the Courier

Africa - Caribbean - Pacific - European Union

Country report
Gabon

Dossier
Developing the private sector

COUNTRY REPORT

Gabon

As the Second Millenium draws to a close, the Gabonese economy still relies heavily on a few primary products - oil, wood, uranium and manganese. In population terms one of the smallest countries in Africa, Gabon is also one of the most prosperous. But the natural resources are being used up, the country is vulnerable to commodity price changes and the agriculture sector is weak.

Democracy was established relatively recently, after 30 years of single party rule, following the agreements signed in Paris by the governing party and the opposition. After the most recent elections, some observers suggest that its roots are not very deep. Nonetheless, Gabon may be viewed at the moment as an island of stability in a region rocked by instability and violence.

Pages 11 to 29

DOSSIER

Developing the private sector

There is now a global consensus that a thriving private sector is essential for economic success. Throughout the world, the state, having never really mastered the 'commanding heights' of the economy, is abandoning the field to entrepreneurs. This poses particular challenges in many of the ACP countries, where the private sector is underdeveloped, business expertise is in short supply, and funds for investment are hard to come by. In the Dossier, we report on what national authorities, the EU, other international partners in cooperation, and local businesspeople themselves are doing to help create a healthy business environment.

Pages 30 to 53

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View from the deck of a tanker loading at one of Gabon's oil terminals.
Petroleum is the mainstay of the country's economy.

Inside front cover
Small businesses in Addis Ababa, Ethiopia (top).

Gabonese timber ready for export (bottom)

The ACP-EU Courier

CONTENTS

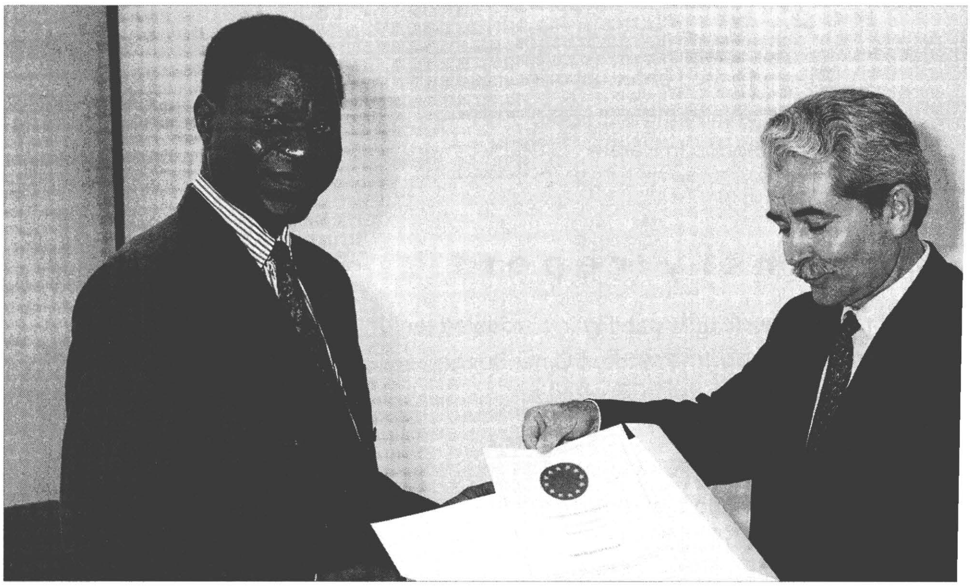
No 165 - September-October 1997

MEETING POINT

Yaldet Oulatar, Editor of *N'Djamena Hebdo*

'Information: a continuous two-way flow between the decision-makers and the people'

A free press is perceived as both cause and effect in the ongoing process of democratisation in African countries. In an environment which is generally unfavourable and sometimes even hostile, the press faces many problems. The newspaper 'N'Djamena Hebdo', founded in 1989, has been a pioneer in Chad's independent press. In 1994 its editor, Yaldet Oulatar, was honoured by the European Commission with the Lorenzo Natali Prize, awarded for the best published articles on development co-operation with particular emphasis on the protection of human rights and democracy. Passing through Brussels to accept the prize somewhat belatedly, Yaldet Oulatar, co-founder of the paper, found time to give us an interview from which the following extracts are taken.



Commission

Athanassios Theodorakis (The Commission's Deputy Director-General for Development) presenting the Lorenzo Natali Prize to Yaldet Oulatar.

■ *Your journal has been awarded the Lorenzo Natali Prize. What satisfaction does this distinction give you, as the editor of an African newspaper?*

– It is always a pleasure to receive an award of this kind from an organisation as important as the European Union. My team takes great satisfaction from being honoured in this way by people who are aware of and appreciate the work we are doing. In fact, the whole team has asked me to thank the jury for its kindness in singling us out for this prize, which means a great deal to us. Apart from the symbolic value of the prize in itself, though, it's also bringing us in some additional money, and we really appreciate that because most African papers are currently experiencing difficulties. So we see this as a life-belt which will help to restore our financial health a little and give our activities a bit more security for the future.

■ *So this international recognition is important to you?*

– Very much so. In Africa, you know, the press is often unpopular because we are sometimes seen as spoilsports. To be rewarded like this gives us a degree of fame which might serve us as a form of cover or security in dealings with the authorities, with whom we often have difficulty in collaborating. You may not know this, but in July 1995 we at 'N'Djamena Hebdo' received a pretty 'heavy' visit from the political police. Our computer system was wrecked and the chief editor and myself were held for several hours at the political police headquarters. They might think twice now that we've received an award of this kind.

■ *That leads straight on to my next question, which is to ask about the kind of difficulties you have to deal with in your everyday work of providing information.*

– Gaining access to information is the first problem because, given the fact that we are all learning our craft - the politicians are learning theirs and we journalists are learning ours - there is a kind of mutual incomprehension between us. Access to genuine sources of information is difficult for us because of the survival of reflex actions from the days of the single party, monolithic state, so that we are always regarded with suspicion. The second problem concerns the equipment, as I mentioned just now. We don't have the necessary resources, and our personnel are often inadequately trained. Journalists with a good basic training and recognised experience are more likely to move into the state-owned media. So privately-owned newspapers and radio stations are forced to take on staff who often lack the required training. I am afraid there is no getting away from the fact that this situation is prejudicial to the quality of the information we supply. Another problem is being able to sell the paper we produce. Most of our readers are civil servants, whose salaries are not paid regularly because of structural adjustment. That is inevitably reflected in our sales figures, and in the absence of any guaranteed advertising income, we have problems making good these losses. As a result, we have had to reduce our print run from 8,000 copies three years ago to 5,000 today.

■ *How could the European Union help the media to develop more rationally, in your own country for example?*

– We are already working in close cooperation with the EU, which involves us in a number of activities that it carries out locally. The logistical support it gives us in many cases enables us to move around more easily to cover certain events.

We don't see any possibility of the EU taking direct action to affect the actual functioning of the press in our country, but what it could do is to help by financing training programmes for journalists. The African press today demonstrates a vitality that needs to be sustained by a minimum degree of professionalism. African newspapers are well aware of this problem, which represents a threat to their survival. Again, the price of raw materials is prohibitive for most newspapers. It would be desirable for the EU to help us find more economically priced equipment to enable us to replace some of the obsolete hardware we are still using.

■ *Is it easy for you to discuss these matters with the authorities in your country without being suspected of opposition sympathies, and what concrete forms of help do they propose?*

– They accuse us of being opposition newspapers when all we are really trying to do is be critical. In 1994, a law was passed setting up a press aid fund which was to be subsidised by public funding, but I can tell you that that fund hasn't received so much as a penny to date. The refusal to implement this measure is all the more damaging to us because since the devaluation of the CFA franc, the cost of some products - paper for example - has soared. Most African governments have taken action in the field of health or education to cushion the increasing costs, but nothing has been done for the press. It may be that because our authorities don't regard the press as a necessary support for development they don't give us the help they should. On the other hand, they don't make use of us either. In some countries the press is used to support the view that things are going well, democracy is progressing and there is complete freedom to express one's opinions.

■ *Are you organised in the form of associations to defend the interests of your profession or does the natural effect of competition between newspapers paralyse such initiatives?*

– You may be surprised to learn that we have an Association of Chadian Press Editors in our country. Whenever we have had problems, we have got together to try and find solutions. For example, when our equipment was wrecked, the other newspapers spontaneously offered to let us use their computer equipment so that we could keep on publishing. We also succeeded in the remarkable feat of bringing out a joint newspaper, combining the four journals that existed at that time under a single title with the different logos. Commercially, the operation wasn't the success we hoped for, because we weren't allowed to use the national radio stations to explain to our respective readerships why we had chosen to do this. Even so, it does show the spirit of solidarity that prevails in our profession. And when there are several sources proclaiming the same truth, you have more chance of being listened to than when you are on your own. So we must pool our resources because, individually, none of the papers is capable of keeping going. We also have the Union of Journalists, which is quite dynamic and has succeeded in getting legislation adopted like the law I mentioned earlier setting up the press aid fund.

■ *The current process of democratisation in the African countries has brought greater freedom of opinion, but some governments are still very reluctant to accept the idea of absolute press freedom, arguing that people cannot be allowed just to write whatever they like, how they like. Where would you say the borderline is between total press freedom and respect for minimal ethical standards?*

– I must admit that certain anxieties have arisen in people's minds. During the period of euphoria of the national conferences and the transition to democracy, we felt that everything was permitted and anyone could turn himself into a newspaperman overnight, set up a paper and sell it like any other product. People have had to realise that it isn't so easy. The success of a newspaper is governed by certain minimal rules, and those who have taken their chance and ignored those rules have now paid the price, as victims of natural selection. The survivors face enormous difficulties. The lack of training among the journalists who have been recruited does admittedly create ethical problems. There have been violations of standards which we can only deplore. So what is needed is the provision of suitable technical training, and a situation where the press can offer a more decent wage to motivate journalists and attract those working in the public sector who are still reluctant to take a chance in the private press. We also need to strengthen our management capabilities, so as to ensure that newspapers are profitable and sustainable. Everyone today - both the African governments, even if they are still somewhat reluctant, and the providers of capital - want to see the continuing development of the press, which is demonstrating a degree of vitality. There can be no democracy without a two-way flow of information between the decision makers and the population, and without both sides being informed of what the issues really are.

■ *What is the link between information in Africa and the process of economic development?*

– In the 1980s, African journalism was portrayed as an agent for development.

■ *Who said that?*

N'DJAMENA HEBDO

LA LIBERTÉ DE LA PRESSE EST UN DROIT

L'OBLIGATION, C'EST LA RESPONSABILITÉ

N° 275 DU 03 AVRIL 1997 - 8ème ANNÉE - TCHAD: 300 FCFA - ÉTRANGER: 7FF

Préserver la paix

De prendre la communauté tchadienne vivant en Centrafrique (et plus particulièrement à Bangui) pour cible, chaque fois que des conflits opposent une partie de l'armée centrafricaine au pouvoir en place, est inadmissible, voire intolérable. C'est la substance du message que les autorités tchadiennes tentent de faire comprendre aux parties en conflit à Bangui depuis le déclenchement de la mutinerie qui paralyse la RCA.

Malgré ces mises en garde répétées, les Centrafricains, plus précisément les mutins avec à leur tête le professeur Abel Goumba ont continué à s'en prendre aux intérêts tchadiens. Allant jusqu'à s'attaquer par les armes aux éléments tchadiens de la MISAB (Mission interafricaine de suivi des accords de Bangui). Simple incident ou provocation délibérée en vue de jeter le discrédit sur le Tchad (accusé de soutenir le président Ange Félix Patassé) et de parvenir à obtenir le retrait du contingent tchadien? Ou est-ce là une manœuvre tendant à mettre en conflit les deux peuples? Tout porte à le croire. Car, à supposer que les Tchadiens, à leur tour, s'en prennent aux intérêts centrafricains sur leur territoire, à quoi va-t-on aboutir? Quel que soit le cas, les Tchadiens connaissent le prix de la guerre et ne sont pas prêts à une telle aventure.

Le message du Tchad qui a connu pendant trop longtemps les méfaits des ingérences de certains de ses voisins est clair: Ce qui se passe à Bangui est une affaire centrafricano - centrafricaine. Mais, le Tchad, malgré ses maigres moyens, prendra, comme il l'a fait par le passé avec la Libye, toutes les dispositions jugées nécessaires pour assurer la sécurité de ses ressortissants.

La MISAB est une initiative africaine visant à ramener la paix en Centrafrique comme c'est le cas de l'ECOMOG au Liberia. Sa mission et ses objectifs ne peuvent pas correspondre aux visées politiques de certains leaders de la RCA. Mais s'en prendre à elle (ou à certains de ses éléments) sous quelque prétexte que ce soit n'honore pas les hommes politiques centrafricains.

Quelles que soient les contradictions qui opposent ceux-ci, quelle que soit la nature du conflit qui les divise, nous estimons que seul le dialogue et la tolérance dans le respect de la démocratie doivent prévaloir.

La rentrée parlementaire

GRAND-REPORTAGE

Pourquoi le contingent tchadien a-t-il été attaqué à Bangui?

Envoyés dans le cadre d'une mission de paix en Centrafrique, les soldats tchadiens de la Mission interafricaine de suivi des accords de Bangui ont été lâchement agressés par les mutins du capitaine Anicet Saulet les 22 et 23 mars 1997 qui les accusaient de soutenir le président Ange Félix Patassé. Excédés par les provocations répétées des mutins, les Tchadiens ont riposté, en légitime défense sur instruction du général gabonais Nkili Edouard, commandant les forces de la MISAB. Le bilan, selon différentes sources est lourd.

L'opposition politique centrafricaine qui s'est saisie de cet incident exige le retrait pur et simple des soldats tchadiens de Centrafrique. En pure perte. Pour l'heure, l'incident des 22 et 23 mars a permis de relancer la dynamique de la paix chez nos voisins du Sud.

PP. 3&4

Commission

– The political leaders. But, in fact, as a participant in development, journalism was only a transmission line to carry the policies decided on by the authorities to the population. Journalists were not allowed to cast a critical eye over those policies. They had to be satisfied with passing on the information as it stood, and they had no power to relay back any discontent felt by the population at large, to enable those responsible for the decisions to correct their aim. Seen in that light, journalism could only resemble propaganda.

"The press is often unpopular because we are sometimes seen as spoilsports."

Today, we perceive information as a continuous two-way flow between the decision-makers and the people.

■ *Can you briefly tell us something about your newspaper 'N'Djamena Hebdo'?*

– The paper was founded in October 1989. We were virtually the only privately-owned newspaper at the time and, as a result, we received the spontaneous support of our colleagues working in the state-owned press, who found a forum through our journal. The venture continued, and we enjoyed a wonderful period when our daily print-run was between 12,000-15,000 copies, with the added bonus that the public had great expectations regarding democracy. Unfortunately, there were disappointments and, with the economic crisis, the funds (of our readers as well as our advertisers) began to dry up. The situation today, as I said, is that we print 5,000 copies, though that is still the best in the country. People think of us now as being the 'opposition' press. But I must point out that we were around before the opposition was. Our paper dates back to 1989, whereas the legislation that organises the country's political life dates from 1991. It isn't politics that has inspired us - it's more a case of us inspiring the politicians.

■ *Have the opposition parties, or indeed, the authorities, made any attempt to bring you into line, or even take you over?*

– No, not really. There were originally two of us who set up the paper in 1989: *Saleh Kebzabo* and myself. Mr Kebzabo went into politics in December 1992, since when I have been responsible for editing the paper. I can tell you that he has never come back to us to tell us what lines we should follow. His departure did cause a certain amount of concern, but it didn't take us long to persuade our readers that we were genuinely independent of both the opposition and the government. We just have to do our job as honestly as we can, and I can tell you that, whatever people may think, you cannot fool all the people all the time. The readers soon learn to tell what is true and what isn't. ■

Interview by K.K.

ACP

The underused potential of ACP consultants

by Daniel Assoumou Mba, Claude Uzureau and Claude Vacherot*

In all ACP countries, but most of all in Africa, professional training needs are a major priority for the achievement of sustainable - and, if possible, rapid - economic development to meet the challenge of demographic growth. This need for better training affects all sectors of the economy, but we propose to concentrate here on one particular activity: consultancy or, more generally, consultancy bureaux.

The place of consultancy in ACP economies

The contribution made by consultancy (study, consultation, provision of services) is essential to the economic development of a country. Its existence is inextricably linked with that of the private sector as a whole. In every country, industrialised or otherwise, development programmes comprise three levels: the global vision of policy, which concerns the political and financial institutions; the studies, which involve the same protagonists but also advisory and consultation bureaux; and implementation, which is entrusted to the private sector under the supervision of the political and financial authorities.

However, the planning of socio-economic development in the ACP countries does not always appear to take account of this division of labour. This explains, at least in part, the inadequate numbers of African consultants capable of operating at this level. The sector is characterised by a lack of professionalism and a mass of different structures – often because of limited financial resources and a lack of work. In these circumstances, it would be worthwhile for decision-makers to encourage schemes aimed at strengthening the capacity of local consultancy.

Institutional measures can help bring about a gradual improvement in the impact of local consultancy on particular economic sectors or specific types of training. Thus, the external financing of a development programme should include an element aimed at helping national or regional consultancies to be involved in studies, project implementation and the provision of services. ACP officials would thus be gradually freed from their responsibility for studies and implementation with the resources allocated being transferred to the private consultancy sector.

The idea of increasing know-how transfer in this field is not a new one and is shared by various international organisations and other bodies concentrating on North-South cooperation. Thus, the World Bank, and other financing institutions including the African Development Bank (ADB), recognise the need to involve local consultants in the projects they help to finance. For their part, the EU and the ACP countries are working on the same idea and are trying to apply it in the joint implementation of the Lomé Convention, in projects financed under the European Development Fund.

Current problems

Leaving aside chartered accountants, who adhere to very strict professional rules and whose competence is generally unchallenged, we look more closely here at two broad categories of consultancy:

- technical development study bureaux, which can offer very varied and sometimes highly advanced technical know-how (depending on the size of the office and the areas in which it operates). How well these bureaux are known depends on the professional experience of their members.
- promotion and development consultancy offices, where the bulk of consultants are to be found, and which are concerned with general aid and promotion schemes.

In many countries, there are local factors that contribute to the overall weakness of the sector today. In the first place, there are quite a lot of bureaux – certainly when one considers the limited finance available for consultancy work. The needs, whether for studies, advice or training, are clearly enormous, but the potential beneficiaries of consultancy work are generally in no position to pay for them. A few large ACP-based enterprises may be able to fund such work from their own resources but most consultancy is financed by donors. Another factor is major size disparities – the sector has everything from large and well-structured bureaux down to individual consultants. In some cases, it suffers from a lack of professionalism. Reasons for this may include inadequate (or even non-existent) training, insufficient experience of the areas studied, or excessive diversification by bureaux both in the services they offer and in fields of activity they cover. There are even those who offer services in areas where they have no specific qualifications. On top of all this, there is the problem of lack of financial resources among local clients.

Another weakness in this professional sector is the lack of organisation. Certification of a bureau for a given field of consultancy presupposes, after all, the existence of an appropriate professional structure, and in the

* *Daniel Assoumou Mba* is an agronomics engineer and former Director of the CTA, *Claude Usureau* is an agricultural engineer and former Scientific Advisor to DG XII (European Commission) and *Claude Vacherot* is an international consultant (with particular expertise in ACP countries).

absence of certification, a satisfactory level of service cannot always be guaranteed.

Who will provide the know-how transfer ?

Before sketching the broad lines of a programme designed to correct the adverse effects of local factors, we need to consider who would promote it, implement it and benefit from it.

The promoters would be, first and foremost, the ACP states, co-signatories of the Lomé Convention, who have an immediate interest in the subject, and also the donors – insofar as they really want to establish some balance between the activities of African service providers and the obviously essential activities of consultancies based in industrialised countries.

As for implementation, this could involve various bodies. One interesting possibility is the European associations of retired professional people. These already offer enormous potential in terms of highly qualified former professionals – more than 20,000 of them – including a significant minority who used to be consultants themselves. The specific feature of these organisations is that they combine voluntary work and professional training. Most members have recognised experience, and many have an established reputation, in the field of technical cooperation in ACPs, other emerging nations and the industrialised countries. The World Bank, FAO and most of all, the European Commission, use the structured services of these active retired volunteers, so why should they not also be used to support local consultancy in the ACP states? The activities of retired European professionals should, moreover, eventually lead to the creation of a similar African structure, thus contributing to the permanence of this form of know-how transfer.

Beneficiaries have already been identified, but the present level of organisation of the profession does not make it easy to define points of convergence for the activities to be carried out. For this reason, one aspect of training should relate specifically to the organisation aspects. The starting point might be the Federation of African Consultants, and more specifically the national professional organisations, which could act as 'propagation' centres.

We believe that, if the purpose of transferring know-how to bureaux in ACP countries is indeed to make them independent and able to compete with consultants in the industrialised countries, this transfer would benefit from being undertaken by people not operating within existing consultancy operations.

A specific programme

The ACP countries have a genuine need to develop the potential of their consultants. To take account of this – and of the specific situation of each country – the forms of assistance provided by the EU's retired professional associations should be particularly geared to:

– improving professionalism, which means that executives should be trained in the management of a consultant engineers' office through seminars on the consultancy profession, office management, development strategy, service canvassing, office management, contract administration and instructor training;

– help with the organisation of the profession, comprising activities in each country in conjunction, especially, with the African Federation of Consultants (this would be a complex scheme involving analysis of the local situation, bringing together the largest possible number of office managers, taking a census of them, evaluating their expectations in terms of a professional structure, and outlining forms of certification);

– the certification of bureaux, the final stage of the process being the award of a quality label designed to promote excellence. Admittedly, the introduction of this in ACP countries would, in some cases, risk undermining the process of structuring the sector given that certification implies 'selection'. It also assumes the existence of a universally recognised authority capable of awarding this label on the basis of an objective and honest examination of the documentation.

Crossing the Rubicon

The subject raised here is an important one and will have an impact on the development of the ACP countries, and on their relations with the EU. Implementation will certainly be difficult, and will bring those involved up against certain foreseeable obstacles which have hindered progress in the past.

For our part, we believe that if a wide-ranging programme cannot be begun immediately, it would at least be helpful to agree on the principle and seek resources to launch it on a limited experimental basis. Further action could then be taken, and implementation speeded up, assuming the evaluation of the initial results is positive. ■ D.M.A,. C.U & C.V.

ACP

Education and manual labour in Africa

by J.-P. Yetna

The fact that manual labour has been detached from education merely serves to reinforce the myth that working on the land is tantamount to punishment. Adam and Eve were given a 'life sentence' when they were compelled to become farmers. From this perspective, labouring in the fields is seen as the worst punishment that can be inflicted on man because it symbolises his enforced return to his origins. But economic crisis and uncertain prospects in Africa are giving manual labour the opportunity to acquire a higher status. The development of the informal economy, notably the small trades sector, may be the consequence of an economy in difficulty but it might also be portrayed as the 'revenge' of manual over intellectual work.

The failure of the intellectuals

The notion that formal education is the only way to social advancement has been endowed with an almost religious reverence throughout Africa. In the past, it has been presented as the most effective way of delivering societies from their wretchedness, and teaching has thus expanded far and wide. African countries have mobilised considerable resources to give every child the opportunity to make something of him- or herself. Indeed, between 1960 and 1983, they invested three times as much in primary education as did countries in Asia.

It was generally accepted that one had to be able to read and write to ensure a better life. This, in turn, gave rise to the illusion that the longer one studied, the greater were one's prospects of finding a job. The result was a big increase in the numbers attending school. But little regard was paid to the economic opportunities that were actually available and the inordinate tendency of many Africans to become 'eternal students'.

Literacy programmes implemented 40 years ago have not brought the expected results: African countries have been unable completely to eliminate illiteracy, unemployment among those with qualifications stands at a higher level than anywhere else in the world and the much-heralded modern society has not materialised.

Every year, the universities award thousands of diplomas – but many of the graduates will never find work. The direct relationship between education levels and income, which was seen in the years immediately after independence (owing to the lack of qualified personnel at the time), no longer exists. The trend has actually been reversed and there are few openings for graduates. Parents who are still able to do so send their children to school more out of a sense of duty than a conviction that they will be able to secure a better job.

In schools and, as a result, throughout society, the idea has taken hold that it is more 'noble' to be an intellectual than a manual labourer. This explains why most African countries have invested very little in technical and vocational education, abandoning the sector to private concerns, with almost no monitoring. Despite this climate in which the value of manual work is underrated, those who have taken the risk of opening private technical-education establishments have often been successful. They have certainly done better than they would have by investing their efforts in trying to reshape opinion in favour of manual work.

Broadly speaking, the people receiving technical tuition are those who have slipped through the net of the general education system. A child whose syntax is unsatisfactory will be advised to follow a technical course. Mastery of the language (usually French and English) remains a criterion of excellence in primary school. This may help to explain why some African intellectuals make it a point of honour to play with words. In any event, students, parents and the educational community alike tend to regard someone studying a vocational subject as a 'failure'. This explains the current craze for 'general studies' in which accumulation of knowledge becomes an end in itself.

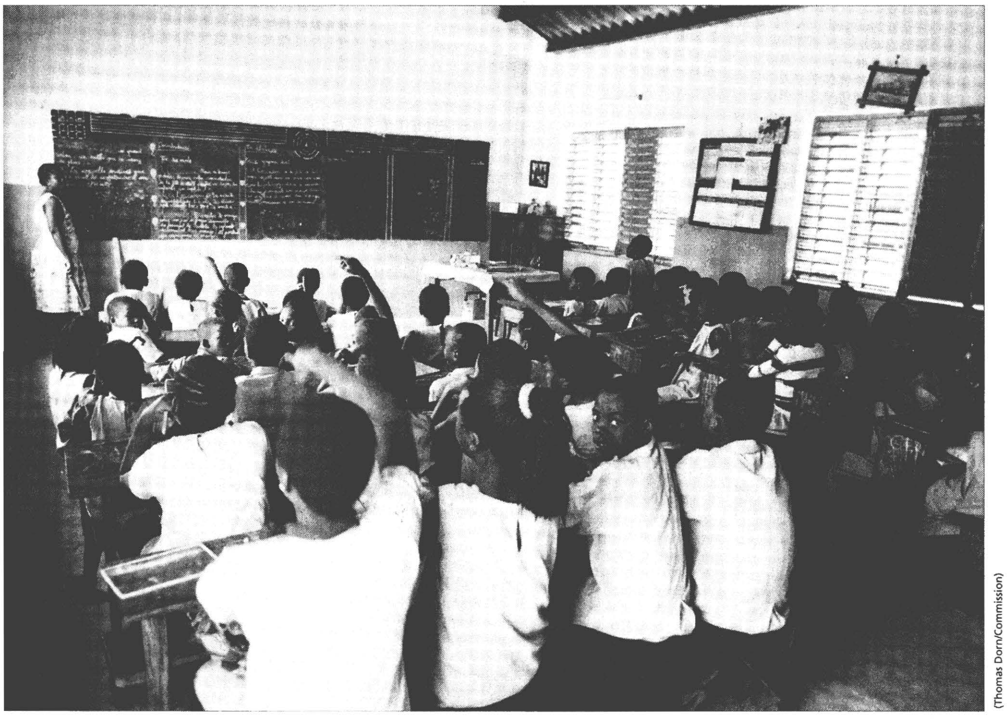
The attitude is also partly explained by the desire to escape from the aforementioned 'punishment' which is the perceived lot of the manual labourer. Thus, we find many Africans able to read Virgil in the original or fully acquainted with the latest economic theories, who cannot tie up a bundle of firewood securely or sharpen a machete with a file.

Against a background of economic crisis, it is the 'intellectuals' who are most in need of help. As they begin to comprehend the uselessness of their studies, after perhaps after several years of unemployment, young university graduates reluctantly turn to peddling on the streets.

Failure of rural education campaigns

In the early 1970s, African countries felt the need to adapt education in the rural areas to the needs of the local economy. The 'buzz' expression was 'taking education into the countryside'. Why did this approach, based on good intentions and accurate observations about the failure of conventional education, not work?

A number of factors may be cited. For example, the policy was viewed as a 'cut-price' option and it received little support from parents, teachers and inspectors.


(Thomas Dorn/Commission)

The idea has taken hold that it is more 'noble' to be an intellectual than a manual labourer

There was also the fact that teachers 'forced' to give instruction in agriculture may have felt undervalued, jumping at the first opportunity to return to a more academic and intellectual form of pedagogy. Moreover, many saw a posting to the countryside, where modern comforts are often lacking, as a kind of punishment or internal exile.

For education in rural areas to succeed, life in the countryside needs to be made more agreeable. Towns and cities must no longer be treated as the 'centre of the universe' and in this respect, one cannot rely solely on the rhetoric of the 'green revolution'. Nor should rural education be treated purely as an economic investment. The promotion of village communities needs to be put before commercial interests. And it is a mistake to count on adolescents in education to transform the rural environment. School for them is often nothing more than a way of escaping work on the land. Those who become peasant farmers seldom have any choice in the matter.

The excessively rigid distinction between 'manual' and 'intellectual' activity has worked against the spread of education in the countryside. Such campaigns only succeed if conventional education is taken down from its pedestal.

A time for pickaxes

In the period immediately after independence, the absence of educational infrastructures in the country areas and the often illusory view that a better life was to be had in the towns of Africa led to a massive rural exodus. Up until the mid-1980s, it was thought that this phenomnenon was irreversible. In more recent years, the balance has shifted back in favour of the countryside.

But the relationship between town and country has never been more tenuous. Unemployment in the urban areas is still rising with nothing on the horizon which might be able to reverse this trend. Indeed, there is a prospect that many children born in the 1980s may never experience the satisfaction (and pain) of paid work.

There has been a lot of talk, particularly in the industrialised countries, about a new age of leisure. Unfortunately, however, for people in Africa, it is not spare time that needs to be filled but stomachs. Most countries on the continent are mired in debt and, in their efforts to repay their loans, are not in a position to recruit. Medium and long-term economic forecasts are far from optimistic. Meanwhile, European countries are strengthening their immigration controls, making emigration from Africa a risky venture.

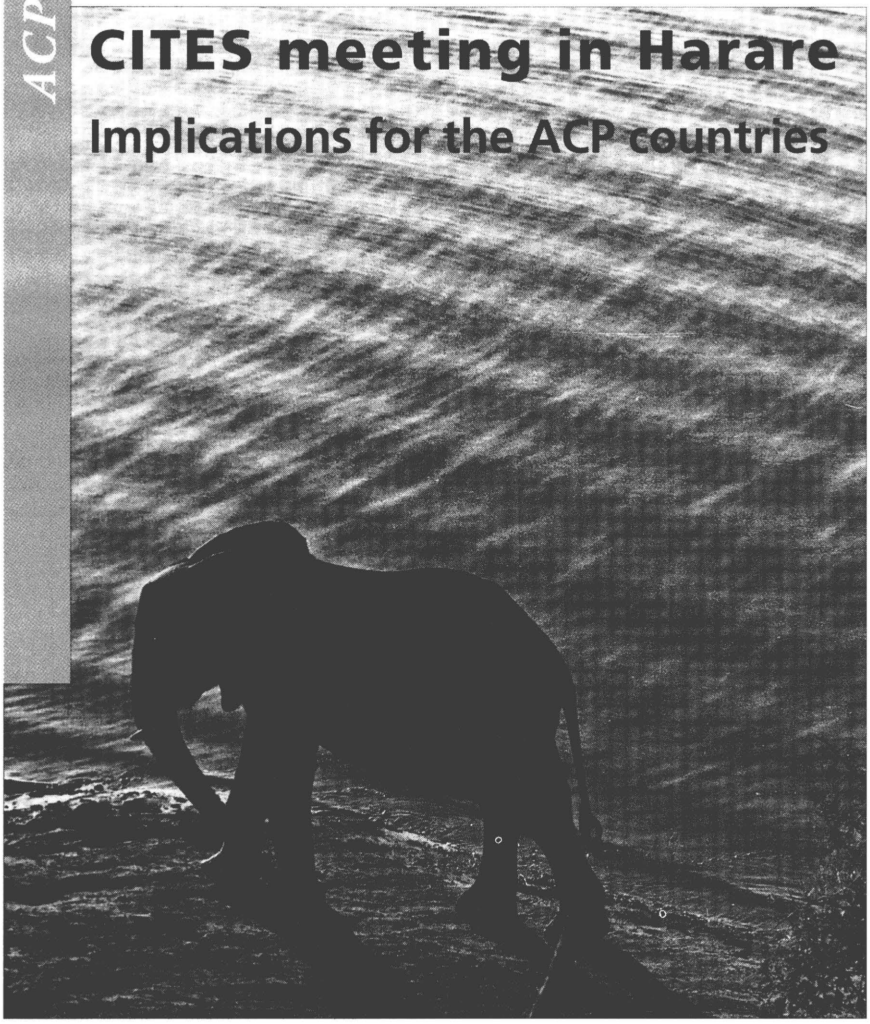
Working on the land may be viewed as a last resort in avoiding complete destitution but many Africans are beginning to understand that the cult of the pen has come to an end and that it is now the age of the pickaxe. For many, it is no longer a question of choosing between a manual and intellectual vocation, because the latter is no longer available. Education systems need to be reformed to reflect this changed reality – becoming the vector for an equivalent change in attitudes. Society, after all, used to attach value to manual labour and did not regard it as a final resort.

Paradoxically, economic crisis offers African leaders an opportunity to adopt policies which favour food production, thereby complementing the 'green revolution' which seems to be developing at the grass roots. It is also the right time to review the effects of development driven from outside Africa and to seek a new model. Nowadays, it is no longer a question of giving every child the means with which to achieve his or her full potential. We must recognise that this is a pipedream. The burning issue is how to provide enough food for the people. If we want to avoid the tragedy of famine in Africa in the future, manual labour, and working on the land in particular, must be reevaluated – and revalued. ■

J.-P.Y.

CITES meeting in Harare

Implications for the ACP countries



Should the global ban on trade in ivory products be eased? Are the Mantella frogs of Madagascar an endangered species. Are the international rules which protect the Marsh Rose unnecessarily stringent. These were among the many questions debated by delegates at the most recent Conference of the Parties to the Convention on International Trade in Endangered Species (CITES) held in Harare, Zimbabwe. To the uninitiated, the argument over how to protect species at risk often appears straightforward - pitting commercial interests against conservationists. In fact, the situation is much more complex. Many of those who favour less stringent controls believe that sustainable exploitation is a better way of ensuring species conservation. If something has a market value, so the argument goes, then people will make the effort to nurture it. Others dispute this analysis, believing that the only way to preserve threatened flora and fauna is to suppress most of the market demand. This can only be done, they claim, by comprehensive trade bans. In this abridged article, the Africa Resources Trust (a Southern Africa development organisation based in Harare) reports on some of the key decisions made in the Zimbabwe capital and offers a Southern perspective on the thorny issue of species conservation.

The background to CITES

CITES was established in 1973 at a meeting held in Washington. Administered by the United Nations Environment Programme (UNEP), its function is to regulate the trade in wild species of fauna and flora - with the underlying aim of removing international commercial trade as a factor endangering such species. The Convention, originally based on the USA's 'Endangered Species Act', has 138 signatories. Its lists species in three different 'Appendices' according to their conservation status. Appendix I contains all those said to be 'endangered' and it is virtually impossible to trade in them unless special derogations are agreed. Appendix II contains animals and plants which might become endangered if trade is not strictly controlled and monitored. International trade under Appendix II is allowed only with permits issued by the exporting country. Appendix III is designed to help individual nations gain international assistance in protecting their indigenous species. Any country may place an indigenous plant or animal on the list, highlighting the fact that the species deserves special attention.

Much of CITES' business is conducted at the *Meeting of the Conference of the Parties* (COP) which gathers biennially. During these sessions, the state parties discuss and vote on resolutions, decisions and proposals to list species, or to transfer them between Appendices. The COP's work is organised through two committees: Committee I deals with species proposals, and Committee II with resolutions and the general functioning of the Convention. In between the main meetings, the work of the Convention is carried out by three Committees - the Standing Committee, the Plants Committee and the Animals Committee.

The tenth meeting of the parties, held in Harare in June, attracted some 1,800 representatives of governments, intergovernmental organisations, national and international NGOs, and the media. The Convention Secretariat had received 75 proposals to amend the Appendices. Of these 39 involved 'downgrading', or a liberalisation of trade in some way, while the remainder were proposals for new listings, 'upgrading' (movement from Appendix II to Appendix I), or stricter controls in some other form.

A natural history museum?

In recent years, CITES has become a battleground between North and South, with developed countries assuming the authority to impose trade bans on Southern resources, without having to bear any of the costs. There is a lot of interest in the Convention, which has become a tool for the developed world's booming animal pro-

Proposals tabled in Harare concerning African species

By South Africa on the *Southern White Rhino*

This is already in Appendix II with a special annotation to allow only the export of live animals and sport hunting trophies. The proposal would have added the possibility of trading in rhino products, but with a zero quota. It was rejected, having failed by one vote to achieve the required two-thirds majority.The object was to allow the South African Government, which has been successful in rhino conservation through sustainable use practices, to undertake research on trade. The proposal was supported by most countries in Africa, Asia, Latin America and the Caribbean.

By Botswana, Namibia and Zimbabwe on the *African Elephant*

The proposals, which sought the downlisting only of the elephant populations of the three countries, were adopted by a large majority. This decision satisfied most African nations, though, as expected, animal protection groups complained. The EU abstained. The decision rewards the three southern African countries for their successful conservation policies. The Conference acknowledged the crucial importance that conservation and community development support programmes in Southern African have for effective wildlife management. The strict conditions imposed on the resumption of trade, and the fact that this will not happen for at least 21 months, should ensure that the necessary controls are in place before any ivory is exported, and that any potential negative impact on elephant populations elsewhere in Africa will be avoided.

By The Netherlands on four species of *Mantella Frog*

The proposing country wanted these to be listed in Appendix II. The proposals were withdrawn and Madagascar (where the species are found) agreed to list them in Appendix III.

By Madagascar, Uganda and Tanzania on the *Nile Crocodile*

The crocodile populations of the three countries were already on Appendix II. Madagascar and Uganda had temporary quotas and wished to retain their Appendix II listing for crocodiles raised by ranching. Tanzania already has a ranching programme but wished to add a quota of 1,100 wild skins including 100 hunting trophies. The three proposals were adopted.

By the United States on the *Sawfish family*

This family of marine and freshwater fish is commonly used in tourist curios in Africa. It was acknowledged that international trade in the species was not significant and the proposal to list the species was rejected. It was recognised, however, that it may face a conservation problem in the near future.

By South Africa on the *Marsh Rose*

The proposal to transfer this species from Appendix I to Appendix II was adopted. The plant is abundant in African waters, and international trade is not significant.

By South Africa on the *Protea*

The proposal to transfer this species from Appendix I to Appendix II was adopted. The species is not in danger and international trade is not significant.

tection industry. The problem was neatly summed up by the then Executive Director of UNEP, *Dr. Mostafa Tolba,* at the Kyoto CITES meeting in 1992. 'There are loud complaints from a number of developing countries', he said, 'that the rich are more interested in making the Third World into a natural history museum than they are in filling the bellies of its people.' He went on to pose a question which he believed the parties needed to answer: 'Do you see CITES' principal role as preserving species or utilising them sustainably for development?' The answer may not have been clear five years ago in Japan, but the recent Harare meeting revealed a clear tilt towards the latter position.

Most ACP countries, including all African ACP signatories, are parties to CITES. At the Harare session, all of the proposals from the ACP region for listing or changing the category of species came from southern and eastern Africa. For many delegates and observers, the proposal from Botswana, Namibia and Zimbabwe for the transfer of their elephant populations from Appendix I to Appendix II was the main issue. But several other species of fauna and flora found in these areas were also discussed. Details of some of the key decisions taken can be found in the box article.

Generally speaking, the Harare meeting was a success, both organisationally, and in terms of the dialogue that took place. The ACP countries acted as a powerful block, and there was a wider solidarity among developing countries which realise that they have common interests - despite the variations in their species, ecosystems and natural conditions. The strong voice of the South was critical in achieving a global endorsement of the 'sustainable use' principle. This is now seen as a tool for conservation of wild species while allowing local communities to benefit economically from regulated trade. There is no doubt that the developed world has listened to this voice.

During the session, many developing country delegates expressed a wish that CITES should be steered towards involving rural communities as the custodians of natural resources. They also believe they should be allowed to have inputs into decisions affecting the fate of their heritage. Communities have demonstrated, through various schemes (notably the CAMPFIRE project in Zimbabwe), that given the rights, they can be good natural resource managers. Banning trade in wild species has no conservation value as it kills the people's desire to conserve by removing the incentives for conservation.

The next Conference of the Parties will be held in Indonesia in 1999. The hope is that further progress will be made there in reaching decisions that benefit the Earth's animal and plant resources, *and* its peoples. ■

Africa Resources Trust

COUNTRY REPORT

Gabon: fragile stability in a troubled region

The Coureir

When *The Courier* visited Gabon in June, voters in a number of constituencies were facing yet another trip to the polling station. At the end of 1996, municipal and national assembly elections were held with the Senate poll taking place early in 1997. The latest electoral test, scheduled in two rounds on 27 July and 10 August, arose from the decision of the national electoral commission to annul a number of individual Assembly results in eight of Gabon's nine provinces. The outcome of the legislative election (prior to the annulments) was a strengthening of the governing party's position in Parliament. The Democratic Party of Gabon (PDG), of which President Bongo is honorary chairman, increased its representation from 66 to 82 in the 120-seat chamber and can also rely on the support of six members from two smaller 'opposition' parties. The main opposition groups won 24 seats while the remaining eight were taken by independents. Meanwhile, the opposition did well in the big municipalities. The next big test will be the Presidential poll in 1998. And while a lot of attention is focused on politics, the country must also look to its economic future and the need to prepare for the time when the oil and uranium reserves run out. Politics and economics are both important. Gabon is a stable bulwark in a region of Africa wracked with upheavals – but it is a fragile stability.

The recent series of polls were the culmination of a lengthy period of political transition which began in September 1994 with the signature of the Paris Accords between the government and opposition groupings. Some analysts predicted that these would send shockwaves across the Gabonese political landscape but this has not happened. Instead, a form of cohabitation has developed involving the ruling party and certain opposition forces.

Despite this, the main opposition leader *Father Paul Mba Abessole*, who is mayor of Libreville, has refused to become involved in the government. The stage has been set for some tense exchanges in the 1998 presidential campaign. The opposition's strength in the capital is significant given that, with 420,000 inhabitants, it is home to close on half the country's population (which was just over a million at the time of the last census in 1993).

In fact, President Bongo's PDG, which used to be the country's single party, won just over half the seats in the 1996 local elections. But the political landscape has clearly changed with opposition groups gaining control of a number of councils: notably Libreville, which fell to Father Abessole's 'National Rally of Woodcutters' (RNB) and Port Gentil which was captured by the Gabon Progress Party (PGP – whose leader is *Pierre-Louis Agondjo Okawe*). Opposition gains were also recorded in other urban centres – although not in the PDG's eastern heartland (the provinces of Ogooué-Lolo and Haut-Ogooué) which are President Bongo's own stamping ground.

However, as mentioned, the President has succeeded in introducing a form of 'cohabitation' with some of the opposition. He has created what the RNB leader has dubbed a 'made-to-measure' post of Vice-President, which has been given to the fourth largest opposition party. According to the Head of State, the Vice President will be 'an assistant responsible for carrying out one-off tasks'.

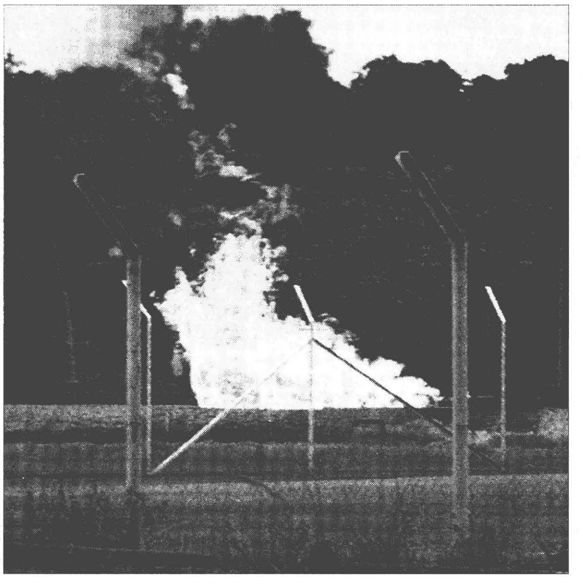
The local and legislative elections in November and December 1996 had in fact been postponed and rescheduled several times, and the political skirmishes which preceded the actual casting of the ballots dominated the political scene for most of the year. When the National Assembly's mandate ended in May 1996, the country was without a legislative body for eight months. Despite this 'void', Gabon's economy performed well and, to the satisfaction of the IMF, it kept within the agreed macro-economic parameters.

Indeed, the figures for the balance of payments, the budget deficit and inflation were all better than had originally been anticipated when the 1995-98 structural adjustment programme was drawn up. Another indicator which exceeded expectations was the crucial GDP figure. In 1996, real growth was estimated at 3.1%.

Oil provides a boost but there are clouds on the horizon

We referred above to the fact that Gabon is facing a big challenge in planning for the time when the oil and uranium reserves have been exhausted. The petroleum sector, which is the main motor of the economy, is moving towards a critical point. The companies operating in the sector (there are 14, of which the most important are Elf, Shell, Amoco and Total) say 1997 was an exceptional year for production but a progressive decline is forecast if new deposits are not discovered very soon. So while Gabon exports over 12 million tonnes of crude each year via the Port-Lopez oil terminal, production is now believed to have peaked. The Rabi-Kounga deposit, which was discovered in 1985, and is being exploited by Shell and Elf, is the principal remaining source of the 'black gold'. Indeed, it is thought to be the only remaining viable field offering a long term possibility for exploitation.

Although the macro-economic statistics may look good, it needs to be recognised that the improvement in the country's financial position has been largely due to current conditions on the world petroleum markets. These were particularly favourable in 1996, with prices averaging $20.40 per barrel compared to $17.20 in 1995. Gabon's production was also up in 1996, output reaching 18.3 million tonnes. It may be a lucrative sector but the economic dominance of oil is something of a double-edged sword, in that it makes the country extremely vulnerable to global events.


The Courier

Oil: the main driving force of the economy
The Rabi-Kounga deposit

As for uranium, even the short term prospects are unfavourable. The deposits in the Mounana region in the east will soon be exhausted and this will have a knock-on effect on industrial activities in the area. Thoughts are turning to conversion and the search for alternative economic activities. Comuf (the Franceville Uranium Mining Company) is aiming to restore the mining sites and set up hevea plantations for rubber production. The company has been the main beneficiary of EU Sysmin funds – which have represented a substantial proportion of the EU's overall assistance to Gabon under the Seventh EDF (40% of the total in 1996 and 28% in 1995).

Reforms

Since it achieved independence, Gabon has relied heavily on a single product (oil) and if it is to break from this, it must develop other sectors. Economic performance in 1996 suggest some limited success in this regard. If petroleum is excluded from the figures, then growth (covering all other sectors) was an even healthier 4.4%. But this was largely due to increased exports of timber and manganese, themselves both traditional primary commodities.

To achieve sustainable and healthy all-round growth, the government is seeking to create an environment conducive to business and investment. Major planned reforms include new codes in the fields of mining, forestry and labour policy, and a new investment charter.

The country's other major challenge is rising unemployment, which reached 20% in 1996. The number of people entering the job market grows by about 12,000 annually with only a third of these managing to find work in the formal sector. The hope, however, is that the unemployment pressures should ease somewhat as the private sector develops.

According to *Emile Doumba*, Director General of the International Bank for Commerce and Industry in Gabon (BICIG) and a hotel promoter in the Lopé reserve, there is also a battle to be waged against the 'civil servant mindset – the desire to become a public official rather than find work in the private sector'. He pointed out that the ambition of young people to obtain civil service employment was also a feature of other African countries. The spirit of enterprise remains underdeveloped and many more foreigners than Gabon nationals are to be found in the most buoyant economic sectors. Thus, for example, the Port-Gentil fishermen are nearly all from West Africa, notably Benin. Likewise, in the commercial, bakery and catering sectors, local employees are outnumbered by workers from Senegal, Cameroon and Lebanon.

Another task for the new government, which came to power

Crowded cities, empty countryside

The economic choices made by Gabon in the past have led to a concentration of the population in major urban centres where most of the mining, service and conversion industries are based. According to figures in the most recent census (1993), over the last 30 years, the towns and cities have expanded significantly. 73% of Gabon's people (approximately 743,000) now live in an urban setting while the rural population stands at just 273 000. Dense forest covers 80% of the country's territory.

The drift away from the countryside began with the expansion of forestry activities in the 1960s and continued with the development of mining and petroleum. The three main poles of attraction are Libreville, Port-Gentil and the settlements in the province of Haut-Ogooué where manganese and uranium is mined. Nearly 70% of the urban population is concentrated on the coast, distributed between the capital (the focus of administrative, political and economic activities) and Port-Gentil (the centre of oil production, and oil and timber exports). A further 12% live in the aforementioned mining areas in the Franceville-Mounana-Moanda triangle near the border with Congo, where attempts are being made to develop the rubber industry.

The rural exodus has had a number of negative consequences. Among the most worrying are the marginalisation of agriculture and the aging of the population in the countryside. Meanwhile, the concentration of people in urban centres, where many are unemployed, underprivileged and marginalised, creates disillusionment with the government. The towns are a fertile breeding ground for the political opposition.

In a nation where the overall population density is already low, the fact that nearly three-quarters of

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Mont-Bouet market in Libreville

Gabonese live in towns and cities means that large areas of the forested countryside are empty of people. This, in turn, creates huge economic voids which make it even more difficult and costly to improve the economic situation.

The difficulties are exacerbated by the limited scope of the transport network. The Transgabonais railway runs from Libreville to Franceville but the road between these two centres is only bitumenised for about a third of the way (at the Libreville end). There are also roads to the north, north-east and south-west spreading out from the key junction at Ndjolé but these too diminish in quality the further one travels from the capital. The situation of Port-Gentil is even more striking. This key oil town has no road link with the rest of the country and is only accessible by air, river or sea. It is effectively an 'island' and access costs are high. This has a major impact on the local cost of living.

The consequences of all this are obvious for agricultural development and the rural environment. The lack of roads means that produce cannot easily be transported and many farmers are therefore reduced to growing only for local consumption. The tendency is for everything to converge on the major urban centres, and many small communities are left isolated.

The constraints of the road system also clearly hamper trade with neighbouring countries and help to explain why problems have been experienced in trying to achieve economic integration at the sub-regional level.

in early 1997, is to try and redress the balance between rich and poor. According to a recent World Bank report on poverty, 20% of Gabon's urban population lives below the poverty line. The imbalances are highlighted by the UNDP which puts Gabon no higher than 120th out of 175 countries on the Human Development Index, despite the fact that the country has an average GNP *per capita* of some $4,000 (the second highest figure in Africa).

In the rural areas, basic services and infrastructure – such as education, health care access, drinking water and the road network – are all in a poor state. The new government will need to give high priority to improving such services – and not just with the forthcoming presidential election in mind – if it is to prevent further massive migration from the interior and a population explosion in the major towns and cities.

At the institutional level, reforms have included the establishment of a structural adjustment programme monitoring committee (CISAS) and a technical support cell (CTA). A secretary has also been appointed to the privatisation committee in line with a commitment made to the donor countries. The energy and water sectors have already been privatised, and invitations to tender for 14 other publicy-owned companies have been issued. One of these is the Trans-Gabon Railway Board which is 100% state-owned. This company is strategically important, transporting timber in this forested region, as well as minerals and people.

Civil-service reforms are underway with the aim, among other things, of cutting staff numbers. The IMF believes that the civil servant complement should be capped at 35,000 with no more than 9,800 temporary agents on top of that.

Despite its natural resource base (60% of the country's wealth is generated by petroleum), there is a recognition that some far-reaching changes are required to make the management of public funds more efficient. And these must come sooner rather than later if Gabon is to keep to the terms of the agreed IMF programme. As stated earlier, oil production is expected to fall in 1998 and this will result in a reduced income for the country.

Agriculture left behind

Gabon's agricultural sector is relatively underdeveloped. Just 0.6% of the total land area is cultivated and, despite the natural advantages of two rainy seasons and fertile soils, the country depends on imports of surpluses from other African countries and Europe for more than half its food requirements (including most of its meat).

Agriculture has traditionally been the poor relation of the Gabonese economy, left behind in the drive to exploit the nation's mineral resources. Having said this, some cash crops have been exploited including cocoa, coffee, oil palm, sugar cane and rubber.

Rubber, pineapples and manioc
Food crops are rotated with cash crops

The Courier

Traditional food crops such as tubers and legumes, grown mainly for local consumption, occupy only a very small portion of the country's territory. These tend to be cultivated in a random fashion on areas of burnt land. Manioc, bananas, taro, yams and sugar cane are grown in rotation and surpluses are occasionally exported within the sub-region. The development of this extensive village-based type of production is handicapped, however, by marketing and transport problems which make access to urban centres of consumption difficult. Moreover, local production is hampered by cheaper imports from neighbouring countries. Overall, vegetable consumption in Gabon is estimated at 10,000 tonnes per year with two-thirds of the country's urban purchases being made on the Libreville market alone.

Export crops are the responsibility of large national agricultural development companies: *Socagab* for coffee and cocoa, *Hévégab* for rubber products, *Sosuho* for sugar and *Agrogabon* for oil palms. With growing production, *Hévégab's* future looks promising, but the same cannot be said for the other public enterprises – which are currently on the government's target list for privatisation.

Gabon's economic system is founded on its primary resources and on paper, the figures look good. For a nation with a small population, the production of 18 millions tonnes of oil, 2 million tonnes of manganese and 2.3 million cubic metres of logs a year appears impressive. But the worry is that the reserves are being drained. The availability of natural resources that the outside world wants to buy may be a blessing but undue reliance on them may also be the country's Achilles' heel, especially if they are non-renewable (oil and minerals), or at risk from unsustainable exploitation (timber).

M.F.

GABON

President Omar Bongo

'The elections will be respected'

With a political crisis in neighbouring Congo, Gabon's President Hadji Omar Bongo recently found himself in the role of mediator between the two belligerents, Pascal Lissouba and Sassou Nguesso. Libreville became the scene of intense diplomatic activity and was also a transit point for foreign nationals evacuated from the Congolese capital. Immediately bordering Congo and close to the Central African Republic and the Democratic Republic of Congo – all three currently in the news – Gabon has several reasons for concern. The situation in neighbouring countries threatens to destabilise the whole region while at home, Gabon faces the challenge of the 1998 presidential election. President Bongo answered questions from The Courier at his residence on the coast on the Gulf of Guinea. We began with his analysis of the causes of the crisis rocking central Africa.

The Courier

– Democracy in Africa appears to be a meaningless concept for some powers. Otherwise, how is it that the slightest spark immediately fans into flames. A lot of Central Africa's current difficulties are due to the fact that we are rich in raw materials. People who are not established in our countries, and who have made no commitment to us in the past, covet these riches. Their policy boils down to: 'Move aside and make room for me'. Ironically, our misfortune is to have been born in a mineral-rich region. And while some French-speaking African countries have understood the meaning of democracy, this is far from true of their English-speaking counterparts – where multi-party politics do not exist. Strangely, not a single voice is raised to denounce this state of affairs.

■ *A common image of war zones is of streams of refugees moving across borders. You have a long border with the Congo. Are you worried about an influx of refugees? Also, against this backdrop of instability, do you think that the 1998 presidential election can be organised as envisaged by the Paris agreements drawn up between you and the Gabonese opposition?*

– What should we do? Build enclosures so that the refugees do not interfere with the election? Although the issue concerns me, I am optimistic. The risk of the problem spreading is very real – this fact is borne out by the flow of refugees we are being asked to shelter. It will be alright if the situation only lasts a few days. But if it goes on for too long it will become problematic – though Gabon is generous and we will do everything possible to ensure that these people can return home. But only a political solution can resolve the crisis in Congo. Everyone must understand that the people should have their say. Voters have a right to make their judgments on policies pursued through the ballot box. And it is these ordinary voters who are dying in the conflict. It might be better if the two rivals in Brazzaville were to settle their differences in a duel, leaving the ordinary people out of the brutality!

■. *You have initiated a revision of the constitution in your country, with the creation of the post of a Vice-President, drawn from the opposition. What is the significance of this action? Is it simply an overture to the opposition, or the creation of a post of constitutional 'heir apparent'?*

– The constitution is the basic law, but it is also there to support the great enterprise of nation-building. That is why it must be adaptable. It is not set in stone for all time. Since independence, we have stressed the principle of democracy. Article 3 of the Constitution lays down that, within the state, power belongs primarily to the people. To consolidate this principle, we have added that no group – however large or powerful – and no single individual, can assume the exercise of sovereignty.

With that principle established and accepted by everyone, the question then is how power should be exercised by the 'constitutional institutions' referred to in the basic law. We have to proceed cautiously: I would almost go so far as to say, 'feel our way', because the organisation of the state requires that the real problems facing the people are taken into account. In Gabon, the Presidency was created in February 1961. The institution has not changed since and it ensures continuity in a system based on a separation within the executive between the head of state and the government.

What this means is that the immediate reaction of the Gabonese, whether individuals, institutions or socio-economic groups, is to turn to the head of state when they have demands, requests or requirements. The President is always in the front line when it comes to the daily needs and aspirations of the Gabonese. We are not talking here about state doctrine or political theory, but of practical realities. And this is what lies behind the idea of appointing a Vice-President. He assists the head of state, and is entrusted by him to carry out selected assignments. It does not require any reorganisation or restructuring of the institutional framework. The executive remains dualistic: the President and the government, each with its own sphere of activity, and both continuing to manage functions which are performed jointly. The Vice-President is not able to intervene on his own initiative, because the Constitution prevents him from acting of his own accord.

■ *What significance do you attach to the integration of the opposition into the government? Your neighbours, after all, seem to be experiencing difficulties in managing power-sharing.*

– The interplay of state institutions in a pluralist and multiparty framework, reflects the existence of majorities and minorities – because that is the way the people have expressed their opinion. We are well aware that all political parties represent the aspirations of different groups within the Gabonese population. It is stated in the Constitution, and is the will of the nation, that diversity should serve the community and not be relegated to a subordinate position or worse still viewed as a destructive force. My view, and that of my compatriots, is that Gabon is the sum of its many parts. The process of nation-building must mobilise the intelligence and capabilities of everyone, whatever their party allegiance or doctrinal positions. It is important to understand that I am not seeking to integrate the opposition into political life because, as I see it, no group of Gabonese should be considered 'the opposition' – a categorisation which marginalises them. As head of state, my mission is to call on all the children of the country to dedicate themselves to serving our nation. The position that people occupy, whatever the level, will depend on their commitment and abilities – not on subjective choice. What I have to and intend to do is to rally, organise and give everyone the opportunity to show what they are capable of doing for Gabon.

■ *The Council of ACP heads of state will be meeting next November in Libreville to discuss the post-Lomé situation. What do you think the outcome of this Summit will be?*

– You are doubtless aware that this is the first time since relations were established between the ACP states and Europe that the leaders of our countries will have gathered together.This event will be highly political in nature: first, because we are at a crossroads in our relations with the EU and, second, because it will take place against a backdrop of profound change in the world – characterised by a new geostrategic order and economic globalisation. Under these circumstances, the Summit must not only define the strategy which will underlie future ACP-EU relations, but also consider the new challenges facing us in developing our countries, at the dawn of the third millennium. I hope that the ACP group will emerge from the Libreville Summit as a stronger force and will, thereafter, assert itself in all international fora as a top-class negotiator.

■ *Will it be possible for the ACP states to speak with one voice and adopt a united front on the various challenges they face?*

– It is in our states' interest to consolidate their positions. Even the largest developed countries are forming themselves into solid economic blocs. Europe is consolidating itself. So is Asia, around Japan, and Latin America, in its links with the United States. As small countries, we have everything to gain from uniting and speaking with one voice.

■ *How do you see the future for the Lomé Convention?*

– I think that relations between the ACP countries and the EU are exemplary. This is why South Africa recently became a party to the Convention. Our relations are exceptional, they have set an example and can be regarded as a successful experiment in North-South cooperation. Of course, shortcomings have been encountered but, overall, Lomé has made a significant contribution to development efforts in our countries, in particular in the struggle against poverty and the development of economic and social infrastructures. In view of this, it is desirable to continue ACP-EU cooperation at the end of the current Convention while, of course, making any necessary improvements and adjustments.

■ *Can we now turn to human rights and respect for basic freedoms in Gabon. A number of conclusions were accepted following the Paris conference involving the Gabonese government and the opposition. What is the present situation?*

– As far as human rights are concerned, we took the view that if the texts did not actually impose constraints, the instruments (whatever form they took) would have no impact and would therefore be irrelevant. So we established constitutionally that human rights and basic freedoms – which are of a universal nature – are inviolable and inalienable in Gabon, and are immediately binding upon the authorities. This means that officials are subject to the rules and have to uphold and respect the rights and freedoms in question. The Gabonese people are concerned about their traditional social, cultural and spiritual values. We are very well aware of the fact that when people do not trust the state and the established powers, this can sow the seeds of an attempt to instigate a totalitarian takeover – which would imprison the individual and destroy society. Only the state, through its actions, can ensure the protection of people and guarantee the dignity of both individuals and social groups in the face of these alienating influences. So there is a declaration of principles and rights which governs the actions of the state, its organs and its departments. This is set out in Article 1 of the Constitution. It even establishes that appeal to the people by referendum is something which falls within the sphere of human rights. The role of the constitutional court is precisely that of guaranteeing human rights. We have also strengthened our internal legal framework by subscribing to a series of texts with an international reach. As for making it possible to ensure that human rights are enjoyed by people in concrete terms, this is being done through the progressive establishment and strengthening of the rule of law and the idea of 'respect for the rule of law'. So we speak of openness of trials, defence rights, custody time limits and rights of appeal. At the same time, we are not forgetting that a citizen who has broken the law must pay the penalty provided for under the law. The idea of outlawing degrading treatment and torture does not just apply to the authorities. It involves everyone; the individual, the community and the state. The improvement of legal instruments, and the modernisation of the prison system which we have already begun, reflect our intention of ensuring this approach applies across the board. ■ Interview by M.F.

Oil and minerals

A godsend

Gabon's economy depends mainly on exports of the country's natural resources. Oil is the dominant product accounting for 78.1% of exports and no less than 60.3% of the country's total income. Way behind in second and third place are manganese and uranium, generating respectively 2.0% and 1.3% of the nation's wealth. Thanks to petroleum revenues, Gabon is doing well compared with its neighbours in Central Africa. The financial situation is relatively comfortable despite an absence of economic diversification. But the competitiveness of the economy, while it may have improved slightly following the devaluation of the CFA franc, is still hampered by high production costs and a limited internal market.

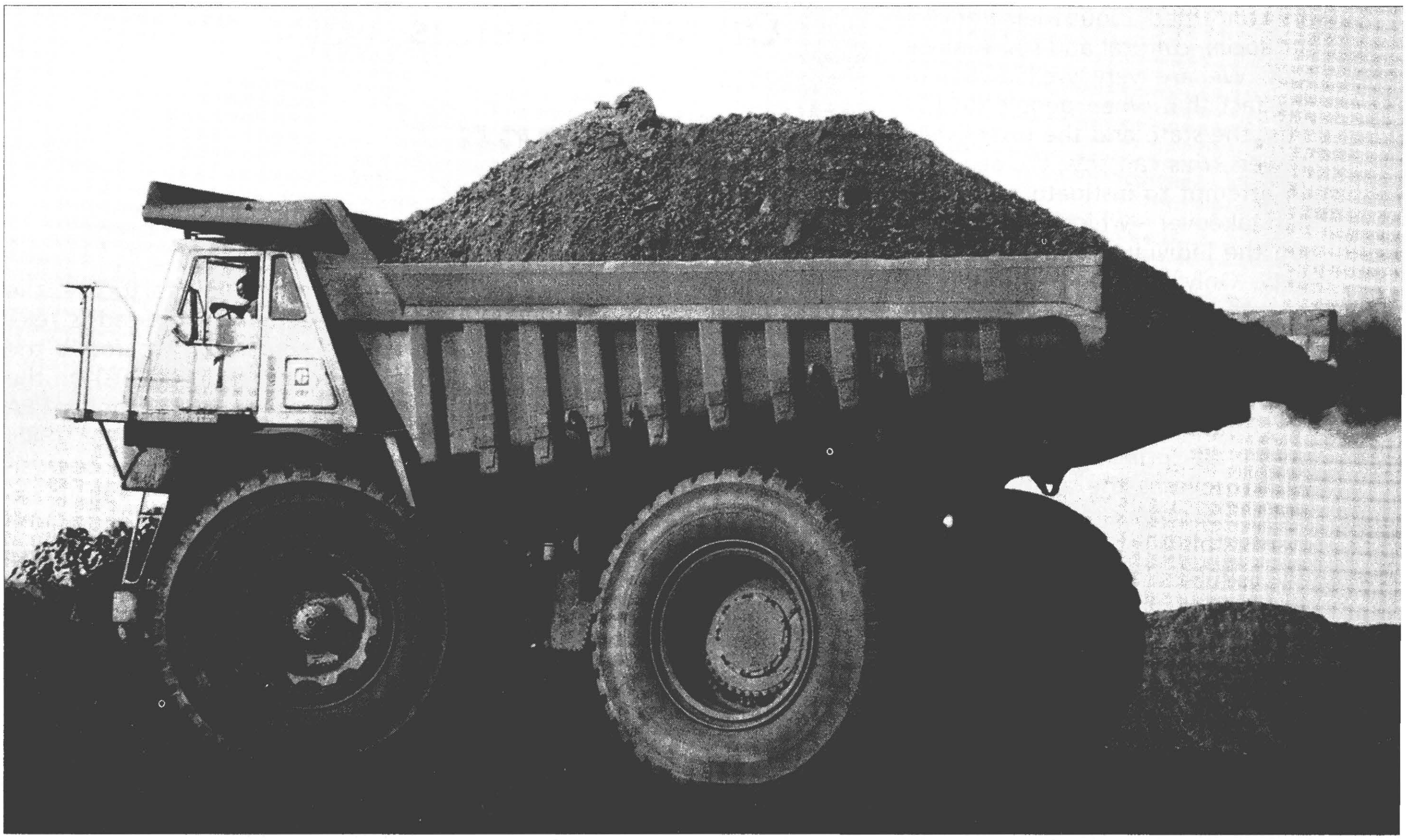
Oil dominates

The amount of money generated by crude oil exports depends on various factors – the amount actually produced is relevant, of course, but so too is the price per barrel (in dollars) on the world market and the dollar-CFA franc exchange rate. Since 1985, the last two factors have been significant, leading to a fall in export receipts. Almost all of the oil produced by Gabon is exported with only a small amount being supplied to Sogara (the Gabonese Refining Company) to meet the demands of the local market.

Sixteen companies – nine of which are American – are involved in exploration in Gabon, but only nine of these (Elf Gabon, Occidental Gabon, Amoco, Shell Gabon, Total Gabon, Arco, Vaalco, Marathon Gabon and Amerada Hess Gabon) have production licences. Onshore and offshore ex-

A tanker at Cap Lopez oil terminal.
About twelve million tonnes of crude oil – 60% of total production – are exported annually through the terminals owned by Elf (Gabon)

The Courier



The Courier

A large manganese ore lorry at Mounana mine. *Comilog's new investment plans are aimed at regenerating and rebuilding sites, and vertical integration of the business*

ploration carried out in recent decades has led to the discovery of a large number of oilfields, the most important of which are Gamba, Rabi, Echira and Coucal. The most productive fields are Gamba (operated by Shell) and Rabi Kounga (operated by Shell and Elf).

Since 1995, no less than 68% of production has come from the giant Rabi Kounga field and its satellites. In actual figures, this is almost 280,000 barrels a day out of a total production of 350,000 b/d. The oil is transferred by pipeline to the two terminals at Cap Lopez and Gamba, from where it is exported.

1973 was the year when oil's share of the country's overall export receipts began to move ahead rapidly *vis-à-vis* other raw materials (manganese, uranium and timber). This was due to the rise in the barrel price. In 1985, the boom came to an end although the economy remained heavily based on the export of hydrocarbons. As the Chairman and Managing Director of Shell Gabon, *Dr Paul H. Rowlands* explained to us, in that year 'the barrel price began to decline, and this was followed by a fall in the rate of the dollar against the CFA franc. This double blow was not offset by increasing production.'

There was a recovery in receipts in 1991-1992 as a result of the Gulf War, and a further boost in 1994 with the devaluation of the CFA franc. 1994 also saw a sharp increase in production (11.8%) resulting in higher export receipts. 1996 was another good year.

Despite these more recent positive trends, experts are forecasting a longer-term threat to the future of Gabon's oil industry. Dr Rowlands pointed out that the production cost of a barrel of oil in Gabon was $3 for the Rabi field and $10 for the Gamba fields. This contrasted with a figure of just 40 cents in Saudi Arabia. He added: 'With the exception of the Rabi Kounga fields, Gabon's oil production will fall sharply from 1998 because existing reserves are being exhausted. This will make it necessary to restructure the sector.'

The golden age of manganese

Gabon is the world's third largest producer of manganese after South Africa and Russia, with estimated reserves of 200 million tonnes. Deposits of this mineral are open-cast mined in the form of metallurgical manganese and manganese dioxide. The mines, which are highly profitable, are located in the Moanda region in the south-east of the country (on the easily accessible high plateaux of Bangombé, Okouma-Bafoula, Massengo and Yéyé). The Moanda deposit contains 30% of the world reserves which are estimated at 450 million tonnes. Since 1962, when manganese mining first started there, 60 million tonnes of ore have been mined, representing an average of 1.8 million tonnes per year.

The ore used to be brought out by cableway and railway through Congo but, since 1991, the task of transporting the mineral has been undertaken by the Trans-Gabon railway. It travels to the port at Owendo from where it is exported to France, Norway, Italy, Belgium, Japan, Canada and the United States, and elsewhere.

The manganese deposits are mined by Comilog (the Ogooué Mining Company). 62% of this company is currently owned by the Eramet Group, the world's number one nickel producer, with 30% held by the state and by private Gabonese interests. The financial health of Comilog has been improving steadily and, in 1996, the firm declared a net profit of CFAF 10.2 bn. This was 8% higher than in 1995. Over the same period, ore production rose by 2.5%, the dollar price increased by 5% and Gabon benefited from the competitive boost of CFA franc devaluation.

Uranium: two years of mining left

Gabon's other strategic resource is uranium which is found in open-cast deposits at Mounana. This is mined by Comuf (the Franceville Uranium Mine Company). Unlike Comilog, Comuf has almost reached the end of its mining activity, and its main deposits are scheduled for closure in 1999. Only the Mikouloungou mine will continue to provide ore for a time, and a complete end to uranium production in Gabon is believed to be not far off.

The production of uranium in concentrated form (also known as 'yellow cake') began in 1961. In the 36 years since then, Comuf has extracted and processed more than 7 million tonnes of ore.

With the impending demise of uranium mining in the Mounana region, and the expected industrial closures in related sectors, efforts are under way to find new economic activities for the area. EU Sysmin funds (see box) have been targeted at economic, social and environmental improvements, and at diversification of activities. Agriculture is seen as the sector with the most potential for taking up the slack after uranium extraction has ceased. The preferred option is rubber, which is already well-established in Gabon.

Another scheme under consideration to maintain economic activity in Mounana entails co-operation between Comuf and Comilog. This would involve the building of a manganese sulphate plant, which could make use of part of the existing mineral processing facilities. Finally, studies are being conducted into the possibility of developing craft activities in the region. M.F.

Sysmin contributions

Following problems encountered by the mining sector, a Sysmin support package was introduced in Gabon in 1993. This *Programme for Mining Development and Diversification* was worth more than CFAF 9 billion.

The two main sectors targeted were uranium and manganese, operating through Comuf and Comilog. The emphasis was on economic, social and environmental aspects, and on diversification.

As regards Comuf (uranium), the Sysmin grants were focused on infrastructural investment at the mine – for example sinking new shafts and driving galleries for ventilation so as to bring the facility in line with new radiation protection standards. Money was also spent on site rehabilitation allowing, in particular, for refuse from the ore processing factory to be stored on site.

In Comilog's case, a project aimed at modernisation and increasing the mine's processing capacities is being implemented.

Diversification projects proposed by the government relate to support for the Gabonese Mine Drilling Company and the Mabounié deposit project. The latter involves a metallurgical and mineralogical study of niobium phosphate deposits.

In July 1994, a Sysmin grant of ECU 14 million ECU was agreed for a programme aimed at mining and geological development – mainly in the province of Haut-Ogooué and the Lambaréné region. A number of projects are involved here including three proposals from Comuf and Comilog aimed at enabling mining operations to continue over the medium to long term.

GABON

Profile

For the location of Gabon in Africa, see the map on page 16 of the 'Blue Pages' at the end of this issue.

General information

Area: 267,667 km²

Population: 1,015,000 (1993 census)

Population density: 3.8 inhabitants per km²

Population growth rate (1960-93): 2.5%

Urban population: 73%

Rural population: 27%

Population breakdown by ethnic group: Fangs - about 40%, Bapounous - about 20%, others (Batekes, Myenes and Okandes) - about 40%

Official language: French

Currency: CFA Franc (the country is within the monetary zone of the Bank of Central African States). CFAF 1 = FF 0.01 (since the devaluation in January 1994). ECU 1 = 659 FCFA (March 1997).

From independence to multiparty politics

– 1960: Independence (15 July). The first President, *Léon Mba*, elected by universal suffrage for a seven-year term.

– 1967: Death of Léon Mba (28 November). Albert *Bernard Bongo* becomes President of the Republic.

– 1990: The death of a member of the political opposition prompts civil disturbances in Libreville and Port-Gentil. President Bongo announces a move to mutli-party politics.

– 1993: Re-election of President Bongo (December).

– 1996: Legislative and local elections. The governing PDG retains control of the National Assembly but opposition leader, *Paul Mba Abessole*, is elected mayor of the capital, Libreville.

– 1997: The National Assembly modifies the Constitution and creates the post of Vice-President.

Economy

GNP: $4.75 billion (1994 figures)

GNB par inhabitant : $4,468 (UNDP estimate for 1993)

Natural resources: oil (18.2 million tonnes produced in 1995, 72% of exports), manganese (world's third biggest producer), uranium (world's sixth biggest producer), timber (employing half the economically active population)

Main exports: Oil, manganese, uranium, timber of construction

External debt: $4 billion (1994)

Social indicators

Life expectancy at birth: 53.7 (1993)

Maternal mortality rate: 500 per 100,000 live births (1993)

Access to drinking water: 68% (1988-93)

Inhabitants per doctor: 2,500 (1988-91)

Inhabitants per hospital bed: 259 (1990)

Literacy rate: 61% (1993)

Enrolment in education (all levels for ages 6 to 23): 17%

Human Development Index rating: 0.546 (120th out of 175)

Sources : UNDP, Eurostat, International Trade and Development Statistics (European Commission), World Development Report, 1997

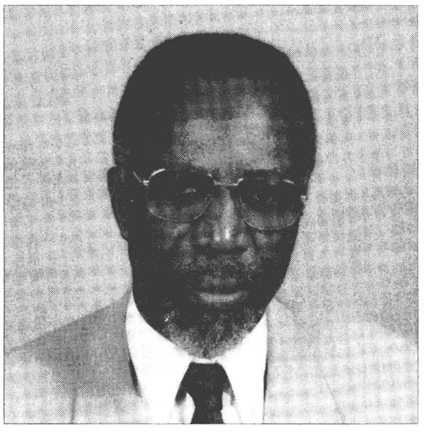
GABON

An opposition perspective

P. A. Kombila, first secretary of the RNB, offers a sharp critique

To some observers, the division between the ruling party and the opposition in Gabon is a kind of tacit arrangement for peace and stability - which leaves the running of the country to President Bongo's Gabonese Democratic Party (PDG) and the administration of large towns such as Port-Gentil and Libreville to the opposition (pending the presidential election scheduled for 1998). In fact, the key opposition leader and President Bongo's main rival in the election, Father Paul M'ba Abessole, is convinced, along with his supporters, that having won the mayoralty of Libreville, they are on course to occupy the presidential palace. This is certainly the view of Professor P.A. Kombila, the number two in the main opposition party - the evocatively-named 'National Rally of Woodcutters' (RNB). A professor of medicine, he is head of a cardiology department and holds a chair at Libreville University. In the absence of the president of the RNB, he answered the Courier's questions. Professor Kombila began with an assessment of how the democratic situation in Gabon had evolved in recent times.

– For us, the problem is relatively simple. In 1990, we emerged from the single-party system with a national conference. Since then, through free elections, we have been attempting to establish a state governed by the rule of law - in the hope of achieving a democratic changeover of political power. This change can be achieved, because we know that nationally the opposition represents the majority. Unfortunately, we have had to recognise that it has not been possible so far to turn it into reality. The régime has managed to hold on to its position through various military, police, administrative and financial means. At the end of the national conference, a consensus emerged on a democratic constitution



which would incorporate the rule of law. The constitution was adopted, enabling us to campaign in the 1993 presidential election in a situation of relative transparency. Despite this, the result was not a fair one. We are in no doubt that the RNB won the election - all the international observers and diplomatic representatives present in Gabon were witness to this. But because of its military strength, Mr Bongo's party asserted itself and held on to power. At that time, there were riots which led to national negotiations, with international mediation under the aegis of the OAU. This resulted in the Paris agreements. We were then able to improve our system of organising and monitoring elections and managed to set up an independent national electoral commission. However, in the 1996 legislative poll, military might prevailed again and certain seats which were won by us had to be ceded to the government.

■ *What is your reaction to the creation of the post of Vice-President? Is this aimed at pushing the dispute between the ruling party and the opposition into the background?*

– The creation of the post of Vice-President is part of the electoral strategy already set in motion by the President with the 1998 presidential election in mind. The new Vice-President represents a large ethnic community which, in recent years, has felt somewhat marginalised. By gaining the sympathy of this electorate, the President believes he can win the election freely and openly. But the Vice-President does not have any power.

■ *Is there any possibility of an RNB representative accepting a ministerial position in a government led by President Bongo's PDG?*

– I do not know. We are not closing the door altogether but I doubt that we could share power. We are committed to a platform of political change and I don't believe we could sit alongside the PDG - except perhaps in a very specific political situation which required cohabitation, or a government of national unity. At the time of the last general election, everyone thought the RNB would have a majority in the National Assembly. So we have already had to consider the possibility of cohabitation. Unfortunately, irregularities in the election meant that we only won five seats in the National Assembly when we should have had 30 or 40.

To come back to constitutional freedoms, the latest constitution which the new majority has just adopted is a major step backwards compared with that produced by the national conference. There is of course the creation of this post of Vice-President - which does not amount to very much - but above all, there is a strengthening of the powers of the President. Not only is he head of the executive, president of the high council of the magistrature and supreme chief of the armed forces, but he has also just granted himself the right to appoint the president of the constitutional court and the head of the national communication board. Under the previous constitution, these people were elected by their peers and the presidency rotated. In addition to control of these institutions, the government has increased its potential for arbitrary action. For example, a state of alert or emergency can now simply be decreed after consultation with the officers of the Senate and the National Assembly. Previously, the prior agreement of the National Assembly was required. Add to this the fact that the presidents of the Senate and National Assembly are people from the presidential sphere of influence, and you can see that there has been an enormous retrograde step as far as constitutional freedoms are concerned. It is as if we had gone back to the time of centralised government before 1990.

■ *Has the opposition consolidated its position sufficiently to mount a challenge in the 1998 presidential election?*

– We have discussed the situation recently within the party. The view that has emerged is that we can no longer have faith in the power of the ballot here in Gabon, bearing in mind what has happened in the past, and the consolidation of the President's power. It is at this point that we appeal to international organisations, and in particular the United Nations and the EU. They must investigate the reality of our situation and come and organise the 1998 election. We are arguing for this because we know that the international authorities have experience in establishing structures to prevent conflicts - despite what some members of the government say. So long as there is peace in Gabon, and we are not caught up in a spiral of violence, we should be taking advantage of this opportunity. Today, with the President assuming excessive powers to himself, we can see that conflict is just around the corner. Do we have to wait for it to erupt before the international authorities decide to intervene? We consider the situation sufficiently serious not to wait any longer.

■ *How do you feel about what is happening at the moment elsewhere in Central Africa. I am thinking here of the situation in Congo-Brazzaville, the former Zaire, the Central African Republic and, to a lesser extent, Cameroon?*

– It is precisely to avoid the kind of thing that is happening in Brazzaville and Bangui that we have taken the initiative. We indicated two months ago that there would not be elections in Gabon unless they were organised by an international authority. We say that we have demonstrated our inability to organise transparent elections and to ensure a changeover of political power.

■ *If you look at events in Congo, the problem seems to be spreading out of control. Aren't you worried the same might happen here if you keep up the pressure during the highly sensitive period of a presidential election?*

– We are responsible politicians. We regret the urban wars in neighbouring states with their thousands of civilian dead. But we also regret the fact that the issue of government legitimacy is not being addressed. The lessons of history ought to encourage all sides to be more reasonable. I believe that the experience of Brazzaville and Bangui should prompt the international authorities to seek a solution for Gabon. Our leaders are not interested in changing the situation.

■ *The country's third political party, the Gabon Progress Party (PGP), has not reacted to the appeal to the UN made by Father M'ba Abessole regarding the organisation of the presidential election. In view of this, can you really say that the request for international assistance in the poll comes from the Gabonese opposition as a whole?*

– People both here and abroad have been wondering about this so-called opposition party since 1990. You need to be aware that some 'opposition' groups are set up and funded by the government to disorient both the ordinary voter and international opinion. The PGP demonstrated this at the time of the last election by entering into alliances with the PDG. Under these conditions, I believe the PGP is more of an ally than an opponent of the PDG.

■ *Three quarters of Gabonese are city dwellers and the RNB has now won mayoral elections in both Libreville and Oyem. What are the difficulties of political transition in this country?*

– When we break it down, the Gabonese opposition is credited with 65% of the votes of the electorate while the PDG has the support of just 30%-35%. If a transition doesn't happen, it is because the government is exerting undue influence in organising the elections. This is what is actually happening in Gabon. We will no longer accept organisation of elections by the Gabonese government.

■ *How does your party see the political future of Gabon?*

– The situation is difficult. In Africa, politicians who have lost power through the ballot box often attempt to regain it by raising private militias. Since 1960, whatever economic programme has been tried here, the country has not progressed - despite its wealth. Gabon is the second country in Africa in terms of its gross national product per inhabitant but ranks 120th in the world as far as human development is concerned. This contradiction demonstrates the striking disparity between national income and the development of the citizen. There is no progress and the government still wants to maintain its position.

■ *Gabon's economy is dominated by a very small number of primary sectors - timber, mining and oil. What changes are you proposing?*

– It will be necessary to diversify. We also need to evaluate correctly the overall figure for financial flows generated by our local resources and to find out exactly how much money the country has at its disposal. We have to learn exactly what state our infrastructure is in, and the position of the average Gabonese in terms of health, education and living standards. I believe it should be possible, working with our international partners, to use this information to set up viable development strategies. There are only a million of us. If we can get an accurate picture of the financial flows, we could, with the help of our traditional partners, create jobs and improve the way our GNP is distributed. The current average GNP *per capita* is $4000 a year - but you wouldn't think it when you look at the condition of the people. ■

Interview by M.F.

Tourism and the environment
In the kingdom of gaboon wood


The Courier

On the river Ogooué, in Central Gabon, the Lopé Nature Reserve extends over some 540,000 hectares at the foot of Mount Brazza (named after the explorer who used this route in former times to reach the province which is now known as Estuaire). With its huge photo safari potential, the nature reserve lends itself to ecotourism, say young people working at the Lopé Tourist Office. Straddling the equator, its luxuriant vegetation is the most diversified in the African continent, with a dense, moist forest and non-forested land (savannah and mangroves), covering 85% and 15% of the reserve respectively. In the post-oil era, the economic potential of the forest (another of Gabon's riches, with its world-renowned gaboon and *izogo* wood) will attract increasing interest and must therefore be protected against intensive exploitation. A step towards sustainable management of the forest has already been taken by Gabon's government which has allocated permits of sufficient duration to allow development activities to take place while guaranteeing that forest ecosystems are fully protected by the creation of national parks.

Ecotourism in Gabon has good potential. There are already numerous examples of environmental conservation. The country has four nature reserves in the Lopé, Moukalaba, Wonga-Wongué and Iguéla forests, and visitors can do a spot of sports fishing in the latter two.

Free-roaming wild animals are the attraction of the central area of the Lopé Reserve, upstream from the *Abeilles* forest, which gained notoriety as the place where Ebola fever first appeared. Since 1982, it has also been used as a trial area for various ecological actions designed to lead to the establishment of protected zones where forest ecosystems are preserved for indigenous people, without harming the natural environmental balance.

This *Ecofac* project (Central-African Forest Ecosystem Conservation Programme) extends to Equatorial Guinea, Congo, Cameroon, Central Africa and São Tomé & Principe, as well as Gabon. Gabon's conservation legislation, which is itself based on the international conventions ratified by the country, notably the Washington Convention on International Trade in Endangered Species (CITES), governs what happens in the forest. Objectives being achieved include the conservation of ecosystems; the drawing-up of a development and management plan; the promotion of animal resources in collaboration with local people, research and tourism.

Ecotourism

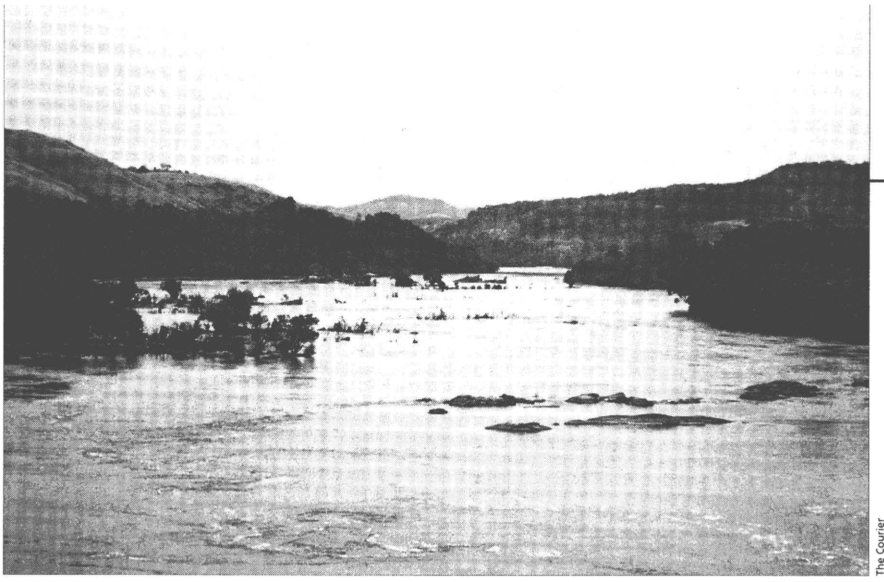
In the main forested area of the Gabonese basin, the Lopé Nature Reserve is one of the country's primary forest ecosystems. It is a mosaic of savannah and forest - the result of climatic changes over the last few millennia - creating a unique variety of animal and plant species (the flora and fauna of the tropical forest and the savannah live side-by-side, here) and a hugely diverse landscape.

One of its biggest attractions is the numerous salt pans, rich in mineral salts and plant species and frequented by a large and diverse animal population - different species of birds, herds of elephants, buffalo and gorillas.

The Lopé Nature Reserve has three main types of animal habitat: the Ogooué, the savannah and the forest. In the Ogooué region - where large numbers of birds are attracted by the water - flora and fauna can be observed from small boats or from the specially laid out trails. The network of paths follows the water course and climbs its left bank, enabling the visitor to observe species living on the water, on rocky outcrops, and on the adjacent savannah. Two main types of savannah can be found here: first, the largely swampy area of the Ogooué and the more shrubby type of savannah. There are also several categories of forest: open woodland with either clear undergrowth, dense undergrowth or lianas, open-canopy forest with clumps of *Marantaceae*, riverside forest, and 'galleries' and thickets - the preferred habitat of elephants and gorillas.

Under the Ecofac project, the objective at Lopé is to promote conservation while supporting local tourist development. The best way of improving the living conditions of people who live alongside the rivers is to combine development with environmental protection. The area's population has been trained in tourism-related trades and the building of infrastructure.

The ecotourism park has been open to visitors since January 1995, except for an area in the centre reserved for the study of animals. A local structure - the Lopé Tourist Office - arranges trips



The Courier

The Ogooué river - ecotourism possibilities

for visitors. Since opening, 1,250 tourist passes have been sold or about 70 a month. The only accommodation in the reserve is state-owned, but it is managed by a private operator.

Although the devaluation of the CFA franc in January 1994 has improved Gabon's competitive position on the world tourism market, the country is nevertheless still handicapped by high prices and a lack of tourist infrastructure. According to *Mala Daniel,* a member of the Lopé Tourist Office, tropical forest ecosystems have always been exploited as a raw material, so each project must do the utmost to promote sustainable management of this fragile heritage.

'Ecocertification'

Nowadays the country's main asset, the forest, accounts for only 5% of GDP, although in state revenue terms, it takes second place. It provides employment for more than 28% of the working population outside the public sector. Like petroleum, forest exploitation has hitherto been seen as a source of quick economic returns rather than a lever to promote sustainable development. The low level of local wood transformation (under 7% of total production) illustrates this, as well as the growing number of permits granted to those who do not intend to exploit natural resources.

The potential of Gabon's flora has been only partially evaluated to date. There are at least 8,000 species known to users which are being exploited. The potential commercial volume of standing trees is put at 400 million cubic metres, 130 million cubic metres of which is the country's high-profile product, gaboon wood. Many factors have contributed to the low level of industrialisation in the sector, says *Mohammed Garba*, Secretary-General of the AWO (African Wood Organisation). One of these is 'the absence of an institution to promote products. Such a body could, perhaps, be modelled on the Gabon National Wood Society, which monitors the marketing and sales of Gaboon wood'. In addition, there is not enough training in wood-related trades. Further constraints include high taxes on exports, and abuses of the permit system, which has been used to supply the market for raw timber rather than to encourage the small transformation sector.

Local wood transformation is neither very developed nor integrated. It is limited largely to primary transformation (industrial or non-industrial sawing and cutting) with a little 'secondary' activity (production of veneer sheets). Exploitation of the forests and transformation of the latter's products is largely in the hands of the expatriate community which has up-to-date production methods and often links with overseas parent companies to which raw timber, cut products and veneers are supplied. The domestic private sector, consisting mainly of small operators, only plays a small part in production because of lack of equipment.

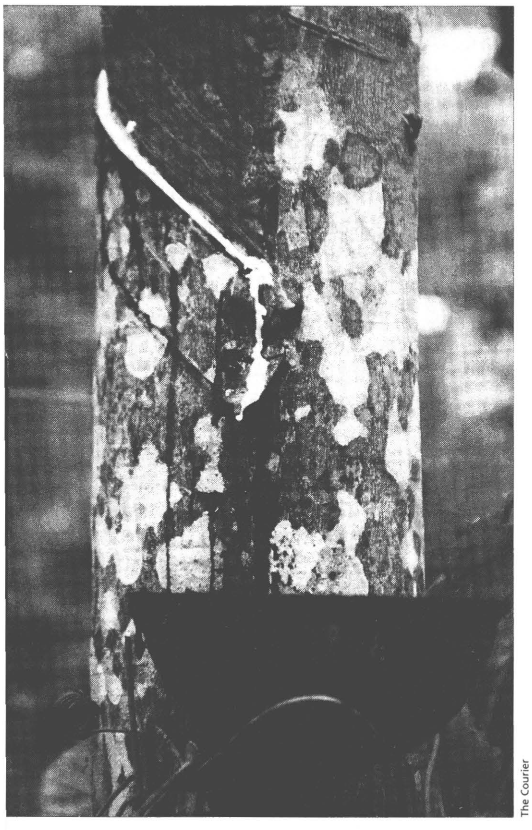
The government, however, is redirecting its forestry policy. It has introduced the concept of certification and 'ecocertification' of tropical woods and derived products with a view to sustainable development of forests by 2000. Producing countries are increasingly finding themselves obliged to move towards sustainable forest management. Failure to comply with this obligation could result in products 'Made in Gabon' being boycotted, as a result of pressure from the ecologist lobby. To optimise the forestry sector's contribution to economic and social development, Gabon will also have to increase its level of transformation of felled trees.

The government has been prompted to rethink its forestry code and policy. The objective is to reduce exports of raw timber to enable local transformation rates to reach 50% between now and 2000 and 90% by 2005. There are also moves afoot for further development of the secondary-transformation sector. As for production of raw wood, quantities may vary between 2 and 3 million cubic metres, depending on market requirements.

Hitherto, Gabon has tended to be the realm of exploitative operators. Nowadays, in the interest of preserving habitats, a proportion of them must become developers, manufacturers or traders

Mount Brazza's peak lost in the clouds

The Courier


The Courier

Extracting latex
There are currently more than 10,000 hectares under hevea cultivation.

(activities which are new to them) and the conversion is no easy task. As for resources, the objective is to scale up Gabon's forestry industry in the long term through development and sustainable management of this precious inheritance.

The conclusions of the second AWO colloquium in Libreville last April acknowledged that Gabon's forest is under threat if the current unregulated exploitation moves ahead without enough time for regeneration. It must therefore be adequately managed, an objective of the sustainable-forestry development programme, by means of a progressive reduction in the number of trees felled and the amount of raw timber exported.

The colloquium also mentioned in particular the number of new felling permits issued by the Gabonese government. In the past, only 20%-30% of raw timber actually felled has been utilised. The new provisions require at least 50% of the wood to be exploited to cut down on the wastage that exists, particularly where small-scale operators are involved. It is not uncommon to see stacks of decomposing wood blocks along the trails used by lumbermen. Implementation of this policy should enable Gabon to tackle some of the concerns of the ecological movements.

As for increasing local transformation, there is a risk that this will run counter to the interests of certain foreign groups who process in their own countries the raw timber produced by subsidiaries in Gabon. However, a more equitable division of the added value of cut wood blocks in Gabon, to take into account the interests of raw materials producers, processors and consumers of the finished product, would appear reasonable.

Growth in rubber (hevea) plantations

Launched in 1981 by the Gabonese government, the *Hévégab* programme has considerably expanded and there are now four industrial plantations covering a total planted area of over 10,000 hectares. The oldest of these areas, of some 5,050 hectares, is at Mitzic, in the north, in the province of Woleu-Ntem. Two other 2,000-hectare plantations are at Bitam and Kango-Ekouk, in the Estuaire province, while the fourth is at Mayomba. A special feature of these plantations is the way in which local villagers have been allowed to become involved in the sector. Indeed, on plantations in the Woleu-Ntem and Estuaire provinces, 1,350 hectares are being managed by approximately 400 private planters. After eight years' growth, these plantations have now reached full production - delivering 800 tonnes of dry rubber annually.

There is a rubber processing operation at Mitzic plant whose output is all exported. The plantations there yield two tonnes of latex per hectare, and in 1995, finished rubber production reached 5,117 tonnes. There are also some 2,700 hectares of village plantations. Productivity is somewhat lower (1.5 tonnes per hectare annually) but this gives small-scale growers a reliable income. The minimum guaranteed price is CFAF 200 per kilogram.

Hévégab is seeking to increase the plantations' capacity and to set up similar operations in Ogooué-Lolo, which is regarded more traditionally as a mining area. The challenge to be taken up by the hevea-growing sector is an ambitious one. Fired by its success, a new factory is to be set up at Kango-Ekouk, and subsequently at Bitam, to enable local transformation of latex.

Generally, hevea cultivation by both peasant farmers and big private planters has been a great success: demand at all locations is high. Despite the drop in prices on the world market, there was a turnover of CFAF 3.7 billion in 1995 and forecasts look good. ■ M.F.

Bantu on the Internet

Now on the internet, *Bantu* has joined the information highway. At the initiative of the Ciciba (International Centre for *Bantu* Civilisations) and with EU support, one objective of the regional cultural programme is the electronic publication of *Bantu*-language dictionaries. To avoid complaints from the region's native-speakers, it is worth noting that the word should actually be written and pronounced *'Ba-ntu'* (meaning 'people'). This was pointed out to us by *Professor Jean-Emile Mbot*, Gabon's former Culture Minister and Assistant Director of the Luto (University Laboratory of the Oral Tradition) at Omar Bongo University. He believes that the *Bantu* world should make use of the Internet to open up to science and technology. In the past, the zone of Bantu influence expanded significantly as a result of the movements caused by slavery and migration. Nowadays, it takes in a vast area stretching from Cameroon to Zambia, via Djibouti and South Africa. As part of a cultural cooperation programme for the Bantu world, there are now 40 microprojects running in Gabon. The programme was launched in 1982 to establish closer ties within the region and to create a market for Bantu cultural products.

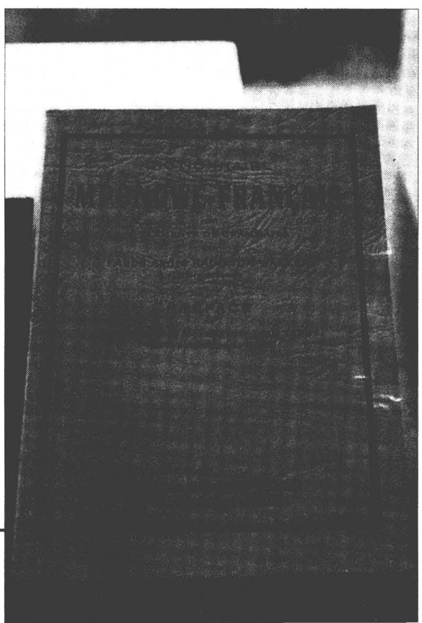
A vehicle for the message of peace, *Bantu* culture covers an area which encompasses both the Swahili-speaking world and regions where Lingala is in use. The main achievements of the Bantu programme have been to make the general public and, in particular, young people, more aware of the wealth of the culture. Museum officials have received training and a biennial festival – the *Tchicaya U Tamsi* – has been set up.

The programme concentrates principally on decentralised activities. Its generic themes are 'memory', 'creativity', 'reinforcement' and 'leadership of a regional cultural network'. The 'memory' portion aims to safeguard and exploit *Bantu* cultural heritage through the collection and preservation of data, including recordings, and objects which are most under threat. The 'creativity' component aims to develop and publicise the cultural life and works of the *Bantu* world. Micro-projects are identified and financed which promote contemporary cultural expression, thereby contributing to the development process. In each country, the 'reinforcement' and 'leadership of the regional cultural network' headings encompass coordinated activities – training programmes and regional cultural projects, such as exhibitions, seminars and other events.

Intended primarily for the local people, the programme aims to highlight those cultural factors that are common to all the countries concerned and which form the basis of wider economic and regional integration. It also aims at bringing people closer together. Cultural activities targeting the general public undoubtedly have an impact on economic life – for example in the craft trade and the local pharmacopoeia – where the aim of projects is to generate added value. A further profitable sector is 'rediscovered' traditional foods, which should encourage greater awareness of diet and how this can best be adapted to an urban environment. Other actions which have been financed range from safeguarding the knowledge and know-how of *Bantu* civilisations to the use of elements which make up the cultural identity, via leadership and development actions and schemes aimed at generating and supporting cultural initiatives.

Mpongwé-French dictionary
A work by Father Raponda Walker, which bridges the gap between local dialects and French

The Courier



Mention should also be made of the publication of books, audio and video cassettes, CDs and other cultural products. A *Mpongwé*-French dictionary was recently published, drawing on South Africa's experience with *Afrikaans* (a language of Germanic origin which developed in a purely African context). The computer-based methods and linguistic techniques applied in the compilation of the dictionary are proving to be useful in the wider context of *Bantu* languages. Teaching aids are also being produced and one of Luto's main achievements is a cultural guide entitled *'Matrices Bantu'*, which has just been launched. Now that Africa is a destination on the information highway, the organisation of *Bantu* lexicography will enable knowledge of the culture to reach the four corners of the earth, together with information about research developments and cultural projects. The data collected hitherto by the Luto on *Bantu* oral culture are also now available on the Internet server.

There is no doubt that the cultural cooperation programme has given a big boost to *Bantu* in the sub-region, highlighting common roots and traditions. In particular, it has provided the dynamism needed to create a future regional community focused on sustainable development and based on related cultures and mentalities. ■ M.F

Gabon-EU cooperation

Challenges of the post-petroleum era

by Kurt Cornelis*

Nature has been very generous in the bounty she has bestowed upon Gabon. The country's timber resources are enormous, with 80% of the territory covered by virgin forest containing species that are highly prized in the industrialised world. Mineral reserves are considerable, though a large proportion of these have not yet been exploited. And Gabon has no shortage of rainfall, which means a fertile soil, well-suited to agriculture, another potential yet to be exploited to the full. The same goes for the abundant fish stocks and river resources, which could form the basis for a viable fishing industry. Gabon's greatest asset, however, is oil. The deposits are found in offshore fields, and at onshore production sites in coastal areas.

In addition to its natural endowments, the country boasts other assets including an impressive telecommunications system and banking sector. But above all, Gabon enjoys considerable political stability, which is of crucial importance in a region prey to unrest and violence. Thanks to record oil revenues in 1996, the economy is relatively healthy although, after the devaluation of the CFA franc in 1994, the recovery remains rather fragile and far too dependent on this single sector.

According to a recent World Bank report – *La pauvreté dans une économie de rente* (Poverty within a profitable economy) – two-thirds of the country's population, in both urban and rural areas, lives below the poverty line. The proportion has barely changed since 1960, the year Gabon gained its independence. With 75% of the people living in towns or cities, underdevelopment is most acute in the countryside – because of the rural exodus which has left the interior virtually abandoned. Villages and medium-sized towns have become increasingly isolated and depopulated. Many lack even basic infrastructures such as access to drinking water, health services providing reasonably priced medicines, primary and secondary education of an acceptable standard and an all-weather road network.

Over the last few years, in an attempt to curb the migration of people towards large towns, the government has started intensifying its efforts to improve living conditions in rural regions. One priority has been the upgrading and extension of the road network, with a view to opening up the interior and making it easier to transport farm produce to markets in major centres.

At the same time, with the aid of foreign investment, the authorities have implemented a village water supply programme aimed at increasing the number of communities with access to drinking water. The government, however, also needs to make a big effort to restructure its national education and public health policies. These sectors, which both face serious problems and are not performing well, have been targeted by several cooperation programmes. In urban areas, in particular, in Libreville and Port-Gentil, the three main scourges are poverty, poor health and unemployment, and public measures are urgently needed. Help in setting up small and medium-sized enterprises is one important way of contributing to the resolution of these problems.

In addition to the development challenges, the country must face the prospect of life without oil. The current reserves will not last for ever and if new deposits are not found, the economic effects will be very significant. The Gabonese economy is largely dependent on revenues generated by 'black gold'. There is an urgent need for economic diversification. Even if *per capita* GDP keeps rising, foreign aid will continue to be crucial. So too will measures to conserve the flora and fauna, and manage natural resources sustainably. All the more reason, then, to pursue and intensify cooperation between the EU and Gabon under the Lomé Convention – to which the authorities attach great importance. The country's offer to host the ACP Summit in Libreville (scheduled for 6-7 November 1997) provides tangible evidence of Gabon's commitment to the Lomé system.

Relations between Gabon and the EU have generally been good, and the country has benefited from grants under successive European cooperation agreements. Under the first four European Development Funds, support went mainly into transport and communications infrastructure – notably the Transgabon Railway, a number of other major roads, and the port of Owendo.

In the 5th and 6th EDFs, the target areas were agriculture/rural development and assistance for SMEs. The results achieved in these sectors were discouraging and, with this in mind, the partners mutually agreed to change tack and allocate virtually all the funds available in the 7th EDF to social sectors. For the upcoming 8th EDF, most assistance will be channelled into national and regional development programmes, with considerable sums going to upgrading and extending the road network.

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Agriculture and labour costs

As indicated, the 5th and 6th EDF programmes, implemented in the 1980s, concentrated on agricultural development and (to a lesser extent) on encouraging the establishment of SMEs. For various reasons, these two sectors are very much on the economic periphery. The agricultural industry has never quite succeeded in ensuring food self-sufficiency. Gabon therefore imports fruit such as pineapples from neighbouring countries, although its own soil is perfectly suited to growing such a crop. Livestock rearing has never been successful and the country is a major importer of meat from Europe and South Africa. Over the years, farmers' incomes have been extremely depressed, a situation which is partially due to inadequate infrastructures. These, needless to say, hinder the transport of produce. Farmers probably also lack the relevant know-how, especially in production and marketing methods. Production costs, including labour costs, are considerably higher in Gabon than in other countries of the region.

The same limitations, to which one can add the restricted nature of the domestic market and a shortage of technically qualified personnel, have prevented the SME sector from undertaking more ambitious programmes. Even today, the private sector has very little clout compared to the parastatals or businesses run by foreign investors (oil, forestry and construction).

It was against this background that 6th EDF funds were directed towards agriculture and SMEs. Thus, an ECU 6.3 million development programme was financed in Fernan-Vaz in the country's interior. This was aimed at increasing productivity and hence, boosting the income of the rural population. It involved improvements to country roads, enhanced marketing opportunities and the provision of training schemes. An ECU 2.3 million village project to grow hevea trees – a continuation of a project financed under the 5th EDF – was also mounted in conjunction with the company, Hevegab. Its aim was to provide farmers in the province of Woleu-Ntem in the north with 500 hectares of hevea trees. Lastly, there was a reafforestation project costing ECU 6 million. This was also an extension to a scheme begun under the 5th EDF, and its objectives were to establish techniques and methods of reafforestation on a national scale and to develop a village agri-forestry model. Under the scheme, 600 hectares were replanted, while agri-forestry plantations covered a further 150 hectares.

In the SME sector, a development programme consisting of an ECU 1.5 million credit line and a scheme to provide technical assistance totalling ECU 1 million was undertaken. The idea was that the credit line should create about 30 SMEs which would then generate at least 200 jobs and an annual turnover of CFAF 1.5 billion.

Unfortunately, with the exception of the village hevea tree project, these projects did not achieve the anticipated results. It seems that the obstacles which prevented the major players in these two sectors from becoming better organised simply proved insurmountable. At the time of writing, all the projects described have been terminated or are in the process of being wound up.

The social sectors

These disappointing results led those who were negotiating the 7th EDF national indicative programme to opt for other priorities. They chose to concentrate resources on a number of social sectors – public health, national education and the provision of village water supplies. There are acute shortfalls in all three areas, especially in the interior of the country and in its effort to tackle these, the government has sought aid from various sources.

A programme to upgrade the national health system (ECU 11 million) was therefore launched in 1995. The project depended on the enactment of 'blueprint' legislation by the Gabon government covering the health sector as a whole. It aims, among other things, to provide institutional support for four regional health authorities, to carry out partial renovation of four regional hospitals and to implement a new drugs policy, covering the supply of essential drugs. A number of problems were encountered in getting the project off the ground, partly due to the inefficient management of the existing health system. But at present, the programme seems to be on track – other than the drugs policy component which is being thwarted by bureaucratic delays in introducing a cost-recovery system.

Gabon also receives assistance in various forms to combat sexually-transmitted diseases (STDs) and AIDS. There is, for example, a project to screen pregnant women in Libreville for STDs costing ECU 764,000, and plans are being made to extend the programme.

A proportion of the 7th EDF funds was initally earmarked for national education, but it was decided to reallocate this money (ECU 8.2 million) to structural adjustment aid because government commitments, in particular concerning the introduction of a school programme, had not been met. Despite this, the EU has been able to finance the construction of 95 classrooms in Libreville, at a cost of ECU 6.5 million, using monies left over from previous EDFs. Population growth in the capital has led to serious overcrowding in schools, with up to 150 pupils in some primary classrooms.

A village water supply programme is currently under way to improve access to drinking water in three provinces. Also included are a series of micro-projects and the total cost is ECU 8.6 million. Wells are being sunk or repaired in some 350 villages and 500 new pumps are being installed. In addition, the project involves training villagers, who will then be able to carry out minor repairs themselves. The programme, which is well advanced, is yielding good results and is highly appreciated by local people.

National and regional development

The 8th EDF NIP was signed on 11 March this year in Libreville. It will concentrate heavily on national and regional development, with 80% of available funds (ECU 33.5 million) reserved for this sector. The main activity will probably be to asphalt a section of road between Libreville and the Cameroonian border, thereby completing the route between Libreville and Yaoundé. This will allow for a greater volume of cross-border traffic – which is vital to economic integration between the two countries.

Improving access to drinking water
The programme financed by the Community is yielding good results and is highly appreciated by the local people

It should be stressed that the government is making huge efforts to follow a genuine national and regional development policy – and thus curb the rural exodus – by opening up the regions, improving the flow of goods to market and creating a number of regional economic centres. In return for EU aid, the authorities have undertaken to adopt a new global strategy in the transport sector, plans for which are currently being drawn up with the help of the World Bank. This targets road maintenance and the restructuring of certain public transport companies (notably the railways and Air Gabon).

Some of the available funds have also been used to finance schemes outside the main target areas: for example, a project to organise a population census in 1993, the provision of technical assistance to the National Authorising Officer and various schemes in the tourism and environment sectors.

Non-focal areas due to receive some help under the 8th EDF include public health, primary education and the sustainable management of forest resources. On top of this, Gabon has benefited from a Stabex transfer of ECU 3.13m. This followed a decline in export revenues from timber in the reference year of 1988. Most of the money was used to strengthen reafforestation teams, to provide assistance for the Waterways and Forests Department and to carry out a survey of the country's major forestry area.

After devaluation of the CFA franc in January 1994, and at the request of the authorities, the EU provided financial help for structural adjustment. ECU 5 million came from the Lomé IV structural adjustment facility and a further ECU 8.2 million from the NIP. Initially, funds were advanced in the form of budget subsidies to help clear the state's internal debts and contribute to the operating budgets of the health and education ministries.

The unspent balances and a further contribution of ECU 2.6 million are being used to support the new structural adjustment programme (1995-98) which has been agreed with the IMF.

This has made it possible to reimburse the state treasury for expenses scheduled under the 1995 investment budgets of the two aforementioned ministries mentioned above. Gabon will be eligible for more funding under the structural adjustment facility of the 8th EDF.

To conclude, one can say that Gabon's economic prospects are relatively good, but ultimately they depend on the discovery of new oil deposits or a substantial diversification of the economy.

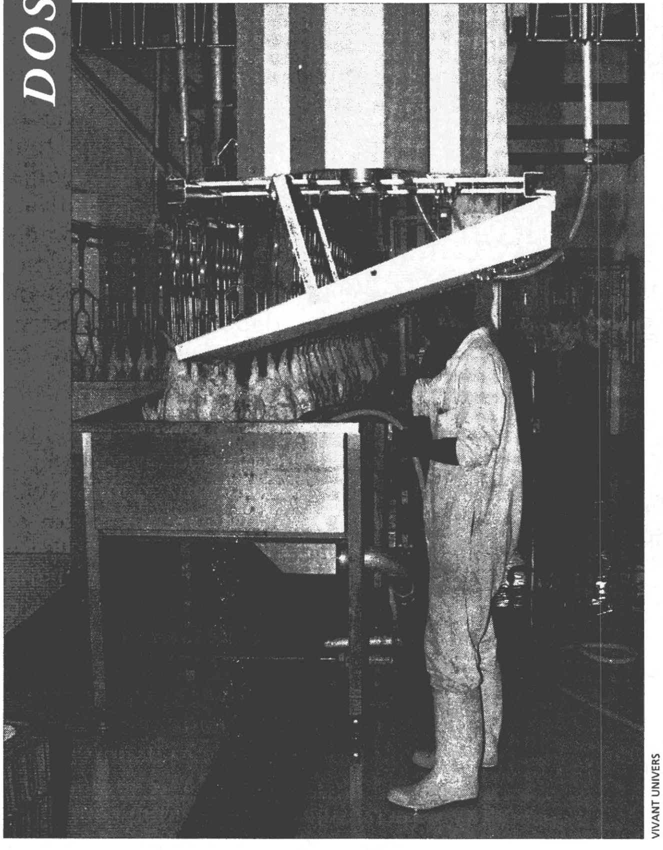
Another prerequisite in securing a prosperous future will be the maintenance of civil peace and political stability. The presidential elections scheduled for the end of 1998 will be the key test.

A fairer distribution of wealth remains the greatest challenge facing the Gabon government. The implementation of more effective health, transport and education policies will play an essential role here. Other crucial areas are conservation of the ecosystem and the efficient management of forestry resources.

In order to meet these challenges it is only natural that Gabon should be assisted by the EU, a long-time partner. The government is fully aware of the benefits of continued cooperation. That is why it is determined to play a central role in the talks on what should happen after Lomé IV expires. ■ K.C.

DOSSIER

Developing the private sector



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Contrasting images of the private sector in Africa
A modern chicken processing plant in Mozambique and traditional palm wine sellers in the Central African Republic

Nowadays, it is old-fashioned, indeed, unimagineable, to envision economic prosperity in the developing countries without some reference to the importance of the role of the private sector. The list of arguments advanced in favour of private enterprise is a lengthy one. Among other things, according to its proponents, it results in job creation, improved professional training, technology transfers, inflows of foreign capital, the stimulation of economic growth and ultimately, to the 'insertion' of developing countries in a globalised economy. Bilateral and international cooperation agencies are singing this tune ever louder, and more and more people in the developing nations are taking up the refrain. For the developed country partners, it represents a significant change in approach as compared with less than a decade ago. Today the essential proposition is that developing states can benefit from the virtues of liberal economic thinking – with policies that encourage competition and an expanded private sector – even if their circumstances are very different from those of the industrialised world.

In a previous Dossier (issue 146 of July-August 1994), The Courier looked at the private sector from a broad standpoint. We considered how it could contribute to the development of the poorest countries, along with related questions such as the impact of privatisation and the role of small and medium-sized enterprises. In this issue, the emphasis is on strategies for encouraging the private sector in ACP countries, looking, in particular, at the approach of European institutions under the Lomé Convention (the Commission and the European Investment Bank).

Other international donors are also involved in trying to encourage private sector development. Their approach may differ from that of EU bodies, but all agencies recognise the need for coordinated and complementary action. The United Nations Development Programme (UNDP) and the International Finance Corporation (IFC) describe their contribution in this sphere.

Of course, private sector expansion in developing countries is not simply (or even principally) a matter for international institutions. At the end of the day, well-organised local entrepreneurs hold the key to economic success and they are beginning to recognise this themselves. They are increasingly coming together to put forward their views and concerns to the political decision-makers. The enterprise network in West Africa – in which the businesspeople of a region have formed a group to defend their collective interests – is one such example which we feature here. If the free enterprise approach is to succeed, where previous models have failed, in delivering growth and prosperity to the developing world, an effective working relationship between the public and private sectors is essential.

K.K.

DOSSIER

The authorities and the private sector

Perfecting dialogue

At independence, the state was in the driving seat of the economic development of countries in the South. This was particularly the case in Africa. Over the subsequent two decades, successive regimes strove to reinforce their power. But times have changed, and the political and economic environment is now very different. Globalisation is forcing national economies to adapt. And governments are increasingly adopting a liberal economic creed characterised by deregulation and privatisation.

A combination of factors has led to the redefinition of the state's role in development management. These include a desire for democracy combined with the gradual retreat of totalitarianism and the failure of previous economic policies. We are also seeing the emergence of a 'civil society' seeking a legitimate role in development, and the stirrings of a dynamic private sector as the chosen engine of growth and prosperity. The state has had to come to terms with a private sector in the throes of change. The challenge is to arrive at a situation where public and private can coexist, their interests inextricably linked.

Less state interference

Given the development failures of governments, and in an atmosphere of economic liberalisation, there are those who advocate that the state should detach itself altogether from the productive sectors of the economy. These people, the disciples of *Adam Smith*, argue that state intervention should go no further than ensuring an ordered society, allowing the natural 'balance' (based on supply and demand) to emerge. Their view is that this highly radical approach is needed to enable developing countries to emerge from their economic stagnation and take their place in the world economy. It is a regrettable fact that the countries in question have weak economies, and most of them are in the process of implementing lengthy and difficult structural reforms. But to withdraw the state from the economy altogether (something neither tried nor proven elsewhere) would surely lead to near paralysis from a political and socio-economic standpoint.

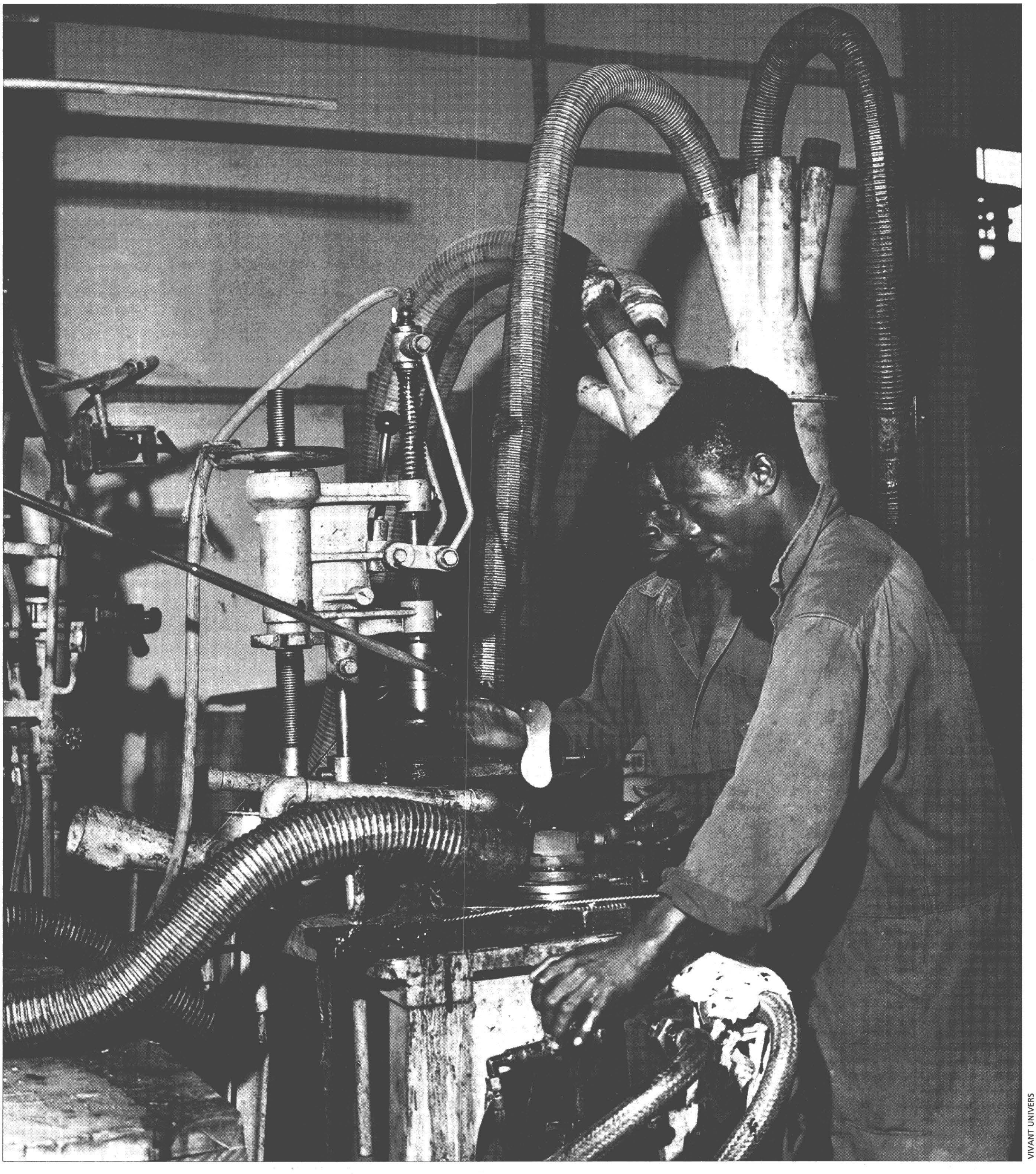
That the state might have to relinguish its monopolistic grip on the economy may well be inevitable, but the functions of public authorities cannot simply be restricted to defence, internal security, health and social welfare. Governments also have a responsibility to provide economic leadership and promote the optimum use of national assets through sound strategic choices. In recent times, the private sector has unquestionably emerged as one of these potential assets – indeed a crucial one – but for it to achieve its full potential, attitudes and mentalities have to change.

In countries with a long history of state intervention, the authorities are seldom used to having a regular dialogue with private economic operators. Today, they are discovering that there is much to learn. The private sector has growing expectations and wants the state to do more to improve the business environment – an environment which, the entrepreneurs argue, still hampers growth. The tax burden, high energy costs, bureaucracy, a weak infrastructure, difficulties obtaining credit, an inadequate legal framework and an ill-adapted education system – these are just some of the problem areas highlighted by private businesspeople.

With so little room for manoeuvre, what are the state's options? First, it would be sensible for it to listen to the concerns of the private sector players, and to organise more exchanges with them, both formal and informal. Seminars and other discussions staged across Africa, whether on a national or regional basis, should help bring the various actors in the system together and thereby build confidence. Too often, governments have been reproached for failing to create a positive business climate, and for their 'predatory' tax policies (with no explanation being offered as to how the revenue is used). Meanwhile, the authorities tend to view private entrepreneurs with suspicion and the latter's requests are frequently treated with mistrust.

Governments, it has been suggested, should be taking more of a lead in organising dialogue with private business. One such initiative was taken by the Ugandan Finance Minister last year when he consulted the Private Sector Foundation – a relatively new body that has been recognised in Uganda – to sound out its opinions on the budget. There is a long way to go in establishing genuine dialogue, but this shows that it is possible to start down that road. And it is interesting to note that Uganda has one of the most dynamic private sectors in Africa, with growth approaching double figures. In countries which have not made the private sector a focal point for development, dialogue remains superficial and, in some cases, it is non-existent!

There is no point in consulting private operators if their views are not taken on board in economic policy formulation. There is obviously little to be gained from giving them a hearing after the rules have been adopted – as seems to happen in some countries. If the state issues regulations on, for example, the conditions for investment (including, most importantly, taxation), without prior discussion with the private sector, then it is losing an important opportunity for feedback.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The state must assist the business world to become the engine of development

This can only increase mistrust among businesses and may induce a number of them to 'take refuge' in the informal sector.

Clearly, a balance has to be struck. The private sector needs greater freedom and scope for expansion. But state intervention may be needed to guarantee that freedom. The private sector needs to be encouraged to seize new opportunities while the benefits of a dynamic informal sector should be exploited – with assistance available to 'enterprises' to enable them to emerge from shadows of legal uncertainty. Public authorities also have a contribution to make in ensuring that savings systems are secure, in implementing privatisation in a way that involves a fair and transparent redistribution of wealth, in providing lines of credit to meet the needs of SMEs, and in improving the climate for local and foreign investors by developing the right legal framework. In essence, private enterprise has to be given the opportunity to generate its own development.

At the same time, one should stress that measures to assist the private sector will not be truly effective if they are left in the hands of public functionaries whose methods do not reflect the interests of the beneficiaries. One obvious solution is to retrain officials to ensure they are more aware of the actual business environment. A more radical approach entails devolving the administration of such measures to privatised or independent 'intermediate' organisations such as Chambers of Commerce. This is often suggested, but it is rarely embraced with enthusiasm by the authorities. Having said this, some governments are increasingly recognising the private sector dimension and the fact that more intensive dialogue with entrepreneurs will be needed in the future.

Structuring the private sector

Other governments have taken a less positive tack, claiming that dialogue with private players has been constrained because of a lack of organisation in the sector. Business 'spokespersons', who may or may not be 'representative', sometimes make incoherent or contradictory claims. If the voice of business is to be heard, it is evident that it will have to organise itself as a credible lobby. This kind of thing has already happened in a number of countries, where businesspeople have formed wider groupings. If they do not do this, there is a danger that they will fail to keep up with events. Also, a proliferation of smaller groupings can lead to overdiversification and reduced effectiveness.

It was this kind of analysis which lay behind the decision of the Business Network in Mali to add a new task to its agenda – improving relationships with the state. It now meets once or twice a year with the various government departments. If you look at the Lomé Convention, you see that the method of drawing up national indicative programmes gives the state a dominant role. But interestingly, a number of ACP countries (notably Côte d'Ivoire and Cape Verde), have taken account of private sector proposals in the most recent programming exercise. Unfortunately, however, this approach remains the exception rather than the rule.

One striking development has been the action taken at a regional (as opposed to national) level by business leaders to defend their common interests in dealings with governments and regional authorities in West Africa (see the article on the West African Business Network). This is a positive development which can help stimulate the regional integration process.

There is, however, a danger that complacency will set in, not to mention other challenges. It is important, for example, to ensure that organisations representing the private sector are independent (which includes financial autonomy), otherwise, the negotiating balance could become skewed. Ways need to be found to prevent the authorities from interfering in the management of these bodies. In Asian countries such as Korea, Taiwan and Singapore, private sector groups (which may be receiving some public assistance), have organised themselves in an effort to guarantee cohesion between various economic subsectors, and to provide themselves with the necessary human and financial resources. It might be useful to do a more detailed study into the advantages conferred by such systems, with a view to applying them in the African context.

Another point is that private enterprise needs to keep its demands under control, remembering that its relationship with the state is still in a transitional stage. Rather than rushing to seize the prerogatives traditionally granted to the state, they need to work closely with the officials to define clearly the roles and responsibilities of each side.

International cooperation

In Europe, the power of the financial markets and the demands of economic convergence are limiting the autonomy of governments. In developing countries, and particularly in Africa, this phenomenon is even more evident. The state's room for independent manoeuvre has inexorably declined over the past 20 years, principally due to the draconian dictates of structural adjustment. Today, governments in these countries must address the concerns of a private sector which is anxious to have a bigger say, while respecting agreements made at international level. A number of these agreements, which may have affected the development of the private sector, were reached without the latter being consulted. It is no longer a question of simple discussions between the state and the international organisations. There needs to be a three-way relationship, bringing in private sector representatives, with meetings arranged which give each side a better opportunity to understand the concerns and workings of the others. There is no room for the argument that consensus is more difficult outside the restricted framework of one-to-one negotiations. This kind of argument effectively undermines the proposition that people should be taking charge of their own development.

Various seminars and symposia on the subject of developing the private sector have been organised by international cooperation institutions – but they do not always result in specific support programmes. Representatives of the sector are now demanding the opportunity to deal directly with international agencies without going through the state. But this is a subject which raises sensitive political problems. Some 'decentralisation' may be possible in certain sectors, particularly, for example, where a speedy response is indicated. The work of the Centre for the Development of Industry (CDI) – which is mandated under the Lomé Convention and works directly with ACP private enterprises – is an illustration of this approach. But at the same time, the political authorities cannot be excluded altogether. They still have an essential role in providing the right environment for economic development. ■ K.K.

DOSSIER

Business and enterprise development in the ACP countries

by Dr. Luis Ritto*

It is widely recognised that, following independence (and well into the 1980s), most ACP countries pursued policies which did not favour private sector development. Consequently, potential for the growth of a dynamic private sector, operating in a market-friendly environment, failed to materialise. Add to this misguided economic strategies stressing import substitution, an over-extended and inefficient public sector, and other economic policy failures, and the result was general economic decline and social malaise.

Initially, the emphasis was heavily on the central role of the state in planning and managing economic development, with public enterprises producing goods and providing services, mostly for the domestic markets. Private sector development was also hindered by structural constraints: limited internal markets (reflecting both small populations and their restricted purchasing power), political instability, the absence of appropriate regulatory frameworks, poor administration and a lack of intermediaries and skilled entrepreneurs.

Things have changed, however, since the late 1980s. The importance of the private sector as the engine of economic growth is now recognised together with the fact that the state should withdraw from direct involvement in the productive sectors of the economy. Another point which is more widely acknowledged is that industrialisation is strongly influenced by the performance of local agriculture – the major activity in many ACP countries. Farmers provide many of the raw materials for manufacturing, while the rural population represents a large part of the domestic market for industrial products. The new approach, therefore, envisages industrial development accompanying rural development rather than preceding it. In addition, governments have adopted structural adjustment reforms as a way of improving the macro-economic environment in which the private sector operates. This has entailed such measures as liberalising exchange and interest rates, removing price controls, adopting non-inflationary monetary policies and taking steps to improve the investment climate. ACP states are now much more receptive to foreign direct investment as a way of transferring know-how, skills and financial resources.

Global changes since the end of the Cold War in 1989 have resulted in the emergence of a new model for sustainable development. Although the details of this may vary according to local conditions, broadly speaking, the model emphasises the following:
– an integrated process of political and economic stability
– good governance
– popular participation
– investing in people
– reliance on market forces
– competitiveness
– concern for the environment
– the development of a vigorous private sector.

The last-mentioned, which is based mainly on fostering entrepreneurship, private initiative and risk-taking, is particularly vital. More and more countries have started to follow 'outward-looking' industrialisation strategies in order to promote exports of non-traditional products in which they can develop a comparative advantage.

Globalisation may have a positive impact on the wider world economy, but it could also have the effect of marginalising some countries, particularly the least-developed ones. To counter this, adequate measures are required to take advantage of emerging market access opportunities and minimise the gradual but ineluctable erosion of trade preferences. In simple terms, this means they must enhance their competitiveness and strengthen those areas where they have an actual or potential comparative advantage. It is a process which needs to be supported with positive measures by the developing countries' partners, including, in particular, the EU. Creating regional trading zones among the least developed countries, or between developed and developing partners, is one strategy to help cope with the risks of globalisation and facilitate the integration of the world's poorest nations into the emerging world economic order.

Today, it is clear throughout the ACP group that countries recognise they stand to gain if they become more open, liberal and market-oriented societies and if they strive to create wealth and economic growth. The European Commission has been employing the instruments of the fourth Lomé Convention to assist this process.

Taking stock (the first five years of Lomé IV)

Since 1990, and the entry into force of Lomé IV, the Commission unit responsible for industrial

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cooperation, enterprise development and the promotion of investments in ACP countries (VIII/B/4) has seen a sharp increase in requests from ACP administrations aimed at helping their private sectors and promoting investment.

An important step was taken in 1992 when the Commission produced a document entitled 'The Community Position on Investment Protection Principles in ACP States'. This was approved by the EU Member States in November of that year. Another part of the strategy has been to try and boost EU investments in ACP countries. This has involved an increase in the number of industrial and business fora, developed in association with the Centre for the Development of Industry (CDI).

A special effort has also been made to put enterprise promotion and development at the heart of our work. Entrepreneurship has long been recognised as a key factor in the development process. Entrepreneurs innovate and assume risks. They hire and manage labour forces, open up markets and find new combinations of materials, processes and products. And they initiate change and facilitate adjustment in dynamic economies.

Using the Lomé instruments, more than 30 programmes favouring private enterprise have been developed since 1990. The approach has been two-pronged – business creation, and helping existing businesses (both rural and urban) to expand. The main target groups have been industrial craft activities, small and medium-sized enterprises (SMEs) and micro-enterprises (MEs) – which together, account for more than 90% of ACP undertakings (See box on this page). These enterprises create jobs with a relatively modest investment and thus make an important contribution to the daily life of countries where they are situated.

There is a heavy emphasis in the programmes on improving quality and developing local capacities. It was decided, at the outset, that the approach should be an integrated one, carried out in proper sequence. And because of the close relationship that exists in most ACP countries between agriculture, industry and the service sectors, linkages were explored in order that the EC-funded schemes could produce harmonised development across the economic sectors.

In concrete terms, these largely integrated programmes have provided: capacity building for local institutions; credit lines; guarantee funds, and professional and advisory services (including training and follow-up support). More than ECU 200m has been allocated from the 7th EDF to the programmes which have ranged in size from ECU 1.25m (Seychelles) to ECU 10.5m (Burkina Faso). A number of other actions were also launched in the same period with a view to promoting investment agencies, non-financial intermediary organisations (chambers of commerce and industry and technical bodies), industrial zones and

SMEs, micro-enterprises and handicrafts

The private sector in ACP countries is dominated by small-scale enterprises. The Lomé Convention distinguishes between three types: small and medium-sized enterprises (SMEs), craft activities and micro-enterprises (MEs). The distinction is based partly on size but also depends on whether the enterprise concerned operates in the formal, semi-formal or informal sector of the economy. The EC has devised different ways of helping each category:

SMEs can, depending on the sector in which they operate, have anything from ten to several hundred employees. They operate in the formal sector.

Craft activities are to be found mainly in the semi-formal sector. The businesses in question carry out simple transformations of primary products (agro-processing, wood and metal products, traditional garments). Although better structured than enterprises in the informal sector, they have traditionally lacked access to formal financing systems, up-to-date technologies and training.

Micro-enterprises are normally family businesses operating in the informal sector. They may have as many as ten workers although the usual number is one or two, with or without some part-time assistance. MEs provide a living for millions of working poor and their families in ACP countries.

VIVANT UNIVERS

Cloth weaver in Senegal.
Micro-enterprises such as this provide a living for millions of ACP families

EC support for enterprises 1980-1995

Evaluation results

Of 103 projects identified, 44 were analysed in depth, leading to the following findings:

- *Finance was provided to about 5,000 entrepreneurs*
- *Between 25,000 and 35,000 jobs were created*
- *Loans granted ranged from ECU 780 to ECU 71,500*
- *Sectoral breakdown of finance provided: Industry and Crafts – 47.4%, Commerce and Services – 27.1%, Agriculture – 21.1%, Other – 4.4%*
- *24% of the beneficiaries were female*
- *Between five and seven jobs were created on average in each enterprise receiving finance*
- *The group that benefited most from the programmes was 'start-up' entrepreneurs with little business experience.*

technology transfers. An example of the last-mentioned is the GRATIS project in Ghana (see the box page at the end of this article entitled *Supporting enterprise).*

It is worth noting that for many years, the European Commission has been a pioneer in the field of enterprise development, providing assistance to small-sized and craft enterprises, and low income groups and enabling them to expand their economic activities. An evaluation, carried out in 1995, concluded that the results of such programmes are globally positive, leading to the creation of many firms and jobs (see box on this page).

More recently, at the request of a number of African countries, the Commission has focused more on supporting micro-enterprise development (programmes in Zambia and Kenya are featured in the box page at the end of this article). Instead of employing direct measures to tackle poverty, the approach involves the use of local intermediary institutions to help low-income people whose activities have growth potential and can compete in the setting of a market economy. The underlying idea is that by allowing people to change from subsistence to productive life, a real impact can be made on promoting economic development, thereby helping to reduce poverty. There will be even more emphasis on this type of project in the future.

The new challenge (second half of Lomé IV)

The Eighth EDF will soon be up and running and the EC Commission will continue supporting ACP countries in their efforts to promote economic development. A review of the National and Regional Indicative Programmes agreed so far reveals that more than 30 ACP countries and all the ACP regions will benefit from private sector programmes in the coming years. The Commission aims to be imaginative in implementing these, adapting where necessary, to what is required to help ACP countries achieve competitiveness and a greater degree of integration into the global economy. The success of initiatives to support the private sector will depend on a number of factors linked to credibility and sustainability:

– *confidence building:* to convince the public and private sectors that reforms undertaken to liberalise the economy are genuine and permanent

– *creating a favourable policy environment:* to help ACP governments create conditions of political, administrative and legal stability and predictability which encourage private enterprise and provide a degree of protection for foreign investments

– *competitivity:* to reform policies and institutions which are still the causes of high costs and low productivity, and to promote quality and the optimal utilisation of human resources (for example, via the privatisation of state companies and/or the ending of state monopolies)

– *promoting investments:* to strengthen financial systems and markets, and give the private investor better access to financial services and better protection for private property and ownership

– *infrastructure development:* to provide essential infrastructures (transport, communications, etc.) for the private sector

– *capacity-building:* to develop the private sector's capacity to manage businesses, train employees, develop and market products, and achieve efficiency gains.

Many of the EC's future policies will be geared towards promoting faster growth and higher private investment in ACP countries, together with efforts to achieve their wider integration into the global economy. Priorities include financial and technical support for the financial sector, technological improvements, privatisation, sectoral support for infrastructure, agriculture, industry, services and human resource development, and direct support to enterprises.

Another area where EC efforts will be increasingly deployed is in fostering investment in ACP countries. Measures will be taken for this purpose to help improve the capacity of ACP administrations including their fiscal and legal services. Activity in the field of industrial and business fora will also be stepped up, with meetings foreseen in the SADC, West Africa, Central Africa, Caribbean and Indian Ocean regions.

We are confident that such measures will boost economic growth in the ACP countries, enabling them to begin the 21st century in a better condition than most of them are in today. L.R.

Supporting enterprise

Some examples of EU programmes

Gratis – Ghana

The Ghana Regional Appropriate Technology Industrial Service (Gratis) was set up under the aegis of the Ministry of Industry, Science and Technology. Its purpose is to support and promote industrial production through the supply of consultancy services, training, and advice on technical, management and marketing aspects to small-scale entrepreneurs, enabling them to adopt new technologies for new products.

The project is co-funded by the EC and public and private donors from the UK, Germany, the Netherlands, India and the USA. Total funding is ECU 12 million (EC share, ECU 4.2 million).

Gratis builds on the success of the Intermediate Technology Transfer Unit (ITTU) based in Ghana's main industrial area, the Ashanti region. The ITTU, set up in 1980, promoted the introduction of appropriate technologies and their transfer to small manufacturing units in both urban and rural areas.

The beneficiaries of Gratis are:

– young people with technical or general educational qualifications who are given a four-year training course in the different ITTU services, with a specialisation in one of them
– artisans and craftsmen seeking to acquire new technology. These are, as a rule, very small enterprises involved in vehicle repair and maintenance, toolmaking, wrought iron work and woodwork
– rural industries using little capital, traditional methods and local raw materials

The project provides two types of credit – a hire purchase scheme for the acquisition of material and equipment, and a working capital scheme to provide operating subsidies.

MBT – Zambia

The Micro Bankers Trust (MBT) was set up in Zambia in 1996 by four international NGOs and four private sector financial intermediaries. It acts as the implementation body for the Zambian government's project to help vulnerable groups affected by the country's structural adjustment programme. This is known as the Micro-Credit Delivery for the Empowerment of the Poor (MCDEP).

The Commission has provided ECU 1 million for a Trust management adviser, a training programme, project monitoring facilities and back-up. The Trust makes credits available on strictly commercial terms, and aims at a high rate of credit recovery (95%), full cost recovery after three years and financial sustainability at all levels.The MCDEP was created when it became clear that previous support programmes for vulnerable groups, based on grant aid, were not functioning satisfactorily.

The overall objective of the MCDEP is to alleviate poverty through micro-credit delivery leading to the economic empowerment of vulnerable groups and the promotion of income-generating activities. The main functions of the MBT are to establish or strengthen the institutional capacity for credit delivery through:

– savings mobilisation
– staff training
– consultancy and counselling
– networking

The Trust will also mobilise funding for micro-credit programmes.

Within three years of its launch, the number of beneficiaries of loan programmes from the MBT's accredited members is expected to reach between 30,000 and 40,000 people, organised in more than 1,200 groups. The eight organisations who are founder members of the Trust have delivery capacity in all of Zambia's nine provinces.

MESP – Kenya

The aim of the Micro-Enterprises Support Programme (MESP) is to help Kenya achieve sustainable economic growth, create jobs and alleviate poverty.

Kenya faces two big challenges – to generate enough jobs to keep pace with population growth (500,000 young people enter the labour market each year) and to reverse the rising trend of poverty. The informal sector, which consists mainly of micro-enterprises, is the most dynamic part of the economy, employing more than a quarter of the labour force. It is growing at a rate of 15% a year. Nonetheless, its growth is constrained by a number of obstacles and the MESP, which is receiving EC funding of ECU 10 million over three years, is designed to help overcome these.

The activities of the MESP will focus on four main areas:

– credit support to MEs via selected financial intermediaries (through a revolving credit of ECU 4m)
– non-financial support for MEs, channelled through NGOs, for product development and adaptation, and to improve management and marketing skills
– institutional support and capacity-building for key intermediaries and government departments
– general coordination and project management

The MESP is consistent with the Kenya government's economic reform framework and the Lomé IV NIP for the country.

The role of the European Investment Bank

by Stephen McCarthy*

***'Long live the private sector.'* Sometimes it seems as if private sector development is a newly discovered development slogan, a new panacea. Would that reality were so simple!**

If we take a historical perspective, we see that the private sector has had many centuries to demonstrate its contribution to the development of Africa and the other ACP countries. Yet for most of recorded history, the indigenous African private sector has remained individual in scale and more concerned with trading than with manufacturing. The historical record of the foreign private sector is no more encouraging. True, organised camel caravans have been trading gold and salt across the Sahara for at least a thousand years, but then came the internationalisation of the slave trade. And, during the colonial period itself, the record of foreign private sector investment is distinctly ambivalent.

So the newly independent African governments, in line with prevailing ideology at the time and the advice they were receiving from experts, largely discounted the contribution which the private sector could make to development and instead promoted state entrepreneurship, eventually establishing a herd of white elephant parastatals. But, as elephants are wont to do, in their search for food they stripped the land of its resources. The herd has had to be culled.

In the meantime, ideas have matured. We now know finally and, let us hope, definitively, that the private sector and the state have to complement each other. The structured processes of cooperation and competition which go into building a modern private business sector offer the best prospects for wealth creation in a society; but the state, at the local, national and even international level, has to provide the stability and framework within which this process can happen. Property rights in goods and land have to be clear and enforceable; contracts have to be respected and workable and ultimately backed up in the courts; stable legislatures have to provide a framework of rules and taxation; impartial bureaucracies have to administer them; and governments have to offer a low inflation, stable economic environment and negotiate appropriate trade agreements.

So the most important requirement for private sector development is to build up healthy and effective state institutions. That is a task primarily for the citizens of the country concerned. Outsiders, such as development agencies and NGOs, may be able to help a bit by offering specific know-how from time to time or by demonstrating how states function elsewhere, but they can certainly not substitute for a process of social change and development which has to take place within the country itself. Moreover, social institutions cannot simply be built, like a bridge or a factory. There are no platonic guardians sitting outside societies and pulling the strings of social change – though occasionally of course a single individual, a Nelson Mandela for example, can have a huge impact on a whole society.

However, let us suppose that in a particular ACP country, this critical requirement has been met; the institutions of the state are functioning well or at least moving in the right direction. Then the conditions are right for the private sector to flourish within that society and to make its contribution to human wellbeing. Private businesses will then need infrastructure and they will need finance. It is under these circumstances that a bank, such as the EIB, which operates broadly along commercial lines but also has public objectives, can make an important contribution.

Let us start with infrastructure by looking at the railway lines on a map of Africa. See how they all originate at the coast and run a few hundred kilometres inland before coming to a halt. Only through Zambia and Angola is it theoretically possible to cross the continent by rail from East to West, and the Angolan line has not operated for many years. Only in Southern Africa is there really an integrated international railway network, encouraging trade by linking countries together. As it happens, this region also boasts one of the best international road networks and is rapidly developing a system of regional power transmission – to which the EIB has so far contributed over ECU 300 million (see box article on next page).

So infrastructure really makes a difference; it is not by chance that many observers see Southern Africa as having more promising prospects than other African regions in the near future. For the rest of sub-Saharan Africa, the requirements for infrastructure development remain huge and largely unsatisfied. Notice how few of the railways on the map have been built since independence.

But the point of looking at the map is to demonstrate how much infrastructure investment is going to be required on the African continent if we want to see sustained economic growth in the future. In the absence of such infrastructure, the coming century may well see development principally occurring along the African coastline, accompanied by population movements from the interior, since industrial production which takes place along the coast will have far greater possibilities of reaching international markets, and being supplied by them, than will enterprises in the interior. To achieve this and to support private sector development itself, overall investment levels will have to rise from about 16% of GDP currently, to 25% or more of GDP maintained over several decades.

Although the other regions of the ACP also have to find ways of overcoming their problems of

* European Investment Bank.

EIB contribution to the electricity sector in Southern Africa

Southern Africa is endowed with substantial resources from which to generate electrical energy – notably an abundance of coal, and major hydro-electric potential (and possibly also for the future, gas). The EIB has invested more than ECU 340 million ($400 million) in energy development in this region under the successive Lomé Conventions, to support development of the resources, both in the national framework of each ACP country and, perhaps more importantly, with a view to optimising power supply on a regional basis.

Examples of the types of investment project supported by EIB (with the amount of EIB financing in brackets) are as follows:

– *Coal-fired generating facilities* in Botswana (ECU 25m) and Zimbabwe (ECU 20m);

– *Hydro-power facilities* in Lesotho (ECU 20m), Malawi (ECU 15m), Zimbabwe (ECU 13m) and Swaziland (ECU 7m);

– *Strengthening of national transmission and distribution networks* in Malawi (ECU 14m), Zimbabwe (ECU 26m) and South Africa (ECU 56m);

– *Inter-connection of transmission networks* between South Africa-Zimbabwe (ECU 37m), Mozambique-Zimbabwe (ECU 17m), Mozambique-South Africa (ECU 40m) and South Africa-Botswana (ECU 6.5m).

– *Feasibility studies* into hydro-power facilities (in Lesotho and Zambia), and coal-bed methane gas (in Zimbabwe).

Financing has predominantly been in the form of *long-term loans* (up to 20 years), as is appropriate for this type of long-term infrastructure investment. EIB has used the full range of resources at its disposal to reflect the characteristics of the different countries, for example:

– Ordinary market-rate loans on EIB's own resources in South Africa;

– Loans on EIB's own resources with interest subsidy to support institutional capacity-building in Zimbabwe, Botswana and Swaziland;

Loans on risk capital (usually passed through Government) in Lesotho, Malawi, Zambia and Mozambique. The last case is an interesting one – the risk capital financing to Mozambique for the rehabilitation of the Cahora Bassa-South Africa transmission line was structured so as to contribute to Mozambique increasing its percentage of equity participation in the Hidroeléctrica de Cahora Bassa company (majority-owned by Portugal from the days of the original construction of the dam).

What 'added value' (other than the finance itself) has EIB contributed to these projects?

The combination of EIB's 'critical mass' of financing in this sector in the Southern Africa region (and its possibly unique geographical coverage), together with its continuing (and substantial) activities in providing finance to major corporations in the power sector in the EU itself, have enabled the Bank:

– to provide inputs into the questions of *institutional set-up, tariff policy* and structure, etc.;

– to provide a useful sounding board for the power companies in the region as regards optimisation of *technical design* of facilities and network planning;

– to provide inputs, and European experience, into *environmental* protection measures;

– to encourage companies to widen their *procurement procedures* to international competition, with beneficial effect on prices and service (for the consumer).

The future

The SADC countries have adopted a forward-looking approach to the development of electric power resources in the long-term, creating *inter alia* the Southern African Power Pool ('SAPP'), which will consist of a region-wide inter-connected power network to the benefit of all users of the system. In addition to permitting the optimisation of power system planning on a regional rather than national basis, the SAPP should allow the region to benefit from the supply of efficient, low-price electricity presently available from coal-fired power stations in the south of the region (notably South Africa) in the short and medium-term, and to develop the substantial hydro-electric potential in the north of the region (around the Congo/Zambesi river basins) in the longer term as and when this is required to meet regional demand. The EIB plans to continue its assistance to expanding the SAPP.

relative isolation and smallness, their infrastructure problem is different and not so overwhelming. For example, Caribbean countries may find the continued development of service industries, particularly tourism and data processing, more promising than attempting to compete in international markets for manufactured goods. In this case the major infrastructure requirement is likely to be various forms of environmental protection as well as modern high capacity telecommunications.

All of this is nicely speculative. But where is the finance going to come from? Flows of international aid, which for the ACP countries now represents only about 6% of their GDP, will certainly not be sufficient. Moreover, aid is increasingly required for other pressing human needs, rather than for investment in the classic sense.

There are only two other possibilities. The first is to increase the level of domestic savings in the ACPs, and the second is inflows of foreign private capital. The EIB, as a major multilateral investment bank, increasingly sees its role in the ACPs as that of facilitating this process – helping to support the development of domestic financial markets on the one hand and encouraging and intermediating the flow of foreign capital towards these countries on the other.

Mobilising domestic savings for the private sector requires functioning financial markets. In many ACP countries they simply do not exist and in all of them, with the exception of South Africa, some elements of a fully integrated domestic financial sector are missing.

In most ACP countries the domestic financial sector consists of a few banks which take short-term deposits and make short-term loans. Sometimes, the banks are burdened with non-performing debt of old parastatal institutions and other political lending, though that tendency is now diminishing. There is rarely any inter-bank market, and the little medium to long-term lending which might occur would be on rolled-over overdrafts at floating interest rates. Interest rates themselves have gone from being unduly low to excessively high, no doubt necessary for stabilisation policy but not encouraging for investment. There is little competition between the banks and banking sector margins are usually high – but so are the risks, as discussed below. Some countries have stock markets but they are illiquid and add little to the mobilisation of domestic savings. No private company issues long term bonds; there is too much uncertainty over future interest and inflation rates and secondary markets do not exist. Institutions which might have access to long-term savings, such as insurance companies and pension funds, almost invariably invest their resources in government paper (sometimes they are obliged to do so), or in real estate. The formal banking sector rarely reaches beyond urban businesses; it does not therefore offer finance for SMEs or savings vehicles for rural people – still less micro-finance lending. Private banks are very risk averse, just as public banks have often been extremely imprudent, but both have had to operate in a climate of generally high inflation, macro-economic instability and unpredictable government policy – not to mention very small markets which makes running a financial system very expensive.

Anybody who has ever worked with the financial sector in the ACP countries will recognise this picture. They will also know that in many cases the situation has improved over the last decade, in small cumulative ways. But clearly there is need for further deepening and strengthening of domestic financial systems, before they can become dynamic sources of finance for the private sector.

A key feature of the EIB's approach is to operate as much as possible with and through the domestic financial institutions in the ACP countries, thereby steadily strengthening them and building up their administrative and financial capacities. Typically, EIB operations in support of the private sector consist of lines of credit for small and medium enterprises, through a local bank or through the banking system. Thus in the first five years of Lomé IV alone, the EIB set up 65 such operations in 41 ACP countries. Altogether over the last 20 years the Bank has financed more than 1900 SME projects in this way. Moreover, the trend is accelerating as the table on this page shows. In fact the Bank is now financing a new SME investment, in one ACP country or another, almost every working day of the year.

EIB financing of SME projects

Year	No. of projects financed
1992	131
1993	138
1994	153
1995	176
1996	210

The advantage of this approach is that it puts decision-making where it belongs – in the ACP country concerned. The essence of private sector development is that it springs from the aspirations, ideas and enthusiasms of countless individuals, perceiving opportunities in their local context and acting on them. It is quite mistaken to think that this process can be steered at a distance from say Luxembourg or Brussels.

Hence, when the EIB makes a line of credit to a local bank or development finance institution (DFI), it expects the local bank to identify, appraise, choose and monitor the projects to be financed. The Bank exercises a supervisory role in the process; but only rarely does it have to intervene on specific project decisions.

The intermediary then usually on-lends the resources from the EIB in the form of medium and long term loans at fixed interest rates which reflect market conditions. But there are many other possibilities, for example to use risk capital resources to provide equity to a particular project. In short, the objective is to build in a pragmatic way on whatever exists and seems viable in the financial system. Thus the EIB provides finance, but it also encourages the local bank or other financial institution to develop the scope of its own operations, for example by offering long term loans, building up a capacity for project-based financing, and so on.

These matters are illustrated in the box article on the following page which outlines the EIB's APEX operations in Kenya and Uganda.

Of course, under the present and all previous Lomé Conventions, EIB loans in the ACP countries, whether from risk capital or the Bank's own resources, have carried a concessional interest rate. It is important that this concessionality should not be allowed to distort the financial markets, particularly at the level of the borrower. So, for several years now, the EIB's policy has been that the interest subsidy should always be stripped out, either at the level of the state or by the financial intermediary, which would then use it for capacity-building or some other social objective.

Turning to foreign private capital flows, here the bad news is well known. These have increased enormously on a global scale but Africa is taking only a small share and this goes to just a few countries, notably South Africa. Moreover, global flows of private capital are extremely variable from one year to the next.

But although Africa's share of private financial flows is small, in no sense is there some absolute shortage of private finance available to invest in Africa. There may be problems of financial intermediation and there are certainly problems of risk management, which we come to below, but there is not simply a limited supply of investible resources which happens to have gone everywhere else but Africa. Indeed, Africa's own flight capital is estimated to be of the same order of magnitude as the continent's external debt. This is witness to the rationality of African investors who have preferred to invest where the risks appeared less and the returns more secure.

Foreign investors, even more so, still perceive Africa as a high risk area. Although economic policies and attitudes to foreign investors have recently changed in many countries, there is still the fear of policy reversal. In addition reliable information on the business environment in a particular African country is difficult and expensive to obtain – just putting the investment code on the Internet is hardly a solution. The case of Namibia comes to mind – a country with a business friendly environment, superb infrastructure by African standards, but only a small domestic market and, until recently, little inward investment except in the well-established mining sector.

In fact, as with domestic investment, the picture in Africa is not quite as bleak as it seems. Although starting from a very low base, in recent years, foreign private capital flows to Africa have been growing faster than in any other region of the world, as the table on the next page shows. In some African states such flows are already comparable, as a proportion of GDP, to countries in Asia and Latin America.

APEX Operations in Kenya and Uganda

Interesting examples of how the EIB has expanded cooperation with – and influenced development of – the local financial networks are to be found in Kenya and Uganda. In both countries, the Bank has established an 'Apex' system whereby it lends to Government (at subsidised rates) which then on-lends to local banks and DFIs at commercial rates to fund their clients' investment projects. In both countries, the Central Bank acts as Government's agent – in effect 'cashier', calling for and making disbursements, and taking responsibility for debt recovery from the banks – but all the appraisal is handled by the banks themselves, which take the risk on all loans *(there is also an equity/quasi-equity window, in which banks share risks)*. In both Apex schemes, banks can opt for local currency loans, in which case they access funds at rates related to T-bill yields, or foreign currency (for export projects, with forex revenue streams), in which case the banks access resources at EIB non-subsidised rates for the currency/maturity chosen. They add their margin to cover costs and provisions.

Three points are interesting here:

– the EIB money (mix of own resources and risk capital in Kenya, pure risk capital in Uganda) is finding its way through to the banking circuits and investors at fully commercial rates. The attraction for banks and final beneficiaries lies not in cheap money, but in being able to tap long-term resources (minimum 5 years, 1 year grace), which are not available in either country;

– the competition element – commercial banks are now well into long-term project financing, previously the preserve of a few public-owned DFIs; there are strong signs of promoters 'shopping' for best terms; intermediation margins have come down – in some cases to as low as 2.5% in Kenya;

– effects on internal capacities: competition seems to have widened 'imagination' in some of the traditional DFIs, which are now starting to offer other services (feasibility studies, management services, trade finance); as commercial banks have gone into project financing, several have hired staff and built up skills where previously they had limited experience.

In volume terms, the scheme in Kenya supported some 115 company projects, with ECU 55m, in the first two operations, fully allocated over a period of about three years. A third, for ECU 45m, has been opened in March this year and ECU 14m are already allocated for some 25 projects. From an initial four participating banks/DFIs, there are now 10.

In Uganda, the first operation of ECU 15m has benefited some 30 companies, with allocations spread over two years. A new operation (for ECU 25m) is about to take off. So far eight banks are approved intermediaries.

As a bank which works directly with the private sector throughout the region, the EIB is probably more aware than others of this shifting sentiment towards Africa. True, it does not occur right across the continent and the interest is so far heavily focused on the mining sector, but investor confidence has certainly improved over the last couple of years.

For this type of investment the contribution of the EIB, apart from the important one of providing finance itself, is to reduce the risk and the perception of risk for the investor concerned and to increase his comfort level. The investors are often already clients of the EIB in Europe or elsewhere. They know that the EIB's presence in a particular project, the quality of its technical appraisal, its particular knowledge of the country concerned, and not least that the EIB is an institution of the EU, can all contribute to reduction of risk and hence to the success of the project. And if risks can be reduced then private capital flows will increase.

Net private capital flows to developing countries ($bn)

	1991	1996
All developing countries	57.2	227.1
Sub-Saharan Africa	1.1	11.7
East Asia and the Pacific	20.8	95.9
South Asia	1.9	11.5
Europe and Central Asia	7.9	27.9
Latin America and the Caribbean	23.0	72.9
Middle East and North Africa	2.2	7.2

The future

Looking forward to the year 2000 and beyond, so far as the EIB is concerned, there is no shortage of good viable investment projects in the ACP countries, coming from both domestic and foreign investors, and no problem in fully using the resources which it is mandated to manage under the Lomé Convention. The Bank will remain committed to the approach which it has built up over the last 20 years in the ACP countries. As explained above the key elements of this are:

– In the case of smaller investments and enterprises, to work through local financial intermediaries in the country concerned. This approach puts ownership and responsibility where they really belong. In so doing it builds up local administrative capacity; these EIB global loan operations are not dependent on an army of technical assistants.

– For major investment projects, whether for foreign private investors or the necessary public infrastructure, to continue to provide a quick, responsive service from its headquarters in Luxembourg.

But with the improving prospects for private sector development throughout the ACP countries, it is clear that a new challenge is emerging – to mobilise new sources of finance both from domestic savings and foreign private capital. Increasingly the task for the Bank is not just to finance projects, but to ensure that it uses the available resources, its experience and its technical expertise, as a means of mobilising and gearing up these additional financial flows. In view of the enormous outstanding investment requirements, and the limited availability of official aid from development agencies, this is an imperative for the future. The international standing of the EIB, and its global presence as a borrower in most of the world's financial markets and a lender in many of them, will be important strategic assets in this task. ■ S.M.

DOSSIER

Investment liberalisation and the development dimension

by Paolo Logli*

Of all the new issues mooted for the Post-Uruguay Round agenda, liberalisation of Foreign Direct Investment (FDI) is the most significant. Investors nowadays still face some daunting problems including investment bans, discrimination which favours national investors (or between foreign investors of different nationalities); the continuing risk of uncompensated expropriation and the possibility of unreasonable treatment from the authorities. Difficulties can also arise in dispute settlement procedures.

In 1990-91, the EU became aware that European investment in Africa had declined. The main reason was said to be the high political risk associated with the continent. Accordingly, the European Commission drafted a set of Investment Protection Principles – presented as a formal proposal in 1992 following discussions with Member State experts. However, the ACPs declined to consider them at that time; and only a few sought technical expertise to evaluate whether their investment rules could be improved to allow more foreign investment.

At about the same time, another Commission initiative led to the adoption of an 'Energy Charter' which set out the core rules for investment with non-OECD countries (Eastern Europe, Russia, etc.). This contains high, multilateral standards for investment protection. A similar trend can be observed on the wider international scene. A Multilateral Agreement on Investment (MAI) is being drawn up within the OECD framework to help overcome the worst obstacles facing global investors. The Commission is participating fully in this process. The aim, at the very least, is for the MAI to set out minimum requirements, ensuring that foreign firms:

- can compete on an equal footing with domestic investments
- are not discriminated against on the basis of their nationality
- can rely on effective mechanisms to solve disputes

However, major investor countries are pushing for higher standards to make the agreement even more effective. There are calls for the inclusion of specific undertakings on such matters as expropriation and the transfer of funds, for complete liberalisation of the sector and for free competition (precluding 'distortive investment incentives'). Negotiations on the MAI began within the OECD in 1995.

The 'development dimension'

The World Trade Organisation should also be involved in the process, however. Its rules have more general application, are binding on all members and include strict dispute settlement procedures. Accordingly, once agreement on the MAI text in the OECD has been reached, negotiations are expected to begin at the WTO level.

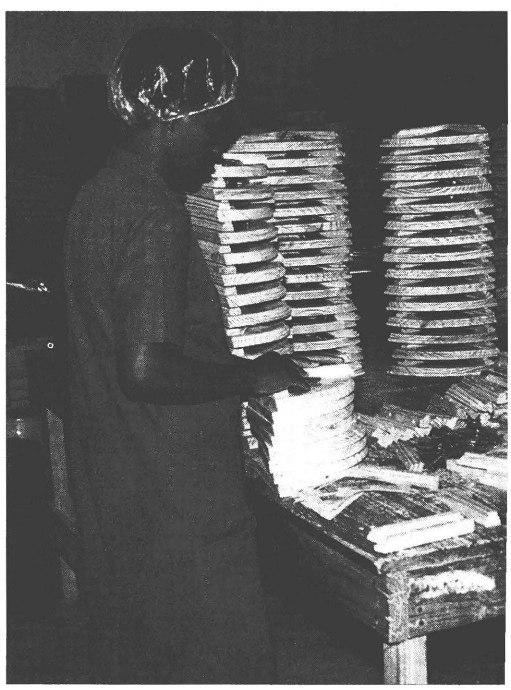
This could give rise to a significant problem, namely the participation of the Least Developed Countries (LDCs) who are members of the global trade body. These countries are still very much on the margins when it comes to FDI flows. African nations in particular, despite recent liberalisation efforts, have not seen an increase in FDI. It is particularly important for them to participate in any multilateral agreement, in order to demonstrate to foreign investors their commitment to a legal framework in this area.

The trouble is that the high standards set by the MAI, in terms of liberalisation and competition, could be an impediment. Many LDCs are not convinced they can afford an open-door policy for FDI. Due to structural weaknesses in their private sectors, some African countries in particular, feel that their industries may be unable to compete on a 'level playing field' with foreign enterprises. During a recent visit to Brussels, President *Yoweri Museveni* of Uganda made this very point. His own country is already involved in a gradual process of market opening. But if developing countries liberalised too quickly, he argued, the danger was that local industries would have insufficient time to become competitive.

A number of large multinational firms have recognised that the strength of the local private sector is crucial for the long-term success of FDI. A minimum number of local enterprises is needed for investment from abroad to succeed and to ensure healthy competition.

With these points in mind, a number of ACP governments may choose either to delay their accession to the MAI or to seek certain opt-outs from the competition rules. The idea is that once the domestic market has been consolidated, industry takes off and local enterprises are better able to perform with investment from abroad, the governments would then welcome an increase in FDI. At this stage, they would be

Factory in Swaziland manufacturing wood products.
There is a fear that ACP companies will get left behind, if liberalisation takes place too quickly


The Courier

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able to offer incentives to investors with a view to influencing where they locate.

All state parties will be expected to accept the MAI framework of rules and the high standards which this implies. The core provisions will certainly have to be respected, but there will, nonetheless, be a possibility for states to negotiate specific exceptions or reservations. Transition periods and temporary reservations (to be phased out over time), might also be envisaged to accommodate the specific concerns of the LDCs. Assuming this proves possible, these countries might be well-advised to consider early accession to the MAI – thereby demonstrating their commitment to a high standard of treatment for foreign investors (and making their countries more attractive to those with funds to invest).

The signs are that Africa is beginning to get its macroeconomic policy right. A number of countries have signed bilateral agreements, introduced new investment codes and reduced obstacles to FDI, suggesting that the time is ripe for an even more investor-friendly attitude. On the other hand, at a recent UNCTAD conference in Morocco, many African nations still seemed to have strong reservations about liberalising and negotiating a multilateral agreement on investment. In short, the attitude to the opening-up of markets in Africa is positive but cautious, and it therefore needs to be nurtured by foreign donors through technical assistance, investment promotion, financing and investment guarantee schemes.

The Commission is ready to support ACP efforts, through various Lomé instruments, aimed at increasing investment flows and maximising their development impact. It recognises that the best way of attracting FDI is to have an efficient local private sector, and it is therefore cooperating with the EIB and CDI in creating and strengthening local enterprises. For their part, ACP authorites are being encouraged to broaden and deepen their dialogue with the business community, so as to ensure that the development strategies agreed genuinely take into account the needs of the private sector. ■ P.L.

DOSSIER

UNDP: a multi-pronged strategy

by John Ohiorhenuan*

The United Nations Development Programme (UNDP) has a wide range of measures to assist private sector growth - including financing for micro, small and medium-sized enterprises, institutional capacity building and schemes to improve the overall environment for private businesses.

The thrust of the UNDP's support for private sector development is to build employment and income-generating opportunities which are fundamental to eradicating poverty. The paradigm shift in the South, from state-driven economic development to a focus on private enterprise, has affected the lives of many people. UNDP strongly supports the notion that job creation and income generation can only occur with a vibrant private sector in place. Private sector development brings many benefits: it promotes local, national and regional economic cooperation; supports the transition to a market economy; can play a key role in employment generation; helps to develop and strengthen a democratic civil society and promotes a more flexible, diversified, innovative and competitive economic structure.

At the micro level, UNDP has credit projects in various parts of Africa providing loans to urban and rural women in the informal sector. A 'micro-start' programme provides core capital for institutions servicing very small operations and is enhancing their delivery capacity. Regional financial networks are also being set up throughout Africa to exchange knowledge and know-how.

Various projects to support SMEs are under way. 'EMPRETEC', a programme which spans both Latin America and Africa, targets high growth SMEs. It is providing entrepreneurship and management training, and business counselling. It also helps to identify sources of credit, forms subcontracting links with large local firms, is involved in joint ventures with foreign companies and encourages technology transfers. Another scheme focusing on SMEs is the African Project Development Facility. This provides assistance in identifying and preparing projects in the $500,000 - $5 million range. Then there is the African Management Services Company (AMSC) which offers management expertise and training services to selected SMEs on the continent. Finally, there is 'Enterprise Africa', a regional initiative designed as a focal point for coordinating SME activities in Africa. Among other things, this provides technical assistance in establishing new entrepreneurship programmes and helps to strengthen existing ones through cross-fertilisation of experience from different countries.

Capacity building is another aspect of the UNDP's support to the private sector. This covers a wide range of areas - hotel and catering services, ecotourism, construction, financial services, commerce and non-traditional exports. Regionally, UNDP is supporting the Africa Business Round Table to implement the African Business Executives Programme (ABEX) which will establish an active database of African experts in business development.

The creation of an enabling environment for the development of a competitive private sector is also part of this multi-faceted strategy. A healthy business sector needs a favourable macroeconomic framework that ensures, among other things, a stable cur-

* This article is compiled from material provided by the author, who is Acting Deputy Director of the Regional Bureau for Africa, UNDP, New York.

rency and controlled inflation. There are other vital factors: a reliable business and legal environment, communications and transport networks, banking and financial services, good human resources, an effective education system and a favourable social environment. The UNDP's recently published 'Private Sector Guide Book' is a step-by-step guide to helping African countries develop a private sector agenda.

The Courier

The thrust of UNDP private sector support is to generate income to eradicate poverty

Obstacles

Difficulties have been encountered in implementing programmes for the private sector. This is due, in part, to a lack of commitment by certain African governments when it come to adopting the macroeconomic measures needed to create an enabling environment. Generally, administrative and regulatory bottlenecks continue to hamper the smooth operation of businesses. Other handicaps are the difficult attitude of some public officials in their dealings with private enterprise, and a general lack of transparency. In addition, resource constraints hamper SME projects and there is a shortage of appropriate managerial and entrepreneurial skills in the business community.

The UNDP is used to cooperating closely with governments and is not particularly well-versed in collaborating directly with private enterprise. This has been an obstacle when it comes to implementing private sector initiatives. However, work is underway to improve the situation. The UNDP is learning to speak the language of the private sector more fluently, and in the process, to improve its assistance in this area.

Coordination

The UNDP coordinates its activities with other international institutions and donors. In most cases, it tries to find partners for its development activities and its work *vis-à-vis* the private sector is no exception. Through resident UN Coordinators, now established in over 130 countries, systematic efforts are being made to coordinate UN-UNDP activities with those of other international and bilateral agencies.

An example of this is the above-mentioned support for the AMSC, where UNDP is working alongside the International Finance Corporation (IFC), USAID and a number of other bilateral donors. The African Project Development Facility, which was developed in response to the need for project preparation and fund mobilisation, is supported by UNDP together with the ADB and the IFC. Meanwhile, the EMPRETEC programme in Ghana is being co-funded by the EU, UNDP, the World Bank and the UK Overseas Development Administration.

Compared with a decade or so ago, UNDP now has a much more open and constructive dialogue with the other donors on various issues relating to private sector development. This has led to a convergence in the way business is done, with a much more fruitful exchange of ideas, approaches and practices.

Room for improvement

Having said this, there are still areas where there is a lack of coherence among donors. One such is the field of financial sector development. Increasing numbers of donors are entering this field with a raft of ambitions, but unfortunately, they do not always adhere to what is considered to be 'best practice'. An area where this has been seen in particular is microfinance. However, donors and other practitioners have now teamed up in the Consultative Group to Assist the Poorest (CGAP) to promote best practice in the delivery of microfinance services. Other examples of attempts to establish common standards, and increase coordination and coherence, are the Donors' Working Group on Financial Sector Development and the Committee of Donor Agencies for Small Enterprise Development.

The UNDP also supports a general privatisation policy in macroeconomic planning, although this does not directly fall within its ambit. It welcomes the enormous flow of private capital to developing countries, which now accounts for more than 80% of net long-term flows to the developing states. FDI can bring a number of positive benefits to a country opening up new markets, giving local enterprises access to new technologies and creating jobs. Some of the UNDP-sponsored enterprise development programmes in Africa have components promoting linkages with foreign companies. In addition, UNDP has co-sponsored activities organised by bodies such as the Corporate Council for Africa, which are intended to promote foreign investment on the continent.

But there are a number of concerns about FDI. In particular, much of it is concentrated in just a handful of developing nations, leaving many with almost no investment. To help tackle this problem, UNDP tries to assist countries to improve their capacity to attract foreign investment, using various approaches. These include help for investment promotion agencies, macroeconomic support, improvements to basic infrastructure and the creation of an enabling legal and regulatory environment.

Finally, as the international private sector expands and deepens its investments in developing countries and economies in transition, questions are increasingly being asked about the impact of corporate activities. It is important that private sector development benefits as many people as possible. With this in mind, UNDP has entered into a dialogue with companies, in which it advocates corporate social responsibility and promotes the creation of partnerships between the private sector on the one hand and community groups, NGOs and local government on the other. ■ J.O.

DOSSIER

The International Finance Corporation

Encouraging the private sector in challenging conditions

by Paul J. Crystal*

The International Finance Corporation (IFC) a member of the World Bank Group, promotes economic development by encouraging private sector investment activities in developing countries, including ACP nations. One of its experts offers here an overview of the body's expanding programme in these countries.

Entrepreneurs are often hampered by a lack of access to international sources of investment and finance, underdeveloped domestic capital markets, restrictive government regulation, or simply by their own lack of experience in preparing marketable project proposals for presentation to banks and other sources of capital. IFC's active presence in the ACPs, investing in sound projects that impact on local economies and providing expertise to strengthen the private sector as a whole, is based on a willingness to accept the perceived additional risks associated with the smaller economies in these regions.

The World Bank Group has been working with its member governments for more than 50 years to help create the necessary conditions for the participation of every country in the global economy. The Bank Group functions as a catalyst in the private sector, bringing together technical and management expertise, financial resources, and information to help local and foreign investors. Its private sector activities comprise an integrated strategy aimed at promoting sustainable development.

When IFC was established in 1956, its shareholders were concerned that, while there was multilateral lending to governments and through governments, there was insufficient direct support for the private sector. Its mandate is to promote sustainable development of the private sector using a market-based approach to assist private enterprise. This is carried out in three ways: providing debt and equity finance to private sector projects, mobilising large volumes of additional funding from other sources, and offering a broad range of advisory services and technical assistance to businesses and governments. The Corporation is now the world's largest multilateral source of equity and loan financing for private enterprises in emerging economies.

The ACP challenge

To date, the Corporation has approved close to $4.5 billion for 689 projects in 54 ACP nations. This represents 9% of the value of cumulative IFC project approvals in the developing world. The relatively small amount of investment funds flowing into ACPs can be explained in part by the prevalence in the area of small and medium enterprises (SMEs), which typically require smaller amounts of financing than larger firms. Recognition of the special financing needs of these types of operations has led to the creation of special investment funds by the IFC which accommodate projects whose needs cannot be appropriately met by traditional direct financing.

In addition, since the early 1980s, the Corporation has carried out a comprehensive donor-supported technical assistance programme, which encompasses several interrelated initiatives. This programme, which has added a new dimension to the Corporation's activities, is a major complement to IFC's ongoing budgetary and staff support for technical assistance, and advisory efforts in areas such as capital market development and private provision of infrastructure. Technical assistance efforts are embedded in the Corporation's mainline project financing function, through intensive project evaluation and structuring efforts. Major collaboration and support from the donor community is provided to the programme including more than ECU 17m of funds from the European Union.

The Corporation's ability to promote development in ACPs is underlined in its new programme entitled 'Extending IFC's *Reach* Initiative'. This has been designed to encourage private sector development in countries where IFC's activity has been severely constrained because of challenging country conditions and obstacles to private sector activities. ACPs make up 21 of the 33 countries or regions in this programme[1]. *Reach* has been extended in two ways. First, IFC has placed full-time representatives in the field to develop a better understanding of the needs of the domestic private sector, cultivate relationships with local business people and government officials, and work on an ongoing basis with clients to develop viable projects. Second, it has created a $40m Small Enterprise Fund to

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1.These are; Antigua and Barbuda, Cape Verde, Central African Republic,Chad, Congo, Dominica, Equatorial Guinea, Eritrea, Ethiopia, Gabon, The Gambia, Grenada, Guinea-Bissau, Guyana, Mauritania, Mali, Mozambique, Senegal, St. Kitts and Nevis and St. Lucia.

support smaller scale investments in programme countries.

Sub-Saharan Africa

While there is considerable diversity among African nations in terms of economic liberalisation, the overall trend on the continent toward private sector development is gathering pace. The Corporation's challenge is to maintain its current level of activity which represents a significant number of the available opportunities in sub-Saharan Africa, concentrating on its project successes to maximise the demonstration impact and stimulate further development of the private sector.

IFC's priorities in Africa are to assist the region to revive its extractive industries through increased investment, help develop SMEs, assist in deepening the region's financial markets, put existing industrial assets to more productive use, assist the region in developing its physical infrastructure and, together with the World Bank, use its transaction experience to give relevant policy advice to improve the environment for private sector activity.

In addition to its standard financing programme, for the past eight years, the IFC has supported development in sub-Saharan Africa through the Africa Enterprise Fund (AEF). This provides debt and equity financing for projects which typically cost less than \$5 million, resulting in IFC funding of between \$100,000 and \$1.5 million. AEF has financed more than half of IFC's projects in sub-Saharan Africa since 1990, and has assisted in the creation of new businesses as well as in the expansion, modernisation and diversification of existing ones.

In June 1997, the Corporation approved its largest African investment ever - a \$120 million financing package for the *Mozal Aluminium Company* in Maputo, Mozambique, to construct and develop a 245,000 tonne per year aluminum smelter. Mozal is expected to generate \$430 million in annual export earnings and contribute \$157 million to Mozambique's GDP, creating 5,000 jobs during construction and 800 permanent ones once the smelter is in operation.

Investment in Africa is bolstered by two advisory facilities: the African Project Development Facility (APDF) and the African Management Services Company (AMSCO). APDF was established in 1986 to help viable SMEs by providing them with independent project advice and was the result of a joint initiative by the African Development Bank (ADB), the United Nations Development Programme (UNDP) and IFC.

APDF identifies African entrepreneurs and helps them organise, diversify, and expand their businesses. The Facility works with these entrepreneurs from project preparation right through to implementation. APDF-supported projects range in size from \$250,000 to \$7 million. A special effort has been made to work with women entrepreneurs. With the increasing use of local consultants, APDF will also make additional cost savings, as well as participate in capacity-building, one of the Facility's main objectives. Since December 1996, APDF had helped raise more than \$250 million of financing for 270 projects in 30 countries. The effort has resulted in the creation of an estimated \$12.2 million in export sales.

The second facility, AMSCO, was developed in 1989 to help strengthen African enterprises by providing experienced managers and training local management teams. The needs surrounding management-building in these more recently privatised environments make 'one-off' facilities, such as APDF, less appropriate. In mid-1995, AMSCO and the UNDP Private Sector Development Programme co-sponsored an in-depth evaluation, conducted by an independent firm of business consultants, to analyse the actual changes in the financial and productivity performance in 11 selected client enterprises during the period of AMSCO management involvement. The study concluded that AMSCO client companies saw:

- average annual turnover double;
- net annual losses of \$500,000 turn into net annual profits of \$400,000;
- annual operating profits increase by an average of \$1 million;
- labour and capital productivity increase on average by more than 100%;
- average export earnings double to more than \$2 million per annum, per company and;
- import substitution increase in US dollars by almost 50%.

The Caribbean

Over the next three years, IFC expects significantly to increase its investments in the Caribbean region, particularly for smaller and medium-sized projects. The main focus will be on increasing foreign exchange revenues through sound tourism projects and exports of agricultural and mineral resources, fulfilling the needs of SMEs with credit lines and developing viable regional securities markets, meeting infrastructure requirements and supporting competitive local industries, such as glass containers and cement.

In 1996, IFC financed, through a \$400,000 equity participation, the establishment of the Eastern Caribbean Home Mortgage Bank. The Bank purchases new and existing residential mortgages from primary lenders, helping to expand the housing sector in the eight member territories of the Eastern Caribbean by increasing mortgage availability and lowering related financing costs.

A regional advisory facility, Enterprise Development Limited (EDL), helps entrepreneurs develop sound ideas into bankable projects, advises businesses in the areas of project finance, corporate finance, strategic planning, partnership arrangements, and marketing, and assists them in raising financing. EDL does not lend or invest; rather, it acts as a bridge between sponsors and sources of finance within the region and worldwide. The origins of EDL go back to 1981 when the IFC established the Caribbean Project Facility. The facility was managed by the IFC and supported by donor funds channelled through the UNDP. In 1991, its name was changed to the Business Advisory Service and field missions were opened in the region. In late 1993, the desire for further decentralisation led to the incorporation of EDL in Trinidad & Tobago as a private company. Today, EDL counts among its shareholders leading private companies, as well as the Caribbean Development Bank and the IFC. In late 1995, EDL established the Enterprise Development (Caribbean) Corporation, a wholly-owned subsidiary in Barbados. EDL maintains strong links with IFC, operating under a Technical Cooperation Agreement which gives EDL access to IFC's management and technical expertise, as well as its network of international consultants.

Since the inception of BAS field missions in 1991, more than $232m in financing has been raised for 45 projects in 13 of the English-speaking Caribbean countries. Most of these projects are small and medium-sized enterprises. An additional $37m has been raised for seven projects in the Dominican Republic and Haiti.

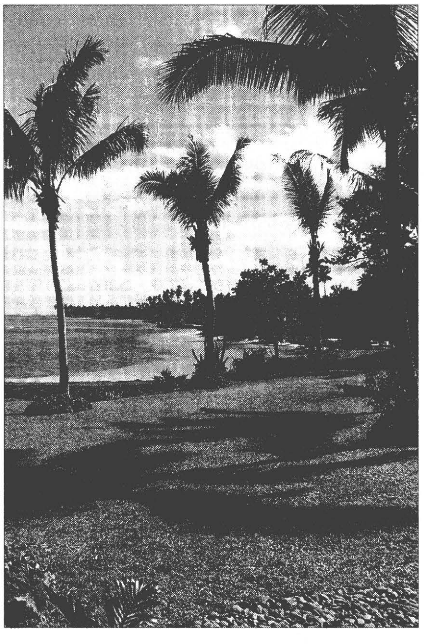
Pacific

Turning to the Pacific, over the next three years, the IFC will emphasise tourism and natural resources development. Laying the groundwork, IFC's Foreign Investment Advisory Service, created in 1985 to advise the governments of developing countries on how to enhance their policies, programmes and institutions to attract more foreign investment, remains active in the region. It has recently set up an office in Australia for better accessibility.

In May 1997, IFC's Pacific Islands Investment Fund invested $325,000 in *Wilex Cocoa and Coconut Products Ltd.* to expand a cocoa-processing business in Apia, Western Samoa. At full production, the project will generate $10 million in yearly foreign exchange revenues and will employ 40 full-time staff. Wilex operates without subsidies or trade protection, and serves as a model for the government's increasing emphasis on encouraging the private sector to play a greater role in generating exports and employment.

Established in 1990 to assist and accelerate the development of productive, self-sustaining, private SMEs in Pacific Island countries, the South Pacific Project Facility (SPPF), is a separate entity from IFC, but is managed and partly funded by the Corporation. The facility was set up for an initial five-year term, which ended on December 31, 1995, and has been extended and funded for an additional five years. The first phase of SPPF was highly successful, implementing 33 projects, 23 of which are still operating. A second phase began in 1996 and currently features 40 active projects spanning all Pacific Island nations.

SPPF emphasis is on providing assistance to projects with the potential for stimulating export earnings, promoting sustainable economic growth and providing productive employment. Although projects are undertaken in the private sector, it is important that services be complementary to the endeavours of Pacific Island governments and well-coordinated with the strategy and activities of the World Bank and other bilateral and multilateral donors. Beyond its project, company-specific work, SPPF also undertakes some broader technical assistance work, such as sector studies and selected TA for governments in areas relating to private sector development.



The Courier

The Samoa shoreline.
In the Pacific, the IFC will be emphasising tourism and natural resource development

Complementing SPPF's financing of SMEs, IFC established the Pacific Islands Investment Facility (PIIF) in 1995 on a two-year pilot basis. PIIF, an IFC-sponsored financing line, invests between $50,000 and $300,000 in private companies in the South Pacific island nations through quasi-equity instruments ranging from local currency and redeemable preference shares to US dollar-denominated subordinated loans. In the absence of developed capital markets, parallel investment lines, such as PIIF, provide a strong project financing base, which supplements a region's available equity and makes up for scarcity of commercial bank loans.

Future IFC/EU Cooperation

The IFC is successfully collaborating with the EU through the European Community Investment Partners (ECIP). Four technical assistance and equity investment instruments for non-Lomé states have been set up enabling joint ventures in the developing world.

In addition, ECIP institutional partners are among the most active participants in IFC's syndicated loan programme, a structure which enables banks and institutional investors to provide long-term funds to a wide range of IFC clients by extending to those entities the same tax and country risk benefits that IFC derives from its special status as a multilateral development agency. In the 1997 fiscal year, four of the top five lenders in this programme; *Crédit Lyonnais, ING Group, Société Générale* and *ABN Amro*, were also participants in ECIP, committing more than $440m in loan financing to the developing world.

The success of this collaboration and the established partnerships between IFC and ECIP financial institutions, augurs well for similar cooperation in countries of the ACP grouping. Above all, joint action will be based on a shared enthusiasm to apply the experience and know-how of the EU and IFC to the world's most challenging developmental region.

P.J.C.

DOSSIER

The West African Business Network

An innovative response

by Mabousso Thiam*

The West-African Business Network (WABN) came into being for two main reasons. On the one hand, it was born of the conviction that the modern private company has a key role to play in the development of West Africa. On the other hand, past experience has shown that economic policies implemented since countries in the region became independent have actually been counterproductive and have not made it possible for African companies to establish themselves on a firm footing. Another factor is the conviction that local entrepreneurs are better equipped to change an environment unfavourable to private businesses and that external influences, advice and even pressure are also helpful in reshaping people's attitudes towards the private sector. Since its inception, the WABN has chosen to implement flexible and evolutive policies created to suit the region's business environment in order to get its ideas across. It has quickly become an acknowledged partner whose approach is much more inventive than that of traditional private-sector organisations. WABN members come from a new generation of male and female entrepreneurs who, despite difficult conditions, wish to take part in laying the foundations of a modern private-sector-based economy in West Africa. Any national entrepreneur-based economy must not erect barriers to trade with the rest of the world and even less to trade within the region. This is a fragmented region of individualistic nations, where progress is hampered by many artificial circumstances and where the French- and English-speaking populations rarely see eye to eye. A minority of entrepreneurs realised that for a genuine regional market to come into being, there was a need for communication, partnership and shared information.

This growing awareness stemmed from an observation of the constraints hindering entrepreneurs in Africa: the burden of structural-adjustment programmes (SAPs), a restrictive business environment and a weak national private sector with limited development potential. The aim of SAPs applied in many West-African countries since the 1980s, was to promote private-sector production over public enterprises. At independence, the authorities in many countries developed large nationalised sectors – which had for some time been operating at a deficit. Cooperation agencies recommended privatisation and less state involvement in the private sector. Governments, however, did not always support, or indeed fully understand what lay behind such recommendations and viewed them as just another burden. Although there were already signs of macro-economic recovery, consultation between the public and private sectors was little more than a dialogue of the deaf. Governments held firm to their positions, unconvinced of the possible benefits of reform, and the private sector felt that adjustment policies were not its concern. At the time, the modern African private sector was virtually non-existent, a fact which was not widely acknowledged. There were few structured companies and the state, which had no confidence in those that did exist, had no intention of letting them play any role in the economy. Businesses, however, understood the environment and doubted that structural adjustment would be able to change the conditions under which they operated.

The business environment was complex and proved a disincentive to enterprise. Attempts at simplifying texts and procedures came up against official distrust, the authorities being anxious to retain their hold on the levers of power. Entrepreneurs were subject to arbitrary decisions and felt isolated. For its part, the state tended to regard the national private sector as consisting of illiterates with no conception of the government's role in promoting the country's general interests. It was against such a background that the legal and regulatory environment was created. Rules and regulations were aimed not at facilitating the development of businesses, but at making them answerable to the state, which saw itself as the only rightful driving force behind development. The legal and regulatory framework was so complex and restrictive that it was, in practice, unenforceable. Unable to comply with the rules, businesses found themselves operating as 'outlaws', and administrations, which were not really accountable, were therefore able to strengthen their position, using the law for their own ends. Professional organisations (for example, Chambers of Commerce and employers' associations), the putative champions of the collective interests of private enterprise, were ineffective and linked to the state. Their directors were often foreign nationals, high-ranking officials from multinational companies or government 'puppets'.

The few entrepreneurs who were operating were in a precarious position owing to the lack of market outlets, deficiencies in the financial system, and poor vocational training and professional organisation. The national private sector was, in fact, minute, held in check by public companies, foreign enterprises (in the most profitable areas), and a bur-

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geoning informal sector. It should be stressed that there was no lack of entrepreneurs in West Africa. But most of these people had been drawn into informal business activities, as they sought to escape from the heavy and arbitrary hand of officialdom. The small, modern African business sector came into being in the 1970s, benefiting initially from state support. Today, structural adjustment, the departure of many foreign companies and the first wave of privatisation has opened up new opportunities for a younger generation of businesspeople better prepared for management. It was just such people who formed the core group of the West African Business Network.

The economic circumstances were difficult when the move to set up the WABN was made. Demand was falling, and markets of interest to modern companies were in crisis. Consumer goods were being smuggled in at prices which undercut local businesses and an overvalued currency in the CFA zone made imports attractive there. Communication difficulties within West Africa meant that it was often difficult to gain access even to national markets. Access to world markets should have been better, given that the region's land, sea and air routes were designed for North-South trade (it should thus have been easier to export to Europe than to neighbouring countries). But keen competition, high production costs and low productivity handicapped African products on external markets. In the late 1980s, the entire financial system of countries in West Africa was in crisis. Development banks were going bankrupt and commercial banks were suffering the consequences of poor management, leaving businesses to face life without an official banking system.

Clear objectives from the outset

The WABN's main aim was to enable dynamic forces within national private sectors to regroup so that they could formulate their own business-development approach and bring themselves to the attention of decision-makers. There were significant obstacles. They had to avoid creating yet another regional institution, prevent it being perceived as the brainchild of the cooperation agencies and overcome the differences between English- and French-speaking circles. The creation of the WABN was a response to a plea from West African entrepreneurs meeting in Dakar in November 1991. Cooperation partners agreed that a business association could have a role to play, but were anxious that it should not be seen as a structure that was entirely donor-financed and managed. They wanted African promoters to regard the WABN as their own initiative and to feel responsible for its future. The WABN set itself two principal objectives: to help improve the business environment and to develop trade and investment in West Africa. A significant financial commitment was required of members from the outset and special attention was given to consolidating good relations between members on the basis of their business dealings. The WABN's regional conference in Accra, in November 1993, highlighted members' desire to show a united front to the world and to be a credible interlocutor. National networks subsequently acquired legal status, generally in the form of an association. National network coordinators set up a regional organisation to allow the creation of vocational sub-networks. Thus, for example, *Netforce* is the association for audit and accountancy companies, and *Netexport* is the body for exporters. Adopted in March 1997, the WABN Charter (prepared by the Coordinators' Meeting) sets out how the national networks operate and requires them to establish national secretariats. At a regional level, the Charter clarifies the position of the vocational sub-networks. A dynamic role is given to the quarterly Coordinators' Meeting which elects an Executive Committee for a period of two years and defines the task of the Executive Secretariat, based in Accra.

The WABN Charter requires the system to be financially independent – operating costs are borne by members. External aid is used to support actions organised and formulated by the WABN, finance preferably coming from a number of sources, in order to promote the idea of the WABN being owned by its members and also to guarantee its independence. The WABN still requires great sacrifice on the part of its members: for example, annual contributions from each of the Mali network members are about CFAF 1.5 million. Some have preferred to distance themselves from the organisation, but new members have been recruited, thereby preventing the establishment of cliques and attracting the most successful entrepreneurs. Members, however, expect a return on the time and money they invest in joint action, and the highly innovative, exacting approach of WABN is sometimes misunderstood. The idea of interdependence is ever-present, as is the risk of disintegration. Officials therefore do their utmost to guarantee that the Network offers the best possible service.

It was with this in mind that the Regional Commercial Information Centre (CRIC) was set up in 1994. Its aim is to improve the quality of commercial information through a reliable and economic communication system, information being gathered in conjunction with the national networks. Initially, this was an informal structure, organised by a single coordinator in Accra. More recently, the networks have increasingly been setting up E-mail links with one another. The CRIC now sends network members a monthly update of useful information and business opportunities. Nevertheless, the investment needed exceeds the CRIC's financial capabilities and WABN members are unable to provide all the funding required. Negotiations are currently under way with the EU with a view to improving the information-gathering and -dissemination system.

Acknowledged partner at all levels

The national networks – which have all formulated work programmes using the technique of objective-based strategic management – have had to carve out a place for themselves by stressing their role as facilitators, explaining that they have no desire to replace Chambers of Commerce and employers' organisations. Their methods have varied from country to country. Certain networks have had to take account of the precarious nature of and threats specific to their political environment. Such is the case of Nigeria and Gambia, where, despite current circumstances, the networks are still active. The Nigerian network played a significant role in the activities of the economic summit which brought together the country's most important companies and which obliged the government to adopt economic rehabilitation measures, leading to a modification of the most significant legal constraints on foreign investment. The Gambian network was able to persuade the incoming government to adopt a more flexible approach to the private sector.

The most significant results have been obtained by the networks in Ghana and Mali. The Malian network has become the principal representative of the interests of the national private sector and the Minister of Finance asked two of its members to accompany him to SAP negotiations held in Washington in 1996. The Ghanaian network secured changes to the conditions under which foreign companies are allowed to participate on the Accra Stock Exchange. These changes have resulted in the privatisation of many state holdings in local companies. Other networks have also achieved much of significance. Activities by the Côte d'Ivoire network look set to result in the establishment of five sub-contracting companies managed and funded from within the country. And the cooperation agencies are now sitting up and taking notice. For example, in Mali, Ghana and Senegal, USAID is currently inviting national networks to take part in formulating the programmes of its local missions. The French Development Fund is including the networks in discussions about the business environment. In Mali, the World Bank is, as far as possible, working side-by-side with the network in that country, with the result that all World Bank and IMF experts passing through get in touch with it, thereby enhancing its reputation. Such indirect moral support has a crucial role to play in development of the WABN at national level.

The WABN is also gaining a reputation at regional and international level. Hitherto the responsibility of governments, regional integration is a field in which African businesses have a role to play and institutions such as ECOWAS and WAEMU are beginning to invite the Network to take part in their activities. Moreover, the WABN is making its own contribution to the development of business flows between regional network members, via Netexport, by analysing regional-trade opportunities for companies in the formal sector, and obstacles to steady trade flows.

In keeping with the aim of improving regional business cooperation, the WABN organised a conference in Accra in November 1995 to examine obstacles to free trade in the region and ways of overcoming these. More than 150 people took part in three workshops on currency transfers, transport and the easing of cross-border trade. The quality of analysis, and members' ability to lead working meetings, to bring together the main players involved in regional trade (businesspeople, customs authorities, banks and regional institutions) and to organise fruitful dialogue, played a great part in consolidating the WABN's position and enhancing its reputation. The approach involved describing current circumstances and analysing how these affected companies, economies in the region and regional cooperation. The recommendations made were both realistic and practical. Thus, for example, network members and customs authority managers agreed to set up a watchdog organisation to monitor 'abnormal practices' – with a view to halting corruption by both customs agents and economic operators. This system will enable the national networks to act as intermediaries without being 'informers', and will enable the customs authorities to provide those involved in regional trade with up-to-the-minute information. The first such watchdog will be set up to monitor border crossings on five main routes used for transporting products within the sub-region.

ECOWAS, which was represented at the conference, has granted observer status to the WABN, enabling the latter to play an active part in the regional body's technical meetings. Two technical committee meetings held in Cotonou and Lagos gave the WABN an opportunity to publicise its approach to road-transport problems between Ghana, Benin and Nigeria. The WABN is also looking at the possibility of giving support to ECOWAS, to promote effective implementation of the protocols which have been signed and ratified by governments but not actually applied.

There are now contacts with institutions in the CFA zone, with the WABN closely monitoring implementation of the CIMA (insurance) and OHADA (harmonisation of business law) treaties. The Network also has links with WAEMU, based in Ouagadougou. The hope is that such contacts will lead to proposals for closer collaboration in the near future.

Although autonomous, the WABN needs partners to facilitate its contacts with the outside world (including cooperation agencies and business circles). Help is required to carry out studies into the basic problems and evolution of business in West Africa. It should also be looking at how similar issues affect East, Southern and Central Africa. Improved relations between French- and English-speaking countries in West Africa has led to greater cooperation and dialogue. The cooperation agencies, which lack expertise in business problems, need a specialised monitoring body to help them tailor their activities to suit current circumstances, and foreign business circles need reliable national partners who are well-acquainted with the situation in the field. Contact of this kind has therefore been started up in Europe, with the Business Council Europe-Africa-Mediterranean, and in the US, with the Corporate Council on Africa.

The principles and methods developed in the creation of the WABN have proved their efficacy and could be transferred to other regions. The WABN's original and dynamic approach, ambitions of autonomy and responsibility for its own future could offer a model for other parts of Africa. Improved relations and a greater awareness of common interests will ultimately lead to closer business links across the continent as a whole. ■ M.T.

DOSSIER

SMEs and SMIs in West Africa

What's holding back the banks?

by Manuel Rodríguez Alonso*

Job creation is the main objective of projects to promote small and medium-sized enterprise and industry (SMEs and SMIs) in sub-Saharan Africa. Firms are funded either through the existing financial system, or through new institutions that have been set up. Currently, however, the situation in most West African countries means that financing for SMEs and SMIs, particularly where it involves company start-ups, is a high risk business. Neither the new bodies, nor the traditional financial institutions, are equipped to deal with this, even if they take the precaution of elaborate risk management.

Objectives such as direct job creation will probably always require long-term operational subsidies, and because of budget difficulties in countries of the region, this will entail donor support. On the other hand, where the main goal is financial independence and economic viability (as opposed to a social goal), the policy applied in setting up an SME credit line must involve mechanisms which minimise the level of risk.

There must be careful selection of the target group (existing companies) and the banking product (short-term loans and working-capital finance). Also needed is the development of a loyal customer base which can be offered investment financing at the appropriate time, with the entire operation being rigorously monitored by an existing or new financial institution. From this process, and given the kind of companies supported, the result should be job creation. The initial objective will be to ensure the continuity of the approach – designed to satisfy demand for funds from entrepreneurs at a 'pre-bankable' stage. These are businesspeople not yet in a position to present proposals which a bank is likely to accept, who can nonetheless genuinely create a corporate framework.

Institutions involved in development cooperation must also make a political choice. And it should be recognised that a decision to favour long-term viability will have a social dimension as well. One is not abandoning public policy goals by choosing to concentrate on existing businesses, rather than setting up new ones.

Given the nature of the target group, even the financing of existing enterprises inevitably involves risk. Where the likely short-term returns on the capital advanced are deemed insufficient, the commercial banks will not be interested – and the public authorities will be pressured into providing support – at least until the returns improve.

African governments, working with donors, are currently looking at the viability of formal financial involvement, as intermediaries in the SME/SMI sector - which is growing in importance and size. Banks cannot currently get involved in this area of the informal economy because their 'micro-finance' mechanisms fall far short of requirements. However, it is worth noting that the economic operators who could really generate significant and sustainable development are to be found in this sector.

Returning to the obstacles facing commercial banks in SME/SMI financing in West Africa and, more particularly, in countries in the West Africa Economic and Monetary Union (WAEMU), it is clear that bankers are both financial intermediaries and economic players. They are the former in that they extend loans to clients, while bearing the responsibility of returning savings to their own account holders. And they are economic players insofar as their financing enables economic operators to produce goods or services.

The banks, who are businesses too, have to look after their own day-to-day operations, and adopt strategies in line with their objectives, their potential and their targets. Meanwhile, the wider financial system is adapting the way it regulates their activity to provide a more secure environment. Since the restructuring of West African economies got underway, the banking system has mainly developed in the commercial and short-term loans sector. This approach is based on past experience, major losses having been incurred due to risky investment credit. Over the past decade, management constraints have forced institutions to make low-risk and high-reward investments rather than go for the low-profit, risky and difficult loans sector. The fall in interest rates, and the organisation of capital markets in the WAEMU sub-region, have obviously had an impact on bank management policies. Similarly, the organisation of capital markets (for example, the Abidjan Stock Ex-

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The Courier

A bank in Lomé

In West Africa, since restructuring operations began, the banking system has developed principally in the commercial and short-term credit sector

change) will make major domestic clients more independent of local banks and oblige the latter to find customers in areas they have hitherto neglected.

All this makes it easier to plan for closer collaboration between SME actions, European Commission credit lines and local banking circles – and to evaluate the potential and actual desire of local banks to become involved in financing businesses, not yet eligible for bank loans, through such credit lines. Contact has been made with the directors of a number of national financial systems and of SME-support agencies to ascertain how far they wish to collaborate, to define precisely what the obstacles are to financing SMEs, and to examine market demand.

The attitude of the financial institutions varies according to their market position and the structure of their resources. A large bank with an important and solid customer base is less likely to invest in 'insignificant' projects and, in particular, in businesses not yet involved in the banking system. On the other hand, it may envisage some risk-sharing where the proposal is to expand existing businesses. Such institutions usually have significant expertise at their disposal and may, misguidedly, see themselves as the 'fount of all knowledge' in matters financial. As such, they lack confidence in donor monitoring of and support for business, viewing those involved as amateurs in the professional world of finance.

Then there are the medium-sized banks, which may be ready to invest in medium-sized businesses, provided certain obstacles are lifted. Such obstacles may include the fact that the promoters of a project lack equity capital or cannot provide guarantees, or that the directors are short on management skills.

A third group is made up of smaller banks. They will tend to have the same financial criteria as their bigger 'brethren' described above, but the nature of their possible involvement is likely to be different. They can collaborate by acting as agents, providing expertise in return for taking charge temporarily, and for defined sums.

When asked, the national director of the Central Bank of West African States (BCEAO) confirmed that banks' behaviour, and the way in which the market was organised, were changing. His own institution would like to see credit systems returning to the fold of the banking system, and no longer operating outside the normal control of the banking authorities. Other bank concerns he mentioned included regulating credit activity and improving professionalism across the whole of the financial sector. The establishment of a new financial control body was possible, he thought, but it would be restricting and complex. In addition, the market was undoubtedly too small to pay for the running costs of such an institution. On the other hand, as far as the Central Bank was concerned, a credit line system aimed at providing additional equity capital to SME/SMI developers could be created at a later date, with or without the participation of local commercial banks.

BCEAO is aware of what the EC is doing to promote projects in this area, as well as of the conclusions contained in various reports and appraisals. It stresses, however, the need for the local banking system in each country of the sub-region to become more involved, noting that with excess liquidity in the system, major clients might be induced to seek finance outside the local banking sector (notably through the proposed regional stock exchange).

As previously stated, the position of the various banking institutions differs according to their position, organisation and customer base, and these factors influence the extent to which they are interested in collaborating with SME/SMI credit arrangements.

The followed points should be highlighted:

– There are three obstacles to bank involvement in the financing of SMEs: the lack of equity capital, the weakness or non-existence of guarantees, and the poor quality of company directors. In our experience, if these three factors are resolved, and if bank liquidity is not an obstacle, there is no reason why financial institutions should not become more involved. The fact that the banker knows the promoter may, however, prove to be a highly limiting factor when it comes to granting credit.

– Credit activity is geared principally towards trade and short-term funding because of the resource structure. Some banks do offer medium-term investment credits but the amounts are small – not because of limited resources but rather due to the lack of reliability of the projects presented. The fact that project promoters tended not to be financially independent prompted one of the banks we consulted to set up a leasing subsidiary. This offered opportunities for collaboration with the local financial sector.

– Collaboration with certain banking institutions is possible notably for monitored cases with full follow-up. Support/follow-up may be one way to make all those involved in the collaboration process feel more secure.

– It should be pointed out that financial institutions tend to work only on the basis of their own risk-analysis criteria and, in principle, with no exemptions envisaged. For certain banks, therefore, co-financing of their own promoters would be more desirable.

– Banks say they have major reservations about follow-up and support provided by local private firms. Nevertheless, some banks which organise their activities by sector, confirm that they have been able to verify the quality of some firms of this type.

– According to our contacts, sound credit is required for genuine economic development. However, most financial institutions are prepared to examine closely all forms of cooperation which could lead to development, without greatly increasing the risk, and therefore look reasonably favourably on collaboration.

– Without concentrating on the latter, the perception that local financial institutions have of SME/credit line actions, and of the evolution of EC mechanisms, is that we must move towards establishing preparatory agencies whose job is to make project promoters 'bankable'. This should lead in time to the creation of a partnership with the banks, rather than setting up a financial institution for those 'excluded' from the banking world.

– As for direct participation by banks, they should consider analysing, together with other relevant institutions, their possible involvement in the capital of a new, specialised financial body, and the consequences which would ensue from this including their participation in decision-making and management. Such an approach poses certain problems for bankers, for example, regarding an adequate financial return, and rules which limit the share participation of banks.

It is clear that the banking sector should be interested in moving into investment financing in the productive sector. But collaboration between development cooperation agencies and the banking system can only be envisaged if the latter retains its freedom to take decisions, takes part in evaluating requests for financing, and considers that the provisions for debt repayment are sufficient. In other words, the banks would have to regard the risks as acceptable. Commercial banks have now been re-established in West Africa and the time seems right for starting the participation process, taking advantage of technical-support and follow-up mechanisms. These should help to reduce the risk of failure among the businesses financed. The establishment of risk-sharing funds would also help convince the banks to become more involved in this field. ■ M.R.

A future charter of interdependence?

by Yves Ekoué Amaizo*

Since its signature in 1975, the Lomé Convention has been seen by many as a unique and successful model of cooperation between ACP states and the European Union. Since the end of 1996, three years before the fourth Lomé Convention expires on 29 February 2000, a wide-ranging debate has been taking place on what could be a future charter of interdependence between groups of partners who have not yet been clearly identified. Talk in the EU today about the 'mixed results' of Lomé cooperation stems from a number of factors. These include problems of applying the principle of equality between partners, the effects of trade globalisation under the World Trade Organisation (WTO) – posing a threat to differentiated non-reciprocal preference systems, the fact that European public aid must fulfil certain criteria and the tendency of the EU to assume, *de facto*, the role of the ACP partner in technical cooperation. In the absence of any alternative proposal as yet from the ACP countries, one must pay credit to the EU for being frank in its Green Paper – as an earnest pledge of future cooperation based on mutual trust. It is in this spirit, and against the background of economic globalisation, that questions need to be asked about the real substance of such fundamental concepts as good governance, human rights, mutual interest and the selectivity of aid. These concepts can be interpreted in a variety of ways, some of them even contradictory, and their implementation may need give and take between the parties. An attempt is made here to clarify some of the issues and, perhaps, contribute to reestablishing genuine mutual trust – a commodity that has been somewhat lacking in recent times.

Good governance

The concept of good governance, which was introduced by the Bretton Woods institutions and can be interpreted at national level as meaning better administration of public affairs, draws on ideas such as individual and collective freedom, peace and security, but also on the need to have opposition parties contributing to a constructive debate within a country. In principle, the goal is to improve the well-being of the population. If the results of EU-ACP cooperation seem somewhat mixed today, it appears that the EU identifies the main cause of this as the absence of good governance, especially in Africa.

Rather than hunting for scapegoats, it may be preferable to place on record that those who have presided over the destinies of African states have not always been entirely representative of a civil society in search of the common good. But there can be no dynamic of sustainable development where there is no trust between the governors and the governed. This point is only rarely made in the debates on the possible reasons for the mixed results of the Lomé Convention. In addition, there are factors resulting from the process of globalisation, marginalisation and exclusion, that influence what is happening on the ground in most ACP states.

The refusal to allow civil society to be genuinely represented and legitimised has distorted most of the initiatives – often praiseworthy in themselves – designed to provide organisational and institutional support to the development process. This is even more apparent in the context of regional integration or of joint consultative structures between private sector and public sector partners. The wide-ranging debate on cooperation in the 21st century, which the EU desires, needs to avoid this pitfall.

Good governance must not be used as an alibi to justify the continuation or abandonment of cooperation between partners. It has an intrinsic logic which assumes genuine and effective participation by the players in the development process. The importance attached to civil society, NGOs and the private sector (both national and international) bears witness to the EU's wish to promote a line of thought in which transparency and political realism are the dominant forces in an unstable and increasingly competitive environment. The introduction of respect for human rights as one of the criteria for granting aid can only help sustain the system. It is also necessary that the emphasis on human rights, especially in Africa, should not serve as a mask to conceal the absence of representative government.

Pressures from donor countries

With high unemployment and fears of mass immigration, Europe's tax-paying electorate is exerting growing pressure for aid to be redirected towards tackling growing poverty in Europe. In principle, official development aid implies a lack of self-interest. But it still seems reasonable, given the EU's current unemployment problems, to ask whether there is any real moral objection today to linking external aid to national 'aid' requirements. This could be done, for example, by supporting the private sector, enabling it to gain market share and thereby provide jobs in both the developing and the donor countries.

Using Overseas Development Assistance (ODA)funds as export subsidies for businesses in the industrialised countries, or to support the price of certain agricultural products, manufactured goods or services, is a controversial idea which provokes fierce debate in EU states. 'Nationalist' parties, which often attract the unemployed, find it an attractive proposition which apparently pleases their supporters. Backed up by a few well-chosen statistics showing how much the EU imports from ACPs and developing countries

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more generally, it can then be difficult to convince European taxpayers that the existing pattern of allocating funds for development aid should continue.

In reality, imports of manufactured goods from ACP states – as a proportion of all imports to the EU – have fallen from 2.6% in 1976 to 1.1% in 1993. Meanwhile, imports from other developing countries have increased from 15.5% to 21.7%. The ACPs' overall proportion (including primary products) has also fallen from 6.7% in 1976 to 3.1% in 1993. (The drop, for developing countries as a whole, has been from 38.1% to 27.5%). Europe has always been more interested in importing unprocessed raw materials and, in the meantime, the ACPs have lost market share in the manufacturing sectors. A more detailed analysis shows that the few manufactured items that ACPs do export to Europe are largely the product of very low value-added technologies. Furthermore, there are frequent problems associated with volumes available, quality, packaging and punctuality of delivery.

As a result of globalisation, and the increasing emphasis on the universal principle of competition, the moral obligation to provide aid is waning and self-interest is on the increase. Taxpayers in donor countries see development aid as a business whereby governments transfer large sums of money to national and international public agencies. These agencies are known, more than anything else, for their 'inability' to produce regular, visible results and hence, their 'failure' to demonstrate that taxpayers' contributions have been put to good use. If, on top of this, public figures in the ACP states have only a slender claim to legitimacy, it is easy to see why elected representatives within the EU should respond increasingly to pressures brought to bear by their voters. OECD statistics on aid to developing countries are beginning to reflect this situation, revealing a structural decline. On average, aid provided to developing countries by the 21 member states of the Development Assistance Committee (DAC) has fallen from 0.34% of GDP in 1984-5 to 0.27% in 1995.

All these factors strengthen the position of those on the EU side who would prefer to see aid to developing countries simply as one kind of investment policy among many others. The claim that Lomé has brought only a 'modest return on investment' tends to boost the argument in favour of a gradual transfer of public funds towards satisfying national needs, and especially for reducing unemployment in Europe. On the face of it, the political benefits at national level are more visible and closer to the hearts of the electorate. The question is whether the debate on the future, 'post-Lomé', will succeed in changing this trend.

Partnership principle in jeopardy

Article 2(1) of Lomé IV states that EU-ACP cooperation must take place on the basis of the fundamental principles of equality between the partners, respect for their sovereignty, mutual interest and interdependence. The future of cooperation between the EU and the ACP states, if the Green Paper is any guide, appears biased towards the two latter principles. Now that good governance and democracy are being cited as conditions for providing aid, and given the significance attached to human rights issues, it seems that the EU has increased its room for manoeuvre and its ability to influence both its own taxpayers and the states that benefit from official aid.

For donors, the overall reduction in ODA allows them to reduce ACP dependence on public assistance and to achieve a transfer of resources to domestic programmes – including employment measures and the provision of indirect support for exports. With less aid on the table, a new redistribution between countries becomes appropriate. The focus is now on encouraging regional groupings and being more selective – an approach to partnership which is no longer politically neutral. The drive is to create homogeneous trading blocs, the effect of which is to encourage a situation where the manufacturing sector in the ACPs is primarily controlled by foreign investors. Their main objective is the restructuring of ACP markets.

Competition between regions and selectivity in the allocation of aid could provide new opportunities for those states and regions that have been preparing and opening up their economies over the last decade and a half. At the same time, it will lead to more marginalisation – even exclusion – of other states and regions. There is a strong chance that ACP-EU cooperation in the 21st century will be more differentiated than in the past, leading, in all likelihood to more 'fracturing' within ACP societies (especially those that are less advanced) both in economic terms and at the social and cultural levels.

The dynamism of some of the emerging African countries, reminiscent of the Asian 'dragons', hints at a 21st century based on relationships of influence, including the penalty of temporary exclusion. In requiring that cooperation with countries where the rule of law is often weak be based on good governance, the result has been a strategic withdrawal of donors – who, as mentioned earlier, have turned instead to solving internal problems. In these circumstances, it is likely that cooperation in the next century will be multi-track and multi-faceted. With the private sector, NGOs, the state and regional groupings all adapting to new roles, the form of cooperation that emerges will have an impact on the individual, the family unit and the enterprise, as much as on the state, and regional and international structures.

Will this cooperation, regenerated and shaped by the globalisation of trade, production and capital and by new networks of influence, be able to sustain the development of ACP countries, and especially those of sub-Saharan Africa, in the long term? Will the 'magic' of the debate between the EU and the ACPs be strong enough to overcome the inherent contradictions contained in the concept of mutual interest, in a partnership game where the partners are clearly not equal in practice?

The concept of equality between partners may have become a 'museum piece', but even 'mutual interest' does not appear as a neutral concept. It favours those countries or regions which have the power to influence events. As for the idea of state sovereignty, how much credibility can that retain when the present indebtedness of most ACP states has led them to embark on draconian structural adjustment programmes?

Economic globalisation seems to boost trade at the expense of production. In this context, the creation of homogeneous trade blocs tends to favour the growth of regional markets. Globalisation could even place in doubt the present frontiers of the ACP countries. In sub-Saharan Africa, there is a danger that the change will come about whether the states wish it or not. Thus, the national trade frontier is in danger of becoming a regional or even global one. Several Far Eastern countries have opted for this strategy, backing it up by opening their economies to foreign investment. At the same time they have chosen the strategy of exporting products with a substantial value-added element. The result has been accelerated growth and improved economic stability. The ACP states, especially in sub-Saharan Africa, are in danger, in the long term, of seeing their colonial borders called into question by the combined effects of the market dynamic and possible ethnic regroupings.

The general undermining of the partnership principle resulting from the actual experience of the Lomé Convention has driven the main beneficiaries of that principle – Mauritius, for example – to seek alternative solutions through the diversification of markets as well as products.

Those who initiated the debate which began with the publication of the Commission's Green Paper appear to be hoping that the scenario of 'change in continuity' will carry the day. The fundamental principles of the Lomé Convention – equality between the partners, respect of sovereignty, mutual interest and interdependence – are not essentially challenged in the Green Paper.

It should be pointed out that the global expansion of trade, production and capital movements is not always synonymous with development for the ACP states. The mixed results of the Lomé Convention seem to show that this form of cooperation has only partially achieved the development objectives which were apparently assigned to it. Good governance, sustained by the principle of Western-style democracy, is not sufficient to guarantee a genuinely representative civil society. It should be possible to overcome the absence of mutual trust, apparent throughout the course of relations between the EU and the ACP countries, if the protagonists in the debate display an unambiguous determination to start again on the basis of an honest dialogue.

The contradiction inherent in the basic principle of 'mutual interest' stems from the fact that in organising the cooperative relationship, each partner makes its relations with the others subject to the logic and needs of internal development. Paradoxically, in order for each participant to get something out of the system, concessions and compromises have to be accepted. The ability to thrash out acceptable compromises depends on the strength of the cards that each partner holds in his hand.

Also, compromises are only possible if everyone comes to the negotiating table with a blueprint of the society they are aiming to create. For Africa on the brink of the 21st century, this needs to be at least regional if not pan-African. From this standpoint, the reticence of the ACP states is a cause for concern. So far, there is no collective ACP plan and genuine regional projects – going beyond the framework of the inherited colonial frontiers – are in short supply (with the notable exception of SADC in Southern Africa).

A vision based on homogeneous regional blocs, rather than simply on appearing with others on the list of least-developed countries, will perhaps see the dawn of a new collective awareness and responsibility – within the future broader regions extending beyond the frontiers of the ACP states. At the same time, we are likely to see more concentration on the 'locomotive' states within each of the future new regions while, within the EU, some countries might demonstrate a particular preference for cooperation based on historical ties and influences.

In fact, cooperation in the 21st century is likely to see the emergence of those regions that succeed in mastering the flows of funds, enabling them to obtain control, directly or indirectly, over raw materials, their processing – including the maximum added value – and their marketing within the new regions demarcated by cooperation agreements. The strategy then, for the ACP states and developing countries in general, within a framework of organised networks, will be to ensure that their internal development needs are not left out in the process.

The possibilities arising from the new competitive environment mean that power relationships are likely to alter.The flexibility and thus, general uncertainty, underpinning cooperation arrangements between the various trade blocs are likely to lead to more instability, but also wider choices and an enhanced capacity to adapt quickly.

Finally, a new form of ACP-EU cooperation, if it is to be based on partnership, with the parties fairly claiming to represent their people, would benefit if the principle of mutual interest were not seen as the only legitimate one. A collective desire to move towards a charter of interdependence could facilitate the re-emergence of mutual trust. There would be a guarantee of fruitful cooperation in which the economy would not necessarily be given primacy over cultural and social matters. This new form of cooperation, characterised by a generalised weakening of the partnership principle, should be capable of satisfying all those involved. ■ Y.E.A.

'Involve civil society', says Michael Strauss

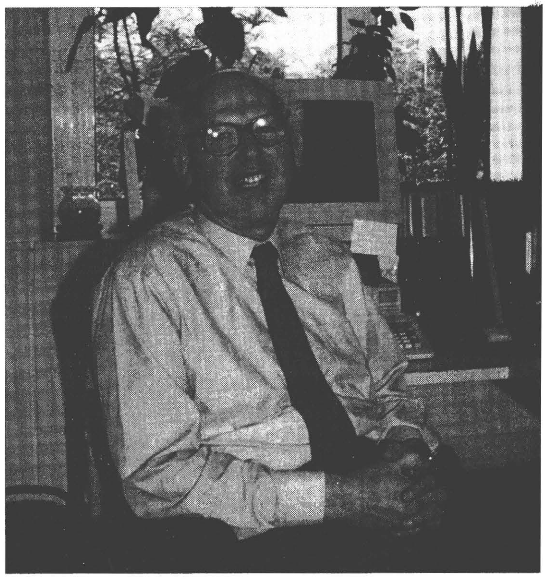
The EU's Economic and Social Committee (ESC) brings together representatives of a range of actors in civil society – trade unions, employers and consumers – to scrutinise European Union policies. The institution has a well-established record in the field of development policy and, once a year, members convene with their counterparts from ACP countries at the so-called 'Social Partners' meeting to look at topics of particular interest to developed and developing countries and make specific recommendations. With the debate on the future shape of ACP-EU cooperation now in full swing, a leading British member of the Committee, *Michael Strauss*, offered us a foretaste of some of the ESC's thinking on what should come after Lomé IV. Mr Strauss, whose background is in agriculture, is a long-time campaigner on ACP issues. He wants to see civil society having a bigger say over the content of the partnership, as well as improved access to Lomé funds, arguing that these changes are long overdue. He believes that more pressure should be applied to ensure 'good governance' – which he sees as necessary for a more stable investment climate. He urges a greater focus on combating poverty. And he voices some concerns about the operation of the EC's overseas delegations.

Michael Strauss's comments come in the wake of a recent ESC poll of the social partners which drew replies from 70% of those contacted. 16% of respondents revealed they had not been consulted in the drawing up of their local National Indicative Programmes (NIPs) under the Lomé Convention. According to Mr Strauss, this means that ACP countries have been 'depriving themselves of a lot of expert advice and goodwill. Participation of civil society in the affairs of the state', he believes, 'is central to the functioning of government.' The term 'civil society' may be particularly fashionable nowadays but our interviewee points out that the ESC has been lobbying for civil society to play a bigger role in ACP-EU relations for the past two decades.

He acknowledges that ACP states are wary of losing control of the purse strings – a throwback to the colonial era: 'We should remember that in the post-war period, African independence movements were supported by the European left. And many of Africa's leaders went to universities where they were attracted by the socialist ideas of the time. As a result, they tend to support the view that the state should play a central role in the economic affairs of a country – much more so than in current socialist thinking. The Lomé IV mid-term review showed how reluctant governments are to give up central control and to offer scope for more effective participation by economic and social interest groups.'

Michael Strauss believes that a much greater effort should be made to promote decentralised cooperation, where he points out, accessing funds is difficult. In the ESC members' poll, 75% were aware of the budget line for decentralised coooperation, but only 29% had actually applied for money, and the majority of applications were turned down.

'Under the present rules, it is up to the ACP governments to design the National Indicative Programmes (NIPs). What we are suggesting is that if the decentralised cooperation component of the proposed NIP is not sufficient, the EU should not agree to it. It must be significantly more than at present.' He also believes that the new system of disbursement in two tranches, set up for the Eighth



The Courier

European Development Fund (EDF) under the Lomé IV mid-term review, should be used to advance the participation of civil society. The second tranche, he suggested, should only be released if there has been significant progress in the decentralised component. More generally, he argues that the EU should not agree to sign an NIP if it feels that the ACP government in question is not spending enough on civil society. Without such measures, Mr Strauss believes that the record of participation of civil society in ACP-EU relations will remain disappointing.

Mr Strauss is convinced that more money should be allocated directly from the Community budget for training and modernising to enhance the effectiveness of the social groups: 'This would enable us to help these groups without the approval of governments, many of which are reluctant to sanction such aid.'

Poverty

Michael Strauss echoes the views of many other individuals and groups when he says that a new cooperation agreement must focus on alleviating poverty – which he sees as the main cause of political instability. He recommends more funds for health and education and calls in particular for resources to train medical personnel and teachers. He also wants a rethink of EU agricultural policies which, he says, harm farm production in developing economies.

'The industrial revolution in Europe came about by channelling surplus funds from agriculture into industrial growth. I suspect that the same sort of development is necessary in many developing countries. They must pursue an agricultural policy which enables farmers to invest in expansion and to generate a sufficient surplus to invest in the wider economy.' Mr Strauss offers two explanations for why this has not happened so far. In the first place, farmers have not been properly remunerated having been forced, for decades, to sell their produce to state marketing boards. The second problem, he says, is a lack of coordination between development and agricultural policy in the developed world.

The Courier

Poverty, one of the main causes of political instability (Liberia)

Good governance essential

Mr Strauss takes the view that for development to succeed, it must be indigenous. 'Entrepreneurs must find it useful to produce goods at home, but at the moment, they are prevented from doing so. This is partly because the political and economic situation is too uncertain.' For our interviewee, good governance is, therefore, a key element. The EU could do more, he feels, arguing that this should be included in the list of 'essential elements' (currently set out in Article 5 of the Convention) alongside respect for human rights, democratic principles and rule of law. The flouting of any of these elements can lead to an aid freeze or other sanctions against an ACP state. For Mr Strauss, good governance entails 'promoting legitimacy, accountability and competence in the process of government, and transparent financial housekeeping. A government raising taxes from its citizens must show what the resources are being used for. When a country fails to explain how its own funds are being spent, there should be a big question mark as to whether scarce Community aid resources should go to them.'

Other recommendations include a clamp-down on tax breaks on 'bribes' paid abroad, and prosecution in EU member states of those involved in 'grand corruption' in a third state. Mr Strauss applauds moves by the 29 member Organisation for Economic Cooperation and Development (OECD) to establish a treaty on this subject. EU countries should be encouraged to incorporate the provisions of such a treaty into their domestic legislation, he feels, noting that some governments are persuaded to back projects which are of more interest to the promoters than to the people they are supposed to be serving.

He also wants efforts to stamp out smaller-scale corruption, for example, by insisting on a fair wage for civil servants when structural adjustment programmes are conceived: 'If civil servants are receiving a pittance, the whole system is open to bribery'. He continues; 'in some countries, you can hardly do anything – from obtaining a driving license to installing latrines in slum areas – without a bribe.'

Concern over delegation cuts

Michael Strauss thinks that more attention needs to be given to improving the European Commission's project management, particularly in the wake of recent cuts in overseas personnel. These, he says, have left EU delegations more understaffed than many national diplomatic representations and international organisations. The hiring of more local staff to administer projects could help make up the shortage, he suggests, but he is clearly unhappy about the trend. 'If cooperation is to work, it means a multitude of small applications. It doesn't make sense if everything has to be referred back to Brussels for approval. There must be sufficient staff in the countries concerned.'

Finally, Mr Strauss believes that EU delegations should make themselves more accessible to the public. In their replies to the ESC's survey, a number of respondents said they had met people from the delegations, but that they had seemed 'remote'. As he put it, 'there is an impression that some of them feel more at ease with other diplomats than when meeting people with mud on their boots.' Speaking from what he admitted was his own 'limited experience', he expressed concern about the 'great variability of the delegations.' He continued: 'Perhaps the method of recruitment and conditions of service should be changed. We should consider whether it might be better to have, as it were, a separate EU foreign service corps.'

D.P.

CLOSE-UP

UN Atlas for decentralised cooperation in Bosnia-Herzegovina

by Lidia Minozzi*

An atlas is a useful thing to have if you want to find out more about an unfamiliar part of the world. And a good atlas will give a lot more information than simply the location and shape of a country, or the position of its main rivers and cities. It may tell you if an area is mountainous or flat, densely or sparsely populated, fertile or barren. It might indicate the mineral potential of a region, feature the railway network or reveal the language spoken by the local population. In this article, we feature an interesting United Nations project in Bosnia-Herzegovina which aims to go even further. An atlas is being compiled in this war-damaged country which will offer all the basic geographical data, a mine of other information on local conditions, and an opportunity for local people to state their own priorities. The objective is to link up municipal authorities elsewhere in Europe with communities in Bosnia-Herzegovina to help tackle some of the most urgent development challenges left by the recent conflict.

The winter may be long, cold and snowy, but sooner or later, spring returns. Everything appears to have died but the force of life always prevails in the end. This is one of nature's truths but it also applies, by analogy, to humankind. Thus, the people of Bosnia-Herzegovina are now experiencing a rebirth, although it goes without saying that deep physical and emotional wounds remain - the legacy of a war which resulted in many people being killed, maimed or forced to seek refuge far from home. Suspicion and hatred now run deep on all sides. Here, we look at an initiative which aims to help the process of renewal.

Now that the fighting has stopped, Bosnia has slipped out of the international limelight. And while the guns may have fallen silent following the Dayton Peace Agreement of December 1995, the country now faces a long and difficult phase of rehabilitation. Houses, roads, bridges and other infrastructures have to be rebuilt, social services re-established and peaceful cohabitation restored. This is why the international community has still a fundamental, though different, role to play. It needs to reorient its contribution from emergency aid to the creation of enduring networks, designed to support the populace and foster the exchange of experience on how to promote local development.

This is the approach which underpins an interesting and original project entitled *Atlas of local communities promoting decentralised cooperation for human development in Bosnia and Herzegovina*. Funded by the Italian Government, the project is being coordinated by the UNDP and implemented by the United Nations Office for Project Services (UNOPS). The aim, working through the country's government, is to encourage municipal partnerships - in which Bosnian communities link up with local authorities abroad in an effort to tackle the main priorities. The latter include:

- facilitating rehabilitation;
- boosting opportunities for returning refugees to become involved in local development;
- supporting the social and economic transition;
- connecting 'micro' initiatives to 'macro' reconstruction programmes;
- improving and strengthening the relationship between the people and their administrations; and,
- highlighting the fact that other Europeans share a common interest with the people of the former Yugoslavia, in negotiating the difficult path of rehabilitation successfully.

The methodology and operational aspects of the Atlas were presented to the government in Sarajevo in November 1996. The authorities expressed their full agreement with the proposal and implementation began in January 1997. There are four interrelated components to the Atlas project taking in the local level, the national level, the actual drawing-up of the Atlas, and its diffusion and follow-up.

At present, about 20 local municipalities in both the Federation of Bosnia-Herzegovina and the Republika Srpska, have decentralised cooperation links with about 30 towns in Italy. These date back to the period before the war.

In each of the Bosnian municipalities involved, the Atlas project workers are providing technical and organisational support for the staging of public workshops on basic themes of human development.[1] Representatives of groups directly concerned by the initiative, including the local authorities, staff associations, professional bodies and NGOs, as well as any other interested parties, are invited to the workshops - which are also attended by representatives of the partner towns abroad. Here, they have the opportunity to discuss openly what is needed for the reconstruction and the social development of each municipality, and how decentralised cooperation can help. The workshops also provide an initial opportunity for different groups living in the municipality to meet. This enhances the prospects for future dialogue within the community and later, with other national and international actors.

Decentralised cooperation projects previously established by

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[1] Local economic development and employment; health and social integration; environmental protection; education and professional training; local institution building and active citizenship.

Italian groups continue to be implemented, but these are now receiving UN support within the Atlas framework and thus, are being integrated with the broader national and international approach. Some 30 towns from other countries have expressed an interest in strengthening their links with communities in Bosnia-Herzegovina through the Atlas project.

The 'national' component of the scheme involves working groups that liaise with the central Government. These are engaged in producing two documents on how decentralised cooperation can support national strategies for human development, reconstruction and consolidation of the peace process.

An important information tool

The other two project components focus on the Atlas 'product' itself: drawing together the data, presenting it lucidly and disseminating it. The final publication will contain a synthesis of all the initiatives carried out by the project, including documents produced by the working groups, a brief description of all the cantons, regions, and municipalities, and above all a 'self portrait' compiled by the municipalities that are taking part. Particular emphasis will be placed on how decentralised cooperation can help respond to their development requirements. In short, the Atlas will be an important information tool available to those who may be interested in supporting existing reconstruction and development projects, or in establishing new long-term links with communities still looking for a partner.

An international workshop, to be held under the patronage of the Bosnia-Herzegovina authorities, is planned for the end of this year, to ensure that the information in the Atlas is widely publicised.

It is too early to evaluate the full impact of the project, which is still ongoing, but the initial evidence is that it is attracting widespread interest and the increasing involvement of local, national and international institutions. In fact, it is a relatively small-scale experiment, but it has some innovative characteristics that are worth underlining and the initial positive results may offer lessons for other socio-economic rehabilitation projects.

One important point is that the Atlas entails a systematic approach covering various agencies. On the United Nations side, in addition to UNDP and UNOPS, there is collaboration with the World Health Organisation (WHO), the Department of Humanitarian Affairs (DHA), the High Commissioner for Refugees (UNHCR) and the International Labour Organisation (ILO). The bilateral cooperation agencies of Italy and a number of other countries are also involved, not to mention the European Union.

Another noteworthy aspect is that the project is helping to encourage a growing grassroots interest in international cooperation. In such a divided country, this is important, because it helps to foster a stronger commitment to the development of civil society. The UN agencies that launched the idea invited a very wide range of people - networks of associations, local administrations and NGOs (such as the Italian Consortium for Solidarity and the Forum for Human Development) - to take part in the working group that initially defined the strategy and methods of the Atlas. And, of course, a core aim of the project is to get people in Bosnia working directly with their counterparts in communities elsewhere. One specific example is the link established between the municipality of Zavidovici and the Italian town Brescia. Since 1993, Brescia's committee for the coordination of solidarity initiatives has offered practical support to Zavidovici in a variety of areas. Now they are collaborating on the Atlas project as well.

There has been a lot of discussion about creating a smooth 'continuum' between the three identified phases of assistance (emergency, rehabilitation and development), needed for areas struck by disaster, whether man-made or natural. The Atlas is an example of a project which links these together, providing the kind of practical information which is essential if the aid is to be employed to maximum effect.

Finally, it is very much in line with the widely-agreed principle that cooperation policy should mobilise and involve those most directly concerned, namely the beneficiaries.

In Bosnia-Herzegovina, economic revival and the restoration of social harmony will depend ultimately on the people themselves. But the international community can offer a useful back-up, helping this troubled country to map out a brighter future. ■ L.M.

A global challenge

The campaign against intolerable forms of child labour

by Marcel Boulard*

Recent International Labour Office (ILO) reports estimate that some 250 million children between the ages of 5 and 14 currently work in developing countries, a figure almost double that of earlier estimates.

International law sets a minimum working age of 15 (ILO Convention no. 138) and of 14 in less-developed countries. Based on information from numerous official sources, the ILO has calculated that almost 73 million children worldwide in the 10-14 age range, 13.2% of all those in this group, were economically active in 1995. The highest figures were recorded in Asia (44.6 million -13%), Africa (23.6 million but with the highest percentage – 26.3%) and Latin America (5.1 million – 9.8%). Estimates have also been drawn up for individual countries (see table).

But the figures do not reveal the true extent of child labour. According to *Assefa Bequele*, Director of the ILO's working conditions department and a specialist in child labour, 'there are no reliable figures relating to workers aged 10 or under, although we know that they are many. The same applies to children between 14 and 15. If all these were counted, and if we took into account full-time domestic work by girls, the total number of children in work today throughout the world would probably amount to hundreds of millions.'

Although most endemic in developing regions, child labour exists to a lesser extent in industrialised countries, notably in some southern European states and in countries that are 'in transition' in Central and Eastern Europe. Child labour was only banned in Europe around the turn of this century with the introduction of legislation on compulsory education for young people.

Supply and demand

How has the situation arisen? The factors governing the supply of and demand for child labour are many and their effects frequently combine. Obviously, one factor affecting supply is the extreme poverty suffered by many families due to lack of economic growth and an unequal distribution of national income. Sending a child out to work is simply a matter of survival for many poor families. Added to this are quantitative and qualitative shortfalls in education systems: there are simply not enough schools, while many of those that do exist are too far from where children live. Likewise, there is a shortage of teachers and many who are in the profession lack qualifications. The instruction given is often viewed by the children's families as insufficiently useful – in terms of the opportunities it creates – to compensate for the immediate income lost by keeping their children in school.

On the demand side, children work because there are people – parents, private individuals (in the case of children involved in domestic work), and company bosses – who have a specific interest in child labour. Children cost less in terms of direct and indirect wages than adults; they are more manageable and more easily dismissed should business slacken. There is also an absence of protective legislation. Many children carry out an economic activity and many people use their services simply because the law doesn't prohibit them from working. Young people work on farms, in small workshops, in businesses in the informal urban sector, in family-type undertakings and in private homes (as domestic help). And where child labour is effectively prohibited, the law is frequently not implemented owing to a lack of genuine political will to apply it and the limited resources available to labour inspection services.

It is often said that underdevelopment and the poverty it creates for countries and families

Estimated proportion of working children in selected countries (%)

Kenya	41.3	Brazil	16.1
Senegal	31.4	China	11.6
Bangladesh	30.1	Egypt	11.2
Nigeria	25.8	Mexico	6.7
Turkey	24.0	Argentina	4.5
Côte d'Ivoire	20.5	Portugal	1.8
Pakistan	17.7	Italy	0.4

* Director at the International Labour Organisation Liaison Office for the European Union

are the primary reasons for child labour. This assertion is largely true, but it does not fully explain the situation. Why, for instance, do some very poor families send their children out to work while others living in a similar situation prefer to keep them in school? Are deficiencies in education systems, which result in children being sent out to work, the result of underdevelopment and poverty, or of poorly targeted national priorities? Why are poverty and budget constraints not invoked in the case of other aspects of public spending, such as the purchase of armaments? The reality is that child labour exists and has developed as if it were part of the natural order of things because, sometimes even in its most abusive forms, it is widely ignored and tolerated by society.

Millions of children are employed in jobs or conditions where human rights are negated, or personal dignity is intolerably attacked. Such is the case of children who are effectively delivered into slavery, are obliged to do forced labour, are handed over for prostitution or work under conditions which threaten their lives, health and growth (in mines, glassworks, match or firework factories and, sometimes, on farms).

Although the ILO's campaign against child labour has both intensified and diversified since 1990, its concern about the scourge dates back to when the organisation was established. As far back as 1919, ILO Convention no. 5 established the principle that childhood should be devoted to education and training, not to work. This was the instrument that made it unlawful for children under 14 to be employed in industrial establishments. The Organisation has since adopted nine further Conventions relating to the minimum working age in sectors such as agriculture, mining and maritime work. And although they do not specifically address the situation of children, there are other measures (notably ILO Convention no. 29 on forced labour of 1930, which has been ratified by 136 countries), that apply to children.

Convention no. 138 on the minimum age applies to all employment sectors. By ratifying it, members undertake to implement a national policy aimed at guaranteeing the abolition of child labour. One element of this national policy is to fix a minimum age which is not below the age at which compulsory education finishes and not under 15. In developing countries, the minimum is set at 14 and at 12 for light work. The great majority of the ILO's Member States (133 out of 174) have ratified at least one of the 11 Conventions relating to child labour.

IPEC

Because child labour is closely linked to other obstacles preventing economic and social development, technical cooperation is one of the main ways of eliminating it. In 1992, the ILO launched the International Programme for the Elimination of Child Labour (IPEC) in six countries (Brazil, India, Indonesia, Kenya, Thailand and Turkey). This was extended to in-

Girls working on a building site in India.
45 million children between the ages of 10 and 14 are economically active in Asia

VIVANT UNIVERS

clude a further five states in 1994 (Bangladesh, Nepal, Pakistan, Philippines and Tanzania). Preparatory work has also been done in Cameroon, Colombia and Egypt.

This year, the IPEC will begin work in a number of Latin-American states (Bolivia, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Peru and Venezuela). Despite no increase in resources, the programme is soon to be launched in ten African countries (Benin, Burkina Faso, Chad, Ethiopia, Guinea, Madagascar, Uganda, Senegal, Zambia and Zimbabwe) who have all expressed a desire to participate.

Funded by a number of governments, IPEC's budget has increased from approximately $6 million in 1992-1993 to more than $24 million in 1996-97. Donors not initially involved have subsequently shown an interest in the programme. Funds go primarily to projects aimed at early eradication of the most abusive and intolerable forms of child labour and, secondly, to its complete elimination through the strengthening of national capabilities. Priority groups are children working under dangerous or other abusive conditions and children forced to work as slaves.

The IPEC is currently promoting a worldwide campaign to combat child labour in close cooperation with trade unions, employers' organisations, other UN institutions and the NGOs. And there are plans to step up the participation of the ILO's tripartite partners in the IPEC – the International Employers' Organisation, the International Confederation of Free Trades Unions (ICFTU) and the World Labour Confederation (together with their national affiliates).

The EU has also made an initial contribution by backing IPEC action in Pakistan. Readers will recall the extensive media coverage about the use of child labour in manufacturing footballs in that country. The complaints about exploitation which followed, filed by the ICFTU and the European Trades Union Confederation (ETUC), led to a negative decision in respect of the trade benefits accorded to Pakistan under the EU's Generalised System of Preferences. And quite rightly. Following condemnation of Myanmar (formerly Burma) under the same procedure, and criticism from the ILO's committee of independent experts on forced labour, Pakistan has adopted a more constructive attitude. It now contributes to progress in 'partnership programmes' aimed at the phased eradication of child labour.

The International Labour Conference scheduled for 1998 will see the presentation of a new draft convention aimed at prohibiting all intolerable forms of child labour. Whilst it will not replace the fundamental Convention no. 138, which many countries regard as unduly complex, it will, if adopted, supplement that text by requiring signatory countries to end forthwith the most extreme forms of child labour.

Under the draft, the new rules would apply to all young people under 18, with an obligation on ILO Member States to put an immediate stop to all forms of slavery and practices of a similar nature. The text encompasses the sale of and trade in children, compulsory labour, serfdom to repay a debt, child prostitution and the employment of children in pornographic activities, as well as their use for all dangerous tasks.

The ILO Conference in June 1998 will also propose that Member States (a large number of whom have signed the main Conventions on forced labour and child labour) implement an action programme aimed at abolishing child labour within a set period of time. It will prioritise the most degrading forms of labour and particularly employment of younger children (under 12 or 13) and work by young girls.

Economic growth, which is racing ahead at an unprecedented rate in many Asian and Latin American countries, should also, in future, climb to a respectable level in many African nations. The prospect of a substantial rise in living standards in these countries means that governments should acquire the capacity to eliminate child labour rapidly. This is something that they must do by adopting the required programmes.

The international community should redouble its efforts at poverty alleviation, since poverty is one of the main reasons for child labour. This was the line taken by *Michel Hansenne*, ILO Director General, at the international conference on child labour organised by the Dutch Government in February 1997. He said that governments in developing countries must come to the aid of the poorest of their poor. Meanwhile, authorities in the rich nations should back up their support for universal rules against child labour with a firm commitment to increase resources for the campaign against global poverty. Concerted action at world level was required, he stressed, to end all kinds of trade involving children. He concluded with a proposal: 'A crime against a child, wherever committed, should be regarded as a crime throughout the world'. ■ M.B.

DEVELOPING WORLD

Developing countries and regional integration

by Walter Kennes*

Over the past few years there has been a significant increase in the efforts of developing countries to achieve regional economic integration. In various parts of the developing world, existing regional arrangements have been revitalised or expanded and new groupings formed. Examples include the Association of South East Asian Nations (ASEAN) which now has an agreed trade liberalisation agenda, Mercosur in Latin America, the West African Economic and Monetary Union (WAEMU) and the Southern African Development Community (SADC) which has formulated a new strategy for market integration. These initiatives have coincided with new and deepened regional integration involving industrialised nations - as exemplified by the Treaty on European Union (EU), the enlargment of the EU and the creation of the North American Free Trade Area (NAFTA). On top of all this, the successful conclusion of the Uruguay Round has led to the creation of the World Trade Organisation (WTO), thereby strengthening the multilateral trading system.

One of the key development objectives of the EU under the Maastricht Treaty is 'the smooth and gradual integration of developing countries into the world economy'. It is generally recognised that regional integration forms an essential part of the strategy for achieving this.

We may be seeing a new wave of initiatives but past attempts at integration, particularly in the developing world, have not always lived up to expectation. We consider here why early attempts at regional economic integration among developing countries led to disappointing results and outline the main characteristics of the new initiatives. We then suggest a coherent and realistic strategy for integrating these countries into the world economy before looking at the support that development cooperation can provide for the regional integration process.

Old and new regionalism: what is the difference?

The recent integration initiatives are often referred to as 'new regionalism' to distinguish them from the 'old regionalism' practised in the 1960s and 1970s. The first wave may have faltered, but it seems that the second wave is here to stay. The lack of success, 'first time around' can be attributed mainly to three shortcomings: a misplaced focus on inward-looking economic policies, the absence of basic preconditions, and weaknesses in institutional design.

During the 1960s and 1970s, the key development strategy was *import substituting industrialisation* using high protective barriers. The main theoretical justification for tariff protection was the 'infant industry' argument. The view was that, in order to gain a manufacturing foothold, local companies should have protection from established foreign competitors. At the same time, people were over-optimistic about the capacity of governments to plan economic development. High tariffs were needed to support import substitution, but they also became a useful source of funds for the rapidly expanding public sector. This inward-looking trade policy was reinforced by restrictive foreign exchange policies which led to overvalued currencies.

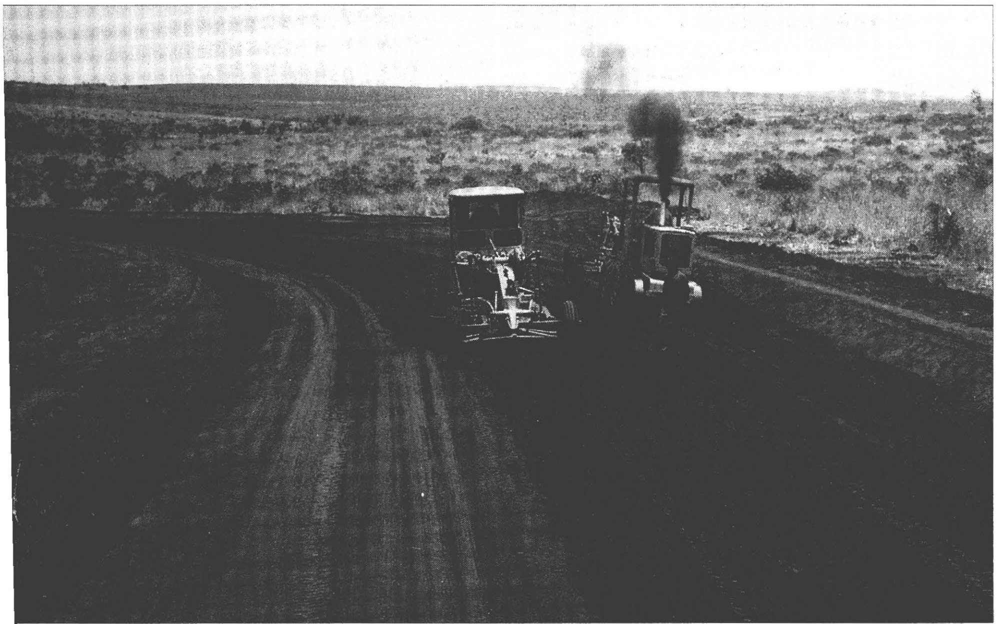
Because most developing countries had small economies, it was felt that import substitution would have a better chance if pursued at a regional level and this led to various integration schemes. One element underpinning this approach was *regional industrial planning*. The idea was that industries would be shared out among participating countries, on the basis that they would then go on to supply the whole regional market.

The reasons for the failure of this strategy have been extensively documented elsewhere. In short, it led to massive underutilisation of production capacity and a lack of competitiveness. It did not encourage technical innovation and acted as a strong disincentive for export activities. This, however, only partly explains the failure of the first wave of integration. Even if inefficient, one might reasonably expect such a strategy to increase intra-regional trade, but there is little evidence that this actually occurred. There were clearly other problems as well.

Regional integration can only succeed if certain economic and non-economic preconditions are fulfilled. Important aspects here include structural stability (peace and security), the rule of law, good governance, and macroeconomic and monetary stability. In many of the countries that participated in the 'first wave' of regionalism, one or more of these preconditions were lacking. Two examples suffice to illustrate the problem. The absence of good governance can lead to a battery of irregular non-tariff barriers which restrict the flow of goods across national borders within a region. And if there is conflict or civil strife in one of the member states, it is hardly realistic to expect any meaningful progress towards economic integration.

Inadequate institutional design also contributed to the difficulties. Most literature on economic integration glosses over such matters. If countries say they want to form a customs union or free trade area, it is simply taken for granted that they can do it, provided only that they devise a workable scheme on paper. However,

* Principal administrator in the Unit dealing with macro-economic policy and structural adjustment in the Development Directorate General of the European Commission. Helpful comments were provided by Gillian Nkhata, an expert working for the same unit. This is an abridged version of a presentation made by the author to a seminar on 2 June 1997 in Brussels on regionalism and development organised by the Commission and the World Bank.



EC-funded road building in northern Cameroun. *Successful integration will result in an increased rate of return from cross-border transport and communications investments.*

the actual implementation is a delicate process covering the setting of realistic targets, negotiation, implementation, control and resolution of disputes. It is conditioned by the nature of the *decision making process which* can be *intergovernmental, supranational or mixed.* Since its origin, the EU has been following a supranational approach on economic integration (recently complemented by an intergovernmental approach for the two new 'pillars' introduced by the Maastricht Treaty: foreign and security policy, and justice and home affairs).

For various reasons, developing countries were not keen on supranationalism, which would have implied the sharing of sovereignty only recently acquired. The result, in almost all cases, was the creation of regional institutions with weak secretariats and little or no authority. These bodies were invariably hampered by lack of resources, and political interference in personnel management. They were not able to ensure adequate preparation, implementation and control of agreed integration policies. And in some cases they became over-dependent on donor funding, even for their day-to-day functioning. This is clearly not a sound basis for progress.

An important aspect of institutional design is to achieve an efficient distribution of labour between different regional organisations. In some cases there were overlaps in membership and contradictory objectives. Rivalry between regional organisations sometimes contributed to failures in the implementation of agreed policies. A number of approaches have now been developed to facilitate the coherence of regional organisations as well as to deal with the accession of new member states and the introduction of new policy areas. These include: variable speed, variable geometry, integration 'à la carte' and flexible integration.

Under the *variable speed* approach, common objectives are agreed, but some member states can move more rapidly towards implementation. Rather than let progress be determined by the slowest member, those who are ready to proceed can do so. *Variable geometry* accommodates a situation where a sub-group of member states moves towards deeper integration than the others. With *'à la carte'* integration, each member can make its own selections from a menu of integration policies. Clearly, this is not very manageable in practice. Flexible integration involves defined core themes to which all state parties must subscribe and other areas where participation is voluntary. This last approach gives structure to 'à la carte' integration, by fixing the core part of the menu, and is similar to variable geometry, but with a thematic rather than a geographic orientation.

Two other reasons are frequently cited to explain the relative failure of regional integration initiatives among developing countries. These are *disparities* between member states and *lack of infrastructure.* There are many types of disparity relating to income levels, development, economic size and the degree of industrialisation, as well as differences in political systems, culture, history and language. Such divergences clearly make the management of integration more complex and costly.

Having said this, the effect of divergent income levels on the distribution of the gains of integration is often exaggerated. In the long run, economic integration will tend to reduce disparities, though in the short-term (during the transition phase), the benefits may not be evenly spread. Divergences will decrease most rapidly if integration goes well beyond trade liberalisation to include free movement of capital and workers, the right of establishment, and common competition and fiscal policies.

Lack of adequate transport and communications infrastructure is a formidable constraint that makes trade between many developing countries difficult and costly. This applies particularly to landlocked nations. Improving transport facilities has long been a priority for EU regional development cooperation. But this is not really a reason for lack of progress in economic integration. The latter usually leads to better infrastructures rather than vice versa since successful integration will result in an increased rate of return from cross-border transport and communications investments.

Why should the new integration initiatives have any better chance of succeeding than those attempted in the past? The main reason is that the current initiatives are taking place in a very different political and economic context. The key political difference is that the Cold War is over. Certain rivalries that used to hamper conflict resolution no longer exist.

In addition, many developing countries have evolved from authoritarian to democratic regimes and the influence of civil society on economic decision-making has significantly increased. On the economic front, there has been a policy shift towards more openness and reliance on market forces. Macroeconomic policies have become much more stable. Most developing countries have implemented structural adjustment programmes (SAPs) in collaboration with the Bretton Woods Institutions and other cooperation agencies. And by and large, the economic shocks that so badly affected developing countries during the 1970s and 1980s (commodity price, interest rate and exchange rate movements) have diminished.

Recent integration initiatives no longer emphasise high protective barriers or regional import substitution, and they are more outward-oriented. Additionally, the concept of regionalism has been broadened to cover a variety of issues 'beyond the borders' such as: common technical standards, competition policy, investment regulations, the provision of services and government procurement.

Technological innovations, especially in the areas of information management and communication, combined with increased capital mobility, have exposed the limitations of national economic policies, even in large industrial nations. A discussion on regionalism cannot ignore this globalisation process, which implies both opportunities and challenges. There is a legitimate fear in many developing countries that they will lose out unless they prepare themselves.

Regionalism as a tool for integrating into the world economy

There is an underlying assumption that integration into the world economy will be good for economic development and social welfare. This assumption is much debated (and criticised) since a lot depends on the way in which the integration is actually achieved. An immediate question is whether developing countries should pursue this goal separately, or in a coordinated and structured way through regionalism.

Small economies and specialisation mean that most developing countries are extremely vulnerable to economic shocks. The opening up of such economies has often led to greatly increased interdependence. Countries have become 'stakeholders' in the economic policies of their neighbours. In such circumstances, some form of regional policy coordination becomes imperative. So in reality, the question for developing countries is no longer whether they should take part in regionalism, but what kind of regionalism best suits them.

Recalling the preconditions mentioned above, successful regionalism should be based on general political principles including the rule of law, respect for human rights, and government accountability and transparency. In the economic sphere, the starting point should be the basic principles of orderly monetary and economic management. These principles underpin the multilateral system and are essential for membership of the IMF and WTO. But the global arrangements are not all-encompassing, and many economic policy options remain to be determined at national or regional level.

There has always been controversy over the extent to which the multilateral system actually benefits developing countries. The latter often sought to justify import substitution strategies on the grounds that the international system was 'unfair' to them. At the same time, they neglected the possibility of exerting influence on the direction of multilateral developments. The rapidly rising developing state membership of the WTO, and the fact that more and more of these countries are fulfilling the IMF requirements on current account convertibility, suggest an important shift in attitude. This is highly significant, because it means that developing countries should become much more influential in the global system.

The WTO has a system of rules that establish rights and obligations for member states. Developing countries enjoy 'special and differential treatment', mainly in the form of longer transition periods before obligations enter into force and sometimes involving less stringent treatment. They can receive technical help to meet their obligations or deal with disputes. The WTO has also responded to the specific concerns of the least developed countries who are likely to suffer more than most from certain effects of the Uruguay Round (for example the increase in world cereal prices).

But there are limits to what the multilateral system can do. One basic limitation is that most developing countries lack the capacity to participate effectively in the structure. Another is that in many areas, the international rules offer only the legal framework - an outline which must be filled in by governments. If national resources are not up to the task, a solution may be found in adopting a regional approach, as a complement to multilateralism. Thus, regional organisations can ensure that the interests of their members are taken into account in the multilateral system, as well as dealing with issues not yet covered by the latter.

Unilateral liberalisation has often been recommended, especially by the Bretton Woods Institutions, as a key strategy for developing countries. If many countries open up their economies at the same time, the result is a move towards overall free trade. Unilateral reform (whether or not in the context of a formal adjustment programme) may help to achieve macroeconomic and monetary stability, and to eliminate distortions, but it does not automatically improve market access. Inefficient industries producing import substitutes may disappear before new export-oriented industries can be established. Where this happens, the result can, in fact, be renewed macroeconomic instability, not to mention an increase in social problems.

So, rapid unilateral liberalisation can pose some big risks, especially for the least-developed countries. A diversified economy may be able to respond quickly to new market opportunities, but the same is not necessarily true of a country that depends on just a few commodities for its export earnings. There are significant adjustment costs that are difficult to handle in a vulnerable economy. Balance of payments support under a structural *adjustment* programme can contribute to the government budget and help maintain imports, but it does not directly increase the competitiveness of the private sector. It may, therefore, not lead to new investments and the desired supply response.

Another point that most developing countries must bear in mind is that unilateral liberalisation will require major fiscal adjustments, given governments' continuing heavy reliance on trade-related taxes. Regional liberalisation should help to ease this.

Similarly, speedier and more coordinated liberalisation at the level of the regional market (*vis-à-vis* the world market) will mitigate the adjustment costs for the private sector. Unlike the unilateral approach, it will improve access to the markets of regional partners. Thus, regional integration, taken in conjunction with an orderly and gradual opening up of markets to the rest of the world, will be superior to quick unilateral liberalisation (which may be reversed if adjustment costs become too high). One final point is that regionalism reduces the influence of pressure groups who would like to see protection restored and hence, may be more credible than unilateral liberalisation.

Support for regional economic integration

The EU is keen to support realistic integration initiatives among developing countries that are consistent with national SAPs and with the multilateral system. Recent experience has led to a strategy comprising three interrelated areas:

– *capacity building* (including technical assistance, training and research) on the subject of regional economic integration at the level of regional institutions and national governments;

– *assistance to the private sector* to facilitate restructuring in the wider regional and world markets, including improvements in the financial sector;

– *support to governments* that are committed to implementing regional integration, to help them cope with the transitional effect on budgetary resources (balance of payments or budgetary support).

In more concrete terms, certain orientations might be envisaged. Under the heading of 'capacity building', adequate attention must be given to the institutional design and legal framework of regional integration. There is also a need to develop analytical capacities - for example in predicting the economic effects of trade liberalisation and regional integration. The approach could cover the training of personnel responsible for policy design and for handling WTO and regional obligations. An effort is needed to upgrade customs services to deal with issues such as verification of origin, and phytosanitary and sanitary regulations. There is also a need to simplify and harmonise rules of origin. The private sector should be involved in capacity building, for example, in areas such as standardisation, quality control and international payments procedures. Regional organisations should be strengthened so that they are able to provide real services to their member states in these areas. Customs unions (and other 'deeper' integration structures) should be mandated to represent their member states in the WTO thus both saving resources and ensuring a higher profile. Multilateral surveillance of monetary and trade policies could be more closely linked to economic policy surveillance at regional level. And if all of this is to work, capacity-building is essential.

The benefits of unilateral liberalisation and regional integration will materialise through decisions by the private sector. Subsidies to enterprises that are no longer viable in the regional or global markets should be resisted. This will be easier at regional level because of the reduced influence of pressure groups. At the same time, it should be recognised that adjustment and restructuring costs are real. There needs to be a new industrial policy that facilitates adoption of and transition to improved technologies. Development cooperation can play a useful role here. Special attention should also be given to integrating developing countries more effectively into the global financial markets.

Trade liberalisation may diminish government revenue. The sharpest effects will be felt in the short term as it will take time for new private sector activities to generate higher revenue for governments. Particular care will therefore be needed in undertaking fiscal adjustments. However, it should be kept in mind that reforms to increase the efficiency of customs services will tend to diminish the decline in government revenue resulting from lower tariff rates. Furthermore, trade expansion will gradually increase tariff revenue.

The EU has recently been involved in some initiatives to support economic integration among developing countries along the lines of the above-mentioned principles. Together with the African Development Bank, the IMF and the World Bank, the EU is helping to facilitate regional trade in goods and services, and investments and payments in Eastern and Southern Africa and the Indian Ocean (the Cross-Border Initiative). In collaboration with France, the IMF and the World Bank, it is also supporting the construction of the West African Economic and Monetary Union.

* * * * *

To conclude, despite the widespread view that the 'second wave' of regional integration is here to stay, it is too early to declare it a success. What is clear is that the circumstances are now very different from those that pertained during the 'first wave' and important lessons have been learnt in the meantime. In view of this, regionalism may well prove to be a gangplank for developing countries striving to get aboard the global economic vessel. ■ W.K.

Growing momentum for a wholesale ban on landmines

Landmine survivors speak out

Survivors of landmine accidents spoke to the 161 delegates present at a conference for a global ban on anti-personnel mines (APMs), held in Brussels from June 24-27. Coming from countries as diverse as Angola, Mozambique, Bosnia, Jordan, Thailand, Afghanistan, Cambodia, and the USA, they were united by their suffering and their call for a ban treaty.

12 year old *Zerko Peric* from Bosnia told us, through his interpreter, his story. He recalls the exact date – April 11 1996 when he was eleven years old. He was in the forest with his father, gathering wood to sell in the market. He found a bazooka which was booby trapped and when he touched it, he set off a landmine which blew off his leg. Zerko spent three months in hospital, and was fitted with an artificial leg. We were told that because he was a growing boy, the prosthesis would have to be changed between 15 and 20 times during his lifetime. *Ghulam Mohammed*, a mine clearer from Afghanistan, was injured while demining. *Jerry White*, an American, was a student and tourist in Israel when he stepped on a landmine while out walking. *Jaime Caquinga,* from Angola, stepped on a mine during his military service, losing a leg. It was four hours before the medical services came to his aid. He is now involved in an Angolan association to help those handicapped by mines, and a public awareness campaign, to warn the public of the dangers.

The survivors came to the conference to call attention to the plight of landmine survivors, and 'to put a human face on the mass suffering caused by landmines'. They feel that not enough has been done to help the survivors – 'the hundreds of thousands of impoverished men, women and children who are struggling to overcome their injuries'. And they are arguing that a treaty banning mines is not enough – it should also include recommendations on assistance to the victims of these devices. They call for a special fund to be set up for the rehabilitation of survivors.

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The indiscriminate nature of landmines
Poster produced by Handicap International

Their stories provide harsh evidence of the devastating human cost of landmines, which often mutilate innocent people, including women and children. The mines remain active in the earth years after being placed there, long after conflicts are over, making huge tracts of agricultural land unusable and dangerous. This is a particular problem for refugees returning to their place of origin when conflicts are at an end. Many victims do not receive proper medical care. They need blood transfusions and lengthy hospital stays, and these may not be available in countries ravaged by conflict. The cost of artificial limbs is around $125 apiece, according to the Red Cross. This is obviously beyond the means of people whose average earnings are just $10-$15 a month. Many amputees have to make do with crutches. Many are no longer able to work, and become another burden on families already hard- pressed to survive.

According to the United Nations, there are 110 million APMs currently scattered around the world. Ironically, the devices are not expensive to produce or buy – but disposing of them is very costly, time-consuming and dangerous. Removing mines at the end of a conflict is complicated further when land has changed hands. Even where the minefields have been mapped, the task may not be straightforward – in watery land, active mines can move up to 40 km.

Military value of mines is questioned

The International Committee of the Red Cross (ICRC) commissioned a study entitled *Anti-personnel mines – friend or foe?* to analyse the military effectiveness of APMs. This report concluded that the humanitarian cost outweighed the military usefulness of the weapon. The conclusions of the report were presented at the conference by *Peter Herby* of the ICRC. He explained that, up to then, there had been no evaluation of the effectiveness of APMs in combat. The fact they were used so often was simply based on the widespread assumption that they were indispensable as a weapon in war. The report analysed 26 conflicts since 1940 in which APMs had been used. No case was found where APMs had influenced the

The Courier

There are 110 million anti-personnel mines currently scattered around the world

outcome of the conflict. Indeed, it was reported that these mines are rarely used in accordance with traditional military doctrine and humanitarian law, even when deployed by trained professional armies. It seems that, in the heat of battle, it is difficult to abide by the rules governing their use. Another finding was that maintaining minefields is expensive, time-consuming and dangerous, rebutting the theory that mines are a cheap alternative to manpower. To illustrate this, Mr Herby cited the case of Zimbabwe, where Rhodesian forces laid a border of mines, consisting of hundreds of minefields in four layers. This had little effect on the incursions of guerillas. The ICRC report has been endorsed by more than 50 high-ranking army officers from 19 countries.

Run-up to a treaty banning mines

The international movement in favour of a treaty banning APMs began in Ottawa in October 1996, where some 50 countries and 20 observers met to begin discussions on an international ban. This movement became known as the 'Ottawa Process'. Following the conference in the Canadian capital, Austria took on the responsibility of drawing up a draft treaty. The basic provisions of this treaty ban the use, production, stockpiling and transfer of APMs.

The Brussels conference, held under the auspices of the Belgian Foreign Ministry, was the first official event following the Ottawa Conference. Its purpose was to adopt the 'Brussels Declaration', committing the signatories to signing an international treaty banning APMs. This is foreseen for the end of the year, with a signature ceremony in Ottawa. In the words of the Belgian Minister of Foreign Affairs, *Erik Derycke*, the Brussels conference 'must be a milestone on the road to a total ban'. Since 1995, Belgium has had legislation banning the use, production, sale, transfer and stockpiling of APMs. It is the first country in the world to establish such a law. During the four-day conference, various speakers insisted that the signatories should wholeheartedly accept the provisions of the Brussels Declaration. In other words, there should be no exceptions or reservations allowed for any reason. The international rules, it was stressed, should be clear and unambiguous. This would make them easier to implement and 'universalise' than the kind of 'nuanced' text which is so often the outcome of multilateral law-making.

More than 150 countries were represented at the Brussels conference, reflecting the momentum the 'Ottawa Process' has gathered. Most attended as full participants, showing their willingness to commit themselves to a ban treaty. Others, such as the USA and Russia, were there as observers. China, which has a stockpile of 20 million APMs, did not take part. Many of the countries represented (such as Angola, Mozambique and Cambodia), had experienced first-hand the devastation of APMs. The Conference was also attended by mine clearance experts, landmine survivors, and more than 130 non-governmental representatives, from upwards of 40 countries.

During the Conference and in the preceding week, many new countries announced their intention to sign the declaration. An unexpectedly large number of nations – 97 in total – had signed on the dotted line by the end of the week. This included 13 of the 15 EU Member States (the exceptions being Greece and Finland).

The next step on the path to a treaty will be a meeting in Oslo, Norway in September, where the final text will be negotiated. The intention is to sign the Treaty itself in Ottawa in December. The progress that has been made is promising and given the emerging international consensus, it will hopefully not be long before this lethal weapon is subject to a global ban.

D.M.

A tale of two Groups of Seven

The recent Group of Seven (G7) summit of the world's most industrialised nations (USA, Canada, Japan, France, Germany, Italy and the UK), was billed as a meeting which would place the economic problems of Africa high on the agenda. But whilst G7 member states were vying in Denver over who is doing most for sub-Saharan Africa, a rival 'summit' was being held an ocean away in Brussels. This brought together people from some of the poorest nations of the world and they called for far more radical changes in North-South relations if poverty is to be tackled.

Held on 18-21 June (to coincide with the deliberations of the countries at the top of the wealth league), the *P7 Summit* was organised by the European Parliament's Green Group. It brought together a wider range of participants than the G7, which is a forum for heads of government and ministers. The Brussels gathering included politicians, researchers, NGO representatives and individuals from Haiti, Niger, Mauritania, Somalia, Sudan, Bangladesh and India, as well as Europe. Guests from Sierra Leone were unable to attend, following the coup in that country.

Generalities

In Denver, general statements of support were made by G7 countries for a more 'market oriented' approach to development policy. There was also a pledge to strengthen the stability of the global financial system with an expanded role being foreseen for key organisations such as the World Bank and IMF. The idea is that these should monitor the increasingly complex global markets, as well the growing incidence of corruption and financial crime. There were also some wide-ranging declarations made about the opening up of world trade: 'Our goal is to realise the full benefits of globalisation for all, while meeting the challenges it presents' and 'globalisation will only be sustainable if everyone enjoys the benefits', are two such examples. There was a promise that those left behind in the global economy would receive adequate assistance, together with statements on corruption, military spending and human rights abuses, and a promise of debt relief for countries that went in for good economic planning.

What emerged from the P7 was rather different. The view that economic growth does not necessarily mean the eradication of poverty was set out in the concluding statement. Indeed, the authors argued, 'it generates substantial profits for transnational companies, with jobless growth leading to greater human suffering, and the destruction of the environment and natural resources.' The Brussels participants took the view that 'sustainable development' should take precedence over free trade.

In the wake of a US pledge to reduce tariffs on a number of products, the EU issued a statement at the G7 meeting purporting to show that its aid and trade package for sub-Saharan Africa is bigger and better than anyone else's. The figures released show how the Union gives significantly more aid than any other global partner. In 1995, it provided seven times more aid than the US and six times more than Japan. It also says it is importing more from the South – five times as much as the US (and 14 times more agricultural produce). The preferential access granted by the EU to developing countries (and the ACPs in particular), is said to be the most generous import package on offer (see table).

At the P7, meanwhile, participants were insisting that development policy should not just be a matter of having more open liberal economies – with the lure of more aid to stimulate nations into implement economic reforms or improve human rights.

It was pointed out that growth arising from the development of market economies in countries such as Mozambique, Uganda and Zimbabwe did not necessarily lead to an improved standard of living for the majority. 'I know these countries'; said *Mamadou Diouf* of the Senegal-based Council for the Development of Social Science Research in Africa. 'Just because they have recovered some of their health does not mean that the whole of the population is benefiting.'

Worsening poverty

Various statistics were presented at the P7 meeting to back up this proposition. There were, it was stated, increasing levels of poverty in both North and South. Even if the threshold is put at just one US dollar a day, then no less than a third of the world's population falls below it. Poverty is said to have more than doubled since 1980 and in many regions, the situation is worse than it was in 1970. The richest fifth of the global population have 85% of the total income: the poorest fifth

Statistics relating to sub-Saharan Africa (SSA) released by the EU in Denver

	EU	USA	Japan	Canada
Population	*372m*	*263m*	*125m*	*30m*
Trade with SSA	$42.2bn	$13.5bn	$4.9bn	$0.8bn
Imports from SSA	$22.6bn	$11.0bn	$1.4bn	$0.6bn
Farm imports from SSA	$7.6bn	$0.6bn	$0.6bn	$0.1bn
Aid volumes to SSA	$7.8bn	$1.02bn	$1.25bn	$0.27bn
SSA percentage of donor's overall aid	39.5%	21.9%	11.6%	34.6%


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The P7 meeting in Brussels called for the rights of the child to be reflected in WTO rules.

have just 1.4%. 1,300 million people do not have access to decent housing.

A number of case studies were presented to the P7 to illustrate the underlying causes of poverty and potential new sources of impoverishment. The link between conflict and poverty is clear, as the people in Somalia and Sierra Leone know only too well. There are also less violent, but nonetheless crucial 'battles' being fought over access to diminishing fish resources (big foreign trawlers versus local artisanal fishermen). The outcome could, it was suggested, be destitution for many traditional fishing communities in developing countries.

Other activities by industrialised nations said to be 'harmful' to the poorest were denounced at the P7 meeting. Structural adjustment was again a target, attacked for the way it squeezes budgets. The talk was of developing nations being 'strangled', forced to sell off their resources, and obliged to run down their social services. One invitee, *Noukou Maiga Zeinabou* of Niger, described how he had set up a private school in response to the education cuts carried out under the structural adjustment programme.

There was also sharp criticism of the 'havoc' caused by financial speculation. The fact that corporations and investors are often able to earn more through speculation than through productive investment was a matter of particular concern. With this in mind, the P7 suggested that the G7 should levy a 0.5% tax on exchange transactions. The money raised could be invested in sustainable development programmes worldwide.

Further recommendations were made in respect of international trade. For example, there was a suggestion that the G7 should call for the WTO's Article XX to be redefined. This is the provision covering 'general exceptions' to the free trade rules. Perhaps not surprisingly, given the 'Green' input in the organisation of the gathering, the recommendation was for Article XX to be extended to include ecological constraints. Similarly, there was a call for the G7 countries to declare that environment-related multilateral conventions would have precedence over free trade provisions.

The Brussels meeting agreed that there should be 'social clauses' in the WTO regulations which would commit all states to respecting the ILO Convention on the Rights of the Child. The emphasis here was particularly on tackling child labour and it was recommended that countries flouting the rules should have their trade preferences removed.

Perhaps surprisingly, for a gathering of representatives of some of the poorest nations, an alarm call was sounded about the 'harmful' effects of low energy prices. This, it was argued, resulted in the wasteful use of non-renewable resources and a build-up of greenhouse gases. Worries about climate change are particularly acute in the atoll nations of the South Pacific. *Don Stewart* of the South Pacific Regional Environment Programme expressed concern about rising sea levels. 'Even if the protective coral reefs continue to grow upwards at a rate equal to that of the rising seas, the coastline will become more prone to erosion, coastal engineering structures will be threatened and the construction of new infrastructures near the shore put at risk. There will be less mangrove forest, agricultural areas and fuelwood resources.' The P7 called for an energy tax to reorient 'unsustainable' production and consumption choices, with the creation of a 'Global environment facility' to reinvest the resources in sustainable development programmes.

The link between reducing poverty and the empowerment of women was another theme of the P7. *Faiza Jama Mohamed,* a member of the Somali Women's Association, was critical of the current approach. 'Instead of ensuring female participation on a equal footing with men, interventions are usually geared towards a narrow range of peripheral income-generating activities such as handicrafts, knitting, embroidery and sewing.' This policy, she argued, continued to marginalise women. She called for greater investment in the 'girl child', and for men and women to be afforded the same educational opportunities.

The subject of civil and political rights was not neglected in the discussions. These, it was said, should be guaranteed irrespective of a country's level of development. There were some sharp words here for the EU which was accused of 'double standards' in its approach to human rights.

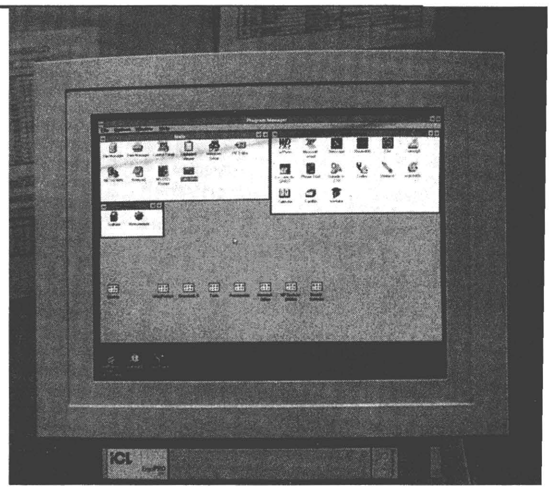
The developing countries themselves did not escape criticism, particularly over the way they approaching dealings with the industrialised nations. Mamadou Diouf said he was disappointed that the ACP group had not presented its own 'Green Paper' ahead of the EU with its own proposals for a new cooperation package. 'One of the ways for Africans to obtain good conditions in the global system is by having a better negotiating capacity.' In a similar vein, he called for the creation of regional markets among developing countries 'as a launch pad to the global market.'

The subject matter on the P7 and G7 agendas may have may coincided to a considerable extent – but it is clear that their paths rarely crossed. D.P.

Can the Internet empower women?

by Fatma Alloo

Global economic liberalisation is undermining the power of the state to protect its populations, but the author, who is founder of the Tanzania Media Women's Association, argues that 'cyber-culture' has the potential to empower women – and give policy makers a hard time in the process.



Globalisation is an old phenomenon, as old as history itself. People have always experienced movements, originally from food-deficit to food surplus areas. These gathered pace with developments in science and technology and the global movement of capital in search of markets and raw materials. In the early 20th century, globalisation of capital was led by one section of the population while others continued to resist. Those with resources were termed the 'Third World' and those exploiting the resources, the 'First World'. Language was used as a tool of disempowerment.

With the end of the Cold War, the 1990s are witnessing the total triumph of capitalism. Capital now seeks to cross national boundaries in the name of liberalisation. And Africa has encountered the cold wind of liberalisation blowing from the north. One-party states are giving way to democracy – imposed as conditionality by donors who claim to aid us. Because this movement was not ingrained within our communities, it has had devastating effects. States began to crumble as they had very little room to deviate from a policy framework which favours economic growth over social development and forces states to open up their markets to foreign competition.

As this trend continues, the state increasingly becomes unable to protect the well-being of the majority of their populations, or their natural environments. This can be illustrated by stark media images of human suffering and helplessness, stirring feelings of anger. We watch human masses being shuttled around as state dictators and international policy makers play their games.

As we grapple with this, there is also the other reality of hi-tech development where 'yuppie' culture is the norm and the 'haves' have moved from the industrial to the information age. Computer technology is bringing the global village into our rooms. And it is here to stay. It is open and creates information anarchism. We could develop the attitude that it is too complicated and try to stay well clear, or we could master its use as a tool of empowerment. The issue here, of course, is whether the Internet provides just another conveyor-belt for northern commercial ideology? But we can also produce our own reality on the web and use it to build a viable network globally. Over the years, we have seen how the women's movement has impacted at global level on issues of environment, population, social development, human rights, environmental protection, structural adjustment policies and their effects on social sectors, and so on.

Power of 'cyber-culture'

We have to create a women's 'cyber-culture' where we interact and produce our analyses and reality, and feed it to the global community. Instead of allowing ourselves to be sponges or victims, the women's network should use the worldwide web to create our news and views. In India, environment groups have employed the Internet for 'instant response' to statements made by world leaders – for example, on the biodiversity convention or on how North Sea fisheries policy affects the fishing industry in the Indian Ocean.

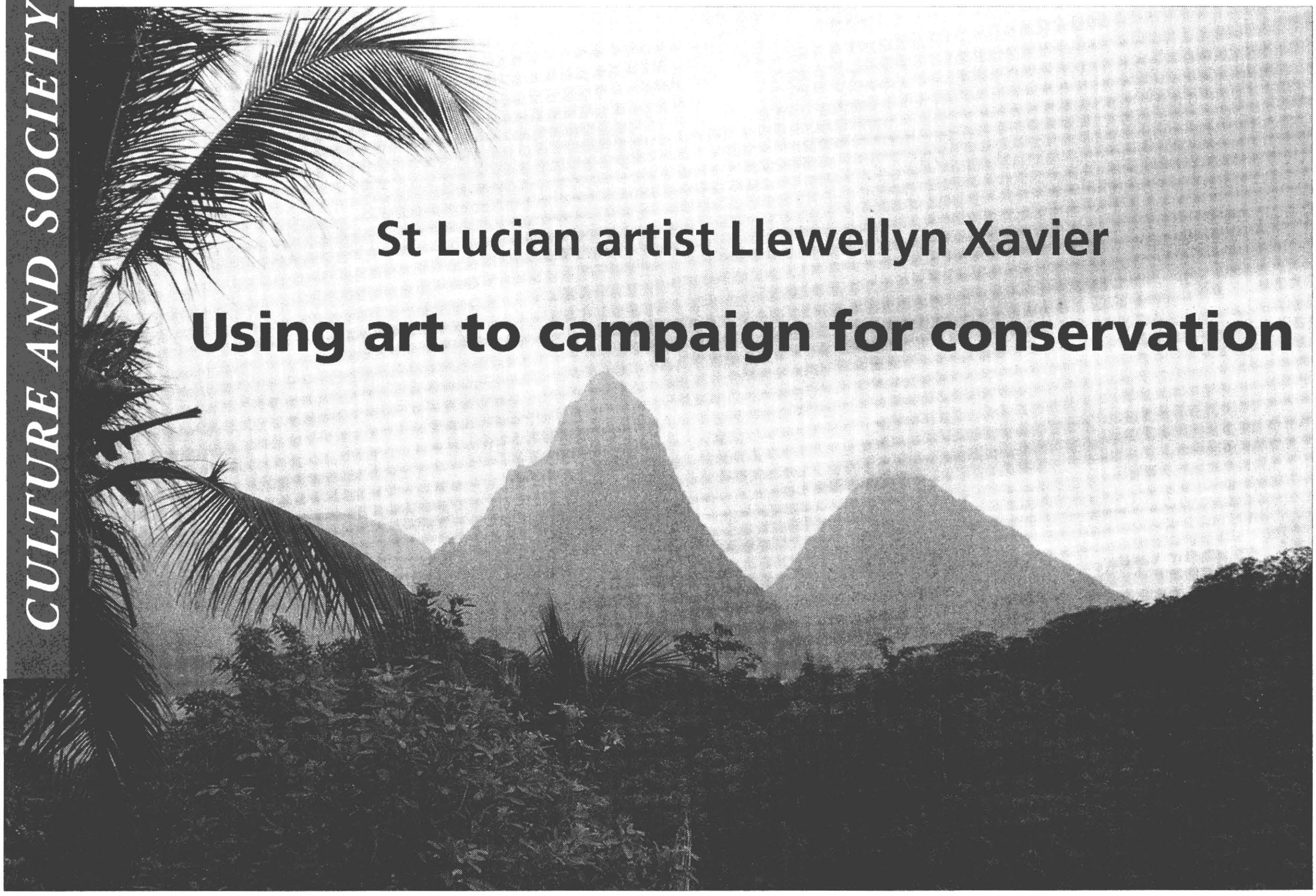
Macro-policies which used to take time to reach the South can now be put on the Internet and transmitted globally at the touch of a button. Thus we are now in an era in which policy-makers could be facing a harder time – if those in the global community who are committed to positive change became more organised. In Africa, this 'cyber-culture' has not yet had a major impact, as very few women's organisations have invested in it or realised its potential. Latin America and Asia are far more advanced in this respect and use it to empower groups they work with.

I have not detailed the negative and frightening aspects of the Internet, such as the fact that extreme right wing organisations are subtly using it to promote their own ideology and movements. Adverts selling women on the web will continue to violate women's human rights. The fact is that the Internet, which was originally created by the US military to operate even after nuclear attack, defeats most attempts to censor it. If a message comes across an obstacle, the system will look for an alternative route until it is delivered. Thus the system's anarchical nature is a double edged sword.

We realise, as women, that if we shun the Internet, we stand to be further marginalised. But if we continue the struggle to create a global village which is strong and committed, then slowly but surely we can tackle the wrongs and violations that women continue to suffer. The 'inhabitants' of this village – people's movements who believe in a just society, a donor community which supports people's empowerment and various solidarity groups – are duty bound to ensure that this new technology remains accessible, and that it is used to remove or reduce historically-created inequalities. F.A.

St Lucian artist Llewellyn Xavier

Using art to campaign for conservation



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The Pitons

The second most important volcanic cones in the world and a sacred site for the Amerindians.

As the plane banks to the right to head up the west coast for Vigie airport, the haze mystically parts to reveal St Lucia's most famous landmarks – the Gros and the Petit Pitons. The fear that the tops of these twin peaks were about to be sliced off, and a cable car installed, prompted one of the island's most celebrated artists, Llewellyn Xavier to produce his 'Environmental Series' highlighting the threats to his native island's ecology. *The Courier* recently met this warm, animated artist at his studio at Cap Estate on St Lucia's northern tip.

He recounted how the Environmental Series came about eight years ago when he returned to the island after lengthy periods abroad (first in Barbados followed by stays in the UK, US and Canada). 'They were planning to build a hotel and there was nothing we could do about it because a lot of money had been invested. We recognised we could not stop it. But things then came to a head when it was discovered that the authorities had agreed in principle to the construction of a pseudo-Amerindian village on top of the Pitons, and of houses on the slopes. They would have had to flatten the summits', recalled the artist. Llewellyn Xavier got together with St Lucia's opposition leader at that time, *Dr Anthony*, the poet *Derek Walcott* (winner of the Nobel prize for literature) and others, to rally public opposition. 'The Pitons are very special,' he said. 'They are the second most important volcanic cones in the world and were sacred to the Amerindian people who lived on this island.' When the threat became known, Derek Walcott made a statement that he was prepared to sacrifice his life for the Pitons, while our interviewee announced he would set fire to all his work and go on hunger strike.

Publicising environmental issues

Fortunately, there was no need to go to these extremes, as the threat was lifted. But Llewellyn Xavier remains concerned about threats to the environment and his Environmental Series is intended to publicise the issues involved. The 50 or so works he has created so far are all made of recycled material, featuring original eighteenth and nineteenth century postcards and prints of endangered or now extinct animals gathered from various museums around the world. No glue is used. Instead the prints and other objects in the paintings are tied together, so ribbons trail prettily from some of the works. His message is that contemporary art can be produced without using new materials, the idea being to awaken the world's consciousness to the destruction of the earth's environment, and of the fact that resources are dwindling.

The paintings feature the building blocks of art; the rectangle, circle and the triangle (symbolising the Pitons). The prints have been signed by many of the world's leading environmental campaigners, or (literally) given the seal of approval of major environmental groups. These marks appear alongside Llewellyn Xavier's own warning stamp, 'Environment Fragile'.

'The idea,' recounted the artist, 'was to get the works into as many private collections as possible. I spent about two years writing to environmental organisations asking for permission to use their corporate seals. Of the 150 bodies I contacted, about 50 replied and, in the end, seven major organisations agreed.' (The Worldwide Fund for Nature, the Living Earth Foundation, Survival International, the St. Lucia Wildlife Trust, the International Council for Bird Preservation, the Rain Forest Trust and Media Natura). Famous names who lent their signatures to the cause included climber *Chris Bonnington*, author and poet *Derek Walcott* and naturalist *Professor David Bellamy*. The series was premiered at the Patrick Cramer Gallery in Geneva, Switzerland in May 1993.

Vivid colours

Today, some of the paintings are kept in Llewellyn Xavier's studio in St Lucia, while others are to be found in collections around the world – including New York's Metropolitan Art Gallery. Vivid colours are used to portray the island's abundant fauna and flora. The artist's own 'bird's eye' view must be a constant inspiration to him. His studio sits almost at the pinnacle of the island and looking out, you see the dark blue turbulent waters of the Atlantic to the east and the calmer turquoise of the Caribbean to the west. The interior of his working space is white from top to bottom, setting off the rich colours of the paintings (Environmental Series and others) which evoke the island's history and beauty.

The artist was born in Choiseul on St Lucia's south west coast in 1945. He moved to Barbados in 1961. An early theme of his work was the fight against racial injustice using so-called 'Mail Art'. In 1971, he sent cardboard tubes with drawings on the outside to various celebrities. The pictures featured *George Jackson*, an imprisoned black American who became a controversial political figure in the 1970s through his prison writings. Recipients of the tubes were invited to sign the drawings and add comments - and forward them to the incarcerated Jackson. A number of famous names (including *John Lennon*, *Yoko Ono* and *James Baldwin*) responded to the request and the 'mail' went on to gather prison stamps and the insignia of different postal systems before being returned to Xavier. The Jackson project was followed by two further series on the themes of race and sex, and a biographical collection on *Paul Robeson*, the American athlete, actor and political activist. The more recent Environmental Series can be seen as an extension of this so called 'contributory art'.

During his life, Llewellyn Xavier has experienced various religious callings. In 1985, he disposed of all of his worldly goods to become a monk, although he later returned to his art. He married in 1987.

'Recklessness'

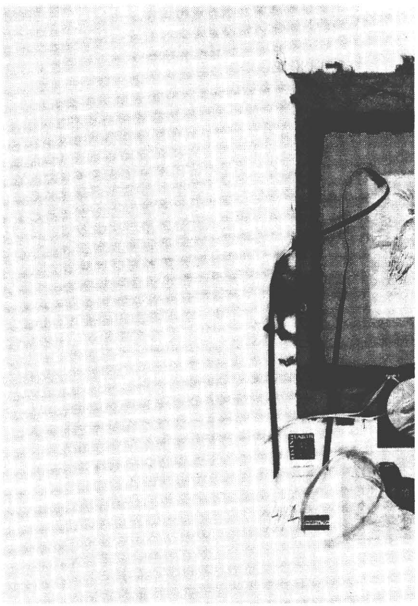
'The best description of what is going on in St Lucia is recklessness,' proclaims the artist, reflecting on tourism expansion on the island. He is particularly worried about a new development planned on the edge of the marshlands in the Roseau valley, where most egrets nest. Llewellyn Xavier stresses that he is not against development as such, but insists that it must be done in a way that respects the environment. And it should bring maximum benefit to the people of St Lucia, not just the foreign firms who 'make a quick profit and destroy the environment' in the process.

'A hotel does not necessarily have to be on the beach,' he argues. 'Tourists no longer want to fry themselves. They want to visit rain forests' (St Lucia has one of the few remaining natural rain forest areas in the Caribbean). The artist believes that no hotel should be higher than the surrounding coconut trees and offers an enthusiastic vision of his own – villa-type hotels which needn't be on a single compound. 'You can have a hotel that stretches over the entire Cap Estate area, for example, and can continually extend it. You can have a five star and a two star hotel on the same site.' In this way, tourists would not be isolated in 'compounds'. This model, he believes, would bring in more for the local population. Visitors would

Llewellyn Xavier in his studio at Cap Estate in northern St Lucia

The Courier

make purchases at supermarkets and craft shops, and eat in local cafés. Llewellyn Xavier says that currently, 70% of the money spent by tourists on holidaying in St Lucia does not actually come into the island, while two thirds of the remaining 30% is used to pay the expatriate management. 'With my model, you create a much nicer product and are doing something you know would work.' Another advantage is that if the tourist industry collapses, 'you could sell the villas'.



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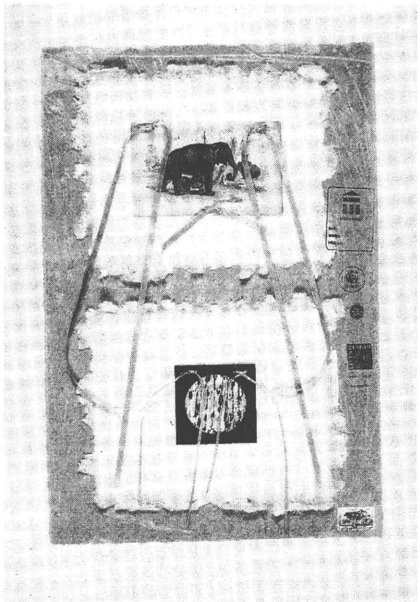
That seems an unlikely prospect. Villa accommodation in St Lucia 'sells out' in the high season (covering the European and North American winter) and during the jazz festival in May, which is now one of the leading events of its kind in the world. This year's festival included such renowned performers as *Chaka Khan, Ronny Jordan, Dee Dee Bridgewater* and *Santana.* 'At that time', the artist said, 'you couldn't get a villa room here for a million dollars'.

Llewellyn Xavier communicates the sensuality and unspoilt beauty of the island through his art, making him one of St Lucia's best ambassadors. For the past 18 months he has been working on an 'Allegory of St Lucia', which we were allowed to view (but not photograph, because it is not finished yet). This work combines the mystical and the earthly, depicting the country's pre-Columbus,



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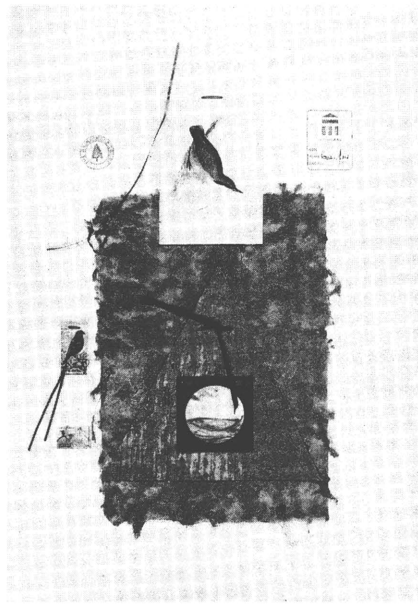
Four of the works in Llewellyn Xavier's 'Environmental Series'
Contemporary art using recycled materials to highlight the fact that the earth's resources are dwindling



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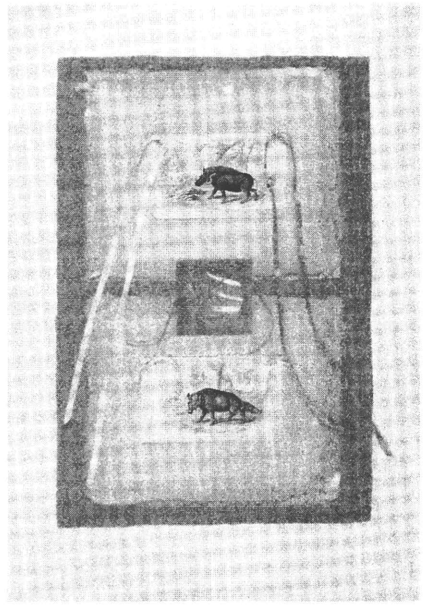
African and European history. St Lucia is portrayed as a blind Saint. A pale-skinned European type of face can be picked out, as well as an African mask. A large hair follicle occupies the centre, with all manner of imagery taken from the island swirling around it. The artist says he always asks those viewing his paintings to step back – and from further away, we see the full panoply of birds, flowers and fruit in the vibrant colours which are Xavier's trademark. In the top left hand corner, those mysterious Pitons overlook the entire canvas.

Another completed painting on show at the studio is made up of dots leaving the impression of the movement of a busy throng. On yet another work, paint has been applied liberally to give a raised effect to fruit. 'Just think about the size of the biggest fruit you get in Europe,' says the painter as he shows us the painting. And he opens his arms wide in a dramatic gesture to underline the enormous size of the mangoes, paw paws and grapefruit found growing on his home island. Again, African masks feature in the work.



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Llewellyn Xavier's wife, Christina, has found a rather unusual niche selling European paintings to people who visit the island. 'She just happened upon it' says the artist. 'One would never have thought there would be a market for this sort of thing here'. Mrs Xavier also promotes up-and-coming St Lucian artists, and organises exhibitions. She is currently planning an exhibition on *Jack Lowe,* renowned photographer of the famous American political dynasty, the *Kennedys.*

They are clearly an artistically eclectic couple, but there is no doubt where Llewellyn Xavier's heart and soul reside. Despite all his travels, his first love is St Lucia, and he manages to embody all the warmth, sensuality and vitality of his Caribbean island home.

D.P.

CTA-BULLETIN

Agricultural mechanisation as a factor in development

by René Rabezandrina

Development officials in Africa are aware that the mechanisation of agricultural work is a significant factor in increased productivity. It promotes the expansion of cultivated areas, makes tasks easier and enables them to be carried out when desired, without yield being jeopardised by delays. In fact, 80% of such work is currently done manually or using draught animals on small and medium-sized farms. Only large farms of from ten to several thousands of hectares - less than 1% of all farms - have motorised equipment.

For many people, 'agricultural mechanisation' implies use of a tractor, i.e. motorisation, but they forget that it also includes the use of draught animals. Owing to its impact on the management and conservation of land, employment and distribution of income in the rural environment, mechanisation has certain specific features when compared with other factors affecting agricultural production (such as the use of fertilisers and pesticides) and poses special financing problems. The use of animals, for example, raises difficulties which go beyond the field edge: transportation, disposal of manure, and feed supplies.

When crops are raised manually, the tools used by African peasant farmers are principally hoes, spades, machetes and sickles, whereas, with draught animals, it is possible to use ploughs, harrows and carts. On the other hand, with motorised farming, large farms have all the conventional equipment, such as tractors, trailers and disc harrows.

Cattle tend to be the draught animal of choice, followed by donkeys and, far behind, horses and mules (in areas not affected by sleeping sickness). Motorised equipment includes items which can be moved (tractors) or those which are fixed (grain mills, rice decorticators), using fuel oil, petrol, electricity, wood or coal.

Peasant farmers usually mechanise ploughing and harrowing, weeding and hoeing (work affecting the surface of the soil, between the lines of crops, to remove weeds and to enable rainwater to infiltrate more easily) and cereal threshing, using a fixed thresher.

Sowing, planting-out and harvesting is normally done by hand, manual sowing being relatively rapid and not so physically demanding. It is time-consuming to harvest cereals with a sickle and this constitutes a major obstacle to increasing the area of land under crops.

Past experience

There have been a number of experiments aimed at promoting mechanised farming, with various results. Some have failed - such as those involving public undertakings offering motorised agricultural services, with large fleets of tractors for rent to peasant farmers. Although preferred by governments (because it enables them to attract political support from people whose work has been made easier), improvements in living standards in the countryside and a fairer distribution of the benefits of progress tend to be short-lived. This type of mechanisation is only possible if the individuals or groups in question have sufficient management and finance capabilities, which has not been the case hitherto.

Experiments involving linked bilateral aid, which consisted of offering or selling equipment manufactured in donor countries, has been no more successful. This is due to the unsuitability of the equipment for production conditions in Africa and problems of supplies of spare parts.

Many of the government undertakings set up to manufacture agricultural equipment were too centralised, and went bankrupt due to a lack of capital and increased interest rates. The situation was aggravated by the failure of state development companies who were their principal suppliers (ordinary blacksmiths and artisans were left out altogether).

On the other hand, draught animals have been successfully used in agriculture in areas where certain prerequisites were fulfilled - in other words, where cattle or donkeys were available and where high-profile campaigns were mounted to instruct peasant farmers in how to train the animals. Cottage industries manufacturing agriculture equipment were also successful, to some extent. African craftsmen are highly skilled in copying imported models, particularly ploughs. The manufacturing costs are lower than in

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Ploughing in progress
Agricultural 'mechanisation' also includes the use of draught animals.

the case of industrially made equipment, and traditional farmers are, therefore, more able to afford them.

The future for agricultural mechanisation

A number of elements are involved in developing agricultural mechanisation. The internal factors include:

– the low level of technical education of African peasant farmers who, unlike farmers in the developed countries, have grown up in a non-technical environment;

– the need for available manpower owing to the fact that some agricultural work (working the soil, weeding, harvesting) is concentrated in a short period of time determined by the length of the rainy season (notably in the Sahel regions);

– the size of farms (a factor which plays a significant role in optimising the use of machines).

As for external factors, the impact of government policies is particularly important. These include:

– direct structural-adjustment subsidies, which may be granted indirectly, notably in the form of loans granted on favourable terms;

– customs duties which contain inconsistencies in a number of countries. For example, they may be higher for spare parts or raw materials than for ready-to-use equipment or finished products. This discourages maintenance and the local manufacture of equipment. Duties may also be very high to protect poorly performing local undertakings, to the detriment of the peasant farmer who is the end-user;

– devaluations which increase the price of imported machines and spare parts but favour local manufacture;

– physical infrastructure (roads, market places, etc.) necessary for carrying on economic activity;

– credit for purchasing equipment and services (training and technical advice) for agricultural intensification;

– research, in which considerable effort has been invested, but which has not always delivered the anticipated results;

– awareness campaigns, which have not really stressed mechanisation and which, when they have done so, have committed errors leading to a loss of confidence on the part of farmers;

– donors who make their support dependent on various factors - including economic-policy reforms - and whose actions are often uncoordinated.

The local manufacture of agricultural equipment has a significant role to play if mechanisation is to expand. Currently, much locally-made equipment is manufactured either by state concerns or by SMEs. The activities of the former range from the manufacture of hand tools to attempts at assembling tractors. Many such enterprises have failed for various reasons, including failures to adapt and poor management of commercial and financial planning. The SMEs that operate in the formal private sector face problems as well. They lack funds to plan for the long term and have fixed costs to cover irrespective of whether they have enough orders. A third category of equipment manufacturer is the village blacksmith, who operates in the informal sector.

The major problem regarding such locally produced equipment is the extremely narrow market, which is sometimes affected by uncontrolled imports of certain types of machinery which are in great demand.

Nevertheless, non-industrial undertakings and local industries in the agricultural mechanisation sector should be developed in all African countries because this would lead to foreign exchange savings and create jobs locally. It should also result in equipment which is better adapted to the farmer's needs and easier to maintain owing to local supplies of spare parts.

This search for a substitute for imports should not, however, entail a return to protectionism.

Mechanisation needs competition. And gifts or equipment purchases agreed between governments should not result in unfair competition for the local construction and equipment-distribution sectors.

Organised and competitive commercial sectors create a stable and increasingly secure environment for investment in agricultural production, particularly as regards the acquisition of farm equipment.

Skills are needed to manufacture, import and distribute farming equipment, manage supplies of spare parts and provide a satisfactory maintenance service. And it is the private rather than the public sector which should be facilitated in this. In Africa, there are a number of networks that promote the exchange of ideas and experiences, and collaboration between those involved in such technology (researchers, trainers, decision-makers, entrepreneurs, importers, distributors, craftsmen and farmers). Some of these networks may simply be 'ticking over' at present, but there are others that are highly active.

Although donors are eager to devise mechanisation campaigns in order to speed up agricultural development, they must take account of the importance of maintaining the fertility of the soil. They also need to ensure that the required back-up services (covering procurement, loans, training and marketing of produce) are available, and mount awareness campaigns aimed at private operators.

Unfortunately, the efforts of governments and donors to support the development of such technologies have often led to public money being wasted, since they have targeted their funds essentially on the provision of motorised equipment. They have equated genuine progress with a vision of a tractor in a field.

Mechanisation strategies should now be redefined, taking particular account of the new economic environment created by structural adjustment programmes. Strategies which incorporate less costly actions - aimed at achieving development objectives while conserving natural resources - need to be promoted.

Strategic elements

A number of African countries only partially meet the conditions necessary for successful mechanisation and must back up their strategies with development-policy reforms. In some cases, they may even have to implement such reforms first.

In the end, it is the farmer who decides whether or not to adopt new technologies. This means that while those responsible for drawing up strategies must consider the wider interest, they should also include the farmer in the equation - who will have a genuine contribution to make to the process. After all, it is he or she who will ultimately determine the success, or otherwise, of any given strategy.

Sustainable development of mechanisation, particularly involving motorisation, presupposes the existence of a competitive market, with a transparent taxation and legal framework which provides the necessary incentives. Effective services are also needed, for carrying out essential activities of no particular interest to the private sector (training, education, awareness campaigns, research). The state, in turn, must ensure that the private sector is able to manufacture, import and distribute agricultural equipment.

Although agricultural development services in Africa have suffered from budget restrictions imposed by structural adjustment, they still need to provide training, at all levels, in new mechanised technologies, to set up awareness campaigns based on informing the farmer about new techniques, and to conduct demand-based research.

In implementing its mechanisation development strategy, and principally its strategy aimed at greater motorisation, a government must create a favorable political and economic environment. It has to guarantee the security of investments by providing political stability, a legal framework and adequate property controls.

Physical infrastructures (roads, market places etc) must be in place if there is to be further mechanisation. It has to be acknowledged that the availability of inexpensive agricultural labour inhibits such developments because it restricts investment possibilities and the profit that flows from this.

Similarly, exchange rates should be in place which reflect the actual productivity of a country's economy. If a currency is overvalued, local manufacturers of agricultural equipment are penalised and imports are favoured. If it is undervalued or devalued, imports of equipment and spare parts which cannot be manufactured locally are more expensive.

In conclusion, the existence of an organised and competitive commercial sector and prices that are relatively predictable, together with the certainty of finding purchasers for products (which is the case for cotton but not cereals) are all important elements. If these conditions are met, peasant farmers will then be able to invest or take out loans to acquire mechanised equipment. ■ R.R.

Dossier: Transfer of know-how

SMEs in ACP and European countries have a lot to exchange

Are European SMEs sufficiently aware of the considerable need for the transfer of know-how in ACP countries? Do they realise that, beyond winning export markets for their products, they can also develop a profitable international strategy to capitalise on their industrial experience?

One of the basic tasks of the CDI is to orient this know-how potential of European SMEs to address and satisfy the demand for transfer within the industrial fabric of ACP economies. In this way, as shown in the second article in this dossier, the North-South 'industrial association' experiments – launched in cooperation with French, Portuguese, Spanish and Belgian companies and institutions – are making a dynamic contribution towards the creation of real 'company pairings' likely to forge solid partnership links based on sharing long-term interests.

The vocation of an industry, be it small or medium-sized, is first and foremost to manufacture and sell products. In industrialised countries, the idea that the know-how accumulated by a 'conventional' SME – especially in sectors based on tried and tested technologies – can itself have a commercial value is still far from widespread.

Growth potential of the ACP private sector

A growing number of European entrepreneurs realise, however, that the globalisation of the economy represents a challenge forcing them to give more thought to their markets and their own development at international level. At the same time, the basic economic and technological needs to be met in developing countries are enormous. In many ACP regions growth is picking up again. Private companies are being set up or modernised both to strengthen their export markets and to satisfy local demand for products and services. Various sectors are affected: agri-foodstuffs, building materials, woodworking and metalworking, textiles, chemicals and pharmaceuticals, engineering and electricity, energy, recycling of materials, etc.

European SMEs can make a very positive contribution to the rapid development of a new industrial fabric in these countries. One of their main assets is size. As they are so flexible, they are able to adapt to local conditions through direct and transparent relations with partner company managers. They can, for example, become directly involved in industrial projects designed either to export products in demand on the European market competitively via their own distribution channels, or to win shares of national or regional markets.

In most cases, these SMEs will provide a vital input of methods and equipment that are technologically suited to the possibilities of ACP companies. They can thus ensure an essential transfer of know-how and establish stable and mutually beneficial relations with ACP firms. For the European partners, apart from recouping the

'Entrepreneurs motivated by mutual interest constitute the most effective guarantee of success in a partnership'

MAPEZ

CDI

The Centre for the Development of Industry (CDI) is a joint ACP-EU institution created in the framework of the Lomé Convention linking the European Union with the 71 ACP countries (Africa, Caribbean, Pacific). Its objective is to support the creation, expansion and restructuring of industrial companies in ACP countries. To this effect, the Centre promotes partnerships between ACP and European companies. These partnerships may take various forms: financial, technical and commercial partnerships, management contracts, licensing or franchise agreements, sub-contracting, etc.
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cost of their technical and material support for the projects carried out with local industrialists, this dynamic policy of maintaining a presence within ACP economies also means that they are more 'tuned in' to these markets – often regional – and are, in time, increasingly well placed to respond to market developments.

As a result, all these prior expertise and restructuring efforts bring added value to the opportunities for business cooperation. 'When an ACP company has been monitored through several CDI interventions by experienced specialists in close contact with European professional circles in the sector concerned, the company acquires a quality label provided by the work of these experts. Most of the time, the conclusions of their interventions lead to contacts in Europe with potential partners who can take over the preparation already underway. They also make it easier to approach finance institutions likely to provide support for the establishment of partnerships.'

Role of the CDI

'The Centre's experience has taught us that for a transfer to take root and bear fruit in an ACP company, it is absolutely essential to adopt a long-term approach and incorporate all aspects of the firm's environment. The quality of its management, the degree of training of the staff, the commercial strategy, etc., all condition the result of this hard work', considers *Daniel Nairac*, head of the Centre's Technical Services and European Network Division. 'To implement this ongoing global approach, the 'recipe' of partnerships between companies, in which the players concerned are motivated by clearly understood mutual interests, is the most effective way of guaranteeing success.'

Consequently, the CDI's entire strategy is to act as a 'catalyst' for strengthening the transfer of know-how through partnerships between ACP and European SMEs. With this in mind, the Centre has, in recent years, developed the formula of Industrial Partnership Meetings, which are held regularly in the main sectors of production and in all ACP regions. 'Of course, not all of the Centre's interventions are restricted to ACP companies involved in such partnerships', continues Mr Nairac. 'However, the prospect is always at the back of our minds. Our task begins upstream of transfer, with the help of specialist experts and consultants. Our initial interventions are designed to identify ACP enterprises or proposed enterprises which need to be analysed, improved or restructured before finding a European partner likely to become involved in the longer term.'

Industrial associations

By bringing together industries with similar activities, and helping to develop personal links between producers, the 'industrial association' formula offers a basis for realistic and long-standing partnerships. This kind of 'twinning' gives small and medium-sized enterprises in the North access to new markets while offering Southern businesses the chance to boost their know-how and benefit from technological progress.

The concept of 'industrial companionship' first emerged in France at the beginning of the decade.

French SMEs were the first to subscribe to the concept. In 1994, the *Entreprises et Développement* (E&D) network published a White Paper defining 'industrial guilds'. The programme '100 industrial partnership projects with Africa and the Mediterranean' was launched a year later, with the support of the CDI, four French ministries (Foreign Affairs, Cooperation, Industry and Agriculture) and the *Caisse française de Développement*. A budget of FF 8.6 million, over two years, has been allocated to this pilot scheme, the objective of which is to establish stable company 'pairings'.

It should be underlined that, since it was established, the CDI has practised the concept of 'industrial associations'. The innovative aspect of the initiatives mentioned in this article lies, firstly, in the 'programme' approach – designed at the very outset to mobilise around 100 companies – and, secondly, in the management strategy, based on European and ACP bodies and institutions for decentralised cooperation (particularly chambers of commerce, trade associations, regional associations, etc.).

Upstream of partnership

Industrial guilds are not a carbon copy of traditional partnerships because they are involved further 'upstream'. It is a question of pairing two companies in the same area, analysing what they can do together and enabling them to learn about each other. 'After this stage – in which they are assisted by a consultant – they then have a solid basis for moving towards a proper partnership', explains *Thierry Peleau,* representative of the IPAD (*Institution de Promotion aux Actions de Développement*), an organisation linked to the Rouen Chamber of Commerce (France) and part of the E&D network.

In this process, twinning is multifaceted, bringing together commercial, technical and management aspects. Based on producer-to-producer relations – in which the personal understanding between managers is of paramount importance – this sort of venture requires a particularly careful choice of partners. They must pool all their different assets in order to attain the new objectives that they have determined together.

How should a transfer of know-how be assessed?

When European SMEs are interested in transferring know-how to an ACP company, it is often difficult for them to assess exactly how much short or medium-term remuneration they should expect. Unfortunately, there is no standardised calculation method. For each case and for each sector, the value of the transfer and its direct and indirect effects for the 'transferor' and the 'receiver' in the short, medium and long term must be assessed. The next step is to choose the appropriate financial mechanism for remunerating the transferor, especially in the form of deferred payment of royalties linked to results.

The CDI has drawn up a practical 50 page document on this subject, entitled 'Know-how Agreements: Suggestions for standard clauses and general conditions for payment in a long-term relationship with no capital holding'. This guide looks at many factors and provides specific examples likely to assist companies in negotiations of this type, where the interests and constraints of each party must be clearly understood from the outset, to their mutual benefit.

CDI Contact: Patrick Keene

For this first industrial association initiative, experts have identified French and ACP companies on the spot which are suitable for a partnership and likely to be able to work together. In France, these experts turned, in particular, to regional bodies close to their industrial structure, organisations active in the field of cooperation, trade associations, chambers of commerce and finance institutions. In the ACP countries, experts worked in cooperation with the CDI antennae or agencies of the *Caisse française de Développement*. At the end of the first E&D experiment, 182 projects were identified and 50 'pairings' were established (60% involving Maghreb countries and 40% from six countries of sub-Saharan Africa).

Dialogue among professionals

In the subsequent stage, the company chiefs from the North visited their potential partners to assess the possibilities of cooperation 'on the spot'. Their travel and subsistence expenses were met by the CDI, among others, and they received the help of experts with whom all the aspects of the twinning were carefully reviewed (visits to the company, consultation with public and private organisations, banks, transport operators, etc.). 'These entrepreneurs have to study the prefeasibility of a project together, establish a diagnosis and assess the way in which the project can be supported in terms of advice, training, technical assistance, transfer of know-how, etc. The dialogue between company heads that are masters of the same trade and speak a common language', says Thierry Peleau, 'means that it is possible to pick out quickly the mutual interests and elements of professional solidarity which foreshadow a real partnership'.

Promoters of industrial associations have also been keen to encourage access for partners to financing possibilities. The CDI's experts provide their assistance in mounting the financial package to be submitted to specialised institutions and in guiding partners towards different support possibilities: national development aid bodies, European funds, CDI direct support for ACP enterprises, international institutions, etc.

New initiatives

The new concept of industrial associations as launched by E&D and the CDI for African companies has since given rise to similar initiatives in other EU Member States.

In 1996, Portugal encouraged its SMEs and SMIs to open up to four African countries with which it previously had no significant trade flows: Botswana, Malawi, Namibia and Zambia. The objective was to establish guild links between 20 pairings of industrialists from various sectors (metal-working, engineering, wood, building materials, leather, textiles, plastics, agri-foodstuffs industry, etc.). The companies were preselected by the ICEP (Investimentos, Comercio e Turismo de Portugal) not just for their abilities but also for their motivation. This institution, alongside the FCE (Fundo para a Cooperação Economica) and the CDI, guaranteed financial and technical support mechanisms for these pairings.

A similar operation was launched shortly afterwards by Spain to encourage twinnings between Iberian companies and SMEs in the Caribbean (Dominican Republic, Jamaica, Trinidad & Tobago, Belize and Haiti). Preselection of potential partners was coordinated by the CDI and the ICEX (Instituto Español de Comercio Exterior). Follow-up was provided by these two bodies and the Spanish finance institution COFIDES.

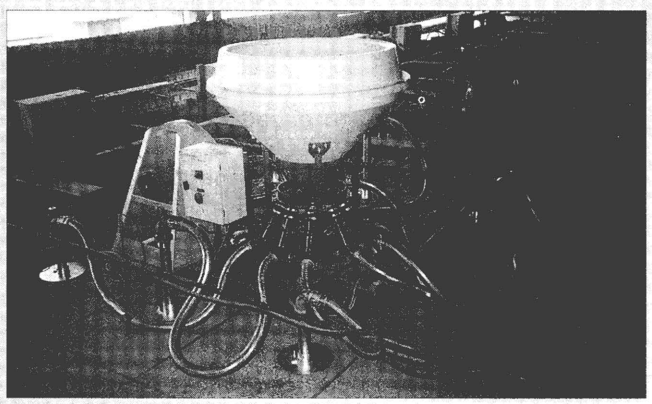
In Belgium, Flanders recently showed itself keen to set up 15 industrial guild pairings involving Flemish and African companies (in Tanzania, Uganda and Guinea). Apart from the CDI, the institutional partners involved in this project are the ABOS-AGCD (the Belgian national development cooperation office) and the CPP (Company Partnership Plan)[1].

CDI Contact: Paolo Baldan

[1] The CPP was formed through the association of three institutions: the VKW (*Verbond van Kristelijke Werkgevers en Kaderleden* – the professional organisation of managers and executives) – the Roularta Media Group – which in particular publishes the magazine 'Trends' – and the non-governmental organisation ACT, which supports development projects in various African countries.

Belgian SME teams up with Kankan brickyard in Guinea

The Kankan brick factory in Guinea has a long history. It began in 1973 as a state-owned enterprise, established with assistance from the People's Republic of China. Ten years later, the production unit has been modernised for the first time. It had an annual production capacity of 20,000 tonnes of burnt clay bricks and enjoyed the advantage of very high quality local raw materials, but had been experiencing major operational difficulties. It was taken over in 1987 by the Guinean private company Sidafa Sano & Fils. Lacking experience in this industrial activity, the latter contacted the CDI to find a partner to support it in a sector where the skills of European SMEs are among the best in the world.



Kankan brickyard - Heating unit running on vegetable fuel

The first diagnosis was very positive. Overall, the vital parameters of the Briqueterie de Milo – the only industrial company operating in this sector in Guinea – were good. The unit was well designed. The preparation and shaping line, the tunnel drier and the tunnel kiln combined modern equipment with manual handling of materials, which should have meant that quality products could be made with a workforce of about 70. However, the company was unable to overcome certain technical problems and its productivity was stagnant at 50% of capacity.

Between 1988 and 1991, the CDI and the Walloon Region of Belgium cofinanced various diagnostic, training and production assistance efforts, involving Ceratec. This company, based in Mouscron, Belgium, produces equipment for the brickmaking industry[1]. 'We are very interested in the African market, where the construction industry is vital', explains *Daniel Deconinck*, the company's export manager. 'In Africa, when the economy picks up, the positive effects on the construction industry are immediate. But it is clear to us that relations with the purchasers of our equipment call for long-term partnerships.' Ceratec realised, for instance, that the Kankan brickyard could not afford to produce its energy with imported petroleum fuels. A special technique was therefore developed in Belgium for heating the brick kilns using a vegetable fuel obtained from cottonseed, a plant grown widely by local farmers. 'But on top of the technical assistance relating to the operation of the equipment, we also provide our partners with the necessary guidance in everyday management, marketing problems and so on,' states Mr. Deconinck. He continues: 'I must say that the helping hand from the CDI in all these fields is extremely valuable. For us, this type of partnership really pays off. Our very active presence in Guinea has led to other business with a brick factory in Mali.'

[1] With a conspicuous presence on the African market, Ceratec also has partnership agreements, supported by the CDI, with companies in Malawi and Uganda, and is currently looking at possible agreements in Zambia and Rwanda.

Belgian-Dominican joint venture Esquiz Dominicana (Dominican Republic)

The Esquiz venture is quite singular. Following a study mission on the development of tropical fruit in the Caribbean, to which he was assigned by the CDI, Belgian expert Paul Vlaminck teamed up with four Dominican SMEs (Bon Agroindustrial, Ilguiflod, Tropijugos and Latin Fruit) to create Esquiz, a company which markets their products: ice creams, nectars, syrups, purées, etc. Tropical fruit derivatives are enjoying growing success, particularly in Europe. In 1994 and 1995, thanks to different CDI interventions, this young company attended the specialised trade fairs SIAL (Paris), ANUGA (Germany) and Alimentaria (United Kingdom).

Through these commercial contacts, the consortium quickly reached an annual turnover of US$ 800,000. With the Centre's support, the four SMEs introduced the most stringent international quality standards (ISO 9000, HACCP) and the IQF (Individually Quick Frozen) system for freezing fresh fruit juices.

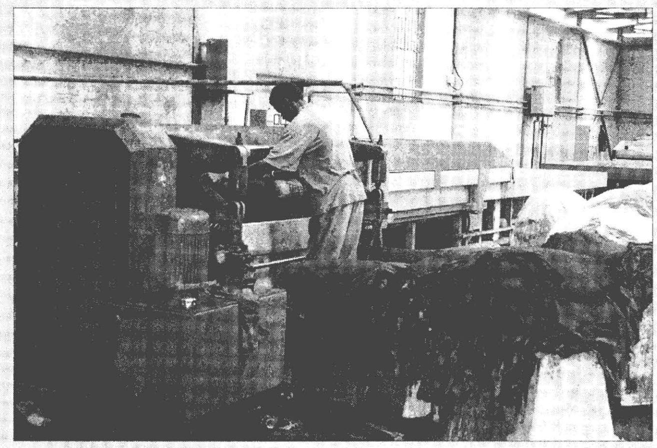
Esquiz Dominicana - Particularly effective hygiene and quality standards

It is a rapidly expanding market – a recent study of EU countries estimated that demand for the basic products involved was running at 200,000 tonnes (valued at US$ 218 million). Demand within the French soft drinks market alone is said to be about US$ 3 million. Agaisnt this backdrop, Esquiz doubled its turnover in 1996 and its production staff grew from 150 to 230. Other Dominican companies are now interested in joining the consortium.

Partnership between Curtidos Corderroura (Spain) and Tannerie de l'Afrique de l'Ouest (Mali)

Set up in December 1994, Tannerie de l'Afrique de l'Ouest is the result of a partnership between the Spanish company Curtidos Corderroura, specialists in the field of leather, and a Malian private promoter. The objective is to produce high-quality leather from sheep and goat skins. The skins processed in Mali are marketed in Europe (Spain, France and Italy) by Curtidos Corderroua.

The CDI supported various expert missions for this young business when the new factory was being built and the company was installing a complete range of equipment, including, notably, a waste treatment plant. The Centre then provided support for personnel training at all stages of production (cutting, soaking and greasing, wringing out and drying the skins, maintenance of equipment), while the head of the workshop and two Malian supervisors also received training in Spain.



Tannerie de l'Afrique de l'Ouest - Employment for 150 and up to ten times as many indirect jobs

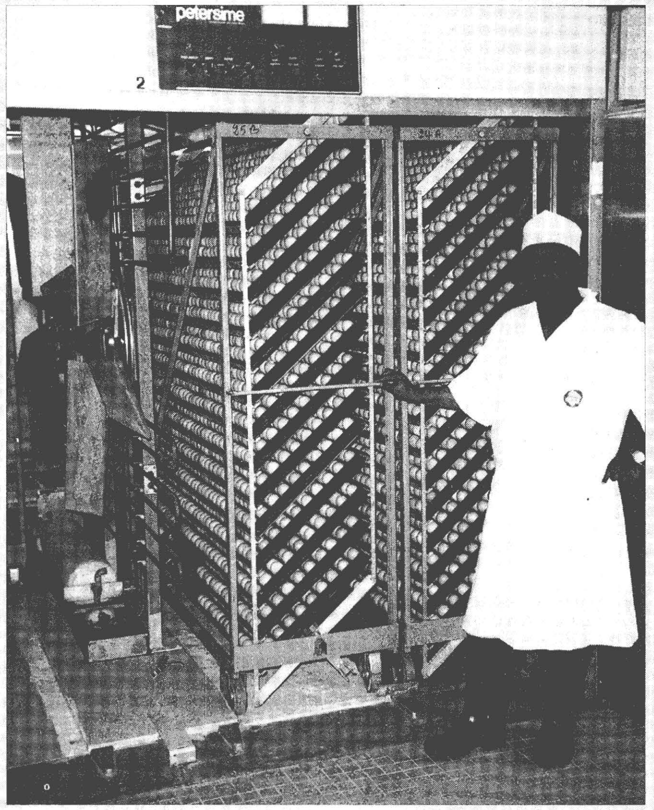
Entirely export-oriented, Tannerie de l'Afrique de l'Ouest has very quickly reached an excellent cruising speed. With a processing capacity of 7,000 skins a day, the company employs 150 people and generates some 1,500 indirect jobs. Production doubled between 1995 and 1996. The firm is still growing and last year turnover reached ECU 1.8 million.

Poultry: Franco-Cameroonian and Belgo-Ivorian partnerships

Support provided by the CDI in the poultry sector has helped African companies to obtain a greater mastery of the relevant technologies and to rationalise production. In so doing, they have been able to reduce costs and market their products at competitive prices in this important food sub-sector.

In 1995, the French group Enagrex/Jourdain acquired a 34% holding in MVOG BETSI (Cameroun), a company created as a result of the privatisation of a state-owned poultry operation. In this joint venture agreement, the CDI's support focused on modernising buildings, training personnel (in breeding and incubation, foodstuffs production and commercial management) and assisting technical experts. MVOG BETSI, which occupies a 24-hectare site, has a feedstuff production unit and provides employment for some 30 people, has already acquired a reputation as one of the leading poultry concerns in Central Africa. Ultimately, the operation should have 30,000 breeding hens allowing for an annual production of 2.5 million one-day chicks.

The rational development of poultry production: a key sector of the food industry



In Côte d'Ivoire, FACI, a company which is in partnership with the Belgian firm Versale-Laga, has had CDI support for its policy of expanding and diversifying its activities (notably in launching a new unit for rearing breeders). The CDI's intervention took the form of an expert's assistance in defining the programme, training for two technicians in Europe and supervision missions.

Industrial Partnership Meeting

The meat sector: a new field of action for the CDI

The meat sector, an important industry for Southern and East Africa, was the focus last May of the first partnership meeting organised in this field by the CDI. It was a long-awaited initiative that lived up to its promise.

'These four days had the great merit of being centred on specific realities, allowing fruitful contacts to be established', explains William Beeckman, Belgian industrialist and consultant specialising in the meat and spice sectors. 'We were able to appreciate the performances of this region of Africa in a key segment of the European market, that of beef. But we also discovered a much less known production sector which looks very promising – ostrich meat.'

From hatcheries to abattoirs

From 27 to 30 May 1997, 17 EU entrepreneurs – Belgian, French, German, Italian, Spanish, British and Swedish – and 25 companies and organisations from Eastern and Southern Africa – Botswana, Ethiopia, Kenya, Madagascar, Mauritius, Namibia, Swaziland and Zimbabwe – got together in Windhoek (Namibia) for the first partnership meeting in the meat sector organised by the CDI. The quality of the participants – selected on each continent for their converging interests – and the diversity of the companies visited (ostrich and cattle farms, slaughterhouses, processing units, etc.) all contributed to the success of the meeting, resulting in various commercial and technical co-operation agreements which have been concluded or are in the process of being finalised.

Why Windhoek? To the north of South Africa, with large sparsely populated areas, Namibia is one of the most active countries of the SADC (Southern African Development Community) in cattle farming and in the meat industry. Some 208,000 beef carcasses are exported to Europe every year from Namibia, Botswana and Zimbabwe. 'In particular, we visited the Meatco slaughterhouse in Windhoek, which deals with 250 to 300 head of cattle every day in hygiene conditions as stringent as you would find in any of our countries', continues Mr Beeckman, 'and the choice cuts are exported directly to Europe'.

Visit to the Meatc o abatooir in Windhoek during the industrial partnership meeting organised by the CDI

Europe: well-informed consumers

European meat markets vary considerably across the different Member States. Germany, Italy, Portugal, the United Kingdom and Greece are the leading importers. Spain, Finland, Sweden and Austria are largely self-sufficient, while Ireland, the Netherlands, Belgium, France, Denmark and Luxembourg are net exporters.

But the market is evolving. Europeans are increasingly aware of health criteria and environmental aspects. The demand for natural products is growing constantly. Quality – and no longer just price – is having an increasing effect on buying patterns among many consumers. In addition, modern life styles tend to favour precooked dishes or 'ready-to-cook' products. All these demand-led factors call for new marketing strategies. Importantly, the image of a product is now projected in terms of quality, and relations between industrialists and distributors are becoming closer than ever (to the point that in Germany eight companies control 80% of the retail meat trade, which is dominated by supermarkets).

Ostrich meat, a special flavour

This situation opens up the possibility of developing Euro-African partnerships based on the specificity of certain products (extensive livestock farming, natural feed, etc.). Ostrich meat – which

Pilot farm in Madagascar

Since 1993, Jean and Régine Rakotondrabe have been looking at the possibility of introducing ostriches to Madagascar. The animal is not native to the island. On various trips to Southern Africa and Europe, they have studied the conditions for rearing and slaughtering this bird, together with the possible outlets for its meat and skin. An initial technical and commercial feasibility study enabled them to specify their project in detail (production methods, critical size, investment and operating costs, construction of an abattoir).

The company Madagascar Autruches – approved as an enterprise established in a free zone – is entering its pilot stage this year. The farm is not far from Antsirabe – 170 km south of Antananarivo – on the high part of the plateau, where the climate is perfectly suited to this type of farming. All the raw materials necessary to feed the ostriches are produced locally with no use of imported feedstuffs. At the moment, the farm covers some 60 hectares and should soon triple in size.

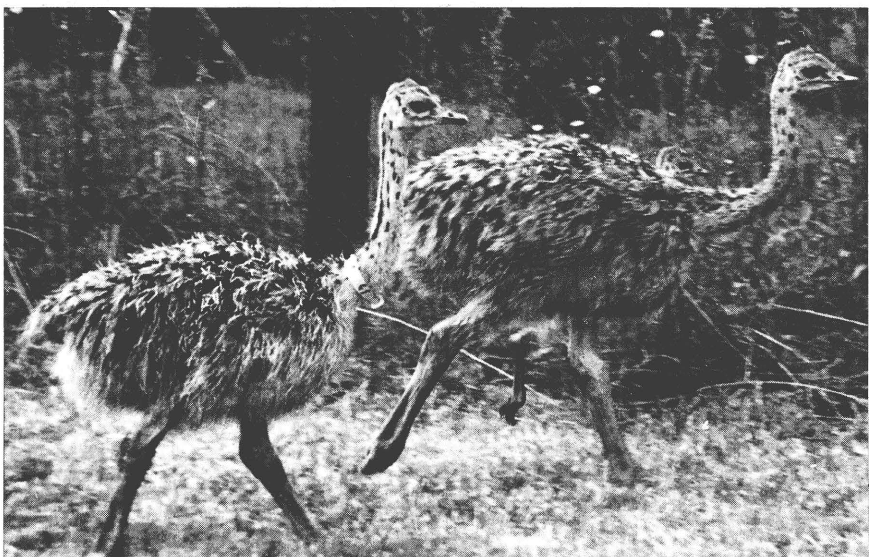
Madagascar Autruches was started up with CDI support. Through the offices of the Centre, technical assistance is being provided by an expert veterinarian and owner of an ostrich farm in France. She brought in her know-how during the launch stage and; in particular, presided over the selection of around 75 breeders (worth around ECU 2,000 per animal), imported from Zimbabwe and Botswana. The project leader, farm head and head of the hatchery, together with the Malagasy company's own vet, will shortly be following a training course on a French ostrich farm. The process will be completed by a third technical start-up assistance stage (construction of the breeding centre, especially the hatchery and incubator, staff training, etc) over a period of six months.

After this installation phase, production will move into top gear as of 1999, and by 2001 Madagascar Autruches will be slaughtering its first animals and starting to export. The Malagasy entrepreneurs consider that they can cover 4% to 5% of the European demand for ostrich meat. As for leather, contact has already been established with European tanners.

some are already calling 'the turkey of the year 2000' – is growing in popularity in Europe with demand up by 40% over the last two years. Accounting for 80% of world production, with some 27,000 birds a year, South Africa is the leading supplier to Europe, the United States and Asia. 70% of these exports are in the form of deep-frozen meat but some new presentations, such as vacuum-packed products, have been appearing in European distribution networks in recent years. With a flavour comparable to beef but at selling prices some 10% lower, this protein-rich meat, with its low fat and cholesterol levels, has genuine advantages. For SADC countries, farming animals native to the region provides a particularly interesting opportunity and does not require excessive start-up investments. As well as the meat, the skins of these animals are currently traded at ECU 200. Whereas the bird's leather used to account for 70% of the ostrich farmer's income, the proportion is lower today since the demand from tanners is not keeping pace with that for ostrich meat.

'We met African partners who have an extensive knowledge of this speciality and who operate under excellent slaughterhouse conditions with a highly trained staff. The Windhoek meeting forged stronger relations between suppliers and importers and provided a better understanding of everyone's problems, particularly those of European distributors', comments *Laurent Simon*, manager of the French company Auxavia, which specialises in the production of ostrich meat. 'There is no European legislation applicable to ostrich meat, which is often wrongly regarded as poultry. Some countries have adopted transitional rules, based on those applicable to red meat. France only accepts imports from Israel, which makes it difficult to market the product as we would like. We really need European regulations on slaughtering and transport to be able to develop partnerships with Africa, as other European countries are already able to do.' This important question is being studied by the European Commission which had a representative in Windhoek for the partnership meeting.

A meat rich in proteins, with low fat and cholesterol levels



IN BRIEF

CDI and the Rouen Chamber of Commerce and Industry

A cooperation agreement was signed on 9 June between the CDI and the Rouen Chamber of Commerce and Industry (CCI). *Fernando Matos Rosa*, Deputy Director of the Centre, and *Paolo Baldan*, in charge of the European Network, met with *Jacques Mouchard,* President of the CCI, and *Jacky Romain*, of the *Institut de Promotion des Activités du Développement* (IPAD), to analyse the cooperation already developed between the two institutions and new prospects on the horizon. Four partnerships between SMEs in Normandy and Africa have recently received joint support. Nutriset (baby foods and nutrition foodstuffs) has signed an agreement with a Mauritanian company, SODIPRA (in the food sector), and Breard (silkscreen printing) with companies in Côte d'Ivoire, while the fishing boat builders, Hauchard, have established partnerships in Mauritania and Senegal.

Fernando Matos Rosa, Deputy Director of the CDI (on the right) and Jacques Mouchard, President of the Rouen CCI, signing the cooperation agreement linking the two institutions

Namibia: CDI-SYSMIN cooperation for mining projects

Set up by the Lomé Convention of 1975, the SYSMIN fund offers special financing facilities for development activities in the mining sector in ACP countries. Following the Mining Forum in Lusaka organised by the European Commission in 1994, the local coordination unit SYSMIN-NAMIBIA - asked by the Namibian authorities to manage the financial support jointly approved by the EU and Namibia - initiated cooperation with the CDI to provide technical support for projects presented in the first stage by three mining companies: a feasibility study for the construction of a cement factory, support in coordinating investment in an integrated lime-cement unit and the transfer of know-how in the fields of gold and silver work and industrial gems.

The financing provided by SYSMIN for the investment totals ECU 2 million. The assistance is cofinanced by the CDI and the European Commission. Other projects are also being studied in the field of lime applications and the exploitation of deposits of fluorspar, marble and sodalite.

The purpose of the SYSMIN fund is to promote the development of the mining sector in ACP countries

Timetable for Industrial Partnership Meetings

To encourage European and ACP SMEs to work more closely together, the CDI is developing two types of initiative:

- Industrial Partnership Meetings (IPMs) focused on specific sectoral themes and bringing together ACP companies from several countries in a particular geographical area. IPMs are open to selected industrialists from countries in both the North and the South, according to their potential complementarity. These meetings, designed to be pragmatic, encourage contacts 'on the spot' and relations between one entrepreneur and another.
- Other business meetings are organised by the Centre at industrial fairs and exhibitions in Europe, to which the CDI invites firms from ACP countries.

SEPTEMBER

Fruit and vegetables in Eastern and Southern Africa - IPM in Zimbabwe

Meetings between traders and producers, company visits.

CDI contact: Tommy Pedersen

Wood industry in the Caribbean - Birmingham (United Kingdom)

A selection of Guyanese companies specialising in the manufacture of garden furniture have been invited by the CDI to the GLEE (Garden and Leisure Exhibition) fair in Birmingham.

CDI contact: Jordi Tió Rotlan

OCTOBER

Cement components in West Africa - IPM in Côte d'Ivoire

New markets and investment opportunities

CDI contact: Sid Boubekeur

Wood industries in the Pacific region - IPM in Fiji

Meetings between industrialists from the EU and the Pacific region. Company visits in Fiji.

CDI contact: Jordi Tió Rotlan

Textiles and clothing in Eastern and Southern Africa - Milan (Italy)

Meetings with EU buyers organised for ACP firms invited to the Milan Fair

CDI contact: Daniel Nairac

NOVEMBER

Fruit and vegetables in Central Africa - IPM in Cameroon

Seminar on processing possibilities and commercial outlets

CDI contact: Tommy Pedersen

Poultry-farming in Africa - Utrecht (Netherlands)

Visit by African farmers to the Utrecht International Fair on intensive poultry-farming

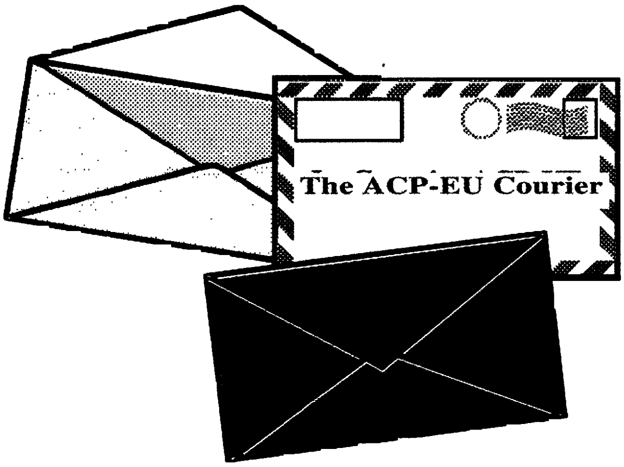
CDI contact: Cherif Touré

BEGINNING OF 1998 (date to be confirmed)

EU-Western and Central Africa Mining Forum - Accra (Ghana)

A major business meeting organised by the European Commission, with CDI support.

CDI Contacts: Patrick Keene and Sid Boubekeur



Somalia: a good description

I appreciated very much the articles you devoted to the 'functioning anarchy' of Somalia in your March-April issue.

I am quite familiar with Somalia, having paid 12 visits there since 1993. I was also in Kismayo this February and can testify to the difficult situation facing the engaging people of this country. It is perfectly described in your feature and I should like to extend my congratulations to you.

Doctor Richard Lombard, Cheratte-Visé, Belgium.

The future of ACP-EU cooperation

I am neither a journalist nor a historian but I would like to offer my own modest thoughts on the future of ACP-EU cooperation.

The world is going through an unprecedented crisis which happens to have coincided with the collapse of the Soviet bloc and the growing predominance of 'western' ideas. Far from benefiting the poorest countries of the globe, the new circumstances in which they are obliged to operate threatens to cast them into the abyss.

Despite all the 'first-aid' treatment prescribed by the World Bank, the International Monetary Fund and the European Union, which translates into many different forms of cooperation agreement, the developing countries are still struggling to survive. In their cooperation, the ACP and EU countries are far from achieving the objectives that they set themselves. With the agreement due to expire in the year 2000, the future for the least-favoured nations of the planet is far from rosy. This is particularly true for the countries of sub-Saharan Africa which face a daunting array of socio-economic and political problems.

Public enterprises have made large numbers of workers redundant, adding to the already swelled ranks of the unemployed. Privatisation may offer an enticing 'solution' but it does nothing to solve the crisis of joblessness. Only the agriculture sector is capable of making a serious contribution to solving this problem.

People who have been thrown out of work clearly suffer a reduction in their spending power and the state is no longer in a position to offer even the most basic social provision. Schools are increasingly falling into a state of ruin - and this is obviously having negative repercussions in terms of educational standards. Health infrastructures, meanwhile, face a chronic shortage, both of trained professional staff and of medicines (this is not to mention the growing failure to meet even basic standards of health and hygiene).

Faced with this situation, ACP-EU cooperation must be strengthened and injected with a new dynamism. The mechanisms which are set up in future must be aimed at eradicating illiteracy - one of the most obvious brakes on the achievement of successful development. They should also be designed to initiate people in management. With the help of the European Union, the people of the developing countries need to be given the chance to participate in the conception, execution and follow-up of integrated development projects.

Assane Ndiaye, Mbaké, Senegal.

Thatching as an alternative

I was very interested in Robert Jourdain's article on controlling production of day-old chicks in a tropical environment, which was published in the CDI-Partnership (page 3) of issue 161 of *The Courier.* Having lived and worked in various parts of Africa, it seems to me that insufficient use is made of thatching for roofs. In many countries, suitable reeds are available and, as I have seen in South Africa, when used, thatching can provide a durable roof and good protection from both sun and rain.

Promoting the cultivation of suitable reeds, and the skills required for thatching would provide employment, a source of income for rural workers and a saving in the cost of imported aluminium sheeting. For henhouses, I would expect thatch to provide a cooler environment than aluminium roofing - at, hopefully, a lower cost.

P. Wilson, St Julia de Loria, Principality of Andorra.

Liberia: an essential project

I read your Country Report on Liberia with great interest. The articles give a very good indication of the realities 'on the ground' in this country.

You demonstrate clearly the impact, effectiveness and dynamism of the projects financed by the European Commission (covering water supplies, the port authority and microprojects) under the rehabilitation and development programmes.

I should mention, however, that there is another project financed by the Commission which is seen as essential and which you did not refer to - involving the National Drug Service. The project involves the reorganisation of the service, and the development of a central purchasing system for medicines and other medical supplies. The importance of this scheme is recognised by all partners working in the health field.

J.B. De Milito, European Agency for Development and Health, Brussels, Belgium.

Global warming – an alternative viewpoint

I can set your ACP readers' minds at rest. There is no 'global warming' and there is no 'climate change'. This whole anti-CO_2 campaign is the greatest manipulation of public opinion of our time.

The Climate Convention signatories were lured into their declarations of intent in 1992 because they accepted the 'scientific' theory devised by the Intergovernmental Panel on Climate Change (IPCC) that a 'climatic catastrophe' with a warming of +/– 8% was to be expected within the next 100 years. However, the IPCC management has since broken down under the weight of the counter-evidence. Panel Chairman Professor Bolin was obliged to admit at the World Energy Council (WEC) conference in Tokyo in 1996 that there was no scientific proof for their theories – after more than five years of scaremongering! In a face-saving attempt, IPCC declared a few weeks later: 'the balance of evidence suggests a discernible human influence on climate'. In fact, there is no evidence at all and there is no human influence at all.

More than 4,000 eminent scientists including more than 100 Nobel prize winners, have now signed the 'Heidelberg Appeal' warning the 'authorities in charge of our planet's destiny against decisions supported by pseudo-scientific arguments or false and irrelevant data'. The WEC said that the IPCC recommendations were 'based on shaky evidence, detrimental to economic growth, unrealistic, and influenced by academics seeking to attract funding for their work'.

The International Energy Foundation (IEF) has recently compiled a catalogue of reasons which show that the scaremongering also contradicts logic and basic common sense. It makes the following points, among others:

– Carbon dioxide is not a pollutant but vital to life on earth. Without CO_2, our planet's temperature would be -30°C. We emit the gas with every breath and so population growth alone – 2 billion people more in the next 10 years – will cause it to increase. CO_2 is also beneficial – it stimulates plant growth and increases harvests up to 40%, thus helping to combat hunger in the world.

– Carbon dioxide reduction could logically only be accomplished in respect of man-made emissions. However, this anthropogenic CO_2 is just 4% of all carbon dioxide present in the atmosphere. Cutting this by a quarter, which is the aim, would reduce atmospheric CO_2 by just 1%.

– It is ridiculous to try to predict what will happen to our climate in 100 years. We cannot even predict next week's weather.

– In the history of the planet, there have always been disasters and deluges. However, massive burning of fossil fuels, which is attacked as the root of all evil, only began 150 years ago!

– Even the IPCC says that 'global warming' can only be combated globally. Going it alone at a national or regional level would therefore be useless.

– More than 80% of the world's energy needs are currently met by fossil fuels and this will continue to be the case for the foreseeable future. We will continue to rely on fossil fuels if we wish to retain our standard of civilisation, and to improve the lot of the developing countries.

– If the alleged warming should come, it would have a very welcome side-effect: energy-saving for heat production and preservation of our energy resources.

– The core of all anti-CO_2 measures is to be a massive carbon tax. The additional tax burden is estimated at more than US$ 60 billion a year for the EU and even more for the USA. This would considerably damage their competitiveness. Even ACP countries without CO_2 taxation would be hit by the weakened ability of the industrialised countries to import their products.

– According to the most recent IPCC forecast (autumn 1996), the expected level of global warming is now +/-2°C. This would not be a disaster but an ideal climate. Even in hot countries, more CO_2 can only be beneficial since the gas does not cause desertification but rather humid heat and more precipitation.

– Environmental protection is, of course, a very laudable aim. 'Protection of the climate', however, is nonsense. To claim to be able to influence our climate is foolish arrogance. Man can do absolutely nothing against the forces of nature.

The alleged 'climatic disaster' has practically lost all public interest today. The world population has noted no climate change at all. Indeed, given the harshness of recent winters, a warming would have been very welcome. Millions continue to flock to the south for sun and warmth, and hope for temperatures far above +/-2°C. For all of them only a cool rainy summer would be a 'climatic disaster'.

Huge amounts of taxpayers' money have been squandered on useless meetings and the IPCC is recommending that many billions more be spent to prevent our world eventually getting an ideal climate! The lunacy of this whole affair is scarcely conceivable.

Dr. Peter E. Doerell, IEF Secretary General, Member of the Belgian Committee to the World Energy Council, Member of the European Academy for Environmental Affairs.

Publications received

Contes et légendes du monde et de Madagascar

[Stories and legends from Madagascar and the world]

Published by the European Commission Delegation to Madagascar (B.P. 746, Antananarivo)

This illustrated collection contains both Malagasy legends and Tuareg stories and is the result of a collaboration between Rissa Ikssa and the Soritra Association. The former, a Tuareg illustrator born in Niger in 1946, became aware very early on of the threat posed to his own culture. Choosing the life of a modern nomad, he became a painter, story-teller, illustrator, musician, sculptor and cultural promoter. In his efforts to promote the Tuareg identity, he discovered that many other peoples shared the same situation. Whenever possible, therefore, he meets artists who, like him, want to react against the threat. This work is the fruit of one such meeting with young graphic artists and Malagasy illustrators (the Soritra Association). The aim is to promote drawing as an instrument with which to give expression to their culture.

Unit Processes in Drinking Water Treatment

by W.J. Masschelein. Published by Marcel Dekker Inc., 270 Madison Avenue, New York, NY 10016, USA (1992).

This practical reference work is intended for all those faced with problems concerning drinking water. Its aim is to provide essential information on the fundamentals of most drinking-water treatment processes by describing practical experiences and potential drawbacks connected with using such systems. The book deals with processes such as disinfection using ozone, chlorine dioxide and ultraviolet; coagulation, flocculation and clarification; sedimentation, adsorption and filtration; bacterial growth and mortality; evaluation and diagnostic methods, and more besides. It should prove particularly useful to environmental engineers, eco-counsellors, plant operators, designers, public authorities, scientists, students and others interested in drinking water, food chemistry and technology.

L'aménagement durable des forêts denses tropicales humides

[Durable management of dense tropical rainforests]

by René Catinot. Publ. Scytale (24bis, rue Tournefort, F-75005 Paris). 1997.100 pp. ISBN 2-912309-00-X.

In 1992, in its conclusions, the Rio Conference supported sustainable management of tropical forests as the most effective way to halt their accelerated degradation. With a view to putting these conclusions into practice, the governments of countries with tropical forests were invited by the relevant international organisations (World Bank, FAO, ITTO) to place their forests under sustainable management as quickly as possible. However, as a new concept, the notion of sustainable forest management had never before been applied to tropical rainforests. This work is the first to throw light on this complex subject, providing a brief introductory overview of the problems posed (technical, social and human) and proposing a possible management system.

Les peuples des forêts tropicales - Systèmes traditionnels et développement rural en Afrique équatoriale, grande Amazonie et Asie du Sud-Est

[Peoples of the tropical forests - Traditional systems and rural development in Equatorial Africa, Greater Amazonia and South-East Asia]

Published in 'Civilisations', Vol. XLIV - No. 1-2 (Institute of Sociology of the Free University of Brussels, 44, avenue Jeanne, B-1050 Brussels). 1997. 255 pp. ISBN 2-87263-122-4

When people in the West refer to the inhabitants of tropical forests, they usually have in mind just a few 'symbolic' groups - the Pygmies in Africa or the Yanomamis in Amazonia. In fact, the indigenous peoples of the equatorial forests are by no means a small minority. Their numbers are significant and they depend entirely on the forest for subsistence. The human consequences of deforestation, management of protected areas and alterations to indigenous areas are, therefore, considerable - and it is these which form the focus of this work. This volume offers a rich comparative perspective of the implications of current changes for the inhabitants of tropical rainforests. It deals, in particular, with the problems facing indigenous people in the Democratic Republic of Congo, Cameroon, Gabon, Congo, Brazil, Venezuela, Colombia, the Moluccas, Malaysia, Papua New Guinea and Central Vietnam.

Guide pratique des mutuelles de santé en Afrique

[Practical guide to mutual health associations in Africa]

Produced jointly by ANMC/BIT-ACOPAM/WSM (121, rue de la Loi, B-1040 Brussels). 1996. 164 pp. BF 500. ISBN 90-73528-12-4.

This guide has been produced in response to a need expressed for some years now by managers and promoters of mutual health associations in Africa. It provides information, describes techniques and presents methodological references with a view to improving, in practice, the setting-up and operation of a mutual health association. It addresses the type of services that such an association can offer its members, the conditions of access to the services and the way in which they should be paid for. It also analyses the various tools available for financial management of an association and deals with the follow-up, evaluation and monitoring of services. Finally, it provides an overview of training within a mutual health association.

Amnesty International - 1997 Report

Amnesty International publications (1 Easton Street, London, WC1X 8DJ, UK). 1997. 397 pp. BF 600. FF 95. ISBN 2-87666-085-7.

According to this report, there were about 8 million refugees worldwide ten years ago. There are now 15 million, most of whom are women and children. Countries in the southern hemisphere are home to 85% of the world's refugees. Africa alone has 5 million. On top of this, the continent has at least 16 million people who are displaced within their own countries. Refugee numbers in the northern hemisphere are far lower. In theory, most Northern countries adhere to the principle that asylum seekers should not be turned away. The reality is rather different, with a whole range of legal and administrative measures in place aimed at dissuading people from asking for asylum. According to Sadako Ogata, the UN High Commissioner for Refugees, governments' reluctance to uphold the right to asylum is one of the most difficult problems the UNCHR has faced in recent years.

In addition to detailing government 'attacks' on the right to asylum, the Amnesty report publishes a list of no fewer than 149 states where it says serious human rights abuses occurred during 1996. Major violations recorded include the incarceration of prisoners of conscience, political detentions without trial, torture, disappearances and executions.

IN BRIEF

Development Council

The future of ACP-EU relations headed the agenda of the meeting of EU development ministers in Luxembourg on June 5. A progress report on the Green Paper consultations with ACP countries was given by Commissioner *Pinheiro.* In what appeared to be a substantial 'U- turn', most ministers said they favoured continuing cooperation with ACP countries beyond the year 2000. Dutch development minister *Mr Pronk* noted that 'a year ago, there was still talk of burying Lomé'. However, there is little hope of increased budgetary resources, with some Member States signalling their own budget difficulties.

The Council affirmed that the geographical context of future cooperation should be defined purely on economic criteria. It recommended that 'differentiation' in relations should operate on the basis of the ACP countries' levels of development, thus illustrating its desire to take account of ACP concerns at this stage of the debate. On several occasions, ACP countries have expressed hostility to the idea of breaking-up the ACP group into different units. Indeed, varying opinions were expressed in the Council about whether the group should be expanded to include other developing countries.

The Council also called for increased political cooperation within the partnership, with issues such as democracy, human rights and conflict prevention further integrated into cooperation.

Ministers responded positively to Commission proposals regarding support for structural adjustment and reducing the debt of heavily indebted countries. But they also criticised the complexity and ponderous nature of Lomé Convention procedures, and made impassioned pleas for these to be simplified.

The Commission is expected to submit a draft negotiating mandate to the Council by November at the latest, including the overall guidelines for the organisation of future relations with the ACP countries. In the meantime, it is likely that some ministers will soon be making submissions on behalf of their own governments, thus fuelling the debate.

The Council also discussed issues related to the 'coherency' of EU development cooperation policies. The resolution adopted by ministers refers to the provisions of the Maastricht Treaty in this area (Articles 130 U and V) and calls on the Commission to submit a yearly report to the Council on the problems created by incoherent policies. The Council will then use this as a basis for discussing the action to be taken. Ministers decided that the Commission should itself take account of this objective when submitting its proposals and also work towards an improvement of the dialogue with the ACP countries to identify rapidly potential areas of incoherence.

Ministers pinpointed four specific areas where they think greater coherence is essential: the establishment of peace, the prevention and resolution of conflicts, food security (fishing) and the problem of migration. At the request of some Member States, other subjects, of no less importance, such as agriculture, trade and the environment, may be added to the list in the near future.

The Council also adopted several conclusions on the importance of better operational coordination between the Community and its Member States.

Other items on the agenda for this session were:

– The link between research and technological development, and development cooperation policy (making use of technological progress in the EU to promote development in the ACP countries). The Council's adoption of a resolution is already a small step in the right direction, even if the conditions for implementation are still to be determined.

– Indigenous populations. Ministers invited the Commission to submit a discussion document to serve as the basis for the adoption of a resolution at the next Council meeting.

– The Democratic Republic of Congo (former Zaire). Mr Pronk mentioned that under the Dutch presidency, the Council had suggested sending a European troika but that this idea had been greeted with reluctance by the foreign ministers. The Council underlined its extreme concern about the large-scale massacres perpetrated in the east of the country and is awaiting the results of the current enquiry into who was responsible. Taking the view that this is principally a matter of EU foreign policy, Mr Pronk called on the EU foreign ministers to seek a political consensus as soon as possible.

– NGO co-financing, evaluation of the food-aid programme and the Court of Auditors report on humanitarian aid. Documents on these three subjects were approved without discussion. The Council adopted a common position on the legal framework of EU financing of development NGOs. Initiatives for the most marginalised populations in developing countries will have to be included. The EU will also finance programmes aimed at raising awareness of development problems among the European public. K.K.

'Fresh impetus' for South Africa-EU trade talks

A bilateral Free Trade Area (FTA) agreement between South Africa and the European Union will not be signed by the end of 1997 but should be concluded during 1998. This was the view expressed by both EU and South African negotiators who met in Brussels on July 18. Although participants at this ministerial meeting did not talk about the details of tariff cuts, they did set out the broad outline of the accord.

South Africa became a member of the Lomé Convention in April 1997, but is excluded from its trade clauses. Improved access to the EU's market for South Africa's goods and produce, and reciprocal trade benefits for the EU will be contained in a separate agreement which also encompasses other aspects of cooperation. The talks have been flagging, however, largely due to disagreements over the terms of access for farm produce (see *The Courier* n° 164, p.2).

Development Commissioner, *João de Deus Pinheiro*, said that the Brussels meeting had put 'fresh impetus' into the negotiations by establishing three principles for the future agreement: compatibility with the WTO; respect for 'sensitive' interests and products, and the fact that it must benefit the whole of Southern Africa. South Africa's trade minister, *Alec Erwin*, went further, saying that the meeting had 'not only confirmed the principles of the future agreement but had also identified the process that will make it possible to speed up technical negotiations.'

Compatibility with the WTO means that the agreement will cover all sectors and a substantial proportion of total trade. The EU pledges to abolish most tariffs within 10 years with a maximum of 12 years for highly sensitive products. South Africa will have 12 years to dismantle its protection. The joint statement, released after the Brussels meeting, said that the EU would eliminate its tariffs more speedily than South Africa other than in respect of certain sensitive sectors and products which would require 'special treatment'.

It was also established that the accord should 'contribute towards regional integration and balanced development in Southern Africa'. The parties jointly affirmed that SADC countries would have equal or better access to the South African market than the EU, and that rules of origin under the FTA would be designed to stimulate intra regional trade in Southern Africa. Both sides agreed to pay 'special attention' to the impact of the FTA on the economies of South Africa's SACU partners (Botswana, Lesotho, Namibia and Swaziland - all SADC states) as well as on the other SADC members (Angola, Mozambique, Zimbabwe, Zambia, Malawi, Tanzania, Mauritius).

EU support for South Africa's economic adjustment efforts will also feature in the agreement along with political dialogue, human rights clauses and several trade-related issues. Among the last-mentioned are the right of establishment and supply of services, movement of capital, competition policy, government procurement, intellectual property, standardisation and customs cooperation. Economic subjects covered will include industrial issues, investment promotion and protection, trade development, SMEs, the information society, telecoms and information technology, energy, mining and minerals, transport and tourism, agriculture, fisheries, services, and consumer policy. Development cooperation and other areas of cooperation relating to science and technology, the environment, culture, social issues, information, press and audiovisual matters, human resources, the fight against drugs, and money laundering, will also be dealt with.

Two further separate agreements are also proposed: on wines and spirits, where the talks are already quite advanced, and on fisheries cooperation (negotiations scheduled to resume at the beginning of 1998). D.P.

Aid and trade with the developing countries: Europe heads the field

At the recent Denver G7 Summit, largely devoted to the issue of support for the Third World (with a particular emphasis on Africa), EU representatives highlighted OECD statistics which indicate that the Union leads the field in terms of aid to and trade with the developing countries. Some years ago, the G7 agreed to target aid towards the least developed countries - which include many nations in Africa.

Since the early 1980s, European aid has been far higher than that of any other partner, irrespective of whether the figure is calculated in dollars or as a percentage of GDP. In 1995, it was four times as great as the sum allocated by the US and twice as large as the figure for Japan. Overall, the EU is the source of more than half of global ODA (the exact figures is 51%). The shares for the USA, Japan and Canada are 14.6%, 23.5% and 3.7% respectively. As a percentage of GDP, European aid was almost 0.4%. (the equivalent of $100 for each European citizen) and it is said to be more targeted towards the poorest countries than the aid granted by other donors. As far as Africa is concerned, the EU was by far the most 'generous' partner during 1995, providing seven times as much aid as the US and six times more than Japan.

Europe also occupies the top slot in terms of humanitarian aid. In 1996, it allocated an estimated $1.98 billion for this purpose as against $1.29 billion from the USA, $139 million from Japan and $77 million from Canada. Within the United Nations system, the Union provides more than 51% of the operating and programming budgets of the High Commission for Refugees, 41% in the case of the World Food Programme and 58% of the resources in the United Nations Development Programme budget.

As for trade, the European market is much more receptive to imports from developing countries than any other G7 partner. Most goods enter duty-free. It was suggested that the preferential systems operated by the US, Japan and Canada were markedly less generous.

In 1995, Europe imported twice as many goods by value from sub-Saharan African than the other G7 partners put together. This includes agricultural produce, despite the protectionism of which Europe stands accused in this sector.

Finally, the figures indicate that the EU imports five times as much from the least developed countries as the US, and eighteen times as much as Japan.

Six principles for conflict prevention in Africa

Professor *João de Deus Pinheiro*, the European Commissioner with responsibility for relations with ACP countries, visited New York in June for an official meeting with UN Secretary General, *Kofi Annan*. While in the city, he also delivered a speech at the International Peace Academy on the subject of conflict prevention in Africa. The Commissioner spoke of six principles which he believed should guide the EU and the international community in their operations in this region, in areas ranging from peace-building and preventive diplomacy to peace-keeping and post-conflict reconstruction.

The first principle elaborated was that of 'ownership'. Ultimately, Professor Pinheiro said, Africans themselves would have to decide to what extent they would engage in conflict prevention, management and resolution, and how far they were committed to building institutions and policy-making structures that would make states viable. He did not believe though that this should prevent others from taking initatives as well, and the EU would therefore continue to pursue 'proactive' policies. But in applying the 'ownership' concept, Europe would not attempt to deliver 'ready-made solutions' to Africa.

Second on the list was 'enhanced effectiveness' of assistance to Africa. The task of effectively preventing and resolving conflicts far exceeded the limited resources available, he noted, and priorities must therefore be carefully considered for each country and region. The main challenge, according to the Commissioner 'is neither technical nor managerial, but conceptual.'

The third principle elaborated by Professor Pinheiro was the need to focus on preventing violent conflicts, which entailed peace-building at an early stage when tensions were not yet obvious. Discussions on 'conflict prevention' often focused solely on existing crisis spots, like the Great Lakes region, but currently peaceful and stable countries should not, he believed, be ignored.

Fourth was the idea that development assistance should form the basis of peace-building and conflict prevention. Peace-building was not simply one of a number of 'priorities' but should be viewed as a yardstick in setting priorities. The Commissioner argued that economic growth was not the thing that counted most. Functioning political systems were, in fact, the key to Africa's development. Aid should be used to target the root causes of violent conflict - which included the failure of the state, illegitimate government, corruption and the repression of democracy, rights and freedoms. The experience of the last 15 years, he averred, clearly demonstrated that development could only take place if the political conditions were right.

Commissioner Pinheiro's fifth principle was 'coherence'. Instead of thinking of 'instruments', he suggested, we must start thinking about 'problems'. The root problems of violent conflicts should be addressed in a coherent manner, using an appropriate mix of the available instruments - political, social, environmental and even military measures.

Finally, he stressed the importance of 'coordination' which was essential in responding to such complex challenges. The adoption of the 'New Transatlantic Agenda' had confirmed a broad convergence of views between Europe and the United States on major policy issues, including policies towards Africa. Professor Pinheiro added that the United Nations and the NGOs both had a crucial role to play in conflict prevention.

The European Commissioner concluded by warning that a strong focus on functioning political systems should not serve as a pretext for slashing aid budgets. For aid to be effective, he argued, there needed to be a 'critical mass'. And ultimately, he warned, massive cuts in aid could require an increase in funds for peace-keeping and humanitarian assistance.

Risk-capital forum

Icna, an association of 50 SMEs and consultants in 21 countries, which has its headquarters in Mulhouse (France), will stage the Second International Forum on the Development of SMEs on 23 October 1997 in Bollwiller-Mulhouse. The theme of the meeting will be *Risk capital: what are its uses?*

A concept that few are yet familiar with, risk capital is a new form of financing which is currently winning over increasing numbers of supporters. When a business is able to propose an interesting product, but does not have the capital to develop it, and cannot offer the guarantees needed to obtain a conventional bank loan, it can approach a risk-capital company which analyses the project. If the project is deemed viable, the latter becomes a shareholder in the business, rather than simply lending the money. It makes its know-how, skills and contacts available to the business which can then find partners more easily. After a certain period, once the business is secure, the risk-capital company will sell its holding and move on to support other projects.

Issues to be addressed at the Forum include the stages of risk-capital intervention, the criteria for selecting and methods for evaluating a project, ways in which to set up a project and the drawbacks.

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THE INSTITUTIONS AT WORK

COMMON FOREIGN AND SECURITY POLICY

Within the framework of its Common Foreign and Security Policy, the European Union has recently issued a number of statements on issues of international concern, details of which are set out below:

Encouragement for the reconciliation process in Burundi

Declaration of 20 May 1997

The European Union welcomes the outcome of the summit meeting of regional Heads of State in Arusha on 16 April 1997 and confirms its support for their efforts. Its special envoy will continue to work in close collaboration with them.

The EU condemns the atrocities committed daily against civilians and other violations of human rights.

In that context it has learned with consternation of the recent violence in the provinces of Makamba and Bururi, and in particular of the massacre of forty-three seminarists and staff members at the seminary in Buta carried out by armed rebels on 30 April this year.

It totally condemns that massacre and offers its condolences to the families of the victims and to those in charge of the seminary.

The EU believes that such acts of violence, whoever they are committed by, seriously undermine the peace process in Burundi and therefore calls on all the parties in the conflict to renounce violence, publicly to repudiate the acts of violence committed daily in Burundi and resolutely to pursue a political settlement.

The EU solemnly appeals to all Burundian leaders not to let themselves be tempted by the illusion of a military victory. It repeats its appeal for a ceasefire and an immediate and unconditional start on negotiations amongst all parties to the conflict in Burundi.

It also repeats its concern at the humanitarian situation in the 'regroupement' camps and appeals to the Burundian Government to disperse those camps at the earliest opportunity.

Call to respect agreed commitments in the Democratic Republic of Congo

Declaration of 22 May 1997

The European Union was encouraged that the change in Government in Kinshasa has taken place without widespread fighting. In this context it recalls the untiring diplomatic efforts of the UN, OAU, African countries and in particular South Africa, as well as those of the EU Special Envoy, to find a peaceful solution to the conflict. At the same time, it regrets the loss of life which occurred throughout the conflict.

The EU expresses the hope that the transitional Government will be as broadly based as possible in order to encompass the political aspirations of all of the people of the country. The EU looks forward to the implementation of President Kabila's commitments to convene a constituent assembly within 60 days and to hold elections within two years. The Union restates its willingness to support the democratisation process leading to free and fair elections, which should bring lasting peace, stability and prosperity for all the people of the country.

The transitional Government has the responsibility for promoting reconciliation between all the people of former Zaire, now the Democratic Republic of Congo. In this regard, respect for human rights and commitment to democracy will be essential.

The Union recalls that the new authorities are responsible for security throughout the country, including the protection and dignified treatment of refugees, large numbers of whom remain in the Democratic Republic of Congo. It is important that the humanitarian organisations have full and unrestricted access to them. The Union attaches importance to the implementation of Mr Kabila's earlier commitments in this regard and urges him to ensure that there is full respect for international humanitarian law, as well as to ensure the safety of humanitarian aid workers.

The EU regrets that the investigative mission of the United Nations Commission for Human Rights was prevented from visiting the country. It urges the new authorities to allow the UN to carry out its work in relation to human rights as a matter of urgency and to guarantee it unhindered access to all the regions it wishes to visit.

It is on this basis, and bearing in mind the huge problems of rehabilitation, as well as of economic and social reconstruction of the country, that the Union hopes to develop its relations with the Democratic Republic of Congo to help its people pursue their legitimate aspirations.

A Presidency-led mission, including the Commission and the EU Special Envoy, will convey the Union's views to the new authorities and, in the light of their visit, recommend appropriate next steps, including at the political level, to promote the EU's objectives in the region.

Coup in Sierra Leone

Declaration of 28 May 1997

The European Union deplores the current attempt to overthrow the democratically elected Government of Sierra Leone and strongly urges the restoration of democratic civilian government. The EU is deeply concerned at the level of violence against both local and foreign communities.

The EU expresses the hope that the peace process will be continued after constitutional order has been restored.

The Associated countries Bulgaria, Estonia, Hungary, Latvia, Lithuania, Romania, Slovak Republic and Slovenia, and Iceland and Norway, members of the European Economic Area, align themselves with this declaration.

Aid suspension - Sierra Leone

Declaration of 20 June 1997

The EU recalls its statement of 28 May 1997 on the coup in Sierra

Leone. The EU notes with concern that constitutional order has not yet been restored. The European Community and its Member States therefore consider that existing development assistance to Sierra Leone cannot be continued under present circumstances.

The EU applauds the strenuous efforts by states in the region to provide a peaceful solution by diplomatic means to the problems of Sierra Leone. The EU supports these initiatives as well as continuing efforts within Sierra Leone to find a resolution to the conflict without further bloodshed.

The Central and Eastern European countries associated with the EU, the associated country, Cyprus, and the EFTA countries Iceland and Norway, members of the European Economic Area align themselves with this declaration.

Call for end to hostilities in the Republic of Congo

Declaration of 20 June 1997

Deeply concerned at the situation in the Congo, the European Union calls on all parties to cease hostilities on a permanent basis and to work together for the restoration of civil peace and national reconciliation.

The EU fully supports the mediation undertaken by President Bongo of Gabon in cooperation with Mr Mohamed Sahnoun, special representative of the UN and OAU Secretaries-General.

The EU considers it essential for the Congo's future that the democratic process, which was to lead to the presidential election, should be resumed without delay. It is prepared to support the electoral process and to recommend that the appropriate bodies respond to any requests for emergency humanitarian aid submitted to it by the Congolese authorities.

Concern over the electoral process in Mali

Declaration of 2 July 1997

The European Union is keeping a careful watch on the course of events in the electoral process under way in Mali.

Given that the transition to democracy in Mali has always been regarded as a model, the EU expresses its disquiet at the prevailing mood of boycott, which threatens to jeopardise the proper conduct of the democratic process and the stability of pluralist political structures in Mali.

The EU is keeping a close watch on the judicial proceedings involving the arrested leaders of opposition parties.

The EU wishes all shades of opinion to be able to make themselves heard in the forthcoming elections in order for Mali's democratic process to move ahead smoothly, in compliance with the constitution. It calls on all political groupings to take an active part in the elections.

The EU reaffirms its support for its Malian partners in consolidating the democratisation process.

The Central and Eastern European countries associated with the EU, the associated country Cyprus and the EFTA countries Iceland and Norway, members of the European Economic Area align themselves with this declaration.

Concern over the adjournment of the 2nd round of elections in Haiti

Declaration of 2 July 1997

The European Union has taken note of the adjournment *sine die*, announced on 12 June 1997, of the second round of the partial elections in the Republic of Haiti and of the resignation of the Government of Mr Rosny Smarth on 8 June 1997.

Concerned at the atmosphere in which the electoral process in Haiti was conducted, it very strongly hopes that the Haitian people will be able to express their wishes as soon as possible in free, honest and transparent elections, offering citizens the widest range of opinions and choices in accordance with rules and procedures accepted by all. It expresses hope that a new Government can be formed at an early date. It reaffirms its determination to continue its support for strengthening the rule of law and the economic and social development of Haiti.

Hope of a resolution of crisis in the Republic of Congo

Declaration of 11 July 1997

The European Union is seriously concerned at the situation in the Congo (Brazzaville). It nevertheless considers the process being set in hand to find a solution to the crisis to be a very hopeful sign. A draft ceasefire agreement drawn up by the internation mediation committee, headed by President Bongo, after consulting the Congolese parties, was submitted to those parties by Mr Mohamed Sahnoun, the special representative of the UN and OAU Secretaries-General. The EU appeals to the parties to show their sense of responsibility by taking this opportunity to embark firmly and very swiftly upon a political settlement of the Congolese crisis, enabling the process leading up to the presidential election to be successfully completed.

EUROPEAN DEVELOPMENT FUND

Following, where required, favourable opinions from the EDF Committee, the Commission has decided to provide grants and special loans from the 5th, 6th and 7th EDFs to finance the following operations (grants unless otherwise stated). Major projects and programmes are highlighted.

Economic and social infrastructure

Ghana: ECU 4.8 million for a timber industry development programme.

Madagascar: ECU 600,000 to develop algae growing and for the construction of traditional fishing boats.

Madagascar: ECU 1.9 million for a tourism support programme.

Mali: ECU 15 million in Sysmin funds for mineral resources development and to improve profitability of mining activities

Mali-Senegal-Mauritania: ECU 30 million for the Manantali regional energy project to develop hydroelectric power and the linked transport network for interconnexion of the national energy companies of the three countries.

Seychelles: ECU 700,000 to rehabilitate Victoria market on Mahé island.

Tanzania: ECU 1.9 million to improve water distribution and treatment of recycled water in the towns of; Mwanza, Iringa, Mbeya and Mtwara.

Caricom countries: ECU 600,000 for participation in a regional project setting up a postal union in the Caribbean.

Agriculture/rural development

Ghana: ECU 4 million for a multisectoral microproject programme in rural zones facing difficulties.

French Polynesia: ECU 1.2 million for young farmers to develop land and hydraulics.

Wallis and Futuna: ECU 110,000 to construct pig rearing facilities.

Enterprise

Trinidad & Tobago: ECU 750,000 for management training and technology transfer for SMEs.

Health

Gabon: ECU 560,000 to improve treatment of sexually transmitted diseases (phase II)

Chad: ECU 1.9 million to improve health services, particularly in the prefecture of Mayo Kebbi.

Suriname: ECU 600,000 to improve health services (particularly those concerning the treatment of AIDS and STDs) for populations in the country's interior.

Education/training

Comores-Madagascar-Mauritius-Seychelles: ECU 1.9 million for participation in a regional project aimed at setting up a network of training and research institutes through the University of the Indian Ocean.

Intra-ACP: ECU 2 million for a training programme on financial management and EDF tenders in 59 ACP countries for personnel of the National Authorising Officers.

Institutional support

Liberia: ECU 1.9 million to support elections.

Mali: ECU 1.8 million for support to the National Authorising Officer's unit in the management of EDF projects.

Mozambique: ECU 2 million for a population census.

Mozambique: ECU 9.5 million to support municipal elections.

South Pacific (Secretariat of the Forum): ECU 1.1 million in technical assistance to the regional coordinator to improve regional project management.

Solomon Islands: ECU 1.8 million for a population census.

Vanuatu: ECU 630,000 to rehabilitate rural primary schools.

Netherlands Antilles: ECU 1.3 million in technical assistance to the National Authorising Officer to improve the impact of EDF projects.

Caribbean region: ECU 3.9 million to the Cariforum Secretariat to facilitate management of funds under the 7th and 8th EDF.

Haiti: ECU 1.8 million in support to the administration for satellite pictures for mapping.

HUMANITARIAN AID

ACPs

Burkina Faso: ECU 470,000 to control a meningitis epidemic.

Gambia: ECU 390,000 to control the scale of a meningitis epidemic.

Ghana: ECU 450,000 to control a cerebro-spinal meningitis epidemic.

Guinea Bissau: ECU 600,000 in food aid to drought victims.

Somalia: ECU 500,000 to control a cholera epidemic.

Chad: ECU 270,000 in food aid to famine victims.

Non-ACP countries

Colombia: ECU 4.5 million in food and medical aid to assist people displaced by internal conflict.

Nicaragua: ECU 2.8 million to control various epidemics (malaria, cholera, diarrhoea).

Algeria (Saharan refugees): ECU 7 million in food and medical aid and water purification.

Lebanon: ECU 350,000 in medical aid for the whole of the country and particularly, the south.

Bangladesh: ECU 350,000 in emergency aid to victims of a cyclone.

Cambodia: ECU 400,000 for a new centre for landmine victims.

Sri Lanka: ECU 500,000 for the ICRC for transport of personnel, humanitarian supplies and medical aid for civilians.

FOOD AID

Following a favourable opinion from the Food Aid and Security Committee, the following decisions have been taken by the Commission totalling more than ECU 200 million.

Cape-Verde: ECU 16 million (ECU 6m in 1997, ECU 5m in 1998, ECU 5m in 1999) in financial and technical assistance.

Cape-Verde: ECU 2 million in emergency aid following the poor harvest of 1996.

Mauritania: ECU 18 million (ECU 5m in 1997, ECU 7m in 1998, ECU 6m in 1999) in financial and technical assistance.

Bolivia: ECU 60 million (ECU 20m in 1997, ECU 20m in 1998, ECU 20m in 1999) in financial aid.

Azerbaijan: ECU 6.5 million in the form of 35,000 tonnes of cereals.

Georgia: ECU 42 million (ECU 16m in 1997, ECU 14m in 1998, ECU 12m in 1999) in financial aid.

Euronaid (NGO): ECU 60 million in the form of 60,000 tonnes of cereals; 3,000 tonnes of vegetable oil, 10,500 tonnes of sugar, milk and vegetables, ECU 20m-worth of other products and ECU 5m-worth of inputs and tools

Operational summary
n° 99 - September 1997
(position as at 14 August 1997)

ec-acp

European Development Funds schemes

The following information is aimed at showing the state of progress of schemes funded by the European Community under the EDF (Lomé Convention).

Geographical breakdown

The summary is divided into three groups

- Africa, Caribbean and Pacific (ACP) country projects.
- Overseas Countries and Territories (OCT) projects.
- Regional projects

The information within each of these groups is given by recipient country (in alphabetical order).

Information given

The following details will usually be given for each development scheme:

- The title of the project.
- The administrative body responsible for it.
- The estimated sum involved (prior to financing decision) or the amount actually provided (post-financing decision)
- A brief description of projects envisaged (construction work, equipment supplies, technical assistance etc.)
- Any methods of implementation for example, international invitations to tender).
- The stage the project has reached (identification, appraisal, submission for financing, financing decision, ready for implementation)

Note: Participation in EDF schemes is strictly confined to ACP or EU firms.

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
T.A.: Technical Assistance
EDF: European Development Fund
(e.g. EDF 7 = 7th European development Fund)
mECU: million European currency units

Blue Pages on the INTERNET

Enter the DG VIII Home Page

http://europa.eu.int/en/comm/dg08/dgviii.htm

Choose the option

Projects for tender

Correspondence about this operational summary can be sent directly to:

**Mr Franco Cupini,
Directorate-General for Development
European Commission
G12 4-14, 200, rue de la Loi
B-1049 Brussels**

Please cover only one subject at a time.

SECTOR CODE DESCRIPTION

AAz Planning and public administration
AAa Administrative buildings
AAb Economic planning and policy
AAc Assistance to the normal operations of government not falling under a different category
AAd Police and fire protection
AAe Collection and publication of statistics of all kinds, information and documentation
AAf Economic surveys, pre-investment studies
AAg Cartography, mapping, aerial photography
AAi Demography and manpower studies

ABz Development of public utilities
ABa Power production and distribution
ABai Electricity
ABb Water supply
ABc Communications
ABd Transport and navigation
ABe Meteorology
ABf Peaceful uses of atomic energy (non-power)

ACz Agriculture, fishing and forestry
ACa Agriculture production
ACb Service to agriculture
ACc Forestry
ACd Fishing and hunting
ACe Conservation and extension
ACf Agriculture storage
ACg Agriculture construction
ACh Home economics and nutrition
ACi Land and soil surveys

ADz Industry, mining and construction
ADa Extractive industries
ADai Petroleum and natural gas
ADb Manufacturing
ADc Engineering and construction
ADd Cottage industry and handicraft
ADe Productivity, including management, automation, accountancy, business, finance and investment
ADf Non-agricultural storage and warehousing
ADg Research in industry technology

AEz Trade, banking, tourism and other services
AEa Agriculture development banks
AEb Industrial development banks
AEc Tourism, hotels and other tourist facilities
AEd Export promotion
AEe Trade, commerce and distribution
AEf Co-operatives (except agriculture and housing)
AEg Publishing, journalism, cinema, photography
AEh Other insurance and banking
AEi Archaeological conservation, game reserves

AFz Education
AFa Primary and secondary education
AFb University and higher technical institutes
AFbi Medical
AFc Teacher training
AFci Agriculture training
AFd Vocational and technical training
AFe Educational administration
AFf Pure or general research
AFg Scientific documentation
AFh Research in the field of education or training
AFi Subsidiary services
AFj Colloquia, seminars, lectures, etc.

AGz Health
AGa Hospitals and clinics
AGb Maternal and child care
AGc Family planning and population-related research
AGd Other medical and dental services
AGe Public health administration
AGf Medical insurance programmes

AHz Social infrastructure and social welfare
AHa Housing, urban and rural
AHb Community development and facilities
AHc Environmental sanitation
AHd Labour
AHe Social welfare, social security and other social schemes
AHf Environmental protection
AHg Flood control
AHh Land settlement
AHi Cultural activities

AIz Multisector

AIa River development
AIb Regional development projects

AJz Unspecified

ACP STATES

New projects and updated information in existing projects appear in italics

ANGOLA

Rehabilitation of theTchivinguiro Institute. 8.24 mECU. Project in execution. EDF 7.

EDF ANG 7014 - AFb

Reconstruction support programme. 55 mECU. Relaunch of economic and social activities. Improvement of basic social services and living conditions, poverty alleviation, increase of production and of basic communication possibilities, amelioration of basic infrastructures, participation in mine-clearing operations, support for demobilisation. Project in execution. EDF 7.

EDF ANG 6036/001 - AGz, AHz.

Rehabilitation in rural areas of Huambo province. 3 mECU. To repair health and education infrastructure and help to get farming and other productive activities up and running again. Projects managed by Save the Children Fund (UK), Oikos (P), Concern (Ireland) and Halstrust (UK) for mine clearance operations. Project in execution. EDF 7.

EDF ANG 7255/012 - ACz

Support for training of lawyers and academics in the Law Faculty of Agostinho Neto University (FDUAN). 0.800 mECU. Training, supply of equipment. Project in execution.

EDF ANG 7018/000 - AFb

ANTIGUA AND BARBUDA

Livestock development. Phase II. Resp.Auth.:Ministry of Agriculture.0.130 mECU. Supply of equipment. Project on appraisal. EDF 7.

EDF AB 5003(7001) - ACa

Upgrading and expansion of Antigua Hotel Training Centre. Construction and equipment for part new and part renovated and upgraded facilities. Estimated cost 2.2 mECU. Works, supplies, design and supervision. T.A. and training. Project on appraisal. EDF 7.

EDF AB 7001 - AFd

BENIN

Improvement works on the Sémé-Porto Nova road. (12.711 km). Resp. Auth.: Ministère des Travaux Publics et des Transports. 20 mECU. Infrastructure works and installation of road signing. Work supervision by KFW (D). Works by int. tender. Project on appraisal. EDF 7.

EDF REG 7132 - ABd

Support programme for municipal development of Parakou City. Resp. Auth.: Circonscription urbaine de Parakou. Estimated total cost 2 mECU. Works and T.A. Project on appraisal. EDF 7.

EDF BEN 7006 - ABd

Improvement of transfusional security in the departments of Ouémé, Mono and Atlantique. Resp. Auth.: Ministry of Health. 0.700 mECU. T.A., supplies, training and evaluation. Project in execution. EDF 7.

EDF BEN 7007 - AGa

BOTSWANA

Sysmin - support to base metal industry (Copper-Nickel-Cobalt). Resp. Auth.: BCL Ltd., 33.7mECU. To deepen the shaft of the Selebi-North mine, to reach a new ore-body, equipping it and carrying out new prospective drilling to identify new ore-bodies. Works, supplies and T.A. Project in execution. EDF 7.

EDF SYSMIN BT 9999/001 - ADa

Botswana Tourism Development Programme (Foundation phase). Resp. Auth. : Department of Tourism (DoT) of Commerce and Industry. 1.91 mECU. Short- and long-term T.A. Project in execution. EDF 7.

EDF BT 5019/001 - AEc

Trade Development Programme (Phase I). Resp. Auth.: Department of Trade and Investment Promotion. Estimated cost 1.700 mECU. To support trade diversification and export promotion. T.A. Project on appraisal. EDF 7.

EDF BT 7008 - AEe

BURKINA FASO

Tougan - Ouahigouya - Mali border road. Resp. Auth.: Ministère des Travaux publics. Modern earth-road. Supervision: short-list done. Estimated cost 13.5 mECU. Project in execution. EDF 6 and 7.

EDF BK 7004 - ABd

Periodical road maintenance programme. Ouagadougou-Ghana. Bobo-Côte d'Ivoire, and Bobo-Mali. Resp. Auth.: Ministère des Travaux Publics. 29 mECU. Works, supervision. T.A. Project in execution. EDF 7.

EDF BK 6017 - ABd

Support project for the reform of the pharmaceutical sector.

Resp. Auth.: Ministère de la Santé - Direction des Services Pharmaceutiques (DSPh) and CAMEG 1.6 mECU. Line of credit, works, equipment and T.A. Project in execution. EDF 7.

EDF BK 7017 - AGc

SYSMIN - Rehabilitation of the Poura mine. Resp. Auth.: I.G.R.International Gold Resources Corporation. 11 mECU. Works by direct agreement. Supplies and T.A. Project in execution. EDF 7.

EDF SYSMIN BK 9999 - ADa

Ouagadougou dam classified forest development. Resp. Auth.: Ministère de l'Environnement et de l'Eau. Estimated total cost 1.200 mECU. EDF part 0.300 mECU. Cofinancing with CFD (F), The Netherlands (possible). Project on appraisal. EDF 7.

EDF BK 7023 - AHf

Support for decentralisation. Resp. Auth.: Ministère Administration Territoriale et Sécurité. Estimated total cost 2 mECU. Works, supplies, T.A., training. Project on appraisal. EDF 7.

EDF BK 7024 - AAb

Support for the structural adjustment programme 1996-1997. General import programme. EDF 11.4 mECU. T.A. foreseen. Project in execution. EDF 7.

EDF BK 7200/004 - AAc

Support for the judicial system. Estimated total cost 1 mECU. Training of magistrates and improvement of judicial services. Project in execution. EDF 7

EDF BK 7027 - AAz

Support for rural development. Estimated total cost 23 mECU. Financing of action for rice-growing, for support action, financing the rural environment and for information about markets. T.A, works and supplies. Project on appraisal. EDF 8

EDF BK 7032/000 - ACa.

Periodical maintenance of asphalt roads (594 km). Resp. Auth.: Ministère des Infrastructures, de l'Habitat et de L'Urbanisme. Estimated total cost 37 mECU. T.A., Works. Project on appraisal. EDF - 8

EDF BK 6017/002 - ABd.

CAMEROON

General Import Programme. Hard currency allowance to import ACP and EC goods with negative list. 20.2 mECU Project in execution. EDF 7.

EDF CM 7200

Lagdo fishing project. Resp. Auth.: MINEPIA. Estimated cost 3.500 mECU. Preservation and improvement of the social-economic situation around Lake Lagdo. Project in execution. EDF 7.

EDF CM 6002/002 - ACa

Protection and sanitation for Kousseri town. Kousseri road network. Resp. Auth.: MINTP. Estimated cost 4 mECU. Dyke rehabilitation works along the Logoni river, road works and rain water drainage. Project on appraisal. EDF 7.

EDF CM 6022 - AHg, Ala

Access road to the Tikar Plain. Resp. Auth.: MINTP 14 mECU. Road works over the Kakar-Sabongari-Atta-Sonkolong road. Project in execution. EDF 7.

EDF CM 6037 - ABd

Tikar Plain development. Resp. Auth.: MINAT. 10.2 mECU. Social-economic improvement. Project in execution. EDF 7.

EDF CM 6004 - ACa

Support for the road sector. Resp. Auth.: Ministry of Public Works and Transport. 1.930 mECU. T.A. EDF 7.

EDF CM 6031/001 - AAz

Reorientation of health care in the far north province. 1.9 mECU. Social cooperation. Project in execution. EDF 7.

EDF CM 6030/001 - AGz

Regional economic integration programme in Central Africa - regional infrastructures. 98 mECU. Building of the Bertoua-Geroua Bulai road. Works and management of the works. Works will be launched in 3 international tenders. For the management of the works, a preselection will be launched. Project in execution. EDF 6,7 and 8.

EDF CM 7002/001 - ABd.

CAPE VERDE

Maio island rural electrification. Estimated total cost 1.945 mECU. Improvement of living conditions. Supply of electricity, Works, supplies and T.A. Project in execution. EDF 7.

EDF CV 7009/000 - ABa,i

Santo Antao water supply and sanitation. Resp. Auth.: Ministry of Economic Coordination. 1.4 mECU. Works, T.A. Project in execution. EDF 7.

EDF CV 7011 - ABb

CENTRAL AFRICAN REPUBLIC

Computerised management system for SCEVN (Service Commun d'Entretien des Voies Navigables). Int. tender N° 4097. Prequalification for supply of computer and hydrographic equipment.

CHAD

Relaunch of the fishing sector. Estimated cost 2.500 mECU. Sectoral study: shortlist done. Project on appraisal. EDF 7.

EDF CD 7011 - ACa

River Chari embankment protection. Estimated total cost 5 mECU. To improve living conditions in N'Djamena. Project on appraisal. EDF 7.

EDF CD 5027 - AHf,g

Support for the electoral process. Resp. Auth.: UNDP(PNUD). Estimated totalcost 0.500 mECU. Project on appraisal. EDF 6.

EDF CD 7015 - AAc

Eré-Kélo road improvement. Resp. Auth.: Ministère des T.P., des Transports et de l'Habitat. 13.500 mECU. Works and supervision. Project on appraisal. EDF 6 and 7.

EDF CD 7012 - ABd

Restoration of bridges that fall within the framework of the Second Transport Sectoral Programme. Resp. Auth.: MINTP Chad. Estimated total cost 4 mECU. Urgent work to be carried out to restore 15 bridges under the Transport Sectoral Programme. Works, T.A. Project in execution. EDF 7.

EDF CD 6001 - ABd

Support for structural adjustment. 10.2 mECU. Project in execution. EDF 7.

EDF CD 7200/001 - AAc

Support for Health Programme in Mayo Kebbi 1.980 mECU T.A. Training of doctors, medical supplies. Project in execution. EDF 7.

COMOROS

Sea-access to Moheli island. Resp. Auth.: Ministère de l'Equipement - Direction Générale des Travaux Publics. 3.250 mECU. Works, by int.tender.T.A.for further investigations, tender dossier and works supervision. Project on appraisal. EDF 7.

EDF COM 6006/7003 - ABd

Development of cultivation for export. Vanilla and Ylang Ylang. Resp. Auth.: Ministère du Dev. Rural. 1.900 mECU. Vanilla and improvement of quality (laboratory, management, marketing). Supply of non-wood ovens. Crop diversification. Equipment, T.A. and training. Project on appraisal. EDF 7.

EDF COM 7004 - ACa

Rehabilitation of Mutsamudu-Sima-Pomoni road at Aujouan. 5.6 mECU. Resp. Auth.: Ministère de l'équipement (DG Travaux Publiques). Works (41 km) by int. tender, supervision by direct agreement after short-list. Project on appraisal. EDF 7.

EDF COM/7001 - ABd

CONGO (REPUBLIC)

National Road n°1 Brazzaville- Kinkala (Matoumbou). 0.950 mECU. Resp. Auth.: Direction Générale des Travaux Publics. Environmental economical technical studies, execution project and tender dossier. Project on appraisal. EDF 4 and 7.

EDF COB 7001/000 - ABd

Support programme for the visual arts. 1 mECU. Global development in the visual arts sector. Project in execution. EDF 7.

EDF COB 7010 - AEz

CONGO (DEMOCRATIC REPUBLIC)

Rehabilitation Support Programme. Resp. Auth.: Coordination and Management Unit. Estimated total cost EDF 84 mECU. and an indicative amount of 6 mECU from the Commission's budget under heading B7-5076 'Rehabilitation and reconstruction measures for developing countries'. Regions selected: Kinshasa's economic hinterland, the Greater Kivu and the two provinces of Kagai. Rehabilitation and maintenance of roads and farm access roads. Support for production and 0marketing, support for basic social infrastructure. T.A. and evaluation. Project in execution. EDF 6 & 7.

EDF ZR 6033 - AAc

Support programme for the resinsertion of displaced persons in Kasai province (PARK). 2 mECU. The programme will be implemented by Caritas (NI), Oxfam (UK), Nuova Frontiera (I), Gret (F), and Raoul Follereau (F). Project on appraisal. EDF 7.

EDF ZR 7255/001 - ACa

Strengthening of the provisional health support programme. 45 mECU Rehabilitation of health service structures in Kinshasa, Kasai and Kivu. Support for the health service at the basic and intermediate levels. Reinforcement of basic juridical services. Works, supplies

Support programme for the preparation of elections. Resp. Auth.: Commission Nationale des Elections (CNE). 30 mECU. T.A., support for democratisation. Project in execution. EDF 7.

EDF ZR 6034/00 - AAc

COTE D'IVOIRE

Support for the structural adjustment programme (GIP V). Resp. Auth.: Ministry of Finance. 25.5 mECU. General import programme. T.A. Project in execution. EDF 6 & 7.

EDF IVC 7200/004 - AAc

Provision of basic health services for Liberian refugees and local population. 0.700 mECU. Assistance to refugees and indigenous population. T.A. Project in execution. EDF 7.

AGz

Improved water and sanitation facilities for Liberian refugees and local population. 1.441 mECU. Assistance to refugees and indigenous population. T.A. and supply of equipment. Project in execution. EDF 7.

ABb

DJIBOUTI

Fight against desertification and development of livestock husbandry in Western-Djibouti. Resp. Auth.: Ministère de l'Agriculture et du Développement Rural. 1.665 mECU. Supply of equipment,studies, T.A. Project suspended. EDF 7.

EDF DI 6008 - ACa

Rehabilitation and construction of veterinary infrastructures and supply of equipment. Economical and social Investment. 0.212 mECU. Resp. Auth.: Direction de l'Elevage et des Pêches. Renovation of existing buildings, laboratory construction, purchase of a refrigerator car. Works by acc. proc. Project on appraisal. EDF 7.

EDF DI/5002/001 - ACa

Support for the structural adjustment programme 1996-1997. General import programme. 4.100 mECU. T.A. foreseen. Project on appraisal. EDF 7.

EDF DI 7200/001 - AAc

DOMINICA

Eco-Tourism Site Development. Resp. Auth.: Ministry of Trade Industry and Tourism (MTIT). Estimated total cost 0.558 mECU. Works, equipment and training. Project on appraisal. EDF 7.

EDF DOM 6002/001 - ACa

Agricultural Diversification Programme. Resp. Auth.: Diversification Implementation Unit. (DIU). 2.25 mECU. Production Credit Scheme. Abattoir Project, Citrus Processing Study, Shipping and Transportation System Project, Quality Assurance, Market Information Service, Export Credit Programme, Monitoring Evaluation, T.A.

Works by acc. tender. Project on appraisal. EDF 7.

EDF DOM 7002 - ACa

Disposal of solid waste. Resp. Auth.: Ministry of Communications, Works and Housing. 1.650 mECU. Restoration of two depots for household waste. Installation of a new waste disposal depot. T.A. by restricted tender. Works by acc. Proc. Project in execution. EDF 7

EDF DOM 7003 - ABz

DOMINICAN REPUBLIC

Support programme to prevent STD/HIV/AIDS. EDF part 1.350 mECU. Training, T.A., supplies, evaluation. Project on appraisal. EDF 7.

EDF DO 7016 - AGz

EQUATORIAL GUINEA

Rural development programme in the South-East. Resp. Auth.: Ministère de l'Agriculture. 4.500 mECU. Works, supplies and T.A. Project in execution. EDF 7.

EDF EG 6005(7001) - ACa

ERITREA

Sector study on national water and irrigation potential. Resp. Auth.: Ministry of Energy, Mines and Water resources 4.5 mECU. Assess the various demands for those resources, determine the potential for their sustainable development, present strategies for their development, and lay the foundations for their management. Project in execution. EDF 7.

EDF ERY 7002 - ABb

Upgrading of the Nefasit-Dekemhare-Tera Imni road. Resp. Auth. : Ministry of Construction. Estimated total cost 20 mECU. Road works. Project on appraisal. EDF 7.

EDF ERY 7004 - ABd

Rehabilitation of transmission lines, substations and distribution system in Massawa area. Resp. Auth.: Eritrean Electric Authority. Estimated total cost 10-12 mECU. Works, supplies and T.A. Feasibility study: INYPSA (Sp). Project on appraisal. EDF 7.

EDF ERY 7001 - ABa,i

Livestock Promotion, support for the Improvement of the Sanitary Environment of the National Herd. Estimated cost 1.2 mECU. Equipment, infrastructure, vaccines, training of veterinary services personnel. Project on appraisal. EDF 7.

EDF ERY 7005/000 -AGz, AFd

ETHIOPIA

Reintegration of displaced Ethiopian nationals from Eritrea. Estimated cost 2 mECU. Works, training, line of credit, T.A. and supply of equipment. Project on appraisal. EDF 7.

EDF ET 7255/001 - AHb,e

Rehabilitation of the Addis Ababa-Jima road, Addis Ababa-Abelti (180 km). Estimated total cost 35 mECU. Improvement of the road network. Works and supplies. T.A. Feasibility studies and dossiers projects preparation. Project on appraisal. EDF 7.

EDF ET 7005/002 - ABd

Addis Ababa's water supply and sanitation. Resp. Auth.: Addis Ababa Water Supply Authority. AAWSA. Estimated total cost 35 mECU. Works, equipment, T.A.,. Project on appraisal. EDF 7.

EDF ET 5006/002 - ABb

Training programme. Trainers' training, staff, supply of equipment. Estimated cost 6.900 mECU. Project on appraisal. EDF 7.

EDF ET 7016 - AFc

Rehabilitation of the Addis Ababa-Modjo-Awasa road (271 km). Resp. Auth.: Ethiopian Road Authority (ERA). 60 mECU. T.A. International tender already launched and closed. EDF 7.

EDF ET/7005/000 - Abd.

FIJI

Rural Health Infrastructure, Naitasiri. Construction of a new hospital in Vunidawa, construction, modification and upgrading of various health centres and nursing stations. Estimated total cost 4.315 mECU. Study: short-list already done. Project on appraisal. EDF 4, 5, 6 and 7.

EDF FIJ 7007 - AGa

GAMBIA

General Import Programme. Support for Structural Adjustment. Hard currency allowance to import ACP and EC goods, with negative list. 1.400 mECU. Project on appraisal. EDF 7.

EDF GM 7200/002 - AAc

GHANA

Human resources development programme. Resp. Auth.: Ministry of Local Government and Rural Development. 3.8 mECU. Supply of equipment, T.A., evaluation. Project in execution. EDF 7

EDF GH 7003 - AFz

Western Region Agricultural Development Project. Resp. Auth.: Ministry of Food and Agriculture. 12 mECU. T.A., buildings and training, supply of equipment. Project on appraisal. EDF 7.

EDF GH - ACa

Woodworking Sector Development. Resp. Auth.: Ministry of Lands and Forestry. 4.85 mECU. Training and equipment. Project on appraisal. EDF 7.

EDF GH - ACc

Small towns water supply project. Resp. Auth.: Ghana Water and Sewerage Corporation. Estimated total cost 15 mECU. Construction of water supply systems. Strengthening of institutions responsible for operations and maintenance. Works. T.A. Project on appraisal. EDF 7.

EDF GH 6006 - ABb

Decentralised Cooperation Programme. Resp. Auth.: Ministry of Finance. 1.500 mECU. Equipment, construction, training and current inputs of grassroots programmes. TA for implementation and evaluation. Project in execution. EDF 7.

EDF GH 7008 - AJz

4th Microprojects Programme. Resp. Auth.: Ministry of Finance. 9 mECU. Intervention in the field of water, sanitation and health, education, agricultural production, processing and marketing, rural transport, socio-economic infrastructure, environment and income generation. Consultancy for T.A., supervision, audit and evaluation. Project on appraisal. EDF 7.

EDF GH - AHb

Rural electrification programme. Resp. Auth.: Ministry of Mines and Energy. 9.5 mECU. Supply and erection of electirivty lines, supervision, training. Project on appraisal. EDF 7.

EDF GH - Aba,i

GRENADA

Microprojects programme. Resp. Auth.: Ministry Labour, Social Service Community Development. 0.220 mECU. Water supply, road improvements repairs and extension of schools, medical and community centre and sports grounds. Project on appraisal. EDF 7.

EDF GRD 7102 - ABz

Rehabilitation of the Bellevue-Grenville Section of the Eastern Main Road - Grenville - Mama Cannes section. Resp. Auth.: Ministry of Works. 2 mECU. Works by direct labour, small T.A. and supply of equipment for repairs. Project on appraisal. EDF 7.

EDF GRD 7002/00 - 1ABd

GUINEA

Development of secondary towns. Resp. Auth.: Ministère de l'Aménagement du Territoire. Estimated cost 7 mECU. Buildings, market, railway stations, roads T.A. and training management,work supervision, supply of equipment. Project on appraisal. EDF 7.

EDF GUI 7008 - AHab

Extension of the Family Plantation Programme in Soguipah. Resp. Auth.: Ministry of Agriculture, Water and Forests. Estimated cost 5.5 mECU. Cultivation of rice fields and rubber plantations and the development of transport infrastructures. Works, supplies, T.A. Project on appraisal. EDF 7.

EDF GUI 6008/001 - ACe, AHe, Ahf

Urban health support project. Estimated cost 1.2 m ECU. T.A., studies Project on appraisal. EDF 7.

EDF GUI 6005/000 - Agz

Second Regional Programme of the Gambia and Niger Basins. Support for the rational management of the natural resources.

GUINEA BISSAU

Bridge construction in Sao Vincente. Resp.Auth.: Ministry of Public Works. Estimated cost 27 mECU. Works and works supervision. Project on appraisal EDF 8.

EDF GUB 7014/000 - ABd

HAITI

Support for the Structural Adjustment Programme II. 10.800 mECU. Date foreseen for financing December 96. EDF 7.

EDF HA 7200/001 - AAc

Support for the structural programme. *Utilisation of satellite imagery for the exploitation of Haitian territory. Resp. Auth.: Ministère de la Planification et de la Coopération Externe (MPCE). Estimated cost 1.8 mECU. Project on appraisal. EDF 7.*

EDF HA 7007/000 - AAz

JAMAICA

Credit scheme for micro and small enterprises. Resp. Auth.: Planning Institute of Jamaica. Implementation by Apex Institution and Coordination and Monitoring Unit 7 mECU. Line of credit, T.A. and evaluation. Project on appraisal. EDF 5, 6 and 7.

EDF JM 5020 - ADz, AEz

Institutional strengthening programme. Resp. Auth.: National Water Commission (NWC). Estimated cost 3 mECU. Works, supplies and T.A. Project on appraisal. EDF 7.

EDF JM 7005 - AHa,b,c .

Agricultural sector support programme (ASSAP). Resp. Auth.: Ministry of Agriculture - Rural and Agriculture Dev. Auth. (RADA). 5m ECU. More sustainable farming systems,soil conservation, reafforestation and Community education. Works, supply of vehicles, equipment, T.A. studies. Project on appraisal. EDF 7.

EDF JM 7004 - ACa

Return and reintegration of qualified nationals II. Estimated cost 0.647 mECU. Supply of technical equipment, training, information and support system. Project on appraisal. EDF 7.

EDF JM 7002/001 - AFe.

KENYA

Farming in tsetse infested areas. Estimated total cost 14.600 mECU. Refine the techniques to trap the tsetse fly and develop better technologies to prevent infections. Monitor the environmental impact of the techniques. Project on appraisal. EDF 7.

EDF KE 7011 - ACa

Family Health Programme. Estimated total cost 28.710 mECU. Reproduction health status of Kenyans family planning services broadened. EDF 14.810 mECU, ODA (UK) 13.900 mECU. Project on appraisal. EDF 6

EDF KE 7015 - AGb

Technical Education. 5 mECU. Raising the level of performance of existing teaching institutions. Project in execution. EDF 7.

EDF KE 6005/001 - AFb

Trade Development Programme. Resp. Auth.: Export Promotion Council and a Special TDP Committee composed of private and public sector members and the European Commission. 4 mECU. Trade Promotion and Marketing Programme, Training, Equipment, T.A. and Monitoring and Evaluation. Project on appraisal. EDF 7.

EDF KE 7008 - AEz

Small scale and informal sector enterprises. Estimated total cost 10 mECU. Development of micro-enterprises and informal sector of the economy. Project in execution. EDF 6 & 7.

EDF KE 7009 - AEe,f

Sultan Hamud-Mtito Road rehabilitation. Estimated total cost 30 mECU. To rehabilitate priority roads and establish sustainable maintenance organisation. Project on appraisal. EDF 7

EDF KE 7010/002 - ABd

Mai-Mahiu/Naivasha Road rehabilitation Estimated total cost 25 mECU. Project on appraisal. EDF 7.

EDF KE 7010/003 - ABd

Community development. Poverty alleviation. Estimated total cost 12.500 mECU. Financial facility aimed at priority activities identified by local communities. Project on appraisal. EDF 7.

EDF KE 7018 - AHb

Support for the establishment of key functions and programmes at the Kenya Institute for Public Policy Research and Analysis (KIPPRA). Resp. Auth.: Ministries of Planning and National Development and Finance and Office of the President. 1.993 mECU. Training, Consulting and T.A. Project on appraisal. EDF 7.

EDF KE 7016/00 - AAb

Establishment of sustainable tourism development. Resp. Auth.: Ministry of Tourism and Wildlife. 1.970 mECU. Advice on and design of a financially self-sustainable Tourism Board. T.A., equipment, training. Project on appraisal. EDF 7.

EDF KE 7014 - AEc

EDF KE 7012 - AAc

Agriculture/livestock research programme. Estimated total cost 8.3 mECU. Project in execution. EDF 6.

EDF KE 6003/001 - ACa

KIRIBATI

Recycling programme in South Tarawa. Resp. Auth. Ministries of Environment & Natural Resources, and of Works & Energy. Estimated total cost 0.495 mECU. Building and equipping a treatment centre for the recycling of machines and abandoned vehicles. Supply of equipment. Project on appraisal. EDF 7.

EDF KI 7008 - AHf

LESOTHO

Urban Water Supply and Sanitation. Resp. Auth.: Water and Sanitation Authority. Estimated total cost 4 mECU. Implementation of urgent water-supply and sanitation systems in the urban and peri-urban areas. Feasibility study and contract document. Preparation for urgent water supply and sanitation intervention. Short-lists to be done. Project on appraisal. EDF 7.

EDF LSO 7002 - ABb, AHa

Fourth Structural Ajustment Programme (SASP 4) 96-97. General Import Programme. Resp. Auth.: Central Bank of Lesotho. 8.6 mECU.Project in execution. EDF 7.

EDF LSO 7200/003 - AAc

LIBERIA

Support for the electoral process. Resp. Auth.: Govt. of Liberia. T.A and financial assistance for organisation of the election. 1.9 mECU

MADAGASCAR

Road infrastructure rehabilitation. Resp. Auth. Ministère des Travaux Publics. 72.500 mECU. Rehabilitation works, supervision. Project in execution. EDF 6 & 7.

EDF MAG 7004 - ABd

Support programme to rehabilitate social and economic infrastructures. Interventions after cyclones. EDF part 17.500 mECU. Railways and road rehabilitation, small hydraulic works. Social infrastructure rehabilitation. Technical expertise study to be done for roads. Works, supplies, supervision and control, evaluation. Project in execution. EDF 6 & 7.

EDF MAG 7009 - ABd

First decentralised cooperation programme. Resp. Auth.: National Authorising officer and Head of EU Delegation and authorized NGOs. 1.900 mECU. Works Purchase of equipment by direct agreement, restr. tender or int. tender. Project on appraisal EDF 7

EDF MAG 7022/000 - AGz, AHz

Support-training for rural development. Resp. Auth.: Ministère du developpement rural et de la réforme foncière. 1.200 mECU. Developing the farmer's organisations role. Training, supplies and technical cooperation. Project on appraisal. EDF 7.

EDF MAG 7029/000 - ACb

Decentralised training programme for regional private tourism operators. Resp. Auth.: Ministère du Tourisme. 1.910 mECU. T.A. training, evaluation. Project on appraisal. EDF 1, 2, 3 and 4.

EDF MAG 6039 - AEc

Professional organisation of rural sector and agricultural loans. Resp. Auth.: Ministère de l'Agriculture et du Dév. Rural. 1.910 mECU. T.A., training, evaluation. Works, supplies, T.A. and services. Project in execution. EDF 7.

EDF MAG 7003 - ACa

Support for Training Programme (FORMFED) Phase II. Resp. Auth.:

Ministry of Finance. 0.900 mECU. T.A., equipment. Project in execution. EDF 7.

EDF MAG 7028 - AFd

Support for the Structural Adjustment programme 1997-98. 27 mECU. General Import Programme. Project in execution.

EDF MAG 7200 - AAc

Improvement of the income of the coastal population in the South-Western region. Resp. Auth.: Ministère de l'Agriculture et du Développment Rural. Estimated cost 0.613 mECU. Increasing seaweed production. Recruitment, shipbuilding, T.A, equipment and training. Project on appraisal. EDF 6.

EDF MAG/7024/001 - ACd, AHd

Priority Health Action Programme. *Support for a national health service to alleviate poverty. Resp. Auth.: Ministry of Health. Estimated cost 1.9 mECU. EDF 6.*

EDF MAG 6041/000 - AGe

Priority health project. *Support for a national health service to alleviate poverty. Resp. Auth.: Ministry of Health. Estimated cost 15 mECU. EDF 8.*

EDF MAG 6041/001 - AGe

MALAWI

Soil Conservation and rural production. Resp. Auth.: MOALD. 23 mECU. EDF 15.500 mECU, local 1.3 mECU, counterpart funds 5.7 mECU. Water supply, sanitation, supply of fertilizers, T.A. and training. Project in execution. EDF 7.

EDF MAI 5001/002 - ACa

Information, education and communication population programme. Resp. Auth.: NAO -Ministry for Women and Children's Affairs, Community and Social Services - Ministry of Information and Broadcasting. Estimated total cost 4 mECU. Increase awareness and promote behaviour change as regards reproductive health, including disease prevention. Supply of equipment and T.A. Project on appraisal. EDF 7.

EDF MAI 6009/001 - AGb,c

Support to the Forestry Department. Resp. Auth.: Ministry of Natural Resources. Estimated total cost 4 mECU. T.A. and supply of equipment. Project in execution. EDF 7

EDF MAI 5001/003 - ACa

Health Programme. Strengthening Health Ministry capacities in the framework of planning, decentralisation and equipment maintenance. Training, infrastructures, equipments and T.A. Estimated total cost 20 mECU. Project in execution. EDF 7.

EDF MAI 6009/002 - AGe

2nd Lomé IV Micro-project Programme. Improvement of infrastructures in the farmer framework with the EC participation. Building, school's rehabilitation, health centres, water points. Estimated total cost 6 mECU. Project on appraisal. EDF 7.

EDF MAI 7012/038 - AGz, AHz, ABb

Customary Land Utilisation Study. 1 mECU. Studies. T.A. survey. Project on appraisal. EDF 7.

EDF MAI 6029 - AAg

Karonga-Chilumba-Chiweta Road. Resp. Auth. : Ministry of Works and Supplies. Estimated total cost 25.2 mECU. Construction, supervision of works, training of technical staff. Project on appraisal. EDF 8.

EDF MAI 6022 - ABd

MALI

Development of livestock in the North-east. 4.5 mECU. EDF 6 and 7. Project in execution.

EDF MLI 5006/001 - ACa

Better use of surface waters in the 5th region. Consolidation. Resp. Auth.: Governorat de Mopti. EDF 4.300 mECU. Works,irrigation, supply of pumps, inputs, T.A. follow-up and evaluation, training, research. Project in execution. EDF 7.

EDF MLI 6005/002 - ACa

Support for the democratic process. Resp. Auth. National Electoral Commission. Total estimated cost 14.800 mECU. Mission to study and identify an action plan. Project on appraisal. EDF 7.

EDF MLI 7019 - AAc

Support for the 1996-97 Structural Adjustment Programme. General import programme. Estimated total cost 14.800 mECU. Project in execution. EDF 7.

EDF MLI 7200/003 - AAc

Support for the electoral process. Resp. Auth.: Commission Electorale Nationale Indépéndante (CENI). Estimated cost 1.950 mECU.Project on appraisal. EDF 7.

EDF MLI 7019 - AAc

Geological and mining sector survey. Adm. Resp: Ministère de l'Energie et des mines. Estimated cost 15 mECU. Aerial geophysical prospecting, geological mapping, mining prospecting, sector-based survey. Project on appraisal. EDF 7.

EDF MLI 9999 - ADa

MAURITANIA

Kaédi and Mederda water supply. Estimated total cost 2.8 mECU. Improvement of the living conditions. Works and T.A. Rehabilitation, strengthening and improvement of water systems. Project on appraisal. EDF 7.

EDF MAU 7012/000 - ABb

Support for the programme to strengthen institutional capacity (PRCI). Resp. Auth. Ministry of Planning and Finance. 1.865 mECU. T.A. to strengthen the effectiveness of administration. Supply of equipment. Project in execution. EDF 7.

EDF MAU 7200/002 - AAc

MAURITIUS

National solid waste management project. Resp. Auth: Ministry of Environment and Quality of Life. Estimate 8.650 mECU. EDF 7mECU. Construction of a fully engineered landfill to cater for about 600 t of solid waste per day. Works and supplies by int. tender. T.A. for supervision and evaluation. Project on appraisal. EDF 7.

EDF MAS 6017 - AHb,c,f

First microprojects programme. 0.500 mECU. Works, supplies. Project on appraisal. EDF 7.

EDF MAS 7007 - AFz, AGz, AHz

Irrigation of the Northern Plains. Resp. Auth.: Ministry of Agriculture. Estimated cost 9 mECU. Works, supplies, T.A. Restricted tender for T.A. Project on appraisal. EDF 7

EDF MAS 7002 - ABb

Mahebourg market. Resp. Auth.: Ministry of Local Government. Estimated cost 1.850 mECU. To promote agricultural diversification, and also to upgrade the city centre. Feasibility study. Works, supplies, TA. Project on appraisal. EDF 7.

EDF MAS 7008 - ACe

Phoenix-Nouvelle France road. Estimated cost 4 mECU. Upgrading the existing Phoenix-Nouvelle France road to a dual carriageway. Works, T.A. Project on appraisal. EDF 7.

EDF MAS 7010/001 - ABd

Upgrading of sewerage infrastructure of housing estates. *Resp. Auth.: Ministry of Works. Estimated cost 7.4 mECU. Rehabilitation/provision of sewerage infrastructure to 10 housing estates. Works. T.A. for supervision. Project on appraisal. EDF 8.*

EDF MAS - AHa

Training of police officers. *Estimated cost 0.43 mECU. T.A. and training. Project on appraisal. EDF 7*

EDF MAS - AAd

MOZAMBIQUE

Socio-economic reintegration of young people. Estimated cost 1.950 mECU. Supplies, T.A. and pilot actions. Project on appraisal. EDF 6.

EDF MOZ 7017 - AHb

Rehabilitation of the rural health system. Estimated cost 22mECU. Rehabilitation and renovation of 3 rural hospitals and 2 health centres. Supply of essential medicines and equipment, T.A. Project in execution. EDF 7.

EDF MOZ 7018 - AGa,e

Social reintegration in Zambezia and Niassa provinces. 5.600 mECU. Health, education, rural life (farming, fishing,setting up of micro-enterprises), urban economic development. The projects will be carried out by NGO's and the provincial authorities. Project in execution. EDF 7.

EDF MOZ 7255/06 - AFz, AGz, AHz

Support for the Structural Adjustment Programme. GIP II. 15 mECU. Project in execution.

EDF MOZ 7200/001 - AAc

Support for the judicial system. Estimated total cost 2 mECU. Project on appraisal. EDF 7.

EDF MOZ 7022 - AIz

Computerised system for the population register and issue of identity cards. Resp. Auth.: Ministry of Internal Affairs. Estimated cost 1.995 mECU. Supplies, T.A. Int. Tender. Project on appraisal. EDF 6.

EDF MOZ 7024 - AAz

Population census. Resp. Auth.: NAO. Estimated cost 2 mECU. Institutional support to improve the quality of information on the population. Project on appraisal. EDF 6.

EDF MOZ 7027/000 - AAz, AAi

NAMIBIA

Namibia Integrated Health Programme. Resp. Auth.: Ministry of Health and Social Services. 13.500 mECU. Infrastructures, equipment, training and T.A. Project in execution. EDF 7.

EDF NAM 7007 - AGz

Expansion of NBC transmitter network and production facilities for educational broadcasting. Resp. Auth.: Namibian Broadcasting Corporation. Estimated total cost 5.7 mECU. EDF 5 mECU, local 0.700 mECU. Works, supply of equipment, technical training and technical consultancies. Project on appraisal. EDF 7.

EDF NAM 7005 - AFi

Rural Development Support Programme for the Northern Communal Areas.

Resp. Auth.: Ministry of Agriculture, Water and Rural Development. 7.7 mECU. Strengthening of the agricultural extension service, training of extension officers and establishment of a rural credit system. Supply of office equipment, vehicles, agricultural inputs, T.A., training, evaluation. Project in execution. EDF 7.

EDF NAM 7011 - ACa

Rural Towns Sewerage Schemes. Resp. Auth.: Ministry of Local Government and Housing. Works, supplies and T.A. Project in execution. EDF 7.

EDF NAM 7015 - AHc

Namibia Tourism Development Programme. (Foundation Phase). Resp. Auth.: Ministry of Environment and Tourism. 1.882 mECU. Establishment of a Tourism Board and commercialisation of the Government resorts (Namibian Wildlife Resorts). Staff training. T.A. Project on appraisal. EDF 7.

EDF NAM 7010 - AEc

Livestock Marketing Project. Resp. Auth.: Directorate of Veterinary Services - Ministry of Agriculture, Water and Rural Dept., 3.750 mECU. Construction of buildings, water and road infrastructure, provision of equipment materials, tractors for quarantine farms in the Northern Communal Areas. All by acc. tenders or restr. tenders. Project on appraisal. EDF 7.

EDF NAM 7020 - ACa

Support for implementation of the Cross Border Initiative. Resp. Auth.: Ministry of Trade and Industry. 5.370 mECU. To promote an strengthen Namibia's economic integration. T.A., supplies and line of credit. Project in execution. EDF 7.

EDF REG 70012/22 - AEd,e

AIDS Programme. Estimated total cost 1.5 mECU. Reduction of sexual transmission of HIV/AIDS. Project on appraisal. EDF 8.

EDF NAM (REG) 8000/003 - AGz

NIGER

Fishery development in the southern Zinder zone. Resp. Auth.: NGO under control of Ministère de l'Hydraulique et de l'Environnement. Estimated total cost O.500 mECU. Professional sector organisation, strengthening of fish marketing. Project on appraisal. EDF 7.

EDF NIR 7014 - ACa

Environmental protection programme in the lower Tarka Valley. Estimated total cost 10 mECU. To stop ecological and economical destruction of the zone. Project on appraisal. EDF 7.

EDF NIR 6002/002 - ACa

NIGEPAC. Safeguarding cultural heritage. Estimated total cost 1 mECU. Project on appraisal. EDF 8.

EDF NIR 7017 - AHi

Support for the 1996 Structural Adjustment Programme. General import programme. 14 mECU. Imports on basis of negative list. T.A. for implementation and institutional support. Project on appraisal. EDF 6 and 7.

EDF NIR 7200/002 - Aac

PAPUA NEW GUINEA

Human resources development programme, phase II (HRDP II). Estimated cost 20mECU. Construction of and improvements to educational buildings. Scholarships, training and T.A. Project on appraisal. EDF 7.

EDF PNG 6008/002 - AFb

RWANDA

Return and social reintegration of students currently still in the central and east European states. Estimated cost 0.996 mECU. T.A. Project on appraisal. EDF 7

EDF RW 7012/002 - AAc

SAMOA

Rural water supply programme. Resp. Auth.: Ministry of Finance. Estimated cost 16.7 mECU. Preparatory study, works, supplies, project management. Project on appraisal. EDF 7 and 8.

EDF WSO 7002/000 - ABb

SAO TOME AND PRINCIPE

Support for the Structural Adjustment Programme. 0.900 mECU. Project on appraisal. EDF 7.

EDF STP 7200/001 - AAc

SENEGAL

St-Louis regional development programme. 22.5 mECU. Job creation, lines of credit, T.A. to the S.M.E's, training studies. Health centres, clinics, medical equipment and consumables, training, information, T.A. to the Direction Régionale in St-Louis and to the Service des Grandes Endémies in Podor. Drainage network, sanitation. Environmental protection with wind breaks. T.A. Study of a water-engineering scheme in Podor. Works by acc. tender. Supplies by int. tender. T.A. by restr. tender. Project in execution. EDF 7.

EDF SE 6002/7002 - ACa

Support for the Structural Adjustment Programme. General Import Programme with negative list. 20.100 mECU. T.A. foreseen. Project in execution. EDF 7.

EDF SL 7200/002 - AAc

SEYCHELLES

Victoria market rehabilitation. Resp. Auth.: Ministry of Agriculture. Estimated total cost 1 mECU. EDF 0.770 mECU, local 0.230 mECU. Works and improvements. Project on appraisal. EDF 7.

EDY SEY 7011 - ACb

Anse Royale landfill. *Estimated cost 3 mECU. Construction of a fully-engineered landfill. Works, supplies, T.A. Project on appraisal. EDF 8.*

EDF SEY - AJz

Le Niol water treatment plant extension. *Estimated cost 3.5 mECU. Rehabilitation and extension of water treatment works. Works. T.A. Project on appraisal. EDF 8.*

EDF SEY - AFh

SIERRA LEONE

Improvement of Freetown - Conakry road link. Estimated cost 30 mECU. Reconstruction of about 120 kms of road from Masiaka in Sierra Leone to Farmoreah in Guinea. Works and supervision. Project on appraisal. EDF 7.

EDF SL 7004 - ABd

Sierra Leone roads authority (SLRA) support programme. Resp. Auth.: SLRA. 22.500 mECU. To strengthen SLRA's management capacity, to support maintenance operations, rehabilitate 160 km of road, provide training and equipment to enable local private contractors to increase their role in road works. Rehabilitation works, equipment, T.A. to SLRA. Project on appraisal. EDF 7.

EDF SL 7002 - ABd

Management and protection of wildlife in Outamba Kilimi National Park (OKNP). Resp. Auth.: NAO. Estimated cost 1.980 mECU. Development of sound management plan for sustainable protection of wildlife and ecosystem in park. Improvement of local infrastructure and community development. Works, supplies, T.A. Project on appraisal. EDF 7.

EDF SL 7003 - AEi, AHi

West and North West Artisanal Fisheries and Community Development, phase II: 1.98 mECU. Technical cooperation in fisheries. T.A. and training. Financing date Project in execution.

SL 6004/001 - ACd

SOLOMON ISLANDS

Guadalcanal road: Aola-Matau. Resp. Auth. Ministry of Transport, Works and Utilities. Estimated total cost 6 mECU. Works and supervision. Project on appraisal. EDF 7.

EDF SOL 7001 - ABd

Population census. *Resp.Auth.: Ministry of Finance. Estimated total cost 1.885 mECU. T.A. and training. Project on appraisal. EDF 7.*

EDF SOL 6001/000 - AAi

SOMALIA

2nd rehabilitation programme. 47 mECU. Inter-sectoral approach. The project will be implemented by NGOs and T.A. Project in execution. EDF 1, 2, 3, 4, 5 and 6.

EDF SO 6029 - AAc

SURINAME

Timber Institute. Control of logging and reafforestation activities. Estimated total cost 3.5 mECU. Project on appraisal. EDF 7

EDF SUR 7005 - ACc

Road from Nickerie to the Suriname-Guyana ferry terminal. Resp. Auth.: Ministry of Public Works. Estimated total cost 8.4 mECU. Construction of 29.4 km road. Project on appraisal EDF 6.

EDF SUR 5602/001 - ABd

Strengthening STD (including HIV) health services among Maroon and indigenous populations in the hinterland. *Resp. Auth.: NAO. Estimated cost 680,000 ECU. Supplies, works, services, medical training and education. Project on appraisal. EDF 7.*

EDF SUR 7010/000 - AGc

SWAZILAND

Support for implementation of the Cross Border Initiative. Resp. Auth.: Ministry of Commerce and Industry. 1.5 mECU. T.A., training, supply of equipment. EDF 7.

EDF REG 7012/024 - AAz

TANZANIA

Mwanza-Nyanguge Road Rehabilitation. Resp. Auth.: Ministry of Transports and Communications. Estimated cost 35 mECU. Rehabilitation of 62 km of trunk roads (Nyanguge-Mwanza and Mwanza airport) and rehabilitation of Mwanza sewerage system (main works). Design study on-going. Project on appraisal. EDF 7.

EDF TA 6021 - ABd

Mwanza Water Supply. Phase II. Resp. Auth.: Ministry of Water energy and minerals. Estimated cost 11.100 mECU. Works, pumping equipment, studies and supervision. Short-list done. Project on appraisal. EDF 7.

EDF TA 5005(7) - ABb

Iringa Water Supply. Resp. Auth.: Ministry of Water, Energy and Minerals. Estimated cost 9.100 mECU. Pumping, treatment, storage and distribution. Works, equipment, design and supervision. Short-list done. Project on appraisal. EDF 7.

EDF TA 7009 - ABz

Support for the Structural Adjustment Programme. General Import Programme. Phase III. Resp. Auth.: Bank of Tanzania. 35 mECU. T.A. foreseen. Project on appraisal. EDF 7.

EDF TA 7200/002 - AAc

Assistance for the electoral process. Estimated cost 1.700 mECU. Supply of voting material and equipment. Project on appraisal. EDF 7.

EDF TA 7017 - AAc

Ruvuma-Mbeya Environment Programme. Resp. Auth.: Regional Development Authorities. Estimate 10 mECU. Improvement of forest conservation and use. Supplies, T.A., studies, training, management. Project on appraisal. EDF 7.

EDF TA 7018 - ACc

Support for coffee research. Resp. Auth.: Ministry of Agriculture. Estimated total cost 1.980 mECU. T.A. and supply of equipment for the research centres, training. Project on appraisal. EDF 7.

EDF TA 6001/002 - ACa

Road rehabilitation and maintenance (Ruvuma and Iringa Regions). Resp. Auth.: Ministry of Transports and Communications. Estimated total cost 15 mECU. EDF 12 mECU, local 3 mECU. Road rehabilitation, support to regional and district engineers' offices, training of local contractors. T.A. and supplies. Project on appraisal. EDF 7.

EDF TA 7011 - ABd

Rehabilitation of Bagamoyo to Wazo Hill junction road. Studies and supervision. Resp. Auth.: Ministry of Works. Estimated total cost 15.8 mECU. EDF part 1.750 mECU. for design studies and tender documents and supervision services for the rehabilitation of the +/- 45 Km road. Short-list to be done. Rehabilitation works funded by Italy: 14 mECU. Project on appraisal. EDF 7.

EDF TA 7020 - ABd

Rehabilitation of the Mwanza/Shinyanga-Nzega road. Resp. Auth. Ministry of Works. Estimated total cost 70 mECU. Project at identification stage. EDF 6, 7 and 8.

EDF TA 7012 - ABd

Rehabilitation of the Dodoma to Singida Road. Estimated cost 90 mECU. Project on appraisal. EDF 8.

EDF TA 7024/000 - ABd

Institutional strengthening for the education sector development programme. *Resp. Auth.: Ministry of Education and Culture. Estimated cost 1.91 mECU. T.A. (short term), training and equipment. Project of appraisal. EDF 7.*

EDF TA 7023/000 - AFd

Special programme for refugee-affected areas. *Resp. Auth.: Prime Minister's office. Estimated cost 22 mECU. Rehabilitation of the Mwanza Airport runway, contribution to the Kagera road maintenance programme, improvement of the Kigoma-Nyakanasi gravel road (335 km). Shortlists established. Project on appraisal. EDF 7.*

EDF TA - ABd

TOGO

Aid for the voluntary reintegration of refugees from Togo. Resp. Auth.: Min. Du Plan. Estimated cost 0.430 mECU. Project under the direction of CARE Togo. Socio-economic contribution for the reintegration of 17 000 Togo refugees in their place of origin. EDF 7.

EDF TO 7006 - AHn

TRINIDAD AND TOBAGO

Training project for young farmers (AYTRAP). Assistance for the young farmer to create rural enterprises. Estimated cost 7.300 mECU. EDF 5 mECU. local 2.300 mECU. Line of credit, T.A. and monitoring. Project on appraisal. EDF 6 and 7.

EDF TR 7002 - ACa

Support for Caribbean Business Services Ltd. (CBSL). *Resp. Auth.: NAO. Estimated cost 347,000 ECU. Support for SMEs through management advice and the transfer of technology. T.A. Project on appraisal. EDF 7.*

EDF TR 7006/000 - ADe

TUVALU

Outer Island Primary School Rehabilitation. (Nukufetau and Nanumea). Resp. Auth.: Department of Education. 0.300 mECU. Works and supplies by restr. tender. Project on appraisal. EDF 5 & 7.

EDF TV 7004 - AFa

UGANDA

Support for the External Aid Coordination Department (EACA) - NAO's Office. Resp. Auth.: National Authorising Officer (NAO). Estimated total cost 5 mECU. T.A., training, equipment and operating costs. Project on appraisal. EDF 7.

EDG UG 6023/001 - AAc

Water supply in Hoima, Masindi and Mubende. Resp. Auth.: Ministry of Natural Resources. Estimated total cost 12 mECU. Rehabilitation of catchments, treatment plants and water distribution network. Project on appraisal. EDF 7.

EDF UG 7010 - ABb

Human resources development programme. Int. tender N° 4206. Supplies of electrical, technical and carpentry equipment, text books and journals, catering and library equipment.

Water and Environmental Sanitation in Rural Districts. Resp. Auth.: Ministry of Finance. Estimated total cost 7.586 mECU. Mobilising beneficiaries of water supply development, setting up project information system, designing and planning schemes, material supply and distribution. T.A., supply, training. Project on appraisal. EDF 7.

EDF UG 7013/000 ABb, AHc

VANUATU

Expansion of the National Technical Institute of Vanuatu (INTV) - tourism section. Resp. Auth. Ministry of Education. Estimated total cost 0.950 mECU. Works and supplies. Project on appraisal. EDF 7.

EDF VA 7008 - AFb

Education development programme. Estimated total cost 7.5 mECU. To increase enrolment in junior secondary school and to improve the quality of education delivered. T.A., supplies, training EDF 8.

EDF VA 7005/001 - AFa.

ZAMBIA

Forestry management for sustainable woodfuel production in Zambia (along the railway line). Resp. Auth.: Ministry of Environment. Estimated total cost 2 mECU. Training supply of equipment, studies and T.A. Project on appraisal. EDF 7.

EDF ZA 7009 - ACc

Rehabilitation of the Kabwe-Kapiri Mposhi and Chisamba Road. Resp. Auth.: Ministry of Works and Supply. Estimated total cost 15.360 mECU. Works and supervision. Project on appraisal. EDF 7.

EDF ZA 6014/001 - ABd

Capacity building in the Bank of Zambia. *Strengthening of the banking and financial sector. Macroeconomic management and planning. Resp. Auth.: Bank of Zambia. Estimated cost 1 mECU. T.A., supplies and training. Project on appraisal. EDF 8.*

EDF ZA 7020/000 - AEh

Technical assistance to the Roads Department. *Resp. Auth.: Dept. of Roads. Estimated cost 1.8 mECU. Provision of long-term T.A. to the Roads Department and implementation of a formal training programme for the department's professional and technical staff. T.A., studies, training. Project on appraisal. EDF 8.*

EDF ZA 7022/000 - ABd

Educational capacity-building programme. *To plan and deliver effective and relevant education and training. Estimated cost 10 mECU. Feasibility study, T.A., construction, budgetary aid and training. Project on appraisal. EDF 8.*

EDF ZA 7003/003 - AFz, AFh, AFi

Development and rehabilitation of urban markets in Lusaka, Kitwe and Ndola. *Estimated cost 7 mECU. Construction, T.A. including studies. Project on appraisal. EDF 8.*

EDF ZA 7011/000 - ACf

Private sector development programme. *Trade and enterprise support facility/micro-credit project. Estimated cost 8 mECU. T.A., studies and training. EDF 8.*

EDF ZA 7010/001 - AEz, AEe

Export Development Programme Phase II. *To increase exports of non-traditional goods. Estimated cost 5 mECU. T.A. and training. Project on appraisal. EDF 8.*

EDF ZA 5017/002 - AEd

ZIMBABWE

Gokwe north and south rural water supply and sanitation project. 6.100 mECU. Rehabilitation of existing water-points, new domestic water points, latrines, maintenance, health education. T.A., training, evaluation. Project in execution. EDF 7.

EDF ZIM 7001 - ABb

Minefield clearance in N.E. Zimbabawe. Rural development, clearance of landmines. Zimbabwe minefields survey. Shortlist to be done. Estimated 10 mECU. Project on appraisal. EDF 7.

EDF ZIM 7004 - ACa

OVERSEAS COUNTRIES AND TERRITORIES

ARUBA

T.A. for managerial training. 1.900 mECU. A training unit will train private and public executives and will advise companies on demand. Supplies T.A. and evaluation. Project on appraisal. EDF 7.

EDF ARU 6006 - AFb

FRENCH POLYNESIA

Bora-Bora Island Sanitation. Tourism Development. Resp. Auth.: Direction Territoriale de l'Equipement. 1.250 mECU. Lagoon environmental protection. Works by acc.tender.Project on appraisal. EDF 6 and 7.

EDF POF 6009/000 - AHb, AGe

MAYOTTE

Water supply. *Estimated cost 7.2 mECU. Works, T.A., study. Main works completed. Supervision completed. Study on remaining works in execution. Project in execution. EDF 6 & 7.*

EDF MY - ABb

NETHERLANDS ANTILLES - ARUBA

Tourism development programme. 5 mECU.Training, T.A., marketing in Europe. Project on appraisal. Project in execution. EDF 7.

EDF REG 7835 - AEc

Technical Assistance to the National Authorising Officer. Technical assistance will be given to promote sound and effective management of external aid. 1.3 mECU. T.A supplies Restricted tender. Project in execution. EDF 7.

EDF NEA 7012/000

NEW CALEDONIA

Support for the diversification and development of the mining sector. Resp. Auth.: Le Service des Mines et l'Energie de Territoire. 2.670 mECU. Works, feasibility study of the re-opening of an established chromite mine, identification of new ore deposits, redevelopment of former mining sites. Financing date March 97. EDF 6 & 7.

EDF NC 9999/000 - ADz

ST. HELENA

Wharf improvement project. Resp. Auth.: Public Works and Service Department. Estimated total cost 1.743 mECU. To increase the safety and efficiency of Jamestown Port by upgrading wharf facilities for passenger and cargo handling. Works, supplies. Project on appraisal. EDF 7.

EDF SH 7001 - ABd

TURKS AND CAICOS ISLANDS

Water and sewerage in Providenciales. Resp. Auth.: Ministry of Works, 3.700 mECU. Water supply works and pipes. T.A. Project on appraisal. EDF 7.

EDF TC 7001 - AHb,c

WALLIS AND FUTUNA

Holo-Fakatoi Road in Wallis (RT2). EDF 0.600 mECU. Bitumen road. Project on appraisal. EDF 7.

EDF WF 7001 - ABd

Construction of territorial road N° 1 in Futuna. 0.840 mECU. Works and rehabilitation. Project on appraisal. EDF 7.

EDF WF 7003 - ABd

Creation of improved structures for pig-rearing. *Resp. Auth. EDF authorising officer for the territory. Total estimated cost. 110,000 ECU. To establish viable production structures adapted to market conditions. T.A., training, follow-up. Project on appraisal. EDF 7.*

EDF WF 7009/000 - ACa

REGIONAL PROJECTS

UGANDA, RWANDA, KENYA

Agro-forestry network for the East African Highlands. Provision of vehicles and motorbikes, audio and office equipment, weather stations and various laboratory and field equipment. Training, workshops, monitoring, evaluation. Project on appraisal. 4.850 mECU. EDF 7.

EDF REG 7309 - ACa

EAST AFRICAN COUNTRIES

Statistical training centre for Eastern Africa in Tanzania.

Resp. Auth.: Secretariat of the centre. 5 mECU, Widening of capacity. Construction of class-rooms, offices and housing. Project on appraisal. EDF 5.

EDF REG 5311 (7) - AFb

Combatting the tse tse fly in East Africa (Ethiopia, Kenya, Uganda). 20 mECU. Evaluation, training and research. T.A.., equipment. Project in execution. EDF 7.

EDF REG 736 ACa - ACe

Rehabilitation programme for refugee affected areas and related infrastructure in Tanzania. Estimated cost 22 mECU. Rehabilitation of roads, Mnanza airport, protection of forests. Survey, works, equipment, T.A. Project in execution. EDF 7.

EDF REG 7322/001 - ABd, AHf

CAMEROON, CENTRAL AFRICAN REPUBLIC

Bertua-Garoua Boulai Road. Resp. Auth.: Ministère des Travaux Publics (Cameroon). Rehabilitation and improvement of transport infrastructures between Douala and Bangui. Estimated total cost 50 mECU. Prequalification for services. Project on appraisal. EDF 6.

EDF REG, CM-CA-7002/001 - ABd

MALI, GUINEA

Flood forecast and control, hydrological simulation for the Niger upper basin. Estimated total cost 6 mECU EDF, 5.175 mECU, France (foreseen) 0.375 mECU, Denmark (foreseen) 0.150 mECU, Mali-Guinea (foreseen) 0.300 mECU. Flood forecast system, hydrological model of local simulation with parametric regionalisation. Warming system via telecommunication and satellite teletransmission. Statistical studies. Project on appraisal. EDF 7.

EDF REG 6181 - AHf, g

CENTRAL AFRICA

CIESPAC, Public Health Education Centre in Central Africa. 1.980 mECU. Student accommodation, equipment, scholarships. T.A. Project on appraisal. EDF 7.

EDF REG 7205 - AFb

ECOFAC II, Forest ecosystems. Resp. Auth.: Ministère du Plan. République du Congo. Estimated total cost 16.000 mECU. To develop national and regional capacities for good management of forest resources. Works, supplies and T.A. Project in execution EDF 7.

EDF REG 6203/001 - ACc

MEMBER COUNTRIES OF THE INDIAN OCEAN COMMISSION (IOC) - COMORES, MADAGASCAR, MAURITIUS, SEYCHELLES

Establishment of a University in the Indian Ocean region. Resp. Auth.: Indian Ocean Commission. Estimated cost 2.150 mECU. Creation of a network of research and training institutions providing support for existing institutions. T.A. Project on appraisal. EDF 7.

EDF REG 7501 - AFb

Indian Ocean University. *Resp. Auth.: IOC. Estimated cost 1,925 mECU. Training. Project on appraisal. EDF 7.*

EDF REG 7506/000 - AFd

COUNTRIES PARTICIPATING IN THE CBI

Regional Integration in Eastern and Southern Africa. Assistance to COMESA Secretariat. 1.950 mECU. Training, supply of equipment, evaluation and services. T.A. short-term. Project on appraisal. EDF 7.

EDF REG/7316 - AAc

Development of standardisation, Quality, Metrology and Testing (SQMT) programmes in the Common Market for Eastern and Southern Africa (COMESA). Resp. Auth.: COMESA Secretariat. Estimated cost 1.998 mECU. TA. Project on appraisal.

MEMBER COUNTRIES OF ECOWAS

Guarantee Fund for Private Investment Financing in Western Africa. FGIPAO, Lomé. Creation of a Guarantee Fund to cover partially credit risks given by Banks to the private sector. Total estimated cost 22.5 mECU. EDF 3.8 mECU, Others: France, Germany, EIB., Commercial Banks (E.U.). Development Agencies. Project on appraisal. EDF 7.

EDF REG 7115 - AEz

Regional programme to combat drugs. Estimated total cost 5.1mECU. Elaboration of training programmes and national plans. Date foreseen for financing first half 97. EDF 7.

EDF REG 7135 - AGz

EU Mines Forum - West and Central Africa (Mines '97/98). Resp. Auth.: Executive Secretariat of the ECOWAS and 2 NAOs. 1.750 mECU. (0.8 % PIR West Africa EDF 7). development of the mining sector of the ACP states concerned. Project in execution. EDF 7.

EDF REG/7141/000.

BENIN, CAMEROON, COTE D'IVOIRE, GHANA, GUINEA, TOGO

Regional Programme to relaunch pineapple production in West and Central Africa. Resp. Auth.: Execution unit composed of one senior expert, T.A. and one junior expert. 1.995 mECU. T.A. studies, evaluation. Project on appraisal. EDF 7.

EDF REG 7138 - ACa

MEMBER COUNTRIES OF IGAD

IGAD Household Energy Programme. Resp. Auth.: IGAD Executive Secretary. Estimated total cost 1.900 mECU. T.A. to initiate pilot projects in the area of household energy, define the role and organize the setting up of a regional unit to coordinate activities, and develop working relationships with national and sub-region institutions in IGADD's member countries. Project on appraisal. EDF 7.

EDF REG - ABa

Development of the Artisanal Fisheries Sector. The promotion of artisanal fisheries and fisheries trade. Improvement of the level of services available in the post-harvest field of artisanal fisheries in IGADD member states. Estimated total cost 7.8 mECU. Project on appraisal. EDF 7.

EDF REG/7314/000 - ACd, AFd

Grain marketing training programme. Resp. Auth. IGADD Executive Secretary. 1.990 mECU. T.A., equipment, evaluation. Project on appraisal. EDF 7.

EDF REG 5359 - ACa

BURKINA FASO, CAPE VERDE, GAMBIA, MALI, MAURITANIA, NIGER, SENEGAL, CHAD

Regional environmental training and information programme. Resp. Auth.: Institut de Sahel in Bamako. 16 mECU. T.A. training, supply of equipment. Project in execution. EDF 7.

EDF REG 6147/001 - AFz, AHz

SAHEL COUNTRIES

Support to strengthen vaccine independence in Sahel Africa. 9.5 mECU. Project on appraisal. EDF 7.

EDF REG 7012 - ACa

BENIN, BURKINA FASO, COTE D'IVOIRE, MALI, NIGER, SENEGAL, TOGO

Support for the West Africa Economic and Monetary Union (UEMOA). Promotion of regional economic integration. Resp. Auth. UEMOA Commission. 12 mECU. Project in execution. EDF 7.

EDF REG 7106/02 - AAf

Support for the ENAREF. 0.900 mECU. T.A., training, equipment. Project in execution. EDF 7.

EDF REG 7106/003 - AAc, AFd

10 MEMBER COUNTRIES OF AGM - BURKINA FASO, CAMEROON, COTE D'IVOIRE, GHANA, MALI, NIGER, NIGERIA, SENEGAL, CHAD, TOGO

Promotion of a regional grain market in West and Central Africa. Resp. Auth.: NAO-Mali. Estimated cost 12 mECU. Creation of a regional grain market. Promotion and strengthening of initiatives by private operators. Project on appraisal. EDF 7.

EDF REG 6175 - ACf

MEMBER COUNTRIES OF P.T.A.

Regional integration in East and Southern Africa. Assistance to PTA Secretariat. (Preferential Trade Area). Short and long-term. T.A., studies, training. Estimated cost 1.5 mECU. Project on appraisal. EDF 7.

EDF REG 7316 - AAb

PACIFIC ACP STATES

Pacific regional civil aviation. Phase II. Resp. Auth.: Forum Secretariat. Fiji. 4.9 mECU. Supply of security, air traffic control, navigation and meteorology, and training equipment. T.A. Project in execution. EDF 6 and 7.

EDF REG 7704 - ABc,d

Pacific Regional Waste Awareness and Education Programme. Resp. Auth.: Forum Secretariat. 0.600 mECU. T.A. EDF 7.

EDF REG 7714 - AHf

South Pacific Forum Secretariat. Technical support for the Regional Authorising Officer. *Resp. Auth.: Regional Authorising Officer. Estimated cost 1.1 mECU. T.A. Project on appraisal. EDF 7.*

EDF REG 6707/001 - AAz

SADC

SADC Hydrological Cycle Observing System (SADC-HYCOS). Resp. Auth.: SADC Secretariat. 1.964 mECU. Programme for the improvement of regional integrated water resources. Supply of equipment by int. Tender. T.A. by restricted tender. Project in execution. EDF 7.

EDF REG 6450 - ABb

ANGOLA, MOZAMBIQUE, NAMIBIA, SOUTH AFRICA AND TANZANIA

SADC monitoring, control and surveillance (MCS) of fishing activities. *Resp. Auth.: SADC - Sector Coordinator for Marine Fisheries. Estimated cost 13.3 mECU. To improve national and regional capacity to manage marine fishery resources. Feasibility study, T.A., supplies. Project on appraisal. EDF 8.*

EDF REG 6406/000 - ACd

INTRA-ACP

Strengthening of fisheries and biodiversity management in ACP countries. Resp. Auth. : ICLARM, Manila (Philippines). 5mECU. T.A., management, supply of equipment, data base creation. Project in execution. EDF 7.

EDF REG 70012/016 - ACa

COLEACP, Interim Project. Commercial development in exports and in the field of horticulture. Estimated cost 1.860 mECU. Training, T.A. Project on appraisal. EDF 7.

EDF REG 6900/002 - AEe

Business Assistance Scheme for Exports (B.A.S.E.) Total estimated cost 30 mECU. To expand receipts from exports and tourism by improving enterprises' export competitiveness and trade facilitation skills. T.A. training. Project on appraisal. EDF 8.

EDF REG 70001/020 - AEd.

AFRISTAT

Support for AFRISTAT (economic and statistical control). 0.900 mECU. Improvement in the quality of statistical information. T.A., supplies and equipment. Project in execution. EDF 7.

EDF REG 7106/004 - AAc, AFd

KENYA, UGANDA, TANZANIA

Lake Victoria Fisheries Research Project (Phase II). Project headquarters in Jinja, Uganda at FIRI-Fisheries Research Institute. EDF part 8.4 mECU. T.A., supplies, training, monitoring and evaluation. Project on appraisal. EDF 7.

EDF REG 5316/001 - ACd

CARIBBEAN REGION

University level programme. Resp. Auth.: S.G. Cariforum. 21 mECU. To train a critical mass of Caribbean ACP nationals at masters degree level in development economics, business administration, public administration, agricultural diversification, natural resources, management and architecture, works, educational equipment, T.A., scholarships. Project on appraisal. EDF 7.

EDF REG 7604 - AFb

Caribbean Postal Union.

Resp. Auth.: S.G. Cariforum. 0.500 mECU. T.A. and other action necessary for the creation of the Caribbean Postal Union. Project on appraisal. EDF 7.

EDF REG 7605 - ABc

Caribbean Telecommunications Union. Resp. Auth.: S.G. Cariforum. 0.500 MECU. T.A. for the accomplishment of the C.T.U. and the harmonisation of legislation on telecommunications within the Cariforum member states. Project on appraisal. EDF 7.

EDF REG 7605/001 - ABc

Establishment of Caribbean Postal Union - Telecommunications. *Resp. Auth.: S.G. Cariforum. Estimated cost 636,000 ECU. T.A. Project on appraisal. EDF 7.*

EDF REG 7605/000 - ABc

Education policy and dialogue. Resp. Auth.: Cariforum S.G. 0.450 mECU. T.A. for regional common policies in three education areas: basic education, technical and vocational training, language teaching. Project on appraisal. EDF 7.

EDF REG 7607 - AFa,d

Tertiary level programme. Estimated total cost 5.946 mECU. Upgrading tertiary level education and teacher training. Project in execution. EDF 7.

EDF REG 6628/001 - AFb

Cariforum Regional Environment Programme. Resp. Auth.: SG Cariforum. Estimated total cost 11 mECU. Environmental management action, programme for protected areas and community development, management and expansion of marine and coastal park and protected areas. Terrestrial parks. Project on appraisal. EDF 7.

EDF REG 7613 - AHf

CARIFORUM Programming Unit. Resp. Auth.: CARIFORUM. Total estimated cost 5 mECU. T.A. to the Secretary General of CARIFORUM to help in the allocation, preparation and implmentation of regional funds under Lomé IV. T.A., supply. Project on appraisal. EDF 7 and 8.

EDF REG 7615/001 - AAb

Caribbean News Agency Development Programme. Resp. Auth.: Regional Authorising Officer. Total estimated cost 4.179 mECU. Establishing a CARIFORUM Information Network by setting up a coordinating centre and mechanisms and archives and increasing radio, TV and Cana wire services. T.A., supply. Project on appraisal. EDF 7.

EDF REG 7605/003 ABc

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THE EUROPEAN UNION

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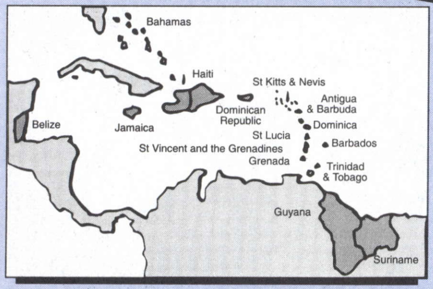
Finland
France
Germany
Greece
Ireland
Italy
Luxembourg
Netherlands
Portugal
Spain
Sweden
United Kingdom

France
(Territorial collectivities)
Mayotte
St Pierre and Miquelon
(Overseas territories)
New Caledonia and dependencies
French Polynesia
French Southern and Antarctic Territories
Wallis and Futuna Islands

Netherlands
(Overseas countries)
Netherlands Antilles (Bonaire, Curaçao, St Martin, Saba, St Eustache)
Aruba

Denmark
(Country having special relations with Denmark)
Greenland

United Kingdom
(Overseas countries and territories)
Anguilla
British Antarctic Territory
British Indian Ocean Territory
British Virgin Islands
Cayman Islands
Falkland Islands
Southern Sandwich Islands and dependencies
Montserrat
Pitcairn Island
St Helena and dependencies
Turks and Caicos Islands



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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

THE 71 ACP STATES

Angola
Antigua & Barbuda
Bahamas
Barbados
Belize
Benin
Botswana
Burkina Faso
Burundi
Cameroon
Cape Verde
Central African Republic
Chad
Comoros
Congo
Congo (ex-Zaire)
Côte d'Ivoire
Djibouti
Dominica
Dominican Republic
Equatorial Guinea
Eritrea
Ethiopia
Fiji
Gabon
Gambia
Ghana
Grenada
Guinea
Guinea Bissau
Guyana
Haiti
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Kenya
Kiribati
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Mauritania
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Mozambique
Namibia
Niger
Nigeria
Papua New Guinea
Rwanda
St Kitts and Nevis
St Lucia
St Vincent and the Grenadines
Samoa
Sao Tome & Principe
Senegal
Seychelles
Sierra Leone
Solomon Islands
Somalia
South Africa*
Sudan
Suriname
Swaziland
Tanzania
Togo
Tonga
Trinidad & Tobago
Tuvalu
Uganda
Vanuatu
Zambia
Zimbabwe

*Not all provisions of the Lomé Convention apply to South Africa

ENDPIECE

Potent African symbol in danger?

Our intrepid reporter, who risked life and limb for *Courier* readers to take this photo of a charging elephant in Gabon, probably didn't stop to think of it as an endangered species.

However, this was the case in the 1970s and early 1980s, when products made from elephant tusks were considered to be luxury items, and no respectable household was without its ivory trinket. The high prices to be had on the market led to a huge increase in the hunting of elephants, and an epidemic of poaching. There was a sharp decline in the population - so much so that there was a serious risk that the species would become extinct. National parks were losing their star attraction, with potentially drastic consequences for tourism. This led to a ban on the ivory trade in 1989. The product also ceased to be fashionable in many countries as consumers became more 'environmentally correct'. The elephant population subsequently stabilised and, in some places, it began to expand.

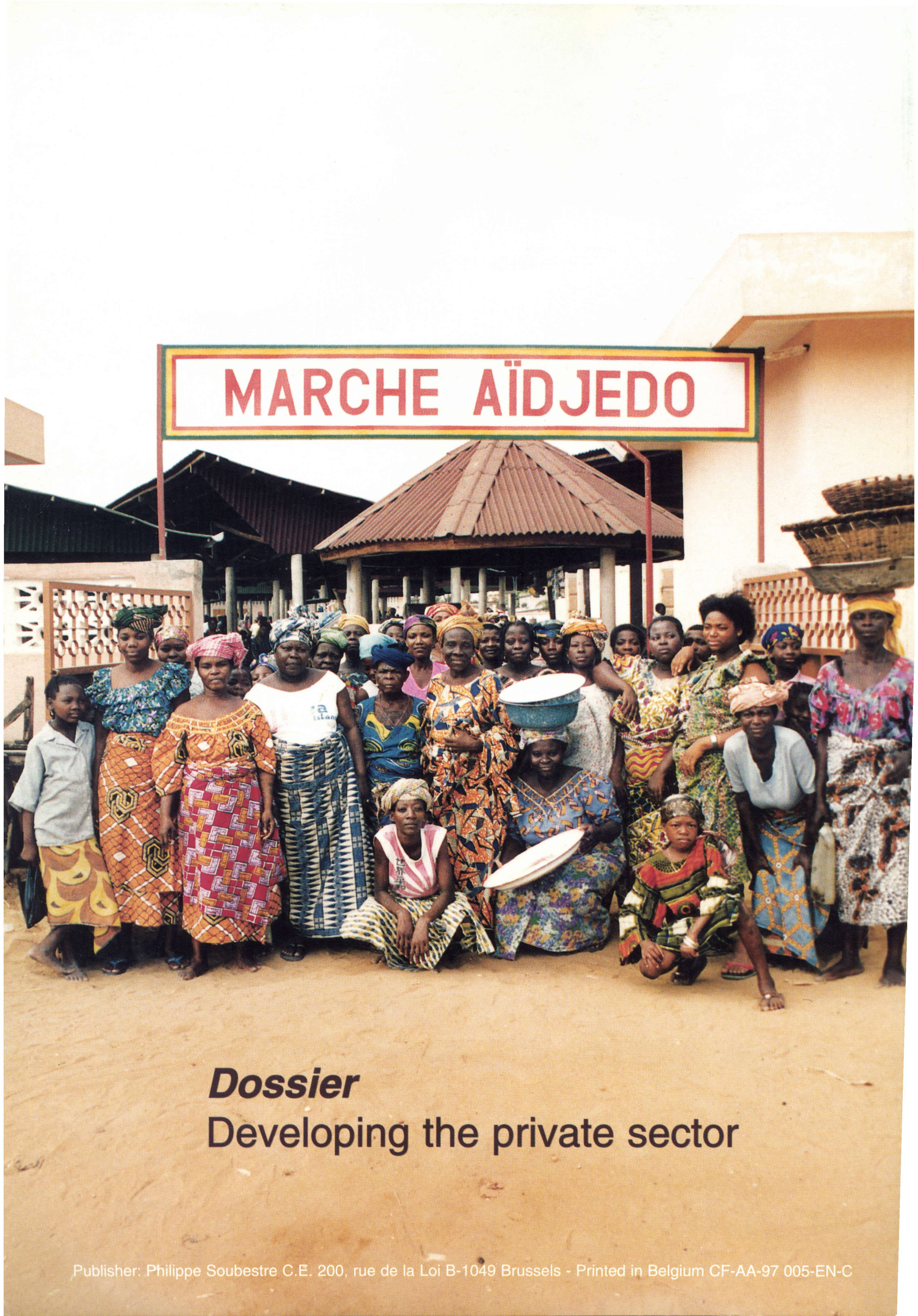
The decision to ban ivory trading was taken at a conference of the Convention on International Trade in Endangered Species, commonly known as CITES. Now, 18 years on, a change is in the air again.

For some time, there have been opposing views on the appropriateness of a complete ban. Supporting it are tourism and conservation groups, who fear a return to poaching. On the other side of the debate are groups with trading interests, some NGOs, and Southern African countries, who believe the future of the elephant would be better secured if it were treated as a sustainable resource. There is also the argument that too many elephants in a given area threaten other species, damage crops and pose a threat to local villagers.

At a recent CITES conference (see pages 9 and 10 of this issue of *The Courier*) a decision was taken to relax the ban on ivory trading in three ACP countries - Zimbabwe, Namibia and Botswana. Here, trade will now be possible, though tightly regulated. Conservationists fear this may be the 'thin end of the wedge', reawakening a taste for ivory artefacts. Higher demand, they say, means higher prices and more temptation for the poachers!

It remains to be seen if their fears are justified, but one thing *is* clear. With so many people holding passionate views about the world's largest land animal, it is a story which will run and run.

D.M.



Dossier

Developing the private sector

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