's craft sector

Fifth EDF

Special loan: ECU 1 000 000

The aim of this project is to revitalize the craft sector, an important one in the Malagasy economy. The sector is in serious difficulty at the moment, mainly because of the unavailability of tools, accessories and products used in the processing of raw materials, and this has led to a drop in employment and a fall in exports, which would otherwise provide the country with much-needed foreign currency. Yet there is growing demand for handicraft products, in both the domestic and the foreign markets.

The objective will be reached by providing a Malagasy bank experienced in this area with a foreign currency loan. The money will be on-lent to cooperatives and groups of artisans to enable them to purchase the supplies they need in order to produce their wares.

Uganda

Line of credit to the Uganda Commercial Bank

Fifth EDF

Grant: ECU 4 300 000

The present project will contribute to the regeneration of the Ugandan economy by promoting the activities of small and medium-scale enterprises in the agricultural and industrial sectors. The project consists primarily in the extension of a line of credit to the Uganda Commercial Bank (UCB), enabling it to offer loans to SME for the purchase of imported inputs such as raw materials and supplies, spare parts and equipment. The revival of SME's depends to a large extent on foreign exchange and in turn the regeneration of the economy as a whole depends in no small measure on the recovery of SMEs.

Swaziland

Smallholders support project credit and marketing

Fifth EDF

Grant: ECU 2 050 000

Special loan: ECU 1 500 000

The project will thus provide a credit line to be on-lent to smallholders for purchase of annual inputs and capital items, such as agricultural equip-

ment, irrigation development and implements. To upgrade input supply services, a revolving fund will be established to enable the Central Cooperative Union (CCU) to make timely and adequate purchases of seed, fertilizer, chemicals and tools, and the project will finance a construction programme to improve and extend the network of CCU distribution depots. Finally, the quality of local staff will benefit from an in-country training programme.

New Caledonia, French Polynesia, Wallis and Futuna

Regional photovoltaic solar power in the French OCT

Fifth EDF

Grant: ECU 3 184 000

The purchase of the project is to provide isolated rural areas of the islands of New Caledonia, French Polynesia and Wallis and Futuna with photovoltaic solar power plants for lighting, refrigeration (to preserve medicines and foodstuffs), social infrastructures, etc.

In practice, the project will consist of equipping individual dwellings, local government buildings, emergency services, schools and churches with standard photovoltaic and thermal "kits" (726 altogether) in the three territories, especially in rural and isolated areas of the islands, thus providing them with electricity, hot water, refrigeration, etc.

All ACP States

Programme of training courses

Fifth EDF

Grant: ECU 1 200 000

The purpose of the programme is to finance:

- short briefing sessions for ACP students or supervisory staff undergoing training in Europe;
- advanced training courses in a specific field for ACP officials and supervisory staff held either in Europe or in an ACP State.

Somalia

Grapefruit Development Project in lower Shebelli area

Fifth EDF

Grant: ECU 3 800 000

The purpose is three-fold:

— to complete construction works at the already-established 185 ha grapefruit farm at Goluen, and provide pre-production operating costs for 3 years;

— to establish extension services for private grapefruit farmers in the area. This will include provision of advice on production techniques and supply, on a purchase basis, of agricultural inputs and equipment;

— to provide further assistance to the vegetative multiplication centre at Genaale, through which the necessary plants will be provided both for Goluen and for private growers.

Mauritius

Storage installations

Fifth EDF

Grant: ECU 1 300 000

Special loan: ECU 1 300 000

The project is for the construction of facilities for the storage of onions and garlic, the lack of which at present means that output is able to meet only 50% of local demand.

The first part of the project consists of the construction of cold storages with a capacity of 1 200 tonnes and the installation of a ventilated unit to hold 600 tonnes, for the Agricultural Marketing Board.

The second part is the provision of ventilated sheds with a capacity of 400 tonnes, for the cooperatives.

Sudan

Nuba Mountains Rural Development

Fifth EDF

Grant: ECU 2 200 000

The Nuba Mountains Rural Development Project, Interim Phase will continue and expand activities commenced under the first phase of the project, which ran from 1980-1984. The project will be implemented over the two-year period 1985-86 and its major objectives are:

— to increase agricultural production in Southern Kordofan province by expanding the introduction of animal draught cultivation techniques to smallholders. Over 900 farmers were assisted in 1982-84, and a further 1 000 are to be recruited under this project. Local manufacture of implements is to be encouraged;

— to widen the technical scope of the agricultural extension services, to complement effectively the animal draught effort;

— to boost small self-help community development and forestry schemes designed to combat desertification.

Mali

Geological and mining exploration

Fifth EDF

Grant: ECU 7 300 000

The aim of this project is to provide Mali with the necessary facilities for prospecting and developing its mineral resources, especially the gold deposits in western Mali. The project falls squarely in line with the priorities of the 1981-85 Five-Year Plan to the extent that it seeks to determine with precision the reserves of Mali's principal known mineral asset and start prospecting on a more target-oriented basis in an area rich in mineral potential.

The project's structure reflects the desire of the Malian authorities to combine schemes having an immediate impact with those of a longer-term nature. The project involves drawing up a 1/200 000 geological and mining map of an area covering 27 000 km², one third of which consisting of barremian formations with definite mining potential; at the same time, the project will carry out an in depth mineral survey in two areas (Kéniéba and Kangaba) which have considerable gold-bearing potential, as is clear both from the gold-panning carried on there in the traditional manner and from mineral evidence already discovered. The project in addition involves the supply of equipment for the laboratory of the Direction Nationale de la Géologie et des Mines (DNGM).

Ghana

Agricultural rehabilitation through the Rural Banks Scheme

Fifth EDF

Grant: ECU 8 760 000

The project aims to increase small-holder production and processing of food and cash crops, and fish catch through the provision of agricultural and fisheries inputs to customers of the Rural Banks. This will consolidate and expand upon the activities financed under an earlier EDF project approved in 1980. A secondary objective is to strengthen the Rural Bank Scheme through technical assistance, training and logistical support.

Central Africa

Paediatric hospital

Fifth EDF

Grant: ECU 2 400 000

The aim of this project is to build a 26-bed paediatric annex to each of the five regional general hospitals at Bambari, Bangassou, Berbérati, Bossangoa and Bouar. The project also covers the purchase of the basic medical equipment for these annexes.

All Pacific ACP States

Pacific Regional Tourism Development Programme

Fifth EDF

Grant: ECU 3 200 000

Separated by great distances, the island countries of the Pacific, particularly the 8 Pacific ACP countries, have recently set up a regional tourism organization (TCSP) and are beginning a coordinated tourism programme which is at the same time related to the improvement of communications (airline) links. The purpose of this project is to provide technical assistance to the TCSP over a two-year period to help it devise and launch this programme.

The project is in seven sections. Following provision of the technical assistance, to be accompanied by local counterparts provided by the host countries, it is proposed to establish a data base system, train local tourist personnel, establish education/awareness and marketing/promotion programmes with the deployment of audio-visual and other materials, build

in a survey with pilot projects on tourism/local development linkages and make recommendations for the future continuation of the programme.

Papua New Guinea

Sirisiri Bay to Bonenau road

Fifth EDF

Grant: ECU 3 100 000

The project provides for the construction of 58.5 km of rural road of four-wheel drive standard between Sirisiri Bay and Bonenau village in the Milne Bay Province.

Jamaica

Strengthening of Health Laboratory services

Fifth EDF

Grant: ECU 4 900 000

The purpose of this project is to provide adequate public and clinical health laboratory services in Jamaica by building and equipping a new central laboratory, by upgrading the existing laboratories throughout the island and training their staff, and by establishing an integrated functional network of these laboratories. ○

FAMINE

Papua New Guinea helps famine victims in Africa

ACP House in Brussels was the scene of a pleasant ceremony on 1 Fe-



John Giheno (1st l) presenting Edwin Carrington with a cheque, in the presence of Rabbie Namaliu (2nd r) and the Chadian Ambassador, M.L. Maimbaye

bruary when Papua New Guinea handed over a cheque for 1 million Belgian francs for famine victims in Africa, as announced at Lomé when the new Convention was signed. This was a highly symbolic ceremony, as the gesture was proof of the solidarity of the whole ACP Group when some of its members are in difficulty. It also showed that the ACPs are not content to call on their European partners for help and that they can assist each other with their, albeit slender, means.

John Giheno, the new Minister for Foreign Affairs and Trade (he is replacing Rabbie Namaliu, who is going to Primary Industries, in this post and as President of the ACP Council of Ministers), presented Papua New Guinea's contribution to Edwin Carrington, the Deputy Secretary-General of the Group, in the presence of Mr Namaliu and the Ambassadors of Chad, Kenya and Papua New Guinea.

The cheque will be added to the other contributions in a fund which will be managed by a Committee chaired by Joseph Nyagah, the Kenyan Ambassador.

EIB

Burundi: Financial backing to development bank

Acting on behalf of the Community, the European Investment Bank (EIB) has acquired an 85 million Burundi franc (equivalent of 900 000 ECU) equity participation in Burundi's Banque Nationale de Développement Economique (BNDE) which has recently raised its capital. The stake in BNDE has been funded out of risk capital resources managed by the EIB under the Second Lomé Convention.

This financial institution was formed in 1966 to foster the economic development of Burundi. It offers short-, medium- and long-term loans for industry, agriculture, tourism, building construction and, to a lesser extent, acquires equity participations.

BNDE's capital increase will enable it to expand its activities without detriment to its well-balanced financial structure.

BNDE has already received risk capital financing from the EIB on a number of occasions: in 1979, ECU 500 000 went into feasibility studies for various small and medium-scale

projects; in 1981, it received ECU 3 million to part-finance construction of a bottle factory at Bujumbura, and in 1982 it was granted a ECU 1.3 m global loan for financing small and medium-scale enterprises in the industrial, agro-industrial and tourism sectors.

Cameroon: Latex processing plant

The Cameroon rubber development company Hévéa-Cameroun (HEVE-CAM) has now planted out some 13 200 hectares of rubber trees under the 15 000 ha programme it launched ten years ago at an estate 25 km from Kribi and 250 km from Douala. There are processing facilities at the site which can handle 24 tonnes of latex and coagulum each day. The European Investment Bank (EIB) has now joined in the financing of the industrial side of the project, which is of vital importance to the Cameroon economy, with a loan under the second Lomé Convention for ECU 13.4 m.

The funds have been advanced to the Cameroon Government for 17 years at a 6.65% rate of interest, after deduction of a 3-point interest subsidy, and the proceeds will be on-lent to HEVECAM, a state-controlled enterprise operating under the aegis of the Ministry of Agriculture.

The items being part-financed by the EIB constitute Phase 3 of this agro-industrial complex, the estimated cost of which is put at about CFA F 34.8 billion. It embraces the planting of an additional 1 600 ha., and the first tapping of 9 400 ha. of rubber trees, the installation of additional processing lines to boost daily throughput capacity to 64 tonnes of latex and 32 t. of coagulum and various associated investments such as 500 ha of smallholder plantations. This should serve to raise the workforce initially to 4 200 and later to more than 5 600 people.

The EIB is financing the treatment plant and ancillary equipment, the installation of which will be phased over the period up to 1989. The specification includes an effluent treatment plant and environmental protection features. The scheme is helping to exploit the resources of a hitherto underdeveloped part of Cameroon.

Other sources of finance for this third phase of the rubber project are the World Bank, the Commonwealth

Development Corporation (United Kingdom) and the Caisse Centrale de Coopération Economique (France).

Water supplies in Yaounde

The European Investment Bank is backing a project in Cameroon to provide new water supply installations in the capital city of Yaoundé, where the drinking water mains network is far from adequate. The EIB is providing a ECU 14.6 m loan to finance the works, which will help to further the economic and social development of Cameroon, under the terms of the second Lomé Convention.

Yaoundé draws drinking water for its 600 000 population from a dam on the Mefou River, upstream from the city. That structure was raised recently to increase capacity, and the next step is to strengthen the old, inadequate distribution system: the first phase should be completed by the end of 1986.

The EIB loan is to be granted to the Cameroon Government over a 17-year term at a 6.65% rate of interest, after deduction of a 3% interest subsidy. The State will be making over the installations to SNEC-Société Nationale des Eaux du Cameroun, the public utility which holds the drinking water distribution concession for the whole country.

The scheme is also being part-financed by the French Caisse Centrale de Coopération Economique (CCCE).

Congo: Extension of international telecommunications system

The European Investment Bank has granted a loan for ECU 6.1 m (approximately CFAF 2.1 billion) under Lomé II to the Office National des Postes et Télécommunications in Congo, which is embarking upon a programme to extend its international telephone service to keep abreast of growth in traffic and thus play its part in the country's economic development.

The works form part of a wider scheme to expand and improve the national system in general. They include the installation of electronic exchanges at Brazzaville, Pointe-Noire and Loboumo (10 000 extra lines), the reinstatement and expansion of existing networks in those communities and the uprating of the Mougoumi satellite telecommunications earth sta-

tion and the existing international telephone exchange, the capacity of which will shortly be trebled.

The total cost of the works is put at around ECU 50 m. The EIB loan, granted over a term of 15 years, carries interest at 6.45%, after deduction of a 3% interest subsidy under the terms of the Convention. Financing is also to be provided by the Congolese Government and the French CCCE.

This is the EIB's fourth loan for telecommunications development in the ACP countries.

Guinea: Support for upgrading an alumina plant

The European Investment Bank has lent ECU 7.5 m, under the terms of the second Lomé Convention, towards financing introduction of a new manufacturing process to upgrade the quality of alumina produced at the Fria-Kimbo plant, 150 km north-west of Guinea's capital Conakry.

The funds have been advanced for 12 years at 6.55%, after deducting a 3% interest subsidy, to the plant's owner, Friguia, a semi-public company in which the State holds a 49% stake.

The new production process at Kimbo will enable the plant to turn out higher quality, sandy alumina on a steady basis, an essential factor if the output is to be sold to aluminium producers in an increasingly competitive market climate.

Costed at ECU 21 m, the new installations should come on stream in 1986. The environmental impact of the project will be entirely beneficial, appreciably reducing dust emissions and thereby improving working conditions. The CCCE is also helping to finance the project.

This operation follows on from a loan for ECU 4.4 m granted by the EIB in 1980, under the first Lomé Convention, towards financing a rationalization programme at the plant aimed at boosting productivity.

Ethiopia: Rehabilitation and enlargement of textile mill

The Ethiopian Government has decided to rehabilitate a textile mill at Bahr Dar on the shores of Lake Tana, some 550 km north west of Addis Ababa, to raise productivity and improve working conditions in order to

meet growing local demand. The European Investment Bank is to support the project by means of a conditional loan for ECU 12 m under the second Lomé Convention. A finance contract was signed on 29 November 1984 for the provision of this loan.

Scheduled for implementation between now and 1986, the scheme includes the reinstatement of existing installations, the replacement of worn equipment and the enlargement of premises. The main aim is to rehabilitate and modernize existing facilities in order to enhance productivity and prepare the ground for the installation of additional capacity in a second phase, programmed for the 1987-89 period.

The Bahr Dar mill processes local cotton in the manufacture of non-dyed, dyed and printed fabrics and spun yarn for local weavers. The project also includes a staff training programme and measures to improve working conditions.

The funds in question are to be drawn from the risk capital resources earmarked for administration by the EIB in the Convention: ECU 5 m will be passed on to the company running the mill by the Government by way of an equity participation, and ECU 7 m will be advanced in the form of a long-term loan.

Jamaica: Energy-saving and environmental protection

Jamaica's 8% share of world bauxite production represents considerable foreign currency inflows for this country. Alive to the need to underpin fresh investment in the country's bauxite/alumina industry, the European Investment Bank has come forward with a loan for ECU 4 m geared to reducing operating costs at two alumina plants and reducing pollution from red mud effluent.

Carrying a 3% interest subsidy and made available under the second Lomé Convention, the EIB's 15-year loan has gone to the Jamaican Government holding company for State mining interests, Jamaica Bauxite Mining Limited (JBM). The funds are to be invested in the provision of pre-calcining equipment to reduce fuel consumption by JBM's kilns and the introduction of a more efficient method of disposing of red mud to reduce contamination from that source.

The alumina plants involved are at

Kirkvine and Ewarton. Processing locally-mined bauxite, each has an annual capacity of 550 000 tonnes. The modifications will bring the plants in line with current legislation regarding fuel consumption and environmental protection.

Malawi: Capital increase in a sugar refinery

The European Investment Bank has granted a ECU 3.5 m conditional loan to the Republic of Malawi, drawn from risk capital resources provided for under the second Lomé Convention and managed by the EIB. The funds will be used as a fresh capital injection for a sugar plantation and mill sorely tried by the chronically depressed state of the world sugar market and by transport problems in this landlocked country.

The State will pass on part of the loan (which has been made available for a maximum term of 25 years at 2%) to the Agricultural Development and Marketing Corporation (ADMARC), a statutory corporation established in Malawi, and will devote the remainder to financing, jointly with the ADMARC, the subscription at par of 3.6 million additional shares in the Dwangwa Sugar Corporation, thus improving the latter's cash flow situation in the face of a depressed economic climate.

The company has already received funding in the form of an ECU 6.5 m loan and an ECU 1 m equity participation from the EIB, advanced in 1977 on behalf of the EEC, in addition to financial assistance from organizations such as the International Finance Corporation, the DEG Deutsche Finanzierungsgesellschaft für Beteiligungen in Entwicklungsländern GmbH and the Investment and Development Bank of Malawi (Indebank).

Zaire: Loan to a development bank

Continuing its cooperation with development banks in the ACP States in financing investment in industry, the European Investment Bank has granted a loan for ECU 12.2 m to Société Financière de Développement (SOFIDE) of Zaire.

This loan has been made from risk capital funds provided for under the second Lomé Convention and managed by the Bank.

— ECU 12 m has been lent in the form of a conditional loan (the proceeds of which will be on-lent by SOFIDE for the preparation and financing of investment projects or the rehabilitation of industrial, agricultural processing, tourism and mining enterprises.

— ECU 0.2 m will go to finance a subscription, on behalf of the Community, to an increase in SOFIDE's capital intended to improve the balance between its capital and its out-

standing financing in foreign currency.

SOFIDE has received EIB financing on several previous occasions under the Yaoundé and Lomé Conventions, which, prior to the present loan, totalled around ECU 9 m. In addition to loans for large-scale industrial projects (textiles and cement works), it was granted a global loan for ECU 6 m in 1981 for financing small and medium-sized industrial enterprises; this has now been drawn down in full. ○

This is expected to occur before 1 July 1, 1985. Its resources are to be fully committed by the end of 1987 and disbursed by the end of 1989. Bilateral funds for Special Joint Financing will have to be committed and disbursed within the same time-frame.

The Facility will provide fast-disbursing financing in support of reform programmes undertaken by a number of African governments. These actions would complement food relief efforts by addressing the underlying structural problems affecting food production. Bank representatives have underlined that without financial support from the Facility there is a risk that the momentum of economic recovery would be lost and that the efforts of African governments to reform their economies would falter.

The management of the World Bank intends to continue to seek additional contributions to the Facility. ○

GENERAL INFORMATION

World Bank: one billion dollars over three years for sub-Saharan Africa

The World Bank announced today that it had achieved its objective of raising \$ 1 billion for a Special Facility for sub-Saharan Africa which is to be used to support economic recovery and policy reform in the region. About \$ 1.1 billion was pledged at a meeting of donor countries in Paris on January 31 and February 1, 1985, at which 23 countries, including all Community Member States except Greece, and 5 observers, including the Commission, took part, under the chairmanship of Mr Abdlatif Al-Hamad, former Finance Minister of Kuwait.

The proposal to establish this Facility emerged from a Joint Programme of Action for sub-Saharan Africa launched by the World Bank last August. The Joint Programme aims at reversing the economic decline of the region and at restoring economic growth and development. It calls for close collaboration between African governments and institutions, bilateral and multilateral donors, and the World Bank. The Special Facility is an essential part of that effort, which the ACP countries, through their spokesman Rabbie Namaliu, requested their partners to make on the occasion of the signing of Lomé III.

Pledges for the Special Facility itself amounted to \$ 667 million. Of this, it is expected that the World Bank will contribute \$ 150 million from future net income. Other donors agreed to provide special joint financing for the same purposes and countries and under equivalent terms and conditions as the Facility. The amounts for 1985

were committed and similar amounts were indicated for the next two years. The total special joint financing is expected to be \$ 425 million

Detailed contributions are as follows (in \$ million):

Direct contributions: Austria: 10; Denmark: 15; Finland: 12; France: 150; Ireland: 1.5; Italy: 153.5; Netherlands: 98; Norway: 28; Sweden: 49; World Bank net income: 150; Total: 667, of which Member States: 418 = 63%.

Special Joint Financing: Switzerland: 30; United Kingdom: 82.5; Germany: 95; Japan: 300; Total: 507.5, of which Member States: 177.5 = 35%.

In addition to the above amounts, Canada is firmly committed to contributing directly to the Facility, but could not yet indicate an amount. Belgium and Luxembourg are still considering a contribution, as is Saudi Arabia — the only Arab country to take the floor.

While the US representative mentioned his country's Economic Policy Initiative (EPI) for sub-Saharan Africa (SSA), and the EPI's links with the World Bank's Joint Programme of Action, no US contribution to the Facility, either direct or indirect, was announced.

The Facility will become effective—on the basis of a Board resolution authorizing the Bank to assume its administration—as soon as four countries totalling contributions of at least \$ 200 m have formally notified their participation.

COCOA

Negotiation of a fourth Cocoa Agreement

The UN Conference on the fourth International Cocoa Agreement began again in Geneva on 18 February, with Guatemalan Ambassador Montez in the chair. It is expected to last three or four weeks.

The two sessions held in 1984 (on 7-25 May and 8 October-2 November) were an opportunity to clarify the positions of the main countries involved.

The EEC, which, in the absence of the USA, accounts for 60% of the consumption of the countries in the consumer group, proposed an original formula last May, whereby the stabilizing effect of the buffer stock should be enhanced by a system of withdrawals from the market. The proposal was discussed in depth, particularly from the point of view of the producing countries' initial suggestion about export quotas.

The considerable groundwork for this session was done under the leadership of Alistair MacIntyre, the interim head of the UNCTAD Secretariat, who invited all Conference participants to informal consultations on 31 January and 1 February.

The group of producing countries,

with the ACPs representing more than 60% of production, met in London the week before the third Conference session to try and reach a joint position on all the questions relating to the economic machinery of the Agreement.

On the eve of the opening of the session, the UNCTAD Secretariat was fairly optimistic about the possibility of completing the negotiations this time — provided agreement could be reached on the difficult question of price levels and revision machinery. ○

1985 SADCC CONFERENCE

The SADCC annual conference was held in Mbabane, Swaziland from 31 January to 1 February. It was attended by representatives from the 9 SADCC States, 18 international development agencies, including the Commission and the EIB, and 23 countries outside Africa including 9 EEC Member States together with Spain and Portugal.

The Conference was chaired by Vice-President Peter Mmusi of Botswana, and formally opened by Prime Minister Dlamini of Swaziland. Leading participants from the European Community included the Presidency representative, Dr Raffaelli, Italian Under-Secretary of State responsible for Development Cooperation with Africa, Mrs Schoo, Netherlands Minister for Development Cooperation, Mr Maurice Foley, Deputy Director General for Development and Mr G. Livi, Director for East and Southern Africa within the Directorate-General for Development.

Although it was essentially a review conference for dialogue and constructive criticism, there were additional pledges including a commitment from Federal Germany in support of manpower development and legume improvement.

As of mid-1984 there were over 250 approved SADCC projects, of which half were ready for negotiation or beyond that stage. About 20 of these projects in the sectors of agriculture, energy, manpower development and transport and communications were completed in the first half of 1984. These included the home-funded upgrading of the Nata-Kazungula road joining Botswana to Zambia, and the completion of the first phase of the EEC-assisted programme against Rin-

derpest with its main focus in Tanzania.

Conference recognized that there was urgent need for both SADCC and its international cooperating partners to improve procedures and institutional arrangements with a view to speeding up the implementation of SADCC programmes. ○

NON-ASSOCIATED DEVELOPING COUNTRIES

The Commission, after favourable opinion of the Aid Committee for non-associated developing countries, has taken the following financing decisions:

Angola:

Streamlining the management of enterprises in Namibe province engaged in fishing and fish processing and distribution

Grant: ECU 6 760 000

The project consists of three complementary sets of measures designed to improve the operations of the machinery for fishing and fish processing and distribution in the province of Namibe in Angola. These measures are as follows:

- a programme of reorganization and management for all the production and processing units of the firm Empromar Namibe;
- additional assistance to enable the Dak Doy dockyard to maintain the new fleet of steel-hulled vessels due to come into operation before the end of 1984 and to repair and maintain the existing wooden-hulled vessels;
- a programme for integrating and streamlining the production machinery in the processing and distribution units belonging to the firm Edipesca.

The project will tie together and complete the other projects in this sector for which the Community and other donors have already provided financing.

Mozambique (1):

Revival of agriculture in Moamba district

Grant: ECU 8 000 000

(1) Although Mozambique signed the Lomé Convention in December 1984, it has not yet ratified it, and is still eligible for funding under its former, non-associated, status.

Under this project the Government of Mozambique will get the personnel, equipment and other supplies it needs to revive crop and stock farming in the Moamba district, which is part of Maputo province in the far south of the country. The beneficiaries will be family-run independent or cooperative farms and farms using hired labour.

Bolivia:

Rural microprojects

Grant: ECU 12 500 000

The programme consists of a series of rural microprojects, to be carried out immediately or in the very short term, which will be of direct benefit to the poor rural populations (crop farmers and livestock producers) of the Department of La Paz in the Bolivian Altiplano (high plateau).

It is intended to make a concrete and rapid contribution and give new impetus to food production to benefit the whole population of the department, and even the country, and to improve the standard of living and income level of the rural populations directly concerned.

The objectives of the programme, at Department level, and especially in the three areas in which the microprojects are concentrated, are:

- a short-term increase in the production of food, of plant and animal origin, and in the availability of drinking water for human and animal consumption;
- revival of the productive machinery, which has received no investment for several years, through a large number of small-scale operations with structural effects, such as: reliable water supplies for small-scale irrigation, opening up of areas which are currently cut off by the rains, by means of access roads and related minor structures, etc.;
- improvement of living standards and gradual raising of income levels of the rural populations concerned (currently under US \$ 100 per annum).

Banco Centro-Americano de Integración Económica (BCIE): Support for the regeneration of small and medium-sized industry in Central America

Regional project: ECU 2 000 000

The purpose of this project is to help put small and medium-sized enterprises (SME) in Central America

back on their feet and, to this end, reinforce the leading role of the BCIE (Banco Centroamericano de Integración Económica).

The project provides for:

- technical assistance at various levels (BCIE, the Central American banking system) with the aim of improving the methods of preparing, implementing and supervising credit operations directed at SME in Central America;
- a foreign currency fund to give SME access to easy-term credit, under a guarantee system.

The project will benefit SME in the five Central American member countries of the BCIE (Costa Rica, Nicaragua, Honduras, El Salvador, Guatemala).

Pakistan:

Reconstruction of roads in Baluchistan

Grant: ECU 4 000 000

The project will reconstruct two severely damaged roads in Baluchistan. The rebuilt roads will secure a low cost access to villages in underdeveloped regions of Baluchistan and stimulate economic activities. The project forms part of a larger development programme for Baluchistan and North West Frontier Province (NWFP) initiated by UNHCR and related to the degradation of infrastructure and ecology caused by the influx of refugees.

India:

Supply of fertilizers and counterpart funding of related rural development projects

Grant: ECU 45 000 000

The programme will enable India to finance imports of fertilizers from the Community costing a total of ECU 45 000 000.

The equivalent value in local currency, determined on the date of signature of the Financing Agreement, will be entered into India's general budget as an EEC grant earmarked for financing the local costs incurred in respect of three specific projects:

1. Minor Irrigation in Andhra Pradesh.

The project is intended to increase food production and rural incomes, through the increase of the irrigation potential of Andhra Pradesh by about

37 000 ha, in 205 separate minor irrigation schemes.

2. Minor Irrigation in Madhya Pradesh.

The project consists of:

- the construction of 25 new minor irrigation schemes in Madhya Pradesh, for an overall additional irrigation potential of about 12 500 ha,
- the implementation of a pilot scheme of about 1 000 ha to improve conveyance and irrigation efficiencies,
- the establishment of two soil testing laboratories,
- training of technical staff and,
- increasing the capabilities of the Irrigation Department.

3. Grain Storage.

The project envisages the construction of 210 000 t capacity of conventional storage facilities, in the form of 8 godowns, in two phases.

Indonesia:

Southern Sumatra Water Resources Development

Grant: ECU 7 300 000

The project will provide financial and technical assistance to establish two master plans for the development of water resources in the Musi river basin in South Sumatra and the neighbouring Tulang Bawang river basin in Lampung Province. The results of these studies will permit the Indonesian authorities to coordinate present and future agricultural development and establish priorities for optimum use of the available water resources.

The EEC grant will also finance the topographical surveys and feasibility studies for certain priority areas where irrigation development is already scheduled for World Bank financing.

The overall project has been prepared in conjunction with the World Bank.

Thailand:

Chi Basin water management development

Grant: ECU 4 000 000

The project, operating in the north-east of Thailand, will have two components:

- the first will be a detailed investigation to synthesize a hydrological model of the basin's water resources as a tool for water management and future development;

— the second component will be concerned with improvements to water management and distribution within selected irrigation schemes with the objective of increasing the efficiency of water delivery to the farmers.

China:

Hainan cashew development

Grant: ECU 800 000

The project aims to improve and increase cashew production on the South Chinese island of Hainan and thus raise the revenues of the farmers by strengthening the recently created Cashew Research and Development Centre. Through the elaboration of suitable cultivation techniques, genetic improvement of plant material and more efficient pest and disease control, the Centre will be able to assure crop extension under satisfactory economic conditions.

China:

Beijing vegetable seedling production

Grant: ECU 1 200 000

The project consists of a pilot industrial vegetable seedling production unit to serve as a basis for medium-term development of commercialized vegetable seedling production in the Beijing suburban area.

The project includes provision of modern seedling production systems and equipment, technical assistance and overseas training.

China:

Prawn farming development

Grant: ECU 700 000

The project consists mainly of the provision of technical expertise to assist China in its efforts to improve and increase production of farmed prawns in the region of Dalian. The expertise covers hatchery and fish pond technology as well as production management. ◦

IFAD

IFAD President Jazairy in Brussels: "Multilateral cooperation is at stake"

The newly-appointed President of the International Fund for Agricultural Development, Mr. Idriss Jazairy of

Algeria, gave a press conference in Brussels on 12 February. The Brussels stopover was part of the round of important negotiations with the Belgian Government and the European Commission undertaken by the President to ensure the success of the IFAD replenishment meeting scheduled for 28 February-1 March.

IFAD, Ambassador Jazairy pointed out, is not just another agency, channelling funds in roughly the right direction. "No other institution" he pointed out, "focusses exclusively on the rural poor, specially the landless, who are the majority in developing countries". In its seven years of operation, IFAD has financed 160 projects in 84 developing countries at a total cost of \$ 8.5 billion, of which its own

share was \$ 2 billion. An estimated 8.6 million farm families, or approximately 40 million people will benefit from the current projects.

The need to keep IFAD afloat at a time when pledging is going on elsewhere was underlined by President Jazairy. "Another unique feature of IFAD is the agreement between industrialized and OPEC countries to share in IFAD's financing. While there have been disagreements between these two groups about the respective shares of financing, disagreements which I am hopeful will be resolved in the near future, IFAD is the only worldwide multilateral development organization which derives a substantial proportion of its funding from OPEC members. Multilateral cooperation is at stake". ◦

Economic and financial implications

The price adjustments proposed should have no effect on the general level of consumer prices. The proposals taken as a whole will entail additional expenditure on market support that is estimated at ECU 138 m in 1985, followed by a saving of ECU 34 m in 1986. Foreseeable expenditure under the EAGGF Guarantee Section for 1985 is now put at ECU 19 900 m, as against the ECU 19 300 m originally estimated, the main reason for the discrepancy being short-term changes in the economic situation.

Conclusion: giving farmers a future to look forward to

The Commission's policy is to help European farmers rise to the challenges of the 1990s.

What are these challenges? The demand for food is lagging behind the steady—and even accelerating—improvement in agricultural productivity, based on the use of modern equipment and techniques; this is mainly because population growth is so slow. Now that the Community is more than self-sufficient for most of the main items, it depends more and more on world markets for outlets. As demand is inelastic, aids to disposal on the Community's internal markets are expensive. New uses of agricultural products in the areas of biotechnology, industry or energy, though promising, are still only at the development stage. In the meantime, in a difficult economic situation, public funds to aid agriculture, whether at national or Community level, are necessarily limited.

There is no panacea for these problems. The review already presented by the Commission in its memorandum on the future of the CAP of 3 July 1983 remains valid.

However, the Commission is well aware that the farming community must be able to plan for the medium and long term. It therefore intends to organize, during the first half of 1985, a discussion within the Community institutions, and with the farmers' organizations concerned, with a view to defining the outlook for European farming.

All avenues must be explored, but the following are the main policy goals:

EUROPEAN COMMUNITY

The 1985/86 agricultural prices

The Commission has adopted its proposals on agricultural prices and related measures for 1985/86. In presenting these before the end of January, the new Commission wishes to enable Parliament to give its opinion in good time and to allow the Council to reach its decisions before 1 April, as is required.

The Commission's purpose, in these proposals, is to maintain continuity in the development of agricultural policy following the reforms approved in 1984. In the short term, there is no alternative to the maintenance of a policy on prices more closely adapted to the real conditions prevailing on internal and external markets, while at the same time the Community's obligations to the farmers and their families must be allowed for. Also, the guarantee thresholds must be maintained, in accordance with the guidelines already approved by the Council.

For most products, the Commission feels that prices should be kept unchanged or that only modest increases, up to 2%, should be made. However, for certain items, the Commission is proposing significant reductions, either because the guarantee threshold has been exceeded (e.g. cereals and rape), or because of the market situation (in particular for citrus fruit and tomatoes, and certain tobacco varieties).

The Commission is also proposing a

further step towards the dismantling of MCAs following the agrimonetary agreements of 31 March 1984, but this will allow for price adjustments and developments with regard to incomes in the relevant Member States. Thus, the Commission proposes that through a reduction in the "monetary gap", the negative MCAs should be discontinued in France and Greece. For the positive MCAs applied in Germany and the Netherlands, the Commission is proposing sufficient adaptation to enable the MCAs for milk and cereals to be aligned on the level for the other products.

When presenting its proposals, the Commission bore in mind:

- that the market situation has not improved since the March 1984 agreement and that for several products it has actually deteriorated;
- that the average inflation rate is still falling, from 4.7% in 1984 to an estimated 4.1% for 1985, and that the inflation rate disparities between the various Member States are also narrower than in previous years;
- lastly, that farm incomes increased in 1984 by about 4% in real terms after declining in 1983. Compared with the 1979/80/81 average, farm incomes showed an improvement of about 7% in 1984, with very good results for cereals, but disappointing figures for milk and beef/veal.

— the establishment of modern and efficient farming, which steadily improves productivity in the interests both of farmers and consumers, but which, at the same time, respects the environment and protects one of the Community's greatest assets, its countryside and its wild life;

— provision of a proper response to the problem of marketing: one aspect is the market in the Community—with the outlook for new practices with regard to biotechnology or energy—and the other is the external market, with the need to meet competition in world trade and the normal obligation to provide food aid;

— the ever-closer integration of agriculture into the general economy; this means that country-dwellers must be given assistance in their efforts to improve the economic and social situation, not only through policy with regard to agricultural structures, but also through other policies and instruments, e.g. the integrated Mediterranean programmes.

The Commission firmly believes that this approach will enable the Community to improve the context and the instruments whereby the common agricultural policy can, in the medium and long term achieve its objectives, in compliance with the principles set out in the Treaty, in particular in Article 39. ○

ESPRIT

Industrial nature of 1985 projects stressed

On 24 January the Commission announced the list of ESPRIT projects selected in 1984, the first year of the main European Strategic Programme for Research and Development in Information Technology.

A total of 104 collaborative research projects are being given the go-ahead, subject to final signature of contracts, following the 1984 call for proposals and the ESPRIT pilot phase launched in 1983. These contracts represent a total Community financial commitment of slightly less than ECU 180 million. ESPRIT projects are co-financed equally by the Community and the industrial participants in the programme.

Each of these 1984 projects brings together an average of more than five partners across Community frontiers.

In total, about 270 different European companies, universities and research institutes are involved, a number of them in several projects. Universities and institutes participate in 75%, small companies in 50% and large companies (over 500 employees) in 70% of the contracts. In all cases participants are from at least two Member States and in general there is a good geographical balance of participation, reflecting the strength of proposals submitted from different parts of the Community and the increase in cooperation.

The response to ESPRIT has been particularly positive. Following the adoption of the first five-year phase of the programme by the Council of Ministers on 28 February, 1984, six weeks were allowed for the submission of projects in the first year. Despite the compressed timetable, 441 transnational research proposals were submitted from all Member States in response to this first call.

The projects put forward were of high quality and represented a total funding requirement nearly five times higher than the programme's financial ceiling for 1984. This allowed the independent panels of evaluators to select the 104 projects from an impressive field and the final shortlist was unanimously recommended for adoption by both the ESPRIT Management Committee, representing the EEC governments, and the ESPRIT Advisory Board, drawn from the industrial and scientific community.

ESPRIT follows an annual cycle and the 1985 call for proposals is already under way, following the adoption of this year's workplan by the Council of Ministers in December. The closing date for submissions is 25 March 1985, allowing a longer time for preparation. Community funding available for new ESPRIT commitments in 1985 is ECU 215 million, out of the total Community contribution of ECU 750 m set for the first five-year phase (1984-88) of the programme.

An interesting feature of the 1985 call for proposals, is that it stresses the industrial nature that projects in ESPRIT should have.

ESPRIT clearly remains a specific element of the European R & D strategy. However, proposals must be encouraged to lead to demonstrable results on prototypes.

This would change one of the structural flaws of European R & D, i.e. its

difficulty to translate highly valued research work into actual industrial products. ○

ENERGY

Security of supply remains the target of European strategy

Despite the drop in oil prices, the EEC has still not forgotten the objective it fixed itself during the two breakdowns in supply in 1973 and 1978 — energy independence. There is no question whatsoever of the EEC Member States dropping the efforts begun since then to develop other sources of supply at home to enable them to diversify their imports and limit consumption. From time to time, the European Commission underlines the three pillars of the European strategy and rings the warning bells when it is necessary.

In a report published recently, the Commission notes that nuclear energy can cover 35% of electricity demand (equal to 40% of energy demand) in 1990 and 50% in the year 2000. This, however, is on condition that the Member States increase production by one third over the next decade. But the EEC experts believe the Community is capable of doing so.

The Commission also believes that the Member States would be better off increasing their gas consumption (which represents 11% of current demand) and that the importers should take advantage of the surplus market to get competitive prices. In 1990, the EEC should import 50% of its gas needs, as opposed to 40% at the moment. Algeria and the USSR could supply the desired quantities without increasing their prices too much, but the Commission deplores the lengthy delays in talks with Norway on prices and supply conditions for gas from TROLL. As far as the EEC experts are concerned, exploitation of this gas is essential.

On the question of energy saving, the picture is bright. On 13 November, the EEC's Energy Ministers adopted new recommendations which concern mainly car traffic and buildings. In addition, a total of 51 projects covering research into new technologies in hydrocarbons were agreed. The EEC will finance one third of the total cost of this special 10-year programme, which is fixed at ECU 103 m. ○

TRADE

The Community's commercial policy

Contact is being made with the authorities in the Member States and this involved Willy De Clercq, who is responsible for external relations and commercial policy, in receiving Sir Geoffrey Howe, Uffe Elleman-Jensen and Peter Barry (Foreign Affairs Ministers of the UK, Denmark and Ireland respectively) and Frits Bolkestein and Theodoros Pandalos (Secretaries of State of the Netherlands and Greece) in Brussels at the end of January. Mr De Clercq had already talked to the Foreign Affairs Ministers of Germany (Hans-Dietrich Genscher), Belgium (Leo Tindemans) and Luxembourg (Jacques Poos).

Contact is also being made with the Italian and French authorities with a view to organizing talks at ministerial level soon.

Mr De Clercq's talks with the authorities of the Member States have been an opportunity to take stock of the current problems facing the Community's external relations and commercial policy. They have dealt more particularly with relations with the USA and Japan and preparation for a possible further GATT round.

In the matter of relations with the USA, the need to control commercial tension, in the interests of both partners and the whole world system of trade, while firmly defending the legitimate interests of the Community, was stressed.

Particular attention should be paid to the way protectionist tendencies develop in the USA and to any new directions taken by the American agricultural policy.

As to relations with Japan, it was felt that it was urgent for the Japanese Government's laudable intentions about the proper opening of the market to be put into practice. The Community should go on encouraging Community exporters to penetrate the Japanese market to a greater extent. It is also seeking more cooperation with Japan in all the areas of mutual interest— such as science and research.

The possibility of another round of GATT multilateral trade negotiations could be made more likely at a meeting of top civil servants later on in the year. This meeting could be an oppor-

tunity for seeing whether there was enough agreement on the substance and the timing to ensure the success of the new Round. ○

PARLIAMENT

Committee of inquiry on increased racism and fascism in Europe

"Our responsibility as Members of Parliament is to combat racist mentalities and fight those who encourage racism." This is the belief of Glyn Ford, British Member of the European Parliament, who is Chairman of the Committee recently set up by the Parliament to examine the new forms of racism and fascism which are beginning to develop in Europe under the strain of economic recession. Three hearings were organized in January, February and March and the Committee intends to give its conclusions political expression by June next year. ○

EEC-AUSTRALIA

Australian PM visits the Commission

In early February, Bob Hawke, the Australian PM, accompanied by Agriculture Minister John Kerin, made an official visit to the Commission—his first since being elected in 1983—where he was received by President Jacques Delors.

After talking to Mr Delors, the Australians and a number of members of the Commission (including Vice-Presidents Frans Andriessen and Karl-Heinz Narjes and Commissioners Willy De Clercq, Claude Cheysson and

Nicolas Mosar) took part in a round table discussion chaired by the President himself.

Bob Hawke is following in the footsteps of his predecessors—Gough Whitlam visited the Commission in 1974 and Malcolm Fraser in 1978. Gaston Thorn made an official visit to Australia while he was President of the Commission in 1982.

Both parties took the opportunity of the visit to exchange their views on a range of subjects of multilateral interest, including relations between the main trading nations of the world and relations with the developing countries.

Mr Andriessen, Mr De Clercq and Mr Kerin discussed trade relations, particularly in the agricultural sector. These talks took place in an excellent atmosphere, which reflected both parties' desire for a constructive dialogue.

Mr Andriessen pointed out that the recent proposals on agricultural prices had been a clear sign to the Community's trading partners as to the Commission's desire for a restrictive policy that was more in keeping with the realities of the internal and external markets. He confirmed that, given the present situation on the international beef and veal market, the Commission had no intention of altering its existing policy—which consists of not granting refunds or having special sales for exports to East Asia. This clarification is likely to calm the fears of the Australian authorities, which thus no longer have any reason to continue with the complaints they had made to GATT.

The discussions also covered mutton and lamb, cheese, sugar, cereal and wine and contact is being maintained at technical level.



Australian PM Robert Hawke (centre) is welcomed at the Commission by Willy De Clercq

Mr De Clercq mentioned the prospects of a possible further round of GATT negotiations. ○

EEC-MOROCCO

Negotiations on Moroccan textile exports concluded

Mr J.P. Leng, External Relations Director and the EEC Commission's special representative for the negotiation and management of textile agreements, visited Rabat on 23-26 January, at the head of a large delegation, as part of the negotiations of the arrangements for the voluntary limitation of exports of Moroccan textiles to the EEC.

During his stay, Mr Leng was received by Azzedine Guessous, the Minister for Trade, Industry and Tourism, and had the opportunity of both visiting a number of textile factories and meeting representatives of the sector.

The negotiations between the European and Moroccan delegations took place in a spirit of cooperation, with a reciprocal desire to reach a compromise that would be to the benefit of both parties.

The Moroccan delegation emphasized the importance of textile exports when it came to covering its country's trade deficit with the EEC and underlined the need to return to the provisions of the 1976 Cooperation Agreement.

The Community delegation emphasized the problems still facing the EEC textile industry and highlighted the progress made by Moroccan textile exports to the Common Market. It also mentioned the effort that had gone into achieving a better balance of sales of Moroccan goods in the different areas of the Community.

The memorandum of understanding that was initialled at the end of the negotiations lays down the export targets for 1985-86, in accordance with the general provisions of the voluntary limitation agreement concluded in 1982.

The agreed levels were defined in the light of a possible increase in the existing complementarity between the European and Moroccan textile trades and the harmonious development of trade in what is a sensitive sector. ○

POLLUTION

The European Commission is determined to control and reduce emissions at source in its battle against atmospheric pollution, said Mr Stanley Clinton Davis, in a speech at a colloquium held by the European Environmental Bureau and the Goethe-Institut in Brussels today (March 4).

Mr Clinton Davis, Member of the Commission responsible for environmental policy, outlined the Community's action in this field, such as the Council adoption of a directive for combating air pollution from industrial plants and the establishment of air quality standards for nitrogen dioxide. The Commission has made proposals to limit emissions from the burning of used oils and to promote their recycling and is preparing proposals for fuels other than gas oil and on the sulphur content of gas oil.

He put particular emphasis on the need to reduce emissions from motor vehicles—a major subject on the 7 March agenda. The transport sector was responsible for about 40% of total man-made nitrogen dioxide emissions in the Community and was without doubt one of the contributors to the phenomenon of acid rain.

"It is obvious that substantial changes regarding both lead and exhaust gases will have implications—and costs—for the motor industry, the oil industry and for consumers; these have clearly had to be taken into consideration. Equally, the costs to society at large of continuing pollution need also be borne in mind, said Mr Clinton Davis."

"Clearly it is important in reaching decisions that the competitive position of the Community's motor industry should be kept in view. It is possible to argue that in a highly competitive situation anything which increases costs to manufacturers or to consumers is to be avoided if possible. On the other hand, substantial numbers of citizens of the Community are becoming increasingly concerned about the environment and are likely, over time, to demand vehicles that achieve high environmental standards; on this thesis the long-term competitive advantage of the Community's motor industry lies in achieving, as rapidly as possible, environmental standards that are as good, if not better, than the best achieved elsewhere.

"There is a sound environmental reason for classifying vehicles according to engine size. Cars with large engines travel further in a year and at faster average speeds than smaller cars. Unless they are subjected to stricter emission norms they will thus pollute more. Medium-sized cars constitute the bulk of the Community car fleet and thus of the pollution load. This argues in favour of emission norms as strict as possible. However the use patterns of medium-sized cars are characterized by lower average mileage and speed than those of large cars. Thus, even with less strict emission norms such a car generates no more pollution than a large car. Comparable arguments apply with even greater force in the case of smaller cars."

"These facts need to be considered in relation to the additional fact that cheaper and more-energy efficient technologies than the three-way catalytic converter are being rapidly developed and offer good prospects. A balance of environmental, energy and industrial arguments thus suggests that such technologies should be given a chance to prove themselves before steps are taken with might irrevocably commit the European industry to the use of three-way catalytic converters."

"I have said enough to underline both the vital importance and the extreme complexity of the decisions with which the Environment Council is faced this week. The Commission is absolutely convinced that very early decisions to reduce polluting emissions dramatically from both motor vehicles and large combustion installations are essential." ○

CORRIGENDUM

Courier N° 89

Special issue Lomé III

Yellow page 44, Article 194

(Financial resources)

The amount mentioned under para. (2) should read 1 100 million ECU and not 1 000 million ECU, as was printed.

The figures given in the table on white page 24 (Breakdown of resources, Lomé III Convention) are correct.

**Second emergency and food aid plan
(ECU 60 million approx.)
Commitments as of 15 December 1984**

A. Emergency aid : 35 million			
Beneficiary country or refugee population	Decision (ECU)	Commitment (ECU)	Used for
Ethiopia	2 500 000	2 500 000	food
	4 500 000	4 235 000	air transport medical care overland transport tents & blankets household utensils
	9 000 000 2 000 000	9 000 000 2 000 000	medical care equipment shelters transport
Niger	3 000 000	3 000 000	food transport medicine air transport tents & blankets
Chad	5 000 000	4 000 000	medical care food transport
Mali	2 000 000	1 989 000	medical care food transport
Mauritania	2 000 000	1 000 000	transport drugs
Burkina Faso	1 000 000	350 000	food transport
Senegal	1 000 000	1 000 000	—
Sudan	1 000 000	700 000	medical care food transport
Rwanda	1 000 000	959 000	transport food
Zaire	500 000	500 000	food
Chadian refugees in the Sudan	400 000	400 000	medical care equipment for shelters transport
Chadian refugees in the CAR	100 000	100 000	medical care equipment for shelters transport
TOTAL	35 000 000	30 733 000	

B. Food aid (ECU 23.5 million)	
	Cereals (t)
Sahel	
Mauritania	8 000
Mali	8 000
Niger	14 000
Chad	9 000
Eastern Africa	
Kenya	5 000
Sudan	10 000
Southern Africa	
Mozambique	10 000
Horn of Africa	
Ethiopia	20 000
Reserve	10 000
TOTAL	94 000

1985. The Commission began mobilizing and allocating the first 500 000 t (see table) at once. This represented a cost of ECU 175 m, ECU 80 m from Lomé II (Article 137 on emergency aid) and ECU 95 m from the 1984 budget (Article 84 on aid for third countries hit by disaster), the remainder coming partly from the Community's ordinary food aid programme (300 000 t) and partly from the Member States (400 000 t).

Crisis cell

Aid operations of this size obviously come up against problems, such as the capacity of the ports where the food is unloaded, the age and inadequacy of the vehicles that take it to its destination, the standard of the roads over which it has to go and the coordination of all the consignments.

The Commission reacted to these difficulties in the first place by setting up a crisis unit with broad powers of decision. The team, under the leadership of André Auclert, DG VIII's Director for Finance, worked constantly, weekends and Christmas holidays included, to provide an instant response to requests from Governments, Commission Delegates and NGOs. Deci-

sions to implement and allocate funds can be made in a matter of days — emergency aid with a vengeance.

Coordination with Member States and NGOs

The Commission, which is in direct contact with the affected countries through their Ambassadors in Brussels and the Commission Delegates in the capitals, took charge of coordinating arrivals in the ports, deliveries by truck and the organization of air bridges.

It ran a number of coordination meetings with the Member States and various international organizations and NGOs and it had informal but open and effective contact with the aid sources in America, Canada and Australia.

Third emergency plan (ECU 80 million)

Country	ECU '000 000
Ethiopia	35
Mali	7
Mauritania	1.5
Niger	10.25
Chad	6
Sudan	12
Cameroon	1.6
Reserve	6.65
TOTAL	80

Safe food supplies: a priority

Food aid, regardless of volume, can of course never replace development assistance or do away with the need to run long-term campaigns to combat drought and desertification and promote food self-sufficiency policies.

That is something the Lomé partners have understood, because the Convention they signed in Lomé on 8 December 1984 indeed gives priority to secure food supplies and makes it possible to help bring situations back to normal. These are some of its great innovations. o A.T.



The Delors Commission



Jacques Delors

President, French, 59 years, former Member of the European Parliament, former Minister of Economic Affairs, Finance and Budget (see also The Courier No. 87 of September-October 1984)

It was a thoroughly remodelled Commission of the European Communities which met under its new President, Jacques Delors (France) for the first time in Brussels on 7 January. In fact, of the 14 Commissioners, only four had been members of the previous Commission under Gaston Thorn of Luxembourg and their portfolios have been changed. These four were Lorenzo Natali (Italy), Frans Andriessen (The Netherlands), Karl-Heinz Narjes (Germany) and Claude Cheysson (France), the last-named having however resigned in May 1981 to join the French government as Foreign Minister.

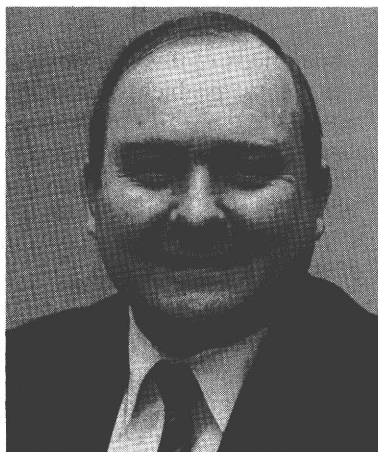
As in the past, Germany, France, Italy and the United Kingdom each have two Commissioners, the other Member States — Belgium, Denmark, Greece, Ireland, Luxembourg and The Netherlands — having only one. They took their oath of office before the Court of Justice of the European Communities on 24 January.

The representatives of the Member States have moreover nominated the following as Vice-Presidents of the Commission for a term of two years: Frans Andriessen (The Netherlands), Henning Christopherson (Denmark), Lord Cockfield (United Kingdom), Karl-Heinz Narjes (Germany) and Lorenzo Natali (Italy).



Frans Andriessen

Vice-President, Dutch, 55 years, doctor of laws, former Finance Minister, Commission Member since January 1981



Henning Christopherson

Vice-President, Danish, 45 years, economist, former Minister of Foreign Affairs, Vice-Premier and Finance Minister



Lord Cockfield

Vice-President, British, 68 years, economist and barrister, life peer and former Secretary of State for Trade



Karl Heinz-Narjes
Vice-President, German, 61 years, doctor of laws, former Chef de cabinet to the President of the Commission, former Director-General at the Commission, former Minister of the 'Land' of Schleswig-Holstein, former Chairman of the Bundestag Committee on economic affairs, member of the Commission since January 1981



Stanley Clinton Davis
British, 56 years, solicitor, formerly Member of Parliament and Parliamentary Under-Secretary of State for Trade



Nicolas Mosar
Luxemburger, 57 years, doctor of laws, lawyer, former President of the Christian Socialist Party and former Vice-President of the Chamber of Deputies

Distribution of portfolios

Jacques Delors: Secretariat-General, Legal Service, Spokesman's Group, Joint Interpreting and Conference Service, Security Office, Monetary Affairs, Coordination of Structural Funds

Frans H. J. J. Andriessen: Agriculture, Fisheries

Claude Cheysson: Mediterranean policy and North-South relations

Henning Christophersen: Budget, Financial control, Personnel and administration

Stanley Clinton Davis: Environment, Consumer protection, Nuclear safety, Forestry, Transport

Lord Cockfield: Internal market, Customs Union Service, Taxation, Financial institutions

Willy De Clercq: External relations and trade policy

Nicolas Mosar: Energy, Euratom Supply Agency, Office for Official Publications

Karl-Heinz Narjes: Industrial Affairs, Information Technology, Research and science, Joint Research Centre

Lorenzo Natali: Development Cooperation, Enlargement

Alois Pfeiffer: Economic affairs, Employment, Credit and Investments, Statistical Office

Carlo Ripa di Meana: Institutional questions (*), Problems concerning a People's Europe (*), Information policy, Information policy, Cultural sector, Tourism

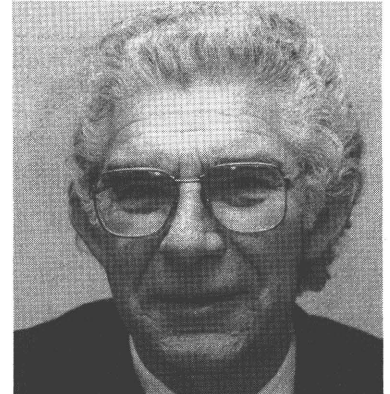
(* Personal representative of the President of the Commission in the ad hoc Committee set up by the European Council at Fontainebleau

Peter D. Sutherland: Competition, Social affairs, Education, Training

Grigorios Varfis: Regional policy, Relations with the Parliament



Claude Cheysson
French, 64 years, former Ambassador, former Foreign Minister, member of the European Commission from 19/4/73 to 25/5/1981



Willy De Clercq
Belgian, 57 years, lawyer, former Member of Parliament, former Member of the European Parliament, latterly Vice-President and Minister of Finance, and on two occasions chairman of the Interim Committee of the IMF



Alois Pfeiffer
German, 60 years, trade unionist, former President of the European Federation of Agricultural workers, former Vice-President of the Economic and Social Committee of the European Communities

Origin of photos:
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Lorenzo Natali succeeds Edgard Pisani



Carlo Ripa di Meana
Italian, 55 years, journalist, former President of FUSIE, the United Federation of the Italian Foreign Press, former Member of the European Parliament



Peter Sutherland
Irish, 38 years, barrister, former member of the Council of State, the advisers to the President of the Irish Republic, Member of the Bar Council

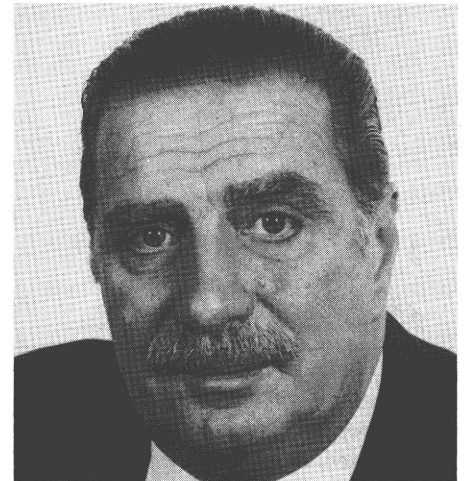


Grigorios Varfis
Greek, 57 years, graduate in law and political economy, journalist, in charge of European affairs in the Ministry of Foreign Affairs, former Member of the European Parliament

Lorenzo Natali, who succeeds Edgard Pisani as European Commissioner for Cooperation and Development, joins this portfolio to that of the enlargement of the EEC to include Spain and Portugal. This latter task has been his for the last two Commissions, those presided by Roy Jenkins and Gaston Thorn.

Thus it is the third term as Commissioner that is now beginning for this 62-year-old lawyer and former Member of Parliament for the Abruzzi, a constituency which he represented for seven terms. This region, once very backward, has made remarkable strides since the war, familiarizing Mr Natali with the types of problems common in ACP countries.

The new Commissioner for Cooperation and Development has also amassed considerable experience of government: he has held the portfolios of the Merchant Navy, Tourism and Public Works. He was also Minister of Agriculture and in that capacity



played an active role in the Council of Community Agriculture Ministers.

For Lorenzo Natali, who prizes getting results, the implementation of the new Convention will prove as stimulating as designing it. Because, at the end of the day, "there are real men and women to whom we can bring something very positive in their daily lives".

Jacques Delors at the European Parliament The EEC must become a tangible reality for Europeans

The European Parliament gave Jacques Delors its vote of confidence—207 for, 34 against and 37 abstentions—at the conclusion of his address on the thrust of the Commission's policy. Here are some key passages from Mr Delors' speech.

"So it is that a new Commission appears before you, imbued with intellectual humility and great political resolve. Personally, I am more aware of the humility. I have often wondered why the Community, with its committed and talented leadership, has never got off the ground; why it has failed to attain the objectives enshrined in the Treaty, objectives on which there was a measure of consensus; in short, why it has failed to bring about the economic, social and monetary integration which is vital to the advancement of our ten nations. Forgive me if I come up with a rather trite thought, born of experience.

I believe that the engineers of European integration are fumbling not over 'what has to be done' but rather over 'how to go about it'. We can no longer blame the crippling weight of the crisis, the absence of political will or the inertia of national officialdom. We need to look further and, here again, there is a glimmer of hope: the European Council is now as anxious as this House to improve the performance of the institutions. Make no mistake about it. While the world around us is in a state of flux, the powers of today regathering their strength and the powers of tomorrow flexing their muscles, Europe's credibility is at stake, in the eyes of our own people, in the eyes of the superpowers, and in the eyes of the Third World.

The Members of this House have always been among the most active in our endeavours to make the Community a People's Europe. As a former

Member and past Chairman of the Committee whose remit included the free movement of persons, goods, services and capital, I supported the efforts of all those who quite rightly took exception to the continued existence of substantial obstacles. To them, private individuals and businesses alike, Europe appeared — and still appears — like some kind of feudal state where barriers, customs posts, formalities and red tape proliferate. But now that the Heads of State or Government have decided to set an example, to throw their weight into the balance, to clear away all obstacles to free movement, whether hidden or visible, it may not be over-optimistic to announce a decision to eliminate all frontiers within Europe by 1992 and to implement it. That gives us eight years, the term of office of two Commissions. We, for our part, are prepared to work towards that goal, in association with the Committee on a People's Europe chaired by Mr Adonino.

... But faced with the uncertainties and worries of the future, what people are looking for above all else is not freedom of movement. They are concerned with living, with finding a place in society, in other words, work, with the balance between career and private life, with the post-industrial society and their environment. Pulling down the frontiers will not convince them of our resolve to do away with massive unemployment. Here, too, the credibility of the European venture is at stake, at both national and Community level: at national level, since nothing will absolve us from the need to reforge competitive structures and rediscover the path to economic growth; and at Community level, since it is the Community which must act as the multiplier of national efforts. Economic convergence will be meaningless to people if we have not reversed the terrible rise of unemployment within the next two years.

Lomé III: a stimulus towards a fairer economic order

... The Community has, it is true, fought for its various interests, but too often it has been on the defensive, at best limiting the damage. Most of the time there have been no forceful statements of a common position but

merely vague intentions, with varying shifts of emphasis from one Member State to another. The result: the Community has been unable to persuade its two major partners and friends — the United States and Japan — to act in concert to remedy the glaring ills of the world economy.

... It is my responsibility to stimulate discussions, first within the Commission and then in Parliament and the Council, to rescue us from what must be seen as Europe's lethargy in this area.

... The aim is not just to protect our own legitimate industrial, agricultural and financial interests: we also have to cooperate in a world economic order very different from the fable of the fox and the chickens. We must show by the quality of our proposals and the exemplary nature of our actions that efficiency and justice can go together and that the emerging countries — "les nations en voie de se faire", as François Perroux called them — must be treated on equal terms. It will then be up to them to show that they can make a positive contribution to the development of the world economy.

This is the significance of Lomé III, which is an example of continuity on the part of the Community and should encourage us to pursue our efforts to establish a fairer, more efficient economic order.

... What we lack, apart from a certain degree of self-confidence, is the benefit of scale and the multiplier effect. This can only result from a more united and more integrated Europe. In its four years in office, the Commission proposes to take decisive steps in three directions:

- a large market and industrial cooperation;
- the strengthening of the European Monetary System;
- the convergence of economies to lead to higher growth and more jobs.

... This has been demonstrated in two sectors — the Esprit programme and telecommunications. The Commission has been able to show all those involved the advantages of exchanges and cooperation and has succeeded in persuading them quite naturally to combine their research efforts, open up the road to common standards and take the initiative on a

number of sunrise projects. This has demonstrated the value of extending the market in general and, in this specific sector, of throwing open public contracts. The excellence of a method has been underlined.

The same is true of the future of the ECU and the European Monetary System. Nobody would now deny that in five years the EMS has proved its worth. Nobody would now deny that, for all its members, advantages have outweighed any drawbacks and constraints. The EMS has been an area of relative calm in a sea agitated by the wide and sudden fluctuations of currencies. It has helped trade to develop and permitted growth in the private use of the ECU. ... I do believe that a substantial strengthening of monetary cooperation and a controlled extension of the roles of the official and the private ECU are both possible.

Making plans for the future

.. The Commission is well aware of the difficulties which lie ahead and of the problems in abeyance: the 1985 budget, the disagreement about budgetary discipline, the integrated Mediterranean programmes, the decisions on farm prices as a stage in the process of modernizing the common agricultural policy, the successful completion of the enlargement negotiations, and the settlement of disputes on the environment and on steel. There is enough routine business here to keep us fully occupied. But we must make plans for the future, start things moving again to create a Community worthy of the name, underpinned by a renovated economy and an unparalleled social system. We have three major challenges to meet. First, the challenge of approach: we must demonstrate that we can act as Twelve, and not simply mark time or muddle through from one day to the next. Second, the challenge of influence: we must ensure that the Community speaks with one voice and plays its part on the stage of contemporary history. And lastly, the challenge of civilization: in a world of change, we must reaffirm our values and fuse the sometimes contradictory aims and aspirations of our contemporaries into new patterns. Let me repeat: we do have the resources, so once again we will be judged on our strength of character". ◊

“Too much is said about aid to the Third World countries and not enough about their part in our prosperity”

says Pierre Pflimlin, President of the European Parliament

Pierre Pflimlin, elected President of the European Parliament (*) on 24 July 1984 answers some *Courier* questions.

► *When you were elected last July, you talked about the mutual interests of Europe and the Third World. How do you see Europe, with its economic crisis and high unemployment, meeting the quite legitimate hopes of the developing countries?*

— I am firmly convinced that mutual interest links Europe and the Third World. Economic geography and history dictate the conditions of interdependence and the immense natural resources and economic potential of what we are pleased to call the Third World need the capital and the technology of the developed countries. Our Community has a major role to play here—and it has played it, although it must act with conviction and it must forget certain of its prejudices and certain of its fears.

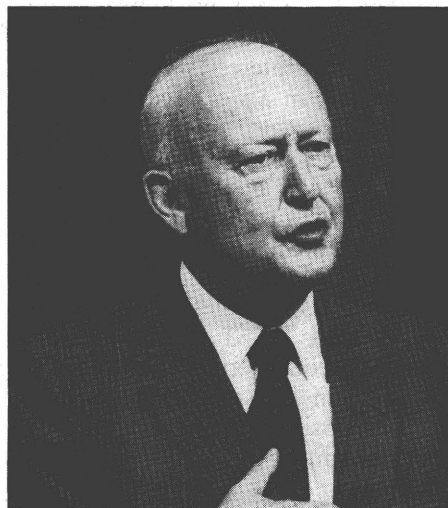
Too much is said about aid to Third World countries and not enough about their part in our prosperity. There is the commercial thing first of all—a large part of our trade is with these countries, many of our jobs depend on it and our raw materials deficit means we have to help develop the natural resources of the Third World. The sometimes non-optimal size of our internal market forces us to seek outlets for our goods elsewhere and without the markets of the Third World our problems would be even greater than they are now.

Solidarity, of course, plays and must continue to play a great part in the dramas that the populations of these countries so often live through. Our Community has set the example with a genuine policy of solidarity and our Parliament has the merit of always having encouraged this. When there has been crisis—a famine or a drought or another natural disaster—the Community has always tried to improve the most difficult situations with

(*) See also *The Courier* N° 87 (September-October 1984) — News Round-up pp XIII-XV.

emergency aid and other forms of assistance.

But it is not enough. If Europe wants to be a partner and serve its own interests in the long and the medium term, then it has to do more. It has to go beyond this. Of course, financial aid to the Third World has to



“Without the markets of the Third World our problems would be even greater than they are now.”

be stepped up. But what counts is helping to provide these countries with a development process, something that will put right the injustice that is all-too-common a feature of the terms of trade between the industrialized countries and the Third World.

► *Some people complain that Europe has put too much emphasis on the ACP countries. What do you think?*

— The effort made for the non-associated developing countries, those of Asia and Latin America in the main, has in fact been stepped up. I think the Community should continue with its special effort for the ACP countries, but it does have to join with others to find international solutions that would help the Third World as a whole.

► *Thinking about the enlargement of the Ten, how could the Community show some imagination in developing policies that are useful to the countries on both sides of the Mediterranean?*

— It is obvious that intensifying the

Community's dialogue with the southern Mediterranean means readjusting its Mediterranean policy. You are talking about cooperation agreements with a large number of countries around the Mediterranean and I think we have to be very clear about this. This policy has to be accompanied by internal measures to readjust and rebalance things to help the Mediterranean regions of the Community and this should mainly involve modernizing the structures—which would avoid any contradiction with the general aims of enlargement, of cooperation and of the association with countries in Africa and the Mediterranean. I am thinking particularly here of the integrated Mediterranean programmes which the Commission has proposed and our Parliament approved. Don't forget that, a few months ago, our Parliament came out in favour of this important proposal to redress the balance of the Community's Mediterranean policy.

► *The combination of drought and hunger, particularly in the Sahel, is generating a great deal of interest amongst the general public at the moment and in the European Parliament as well. Although it is vital to meet the most urgent needs, isn't it just as important to go right to the heart of the problem and to sustain action over a long period?*

— There is no doubt—as our Parliament has emphasized on a number of occasions—that sending food aid is not enough, particularly at a time when the infernal machine of hunger is set up and working. Aid will, of course, help save lives, but the acute crises that are often foreseeable have to be catered for with a medium-term buffer stock policy and, above all, with the adoption of a local food policy that can restore the country's work opportunities and give the people in the hardest-hit areas of the Third World a chance of survival. There is, in any case, no contradiction between answering an SOS and making a local effort as part of a longer-term plan. ◊

Interview by Roger DE BACKER

New Dimension of European Social Policy Edited by Jacques Vandamme. Foreword by Jacques Delors. (Croom-Helm Ltd., Publishers, Provident House, Burrell Row, Beckenham, Kent, UK) — 1985

This book is the fruit of a two-year-long reflection by the Trans European Policy Studies Association (TEPSA) and the various institutes which go to make it up. The first part is on the social policy of the European Community. Raymond Rifflet demonstrates that the kind of European integration desired by the founders requires a closer synthesis between economic and social goals. The analysis of Herman Deleeck shows that the most flagrant social inequalities have not disappeared. The second part describes new facts about the social context. Firstly, there are the new values presented by Stephen Harding and the new needs of the target groups, such as women, as outlined by Eliane Vogel-Rolsky. Claudio Calvaruso and Jacques Delcourt describe the often underestimated cultural demands. Part three examines the content of a new European social policy. An alternative concept of work is certainly a determining factor. Jean-Pierre Jallade remarks that a policy involving a general reduction of working hours should be accompanied by a policy of part-time work. Diarmid McLaughlin analyses how the industrial dialogue works at present in the Community and how it could be improved. Doreen Collins calls for a change in direction of the European Social Fund.

In his conclusions, Jacques Vandamme maintains that the relaunching of European integration inevitably requires the definition of a new type of plan for social development which goes beyond mere selective action. Such a plan does not pose a major problem of responsibility between States and the Community but would require a new definition of social goals at Community level and better coordination of these with national policies.

In the preface, Mr Jacques Delors examines the crises facing Europe. He stresses three aspects of social policy which could be the subject of useful reflection in the coming months: 1) regional planning and a certain concept of development; 2) industrial conversion; 3) innovation in the new

sectors of the industrial revolution. The (then) future President of the European Commission concludes that, as regards the three points, "the social aspects must accompany technology and economics".

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Claude NIGOUL - Maurice TORELLI, **Les mystifications du nouvel ordre international**. (Presses Universitaires de France, Paris) 154 pages — 66 FF — 1984

The authors of this work, published in the "Perspectives internationales" collection under the direction of Charles Zorgbibe set out to demonstrate that the "new international economic order", which appeared ten years ago as a factor in the rethinking of North-South relations, has not only not been achieved, which is quite obvious, but is a myth, not a plausible myth, but a pipedream at that, which should be cast aside in favour of something more realistic. This failure was not total, however, and the authors do see that there are developments which suggest a return to reality and a gradual realization that the only way forward for the North-South dialogue is through mutual concessions both on ideological and tactical issues. This effort would be translated into a revival of regionalism and, more concretely, into contractual cooperation between the European Community and its former colonial partners. Having rejected the concept of "collective autonomy", they move on to that of solidarity of a complementary nature. Thus it is within the context of relations between the Community and the ACP countries that a constructive dialogue can take place. The inclusion of a section on culture in the new Convention is significant in this respect. "Thus concern about better communication could triumph over the desire for confrontation, at least insofar as Europe and its partners from the South are concerned."

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Sviluppo Della Finanza Internazionale e Interdipendenza Dei Sistemi Finanziari, in onore di Riccardo Argenziano, Collana di Diritto ed Economia, edited by Dario Velo, Università degli Studi di Pavia, Dipartimento di ricerca aziendali, No 7, Giuffrè Editore — 204 pages — 14 000 Lit.

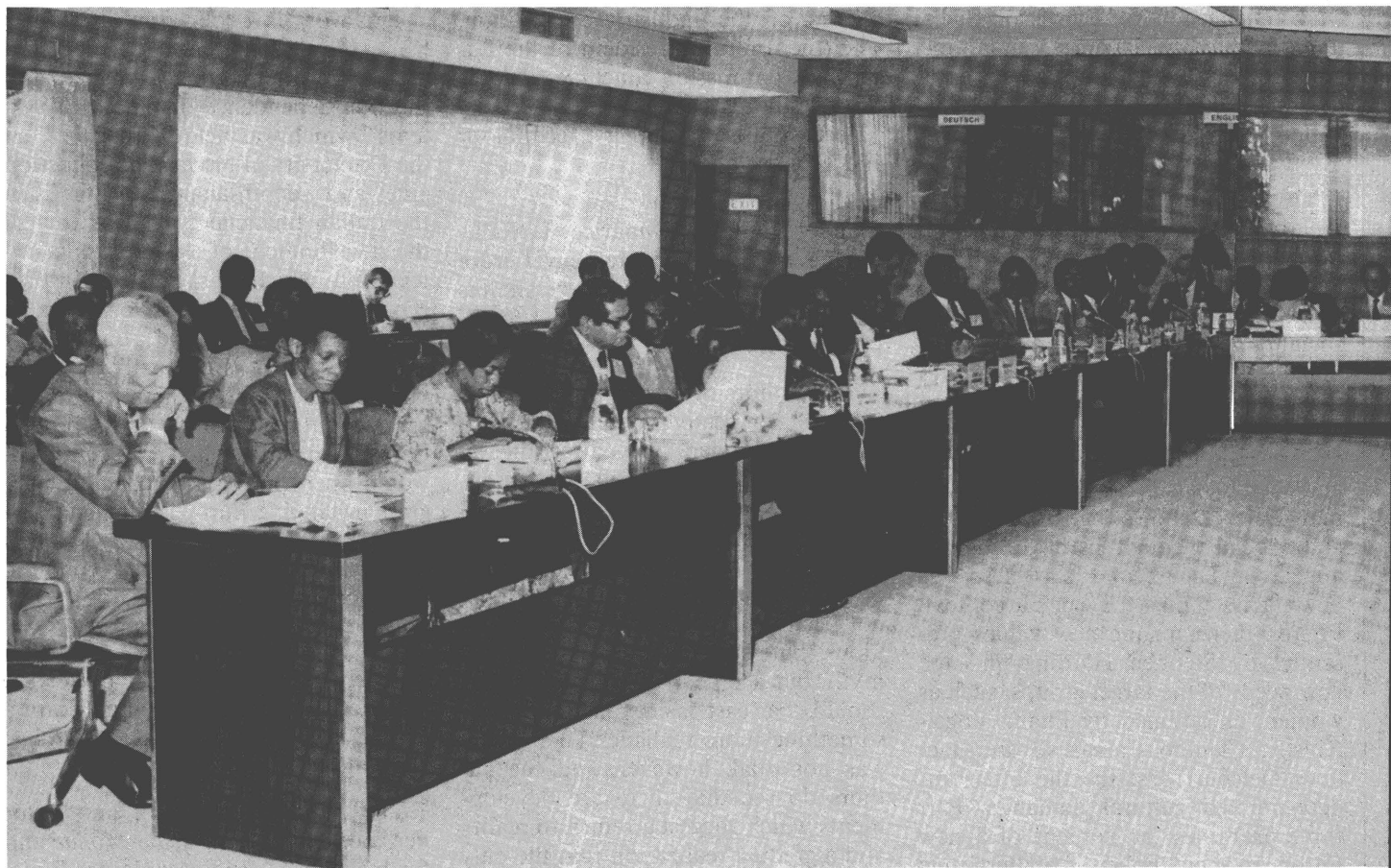
This work is a collection of minutes from the "Conference on developments in international Finance and the Interdependence of Financial Systems" which was held in June 1983 at the University of Pavia. The collection gives an in-depth analysis of trends in the Italian financial system as part of the development of the process of integration which has bolstered world economic growth thanks to a parallel development in world finance. It shows that Italy is gradually dropping behind the "front runners" of developed countries because of its protectionist barriers which, if removed, would open the way for concrete progress in tapping Europe's financial potential and thus pave the way towards the prospect of European economic and monetary union.

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Jacqueline GRAPIN, **Forteresse America: Le nationalisme américain à l'épreuve**, Bernard Grasset — Paris — 312 pages — 85 FF — 1984

The author of this book, known for her excellent articles in *Le Monde* and for her book, "Radioscopie des Etats-Unis", has now written a new work which is highly polemical and which is essential reading at a time when "imperial power" is more imperial than ever. Jacqueline Grapin describes Washington, which has become the focal point of international decision-making and where a "nationalist world view" of a new historical nature is now emerging which is determining unprecedented strategies over which Europe no longer has direct control. Profoundly European, Grapin is haunted by this immense external power whose motives as a protector or an oppressor are not always clear. Is there any third way? Obviously she believes that there is, provided that the choice is not seen as one of an "equidistant third party". Of course, the European choice cannot ignore the world geopolitical context, but to be European it must remain autonomous, with its own objectives. This is the fruit of a truly European attempt to progress, an attempt which nationalisms and neo-nationalisms can severely hinder. Then, Europe will understand, the author hopes, "that it is far from finished with this awkward Gulliver".

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The Article 108 Committee during its ministerial meeting.

THE ARTICLE 108 COMMITTEE

Report and Resolutions

Both partners in the Lomé Convention, ACP and EEC, have always paid great attention to improving their cooperation and to increasing its effectiveness by learning the lessons of past mistakes. Since Lomé II, they have had at their disposal a novel means of doing so, namely by way of the joint committee set up under Article 108 of the Convention and known as "The Article 108 Committee".

The job of the Committee, which is made up of an equal number of ACP and Community representatives, is to find ways and means of eliminating the various delays, bottlenecks and other difficulties which arise in the implementation of financial and technical assistance. The work of the Committee was carried out through numerous meetings, at various levels, culminating in the successive adoption by the ACP-EEC Council of Ministers of a report, together

with 3 resolutions, at meetings in Libreville (1982), Brussels (1983) and Suva (1984).

It is this — the fruit of more than three years of hard behind-the-scenes work — which the ACP-EEC Council of Ministers wanted to be made widely known through publication in *The Courier*. The Committee's work will doubtless not end here, since the new Convention, signed at Lomé on 8 December 1984, not only extends, but also widens the Committee's responsibilities, henceforth defined in Article 193.

Those who are familiar with *The Courier* will possibly find the subject of this issue's 'dossier' somewhat heavy going. There are, however, numerous interesting lessons to be drawn from it — and not only for specialists. And after all, legal texts, reports and resolutions are also the stuff of which ACP-EEC relations are made. ○ A.T.



Session of May 1983 at ACP House in Brussels

A force for change (*)

The application of the provisions of the second Lomé Convention relating to financial and technical cooperation is a complex and many-faceted task. Title VII of Lomé II which deals with such cooperation covers a wide spectrum of projects and programmes — from rural development and promotion of small and medium-sized enterprises to marketing and sales promotion, from micro-projects to exploration and exploitation of mineral resources, from industrialization to scientific research and technology transfer.

The implementation of that cooperation involves an extensive list of financial mechanisms (grants, special loans, various forms of risk capital, interest rebated loans) and differing financing methods (direct financing, co-financing — with its two forms of joint and parallel financing). The range of activities covered by Title VII — financing of technical assistance, works and supplies — is extensive. In the application of financial and techni-

cal cooperation, special regard must also be had for special interests — for example, the problem of least-developed ACP States and of landlocked or island ACP States, the need for regional cooperation, and cases of natural disasters and extraordinary circumstances having comparable effects.

Implementation of this vast network of actions and mechanisms demands a division of labour as between the ACP States and the Community. It has also necessitated the setting up of procedures and decision-making processes adapted to the needs of each sit-

uation. The ACP States are responsible for drawing up their indicative programme, for preparing project dossiers, for contract decisions, for project and programme implementation and for managing and maintaining operations carried out in the context of financial and technical cooperation. Together, the ACP States and the Community bear responsibility for policy definition, adoption of indicative programmes, appraisal of projects and programmes, for implementation of equitable tendering procedures, for control of project execution, while the Community is responsible for financing decisions on projects and programmes.

Article 108 Committee — its origins and functions

In order to bring together the various strands involved in implementing financial and technical cooperation — and to ensure its efficient and effective operation under the first Lomé Convention, provision was made in Arti-

(*) Article based on contributions from ACP and EEC members of the Committee technical working party.

cle 41 for an annual examination by the ACP-EEC Council, of the general problems resulting from the implementation of financial and technical cooperation. To facilitate this examination, provision was also made for the Commission to write an annual report on the management of financial and technical cooperation, for the ACP States to submit their observations thereon, and for a group of appropriate experts of the Community and of the ACP States to make an overall preliminary assessment for the Council's attention. Lomé II, however, provided in Article 108 for the establishment of an ACP-EEC Committee, commonly known as the *Article 108 Committee*, to examine ways of improving the implementation of financial and technical cooperation.

But there is an important difference between the previous reviews and the one envisaged under Article 108. The preparatory work on the annual stocktaking under the previous arrangements was entrusted mainly to the Commission and to a group of experts lacking authority and political leverage to tackle fundamental issues and take bold initiatives for the consideration of Council. Under Article 108, on the other hand, the brunt of the annual stocktaking is entrusted to a Committee of Ministers who have the necessary political authority and therefore are in a position to deal with fundamentals. Indeed, it is largely on account of the ACP's dissatisfaction with the work of review undertaken in the context of the previous arrangements that this Ministerial Committee was set up

under Lomé II. In setting up this Committee, which is composed of representatives of the ACP States and the Community, the Convention reinforced the joint administration of financial and technical cooperation and also served to meet criticisms regarding delays in operation and management of the European Development Fund.

In particular, the Committee is enjoined, under Article 108 (6) of Lomé II, "to study, in general terms, and on the basis of specific examples, suitable measures to improve the implementation of financial and technical cooperation, notably by accelerating and streamlining procedures."

More specifically, the Committee is expected, *inter alia*:

— to "collect information on existing implementation procedures... and give any necessary clarification on these procedures";

— to "examine... any specific difficulties encountered in the implementation of financial and technical cooperation";

— to "examine any problems in connection with the implementation of the timetable of commitments, execution and payments stipulated in the national indicative aid programmes, with a view to facilitating the removal of any difficulties and bottlenecks";

— to "submit to the Council of Ministers any suggestions likely to lead to improvement or acceleration in the implementation of financial and technical cooperation."

Operationally, the Article 108 Committee functions at three levels. At the

top are the ministers who meet at least once a year. The second level is that of authorized representatives of the ministerial members and of the Commission, who meet quarterly. Associated with the Committee are the experts in the technical working party convened by the Committee to study the causes and difficulties or bottlenecks which may impede the implementation of financial cooperation. The work of the Committee is facilitated by the limited membership — 11 representatives from ACP States plus one from each Member State of the Community and one member of the Commission. The brunt of the work of the Committee is borne by the experts in the Technical Working Party composed of three representatives of the Member States (representing the current, past and future presidencies of the EEC Council) together with those from the Commission, a member of the EEC Council Secretariat and on the ACP side, by four representatives (two from Africa, one from the Caribbean and one from the Pacific) and a representative of the ACP General Secretariat. The European Investment Bank (EIB) and the Centre for the Development of Industry (CDI) or the Technical Centre for Agricultural and Rural Cooperation (CTA) may assist as appropriate. Since its inception in March 1982, the Committee has met on three occasions at ministerial level — in Libreville in May 1982, in Brussels in May 1983 and in Suva in May 1984. Six meetings have been held at the level of authorized representatives. Each of these meetings, after the first, has been prepared in discussions of papers covering the different topics studied by groups of experts in the Technical Working Party.

The work of the Article 108 Committee

The framework of the activities of the Article 108 Committee was set in the Resolution passed at its first Ministerial meeting held in Libreville in May 1982. This Resolution called for an overall orientation of efforts aimed at giving immediate and lasting effects to financial and technical cooperation through speeding up the implementation of national indicative programmes as well as of regional and interregional projects. To this end, it called for better organization and pro-



The Community delegation at the ministerial-level meeting which was held in May 1983 at ACP House in Brussels

motion of rational economic development efforts, the fostering of initiative, the promotion of joint undertakings and the strengthening of intra-ACP cooperation. The Resolution also proposed the establishment of suitable and flexible criteria and procedures in applying financial and technical cooperation.

The Libreville Resolution, in addition to setting down principles which should govern financial interventions, called for improvements in the implementation of a number of provisions of the second Lomé Convention — measures in favour of least-developed, landlocked and island ACP States, regional cooperation, micro-projects, small and medium-sized enterprises, and sectoral interventions. The Resolution concluded with a series of recommendations dealing, inter alia, with reporting procedures, acceleration of commitments and payments, programming, project preparation and appraisal, financing decisions, financing of overruns, tendering procedures, service contracts, programme aid and assessment of completed schemes.

The work which commenced in Libreville has since continued. The Brussels meeting in May 1983 took stock of the state of play in respect of the Council recommendations in the Libreville Resolution and, indeed, the Resolution passed by the Council in Brussels covered a wide range of specific and general aspects of the Lomé Convention. Of particular note are the recommendations for harmonizing co-financing procedures with other donors, the acceleration and improvement of the implementation of financial and technical cooperation, and sectoral development (in particular rural development). The Resolution also called for detailed study of technical cooperation. The Brussels Resolution finally mandated the Article 108 Committee to undertake an in-depth review of questions of procedure and of sectoral issues.

Many recommendations

The results of this review are to be seen in the report dated 1 May 1984, prepared by the Article 108 Committee for presentation to Ministers at the meeting in Suva. This report covered most of the important issues involved



Dr Obed Asamoah, Ghana's Minister of Foreign Affairs, right, co-Chairman of the May 1983 meeting, with Ghanaian Ambassador Wilmot

in the implementation of financial and technical cooperation — cofinancing, micro-projects, regional cooperation, programme aid, financing of overruns, payments procedures, agriculture, rural projects and food strategies, energy, human resources, health and social services, transport and communications, and environment. On all of these the Council was able to present recommendations in its Resolution dated 2 May 1984. The report also dealt with a number of other matters which are still under examination — programming, disbursement statistics, technical cooperation, least-developed, landlocked and island States, as well as the study of concrete cases of typical difficulties encountered in the implementation of financial and technical cooperation.

In considering the Resolution of the Council of Ministers at Suva, a number of principal concerns can be identified:

- the continuing need to accelerate procedures and to decentralize decision-making processes;
- the importance of providing technical assistance for project development and implementation;
- increasing emphasis on training and on the development of human resources in general;
- precise definition and sharper criteria for regional projects;
- establishment of clearer principles

for the stepping up and implementation of food strategies;

- extension of health services including aid for recurrent costs;
- emphasis on recurrent costs and maintenance in the case of transport and communication infrastructures.

Besides the work on the Resolutions and the Suva Report, the problem of evaluation of achieved projects and programmes was another important subject. Indeed in its concern for improving the use of Community aid, the Article 108 Committee became inevitably involved in the assessment of projects across a large variety of sectors. On 18 May 1983, the Committee noted that no systematic procedure had yet been organized to vet and monitor completed evaluations, reports and resolutions arising therefrom, and agreed for the future to deal systematically with all questions relating to ex-post evaluation. The Committee will soon present a special report on evaluations accompanied by several operational texts, after further consideration of these tests.

The value of approved basic principles which serve as guidelines for future planning and implementation in the different sectors covered by the respective basic principles, can hardly be over-estimated. It is only by learning from mistakes and by building on jointly-agreed sound foundations that development efforts can hope to be successful.

Assessment of the contribution of the Article 108 Committee

There is no doubt that the Article 108 Committee has provided a forum for frank and constructive discussion by the representatives of both the ACP States and the Community of all aspects of financial and technical cooperation. It has given rise to exhaustive technical studies covering a wide range of themes. More important, its work has been associated with the introduction of measures for speeding up the execution of financial and technical assistance — simplified payment procedures, including increased advances at signature of supply contracts, direct payments to contractors, under special loans, as well as acceleration of tendering procedures. The adoption by the Council of the European Communities on 3 December 1982 of guidelines in respect of maintenance can also be seen as being in harmony with the recommendations in the Libreville and Brussels Resolutions.

The work of the Committee has also served to stimulate the flow of ideas on matters affecting financial and technical cooperation generally. This has been particularly opportune in the context of the negotiations of the new Lomé Convention. The discussions in the Article 108 Committee provided a groundwork for these negotiations and it is significant that, leaving aside the question of the volume of the next EDF, it was possible to reach agreement on virtually all items relating to financial and technical cooperation — which represents a major part of the Convention — several months ahead of completion of the negotiations on Lomé III as a whole.

A number of new departures in the next Convention also reflect the influence of the Committee:

- the strengthening of the mechanisms for systematic and continuous supervision by the Committee of the procedures for applying financial and technical cooperation; acceleration and streamlining of procedures, especially of the financing decision procedures;
- extension of the scope for application of micro-projects and aid for maintenance;
- reinforcement of the procedures

for the programming of cooperation and the introduction of programme financing;

- the possibility for the Commission or the EIB to take a lead role in sponsoring cofinancing;
- the strengthening of the provisions relating to small and medium-sized enterprises.

Important innovations

Four specific innovations deserve particular attention. The first is that, under the new Convention, the annual report on the implementation of financial and technical cooperation will be prepared not just by the Commission for consideration by the ACP-EEC Council but by the ACP States, beneficiary regional organizations, and the Commission (in association with the EIB). This report is designed to assist the work of the Article 108 Committee ("Article 193" Committee in the framework of Lomé III).

The second novelty is that in the context of the provisions on competition and preferences, the Committee has been made responsible for advising the ACP-EEC Council of Ministers on the general conditions to be established by the Council for application to the award and performance of works, supply and service contracts financed from the EDF. The corresponding provisions in the current Convention — involving establishment by the Council of general conditions on a proposal from the Commission — proved to be inoperable in the absence of a mechanism such as examination by the Article 108 Committee, to consider the essentially technical details of the Commission proposals.

The third point relates to the request of the ACP States to be effectively associated in the financing decision procedure. As the Community, for internal institutional reasons, could not accept the abrogation of the procedures of the EDF and the Article 22 Committees, nor the participation of ACP representatives in the work of these Committees, it became desirable to give the ACP a choice as regards presenting their point of view on negative positions of the EDF or Article 22 Committee on specific financing proposals. Article 220 (6) of Lomé III offers the following option: they may

request that the matter is referred to the Article 193 Committee or that they are given a hearing by the EEC Council of Ministers.

The ACP will have in the future a mechanism which gives them the opportunity to discuss, in the Article 193 Committee, and on the basis of parity, the reasons for the negative Community position.

Finally, recognizing that progress can only be made by small steps and by solving problems, Article 193 (6) of Lomé III provides for that "any specific problem arising in the implementation of financial and technical cooperation may be submitted to the Committee, which shall examine it within sixty days with a view to providing an appropriate solution". Both ACP and EEC have an objective interest in managing financial and technical cooperation as correctly and efficiently as possible, and a mechanism which gives a supervisory body the possibility to react on shortcomings and to overcome them therefore seemed opportune.

Future outlook

It is clear that the Article 108/193 Committee has an important role in the implementation of the Lomé Convention, and, indeed, in the shaping of development policy as a whole. It provides an appropriate forum for ongoing study by the Community and the ACP States. The strengthening of its mandate in the new Lomé Convention increases its responsibility for seeing that the Convention is implemented in an efficient and effective manner.

As stated at the outset, Lomé is a complex, multi-faceted apparatus. The Article 108 Committee has made a notable contribution to the implementation of the Convention. In its future work, the Committee will need to continue its efforts aimed at achieving ever better use of resources provided for financial and technical cooperation and to reinforce its role as a forum for effective co-partnership between the Contracting Parties to the Convention. The results of the deliberations of the Committee must continue to be of such quality and substance as to vindicate the preoccupations that brought the Committee into being. ◊

Resolutions by the ACP-EEC Council of Ministers on financial and technical co-operation

A. Resolution of 14 May 1982 (*)

The ACP-EEC Council of Ministers,

Having regard to the second ACP-EEC Convention, signed at Lomé on 31 October 1979 (hereinafter referred to as the "Convention"), and in particular Article 108(6) and Article 119 thereof,

Having regard to the Report and the Draft Resolution submitted by the Article 108 Committee,

Hereby adopts the following resolution:

Chapter I: overall orientation of efforts

1. General

Financial and technical co-operation should have immediate and lasting effects for the ACP States. To this end, both parties should take all necessary steps to expedite and improve the implementation of national indicative programmes as well as of ACP regional and interregional co-operation projects.

With a view to rendering financial and technical co-operation more effective, joint efforts will be directed so as to:

- organize, encourage and promote such rational development efforts as are indispensable to the balanced development of all sectors of the economy;
- foster initiative on the part of the various types of economic operators both public and private, including local communities, in mobilizing their own resources and improving knowledge of potential national resources;
- contribute to the promotion of joint undertakings;
- strengthen intra-ACP co-operation, inter alia by developing trade, transport and communications infrastructures.

2. Criteria and procedures

Both parties agree that, in order to improve aid strategy, it is crucial to adopt suitable and flexible criteria and procedures with regard to assistance granted to the ACP States. These criteria and procedures should, in particular, include the following:

- adaptation of financial criteria to take fully into account the longer-term social rate of return;
- provision of increased assistance to help the ACP States identify, plan, design, prepare and implement their programmes and projects, with a view to expediting the approval and implementation of programmes and projects;
- financing of local costs and, during an appropriate phasing-out, recurrent and maintenance costs of both capital and technical assistance development projects;
- joint efforts to attract the most suitable and effective technical assistance personnel and to ensure the most urgent response to the technical assistance needs of the least-developed ACP States;
- rapid training of local replacement personnel;
- involvement, in the process of consultation, of the ACP States' representatives, including diplomatic missions in Brussels, in all stages leading to and after a financing decision;
- acceleration of commitments and

payments and, in this connection, reduction of "red tape" to a minimum.

Chapter II: Application of certain specific provisions of the Convention

1. Measures in favour of least-developed, landlocked and island ACP States

The Council takes note of the financial commitments from which several ACP States listed in Article 48 of the first Lomé Convention have benefited up to 31 December 1980. Nevertheless, the measures taken under the First Lomé Convention in favour of these States have yet to show significant results.

In the implementation of the Convention, the Council therefore recommends:

- that these commitments be implemented expeditiously in all the ACP States listed in Article 155(3) of the Convention;
- that the most flexible and effective means of action authorized under the Convention be applied in implementing projects in the said States;
- that appropriate schemes be put in hand in order to enhance the development of the least-developed, landlocked and island countries.

2. Regional co-operation

Close regional co-operation between

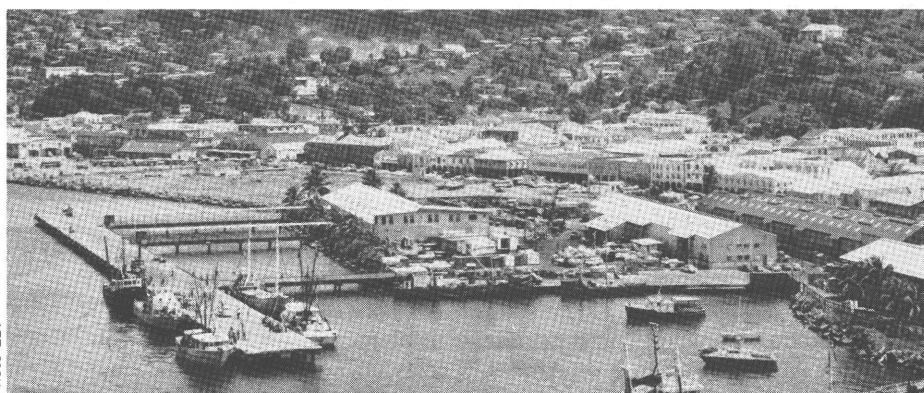


Photo EDF

"Appropriate schemes must be put in hand to enhance the development of the least-developed, landlocked and island countries". (Kingstown, capital of Saint Vincent and the Grenadines)

(*) Document ACP-EEC 2202/1/82.

the ACP States is important if their capacity to resolve common problems which transcend national boundaries is to be increased. Greater support including administrative assistance should be given by the Community to bring about easier identification, development and implementation of such projects and programmes which have a real impact on the human and economic development at regional level.

With a view to increasing the effectiveness of regional co-operation, the Council recommends:

— that closer co-operation be set up between the ACP States and the Community on the basis of the provisions

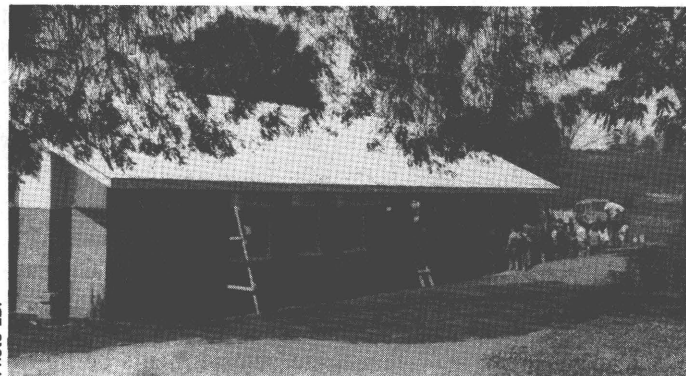


Photo EDF

The experience gained in the implementation of micro-project programmes "should be applied in other fields". (A micro-project in Kenya, the school at Manyanya)

laid down in Chapter 8 of Title VII of the Convention in favour of regional co-operation so that a genuine regional development process can be set in motion and strengthened;

— that the Commission should be guided in its decisions in the allocation of the Regional Fund by the priorities established by the States in the region concerned in the context of programming and by the need to give effect to the provisions of Article 135(2) of the Convention;

— that the funds available for regional co-operation be used in such a way as to play a stimulating and catalysing role in diversifying resources;

— that in determining seminars, symposiums, etc. to be financed from the regional fund, prior consultation should be had with the ACP States concerned and, where appropriate, with the ACP Committee of Ambassadors.

3. Micro-projects

The implementation of micro-pro-

ject programmes has had some encouraging results, in particular from the point of view of a lasting increase in the self-development capabilities of the population. Initiatives by local populations or by their groupings or bodies are deserving of appropriate technical and financial support to enhance the effects of micro-projects.

The Council recommends that the experience gained in the implementation of micro-project programmes should be applied in other fields, and takes note of the existence of simplified procedures which are applied in order to ensure that micro-projects to which both parties attach great importance are implemented speedily.



Photo EDF

Technical assistance "must also contribute to the training of nationals who must replace such external assistance as early as possible"

1. Financing for small and medium-sized undertakings, technical assistance and transfer of technology

a) Choice of projects

In their choice of projects the ACP States should pay attention to the possible negative effects of large-scale projects on economic and social conditions, bearing in mind the fact that very often development is a result of the concomitant and complementary implementation of large, medium and small-scale projects.

b) Technical assistance

The aim of external technical assistance at the request of the ACP States is to assist in the efficient and rapid implementation and operation of projects. It must also contribute to the training of nationals who must replace such external assistance as early as possible. However, the manpower used in such programmes should not

exclude such expertise as is available in the ACP States.

The technical assistance cost component of projects should be scaled down without prejudicing efficient and rapid implementation of projects.

c) Technologies to be applied

The materials and technologies used must be adapted as far as possible to the needs of the beneficiary country.

d) General comments

The Council recommends to the ACP States and the Community that they do all in their power to ensure that the opportunities available under the Convention as regards the "two-

tier" financing of small and medium-sized undertakings, technical assistance and transfer of technology are put to the best use for development of the ACP States and that they complement the efforts undertaken in other areas of financial and technical co-operation.

Chapter III: Sectors of intervention

1. Industrialization

The industrial sector benefitted from about one third of the appropriations committed up to the end of 1980 for projects and programmes. The role played in this connection by the Development Banks, to which the EIB granted 20 global loans under the First Lomé Convention, should be enhanced.

2. Rural projects

The Council stresses the potential importance of developing the agricultural resources of each of the ACP



"Efforts should continue to be made to ensure maximum possible local participation (shown here in Lesotho) in the projects and programmes determined ... as national priorities."

countries, both in general and from the more specific angle of combating hunger in the world.

From this point of view the Council considers that the share taken by the development of rural production in the total amount of commitments is already substantial, but could usefully be increased, particularly as regards food crops.

The prices for agricultural products paid to producers are one of the factors for the success of projects aimed at increasing production capacities. It is therefore desirable that the ACP States benefit from all necessary support from the Community.

3. Energy projects

Many projects concern the development of the utilization of various types of energy other than oil. These efforts must be intensified, and more sustained attention be paid to afforestation and flora protection projects.

4. Training of supervisory staff and vocational training

In addition to multi-annual programmes and specific training projects, certain projects involve training aspects—an approach which should be retained and expanded significantly.

The Council recommends to both parties:

— that training of personnel be undertaken on the basis of general and specific programmes drawn up by the ACP States taking into account their priorities;

— that sufficient flexibility be maintained in implementing these programmes so as to take account of possible bottlenecks;

— that activities undertaken in connection with the training of supervisory staff, in particular middle-level managers, administrators and civil servants, and those concerning vocational training, be intensified and, where appropriate, be more closely linked to the various development projects financed by the Community in each ACP State so that they can progressively be taken over totally and smoothly by the national administrators of the ACP States.

The Council considers that in this way it will be possible to overcome the need for technical assistance and to ensure the efficient management of investments.

Chapter IV: Principles of intervention

1. Viability of operations

Sustained improvement in the self-development capability of the ACP populations and their technical cadres should be the subject of special attention from the point of view of the viability of operations after their completion. The various partners collaborating in this long-term endeavour must be closely associated with it.

Development projects should be assessed in the light of their economic and financial viability, particular attention being paid also to social benefits and indirect and long term effects.

2. Integrated projects

Experience shows that integrated development projects are all the more important in that their size is related to the size of the human groups concerned and that they are implemented flexibly, taking into account the implications for the socio-economic and ecological environment.

3. Participation of the local population

Efforts should continue to be made to ensure maximum possible local participation in the projects and programmes determined by the governments of the ACP States as national priorities.

4. Operation and maintenance of investments

Within the limits of the Convention, the ACP States and the Community must utilize all the means available with a view to improving the maintenance of projects. Regular maintenance of projects, particularly in the areas of social and transport infrastructures, deserves sustained attention. This maintenance is facilitated by the use of materials and equipment adapted to local conditions.

Pursuant to Articles 152 and 153 of the Convention, the Council recommends that, when projects are selected, particular attention be paid by both parties to the problem of the operation and maintenance of investments carried out with the help of Community financing.

5. Participation of the ACP States in contracts financed by the EDF

The Council recommends that, in every case and as far as possible optimal use be made of the human and physical resources of the ACP States and that technology which corresponds to the needs of the populations be applied.

In this connection, the number of contracts awarded to ACP undertakings, while significant, should be increased nevertheless.

To attain these objectives the Council lays emphasis on those provisions of the Convention whose application affords ACP undertakings the possibility of effective participation in studies on and the execution of projects.

Chapter V: implementation of financial and technical co-operation

As regards the effective acceleration and improvement of the implementation of financial and technical co-operation, the Council takes note and recommends to both parties:

1. Implementation of Article 41 of the first Lomé Convention

The Council recommends that the ACP States endeavour to submit their observations on the management and implementation of financial and technical co-operation.

2. Quality of the Commission's Report

The Council recommends that, in the framework of Article 119 of the Convention, the content of reports to be submitted by the Commission should be comparable to that of the 1980 report and wherever possible improved upon.

3. Commitments and disbursements

The Council recommends acceleration of commitments and payments and, in this connection, reduction of administrative formalities to a minimum.

4. Complexity of procedures

The Council recommends that the rules governing the procedures of financial and technical co-operation should be interpreted flexibly so as to speed up the implementation of operations.

5. Programming

The Council takes note that:

- the Convention contains procedures which are simplified in relation to the first Lomé Convention;
- the Community post-programming exercise is part of the internal procedures of the Community and does not and will not infringe on the sovereignty of the ACP States in their choice;
- the indicative programme drawn up by the programming mission can never and will never be unilaterally amended by the Community.

6. Project preparation and appraisal

The Council takes note that the documents already prepared and circulated by the Commission on preparation and appraisal of dossiers do not include any ACP inputs.

Consequently, the Council recommends that the criteria for project preparation and appraisal should be jointly formulated.

The Council takes note that the dossiers of projects and programmes submitted by the ACP States must be completed as provided for in Article 111 of the Convention. To this end, the Community should, where requested, provide adequate technical assistance for the preparation of dossiers.

7. Financing decisions

The Council calls for the streamlining of information gathering in respect of financing decisions in order to avoid repeated requests for information which lead to delays.

The Council recommends that the internal procedures of the Community shall not impede the speedy implementation of financial and technical co-operation.

8. Financing of overruns

The Council takes note that the Community, which increasingly issues invitations to tender prior to the financing decision, considers that the suggestion by the ACP States to issue invitations to tender prior to the financing decision would provide a better estimate of the foreseeable cost of projects and therefore limit the risks of overruns.

The Commission will, however, apply Article 33 of Protocol N° 2 of the first Lomé Convention and Article 117 of the Convention with flexibility when an overrun cannot be covered by these provisions (e.g. inflation) and thus will, where appropriate, finance overruns resulting from causes beyond the control of the ACP States.

9. Commission's payment procedures

The Council takes note that the Commission is currently organizing a procedure whereby, at the request of any ACP State which so desires, the

system of direct payments by the Commission would be applied to special loans as already applied in the case of grants or subsidies.

10. Participation of third countries in contracts financed by the EDF

The Council recommends that the Community should show understanding, in particular for countries in special geographical situations, on derogations which are justified in accordance with the criteria laid down in Article 56 of the first Lomé Convention and in Article 125 of the Convention.

11. Selection of successful tenderer

The Council takes note that, while price criteria cannot be overlooked, it should, however, not be the sole selection criterion. Qualifications and guarantees offered by the tenderers, nature and conditions of implementation of the works or supplies, price, operating costs and technical value of the works or supplies must all be assessed together, according to Article 130 of the Convention.

12. Preferences for ACP undertakings

The Council recommends that maximum use should continue to be made of the physical and human potential of the ACP States and that the potential for increase in ACP capabilities should be enhanced. In this regard, while the number of contracts already awarded to ACP undertakings is significant, nevertheless this share should be even further increased.

13. Service contracts financed by the EDF

The Council takes note that the Community intends to shortly forward its proposal to the ACP States in the context of the resumption of discussions on the way in which service contracts are concluded (Article 142 of the Convention). This proposal is aimed at improving the system criticized by the ACP States, and is intended to give a greater role to the invitation to tender procedures compared to direct negotiation of contracts with short-lists.

The present short-list system must not be transformed into a consultation

or a request for a price. The ACP States have to choose the consultant in the light of his references and qualifications. Hence, when the ACP State has chosen from the Commission short-list the consultant with whom it intends to conclude a contract, it has no further need of Commission authorization to negotiate and conclude the contract except that it must do so (as stated in Article 26 of Protocol N° 2 of the first Lomé Convention) in liaison with the agreement of the Commission Delegate on the spot.

14. Programme Aid

The Council takes note that:

- the Community has initiated an in-depth study of the respective advantages of project or programme assistance and will inform the ACP States in due course of the outcome of its study;
- this study will not delay or prevent the adoption of financing decisions regarding requests already submitted;
- the ACP States request that the Community should orient part of its aid towards programmes and especially where the needs and priorities of the ACP States require this.

15. Assessment of completed schemes

The Council recommends that to ensure that the objectives laid down in the Convention in the field of financial and technical co-operation as well as in the national indicative programmes and in the projects are attained, and to ensure that the means of action brought into play are as effective as possible, the appropriate departments of the Commission and of the ACP States shall regularly carry out appraisals, taking into account the provisions of Article 118 of the Convention, on the effects and results of all completed projects as well as of the precise condition of each investment carried out. They will carry out these appraisals jointly and inform the Council, if possible as from 1983, of the initial conclusions which can be drawn from the joint appraisals.

Done at Libreville, 14 May 1982

For the ACP-EEC Council of Ministers

The President
A.B. Beye

B. Resolution of 20 May 1983 (*)

The ACP-EEC Council of Ministers,

Having regard to the second ACP-EEC Convention, signed at Lomé on 31 October 1979 (hereinafter referred to as the "Convention"), and in particular Article 108 (6) and Article 119 thereof,

Having regard to the Report and the Draft Resolution submitted by the Article 108 Committee,

Aware of the need to implement the entirety of the Resolution on financial and technical co-operation, adopted by the ACP-EEC Council of Ministers at Libreville on 14 May 1982,

Hereby adopts the following resolution:

I. General

Council takes note of the report submitted by the Commission according to Article 119 of the Convention and appreciates the quality of the information provided.

However, in order to facilitate the work of the Article 108 Committee, Council invites the Commission in future:

- a) to accelerate the submission of its reports, and submit them in any case not later than the end of July following the year under review,
- b) to cover more fully the points to which special attention was paid during the discussions of the Article 108 Committee and in the resolutions adopted,

c) to provide statistical data on disbursements related to the various types of financing and the sectoral aspects of co-operation.

In addition, Council invites both parties to illustrate the discussions of the Article 108 Committee by including in separate papers or reports concrete examples of difficulties encountered in the implementation of financial and technical co-operation.

II. Application of certain specific provisions of the Convention

1. Least-developed, landlocked and island ACP States

Council reaffirms the need for special treatment to be accorded to the least-developed ACP States, and for special measures in favour of the landlocked and island ACP States.

(*) Document ACP-EEC 2161/2/83.



Photo EDF

Council reaffirms the need for special treatment to be accorded to the least-developed ACP states. (Groundnut field in Burkina Faso)

Council recalls that in order to help these countries overcome the specific difficulties with which they are faced, special provisions, inspired by this spirit, exist in the Convention.

Council notes the efforts already made in this regard by the Community and invites the relevant ACP-EEC institutions to examine as soon as possible the real impact of these measures and to submit to Council proposals regarding these measures in order to ensure the effective implementation of the procedures and means of the Convention in the most flexible manner.

2. Regional co-operation

Council refers to point II.2 of its Resolution of 14 May 1982 on financial and technical co-operation and reiterates its support of the desire of the ACP States to strengthen regional co-operation, given that this is basic to their development.

Council further notes that in order to achieve the objective laid down in the Convention, the increase in resources should be matched by a closer co-operation between the ACP States and the Community in the practical implementation of regional projects.

Council therefore calls on both parties to identify and implement projects which make a real contribution towards solving development problems common to a number of ACP countries.

3. Co-financing

Council welcomes the emphasis put in the Convention on the use of co-financing which makes it possible to mobilize the additional financial flows needed to carry out some large scale projects.

Council recommends that preference be given to joint financing as far as possible, especially where resources from various donors are put together in a single fund, and further recommends the simplification of the administrative procedures for the implementation of the projects concerned.

Council welcomes the initiative of the Commission in harmonizing its co-financing procedures with the World Bank and the Arab Funds, and invites it to extend its efforts in the same direction as regards other donors.

4. Micro-projects

Council refers to point II.3 of its Resolution of 14 May 1982 on financial and technical co-operation to the effect that both parties attach great importance to micro-projects.

Council draws attention to the improved procedure introduced in this respect, whereby the Commission's approval is based on annual programmes setting out the types of projects to be carried out, leaving approval of the actual projects to the Commission Delegate as and when these projects are ripe for implementation.

Council hopes that this procedure will certainly increase the effectiveness of the system and hopes that micro-projects may be prepared, carried out and followed through under the best possible conditions.

III. Acceleration and improvement of the implementation of financial and technical co-operation

1. Programming

Council notes that the principle of Article 110 of the Convention was not achieved, the projected average rate of commitment being 14.8% while the actual overall commitment rate amounted to 12.1% of the funds available.

Council therefore mandates the Article 108 Committee to look at the reasons for the gap between projections and actual performance, and, where appropriate, propose to the competent authorities the necessary measures to remedy the situation.

2. Identification and preparation of projects or action programmes

Council agrees on the need for increased assistance to help the ACP States, particularly the least-developed countries, to define and prepare projects or action programmes for submission for Community financing.

3. Drafting and signature of financing agreements

Council calls on both parties to take the necessary measures so that financing agreements, the conclusion of

which influences the actual implementation of the projects or action programmes, are drafted and signed as soon as possible.

4. Preparation of tender dossiers; awarding and signing of contracts

Council recommends that the ACP States ensure that the tender dossiers are prepared within the time limits laid down, and calls on both parties to ensure that the procedures for awarding and signing contracts do not result in unnecessary delays.

5. Payment and accounting procedures

Council notes that, as regards disbursements, the rate in the first year of the Convention constitutes an apparent improvement over the rate of disbursement in the first year of the first Lomé Convention (ECU 191 m or 4.1% of the overall 5th EDF appropriations as compared to ECU 97 m or 3.5% of the overall 4th EDF appropriations).

Council, however, mandates the Article 108 Committee to analyse the situation further in order to appreciate whether these figures necessarily signify, in real terms, an improved performance in implementation of projects and action programmes, since the first year of the first Lomé Convention covered only nine months, whereas that of the Convention was for a period of twelve months.

Council recommends that both parties take measures designed to ensure a speedy payment system by seeing to it that formalities and administrative procedures are reduced to the minimum compatible with the sound financial management of the projects or action programmes.

Council also urges the ACP States to endeavour, when administering advance payments, to provide, within the time-limits laid down, the supporting payment documents needed to renew advance funds set up to cater for the projects concerned.

Council further draws the attention of the ACP States to the new favourable provisions adopted by the Community which allow contractors from ACP States to obtain, subject to the provision of proof of the external use



Photo EDF



It is recommended that more attention should be given to maintenance, starting from the design phase. Roads in the Central Africa Republic, left, and Madagascar, right

of the funds, payment in the Member States' currencies requires to carry out those contracts which they are performing.

6. Follow-up, completion and starting-up

Council recommends that the ACP States take all useful measures, if necessary with the support of the Community, to set up within the time-limits laid down the administrative, technical or financial structures essential for the starting up of the projects or action programmes.

7. Operation and maintenance of projects

Recognizing that many ACP States have difficulty in undertaking immediately the financial responsibility for projects operation and maintenance, Council strongly recommends that more attention be given to maintenance possibilities as from the design phase, in terms of finance, import requirements, necessary expertise, and of institutional limitations.

8. Appropriate technology and adjustment of projects and action programmes to local circumstances

In noting that most investments have a high import component and are foreign-firm oriented, thus limiting the benefits for the local economy in terms of local value added, Council therefore recommends that the EDF should take fully into consideration the benefits for the local economy

which would result from increasing the local content and from involving local design and construction companies and the need for adjusting the imported techniques to the environmental and cultural milieu of the ACP countries.

IV. Sectors of intervention

1. Energy

Council recalls the Resolution of the ACP Council of July 1980 calling for the comprehensive collation of data on the energy potential and requirements of the ACP States with a view to providing guidelines for furthering intra-ACP co-operation in this field.

In noting that this work has not yet been done due to a lack of funds, Council welcomes the possibility of the Community financing such studies (preferably at a regional level) in accordance with Article 76 of the Convention.

2. Industrialization

Council underlines the importance of Title V of the Convention and of the common declarations in Annexes X and XI to the Final Act.

Recalling point III.1 of its Resolution of 14 May 1982 on financial and technical co-operation, Council looks forward with great interest to the outcome of the work of the Committee on Industrial Co-operation.

3. Rural development

Council draws attention to the prob-

lems of stock-farming, particularly those relating to deficiencies in price-fixing measures for meat and their effects on animal care and nutrition.

Council, therefore, in referring to point III.2 of its Resolution of 14 May 1982 on financial and technical co-operation, again stresses that prices for agricultural products paid to producers are one of the factors for the success of projects aimed at increasing production capacities and therefore further stresses that it is desirable that the ACP States benefit from all necessary support for the Community.

To ensure the viability of integrated rural development schemes, and to improve their performance under the Convention, Council strongly recommends that:

- the projects must be framed on the basis of a precise evaluation of the resources and constraints at the traditional farm level;
- technical solutions chosen must be simple and consistent; special attention must be given to the problem of maintaining the means of production;
- the project must involve the local population in the work or indeed in the expense, where possible, and must offer a guarantee of benefit to the local population.

4. Training

Taking account of the importance of training in all aspects of development, Council stresses the increasing necessity to offer a wider variety of EDF instruments as a package, and that infrastructure, equipment, technical as-

sistance, recurrent costs, fellowships and training programmes should be offered for financing and should be managed in an integrated way.

For this reason, Council recommends that a great effort be made, supported by institutional and administrative measures within the Community and the recipient ACP Governments, to ensure the explicit inclusion of training projects in EDF investment schemes.

Finally, Council recognizes that the issue of training calls for a real dialogue between the Community and the ACP States in order to evolve a coherent and overall policy which will enable the ACP States to work out criteria for action.

5. Transport projects

In recognizing that the regular and satisfactory maintenance of transport infrastructures must remain a matter of constant concern to both parties, in order to ensure a balance between the building of new infrastructures and the maintenance of existing ones, Council recommends that special efforts be made, if necessary with Community support, to improve the administrative and material capacity of the national maintenance services, in particular by taking measures to provide training and suitable equipment.

6. Water supply and sanitation

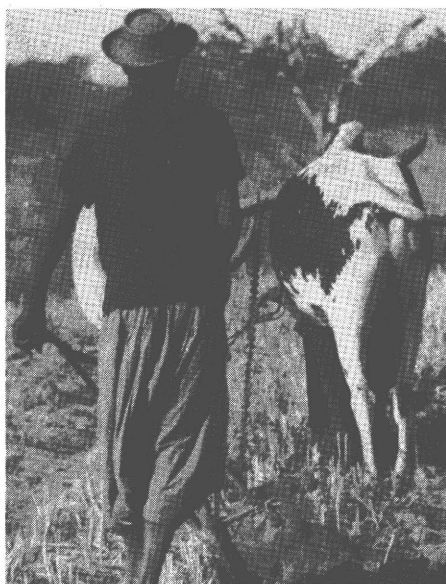
Council notes with satisfaction the considerable improvements in the planning and implementation of water supply and sanitation projects since the basic principles drawn from the assessment work in this sector were adopted, and therefore requests the parties to continue to take the maximum account of the basic principles, which constitute an invaluable guide for action.

7. Education and health

Council refers to point II.4 of its Resolution of 14 May 1982 on financial and technical co-operation, in particular subparagraphs (a) and (c) concerning the choice of projects and the technologies to be applied.

Council therefore requests the parties to ensure that the architectural design of hospital and educational centres is fully adapted to meet local

conditions and that attention be given to the need to match technical installations with the management and maintenance capacities of the staff involved, and in particular, to the social and cultural development of the rural communities.



The technical solutions chosen must be simple and consistent. (Animal traction in Mali)

Council wishes further to draw attention to the need for integrated programmes in order to promote the social and cultural development of the rural communities in accordance with Article 83(2)(e) of the Convention.

8. Technical co-operation

Council recalls its Resolution of 9 May 1980 on financial and technical co-operation and the three broad aspects of quantity, quality and cost, under which technical assistance must be reviewed.

Council mandates the Article 108 Committee to undertake an in-depth review of this important question, taking into consideration the study being carried out by the Commission relating to the evaluation of technical assistance.

9. Trade promotion

Council draws attention to the fact that, despite the wider provisions of the Convention covering the possibility of assistance from the production stage up to the final stage of distribution, many ACP States still limit their trade promotion activities to partici-

pation in trade fairs, though trade fairs clearly represent the final stage in the marketing process.

Council therefore urges ACP States to evolve more innovative methods of trade promotion based on a clearly determined trade policy and also on a competitive production capacity, and urges the Community to support such measures.

V. Future programme of work for the Article 108 Committee

In addition to its normal programme, defined by Article 108 of the Convention, Council mandates the Article 108 Committee to undertake an in-depth review of:

1. Issues of procedure

(a) Programming: reasons for the gap between target and actual commitment, including statistical analysis of projects presented, rejected or modified, in order to ensure improved implementation of Article 110 of the Convention;

(b) Disbursements: analysis of the breakdown of statistical data, with a view to ensuring an improved presentation of these data in the annual Commission report in accordance with Article 119 of the Convention.

2. Sectoral issues

(a) Rural projects: identification of the sociological and cultural difficulties resulting from the implementation of rural projects, and in particular the resettlement and land ownership problems;

(b) Training: development of a coherent and overall training policy, based on an examination of ACP States' development needs;

(c) Technical cooperation: in-depth review of the cost and quality of technical assistance, taking into consideration, among other assessments, the Commission's study on evaluation of such assistance, in order to improve the implementation of the relevant sections of the Convention.

Done at Brussels, 20 May 1983

For the ACP-EEC Council of Ministers

The President
M. Qionibaravi

C. Resolution of 2 May 1984 (*)

The ACP-EEC Council of Ministers,

Having regard to the second ACP-EEC Convention, signed at Lomé on 31 October 1979 (hereinafter referred to as the "Convention"), and in particular Article 108(6) and Article 119 thereof,

Having regard to the Report and the Draft Resolution submitted by the Article 108 Committee,

Conscious of the necessity of putting into practice the set of resolutions on financial and technical co-operation adopted by the ACP-EEC Council of Ministers at Libreville on 14 May 1982 and at Brussels on 20 May 1983,

Hereby adopts the following resolution:

I. Principles

1. Co-financing

Council, being informed of the encouraging results which have been obtained regarding co-financing of Community funds with funds external to the Community, recommends the pursuit and enlargement of these efforts in renewing its preference for joint financings, which simplify the administration of aid, without excluding parallel financings when these are the only possibility.

It recommends accordingly the following measures:

a) rationalization and harmonization of the procedures of donors (works contracts, choice of currencies, competition procedures, guarantees, preference margins for ACP enterprises) and ensuring greater flexibility in the rules of these procedures, with the purpose of alleviating the administrative burden on recipient countries;

b) at the request of the recipient ACP State, a commitment by the Community to provide to donors who so request, through the Commission Delegate in the field, technical and administrative support allowing better coordination of, as well as better monitoring of, the implementation of projects;

c) a larger role for the Commission and the European Investment Bank as catalysts by means of techniques which, like those used by the World Bank and the regional development banks, permit the association in co-financing of private sector funds in order to attract them to the ACP countries on a significant scale.

2. Micro-projects

Council, having taken note of the improvements made by the Commission, in application of Article 114(1) of the Convention, to the implementation of micro-projects, multi-annual training programmes and sets of technical co-operation and trade promotion actions, by making financing decisions for global amounts, which permits, then, the decentralization of decisions on the individual actions, recommends the pursuit, in the same spirit, of the application of Article 114(2).

It recommends accordingly that accelerated procedures be introduced for financing sets of projects and action programmes, of which the nature and structure is sufficiently defined at the moment when the global financing decision is taken, to allow the decision on individual actions of a limited size (for example, wells, nurseries, maternity clinics, dispensaries, schools, etc.) and their location to be taken at the most decentralized levels.

In any case, Article 122(5) of the Convention is also applicable to the implementation of this kind of projects up to the limit of ECU 3.5 m.

3. Regional co-operation

Council, in order to improve regional co-operation, because it reflects the solidarity of the ACP States as well as the economic co-operation and development within and between the regions of those States, recommends that the greatest efforts be made to ensure:

a) a precise definition of the content of regional projects in order to expedite their submission and their implementation;

b) a greater precision in the criteria which define the regional character of a project;

c) periodic evaluation of the impact of the projects previously financed by the regional fund;

d) speeding up and simplifying implementation of regional co-operation, on the basis of detailed examination of difficulties and delays in preparation and execution;

e) acceleration of regional co-operation by an increase of complementary support by the Community for regional organizations.

4. Programme aid and maintenance

Council, being informed of the guidelines adopted by the Council of the European Communities on 3 December 1982 better to define the objectives, types, general character and implementation for maintenance aid, considers that these guidelines are partially in line with the provisions of the Libreville and Brussels Resolutions in that regard. It notes that they constitute a step in the right direction and instructs the Article 108 Committee to keep the situation under review since maintenance aid is only a part of programme aid.

II. Procedures

1. Financing of overruns

Council, having taken account of the results obtained by the Commission, in 1982 and 1983, in launching calls for tenders for execution of projects before the taking of financing decisions, notes that this practice has the double advantage of, on the one hand, accelerating the execution, and, on the other hand, obtaining a better knowledge of costs and so a reduction in the risk of overruns. It recommends therefore that greater use of this procedure be made.

2. Payment procedures

Council, taking account of the measures introduced by the Commission in order to simplify administrative procedures concerning payment, in conformity with the Libreville Resolution (increase in the advances at signature for supply contracts, direct payment to contractors under special

(*) Document ACP-EEC 2201/84.

loans, a single multicopy payment order form, and reduction in the number of control visas on financial operations), appreciates these simplifications that permit an acceleration of procedures and a decentralization of controls to the Delegations in the field.

It recommends that the general clauses and conditions of contracts include the appropriate legal and financial provisions to ensure a better protection for users of supplies financed by the EDF against risks of latent or patent defects during or outside the guarantee period.

It notes finally that the search for practical ways of simplifying and speeding up administrative procedures should be continued, and proceedings in this connection should never be regarded as finished.

III. Sectoral themes

1. Agriculture, rural projects and food strategies

Council, having noted the efforts applied by the Commission concerning some ACP countries to set up and apply strategies having the purpose of food self-sufficiency for these countries, formulates the following recommendations in order to give value to these schemes:

- a) a commitment to increase substantially financial support and more efficient use of it, within the available instruments;
- b) a more coherent combination of the available instruments, especially as regards food aid and counterpart funds deriving from it;
- c) a better co-ordination on the spot, by the beneficiary country, of various external aids in order to maximize their mobilization;
- d) stepped-up investment in order to take advantage of improved incentives for food production and to realize export potentials;
- e) increased aid and more efficient use of it, within the available instruments, to permit governments to improve the return on existing facilities and potentials through increased maintenance, agricultural inputs and other recurrent expenditures, while at the same time stepping up investment levels to lay the basis for sustained and higher growth;

f) a better management of food aid, and its integration with well-formulated national food strategies, so as to allow it to play an important role in development programmes, without neglecting its interest in emergency situations;

g) a support from the Community in the form of technical assistance for the preparation of food strategies;

h) the importance of improvement in rural housing and provision of water and electricity supplies, in order to improve the quality of life in the country areas;

i) an encouragement for the co-operative organization of farmers;

j) consideration of a system of crop insurance against damage from natural disasters.

Council notes that the Community, having received the request by the ACP States relating to available agricultural products, has stated that it



The ACP-EEC Council noted the efforts to set up and apply food strategies. (Irrigation scheme in Zambia)

will examine its different implications.

2. Energy

Council, in line with the provisions of its Brussels Resolution concerning Community financing of inventories of the energy needs and resources of the ACP States, takes note with interest of the terms of reference which the Commission uses in the studies which it conducts to make such inventories.

It notes the fact that some funds have been allocated to finance these inventories not only under the EDF, but also on the budget of the Commission. It instructs the Article 108 Committee to continue to review the situation concerning this important subject.

3. Human Resources

Council, conscious of the principle that the development of human resources constitutes the prerequisite of all economic and social development, recommends:

a) Education and training: to concentrate the Community's efforts to aid the ACP States to train their manpower in all areas (high and middle technical levels, industry, agriculture, marketing, distribution, maintenance, exploration of natural resources, mining evaluation and extraction, transport and communications, food production, etc.) and, in general, make sure that the projects and programmes financed by the EDF take due consideration of the socio-cultural environment of the beneficiary countries.

b) Women's role in development: to ensure women equal access to education and, especially in rural areas, give them access to the widest facilities

(agricultural and food production, appropriate technology, cottage and small-scale industry, marketing, credit facilities, non-conventional energy, water supply, sanitation facilities, health care, education and training programmes, etc.).

c) Cultural aspects of development: to integrate the cultural factors in development and co-operation plans, with a view to assuring an authentic development, taking account of the socio-cultural environment of the ACP countries.

4. Health and Social Services

Council, conscious that the provision at affordable prices of essential elements such as drinking water, health and education constitutes a vi-

tal component of the strategy against poverty, recommends:

(a) an increase in Community aid within all the available instruments seeking to satisfy the basic needs of populations, especially in rural areas, using technologies that will permit the extension of the distribution of health services and related facilities at the lowest unit cost;

(b) an adjustment of the budgetary credits allocated in the ACP States to health services such as to cover their recurrent costs, taking account of serious appraisal of the needs and without neglecting long-term planning linking the health system with productive sectors.

5. Transport and Communications

Council, having noted the priority for development of the economic and social infrastructure, considering this one of the preconditions of development of the ACP States, considers that the strategy in this sector should relate as much to road transport as to ports and maritime transport, to air, rail, river and lacustrine transport, and to telecommunications, postal services, radio and television.

It recommends that the implementation of these infrastructures take account of:

- (a) the importance of recurrent costs;
- (b) the need for maintenance;
- (c) training;
- (d) a better co-ordination of the competing means of transport, public and private;
- (e) the elimination of non-technical barriers;
- (f) regional co-operation and the choice of corridors for landlocked countries;
- (g) access to communications technologies.

6. Environment and Development

Council, conscious of the importance of the inclusion of environment aspects in all development activities, recommends:

- (a) that the Community, at the request of the ACP, take into account these aspects in the preparation and implementation of development projects;
- (b) that, as a priority, the Community, at the request of the ACP, give signif-



Women must be ensured equal access to education. (Secondary school children in Barbados)

icant financial and technical support to the struggle against the drought which has afflicted the countries suffering from desertification, and in particular support for regional desertification control schemes;

(c) that an integrated environment/development strategy comprise such elements as: protection of the environment against pollutants of the air, sea, soil and foods; conservation of natural resources to combat deforestation, desertification, salinization of arid lands; environmental legislation to improve the quality of life; education in all schools as a means of instilling in young people the importance of harmonizing development efforts with environmental factors.

IV. Outstanding issues

Council notes that among the problems which it instructed the Article 108 Committee to examine, some have not been able to be dealt with; the Committee must therefore continue its work concerning these subjects:

(a) **Programming:** reasons for the gap between target and actual commitment, including statistical analysis of projects presented, rejected or modified, in order to ensure improved implementation of Article 110 of the Convention;

(b) **Disbursements:** analysis of the breakdown of statistical data, with a view to ensuring an improved presentation of these data in the annual

Commission report in accordance with Article 119 of the Convention;

(c) **Technical co-operation:** in-depth review of the cost and quality of technical assistance, taking into consideration among other assessments the Commission's study on evaluation of such assistance, in order to improve the implementation of the relevant sections of the Convention;

(d) **Least-developed, landlocked and island countries:** review of implementation of specific provisions of the Convention, and of real impact of measures already taken; proposals relating to further implementation of those specific provisions;

(e) **Concrete cases of typical difficulties encountered in the implementation of financial and technical co-operation:** listing and analysis; methods and means to eliminate or mitigate difficulties.

V. Publication of texts

Council recommends that the Resolutions on financial and technical co-operation, adopted at Libreville on 14 May 1982 and at Brussels on 20 May 1983, as well as this Resolution and the Report submitted by the Article 108 Committee, should be speedily published in the "ACP-EEC Courier".

Done at Suva, 2 May 1984

For the ACP-EEC Council of Ministers

The President
H.L. Shearer

Report of Article 108 Committee of 1 May 1984

on implementation of financial and technical co-operation

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PRINCIPLES

Annex I: Co-financing

Introduction

The ACP-EEC Council of Ministers, at its meeting on 20th May 1983, adopted a resolution welcoming the emphasis placed in the Convention on the use of co-financing as a means of mobilizing additional financial flows, particularly for the implementation of large-scale projects. Council further expressed the view that preference be given to joint financing as opposed to parallel financing, whereby the resources of various donors are placed in a single consolidated fund, and it recommended that the various administrative procedures be simplified. In addition, Council noted with appreciation the initiative of the Commission in harmonizing its co-financing procedures with other aid agencies and asked that this be extended as far as possible.

Present position

Co-financing as a subject is covered by Articles 96-100 in the Convention with the Articles in question basically defining the need, forms and procedures for co-financing as well as specifying the role to be played by the Communities, the Commission and the EIB.

While Article 97 expresses no preference for either joint or parallel financing, it is clear that the advantages of the former are considerable in that the performance of works and supply of goods can be considered as a whole, thereby enabling the most competitive bidding and contracting to be undertaken. In addition, the administrative procedures with respect to subsequent implementation are usually much simpler than is the case with parallel financing where the varying requirements of the different funding organizations can be very demanding and even contradictory. However, it must be noted that some funding organizations are precluded by their statutes from entering into joint financing.

Reference to procedure is contained in Article 98 which specifies the need to coordinate and harmonize the operations of the Community and to allow

these procedures to be made more flexible. This requirement is of particular relevance to the young, emerging administrative systems of many ACP States and relates to a sound desire to alleviate, as far as is possible, the burden of administration for these States.

Several specific difficulties have been encountered, namely:

(i) the requirement by both the World Bank and the Arab Funds for a "bid bond" which was not provided for within EDF regulations. This has since been allowed for;

(ii) the fact that the World Bank and Arab Funds requirements for a performance bond is not entirely consistent with that of the Commission. However, a compromise has been agreed;

(iii) the considerable divergence between the World Bank and the Arab Funds on the one hand, and the Community on the other, in respect of rules of eligibility for the supply of goods. While in the case of the Community, normally only Member States and the ACP states are eligible, the participation of third countries, as provided for by Article 125 (6) has been made possible for World Bank and Arab Funds financing.

In relation to administrative support by the Community of other co-financing bodies, this is provided for by way of Article 99. The Commission also contends that it has developed a relatively decentralized administration with some 250 professional staff between the 45 delegations in ACP States who are geared to providing advice and assistance to co-financers on all aspects of the project cycle, from appraisal to evaluation of tenders to settlement of disputes.

Article 100 further states the coordinating role which may be played by either the EIB or the Commission in respect of projects partly financed by these bodies and many examples of this cooperation exist.

Conclusion

The present Convention contains some provisions designed to permit and encourage the use of non-Community funds alongside Community

funds in ACP countries. These are: (i) co-financing is permitted; it increases the amount or softens the terms of financial flows to the ACPs and helps them to simplify the administration of aid, especially for large or regional projects (articles 96 and 98); (ii) co-financing can involve a single loan agreement with several lenders (joint financing) or several loans from different lenders to the same project (parallel financing) (Article 97); (iii) The Community can give other financing agencies administrative help, or take the lead in organizing or coordinating several lenders participating with the Community in a particular project (Articles 99 and 100).

Under the first Lomé Convention 50 projects were co-financed from EDF funds with an estimated total value of ECU 3 477 million, of which the Community and its Member States contributed some 31%. Under Lomé II, by the end of 1983 56 projects were co-financed from EDF funds, of which 35 were new projects not co-financed under Lomé I, with a further estimated value of ECU 1 980 m. A further 55 projects are still being explored. In addition, out of its own resources, the European Investment Bank co-finances virtually all of its projects since it is supposed to lend only where there are other sources of funds.

The softening of the terms of the financial package is one of the advantages of Community participation in co-financed operations. Such Community intervention in the terms of the financing is often a decisive element for those other organizations which, by virtue of their statutes or regulations, can only provide money on the hard financial terms of the traditional financial markets. Through its own-resources loans and through the risk capital funds managed by the EIB the Community has encouraged co-financing with the private sector.

Nevertheless, the main weakness of the Community's co-financing system is that, while there are individual cases of co-financing between the EIB and, amongst others, private sector lenders, no systematic effort has been made to encourage co-financing with the private sector, and the existing provi-



A typical example of co-financing: the Masinga dam over the Tana river, in Kenya, jointly funded by the Federal Republic of Germany, the United Kingdom, Kenya, the EDF and the EIB

sions in the Convention contain no incentives for private sector lenders.

There is therefore significant scope for bringing more EEC private sector funds. Techniques for encouraging this kind of association have been developed by several other international development institutions, notably the World Bank and the Regional Development Banks. They could be adapted relatively simply to the ACP-EEC relationship.

The other outstanding practical problems currently facing co-financing possibilities relate to:

- a. the choice of projects to be co-financed;
- b. the arrangements for carrying them out;
- c. harmonizing works contracts;
- d. agreeing on the currency to be used;
- e. the margin of preference to be granted to ACP national firms, etc.;
- f. the need for better co-ordination of aid to the ACP countries;
- g. greater flexibility in the rules: procedures of each provider of funds, which should ease the administrative burden on the recipient countries;
- h. via its Delegates, the EEC can give administrative and technical support to other providers of funds in monitoring project implementation;
- i. stressing to each cofinancer to show greater flexibility in the implementation of its normal procedures e.g. by throwing invitations to tender open to third countries;

k. the Commission playing an even more catalytic role if the borrowing and investment protection capacity of the Community could be effectively directed toward the greater promotion of private borrowing and investment in ACP States.

Annex II: Micro-projects and implementation of Article 114 of the Convention

Introduction

The Article 108 Committee proposed a draft resolution to the ACP-EEC Council of Ministers on 14 May 1982 in Libreville, Gabon, which included reference to the implementation of micro-project programmes. The resolution which was subsequently adopted by Council noted the satisfying results which had been recorded, with particular reference to encouraging initiatives and self-help capabilities on the part of the local populations in question. In addition, the resolution specifically asked that the improved and simplified procedures developed as a result of experience gained in the implementation of micro-projects programmes be applied in other fields (ACP-EEC 2202/1/82, point II.3, p. 5).

The corresponding resolution at the 1983 ACP-EEC Council of Ministers reiterates the great importance which

both parties attach to micro-projects and, in particular, notes with satisfaction the increased powers of decision provided to the Commission Delegate with respect to approvals (ACP-EEC 2161/2/83, point II.4, p. 4).

The purpose of this note is to summarize the new improved procedures for micro-projects. In view of their effectiveness, it is recommended that these procedures should be extended and made applicable to other projects in the light of the scope of Article 114 (2) of the Convention.

Improved procedures

One of the main conclusions of an assessment of the procedures for financing micro-projects was that an excessive delay tends to occur between the time when the authorities concerned make known their needs, to the financing decision in question being taken. In line with this conclusion, two major reforms have been made to the procedure:

(a) Approval by global amounts

The procedure in force at the time of assessment provided for approval by the Commission, after the European Development Fund Committee had given its opinion, of each annual programme for each ACP State. The new procedure, known as the accelerated procedure (1), considerably simplifies and decentralizes the decision-making process: after the EDF Committee has given its opinion, a global financing proposal, whereby a certain amount would be allocated to the financing of micro-projects, is submitted to the Commission. Each annual programme is then initiated on the basis of a proposal for the allocation of the appropriations which is in turn approved by the Director-General, principal authorizing officer of the EDF. In other words, initiation takes place within the Commission alone.

(b) Approval by indicative programmes

The procedure in force at the time of the assessment also stipulates that each micro-project should be explained in detail and backed up by arguments and statistics and that all

(1) Procedure based on Article 114 (1) of the Convention.



“One of the main conclusions of an assessment of the procedures for financing micro-projects was that an excessive delay tends to occur between the time when the authorities concerned make known their needs, to the financing decision in question being taken”

the micro-projects thus defined should then be included in an annual programme which was submitted to the Commission to become the subject of a financing agreement. Only once that procedure had been concluded, sometimes years after a given micro-project had been defined, could the decisions on financing and the implementation at last be taken. Needless to say, under such circumstances, the enthusiasm of the population has often become dampened, the initial estimate no longer corresponds to the reality, etc. In view of this situation, it was decided to review the procedure in question. It was stipulated that a financing commitment could henceforth be entered into by the Commission and formalized by the signing of a financing agreement on the basis not of a detailed list of micro-projects, but of an indicative programme, perhaps even embracing several years and covering the sectors involved without at this stage referring to individual projects. Such programmes could, for example, cover rural water supplies, storage infrastructure, investment in agricultural production and in craft industries, processing plants, etc. Once the financing agreement has been signed by the two parties, the ACP State will take the relevant individual financing decisions by agreement with the Delegate as the local authorities put forward their ideas and projects are outlined in consequence.

Judicious timing of the two improvements described in points (a) and (b) above will therefore mean that in practically every case a decision can be taken on a given micro-project as soon as it has been submitted to the Administration, since both the global commitments guaranteeing the availability of the necessary funds to finance the project (EEC share) and the financing agreement providing for financing will already be in force.

Conclusion

Article 114 deals with two categories of cases where accelerated procedures can be used:

- (i) those schemes and programmes listed under Article 114 (1) (a), (b) and (c);
- (ii) those projects and programmes other than those in Article 114 (1), provided that only a “limited amount” is involved.

The “limited amount” as specified in Article 114 (2) is not defined. This lack of precision has created problems in the application of the provision.

The Technical Working Party has made attempts to define these terms, inter alia by reference to other applicable provisions without however reaching an agreement. It will continue its work in this matter.

Nevertheless, in the spirit of Article 114 (2), it is necessary to introduce ac-

celerated procedures similar to those already implemented under paragraph 1 to finance sets of projects and action programmes, the nature and structures of which are sufficiently defined at the time the overall decision is taken to allow the decision on individual projects of a limited size (e.g. wells, nurseries, dispensaries, maternity clinics, schools, etc.) and their location to be taken at the most decentralized levels.

In any case, Article 122 (5) is also applicable to the implementation of this kind of project up to the limit of ECU 3.5 m.

Annex III: Regional cooperation

In the Lomé Convention, regional cooperation reflects the solidarity among the ACP States as a whole and economic cooperation and development within and between the regions of the ACP States.

It is in this context that it is important to look at the evolution of the implementation of Lomé II regional cooperation in order to (a) appreciate its positive aspects; (b) identify the difficulties encountered; and (c) draw conclusions and recommendations for the future.

(a) Concerning the positive aspects of implementation, it should be noted that a more rapid and a more balanced breakdown of regional allocations was made than in the past between the different ACP regions, as well as a better sectoral diversification of projects financed, or to be financed.

The breakdown of regional allocations between sub-regions is as follows:

Sub-region	Allocation in m ECU
West Africa	120 - 160
Central Africa	50 - 60
East Africa	115 - 140
Southern Africa	60 - 70
Indian Ocean	15 - 20
Caribbean	45.6 - 55.6
Pacific	20.9 - 25.9
	426.5 - 531.5

A balance of ECU 100 m is reserved for the financing of global actions such

as regional trade promotion, the contribution to the budget of CID, and the Technical Centre for Agricultural and Rural Co-operation, and for ACP Secretariat experts.

As at end-September 1983, the split between projects approved and those identified was as follows:

Sub-region	A Financing (m ECU)	B Projects identified (m ECU)
West Africa	62.234	47.247
Central Africa	27.473	15.500
East Africa	32.182	17.000
Southern Africa	26.014	8.000
Indian Ocean	6.150	—
Caribbean	17.590	12.295
Pacific	10.374	6.200
All ACP	42.950	(57.050)
Total	224.967	

(b) The principal problems encountered in implementing regional cooperation are those linked to difficulties of identification and preparation of a certain number of regional projects, and perhaps to the absence or insufficiency of institutional channels or to a lack of coordination.

The process of identification of projects has in fact appeared particularly slow for a certain number of regional projects due in particular to their complexity, the necessity to have recourse to co-financing and the difficulty of appreciating their truly regional character.

It is important in this context to avoid freezing credits which for the above reasons appear not to be "financable" within a reasonable period as compared to the period of the Convention. In fact this means favouring the projects which the ACP States themselves consider as a priority and which are sufficiently well-identified to enable a financing decision to be taken within a reasonable time.

The Community has financed within the framework of Lomé II a series of technical assistance actions for existing regional organizations such as CARICOM, SPEC, CEO, SADCC and CEPGL in order to encourage cooperation between ACP States.

(c) Analysis of the progress of regional cooperation leads to a certain number



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"Some of the difficulties and delays in the implementation of regional cooperation could be drastically reduced by reinforced complementary support from the Community to regional organizations". (The Caribbean Aviation Training Institute-CATI-project).

of conclusions and guidelines which could improve the implementation of regional cooperation. In this regard the following recommendations could be taken into account:

- better coordination should avoid the presentation of too many projects as compared to the funds available, and the risk of "freezing" credits for projects which are too hypothetical to be financed within a reasonable period;
- the existing Convention lays down the field of application and the objectives of regional cooperation but does not sufficiently specify the criteria which define the "regional" character of a project;
- there should be an evaluation of the impact of projects already financed from the regional fund;
- the difficulties and delays in preparation and execution of regional cooperation need to be examined in further detail, with a view to finding solutions for speeding up and simplifying its implementation;
- some of the difficulties and delays in the implementation of regional cooperation could be drastically reduced by reinforced complementary support from the Community to regional organizations.

Annex IV: Programme aid

Introduction

In its Libreville Resolution on financial and technical co-operation of

14 May 1982, the ACP-EEC Council of Ministers noted that:

"— the Community has initiated an in-depth study of the respective advantages of project or programme assistance and will inform the ACP States in due course of the outcome of its study;

— this study will not delay or prevent the adoption of financing decisions regarding requests already submitted;

— the ACP States request that the Community should orient part of its aid towards programmes and especially where the needs and priorities of the ACP States require this."

(ACP-EEC 2202/1/82, point V.14)

One year later, in the Brussels Resolution on financial and technical cooperation of 18 May 1983, Council strongly recommended:

"Recognizing that many ACP States have difficulties in undertaking immediately the financial responsibility for project operation and maintenance, ... that more attention be given to questions associated with maintenance as from the design phase, in terms of finance, import requirements, necessary expertise, and of institutional limitations."

(ACP-EEC 2161/2/83 annex, point III.7).

EEC Council conclusions on maintenance assistance

On 3 December 1982, the Council of the European Communities gave its agreement to the following text:

Introduction

Following the worsening of the economic and financial situation in a large number of developing countries and in particular in the poorest countries, the Community is receiving an increasing number of requests for maintenance assistance.

In these circumstances it would seem advisable to lay down guidelines for allocating maintenance assistance.

These guidelines apply insofar as the existing legal bases allow for maintenance assistance.

This text does not cover aid to consumption since this is covered at Community level by the existing provisions on food aid and emergency aid.

Objectives

Ensuring the operation of the productive capacities of a certain sector of the economy of a developing country.

Reason: the operation of the production system has, in certain situations, priority over investing in a new project or programme.

The terms "productive capacities", "production system" and "production sectors" should be understood in a broad sense.

Types

— aid for the continuation of previously initiated action,

— aid towards the operation of production sectors,

in the form of the supply of financing of inputs into the production system, e.g. raw materials, spare parts, fertiliz-



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Priority to be given to keeping in operation the existing production system. (The Sanoya textile complex in Guinea, rehabilitated with EEC aid).

ers, insecticides, inputs for improving health and education services, but excluding budgetary assistance.

General characteristics

— at the request of a developing country, taking into account the development priorities of that country and in accordance with Community development policy;

— intended to deal with a serious situation, particularly in low-income countries, involving an exceptional and increasing shortage of foreign exchange and/or local resources which rules out adequate maintenance of productive capacities, thus threatening vital economic functions and econom-

ic and social development achievements.

Implementation of aid

— where a serious situation as referred to above is of a structural nature, assistance will be linked to measures designed to solve the underlying problems, so that the need for it disappears after a certain time; these measures will be in the form of, primarily sectoral, investment projects or programmes and/or, economic policy measures adopted by the recipient country;

— aid will be subject to a time-limit; without prejudice to the legal texts which apply, it will be degressive; where appropriate it will be phased and subject to annual review;

— within the framework of cooperation between the Community and the recipient country and in order to avoid duplication, all relevant factors—including any assistance from bilateral and multilateral donors and from international financial institutions—are to be taken into account;

— aid will be implemented under the same conditions as investment aid;

— any counterpart funds will be used, with the Community's agreement, for projects or programmes;

— all the objectives and components of the aid, including the use of counterpart funds, are to be defined in detail."

Conclusion

The Technical Working Party suggests that the Article 108 Committee (Ministers) should take stock of the present situation in the light of the relevant guidelines of the Libreville and Brussels Resolutions.

PROCEDURES

Annex V: Financing of overruns

Introduction

The ACP-EEC Council of Ministers in its resolution of 14 May 1982 at Libreville resolved that:

"The Council takes note that the Community, which increasingly issues

invitations to tender prior to the financing decision, considers that the suggestion by the ACP States to issue invitations to tender prior to the financing decision would provide a better estimate of the foreseeable cost of projects and therefore limit the risks of overruns."

(ACP-EEC 2202/1/82, point V.8, p. 13).

Progress Report on the implementation of the Resolution

The statistics below offer a comparison between the amount and number of invitations to tender issued prior to the financing decisions, and the amount and number of invitations to tender issued after the financing decisions.

International invitations to tender financed by the EDF and issued during 1982

Sums involved in international tenders issued

(estimated)	ECU	%
Before financing decisions	201 044 000	47.8
After financing decisions	219 341 000	52.2
Total	420 385 000	100

Number of international tenders issued

	Number of tenders	%
Before financing decision	22	18.5
After financing decision	97	81.5
Total	119	100

These figures concern both works and supply contracts. They are confirmed by the statistics relating to the year 1983 (47.2% in amount and 27% in number of tenders issued before financing decisions).

During the calendar year 1982, under Lomé I and II, financing decisions for a total of ECU 1 095 580 000 were made of which ECU 872 745 000 can be considered as aid capable of leading to tender offers and contracts. The balance of ECU 222 835 000 represented Stabex, risk capital and interest rate subsidies.

Half by volume but only one fifth by number of international calls for tender in 1982 (more than a quarter in number in 1983) occurred before the corresponding financing decision. Tenders issued before decisions were on average for larger amounts than those issued after decisions.

The 22 tenders issued before decision fall into three broad technical types:

- works contracts for roads, a bridge and a water system;
- SYSMIN contracts; and
- heavy electrical equipment installation contracts.

Conclusion

To reduce further the incidence of cost-overruns with a view to eliminat-

ing such incidence completely, greater use should be made of the practice of issuing invitations to tender before financing decisions are taken.

Annex VI: Payment procedures

Introduction

The ACP-EEC Council of Ministers in its resolution of 14 May 1982 at Libreville, took note of the fact that: "... the Commission is currently organizing a procedure whereby at the request of any ACP State which so desires, the system of direct payments by the Commission would be applied to special loans as already applied in the case of grants or subsidies" (ACP-EEC 2202/1/82, point V.9)

The purpose of this note is to summarize the new procedures and the comments of the Article 108 Technical Working Party.

New measures

In the course of 1982 and 1983, the Commission introduced four new measures designed to expedite payments. These are:

- (a) 60% advance payments under supply contracts,
- (b) direct disbursement to contractors under EDF special loans,
- (c) a single multicopy payment order form,

(d) reduction of the number of the control visas on payment orders and the granting of wider powers to Delegations in this respect.

(a) 60% advances to suppliers

Until 1982, companies holding supply contracts subject to the EDF General Conditions of Contract were able to receive an advance of only 30% of the contract value at the time of signature of the contract, followed later by a further 30% advance on proof of shipment of the goods, both advances to be secured by an advance payment bank guarantee securing payment, the guarantee to be released on provisional acceptance of the goods.

In 1982, the first advance payment was increased to 60% by incorporating the second 30% (on shipment) into the first payment. Hence the relevant Article 20.1 of the "General Conditions for supply contracts financed by the European Economic Community. European Development Fund. Part B. Invitation to Tender 1982" now reads as follows:

"20.1 60% of the contract price, at the time the contract is placed, on provision of a guarantee securing repayment of the full amount of the payment instalment. The guarantee will be released on provisional acceptance, against presentation of any document proving acceptance."



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"In 1982, the first advance payment to suppliers was increased from 30% to 60% of the contract value...". (Equipment supplied to the Nchanga copper mines in Zambia)

(b) Direct disbursement under special loans to contractors

Until May 1983, the Commission, like the European Investment Bank, disbursed only to the borrowers, who were then responsible to pay contractors.

In practice, this two-step payment mechanism appeared to give rise to delays resulting from deficiencies in administration, postal delays, and also from delays by the monetary authorities in making available to the national authorizing officer or to the borrowing organization the foreign currencies disbursed by the Commission. Often all three of these difficulties were combined.

Given these circumstances, the Commission decided to offer to borrowers the possibility of using for special loans the same payment procedures as are available for projects financed by grant. This means the Commission paying directly, on instruction from the borrower, to the beneficiaries of contracts, either by the debit of the Commission account with the local paying agent for payments to be made in the local currency of the borrowing State, or through Brussels, for payments to be made in other currencies, subject to two conditions:

1. this procedure does not assume an automatic or mandatory nature, but remains optional.
2. it is always necessary to obtain prior authorization—specific or generalized—of the authority responsible for the management of the external debt of the ACP borrower.

By a circular note dated 19 May

1983, Commission Delegates were requested to inform ACP States of the possibilities offered by virtue of this note, which relates equally to loan contracts already in course of execution as well as for future loans.

(c) New multicopy payment order forms for DG VIII

The volume of payments administered by DG VIII has burgeoned under Lomé I and II. During the calendar year 1975, approximately ECU 208 m was disbursed, requiring some 2 500 payment transactions. During the calendar year 1982, approximately ECU 693 m was disbursed, requiring some 12 000 payment transactions. This represents a 233% increase in money terms, and a 380% increase in the number of transactions. Hence DG VIII has been obliged to institute certain managerial improvements to accommodate these substantial increases in its workload. Thus, for example, the EDF accounts were computerized after 1975.

In 1983, DG VIII introduced a new multicopy payment order form for use in its Brussels departments. This document will combine the EDF authorizing officer's document, the accountant's instruction to the Bank Paying Agent, copies to the Financial Controller, Commission Delegates, and the computer accounts entries all into one multicopy NCR paper manifold.

(d) Decentralization to Delegations of certain control visas

Following the reorganization of DG VIII's structure, a reappraisal of pay-

ment visa circuits was made and an opportunity to simplify them, and to decentralize certain visas to Delegations, was identified.

The new procedure will now mean that, except in special cases, visas certifying the practical technical content of each payment will be made by Commission Delegates in the ACP, and no longer by officials within DG VIII in Brussels.

Conclusions

The Technical Working Party assessed the four new measures set out under point 2 which the Commission had taken to speed up disbursement procedures, and noted that these measures would result in speedier clearance of payments to contractors and suppliers, lighter routine administrative work without detracting from the speed and ease of control, and would decentralize controls allowing them to be carried out by Delegations in the field.

It also considered that:

- (a) the general clauses and conditions for contracts should be drawn up in such a way as to provide for legal and financial measures which afford better protection to users of supplies financed by the EDF against risks of latent or patent defects of such supplies during and outside the guarantee period;
- (b) the search for practical ways of simplifying and speeding up administrative procedures should be continued, and proceedings in this connection should never be regarded as finished.

SECTORS**Annex VII: Agriculture, rural projects and food strategies****Introduction**

The heavy reliance of many ACP States for their economic and social development on the progress of their food and agriculture sector is evident from the fact that it contributes more than half of their national product, employs over 80% of their total population, and accounts for two-thirds of

their export earnings. But growth in agricultural production over the last two decades has trailed behind population growth while food imports have increased substantially. This claims an increasing share of their severely limited export earnings and steadily diminishes their capacity to import capital goods for development.

Administrative, structural and institutional impediments to food production and development, inefficiencies of marketing systems, inadequate investment resources owing to an unfavourable share of international trade and the increasing debt burden have all aggravated problems of development.

Food strategy as conceived by the World Food Council consists of an integrated policy orientation to food production, distribution and consumption, involving the broad economic and social policies which affect the wider distribution of income and peoples' access to food. The fundamental issue that emerges is the balance between the need to increase

food prices to encourage production while simultaneously protecting vulnerable groups against nutritional consequences of higher food prices.

Progress report

The Community position concerning food strategy schemes in the first generation food strategy countries shows that, in the majority of the countries concerned, emphasis is being placed on the production and distribution aspect of agricultural policy. There are other important issues relating to income distribution and access to food.

Among the issues pertinent to food strategy,

- there are several countries which for a number of reasons cannot expect to achieve food self-sufficiency. Sections of the population of these countries are to be protected from the nutritional consequences of high food prices for domestic food. The Community, having received the request by the ACP States relating to available agricultural products, has stated that it will study its different implications;
- the Community should also be ready to help implementing detailed income-generating measures which will enable the weaker sections of the population to increase their incomes outside the production of food. The trans-

fer of low cost technology and the training that should go with it are matters that have to be dealt with;

- for some countries where food production to satisfy the domestic market is not feasible in the short term, there is need for those countries to increase production of goods other than food crops for export. So there is need of a policy which allows and promotes the sale of these products in the Community market and other external markets;

- the success of food strategy will depend to a large extent on the assistance of development assistance agencies. There is need for greater integration of technical, financial and food aid and greater flexibility and exchangeability in the deployment of various types of aid.

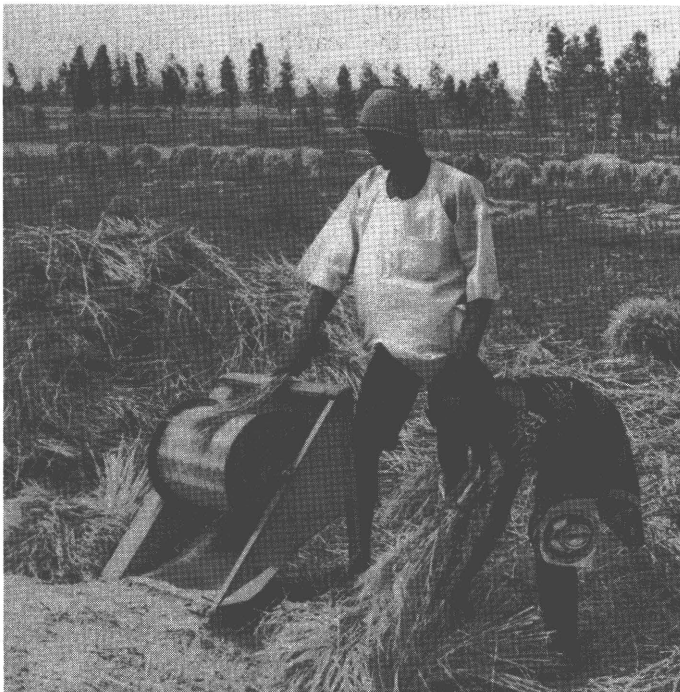
After discussions with the authorities of the various countries the Community decided to support food strategy programmes in Mali, Kenya, Rwanda and Zambia. Except for Rwanda where there is population pressure on the land and hence the need to concentrate on production of food, the emphasis in the selected countries is on marketing and price policies. Other countries have indicated a willingness to adopt and implement a food strategy. Their requests are being or will have to be examined in due time. The Communi-

ty should be ready to help those countries which lack the administrative and technical skills to define and develop their own food strategy.

The Community has already started a number of such experimental schemes to support food strategies in four countries (Mali, Kenya, Rwanda and Zambia).

The Community held the opinion that to “get prices right” would be an important element in solving many agricultural problems. Price incentives to farmers would be the key to solving the problems of agricultural output and hunger in the ACP countries. Without denying that a better price policy is indeed a necessary condition for improved food production and alleviation of hunger, it becomes more and more clear now that it is by no means the sole condition.

In order to increase food production, more price increases will not suffice, as stated by the Community. First there is a need for an optimal balancing of prices between the various products the farmers produce. Often it is not so much the absolute price of a crop which matters, as an incentive to produce, but it is the relative price of that crop compared with other crops. Second, there is a need for a greatly improved availability of inputs such as fertilizers, insecticides, water and



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“The Community held the opinion that to “get prices right” would be an important element in solving many agricultural problems.” (Left, a rice-growing project at Koutukalé, Niger; right, a cattle ranch at Batoka, Zambia)

know-how. Third, there is a need for greatly improved research and applied research on a decentralized level to significantly improve yields.

Throughout recent history, research has played a crucial role in increasing yields dramatically. This certainly is a sector where government intervention is strongly needed and which cannot be solved by the market alone. Also this inevitably has to be done on a country-by-country basis or even by more decentralized geographical entities, since different natural conditions require quite different varieties and cultivation methods. Of course, instruments to spread the results of research could be made available as well. Fourthly, in order to alleviate hunger, increased food production may not even be the crucial variable, but the creation of a minimum purchasing power for those unable to buy food, through the creation of income generating activities.

Food strategy should be understood to be part of the overall agricultural development policy, and thus one of its main thrusts should be towards pursuing broad-based rural development. Apart from problems linked to the general economic environment of the producers, participating countries will be concerned with a range of issues over the short, medium and long term.

The short-term concerns, which should be the starting point, should include improvement of physical infrastructure and rehabilitation of existing production capacity, improvement of capacity utilization, and timely input supply to farmers.

Reorganization and strengthening of extension and training will be carried through the short- and medium-terms. Attention should be paid in the medium term to broadening the level of operation of the rural credit system.

In the long term, a major concern of food strategy should be the expansion of the irrigation system, promotion of rural/urban balance, strengthening of crop processing facilities and of agro-industrial links and protection of the environment against irreversible damage, such as loss of soil fertility due to overuse or inappropriate cropping and fertilizer use, waste of water resources, excessive use of energy, deforestation, desertification and depletion of game resources.

The Community should recognize the importance of storage facilities, and provision of an adequate supply of consumer goods to further encourage the producer as an essential part of an incentive package. This is becoming a serious problem and will have to be included in any aid programme supporting the sector.

Conclusion

The essence of the Community's support in reversing this trend and thereby improving the situation must be:

- a commitment to substantially increase financial support and make more efficient use of it, within the available instruments;
- a more coherent combination of the available instruments, especially as regards food aid and counterpart funds deriving from it;
- a better coordination of various external aids in order to maximize their mobilization;
- stepped-up investment in order to take advantage of improved incentives for food production and to fulfil export potentials;
- increased aid and more efficient use of it, within the available instruments, could permit governments to improve the return on existing facilities and po-



"The principle is widely accepted that food aid need not be a disincentive to local production, indeed food aid, properly managed and integrated with well-formulated food strategies, has an important role to play in supporting consumption as well as development programmes"

tentials through increased maintenance, agricultural inputs and other recurrent expenditure, while at the same time stepping up investment levels to lay the basis for sustained and higher growth;

— the principle is widely accepted that food aid need not be a disincentive to local production, indeed food aid, properly managed and integrated with well-formulated national food strategies, has an important role to play in supporting consumption as well as development programmes, in addition, of course, to food aid for emergency situations;

— also to assist in arranging or providing technical assistance for the preparation of food strategies;

— also for Community, support for strengthening of research including exploration of alternative energy sources and for the development of national skills in the formulation and implementation of national policies and programmes are vital;

— within the framework of rural development the importance of acceptable and sound farm and rural housing cannot be overemphasized, particularly as a means of providing a level of habitation comparable to that in the urban areas to serve as an incentive to farmers to remain on their land. The need for improved rural water supplies and other services such as electrification, should also be mentioned as being necessary ingredients in the improvement of the quality of life in the country areas;

— every effort should be made to encourage farmers to form their own organizations to assist in input supply, marketing, dialogue and interaction and in the process to provide the same farmers with a better representational voice;

— many ACP States are subjected to frequent and sudden natural disasters such as hurricanes and floods, which can play havoc with agricultural development. Schemes for possible crop insurance, as a means of mitigating the effects of these disasters, should be investigated and supported.

Annex VIII: Energy

Introduction

Point IV.1 "Energy" of the Brussels Resolution (ACP-EEC 2161/2/83) reads as follows:

“Council recalls the Resolution of the ACP Council of July 1980 calling for the comprehensive collation of data on the energy potential and requirements of the ACP States with a view to providing guidelines for furthering intra-ACP co-operation in this field.

In noting that this work has not yet been done due to a lack of funds, Council welcomes the possibility of the Community financing such studies (preferably at a regional level) in accordance with Article 76 of the Convention.”

Progress report

a) Terms of reference for the drawing up of inventories of energy resources and requirements in the ACP States

In its meeting of 25 November 1983, the Technical Working Party took note of the following terms of reference, forwarded by the Commission departments:

“These inventories will be prepared in accordance with the methodology which the Commission has already put at the disposal of the ACP States. They will be drawn up in two parts: collection and processing of energy statistics; diagnosis of the energy situation of the ACP State concerned.

Part I: Collection and processing of energy statistics

The collection of data will cover both commercial and non-commercial sources of energy. It will be conducted in accordance with the definitions and all the methods of preparation incorporated in the abovementioned methodology (classification of forms of energy and of user categories, type of measurement of energy quantities, methods of calculation, ...).

This collection of data will cover:

- energy resources and reserves, with the inventory indicating inter alia the alternatives as regards medium and long-term future prospecting;
- energy operations where use is made of different forms of energy, with the basic information — collected chronologically — being entered in elementary tables illustrating energy operations.

The elementary tables will serve as a basis for the further processing of energy statistics in two stages:

- establishment of the table illustrating the production and use of forms of energy and indicating the successive uses to which each of these sources of energy is put;
- energy balance sheet for which the accounting system employed and the conversion coefficients and equivalence coefficients to be taken into account are those specified in the abovementioned methodology.

Part II: diagnosis of the energy situation

On the basis of the results obtained in the first part it will be possible to diagnose the energy situation by applying a methodology covering the following additional aspects:

1. Aspects peculiar to the energy sector:

- as regards supply: assessment of possible energy reserves and estimation of potential resources for renewable forms of energy,
- collection of data concerning energy utilization plant,
- information on the method of managing the energy system, the role and tasks of energy-producing undertakings, and institutional and legal aspects,
- data relating to prices and tariffs of the various forms of energy,

- regional information including:
 - the spatial component of energy-producing activities and the location of the principal points of use of energy,
 - establishment of matrices for the exchange of energy between the principal areas of a country and between these areas and other countries.

2. Economic and social aspects affecting energy demand

- analyses necessary for understanding the integration of the energy sector into the economic and social context, particularly by means of:
 - socio-economic indicators relating either to energy consumption or supply.
 - graphs showing the nature of the links between the components of the energy and economic systems.”

* * *

The activities required under the first and second parts will be the subject of a report giving the broad outline of the diagnosis of the energy situation.

Moreover, while these activities are being carried out, a national of the ACP State concerned will receive appropriate training to enable the energy inventories to be updated in the future.



Research will be carried out into the economic and social factors affecting energy requirements. (Carrying firewood in Burkina Faso)

b) Commission budget-financed interventions in favour of the ACP

1981 — Article 3270

(in ECU)	
— Study “Prospectives for ACP development concerning energy” including a methodology on:	70 000
• collection and processing of energy statistics	
• energy diagnostic and their application in three test cases (Guinea Bissau, Togo, Benin)	
The diffusion of the methodology to ACP countries was well received by ten of them and has been translated into several EDF interventions	
(sub-total)	70 000

1982 — Article 933

— Assistance to SADCC Secretariat on energy programming (7 ACP countries concerned)	150 000
— Firewood seminar at Luanda for SADCC (7 ACP countries concerned)	200 000
— Studies and R/D actions of a horizontal nature for non-Associated Developing countries whose results could be used by the ACP (energy economies in tea factories, R/D programme on energy use of ligno-cellulose materials, energy conservation in artisanal fishing, impact of coal use on employment and the environment).	760 000
(sub-total)	1 110 000

1983

1. Article 947

— Retrospective evaluation of 25 years of energy co-operation including the ACP	230 000
— Impact of the energy component in development projects (essentially ACP)	41 000
— Prospective study on development of new energy sources in the developing countries, especially ACP	50 000

— Seminar on diffusion of improved hearths

30 000

(sub-total) 351 000

2. Article 958 (part of thematic firewood action)

— Participation in R/D programme on energy use of ligno-cellulose materials (Rwanda, Burundi)	1 100 000
— Technical support to Niger for elaboration of a firewood strategy and diffusion of improved hearths	200 000
— Support for SADCC Firewood Programme (7 ACP countries)	450 000
— Information system on knowledge of and results of experience concerning firewood, especially in the ACP countries	250 000
(sub-total)	2 000 000

1984 — Article 933/947

— Various actions projected of which the constitution of energy balance sheets in 10 ACP countries co-financed with the World Bank and the Firewood Programme are the most important. Estimate	3 000 000
Total	6 531 000

Or 10% of the annual average EDF interventions for energy cooperation.

Conclusion

The Technical Working Party suggests that note be taken of point 2 above and asks that the matter be kept under review in the light of point 2a).

Annex IX: Human Resources

The primary aim of development must be the continuing improvement in the standard of living and quality of life of the entire population on the basis of its full participation in development, and a fair distribution of the benefits therefrom. The development of human resources, therefore, is a prerequisite for economic and social development.

The Commission in its 1982 Report acknowledges that while financial and technical co-operation under the Lomé Conventions had adequately provided infrastructure and equipment, very little has been done to develop the ACP countries' own human resources capable of administering, maintaining and exploiting these facilities. Aware of this shortcoming, and realizing the importance of the human factor in the development plans of individual local communities and countries, a special unit on Human Resources has been set up within the Directorate-General for Development with the ultimate purpose of integrating the human factor in development plans and strategies. Work is being carried out in several areas.

a) Education and Training

The report points out that most of the financing in this sector was allocated to study awards and training courses under multi-annual training programmes. The fact that training programmes are now to be integrated in the development schemes and therefore suited to existing employment opportunities is most welcome.

The report goes on to say that special emphasis was put on the training of teachers at the primary and vocational level. However, the training of teachers at the level of universities and higher institutions of learning should also be included in the training schemes. For example, the Statistical Training Programme for Africa (STPA), which has been submitted to the EEC for EDF financing, emphasizes the importance of making provisions for the training of teaching staff for these Statistical Training Centres.

The self-reliant development efforts of the ACP States embrace self-reliance in the areas of education, research and training. ACP educationalists, researchers and administrators have adopted an important set of recommendations aimed at bringing about co-operation in the three areas (Intra-ACP Seminar on Co-operation in Education, Research and Training for Self-Reliant Development, Brussels, 5-9 October 1981). Similarly, the “Basic Principles Derived from Evaluation of Operations financed in the Education and Training Sector”, agreed at a meeting of ACP and EEC

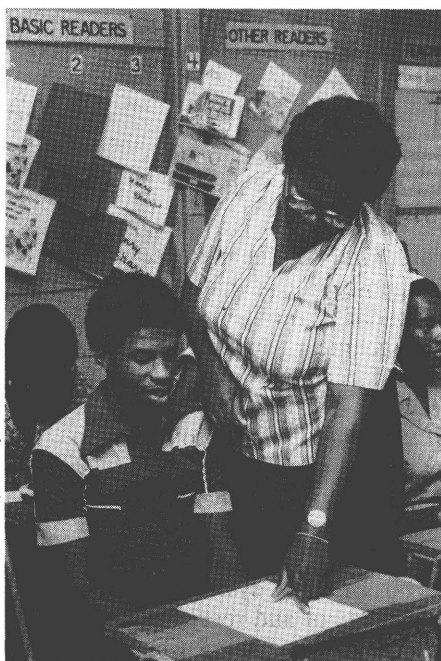
experts in Addis Ababa in March 1982, should be approved by the ACP-EEC Council of Ministers at the earliest opportunity and serve as the basis for future activity in these fields.

In pursuance of the ACP-EEC Consultative Assembly Resolution on ACP-EEC Cultural Co-operation (Luxembourg, September 1981), the Commission should provide the ACP States with all possible technical and financial support to enable them to implement the education, research and training activities which they have identified as priority sectors in their indicative programmes. It is recognized that it is the responsibility of the ACP States to initiate project proposals in accordance with their declared policies.

Although the ACP-EEC Council of Ministers stressed the importance of the training aspect of technical assistance, serious difficulties have impeded its implementation so far. Consequently, technical assistance to the ACP States has too often taken the form of the provision of substitute personnel. As training is a fundamental aspect of any project or programme, the ACP and the EEC should look to the problem. It is noted, therefore, with great satisfaction, that an ACP and EEC experts' meeting took place in April 1984 to devise future guidelines for technical assistance.

Training, along with health and rural development, is one of the fields in which aid should be concentrated, as all meet the ACP countries most basic needs and constitute the foundations of real development. The ACP countries should continuously endeavour to develop basic practical education on integrated lines (e.g. in rural areas, literacy campaigns, preventive medicine and agricultural training should be coordinated) and to foster technical and vocational training. But in order to be effective, this approach calls for more funds. It also needs to be integrated in an overall national policy that stops favouring government services at the expense of the primary and secondary sectors.

With regard to project-linked training, this is something about which firms are relatively uninformed and project costs are usually calculated too finely to include a training compon-



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"Very high priority should be attached to the development of human resources within the context of the Convention."

ent. The fact that infrastructures and multi-annual training programmes are no longer looked after by different Commission departments should remove a significant factor that inhibited a dynamic overall approach to training questions. That approach should be guided by section 9 of the "Basic principles (Addis Ababa 1982)" referred to above.

Very high priority should be attached to the development of human resources within the context of the Convention. It is therefore recommended that special efforts by the Community in assisting ACP countries to develop their human resources as much as possible should be further strengthened.

Major areas of such resources should comprise:

- high and middle-level technical manpower;
- manpower for industry at the workshop level;
- improved agricultural manpower;
- manpower for marketing, distribution and maintenance services;
- manpower for business support institutions (such as industrial estates and extension services; agricultural extension, etc.);
- manpower for major sectors such as natural resource exploration, evaluation and extraction (including mining),

transport and communications, food production, etc.).

Though the eradication of illiteracy is a major area of concern, it is recognised that it must be a matter primarily for local resources (e.g. use of local languages), whilst Community aid might be provided in the form of technical assistance for programme planning or for the design and production of teaching materials.

Attention is drawn to the need for research on the methods and content of non-formal education, particularly of education technologies for converting the out-of-school/drop-out population into an efficient and productive workforce in industry, farming and services, including maintenance of equipment and structures. Special attention should be paid to the training needs of women.

Special attention should be given to the development of national capabilities in the design, planning, installation and management of development operations and services, the lack of which constitutes a grave weakness in most ACP countries. Special and imaginative efforts should also be made to create, with Community support, conditions of work and other incentives to halt and reverse the present brain drain from the ACP countries.

The ACP Group recognizes the importance of integrating education and training activities into the development policies of the countries concerned in order to avoid waste of financial, human and technical resources. Moreover, the ACP would like to ensure that EDF-financed projects and programmes take into consideration the socio-cultural environment of the recipient countries.

The scope for ACP-EEC co-operation in bringing about effective collaboration among ACP universities in the areas of education, research and training should be examined jointly, in the light of conclusions of the Intra-ACP Seminar on Education, Research and Training for Self-Reliant Development.

b) Employment and working conditions

The Commission Report makes reference to another study which has been commissioned on the training

and conditions of ACP nationals holding EDF awards in the EEC countries. The ACP States are of the view that such a study should also take into account the situation of non-EDF award-holders who face serious financial, social and administrative problems, for purposes of comparison with a view to ensuring a balanced study. The ACP States recall that this issue has been brought to the attention of the EEC, but are of the opinion that, so far, no co-ordinated approach has been adopted to tackle the problem which is gravely affecting the social and economic progress of the ACP States. The Commission states that, at the request of the ACP States, intends to extend to the entirety of ACP nationals in the various countries of the Community the study which it has undertaken on training possibilities and conditions which are offered to EDF award-holders.

c) Women's role in development

With respect to women's role in development, it is now widely recognized that women are active contributors to development. Although the Commission's investigation into this area is limited, its findings reveal that, on the whole, women's participation, particularly that of rural women, has been generally ignored or underrated (see the conclusions of the EEC Council of Ministers of 8 November 1982 on Community development aid in relation to the situation of women in the developing countries).

Equal educational opportunities for women in all fields should be encouraged; in the case of rural women, care must be taken to ensure that they have access to:

- agricultural production and food production;
- appropriate technology;
- cottage and small-scale industry;
- marketing;
- credit facilities;
- non-conventional energy;
- water supplies;
- sanitation facilities;
- health care;
- education and training programmes.

d) Cultural aspects of development

The various institutions of the Con-



"It is now widely recognized that women are active contributors to development". (Educating women in Niger)

vention have acknowledged the importance of integrating the cultural factors in all development and co-operation plans with a view to assuring an authentic development and enriching and enforcing the ACP-EEC Agreement.

The ACP welcome the fact that the Commission, in planning and implementing EDF-financed projects and programmes, is attaching greater importance to the socio-cultural environment of the beneficiary countries. This aspect was stressed in the Chasle Reports on ACP-EEC Cultural Co-operation which were adopted by the ACP-EEC Consultative Assembly.

Annex X: Health and social services

The provision of public services to the people of ACP countries has put a great strain on the resources of their governments, yet the provision by public agencies of essentials such as safe drinking water, sanitation, health and education, at a price which can be afforded, is a vital component of the strategy of poverty alleviation. Increases in per capita incomes will not provide access to such services; massive increases in expenditure by governments are required.

Moreover, in common with many other developing countries, the age structure of the population of the ACP

is such that almost half of the population is below the age of fifteen. The need to provide these children with the health and education facilities to enable them to lead as productive lives as possible is obvious.

It would appear that the priorities of health programmes have been recognized to some extent in that in the finance provided under the Lomé Convention so far, the emphasis has reportedly been generally placed on small and medium-sized medical units located mainly in rural areas; on the adjustment of infrastructure and equipment to the needs and lifestyle of the users; on the training of medical and ancillary medical and maintenance staff; on the coordination of preventive medicine and on health education and curative medicine schemes.

According to the Commission Report, of the ECU 11 m earmarked for health projects, 10.5 million was spent on infrastructure. Health education, training in primary health care, hygiene, medicine and pharmacology, research into diseases, amongst other things, are part and parcel of the health sector. Several primary health programmes have recently been presented by ACP countries and approved by the Community. Medical training is provided under the multi-annual training programme of various ACP countries and within the framework of specific health projects, but it cannot be isolated. It is essential, however, that the governments concerned and the Community pay great attention to including in each project the necessary elements of health education and personnel training, in accordance with §D.1 of the basic principles for the health sector.

However, the Community could increase its assistance in this area in line with the general policy of meeting basic priority needs of the ACP States by providing for research activities for design standards and technology that will permit the extension of the distribution of health and health-related services at low unit cost. It would assist in the solution of the administrative problems of improving access to these services for the rural population with both financial and technical aid and it could enter into commitments to provide the governments of the



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In the field of health care there is a need for serious appraisal of the needs and realistic long-term planning... (Primary health care in Papua New Guinea)

least developed countries with basic medical supplies, possibly in kind, as a means of widening the reach of Community aid in the short term. Both these measures would mean going beyond the scope of the current provisions of the Lomé Convention, but would be entirely justified in the context of the least-developed ACP States' needs.

The health sector is suffering in many ACP countries from insufficient budgetary provisions to cover recurrent costs. Depending on local situations, the range of measures to be taken could include:

- serious budgetary appraisal of the past, present and future needs for health systems, in order to maintain or modify the organization of the services;
- realistic long-term planning that would link the health system with the productive sectors.

Annex XI: Transport and communications

One of the basic preconditions for the development of ACP States is greater investment in and development of their economic and social infrastructure. The priority in this area is the development of efficient transport and communications infrastruc-

tural systems to facilitate domestic, regional and internal marketing, reduce transport costs, improve communications and to facilitate development efforts, particularly in rural areas.

The transport and communications sector, which is third in order of importance as far as financing is concerned, must continue to be given high priority overall, with options provided to the ACP States for interventions to be made in road, sea, inland waterway, rail, air components or telecommunications, according to priority and circumstances. In particular, high priority must be given to road transport because, for most ACP States, this is a most important factor in domestic and interregional development. The high degree of road maintenance expenditure must be given careful consideration in order to determine how much this is a result of unsatisfactory construction, untimely road maintenance, or the effects of the extremes of tropical climatic conditions.

To provide a clear analysis of the sector, it is proposed to split the infrastructure on the investment components from that of technical assistance.

No projects were reported on for 1982 in the area of rail transport

which plays an essential role, particularly in landlocked countries, in the transport of heavy goods and passengers, or to river and domestic waterway transportation. Despite the fact that two railway projects were decided on in 1983, this lack of projects needs to be carefully examined from the point of view of redressing the situation.

Assistance in air transport is positive and must continue with emphasis on training and management, the improvement of existing institutions and the establishment of new facilities, according to development needs and technological advances.

Interest accorded to sea transport appeared to be secondary in spite of the fact that more than three quarters of ACP foreign trade is undertaken in this area. Two regional projects were financed, one in 1982 in the Pacific, and one in 1983 in Central Africa.

It is known that many of the island ACP States are facing difficulties in the proper coordination and rationalizing of their national inter-island sea shipping services and more meaningful assistance might be rendered in this field.

Annex XIX, which is the main provision specifically for transport in the Convention, was barely applied as far as trade questions are concerned. Links with multinational companies and shipowners, shippers and coastal trade between ACP States, containerization, are among other factors that limit or develop the growth of nations as the case may be.

If 1983 is included, in communications only two countries and one sector (telephones) benefitted in practical terms from financing. It is sad to note that on the occasion of the World Communications Year (WCY) which has once more provided an opportunity of strengthening the role of communications in development, the opportunity was not taken to involve the ACP States in a sector of real technological advance. The ACP and the EEC must therefore take the necessary corrective measures.

It is true that, in ACP-EEC relations, the first and foremost question has been, and will always be: what degree of priority are the ACP States themselves ready to give to such and

such an area of cooperation? The reply to this question will determine to what use the financial resources would be put. While recognizing the high priority of one area, there must be openness to balancing this, in financial terms, against the needs of other areas which also have importance.

The deficiencies in the management and expansion of the transport resources in ACP States could, however, be the subject of increased efforts by the Community through increased financing. The experience and expertise available in the Community in the design, installation, maintenance and management of all types of transport services could be put to valuable use in many ACP States. Assistance could be given, for example, in the technical input to the planning, preparation and evaluation of transport projects; in the provision of information, both in the preparation of projects and during their subsequent management, and to enable ACP governments to negotiate with, say, shipping lines or suppliers more effectively; in the training of personnel in technical management skills; and in research into and information on appropriate technology to render transport facilities more relevant to the needs and the resources available to the governments of the ACP States.

For satisfactory implementation of various schemes under transport and communications planned during the Convention period:

- a) ACP countries should make the development of transport and communications a priority and give it the required support;
- b) the Community should provide special and ongoing assistance by supplying ACP countries with services, equipment, capital and knowhow, in order to develop transport and communications networks within ACP countries and thus accelerate the development of rural access, which will complement national efforts.

The main elements of the strategy should therefore include the following areas:

- road transport,
- maritime transport and ports,
- air transport,
- rail transport,
- river and lake transport,
- telecommunications,
- mail services,
- radio and television.

To be more specific, the implementation of these infrastructures should take into consideration the following issues:

- the importance of recurrent costs of such infrastructures,

- greater involvement of national services in maintenance activities,
- training,
- competition between means of transport, between private and public transport; better coordination should be sought;
- non-technical barriers which create constraints on inter-state links: their elimination and, in general, improvement of transit systems;
- regional cooperation and choice of corridors for landlocked countries;
- access to communications technologies (control of exploitation and maintenance, as well as participation in, for certain types of equipment, the manufacturing of components).

Annex XII: Environment and development

Introduction

The "Article 119" Report (1982) states that two studies were commissioned in this field, namely:

- environmental education and training; and
- environmental guidelines.

The major results of these studies, the Report states, will be presented to the annual meeting of the Committee of International Development Institutions on the Environment (CIDIE) in the course of this year, with the hope that the studies will help draw up a policy on how best to include environmental aspects in development activity. The preoccupation of the EEC should not just be to study environment and development but take positive steps to solve those problems in particular:

- the Community should therefore consider, at the request of ACP States, meeting the cost of taking environmental aspects into account in the design and completion of such projects. They will furthermore provide assistance including in the field of training with a view to developing the indigenous capacity of ACP States to undertake environmental management and in the evaluation of the costs and benefits, quantitative and qualitative, of environment protection measures;
- as a priority, the Community should, upon request, afford its significant financial and technical support



"ACP countries should make the development of transport and communications a priority ... (The port of Honiara, Solomon Islands)

to drought-stricken ACP States suffering from desertification, and in this context give support to the Plan of Action to Combat Desertification.

Considering that the environment provides the human, physical and biological resources that form the basis of any development process and that an integrated approach should form an integral part of any development plan, environmental considerations have to be taken into account in the plan of action of any international development strategy.

Conclusion

In order to promote the accelerated development of the ACP countries within the framework of the Convention, environmental factors have to be taken into account in order to reduce social and economic costs that arise from neglect and utter disregard of problems of pollution, soil degradation, resource depletion, desertification, flooding, water-borne diseases, climatic changes and others that result from various development processes and patterns.

The main components to be included in such an integrated environment/development strategy should include:

— protection of the environment by

monitoring pollutants in the air (smoke, and noxious industrial gases), in the sea (oil), in the soil (excess fertilizers and heavy metal pesticides), and in foods as contaminants;

— conservation of natural resources to combat deforestation, soil loss and degradation, mineral depletion, desertification, salinization of arid farm lands;

— environmental legislation to improve the quality of life by maintaining the basic needs of clean air and water, good food and health and in a satisfactory work and leisure ratio;

— promotion of environmentally-sound development through the careful development planning of the setting up of an economic activity, the choice of process and technology, for the prevention of environmental problems, the choice of end-products, marketing strategy, and periodic assessment of rural-urban population migration resulting from the promotion of the industrialization process;

— environmental education to be provided in all schools as a means of instilling in young people the importance of harmonizing development efforts with the environment. The question of specialized training on the relationship between development and the environment might also be considered at a tertiary level.

Annex XIII: Outstanding issues

Introduction

In its Brussels Resolution of 20 May 1983, the ACP-EEC Council of Ministers mandated the Article 108 Committee to undertake an in-depth review of the following issues:

— Programming: reasons for the gap between target and actual commitment, including statistical analysis of projects presented, rejected or modified, in order to ensure improved implementation of Article 110 of the Convention;

— Disbursements: analysis of the breakdown of statistical data, with a view to ensuring an improved presentation of these data in the annual Commission report in accordance with Article 119 of the Convention;

— Technical cooperation: in-depth review of the cost and quality of technical assistance, taking into consideration among other assessments the Commission's study on evaluation of such assistance, in order to improve the implementation of the relevant sections of the Convention;

— Least-developed, landlocked and island countries: review of the effective implementation of the specific provisions of the Convention and of the real impact of the implementation measures which have already been taken; submission of proposals relating to the further implementation of these specific provisions;

— Concrete cases of typical difficulties encountered in the implementation of financial and technical cooperation: listing and analysis of cases, and methods and means for eliminating or mitigating of difficulties.

The Technical Working Party has not yet been in a position to examine these points carefully, inter alia because of the burden of work imposed on its members in the context of the ACP-EEC negotiations.

Conclusion

The points mentioned under 1) will be reviewed shortly; the results of this review will be indicated in the next report from the Article 108 Committee to the ACP-EEC Council of Ministers. ○



An integrated environment and development strategy should include "conservation of natural resources to combat deforestation, soil loss and degradation, mineral depletion, desertification and the salinization of arid lands"

Ridding the world of rinderpest:

Award of the 1984 King Baudouin Prize for Development to Dr Walter Plowright

Rinderpest—the cattle plague of history—invaded Africa from the Indian subcontinent in the late 19th Century and has remained embedded there ever since. Indeed, in 1985, the disease is as widespread in Africa as it has ever been, as well as having penetrated the Near and Middle East, and this despite the existence since the 1950s of an effective vaccine and the considerable success of an extensive eradication campaign carried out between 1962 and 1976.

The scientist largely responsible for developing, for the first time, a vaccine strain which was safe for all susceptible species and classes of animal, was recently honoured by the award of the King Baudouin International Development Prize. Dr Walter Plowright was the first to attempt the reproduction of the rinderpest virus on calf kidney cells and much of his subsequent career has been dedicated to perfecting the rinderpest vaccine.

The awarding of the prize to Dr Plowright is a recognition, in the first place, of the merits of a disinterested scientist and of the importance of his discoveries. However, it also outlines the significance of the scientist's role in the development process and, in particular, in the struggle against hunger. In the speech delivered by the prizewinner at the presentation of the award, extracts of which are given below, Dr Plowright explains something of the history of the disease and examines the prospects, in the foreseeable future, for ridding the world of rinderpest.



Cattle vaccination centre at Bogué (Mauritania)

Eradication is possible: the opportunity for a lasting solution must not be lost again

“I represent a profession which has a special contribution to make in those developing countries which are particularly reliant on their animal industries — primarily to provide much needed food of high nutritional quality. The majority, being in the tropics or sub-tropics, have more than their fair share of devastating or debilitating animal plagues. The people, therefore, tend to show a high regard, some might say inordinate respect, for those who work on animal health and the associated research.

It is, thanks to television, no longer difficult for us in Europe and North America, with our mountainous surpluses of grain, meat and dairy products, to appreciate how vastly different is the background in sub-Saharan Africa or the Indian sub-continent. In addition to their food value, cattle are used, particularly in Africa, as social exchange counters and, increasingly, as an important source of traction power for cultivation and transport.

It was my fortunate lot, therefore, to work for many years in an environment where research on animal disease was both appreciated and relatively generously supported. Well founded institutes, with tolerant directors, promoted an open and free exchange of information and materials—such as vaccine strains—at the international level. The diversity and magnitude of the problems encountered were and remain daunting or, in contemporary parlance, “challenging”. The numbers of livestock in sub-Saharan Africa alone, total, according to recent estimates, about 150 million cattle and 230 million sheep and goats. The majority are managed by low input, low productivity systems. The number of veterinarians and associated animal scientists was proportionately miniscule and, although improving, usually remains so.

The solution for agricultural development in Africa, India and much of South-East Asia is seen by some today as primarily to increase the numbers and productivity of livestock, hence, in turn, to provide much needed cash for increasing the inputs and draught power available for improved cereal production. Animal diseases, whether spectacular epidemics with high mortality, as rinderpest often is, or more insidious and debilitating, like trypan-

nosomiasis and parasitic diseases, are of undisputed significance, in that they impede or prevent the attainment of this solution. Many infectious diseases are, or will in the foreseeable future, be controllable. They are obviously of less significance than catastrophic

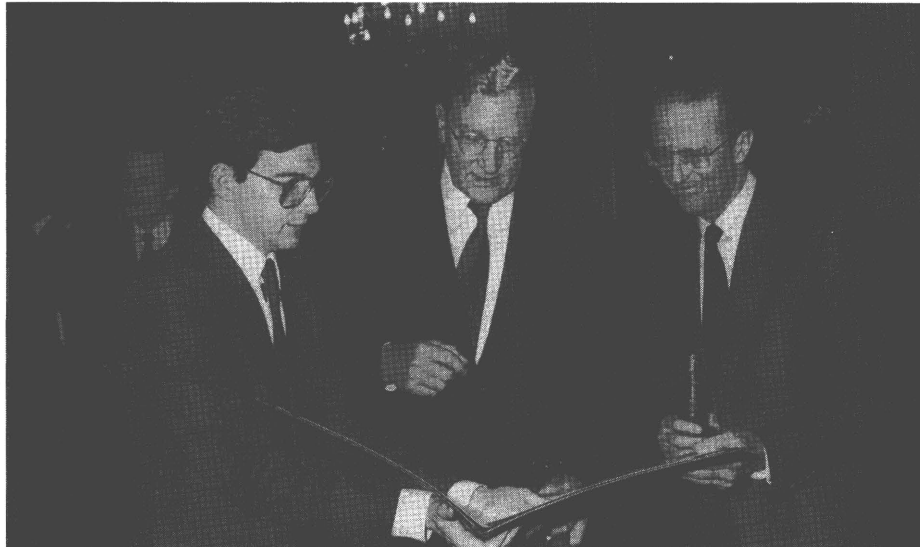
cine strain which was safe for all susceptible species and classes of animal; it conferred a solid, probably life-long, immunity and it could be produced cheaply in stable form, with limited facilities. Also, and perhaps almost as important, was the parallel develop-

assistance, beginning in 1980, control was not immediately re-established and the situation in many countries became critical.

It is estimated that between 1980 and 1983 more than seven million cattle were infected; Chad and Nigeria each lost about 500 000 head in 1982/83, Sudan and Cameroon more than 20 000 each, according to official figures. In Tanzania and the Central African Republic heavy losses occurred also amongst wildlife, especially buffaloes, in the national parks. Such outbreaks not only decimate highly susceptible wildlife but also help to maintain and disseminate the virus. They therefore tend to inflame the agriculturalist's opinion against the retention of such uncontrollable sources of infection, a tendency which, rightly, is of concern to conservationists.

The recent resurgence of rinderpest and also the closely related disease known as *peste des petits ruminants*, which affects sheep and goats in Africa, poses a serious threat to livestock industries, which are often already debilitated by drought and famine. International agencies have accordingly cooperated to produce a new 10-year programme for the control of rinderpest and contagious bovine pleuropneumonia in cattle of 28 countries in Africa. This will involve the mass vaccination of about 120 m cattle in each of the first two years; the total requirement for vaccines incorporating culture-attenuated rinderpest virus is estimated to be 446 m doses over a 7-year period; the cost of vaccine alone (at 5 US cents a dose in the first year) will amount to approximately US \$40 million.

Within the programme, as also outside it, there is increasing recognition of the need for improved veterinary services in general, together with the necessary infrastructure, if the advance is not to be on too narrow a front to withstand the tailing off of aid after seven years. The projected costs — a total of over US \$200 million, over seven years — are considerable by any standards, quite impossible for countries whose economies are already weakened by drought and low commodity prices to bear. The external aid component has been estimated at US \$190 million and the target date for the beginning of the programme is December 1984.



Right to left: His Majesty King Baudouin I, King of the Belgians; Dr Plowright, winner of the 1984 Prize for Development, and Mr Dominique Allard, Chargé de mission, King Baudouin Foundation.

drought or floods and the resulting starvation sadly witnessed so frequently today. Nevertheless, we can do something about the diseases, whilst having very poor prospects for influencing the climate!

I have been privileged to work, with colleagues too numerous to mention here, on several exotic virus infections of livestock but particularly on rinderpest. This is the cattle plague of history and, with a mortality rate which can exceed 90%, is still one of the most devastating animal diseases. Effective means of control and eradication were devised in the last century, prior to the microbiological era; the last widespread, though rapidly eliminated, outbreak of the disease in Europe occurred, in fact, in Belgium in 1922, after its introduction by Indian zebu on their way to Brazil. Such control methods are unfortunately not feasible in many developing countries, which since the 1930s to 1940s have used mass vaccination with attenuated viruses. It is in this context that the work carried out by my colleagues and I from the mid-1950s to the early 1970s should be viewed.

Successful cell-culture of rinderpest virus provided for the first time a vac-

ment of cell-culture methods for the laboratory confirmation of rinderpest diagnosis and serological techniques for epidemiological investigations.

In 1962 the first International Programme for rinderpest control was launched in the Chad Basin. At its termination in 1976 it had encompassed all the 22 countries in West, Central, East and North-East Africa which were affected by the disease; it involved the mass vaccination of 80 million cattle, the great majority with cell-culture vaccine. As a result, many African and Near Eastern countries were able to eliminate rinderpest for some years, both from their livestock and wildlife. It is, incidentally, no coincidence that the buffalo and wildebeest populations of the unique Serengeti region in East Africa virtually doubled and trebled respectively in the decade from 1962.

However, increasing political, economic and technical difficulties caused a decline in vaccine cover, allowing reinvasion by the virus from a few persistent foci (particularly Mali, Senegal and Mauritania in the West, and Ethiopia, Sudan and Uganda in the East), sometimes with heavy mortality. In spite of emergency international

It is my fervent hope that, this time, the international effort in the programme will not be dissipated in activities which simply lead to a temporary alleviation of the situation as happened with the first international programme. The total eradication of rinderpest from Africa and, equally, from its Asiatic strongholds, is recognizably as essential for animal health and productivity as was the worldwide

elimination of smallpox for human health and well-being. Control by cheap and effective vaccines has been available for many years and the opportunity for the "final solution" must not be lost again, in spite of serious difficulties. If the lessons of recent history and the fruits of research and development are not fully exploited, then our faith must surely be undermined." ○

to limiting population growth. The last two chapters, 'Managing Policy Reform' and 'Supporting Policy Reform' contain the meat of the action programme put forward by the World Bank. The first chapter covers the reform of fiscal and financial incentives including price structure reform, exchange rates and trading habits, public sector reforms which include taxation, tariffs, licensing, and marketing as well as ways of reducing the chronic over-manning of the public sector and the parastatals. Other sections in this chapter deal with the reform of the way public expenditure programmes are looked at by governments and what reforms would be needed in national institutions to carry through the new approach. The final chapter provides some pointers towards answering questions like —

— *How can donor coordination be improved to ensure that aid is used more effectively?*

— *How can donors best assist governments in introducing and sustaining policy reforms?*

— *How can donors most effectively support expanded programmes of agricultural research, reforestation, education and training, health and population?*

— *How can donors relieve Africa's growing debt servicing difficulties?*

— *How can donors best support effective economic management of countries within constrained resources?*

And the pointers provided are both clear and timely. In discussing the need for donor support for basic programmes the book points out that "within well-formulated macroeconomic and sectoral programs, which should include plans to ensure that recurrent expenditure will be adequately funded, donor assistance should be used in ways that will not distort the balance between new physical capacity and its operation and maintenance".

The timeliness of this book is not a matter for discussion. But its conciseness, clarity and boldness of approach are without doubt a matter for congratulation. And, it is to be hoped, a spur to concrete actions both from the international donor community and from the governments and people of sub-Saharan Africa. ○ T.G.

Towards Sustained Development in sub-Saharan Africa

A Joint Program of Action — World Bank 1984

Following the publication of 'Accelerated Development in sub-Saharan Africa: An Agenda for Action' in 1981 and 'Sub-Saharan Africa: Progress Report on Development Prospects and Programs' in 1983, the World Bank has completed its trilogy with this new report. In 50 pages of text and 50 more of tables, this book sets out the problems and proposes a number of solutions. It does so in a manner which is striking for the clarity of the text, the appropriateness of the tables, and the eminent realism of both analysis and proposals.

The main thrust of the book is obviously in the same direction as that of its two predecessors, for the need for domestic policy reforms to accelerate meaningful growth. However, it differs from the previous works in four main areas. Firstly, it includes external donor assistance strategy in the overall strategy analysis. This is important, since 'cathedrals in the desert' are not solely the monuments of the failure of domestic policy but of donor assistance as well. The report makes it clear that while domestic policy reform remains crucial, it must be harmonized with the "appropriate levels and types of external assistance". Next, the report exposes and draws attention to the long-term constraints on development — population growth, human resource development, technological change and deterioration of natural resources. These are the areas which, more than any short-term issues, will determine the success or failure of development efforts. Thirdly, the report stresses that the key to the

entire development issue is investment, both foreign and domestic, and that the very core of the investment issue is making better use of it. This "requires not only appropriate pricing policies, but also adequate management capacity in the government, supplemented by technical assistance". Finally, the report draws timely attention to, and makes a detailed analysis of the growing burden of debt service in sub-Saharan countries, especially in the context of their requirement for foreign exchange.

The narrative part of the report begins with a chapter entitled 'The Deepening Crisis' which has as its objective to sketch out the background against which the drama of decline is played out. Actual statistics are supplemented by reputable estimations on food production, GDP growth and political instability which have created a system in which "in every case, the poor are depending on the poor". The next chapter is entitled 'Roots of the Problem' and highlights the slow growth of per capita incomes despite a high level of investment, the proliferation of non-viable projects, and the key determinants of low returns on investment. The next chapter, entitled 'Long-term constraints', deals with population, education, human resource allocation, agricultural research and conservation. There is, in this chapter, a most revealing table concerning population policy indicators which shows that sub-Saharan Africa, with fertility rates 50% or more above those in Latin America and East Asia, has weak or non-existent commitment

Agricultural Management in Southern Africa

by J. L. MARJORIBANKS (*)

The Southern African Development Co-ordination Conference (SADCC) was inaugurated in 1980 to co-ordinate development efforts in Southern Africa among the nine majority-ruled countries of the subcontinent with the express intention that this should lessen their economic dependence on the Republic of South Africa. One of the key areas identified in which co-ordination would be beneficial was the development of the region's manpower. The Swaziland Government was given the responsibility of chairing the Regional Training Council.

How it all began

Swaziland was well placed to take on this role as the host country of several international training facilities, prominent among which is Mananga Agricultural Management Centre (MAMC). Mananga was built in 1972 by the Commonwealth Development Corporation (CDC) to provide trained managers for large-scale agricultural projects being developed by CDC and certain other agencies. Since the first course offered by the Centre in 1973, the emphasis of training programmes has shifted in response to an increasing demand from Third World governments and parastatals for skilled managers in the agricultural sector.

By 1983, some 1200 managers from over 200 organizations in 42 countries in the Caribbean, Africa, South-East Asia and the Pacific had attended residential training courses at MAMC and the Centre had developed an international reputation for providing the kind of training that helped agricultural managers increase their self-confidence and become more effective in their jobs. 45% of the participants had been drawn from the countries of the SADCC (Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe).

This was the background to the proposal put forward by the Department of Economic Planning and Statistics of the Swaziland Government on behalf of the Regional Training Council of the SADCC, under which the European Development Fund (EDF) was able to make a grant of a million

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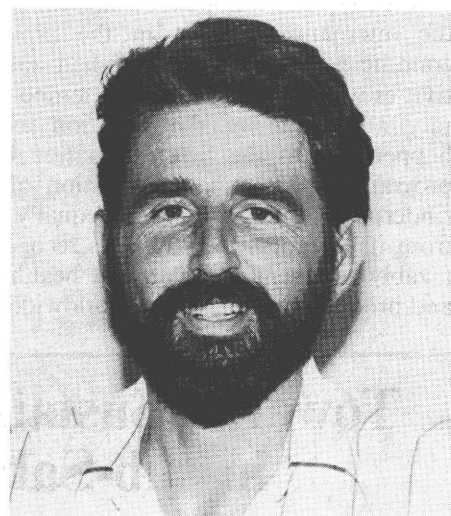
Emalangeni (Elm) to fund three training programmes at Mananga for agricultural managers from SADCC countries.

The first of these training programmes occupied 11 weeks in January, February and March of 1984. It will be followed by similar ones in June, July and August 1985 and in October, November and December of 1986.

Mananga's training philosophy

Over its years of operation, Mananga has developed its own distinctive style of management education based strongly on the philosophy that the learner learns best when he takes responsibility for his own learning process. Thus the staff at the Centre do not feel that there is a "body of knowledge" which must be imparted to all those who attend residential training programmes. Rather do they feel that it is up to each experienced manager who takes part in the "Mananga experience" to decide for himself what he wants to get and then up to the staff to help him to get it. This attitude is well expressed by a paragraph describing the objectives of the Agricultural Management in Southern Africa Programme, taken from the programme brochure:

"Successful management involves continuing self-education and the ability to learn from each new experience. The Centre sets out to build on the skills and experience a participant already has in order to increase his confidence in dealing with his own particular management situation and to enable him to respond flexibly to the



John Logan Marjoribanks
Senior Lecturer, Mananga Agricultural Management Centre

challenges of achieving different management goals".

The design of the programme

The 11-week programme is designed around three elements constituting an overall theme which starts broadly, looking at general management principles and concepts, narrows to a closer focus upon the particular qualities relevant to the effective performance of each participant's job and finally broadens again to set those skills and that job in the overall perspective of agricultural development in Southern Africa.

The three elements within this theme are, first, the "structured" part of the course in which staff lead sessions on subjects likely to be useful to participants; secondly, a group project in which participants are able, through discussion, to create a bridge between the learning situation and the reality of their own jobs and, thirdly, an individual project in which each participant selects for detailed study a subject of direct relevance to his own job or career.

Staff-led sessions

In the first four weeks of the programme, staff lead sessions involving all the participants in examining management concepts in four key areas.

Organizational behaviour: exploring how people behave at work through looking at topics such as perception,

communication, group dynamics, motivation, leadership and power.

Organizational design: discussing the ways in which organizations can structure themselves and the factors that influence their structures and cultures which, in turn, can have a marked effect upon their productivity and efficiency.

Financial information and control systems: describing the principal financial statements—the profit and loss account, balance sheet and cash flow statement—so that non-accountant managers can understand clearly the information presented to them by their accountants; working with budget preparation and the use of budgets for control purposes.

Management economics: looking at the various tools of economic analysis which can aid the manager's decision-making process.

From weeks five to nine of the programme, the focus narrows to areas more directly related to participants' jobs through the provision of three concurrent streams of optional subjects. The three streams on offer cover these interest areas:

The management of large estates: for those participants working as section, area or estate managers with parastatal or commercial companies engaged in the production of commodities such as sugar, tea, rubber, coffee, cocoa, palm oil or livestock.

The management of service agencies for managers working in the provision of services such as extension, credit, marketing, co-operative development, research, irrigation or input supply to small-scale independent producers.

General management topics: a more detailed examination of some of the concepts introduced earlier in the programme, which are not solely related to either estate management or service provision, such as personnel management, the use of computers, financial analysis or further study of organizational structures.

In the final fortnight of the programme the emphasis is on creating a broader perspective. This is done in two ways. First, through the use of Devpro, an agricultural business game developed at Mananga, the inter-relationship of management skills in the



The dining room at Mananga during a visit to the Centre by the Ambassadors of Italy, France, Belgium, The Netherlands, the Federal Republic of Germany and the High Commissioner of the United Kingdom

decision-making process is demonstrated as teams of participants compete to produce and sell a range of vegetable crops on the open market. Secondly, the role of each organization—and each manager within it—in the process of development of the countries of the region is explored through a Development Studies programme of lectures, discussions, visits to projects in Swaziland and a final seminar.

The group project

Nearly a third of the time on the programme is devoted to the group project which runs throughout the eleven weeks, ending with an all-day seminar on the final day. Participants are allocated to groups on a random basis except for a deliberate mixing up of nationalities. About eight people are in each group, including a staff member as group tutor whose role is to act as a resource to the group and as a stimulator of discussion.

The brief given to the group is to prepare a paper summarizing their ideas on effective management for presentation at the final seminar. The underlying agenda is that the members of the group, through discussion of all the concepts and principles to which they have been exposed in the staff-led sessions and through contributions from their own experience and background, should be able to identify for themselves ways in which they can make their own performance as a manager more effective. It is this bridging process, from the classroom atmosphere of any training experience to the reality of day-to-day worklife

for a manager, for which the group project provides such a suitable medium. Without it, the chances of the programme actually having an influence on the participants' subsequent behaviour as managers would be severely curtailed.

The individual project

Time is allocated on every day of the programme which a member may, if he chooses, devote to the pursuit of his individual study project. After the choice of subject has been made, in consultation with his group tutor, each participant is allocated to a particular staff member who will act as his counsellor for the project. This counselling may take the form of guidance in the use of reading material, arrangements of visits to relevant projects outside MAMC, or constructive criticism of work done. The project may culminate in a written paper but will often be merely the start of a body of job-oriented work which will continue after the participant leaves the Centre.

Participants on the first programme

There were 36 participants on the first programme, given the acronym SAM-1 for Southern African Management No. 1, drawn from all seven anglophone countries of the SADCC. They came from 25 different organizations ranging from privately-owned commercial enterprises, through parastatals and statutory authorities, to government ministries. Production included sugar, sisal, tung, wattle, food crops, tea, coffee, milk, beef and poul-

try. Services provided include extension, credit, input supply, produce purchasing, infrastructure development, settlement management and research. The group was well-balanced as representatives of the agricultural sector in the SADCC countries and this contributed to very lively and stimulating discussions throughout the programme.

Joe Chivizhe, for example, is a Regional Agricultural Extension Officer (RAEO) with the Department of Agricultural Technical and Extension Services (Agritex) stationed in Bindura region, Zimbabwe. Joe qualified from Chibero Agricultural College in 1976 with a Diploma in Agriculture. In 1979 he obtained a Diploma in Adult Education (Agricultural Extension) from the University of Zimbabwe. With his staff of 37, Joe provides advisory and conservation services to all the farmers in his region, including commercial farmers, those on resettlement schemes and those in the communal areas.

Howard Sindele is an Area Manager on the Nakambala Sugar Estate of the Zambia Sugar Company, responsible for over 2 000 hectares of cane with a total staff of some 800 people under him, in workshops, harvesting, administration, irrigation and cane growing sections. Howard graduated *cum laude* in Agriculture from the University of Zambia in 1975.

Naftali Nnko is the General Manager of Ng'oseco Limited, a company within the Tanzania Sisal Authority, running sisal estates at Korogwe in

Tanzania. Naftali has Certificates in General Agriculture and Farm Management from Ukiriguru and Mlingano Colleges respectively and a Diploma in General Management.

I interviewed these three managers as representatives of their fellows on the programme to get the participants' perspective of the training experience and their perception of how their stay at Mananga might influence their performance as managers.

Joe felt that the most valuable learning for him had come in two areas—in the provision of services to small farmers and in development studies. He felt that his increased awareness of the social implications of technical innovations in a traditional environment would improve his ability to manage extension work in his region. Joe welcomed the broadening of his horizons that had been brought about through the development studies, even though he felt powerless in his present post to tackle some of the issues raised.

For Howard, man-management was the area from which he felt most benefit. New levels of understanding in the areas of communication, attitudes to work, performance appraisal, staff development, motivation and delegation were all likely to be of great help to him in getting optimum productivity from his 800 subordinates.

Naftali identified both organizational behaviour and financial information and control as areas in which he had gained a lot. Within organizational behaviour new insights into motivation,

delegation, leadership style and relationships at work seemed particularly applicable. New knowledge of financial information and control would help him to overcome his lack of interest in figures by letting him know exactly what to look for when faced with an accounting document.

All three felt that the programme would affect the way that they did their jobs. Naftali expected to be able to exert a more positive influence on the attitude his subordinate managers took to the organization. Joe was confident that, as a result of Agritex's policy of giving all RAEOs management training, he would find them receptive to the new ideas he would be taking back with him from Mananga. Howard identified delegation—the involvement of section managers in budget preparation—as one area in which he would be able to initiate change on his return.

Taking an overview of the programme, Joe saw it as an opportunity to concentrate many years of management experience into an 11-week period which would provide a firm base for the development of his future career. The programme, in Howard's own words, "is providing a mirror for one to see himself at work and to be able to reflect on what he's done in the past and how he could improve in the future".

These conversations with participants have themselves provided a mirror in which we have been able to look at the Agricultural Management in Southern Africa Programme. The first of the three programmes funded by the European Development Fund is now over. Over, at least, insofar as its residential period is finished. Not over, I feel sure, in the impact it is having on the effectiveness of management in 25 agricultural organizations throughout the SADCC.

We have had 36 people on the first programme and will be welcoming a further 70 on the second and third programmes. Though the numbers in terms of Southern Africa's population may seem small, the ability of these key men to have an impact on agricultural development throughout the region will be out of all proportion to their actual numbers. The European Development Fund's investment in human resources will be handsomely repaid. ○ J. L. M.



Members of the first Agricultural Management in Southern Africa Programme. Joe Chivizhe is in the back row at the far left with Naftali Nnko fourth from left. Howard Sindele is third from left in the front row

INDUSTRIAL OPPORTUNITIES

Published every two months by
Centre for Industrial
Development
rue de l'Industrie 28,
B-1040 Brussels, Belgium
Tel. 513 41 00 Telex CDI 61427



No. 42
March-April '85

CID

ACP REGIONAL COOPERATION

TWO AFRICAN REGIONAL ORGANISATIONS VISIT CID

Representatives of two regional bodies from Southern and West Africa – SADCC and the Mano River Union – visited CID last November, to discuss future cooperation for the promotion of regional industrial projects.

The Southern Africa Development Coordination Conference (SADCC) represents seven ACP countries – Lesotho, Malawi, Swaziland, Tanzania, Zambia and Zimbabwe – plus Angola and Mozambique. The SADCC delegation to CID was led by the organisation's new Executive Secretary, Mr S.H.S. Makoni. He was accompanied by the Ambassadors of Lesotho and Swaziland to the EEC, and by senior officials from embassies of the five other ACP member States.

CID told the delegation that it has so far been unsuccessful in its efforts to get SADCC's Industrial Development Unit to request assistance for regional projects. However, CID has helped individual ACP countries in the region with project identification, promotion, feasibility studies, training and implementation. (See page 2).

Mr Makoni emphasised the decen-

tralised nature of SADCC and undertook to publicize CID's offer of assistance among member States. He noted the assistance already provided to SADCC States on a country level and said that it should be possible to build upon this at a regional level. He invited CID to participate in a meeting of experts in Swaziland in early 1985, to review SADCC's industrial projects.

The **Mano River Union** represents three West African countries: Guinea, Liberia and Sierra Leone. The organisation's Secretary-General headed the delegation, composed of his senior staff members, which met the CID Directors in early November.

During the meeting it was agreed to extend existing cooperation particularly for the promotion of industrial projects in the EEC.

CID had been already cooperating with the Industrial Development Unit

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of the Mano River Union for several years. In fact the meeting was attended by Mr Foday Mansaray, the Unit's Projects co-Manager, who was then on a six-week attachment to CID to promote industrial projects for member States.

Continued on page 2

The meeting between the SADCC delegation and CID. (Mr S.H.S. Makoni, Executive Secretary of SADCC, is indicated by the arrow).



Continued from page 1

As a result of Mr Mansaray's stay at CID, it is expected that some charcoal manufacturing units will be implemented in the region before the end of 1985.

NOTE: Several ACP ministers of industry also visited CID during this period e.g. from Burkina Faso and Senegal.

RECENT CID ASSISTANCE TO SADCC COUNTRIES

- The 1984 promotion meeting for food and agro-industries was attended by sponsors from Lesotho, Malawi, Swaziland, Zambia and Zimbabwe.
- Sponsors from Malawi, Swaziland and Tanzania attended a 1984 promotion meeting in Glasgow for Scottish industrialists.
- Industrial promotion professionals from Tanzania and Zambia were attached to CID during October and November 1984.
- CID-sponsored industrial potential surveys were carried out in Lesotho and Zambia in early 1984.
- Feasibility studies co-financed by CID, have been carried out in Malawi, Swaziland, Zambia and Zimbabwe, into the production of hollow glass, reinforced plastic piping, jam and fruit canning, vegetable dehydration, dairy products and poultry. Agreement has been reached for further studies in Zambia (production of pharmaceuticals and extraction of nicotine sulphate) and Zimbabwe (manufacture of mineral water and gas generators).
- Projects reached the production stage with CID assistance in Botswana (metal furniture) and Malawi (iron foundry and tea processing).
- Technical and training assistance was given to Botswana (gas generator), Malawi (fisheries, packaging, furniture making, cement production, cold storage), Tanzania (brewing, motor engineering, printing), Zambia (ceramics, textiles), Zimbabwe (tanning, printing). ■



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.

Paper bags and cardboard boxes

Benin – 660.BEN.2.TIM

A technical and financial partner is required for the production of 45 million paper bags (to one- to seven-ply) and 22 million cardboard boxes (i.e. about 9 000 tons) a year, plus corrugated cardboard.

A recent feasibility study is available, covering legal, technical, economic and financial areas.

Estimated total investment US \$ 5.2 million (of which US \$ 3.5 million would cover machinery).

Impregnation and seasoning of wood

Nigeria – 660.NIA.5.TIM

A Nigerian industrialist plans to set up a wood impregnating and seasoning plant at Enugu, for the treatment of soft wood to be supplied to furniture and building industries.

The sponsor already runs a well established furniture factory, with which he will probably integrate the new plant.

Envisaged annual capacity: 24 000 tons of treated wood.

Employment: 75.

Estimated total initial investment: US \$ 2.4 million (of which 47 % will be in foreign exchange).

80 % of production will be destined for the local market.

The sponsor is looking for joint venture partner who can take a share of the equity and provide technical assistance.

Foundry planned for cast iron

Sudan – 660.SUD.2.MET

The sponsor intends to set up a foundry for the annual production of 500 tons of iron castings (manhole

covers, spare parts, fittings, agricultural implements). Land for this project is already available.

Estimated foreign exchange part of investment: about US \$ 800 000.

The sponsor wants to make contact with a suitable partner for whom a portion of the equity will be available. A feasibility study is available but needs up-dating.

Making a range of plastic products

Uganda – 660.UGA.5.CHE

The sponsor plans to mould plastic products (beer crates, jerry cans, basins, buckets, chair shells, tableware, etc).

Estimated total initial investment: US \$ 13 million (of which US \$ 11 million will be in foreign exchange).

Annual production: about 10 000 tons (77 % by injection moulding, 23 % by blow moulding).

Annual turnover: US \$ 18 million approximately.

Employment: 400

This will be basically an import substitution project, but exports to other countries in the region can eventually be envisaged. This proposal has government support and a recent feasibility study is available.

A joint venture partner is required who will participate in equity and provide technical assistance.

Mushroom marketing

Mauritius – 610.MUS.FOO

The promoter plans to produce 120 tons of fresh mushrooms and 600 tons of canned mushrooms annually, mainly for export.

The total initial investment, to be met from local finance, will amount to about US \$ 1.2 million.

The promoter is looking for a marketing partner who can also provide technical assistance. ■

TOGO: ELECTRIC WIRE COATING CID PLAYS CRUCIAL ROLE IN ESTABLISHMENT OF NEW PLANT

A CID-assisted joint venture for coating electric wire began operations in Lomé (Togo) in June 1984. The simplicity of the equipment and its low-budget price make it exceptionally suitable for ACP conditions.

The European technical and joint venture partner is prepared to set up similar operations in other francophone ACP countries. (For further details see French proposal 85/6 on pages 4 and 5).

The Togolese promoter Mr. G. Agamakou, first requested CID assistance in July 1982; and the following December he attended the West Africa Industrial Forum in Dakar (Senegal) where he held discussions with CID officers. At this stage Mr. Agamakou had already selected a French technical partner.

This partner, Mr. André Vayrac, has considerable technical and managerial experience in the manufacture of electric cables and manages a small wire factory.

CID therefore agreed to co-finance the cost of three visits by Mr. Vayrac to Togo in 1984, for the purpose of installing and making equipment, starting up production and training local staff.

Mr. Vayrac took a small share of the equity. He also supplied some second hand plant and made other simple pieces of equipment on site.

The Togolese promoter, Mr. Agamakou, owned a small firm specialized in installing electric fittings in buildings. In 1981, in order to capitalize on his knowledge of the elec-



The French partner, Mr. André Vayrac (right) with a plastic coating extruder, for electric wire.

trical sector, Mr. Agamakou carried out a study for the diversification of his business into the coating of electric wire. Then last year he became Togo's first producer of this import-substituting product.

Although Mr. Agamakou's plant (Sotime) is currently coating only rigid wire, he intends gradually to increase his range of products. It is hoped that local financial institutions will now give him their support.

So far, the only external assistance has come from CID. This assistance therefore played a crucial role in getting the operation off the ground.

The plant installed by the French partner is very practical; and CID is continuously asking EEC industrialists, in priority sectors, to make proposals concerning such reconditioned second hand plants.

Such plants can help ACP productions to become viable where new plants would be insufficiently labour-intensive, or their capacities too large, or the required investment costs prohibitive. ■

COOPERATION WITH FRENCH INSTITUTIONS OVER 20 PROJECTS DISCUSSED WITH FRENCH COMPANIES

Development finance institutions in the EEC cooperate closely with CID; and in October last the French institution PROPARCO (Société de Promotion et de Participation pour la Coopération Economique) put its Paris office at CID's disposal for project discussions with French companies.

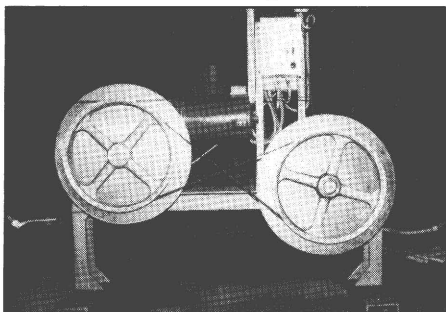
These facilities enabled a CID team to meet French companies for discussions on more than twenty projects including the production of mango purée, charcoal, jam, canned fruit, shoes and pharmaceuticals. These projects are spread mainly over francophone ACP countries, such as Senegal, Cameroon, Ivory Coast and Mali.

The projects are at various stages. Some are in the final stages of negotiations, feasibility studies are under way for others and in some cases terms of reference for studies are now being defined.

Representatives of PROPARCO attended meetings whenever a project was of potential interest to them. This may later help PROPARCO to consider financial contributions to viable projects.

Some meetings were also attended by representatives of the development cooperation service of the Ministry of External Relations. This Ministry has established a credit line (Fonds d'Aide et de Coopération) for joint operations with CID.

As this type of cooperation proved so convenient and mutually useful for CID, the French companies and the development institutions, CID would like to see similar operations in other EEC countries. ■



A locally constructed machine for winding up electric wire, in the Togolese plant.

CID ASSISTANCE TO JOINT VENTURES

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 negotiations;
- 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.

PROPOSALS FROM EEC FIRMS

ACP ENTREPRENEURS, PLEASE REPLY



ACP entrepreneurs interested in any of these proposals 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 quote the CID reference numbers.

Clay bricks from local raw materials DANISH PROPOSAL 85/1

This company is interested in setting up production of clay bricks and tiles, in an ACP country with clay deposits of usable quality. Their proposal is based on a labour-intensive adapted technology which reduces the capital investment required.

The minimum capacity is 4 million bricks a year (British standard size: 21 cm x 10 cm x 7 cm). This is equivalent to 8 000 tons a year. Production of this quantity of bricks would consume 20 000 m³ of clay annually.

The equipment required would cost US \$750 000 new; and renovated second-hand equipment would cost US \$450 000.

The Danish company is prepared to take equity under a joint venture agreement and can also provide technical assistance and training.

Production unit for metal wheelbarrows DANISH PROPOSAL 85/2

A Danish company proposes the production in an ACP country of wheelbarrows and simple industrial hand-trolleys.

This proposal is based on an annual production of between 10 000 and 20 000 wheelbarrows and the plant lay-out can be adjusted to fit in with existing metalworking facilities.

The equipment costs amount to about US \$415 000.

The Danish company is open to joint venture arrangements.

Production of ladies lingerie FRENCH PROPOSAL 85/3

A medium-size company, already

experienced in overseas operations, wishes to invest in further projects in ACP countries, for the manufacture of ladies nightwear for local or regional markets.

Minimum capacity is 200 000 pieces a year for an investment in equipment of about US \$150 000. Cotton, or a mixture of fibres, may serve as raw materials.

The French company is prepared to enter into a joint venture arrangement and can provide training and technical assistance.

Metal tool boxes FRENCH PROPOSAL 85/4

A small company proposes to establish a production line for metal tool boxes (1, 2 or 5 compartments) using second-hand equipment. (CID can provide an independent expert's evaluation of the suitability, condition and price of this equipment). This proposal would be suitable for extending the operations of an existing factory.

Minimum capacity: 160 pieces a day.

Cost of equipment: about US \$30 000.

The French firm is open to a minority equity participation and can give technical assistance.

Fertilizers produced in bulk or in bags IRISH PROPOSAL 85/5

An Irish company has developed a blending method for fertilizers suitable for ACP countries which have adequate domestic, regional or export markets.

The basic raw materials required are nitrogen, phosphates and potash.

The Irish company is interested in setting up blending operations on a

INFORMATION REQUIRED WITH THE REPLIES OF 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 plus 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 markets?

- 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.

joint venture basis in ACP countries and can also offer technical assistance and training.

The ideal size of plant is one which produces about 50 000 tons in a single shift.

The total cost including buildings, storage and plant, would be about US \$5 million in European conditions, for blending and bagging only.

Low-priced plant for PVC-coated electric wire FRENCH PROPOSAL 85/6

Through the special facilities offered by the French company, part of the plant is reconditioned and se-

cond-hand; and part of it may be manufactured on site. This plant is better adapted to ACP conditions than the expensive automated plants used in Europe.

It also costs about half the European price for a similar new plant. This proposal applies only to francophone countries and concerns the following equipment:

- a production line for rigid wire (1.5 to 6 mm²) with an output of 2-4 km per hour. Cost about US \$25 800;
- a complementary production line for flexible wire (0.5 to 1 mm²). Cost about US \$7 450;
- moulding equipment to produce two-pin wall plugs plus extension plugs. Capacity 180 plugs per hour. Cost about US \$15 500;
- production line for the manufacture of PVC conduits (9 to 11 mm) for electric cable. Output: 25-30 kg per hour. Cost (including tools) about US \$25 800;
- mechanical maintenance workshop, necessary for the construction of the wire-coating plant. The viability of this workshop can be further enhanced by allowing it to take on work from outside. Cost about US \$25 800. (A simple workshop for maintenance and plant assembly—but excluding construction—would cost about US \$12 400).

The French company can supply technical assistance to start up production and to make essential supplementary equipment on site (e.g. rolling devices and mixers). The construction of machines on site, facilitates the selection and training of maintenance workers and reduces cost.

Manufacturing value added for the above products can be as high as 45%.

(Also see article and photo on page 3).

CALL TO EEC INDUSTRIALISTS

CID encourages EEC firms to come forward with proposals for setting up production in any of 64 African, Caribbean and Pacific (ACP) countries.

A proposal should be based on appropriate technology and could involve the relocation of part of a company's existing plant to an ACP country.

Production proposal forms may be obtained from CID. ■

INDUSTRIAL ELECTRIFICATION

FRENCH AND SENEGALESE FIRMS FIND MERIT IN JOINT VENTURE

CID last year assisted Coselec A of Senegal and Dufour of France to form a joint venture to carry out industrial electrification work, e.g. design, construction and installation of electric control desks, control cabinets and automatic industrial systems.

Coselec A, before forming the joint venture, was already successfully assembling and installing simple electric control cabinets in Senegal, but it needed the cooperation of a European partner to:

- improve its product image
- train workers to make more sophisticated products
- obtain technical assistance and enhanced credibility for jointly prepared proposals for major contracts
- benefit from a European company's favourable bulk purchasing prices for components (and also from the rapid availability of components from a European company's large stock)
- keep up-to-date with technical developments.

ADVANTAGES FOR DUFOUR

Dufour, on the other hand, was anxious to strengthen its position in the African market. It saw the link-up with Coselec A as a chance to gain a competitive advantage in tendering for contracts in Senegal or neighbouring countries.

Dufour, a medium-sized company with 220 employees, has been active in North Africa and the Middle East for many years, but the Coselec A project is its first joint venture in such markets.

ADDED VALUE

Coselec A has to import every component; nevertheless, its Director General, Mr. Yoro Fall, says that his cabinets have an added value of 40%. He may eventually manufacture some components himself, if this can be done at competitive prices.

The company employs 40 people of whom 15 are occupied on the manufacturing side.

The competence and experience of the staff was in evidence when a CID mission recently visited Coselec's planning office. Detailed designs are prepared there on the basis of

engineering specifications supplied by clients.

INITIAL RESULTS

"We can already feel the results of this joint venture in the growing confidence of clients", remarked Mr. Fall. "Our product also looks better and we have more credibility when going for bigger contracts". The joint venture has already helped Coselec A to double its annual turnover.

Mr. Fall said that it will be possible to upgrade skills by sending workers to Dufour's plant in France.

Experts from Dufour will also occasionally visit Coselec A. Indeed CID plans to co-finance a major training scheme involving the training of four Coselec A workers in France and missions to Senegal by two Dufour specialists.

Mr. Fall stated that he greatly appreciated the role played by CID in helping himself and his partner to negotiate their joint venture agreement.

CID also assisted this project by co-financing the feasibility study. ■



Part of an electrical control cabinet constructed by Coselec A and Mr. Yoro Fall, Director General.



TRAINING AND REHABILITATION

FURNITURE MAKERS IN WESTERN SAMOA BENEFIT FROM COMPREHENSIVE ANALYSIS

It will take many years of hard work and dedication to develop Western Samoa's furniture-making beyond its present "cottage industry" status. The rewards however could be great, as the country would then have a labour-intensive industry based on a plentiful supply of local hardwoods. These are the conclusions of a CID-sponsored furniture expert who recently carried out diagnostic studies and training for six furniture-making operations in Western Samoa.

The expert, Mr. William Vernon, himself runs a wood-finishing business in Ireland. He is experienced in the production side of the furniture industry and has worked as a specialist advisor to technical and training institutions. He believes that, as a result of his mission, Western Samoan furniture producers will begin to cooperate with each other by, for instance, sharing facilities or arranging joint purchasing of raw materials to obtain better prices.

Another consequence, he says, is that workshop owners now know on a daily basis whether they are making a profit or a loss whereas prior to his visit much of the accounting was "slap-happy".

During his stay he repaired machinery which had been lying idle for many years, thereby increasing productivity. By using such machinery and by improving working methods, a chair which previously took 16 hours to make now takes only 2 hours.

"While wages are generally low", comments Mr. Vernon, "poor productivity quickly escalates the true labour cost per product". Nonetheless, he feels that he succeeded in initiating a belief among Western Sa-

moan furniture-makers that they have the potential to compete successfully for exports to other Pacific islands and to New Zealand.

He says that before he left Western Samoa two furniture operations which had been running at a loss had already begun to make a profit.

PROBLEMS AND PRIORITIES

The following observations from Mr. Vernon's report clearly illustrate the main problems and priorities of the Western Samoan furniture industry:

- There are 106 people employed in furniture and joinery workshops in Western Samoa, but the general levels of skills are poor.

- Training must be the priority, to develop technical skills.

- The provision of kiln drying facilities is crucial as there can be no progress in acquiring new markets unless properly dried timber is available.

- Saw sharpening equipment is vitally necessary to reduce down time.

- Displays and promotions will have to be mounted on a regular basis if more local buying-power is to be channeled into furniture. However, because of the small local population, market saturation will arise fairly quickly and exports will therefore be essential.

- The local public has little exposure to good design and much progress in design will be necessary if Western Samoa's furniture is to win export markets.

- Most sales are one-offs based on magazine pictures or rough sketches

A jig constructed with the help of the CID-sponsored expert in one of the Western Samoan furniture workshops. It helped reduce the production time for flush doors from 12 to 2 hours.

supplied by customers. An effort should be made to improve profitability by producing a range of standard products.

- There is considerable skill in basketry and mat-weaving which could well be incorporated into furniture.

- The immediate provision of a skilled wood machinist would be of lasting assistance to the industry.

- Many wood products can be produced in addition to furniture and these could represent a highly profitable development for the industry.

- There should be more attention given to safety in what is potentially a very dangerous business.

TRAINING FACILITIES

During his stay in Western Samoa, Mr. Vernon regularly brought the local owners together for training demonstrations in each other's factories. He thereby discovered that one owner is a skilled wood machinist who spends much time training his own apprentices "who are yet unskilled but have every opportunity to learn".

Another owner turned out to be a master cabinet-maker whose furniture reflects his Scandinavian experience. Mr. Vernon strongly advised him to spend much more time on the factory floor, to pass on his skill to his employees.

Mr. Vernon's report makes detailed recommendations for improving the syllabus, the apprenticeship scheme, the equipment and the performance of instructors, in the Carpentry and Joinery Department of the Trades and Technical Institute of Western Samoa. It also provides detailed individual recommendations for the successful development of five furniture-making operations.

A programme of follow-up action may now be undertaken to help implement the recommended initiatives. ■



ADAPTED TECHNOLOGY

MAKING GENERATORS TO GIVE CHEAP GAS FROM LOCAL WASTE

An EEC company is interested in industrial cooperation for the manufacture of gas generators. These generators have already been mounted on vehicles, or installed in fixed positions, in a number of African states including Burundi, Gambia, Ivory Coast, Rwanda and Zaire. Fuel savings of 40%-50% can be achieved, compared to the costs of classical installations.

Manufacturing workshops could be set up in ACP countries in cooperation with the EEC company concerned. The company is open to technology transfer agreements, including joint ventures. The precise conditions would be subject to negotiation for each project, but would involve both financial assistance and the transfer of commercial and industrial experience.

The generators can produce gas from a range of solid fuels such as: anthracite, lignite, peat, wood, charcoal, and compacted or non-compacted vegetable waste (coffee husks, rice chaff, maize and cotton stems, etc.).

It is more practical to use compacted materials for vehicles.

The solid fuels used must have a moisture content no greater than 25%. Their optimum size is 5 x 5 x 5 cm.



This fixed version of the gas generator was installed with CID assistance in the Gambia.

USES OF THE GAS

The gas produced will have a heat value between 1 000 and 1 300 kcal/m³; and can be used alone as a petrol or diesel oil substitute, or in an 80% mixture with diesel oil (dual fuel system), for:

- engine fuel for trucks, tractors or boats,
- electricity production (fuelling a generator set),
- industrial drying of various products (when the gas would provide both the mechanical energy for ventilation and the heat for the drying process).

THE PRODUCT

The generator comprises a feed hopper, a multi-fuel fire chamber, a gas scrubber and a condenser cooler (for optimum reduction of the gas temperature). It is available either in fixed or vehicle-mounted versions.

The standard model has a power output equivalent to 100 kVA. It is a basic design, easy to operate and maintain, and can have a service life of 10 years.

This lorry is powered by a gas generator mounted behind the cabin.

THE WORKSHOP

The generators could be manufactured in a workshop fitted out with standard equipment (welding sets, lathes, bending press, cutting and boring machines, etc...), supplemented by special equipment for adjusting and regulating the engines and burners.

A production facility with an annual output of 50 gas generators would require capital investment in the order of US \$300 000 and would create some ten jobs, including a lathe operator and a diesel mechanic.

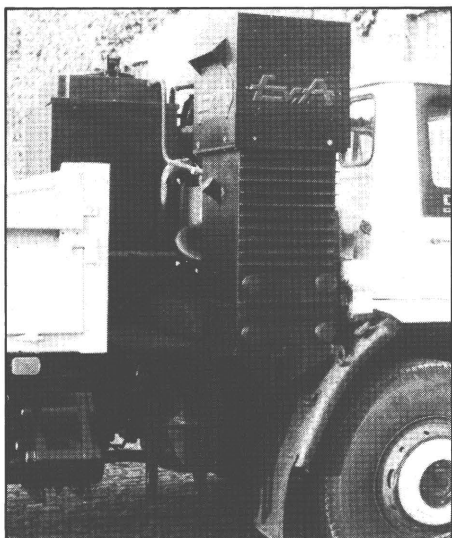
An existing workshop would be able to convert its operations to manufacture generators for a minimal investment cost. ■

And furthermore...

ACP sponsors are invited to contact CID for further details of any technology outlined in this section.

CID can provide assistance towards implementation.

EEC industrialists who have developed adapted technologies can benefit from CID's services for the circulation of their technologies in ACP countries. ■



6TH WEST AFRICA INDUSTRIAL FORUM: 3-6 DECEMBER 1984, DAKAR, SENEGAL

INTENSE EXPLORATION OF AFRO-EUROPEAN INDUSTRIAL VENTURES

At the close of the 6th West Africa Industrial Forum, CID announced that it would continue to support the Forum. It regards it as one of the most important regular events in Africa's industrial calendar.

Six senior CID staff, including the Director, attended the Forum to assist with the promotion of thirty West African industrial projects. CID funded the attendance there of the West African promoters of these projects.

It also brought along several of CID's antenna organizations who will ensure the follow-up of projects, after the Forum, in each West African ECOWAS country.

EUROPEAN COMMITMENT

Nothing can more amply illustrate the heavy European commitment to the Forum than the contribution of the European Development Fund which is administered by the EEC Commission. The EDF contributed half a million ECU (that's 171 million CFA francs) to the Forum. Half of this went towards the administrative and promotional costs of the Forum Secretariat and SOFIDAK (Société de la Foire Internationale de Dakar); the other half covered the costs of consultants who identified West African projects and their promoters, and who also identified potential European partners.

UNIDO (The United Nations Industrial Development Organisation) provided logistical and staff support. It also participated in the planning of the Forum along with CID and SOFIDAK, under the auspices of ECOWAS (Economic Community of West African States).

The planning was coordinated by the Commission of the European Communities.

NEED FOR INVESTMENT

It is important to stress that this is an **investors' Forum**. Doubtless, many equipment suppliers and consultants attended in the hope of selling machinery and services. Although these may have made valuable soundings and contacts, many of them probably went away disappointed. This Forum is not really for them — their activities are really more suited to the parallel Trade Fair in the same grounds. Africa's current economic situation cannot easily accommodate pure imports. It rather calls for industrial investments which minimise imports, improve the foreign exchange position, create local added value and give local employment.

Europeans must realise that investment in such productions may now be the only way of getting a toehold in the huge potential markets of ECOWAS.

Patrick Keene of CID (centre) mediates during a discussion in Dakar between a West African promoter and a European industrialist. ►

According to the Forum secretariat, at least 651 discussions took place between African promoters and European firm during the first 3 days. That figure represents a lot of useful discussion.

CID may provide assistance for projects promoted at the Forum—from the letter of intent, to the study stage, to the search for financial and the legal agreements, right through to training and implementation.

PROPOSALS FROM EEC FIRMS

Up to now the projects promoted at the Forum came almost exclusively from Africa. CID therefore introduced one innovation at this Forum, namely, the efforts to promote European production proposals among West African businessmen. Such proposals came from only two countries—Belgium and Denmark—but CID hopes that this activity will be greatly expanded in future Fora.

In the past it has been the traditional attitude of European industrialists to wait for proposals to come from ACP countries. For several years CID, too, has mainly used the approach of generating ACP proposals for presentation to the Europeans.

CID now believes that it might be more fruitful, for all parties, if the Europeans would be more forthcoming themselves with specific proposals for the establishment of appropriate industries in ACP countries.

Why has CID come to this conclusion? It is evident that it is difficult for businessmen operating in ACP countries to know all the industrial possibilities available from Europeans. They are therefore apt to duplicate the industries already set up around them in Africa, or to propose what they see in European catalogues tailored to European conditions.

It is much easier for a European to come up with suggestions for industries that are adapted to the generally small markets and low labour costs of ACP countries. ■



OPERATIONAL SUMMARY

No. 26 — March 1985

(position as at 20 February 1985)



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), Lomé II (31 October 1979) and Lomé III (8 December 1984), 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 beneficiary 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

Correspondence 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, Cape Verde, Comoros, Chad, Dominica, Ghana, Guinea, Equatorial Guinea, Madagascar, Malawi, Mauritius, Niger, Rwanda, Senegal, Sierra Leone, Somalia, St. Lucia, Sudan, Swaziland, Chad, Burkina Faso, Togo, Zambia, Tanzania, Zimbabwe, Egypt, Syria, Bangladesh, Indonesia, Nepal, India, Mozambique, Thailand, Pakistan, Dominican Republic
Coffee, tea, tobacco, cereals, coconuts, ground-nut, maize, sugar, cotton, palm-nuts, rice, rubber, potatoes, citrus fruit	Burundi, Djibouti, Ethiopia, Equatorial Guinea, Ghana, Ivory Coast, Jamaica, Liberia, Madagascar, Nigeria, P.N.G., Solomon Islands, Sierra Leone, Somalia, Suriname, Zimbabwe, CILSS, Bangladesh, Thailand
Seed and crop protection, environment	Bahamas, Benin, Burkina Faso, Burundi, Comoros, Ghana, Mali, Mauritius, Niger, Rwanda, Somalia, Tanzania, Niger Basin Authority, CILSS, Egypt, Tunisia, Jordan, Bangladesh, Nepal, Bolivia, Nicaragua, China (People's Rep.)
Agro-industry	Burundi, Liberia, Rwanda, Solomon Islands, Togo, Morocco, Thailand
Forestry	Burkina Faso, Cape Verde, Central African Republic, Mali, Mauritania, Niger, Chad, Guinea Bissau, Fiji, Nigeria, New Caledonia, Niger Basin Authority, Mali, Burkina Faso and Niger, Kenya
STOCK FARMING-FISHING-PISCICULTURE	
Improvement	Antigua and Barbuda, Benin, Botswana, Burundi, Cameroon, Comoros, Ethiopia, Ghana, Ivory Coast, Kiribati, Jamaica, Mauritania, St. Lucia, St. Vincent and Grenadines, Senegal, Sierra Leone, Togo, Burkina Faso, Zaire, Congo, Gabon, Sao Tomé & Principe, Equatorial Guinea, Tunisia, Angola, Algeria
Veterinary projects	Kenya, Zambia, Suriname, 28 African Countries, Eastern Africa, ICIPE, Malawi-Zambia-Zimbabwe, Chad, Egypt, Mozambique
Processing industry	Tonga, Neth. Antilles, French Polynesia, Angola
RURAL HYDRAULICS	
Wells, bores, pumps, pipes, small dams	Botswana, Guinea, Guinea Bissau, Mali, Mauritania, Liberia, Senegal, Sierra Leone, Sudan, Swaziland, Burkina Faso, Montserrat, Egypt, Nepal, Syria
TOWN WATER SUPPLY AND SEWERAGE	
Water supply, pipes, drinking water	Cape Verde, Madagascar, Rwanda, St. Christopher & Nevis, Sao Tomé & Principe, Tanzania, Zimbabwe, Lebanon
Sewerage, waste water, collectors, pumping stations, treatment	Cape Verde
SOCIAL CONSTRUCTIONS	
Houses, schools, hospitals, buildings, laboratories	Belize, Benin, Burundi, Cape Verde, Central African Rep., Chad, Congo, Djibouti, Ethiopia, Fiji, Gambia, Guinea, Guinea Bissau, Jamaica, Kenya, Madagascar, Malawi, Mali, Mauritania, Niger, Sierra Leone, Somalia, Sudan, Suriname, Swaziland, Tanzania, Uganda, Zimbabwe, CEAO, Maritime Transport Conference, OCAM, UDEAC, MRU, Eastern Africa, CARICOM, Egypt, Syria, Lebanon, Jordan, Colombia, Nepal
TRANSPORTS AND COMMUNICATIONS	
Roads, bridges, airports, railways, ports	Antigua and Barbuda, Benin, Burundi, Cameroon, Chad, Equatorial Guinea, Uganda, Liberia, Madagascar, Mauritius, Niger, P.N.G., Senegal, Sierra Leone, Solomon Islands, Somalia, Sudan, Suriname, Tanzania, Tonga, Zaire, Anguilla, Guyana-Suriname, Niger-Nigeria, Senegal-Guinea, Djibouti-Ethiopia, Kenya-Uganda, Eastern African Countries, Swaziland-Lesotho, CARICOM, Pakistan, Nicaragua-Honduras, Central African Rep.-Congo
TELECOMMUNICATIONS	
Radio, telephone, satellites, hertzian	UAPT, Sierra Leone
ENERGY	
Power stations, dams, electrification	Cape Verde, Gabon, Equatorial Guinea, Ethiopia, Kenya, Madagascar, Mauritania, P.N.G., St. Christopher & Nevis, Somalia, Suriname, Zaire, Zambia, O.M.V.G., Egypt
NEW AND RENEWABLE ENERGY	
Solar, wind-wills, biomass, gas, geothermics	Guinea, Senegal, Suriname, Indian Ocean ACP Countries, Pacific OCT
MINING	
Soil survey, research, geophysical survey,	Mali, Rwanda, Uganda
Infrastructure, production, processing plants	Ghana, Rwanda
MAPPING	
Soil-Air	Botswana, Congo-Gabon, Mali, Rwanda
INDUSTRY	
Plants, productions	Burundi, Malawi
TRADE, INDUSTRY, TOURISM, INVESTMENT PROMOTION - MANAGEMENT - MARKETING - S.M.E. TRAINING	
	Barbados, Burkina Faso, Chad, Ghana, Gabon, Guinea, Guinea Bissau, Jamaica, Madagascar, Malawi, Niger, Rwanda, Senegal, Somalia, St. Lucia, St. Vincent and Grenadines, Trinidad and Tobago, Uganda, Tanzania, Zambia, Neth. Antilles, Pacific ACP Countries, UDEAC, Lebanon, Occupied West Bank and Gaza, Egypt, Morocco, Banco Centro-Americano, Andean Pact., China (People's Rep.), Thailand, Costa Rica

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 financing 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. Works: Int. tender foreseen in the 1st half 85. 4th EDF.

Dassa-Parakou road renovation. Resp. Auth.: Ministère des Travaux Publics. Reinforcement and asphaltting 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 m² of pedagogical and administrative buildings and hostels. Supplies and equipment. Technical and architectural study: Arch. VINOUE (Local). Project on appraisal.

Date foreseen for financing decision 1st half 85. 4th EDF.

Cotonou maternity hospital. Resp. Auth.: Ministère de la Santé Publique. 2.5 mECU. Works: Acc. tender. Equipment: int. tender in '85. T.A.: TECHNO-SYNESIS (I). Date foreseen for financing decision: March 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 mECU. 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. Date financing decision November 84. 5th EDF.

★ **Services to livestock owners in communal areas (SLOCA), Phase II.** Resp. Auth.: Ministry of Agriculture. 4.100 mECU. Works by acc. tender, supply of vehicles and equipment by int. tender. T.A. Project on appraisal. Date foreseen for financing decision March 85. 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.

Development of 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 food emergency stocks at the O.F.N.A.C.E.R. 2 mECU. Special hunger programme. Date financing decision December 84.

Development and vulgarization of agricultural and afforestation techniques. 0.3 mECU. Special hunger programme. Project on appraisal. Date foreseen for financing decision 1st quarter 85.

★ **Drinking water supply in the Yatenga region, Phase II.** Resp. Auth.: Ministère de l'Eau. Estimated cost 5 mECU. Boreholes and wells. Supplies. All by int. tenders. Project on appraisal. Date foreseen for financing decision, 2nd quarter 85. 5th EDF.

★ **Comité Interafricain d'études hydrauliques (C.I.E.H.) in Burkina Faso. Data synthesis concerning underground water resources.** 0.300 mECU. Special hunger programme. Date financing decision December 84.

BURUNDI

Institut Universitaire de Sciences de l'Education (IUSE). Resp. Auth.: Ministère de l'Education Nationale — 0.7 mECU. Construction and equipping of educational buildings (general teaching classes, laboratories, workshops). Int. tender dossier: TETRA Consultants (Lux). Project on appraisal. 4th EDF.

Faculty of agronomy. Technical and architectural study. BRUSA-PASQUE (I). Project on appraisal. 5th 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. 8.5 mECU. Health programme, sewage, feeder roads, buildings, works and supplies. Study by SFERES(F). T.A.: Short-list drawn up for restr. tender. Date financing 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). Hillside pond protection in the Ruyigi province. Special hunger programme. Date financing decision December 84.

CAMEROON

Fishery development in the Lagdo basin. Resp. Auth.: Mission d'Etude de la Vallée Supérieure de la Benoué. 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.

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 drawn up in the 4th quarter 84. Date seen for financing decision October 84. 5th EDF.

CAPE VERDE

Praia water supply and sewerage. Resp. Auth.: Secrétariat au Plan. Estimated cost 5.5 mECU, EDF 2 mECU, Kuwait 3.5 mECU. Prequalification before restr. tender launched in August and October 83. Date financing decision October 84. T.A.: W.P.W (D). 5th EDF.

Civil works for laboratory construction. Resp. Auth.: Secrétariat au Plan. 0.080 mECU. Construction of a laboratory for soil and rock mechanics in St. Jorge. Works by direct labour. Date financing decision November 84. 4th EDF.

Praia electrification. Resp. Auth.: Secrétariat au Plan. Estimated cost 2.050 mECU. Supply of a generator-set and electrical equipment by int. tender foreseen in March or April 85. Project on appraisal. Date foreseen for financing decision, April 85. 5th EDF.

Reafforestation and anti-erosion constructions in the south-west of the Santiago Island. Special hunger programme. 0.500 mECU. Date financing 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 financing decision: 2nd quarter 85. 5th EDF.

Paediatric complex in Bangui and Provinces. Resp. Auth.: Ministère de la Santé. 2.4 mECU. Buildings and supply of equipment. Works: acc. tender launched. Supplies: int. tender. Date financing decision January 85. 5th EDF.

★ **Reafforestation and assistance to the forestry inspectorate.** 0.500 mECU. Special hunger programme. Date financing decision December 84.

CHAD

N'Djamena-Guelendeng-Sahar Road. Resp. Auth.: Ministère des Travaux Publics. To repair the earth-road over 560 km. Int. tender (conditional) launched in October 84. 8.8 mECU. Date financing decision October 84. Project in execution. 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. Date financing decision October 84. 5th EDF.

Improvement of the sahelian camel stock-farming. 0.200 mECU. Special hunger programme. Date financing decision December 84.

Reafforestation programme. 0.135 mECU. Special hunger programme. Date financing decision December 84.

★ **Agricultural programme in the Sudan zone.** Estimated cost 4.675 mECU. Different actions for: organizing the peasantry, stocking and marketing, utilization of improved seeds and production techniques. Project on appraisal. 5th EDF.

★ **Fittings of the Public Works laboratory.** Estimated cost 0.220 mECU. Rehabilitation, supply of equipment and vehicles. Project on appraisal. 5th EDF.

★ **Rehabilitation of hospital and health sector.** Resp. Auth.: Ministère du Travaux Publics, de la Santé et Médecins sans Frontières (MSF-B). Estimated total cost 5.590 mECU. EDF 4.560 mECU, MSF(B) 0.505 mECU, Aviation sans Frontière (F) 0.100 mECU, local 0.425 mECU. Works by direct agreement or direct labour. Supply of medical equipment, supplies, medicines by int. tender. Project on appraisal. Date foreseen for financing decision April 85. 5th EDF.

COMOROS

Soil and plantations protection and rehabilitation in the Domoni Region (Anjouan). Special hunger programme. 0.300 mECU. Date financing decision December 84.

★ **Small stock-farming promotion in Anjouan.** Estimated cost 0.200 mECU. Supply of equipment. Project on appraisal. 5th EDF.

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 Développement 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 financing decision December '83. Only for the study 0.200 mECU. Special hunger programme.

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 financing 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 financing decision 2nd quarter 85. 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 Développement Rural, Ministère de la Santé. 1.350 mECU. Study by BDPA (F). Date financing decision December 84. T.A.: Short-list already drawn up for restr. tender. 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 financing decision 1st quarter 85. 5th EDF.

★ **Malabo's electrification (Phase II).** Estimated cost 3 mECU. Purchase of generator sets, repairing of the power-station and town mains extension. Project on appraisal. 5th EDF.

★ **Cocoa-tree plantations rehabilitation on Bioko island.** Estimated total cost 22.6 mECU. EDF 1.2 mECU. World Bank 13 mECU. OPEC 1.4 mECU, BADEA 3.9 mECU, local 3.1 mECU. EDF part: supply of fertilizers. Project on appraisal. 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 equipment, facilities and T.A. Supplies: int. tender in '85. 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 '85. Project in execution. 5th EDF.

Construction and equipment of one agricultural research station in Bale-Arsi. Resp. Auth.: Institute of Agricultural Research (I.A.R.). Special hunger programme. 1.5 mECU. Date financing decision December 84.

FIJI

Forestry Logging Training School. Resp. Auth.: Ministry of Forestry 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.: Secrétariat d'Etat aux P.M.E. Estimated cost 0.500 mECU. Intervention for semi-industrial and artisanal fishery. Date financing 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, 2nd quarter 1985. 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: HED-ESELSKABET (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 nets, 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. 8.760 mECU. Date financing 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. Date financing decision December 84. 5th EDF.

Supply of materials and equipment for increasing food production and reducing post-harvest losses. Estimated cost 2.600 mECU. Special hunger programme. Date financing decision December 84.

GUINEA

Land development in Kankan and Labé regions. Phase II. Resp. Auth.: Ministère de l'Agriculture et des F.A.P.A. Valuation: MacDonald and Partners (UK). Project on appraisal. 5th EDF.

New energy research and test. Resp. Auth.: Ministère de l'Energie et du Konkouré. 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.

Ignace Deen hospital renovation in Conakry. Resp. Auth.: Ministère de la Santé Publique. 5 mECU. Works and supplies by int. tender. Works: int. tender. launched in December. Works supervision by direct agreement. Project in execution. 5th EDF.

★ **Drillings in the Siguiri region.** Resp. Auth.: Ministère de l'Agriculture, des Eaux, Forêts et FAPA. Estimated cost 1.7 mECU. 116 drillings with hand pumps. Project on appraisal. Date foreseen for financing decision April 85. 5th EDF.

★ **Educational Project.** Estimated cost 2.767 mECU. Building renovation and supply of equipment. T.A. Project on appraisal. 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 1st half 85. 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 financing decision 2nd quarter 85.

★ **T.A. for the reform of trade.** Estimated cost 1.6 mECU. Project on appraisal. Date foreseen for financing decision April 85. T.A. to the Ministry and 2 state companies: Kelvingate (UK). 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. Date financing 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 launched in February 85. 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. Date financing 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. Date financing decision January 85. 5th EDF.

Bee-keeping Development Project. Resp. Auth.: Ministry of Agriculture. 1.270 mECU. Supply of vehicles, T.A. and line of credit. Project on appraisal. Date foreseen for financing decision March 85. 4th and 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. Date foreseen for financing decision March 85. 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 equipment. 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.

Strengthening of existing facilities for research in the field of public health. Construction of a laboratory by int. tender. Work supervision: Dalglish Marshal (UK). 1 mECU. Date financing decision October 84. 5th EDF.

KIRIBATI

★ **Fishing-boats.** Estimated cost 1.9 mECU. Purchase of 2 boats, 26 m. each. Project on appraisal. 5th EDF.

LIBERIA

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 financing decision 1st half 85. 5th EDF.

Development of Harper Port. Resp. Auth.: National Port Authority. Estimated cost 12.4 mECU. Rehabilitation and fendering of the existing jetty, dredging in the harbour basin, services. Int. tender with pre-qualification foreseen in 2nd quarter 85. Project on appraisal. Date foreseen for financing decision March or April 85. 5th EDF.

Rural Water Supply. Resp. Auth.: Ministry of Rural Dev. Estimated cost 2.5 mECU. Project on appraisal. 5th EDF.

MADAGASCAR

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. Date financing decision October 84. 5th EDF.

Ankaramena — Jhosy Road. Resp. Auth.: Ministère des T.P. 5.4 mECU. Reinstatement of 52 km. Works and supervision. Works by int. tender (conditional) launched in September 84. supervision of works directly by the Ministry of Public Works. Date foreseen for financing decision April 85. Project on appraisal. 4th and 5th EDF.

Rehabilitation of «Centre Semencier Riz» in Marofarihy. Resp. Auth.: Ministère de la Production Agricole et de la Réforme Agraire. EDF 1.630 mECU. Works, supply of equipment and training. T.A.: Short-list already drawn up for restr. tender. Date financing decision December 84. 5th EDF.

Assistance to the Malagasy handicrafts industry. Resp. Auth.: Ministère de l'Industrie. Estimated cost 1 mECU. Supply of raw materials for handicrafts by int. tender. Date financing decision December 84. 5th EDF.

Food strategy. Priority measures. Special hunger programme. 1.9 mECU. Date financing decision November 84.

★ **Ambositra water supply.** Estimated total cost 3 mECU. EDF 1.9 mECU, local 1.1 mECU. Renovation of the whole water system for private and industrial needs. Project on appraisal. 5th EDF.

★ **Maize seed centre.** Estimated cost 0.800 mECU. Rehabilitation of Tindoha centre, supply of equipment and T.A. Project on appraisal. 5th EDF.

★ **Energizing researches.** Estimated cost 1.642 mECU. Improved stoves diffusion, energy saving, Study on micro and mini hydro-electric power stations. Project on appraisal. 5th EDF.

★ **SOMAPALM rehabilitation. Phase 2.** Estimated cost 1.5 mECU. To improve cultivation, plants and cost prices. Project on appraisal. 5th EDF.

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.: Office of the President and Cabinet. Contingency Planning Unit. 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 Organization 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. in 85. 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 financing decision 1st half 85. 5th EDF.

★ **Improvements to Mpemba staff training college.** Estimated cost 0.700 mECU. Works and infrastructures Project on appraisal. 5th EDF.

★ **Nkhotakota Rural Development.** Resp. Auth.: Ministry of Agriculture. Total estimated cost 10 mECU. EDF 5.2 mECU, local 4.8 mECU. Project on appraisal. Date foreseen for financing decision March or April 85. 5th EDF.

MALI

Strengthening of sanitary infrastructure in the Niuro region. Resp. Auth.: Ministère de la Santé et des Affaires Sociales et Ministère des Transports et T.P. 2.570 mECU. Buildings, equipment, training. Architectural and technical studies: GOUSIER (F). T.A.: Short-list already drawn up. 4th EDF.

Geological and mining research. Western Mali 1. Resp. Auth.: Direction Nationale de Géologie et des Mines (DNGM). 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. Date financing decision January 85. 5th EDF.

Support to the food strategy. Phase II. Special programme hunger. 3 mECU. Date financing decision December 84.

Support to the reforestation programme and to the fuel-wood saving programme. Phase II. 0.300 mECU. Special hunger programme. Date financing decision December 84.

★ **Rural hydraulics programme.** Estimated cost 4 mECU. Project on appraisal. Date foreseen for financing decision April 85. 5th EDF.

MAURITANIA

Extension of Kaédi regional hospital. Resp. Auth.: Ministère de l'Équipement.

1.925 mECU. Construction, equipment and TA for Kaédi hospital (100 beds). Works under way. Medical-technical equipment int. tender, foreseen in the 1st quarter 85. 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.

Aiou El Atrouss hospital. Resp. Auth.: Ministère de l'Équipement. 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'Équipement. 2.5 mECU. Construction, supply of equipment and purchase of a wooden-trawler, T.A. Project on appraisal. Date foreseen for financing decision April 85. 5th EDF.

Incentive fund for fisheries. Resp. Auth.: Fonds National du Dév. (FND). 0.800 mECU. Amount available to constitute the fund. Date financing decision October 84.

Renewing of the "Reafforestation Fund". Special programme hunger. 0.500 mECU. Date financing 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 ± 8.5 mECU, FAC(F) ± 2.6 mECU, Local ± 2.9 mECU. Upgrading of the road. EDF part: works by int. tender. Tender dossier: SETEC (F). Date financing decision October 84. 4th and 5th EDF.

Cold stores for onions. Resp. Auth.: Ministry of Economic Planning. Estimated cost 2.65 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. Date financing decision January 85. 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 financing 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 launched end 84. Date financing decision October 84. 4th and 5th EDF.

Hydro-agricultural development of Daibery. Resp. Auth.: Ministère du Dev. Rural. 11 mECU. Works: int. tender (conditional) launched in October 84. Date financing decision February 85. 5th EDF.

Training for Cooperatives. Resp. Auth.: Ministère du Dev. 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 hunger programme. 2 mECU. Date financing decision November 84.

Renewing of the "Reafforestation Fund". Special hunger programme. 500 mECU. Date financing decision November 84.

NIGERIA

Kaduna afforestation project. Resp. Auth.: Federal Department of Forestry. 9.4 mECU. Works, supplies and T.A. Date financing decision November 84. 5th EDF.

★ **Mambilla tea irrigation.** Resp. Auth.: Nigerian Beverages Production Company Ltd. Estimated total cost 4.4 mECU. EDP 3 mECU, local 1.4 mECU. Works and supplies. Project on appraisal. 5th EDF.

PAPUA NEW GUINEA

Foodstuffs production on the south coast. Resp. Auth.: Department of Primary Industry. E.D.F. part 3 mECU. Development of seasonal cultivation and marketing. Technical and economic studies. Definition of the project: Produce Studies Ltd. Consultant (UK). Project on appraisal. 4th EDF.

Magi highway. Resp. Auth.: Department of Transport. 3.5 mECU. Upgrading and sealing of a road section. Works: int. tender foreseen 1st half '85. 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. Date foreseen for financing decision April 85 for the 1st power plant. 5th EDF.

★ **Milne Bay Highland Access Roads.** Resp. Auth.: Department of Transport. 3.100 mECU. Construction of a rural road between Sirisiri Bay and Bonenau Village. Date financing decision January 85. 5th EDF.

RWANDA

Bugesera water supply. Resp. Auth.: Ministère du Plan. Construction of a drink-

ing-water network in Bugesera. Works: int. tender launched in October 84. Supervision: short-list already drawn-up. Project on appraisal. Date foreseen for financing decision April 85. 5th EDF.

Mapping, soil prospection and utilization. Works by restr. tender. Project on appraisal. Short-list already drawn up in January 85. Special hunger programme.

Development of the small scale tin industry. Resp. Auth.: Ministère de l'industrie, des mines et de l'artisanat. 2.840 mECU. Sysmin. Works, supplies, training and T.A. Project on appraisal. Date foreseen for financing decision March 85. 5th EDF.

Food strategy. Priority measures (continuation). 3 mECU. Special programme hunger. Date financing decision December 84.

ST. CHRISTOPHER AND NEVIS

Nevis Water Supply Project. Resp. Auth.: Ministry of Works 0.750 mECU. Installation of storage tanks and piping. Works by direct labour. Supplies by int. tender. Date financing decision February 85. 5th EDF.

Electricity Supply Project. Resp. Auth.: Electricity Dept. Estimated cost 1.540 mECU. Upgrading electricity supply system. Project on appraisal. Date foreseen for financing decision 1st half 85. 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. Date foreseen for financing decision 1st half 85. 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. 1.6 mECU. Int. tender for supplies launched in January 85. Date financing 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.

SAO TOME & PRINCIPE

★ **Water supply for 4 rural centres.** Cofinancing EDF — Portugal. Estimated cost ± 4 mECU. Study in progress financed by

Portugal. Works and supplies by int. tender. Project on appraisal. Date foreseen for financing decision July 85. 5th EDF.

SENEGAL

New energy research and test in rural region. Resp. Auth.: Secrétariat 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). Equipment: int. tender in 85. Project on appraisal. 5th EDF.

Trade Promotion programme. Resp. Auth.: Centre Sénégalais du Commerce Extérieur. 1.083 mECU. Actions for productions, marketing and T.A. Contract: direct agreement or restr. tender. 5th EDF.

Noirot Bridge at Kaolack. Resp. Auth.: Direction Générale Travaux Publics. 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). Date financing decision October 84. 5th EDF.

Podor rural irrigated areas. Phase II. Resp. Auth.: Ministère du Dev. 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. Date financing decision December 84. 5th EDF.

Consolidation of the livestock development programme. Resp. Auth.: SODESP. Estimated cost 1.6 mECU. Study under way by BESSEL Ass. (UK). Project on appraisal. 5th EDF.

SIERRA LEONE

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.

Economic 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 under way. Project stage: identification. 5th EDF.

SOMALIA

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 1985. 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.

"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.: Short-list done for restr. tender. Date financing decision January 85. 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.: Short-list already drawn up. Date financing decision November 84. 5th EDF.

SUDAN

Port Sudan-Hayia railway. Resp. Auth.: Sudan Railway Corporation. Expertise: KAMPSAX (DK). 4th EDF.

Rural water supply in the West. Special programme hunger. Project on appraisal. Date foreseen for financing decision 1st half 85.

★ **Nuba Mountains Rural Development Project. Interim phase.** Resp. Auth.: Ministry of Agriculture. 2.200 mECU. Supply of equipment and vehicles by int. tender, T.A. and training. Date financing decision January 85. 5th EDF.

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.

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 85. 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.

Smallholders Support Project, Credit and Marketing. Resp. Auth.: Ministry of Agriculture. 3.550 mECU. Works, line of credit, T.A. and training. T.A.: short-list already drawn-up. Date financing decision December 84. 5th EDF.

TANZANIA

Lusahunga-Bukombe road. Resp. Auth.: Ministry of Works. 20 mECU EDF part. Bitumen road of 127 km. Works: under way. Supervision of work: GITEC (D). Regional project. Project in execution. 4th EDF.

Technical teacher training college, Mtwara. Resp. Auth.: Ministry of Education. 1.4 mECU. Training facilities for technical teachers. Classrooms, laboratory and workshops, dormitories and sanitary block, administration. Total area 3,765 m². Equipment: int. tender with possibility of direct agreement depending on nature of supply. Supplies: direct agreement, all in '85. 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 '85. Supplies: int. tender in '85. Supervision of works: G.W.E. (D). 5th EDF.

★ **TIRDO Project (Tanzania Industrial Research and Development Organization).** Resp. Auth.: TIRDO General Director. 1.640 mECU. Supplies, T.A. and training. Supplies: int. tender (conditional) launched in July 84 and closed in September 84. T.A.: direct agreement. Date financing decision February 85. 5th EDF.

★ **Irrigation micro-projects in Pemba.** 1.103 mECU. Special hunger programme. Date financing decision December 84.

★ **Banana improvement and pest control (Phase 1).** Resp. Auth.: Ministry of Agriculture. Estimated total cost 3.740 mECU. EDF 3 mECU, local 0.740 mECU. Supply of pesticides, vehicles, equipment by int. tender. T.A. by direct agreement. Project by appraisal. Date foreseen for financing decision April 85. 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. Date financing decision December 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 1st half '85. 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 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.

UGANDA

Rural health programme. Resp. Auth.: Ministry of Health and Ministry of Local Government. 3.1 mECU. To improve health care in rural areas. Date financing decision November 84. 4th and 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 2nd quarter 85 (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. Date financing decision November 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. Date financing decision December 84. 5th EDF.

Support to mining research. Estimated cost 0.900 mECU. Project on appraisal. Date foreseen for financing decision March or April 85. 5th EDF.

ZAIRE

Akula-Gemena road. Resp. Auth.: Commissariat aux Travaux Publics. 11.6 mECU. Upgrading and asphaltting of the road (115 km). Int. tender (conditional) launched in May 84. Date financing 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 financing decision 2nd quarter 85. 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: WLPV (UK). Project on appraisal. 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 hunger programme. Project on appraisal. Date foreseen for financing decision 1st half 85.

★ **Environmental conservation measures.** 2 mECU. Special hunger programme. Date financing 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. Equipment: int. tender 1st half 85. (Non-associated dev. countries budget).

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 financing decision October 84. 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. Date financing decision November 84. 5th EDF.

NETHERLANDS ANTILLES

Curaçao slaughterhouse. Resp. Auth.: Departement voor Ontwikkelingssamenwerking, Willemstad, Curaçao. cost 3.45 mECU. Work plans: Bureau T. Janga (Local). Works by int. tender foreseen in the 2nd quarter 85. Project on appraisal. Date foreseen for financing decision March or April 85. 5th EDF.

Line of credit to the Aruba Dev. Bank to improve agriculture livestock and fishery. Resp. Auth.: Departement voor ontwikkelingsamenwerking. 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.

★ **Pearl and mother of pearl handicraft centre.** Estimated cost 0.450 mECU. Building construction. Project on appraisal. 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 Caraïbes" with all necessary infrastructure and investment. Project on appraisal. 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 launched in January 85. Date financing decision December 84. 5th EDF.

Regional Projects

O.C.A.M.

Institut Africain d'Informatique (I.A.I.). Resp. Auth.: I.A.I. secretariat in Libreville-Gabon. 2.33 mECU. Building extensions. Date for financing 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.

MEMBER COUNTRIES OF CEAO

ESITEX Ségou (Mali). Resp. Auth.: CEAO Secretariat. Management training for textile industry. Complex construction in Ségou. Supply of equipment. Project stage: identification. 5th EDF.

WESTERN AND CENTRAL AFRICAN COUNTRIES MEMBERS OF THE 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 85. Works, T.A. and other equipment: BAD, Japan, Norway, UNDP, France and local. Date foreseen for financing decision March 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-Rijks-waterstaat-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 under 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.

NIGER BASIN AUTHORITY

Protection and reforestation in the "Haut Bassin Versant du fleuve Niger en Guinée". 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 projects: S.G.T.E. (F). Project on appraisal. 5th EDF.

SENEGAL — MAURITANIA

Establishment of cultivated areas in the Senegal River Valley. Special hunger programme. Date financing decision December 84.

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 hunger programme. Date financing 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.

★ Informations and trade promotion industrial investments in central Africa. Resp. Auth.: Regional authorizing officer: Gabon. 1.020 mECU. Date financing decision February 85. 5th EDF.

PACIFIC ACP COUNTRIES

Pacific Regional Tourism Programme. Resp. Auth.: Tourism Council of the South Pacific (TCSP) and SPEC. 3.2 mECU. Study to be done: data base, organization and strategy. Short-list already drawn up. Date financing decision January 85. 5th EDF.

University of the South Pacific. Agricultural, Rural and Marine Resources Programme. Stage II. Resp. Auth.: SPEC. 0.830 mECU. Project on appraisal. Date foreseen for financing decision March 85. 5th EDF.

★ Pacific Forum Line (PFL). Purchase of containers. Estimated cost 3.270 mECU. Project on appraisal. 5th EDF.

MEMBER COUNTRIES OF CEAO AND CILSS

Construction of Centre Régional d'Énergie Solaire (CRES) in Bamako, Mali. Estimated total cost 30 mECU. EDF part. 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. Date financing decision November 84. 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.

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.

EAST 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. Asphalted 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

★ New and renewable energy programme. Resp. Auth.: AIRDOI-COI. Estimated cost 1.7 mECU. Project on appraisal. Date foreseen for financing decision March 85. 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 in 85. Project in execution. 5th EDF.

KENYA — UGANDA — BURUNDI — RWANDA

Turbo-Webuye Road. Resp. Auth.: Ministry of Public Works, Kenya. Estimated cost 10 mECU. Works and supervision. Project on appraisal. 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 launched in February 85. EDF part: date foreseen for financing decision 1st quarter 85. Project in execution. 5th EDF.

MALAWI — ZAMBIA — ZIMBABWE

★ Regional Tsetse and Trypanosomiasis Control Programme. Resp. Auth.: Technical and financing responsibility: Zimbabwe national authorizing officer. 19.150 mECU. Works by direct labour. Vehicles, veterinary products, aerial spraying and equipments by int. tender. T.A. by direct agreement. Project on appraisal. Date foreseen for financing decision March 85. 5th EDF.

MEMBER COUNTRIES OF CARICOM

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.

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 financing decision 1st quarter 85. 5th EDF.

Caribbean Food Corporation. 2nd line of credit for rural S.M.E. Resp. Auth.: CFC. 2 mECU. Project on appraisal. Date foreseen for financing decision March 85. 5th EDF.

MEDITERRANEAN COUNTRIES

ALGERIA

Training for fishery. Resp. Auth.: Ministère de l'Agriculture et de la Pêche (MAP). 3.5 mECU. Purchase of pedagogical equipment and T.A. T.A.: IDROCONSULT (I). Date financing decision December 84.

EGYPT

Soil improvement programme in Ka-freeel-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 warehouses. Works: int. tender foreseen 1st quarter 85.

Egyptian Renewable Energy Development Organization. EREDO. Resp. Auth.: Egyptian Government. EEC contribution 7.7 mECU. Construction and equipment for the centre. Works and supplies: int. tender with prequalification foreseen in 2nd half 85. 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. Short-list already drawn-up.

Export Promotion. Resp. Auth.: Egypt Export Promotion Company (EEPC). T.A. to the EEPC. 0.92 mECU. Project on appraisal. Date foreseen for financing decision February 85.

Kom-Ombo Soil Improvement Study. Resp. Auth.: EALIP. 1 mECU. Date financing decision October 84. Short-list drawn up.

★ **Animal feed improvement.** Resp. Auth.: Research Institute for Animal Production (RIAP) — Cairo. EEC Contribution 2.4 mECU. T.A., supply of equipment and training. Project on appraisal. Date foreseen for financing decision February 85.

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.

★ **Primary and secondary schools rehabilitation.** Resp. Auth.: Conseil du Dével-

oppement et de la Reconstruction (CDR). Estimated total cost 35 mECU. EEC contribution 16 mECU. Works by acc. tenders with local contractors after prequalifications. Project on appraisal. Date foreseen for financing decision February 85.

MOROCCO

Interventions for Laboratoire de Technologie des céréales de Rabat. Resp. Auth.: Ministère de l'Agriculture. 0.790 mECU. Equipment, T.A. and training. Supply by restr. tender or direct agreement. T.A.: short-list 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 financing decision October 84.

TUNISIA

Participation in creating 3 Training Vocational Centres: in Nabeul, Menzel-Bourguiba, Zaghuan. Resp. Auth.: O.T.T.E.E.F.P. (Office des Travailleurs Tunisiens à l'Etranger de l'Emploi et de la Formation Professionnelle.) EEC Contribution 3.87 mECU. Supply of equipment, T.A. and training. Supplies: int. tender for Nabeul foreseen in 1st half '85. T.A.: A.A.B. (D).

Purchase of 10 ocean trawlers. Resp. Auth.: Banque Nationale de Dév. Agricole (BND). 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 hunger programme. 0.800 mECU. Date financing decision December 84.

JORDAN

Research Programme into Agricultural Production in the semi-arid zones and areas suffering from desertification. Special hunger programme. 0.700 mECU. Date financing decision November 84.

★ **Yarmouck University — Faculty of Science.** Resp. Auth.: University of Yarmouck. 2.5 mECU. Supply of equipment for laboratories by int. tender. T.A. by direct agreement. Project appraisal. Date foreseen for financing decision February 85.

ARAB POPULATION OF THE OCCUPIED WEST BANK AND GAZA

★ **Credit for small industries and handicraft projects in rural areas.** Resp. Auth.: Industrial Development Bank of Jordan. (IDB). EEC Contribution 1.5 mECU. Project on appraisal. Date foreseen for financing decision April 85.

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.

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. Date financing decision December 84.

Non-associated developing countries

ANGOLA

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 financing decision 1st quarter 85.

MOZAMBIQUE

Rural development in the Moamba District. Resp. Auth.: Ministerio da Agricultura. Estimated total cost 12.5 mECU. EEC 8 mECU. Supply of equipment, rural inputs and T.A. Project on appraisal. Date foreseen for financing decision 1st quarter 85.

★ **Environmental conservation measures: fight against tse-tse infestation.** 1.5 mECU. Special hunger programme. Date financing 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, 1st half 85.

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.

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. Date financing 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. Date financing decision October 84.

Prawn farming development. Estimated cost 0.700 mECU. Supplies and T.A. Date financing 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. Date financing decision December 84.

Beijing Vegetable Seedling Production. Estimated cost 1.2 mECU. Supplies and T.A. Date financing decision December 84.

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 1st half 85. 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 schemes, establishment of a water-management training centre, and establishment of climatological stations. T.A. Works: acc. tender.

INDIA

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 financing decision December 84.

★ **Development of Water Control Systems for diversification of crops in Maharashtra.** Resp. Auth.: Irrigation Department of the Government of Maharashtra. EEC contribution 15 mECU. Works, supplies, T.A. and training. Project on appraisal. Date foreseen for financing decision March 85.

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 85.

★ **Irrigation project.** Estimated cost ± 10 mECU. Project on appraisal. Date foreseen for financing decision April 85.

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. Sup-

plies: int. tender or direct agreement. Date foreseen for financing decision 1st half 85.

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 financing decision 1st half 85.

Soil and water conservation in Bagmati Watershed. Special hunger programme. 6 mECU. Date financing 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 '85.

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.

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. Date financing decision December 84.

★ **Strengthening of planning capacities for diversification and rural development.** Resp. Auth.: Ministry of Agriculture and Cooperatives. T.A. for coordination, management, training needs, project identification and planning. T.A. for central and peripheral computer system for rural areas. Training and supply of computerized equipment. Project on appraisal. Date foreseen for financing decision April 85.

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 financing decision 1st quarter 85.

BOLIVIA

Food strategy. Environment protection. Special Programme Hunger. Project on appraisal. Date of financing decision December 84.

MEMBER COUNTRIES OF PACTO ANDINO

Technical cooperation (industry and economic 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. Con-

tracts, T.A. and experts by the Junta and the EEC.

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 EEC and decision by the Junta.

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.

★ **Regional programme for technical cooperation: industry and sub-regional exchanges.** Resp. Auth.: JUNAC. EEC Contribution 7 mECU. T.A. and supply of equipment. Date financing decision February 85.

COSTA RICA — HONDURAS — NICARAGUA — PANAMA — DOMINICAN REPUBLIC

Latin American qualified nationals reinstatement in 5 Central American countries. Resp. Auth.: CIM (Comité Intergubernamental pour les migrations). 1.4 mECU. Reinstatement of 75 qualified nationals via CIM. Date foreseen for financing decision 1st quarter 85.

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 financing decision October 84.

BANCO CENTRO-AMERICANO DE INTEGRACION ECONOMICA

Support for SME in Central America. Project on appraisal. Date foreseen for financing decision December 84.

DOMINICAN REPUBLIC

★ **Integrated rural development pilot project in Western Cibao.** 6 mECU. Special hunger programme. Date financing decision December 84.

COSTA RICA

★ **Productive projects programme for refugees in Costa Rica.** T.A. and line of credit. 3.6 mECU. Date financing decision February 85.

NICARAGUA

★ **Marketing and trade improvement programme and post harvest losses reduction for base seeds.** 2.5 mECU. Date financing decision February 85.

INTERNATIONAL CALLS FOR TENDER

All international calls for tender (int. tenders) referred to in this Operational Summary are notified in due time in the Official Journal (O.J.) of the European Communities' «S» supplement.

Subscriptions to the O.J. «S» supplement should be addressed to the «Office for Official Publications of the European Communities ». L-2985 Luxembourg.
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Richard MOORSOM — **Walvis Bay: Namibia's port** — International Defence and Aid Fund for Southern Africa — Canon Collins House, 64 Essex Road, London N1 8LR — £ 1.50 — 70 pages — 1984

South Africa has been illegally occupying Namibia since 1966, in defiance of international law. Walvis Bay, on the western coast of Namibia, has the only deepwater port in the country; without it, Namibia is virtually landlocked. In 1977, the South African government attempted unilaterally to incorporate Walvis Bay into its own territory by reinforcing direct rule over it.

This annexation was overwhelmingly condemned by governments, the United Nations and SWAPO, the liberation movement of Namibia. On 7 September 1977, the United Nations Council for Namibia — the legal government of the territory — objected "in the strongest terms to this unilateral attempt by South Africa to destroy the territorial unity and integrity of Namibia. Walvis Bay has always been an integral part of Namibia and South Africa has no right to change its status or to appropriate it as part of its own territory".

This book reviews the legal background and reactions to the de facto annexation of Walvis Bay. It outlines its integration into the Namibian national economy, records the resistance of its black workers to their oppressive working and living conditions, describes the policies and effects of South African rule since 1977, assesses the economic and military significance of Walvis Bay to an independent Namibia, and, in particular, the consequences of continued South African occupation, and points to South Africa's probable motives in trying to hold on to the Bay.

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W. EDWARDSON and C.W. MACCORMAC — **Improving Small-Scale Food Industries in Developing Countries** — International Development Research Centre (IRDC), P.O. Box 8500, Ottawa, Canada K1G 3H9 — 167 pages — 1984

In June 1983 a workshop was held in Vancouver dealing with research approaches and methodology for pro-

cess improvements in small-scale food industry businesses. The objectives of the workshop were to review experiences in the application and evolution of a small-enterprise-oriented process improvement methodology, to examine needs for research and development and to assist those participating at the workshop to improve conditions in small food factories in their respective countries.

This publication is a summary report of the proceedings of the workshop and as such constitutes a useful contribution to general knowledge of the status and problems of traditional food processing in developing countries.

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Pierre AISNER & Christine PLUSS — **La Ruée vers le soleil — Le tourisme à destination du Tiers Monde** (Rush to the Sun — The Third World Tourist Trade) — L'Harmattan, 7 rue de l'Ecole Polytechnique, 75005 Paris — 281 pages — 1983

Every year, millions of holidaymakers from the industrialized societies set off to discover the Third World.

Why do they go? Are they anxious to see something different, are they interested in the exotic or do they want to meet "other" people? Or are all these just an expression of a more profound malaise that is taking a hold in our own society? And these "other" people — are they not sometimes hosts in spite of themselves? Are not the people of the Third World forced to accept all the means of development that the rich societies dangle before their eyes?

This book, a pioneer in the field, is a committed work that attempts to answer all these questions and it does so with the aid of statistics and a historical and socio-economic study that shows where the tourist trade fits into international relations.

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Henri ROUILLÉ D'ORFEUIL — **Coopérer autrement: l'engagement des organisations non-gouvernementales aujourd'hui** (A different way of cooperating — Today's NGO commitments) — l'Harmattan, 7, rue de l'Ecole Polytechnique, 75005 Paris — 301 pages — FF 65 — 1984

This book, in which 11 associations were involved, is a joint stand. They all claim to espouse the way of thinking (set out in part one) that is emerging today. In part two, the various associations illustrate their approaches to international solidarity by describing a project in which they are involved.

The idea behind this book was for these associations to help the nationals, technical assistants and volunteers working for development in the Third World and the NGO militants, teachers, journalists and so on involved in providing information and publicity in the North in their works and to inform a much wider public about the non-governmental movement. It aspires, furthermore, to provide a framework for a politico-economic analysis of their stand and of the prospects for the practical and immediate action it is suggesting.

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<p>THE COURIER</p> <p>AFRICA - CARIBBEAN - PACIFIC — EUROPEAN COMMUNITY</p> <p>PUBLISHER</p> <p>Dieter Frisch</p> <p>Commission of the European Communities</p> <p>200, rue de la Loi 1049-BRUSSELS (Belgium)</p> <p>Tel. 235 11 11 (switchboard) Telex COMEURBRU 21877</p>	<p>EDITOR</p> <p>Fernand Thurmes</p> <p>DEPUTY EDITOR</p> <p>Lucien Pagni</p> <p>ASSISTANT EDITORS</p> <p>Roger De Backer Amadou Traoré Augustine Oyowe Myfanwy van de Velde Thomas Glaser</p> <p>SECRETARIAT:</p> <p>Colette Grelet (235 47 84) Mary Beatty (235 75 87)</p> <p>CIRCULATION</p> <p>Margriet van der Werf (235 76 39)</p>
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