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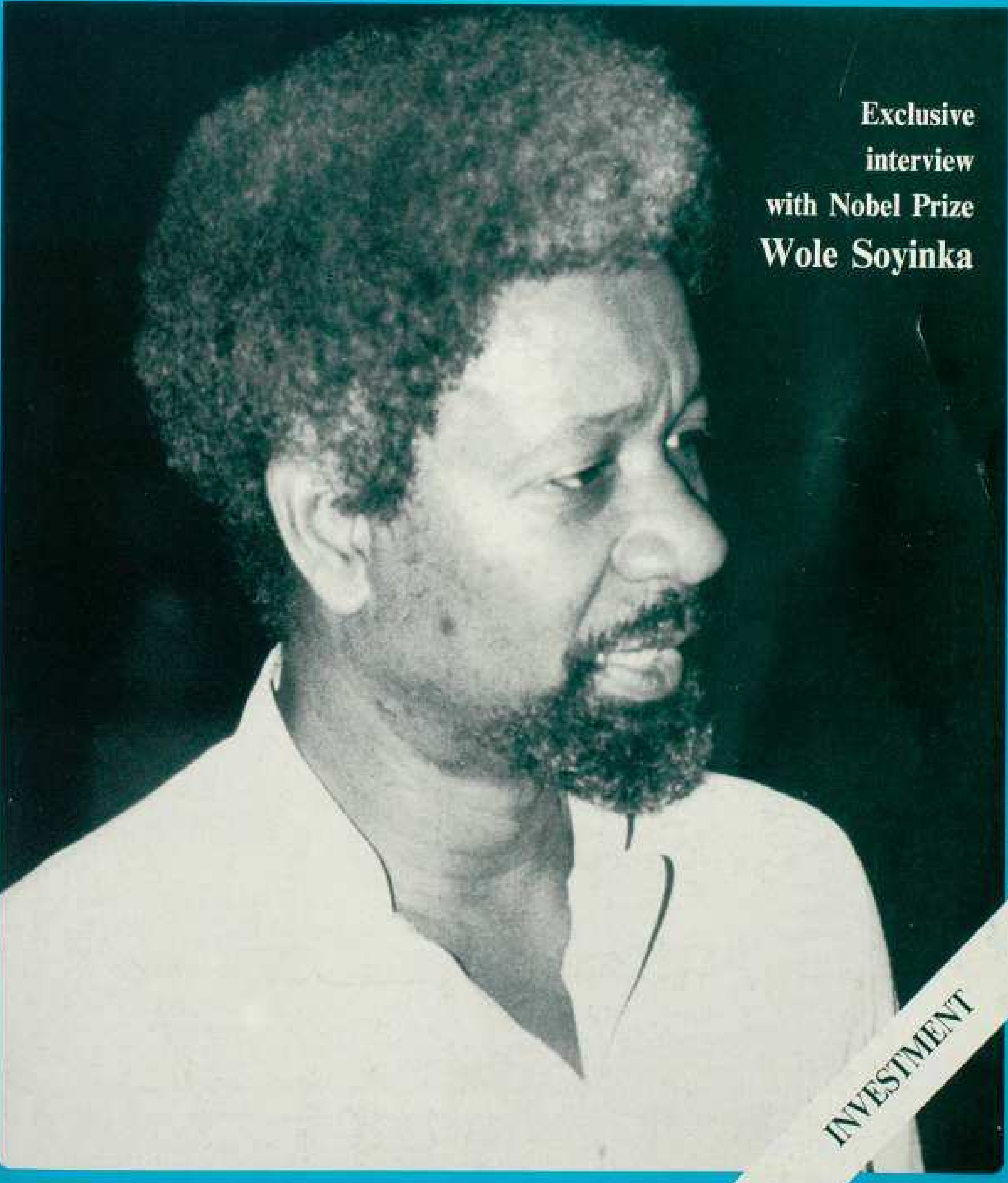

Exclusive interview with Nobel Prize Wole Soyinka

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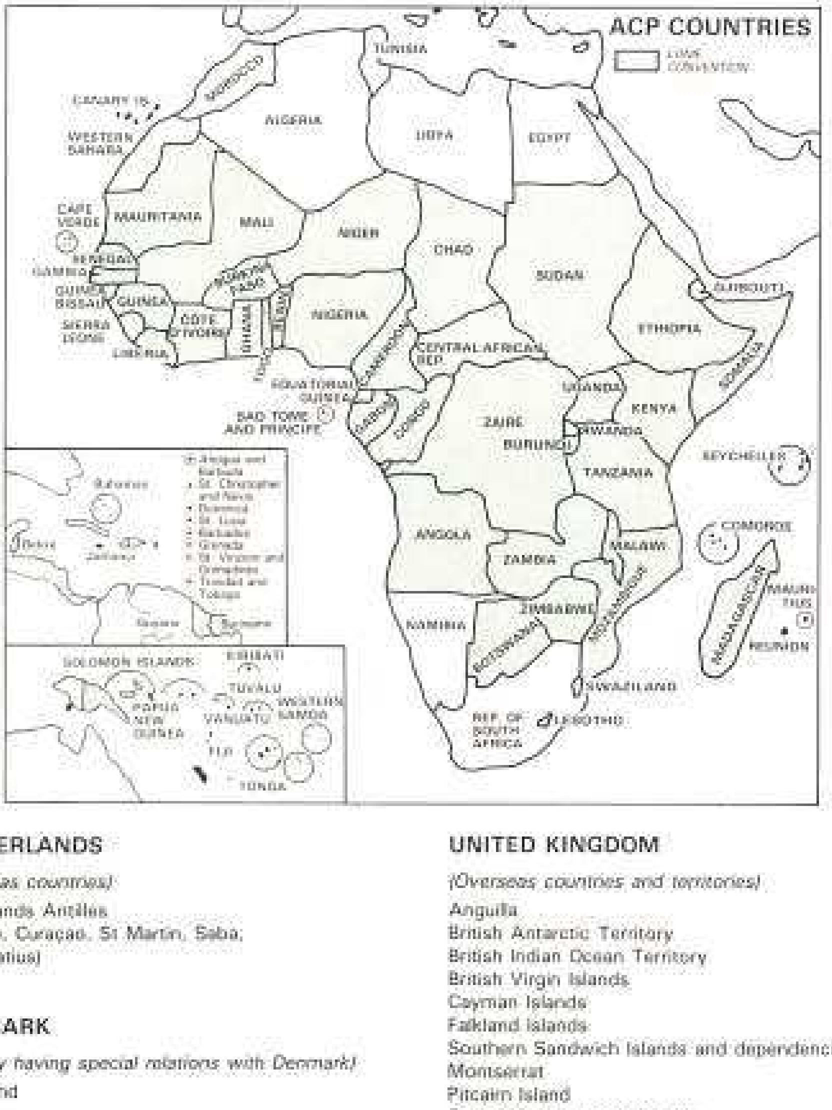

FRANCE

(Territorial collectivities)

Mayotte
St Pierre and Miquelon

(Overseas territories)

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

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(Overseas countries)

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

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.

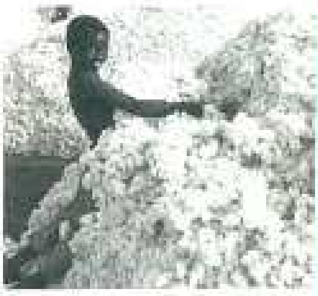
MEETING POINT: Wole Soyinka

The award last year of the 1986 Nobel Prize for literature to the Nigerian playwright, poet and novelist Wole Soyinka was an event of historic significance for Africa—the recognition, at long last, of the richness of the continent's literature and art forms. The Courier met the laureate and discussed with him the significance of his Prize for Africa and his work in general. **Pages 2 to 4**

ACP General Secretariat

The ACP General Secretariat, the ACP Group's nerve centre in Brussels, recently celebrated ten years of existence. The Courier introduces the Secretariat to its readers through a series of interviews with the members of its staff, revealing their personal experiences of day-to-day work for the institution, as well as their hopes for its future. **Pages 12 to 26**

COUNTRY REPORTS



CHAD: Few African countries get so many column-inches in the world's press as Chad. But for the most part these reports deal with the shifts in the fight against the occupying Libyan troops. What is not stated as often is that war-torn Chad is also a country which is drastically short of infrastructure and a prey to drought and desertification. **Pages 27 to 43**

SOLOMON ISLANDS: A Pacific paradise, set in an azure sea, the Solomons have a life style all of their own. A stable social system underpins a democracy and an honest questioning of currently accepted truisms about development. But a firm sense of nationhood leads islanders to stand up for what they believe to be their economic rights and for the future which the rich land and richer sea can promise them. **Pages 44 to 64**

DOSSIER: Investment

ACP States have long grasped the importance of investment, especially private investment, to their economies. But over the past few years, and most especially in 1986, they also grasped that they can do much to affect the conditions which will allow investment to flourish. In the earlier eras of capitalism, investors were able to muscle their way in—today they only come when they are called by stable conditions, efficient administration, a trained workforce and a conducive investment climate. The Dossier looks at how the climate can be changed and what benefits will flow if it is. **Pages 70 to 100**

The Courier

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Have you answered the "Readers' questionnaire" in issue No. 100? If not, do so quickly! We need your answers!

WOLE SOYINKA

"A new understanding of literature as part and parcel of the process of the productivity of mankind"

The award of the 1986 Nobel Prize for literature to the Nigerian playwright, poet and novelist Wole Soyinka was no doubt one of the greatest things to happen to Africa this century—the final recognition of the high quality of the continent's literature and works of art. The Courier cornered Soyinka at a party organised in his honour last December at Esa-Oke village, 230 miles from Lagos, when he had just returned from the award ceremony in Stockholm. An appointment was fixed with him for the following morning in Lagos where he granted this exclusive interview to The Courier on what his Nobel Prize means for Africa and on his work in general.

► *Mr Soyinka, the significance for Africa of your award of the Nobel Prize for literature cannot be understated. First of all, why do you think it has taken so long for Africa to have this recognition?*

— Well, as I have said before, we have to remember that this Prize was instituted by a European, a Swede, and has been managed by the European Foundation, and that Europe has been very much inward-turned in its cultural attitude to the world. Its perspectives have been mainly very central to themselves, with occasional excursions into the literatures, the arts, the sculptures of other people only as a kind of exotica, which could possibly induce certain innovations in their own culture and art forms, but not really as art forms in their own right. I think it's this attitude which, the further it was ingrained, made it impossible for the European to really devote the necessary attention to the very nature of African literature, arts, sculpture etc, etc. I think it's only in recent times that, owing to lots of factors: the geopolitics of the world, traumatic and ongoing events like apartheid in South Africa, independence, particularly the independence of various African nations, the commencement of the very vigorous participation of the African world in European affairs, leading to interaction at a level which never existed before. I think it's only this which, in turn, affected the conceptualisation in the European mind of African art and literature.

► *How do you see the future of African literature as of now? Do you think the Prize will encourage the study of African literature in Europe?*

— It will, yes indeed. It'll result in the European world, the external world, taking the literature of Africa seriously—I don't mean just the contemporary literature, because there is a lot of oral literature which is constantly being transcribed, from Senegal to South Africa, to the Horn. The epics, the poetry—all this will receive far more prominence. It will be possible for literacy critics to begin to benefit themselves by paying attention to this larger parameter of the source of what we write, and not keep all the time relating them to certain streams of European literature. Things like this will make it possible to situate a lot of even contemporary African literature within the context of African literature, and this will be of great benefit—firstly, to African critics themselves, then to European critics, Asian critics, Arab critics—and also to African writers.

► *The conditions under which African writers and artists work in Africa are, to say the least, far from ideal. As the whole continent basks in the glory of this Nobel Prize for literature, what can you do, in the position you occupy, to improve these working conditions?*

— Well, one of the remarkable effects of this Prize—one of the factors which makes us regret that we didn't capture it earlier, has to do with this very question you raise. I think that in that respect things are beginning to happen. It was a very good thing that certain types of Nigerians went to that ceremony, because they came back so impressed, so moved, with a total new understanding about the place of literature as part and parcel of the total process of productivity of mankind. Some of them (individuals and Heads of State) have talked to me—they have certain ideas, and I think that there will be very concrete results as a result of this Prize, out of this experience. I think we're going to see very very dramatic changes in the process of demarginalisation of literature as an art form in the African continent.

► *In your analysis of situations where the role of oppressors and the oppressed have been reversed, it is only in Africa that bitterness and revenge do not ensue afterwards. This capacity for* *forgivness you attribute to the African ethical religion. Is there a case for greater emphasis on African traditional concern in our educational systems?*

— First of all, I don't want to paint too rosy a picture of the African's capacity to forgive, etc. We experience, and we undergo periods—even prolonged periods—of bitterness, intertribal clashes which leave lingering marks. But I am emphasising that the Africans have this rare gift of actually living at peace with those who have really vandalised their existence—those who really dehumanised and degraded them in very many ways. I refer, specifically, to the brutal forms of colonialism which we have experienced, especially in settler implantation, colonialism in East Africa, and Central Africa. But Africans, after they have asserted the will of their majority, have this capacity to absorb, to even become colour blind, not to see the very nature of the race of the people who have oppressed them, and to continue in a process of collaboration with them. And I believe, thinking of this phenomenon, something which I've thought of so many times... I believe it can only have something to do with certain ingrained ethical precepts which result, of course, from our world view, our approach to the phenomenon of nature, the totality of our environmental conception. And therefore in that sense it's worthwhile—for these other so-called superior civilisations—to pay a little bit more attention to these very deep factors in our racial psyche which make such a phenomenon possible.

► *You retorted yesterday to critics of the obscurity of your writing by saying that you would be satisfied if you succeeded in getting through to someone. A a social critic with important views on humanism, social justice, freedom, shouldn't you be concerned with increasing the size of your readership?*

— Well, first of all, let me again clarify what I *did* say. I said no writer has ever been born, no *artist* has ever been born who was able to touch everybody, all the time, in the same form, and that I don't believe that any writer exists who does not succeed in touching someone in a particular way. I said I'd be quite content if I succeeded in touching some people some of the time in very different ways. (1) Now, as far as messages are concerned: you see, there are different forms of literature. There is what I call "shotgun" literature in which you detonate—detonate a message under the complacent bottom of society. When you detonate that message, everybody gets it. The percussive effect, at the very least, will then make them ask for the meaning within that sudden explosion. There is no question at all that everyone receives some of the political fall-out from that particular form of communication. There are others, however, other forms of literature which appeal to the mind's desire—the human personality's desire for an enlargement of its horizons. This cannot be the same kind of literature. In other words this is the kind of literature in which even the reader, the consumer, the recipient, enjoys the process of quarrying his way to a meaning in which language becomes so thoroughly enmeshed in a particular experience. Now, the very process of unravelling the experience carries with it a joy in the manipulation of language. I know, as a consumer of literature, that I enjoy also that kind of literature which is sometimes said to be complex because it's infinitely—I wasn't going to say it's infinitely more rewarding than other kinds, I was just going to say that its measure of reward is on a very different level. It's endless, one returns again, even in so-called straight-forward plays, or poems. You pick up a poem which you thought you had consumed completely the first day and you discover totally new levels of meaning in it. Now that's the kind of literature which, for me, enriches. It fulfils a certain aspect—what I call the intellectual curiosity of life and its expression. We'd be bored to death if there was just one kind of literature, just one form of linguistic communication.

► *But what would you say, also, to people who say that you express yourself in the colonial language, that you should be expressing yourself in the African language? Ngugi wa Thiong'o for example, is going back to the Kenyan language. What do you think of that?*

— For me it's a kind of very academic anguish, which has no foundation in the reality of the results of our forms of communication. If you have one common language in a multilingual state like Nigeria it serves a certain political and social purpose. We're talking now in Lagos. You've seen the road signs, they are in English (when there are road signs!). You've seen the newspapers, they are mostly in English. Of course, we also have newspapers in our indigenous languages. The languages of court, they're mostly English. We also have traditional courts which operate in the local languages. The language of legislation is English. When there is a *coup*, which is the most traumatic thing in the life of a nation, the announcement is always made in English. The budget

(1) This interview took place in Lagos on 22 December 1986. In a brief speech at the party in his honour at Esa Oke on 21 December, Soyinka spoke of his experience at the home where he had spent the night: A friend's 12-year old daughter woke up in the morning, saying that Wole Soyinka was under her bed. It turned out that the girl had read Soyinka's poem "Abiku" at school the previous day. The spiritual and indirect influence implicit in the poem is evident.

Soyinka decorated with the highest honour in Nigeria, "Commander of the Federal Republic," subsequent to his Nobel Prize.

"I think we're going to see very very dramatic changes in the process of demarginalisation of literature as an art form in the African continent"

Soyinka being feted at Esa-Oke village by his friend Bola Ige, ex-Governor of Oyo State

is read in English. So, then, what is this idea that English is an alien language? I mean, I'm a product of this environment—I'm a product of the multilingual culture which exists in Nigeria. So there is no conflict for me, because these same people say that if I write in Yoruba now, I reach only the Yoruba-speaking people—they have to translate it into Ibo, Hausa, into Tiv, into Efik and so on and so forth. That, for me, doesn't make too much sense, especially as I have already commenced writing in this particular language. But, in political terms, I also believe in a very positive strategy to deal with the language problem, one which I've been fighting for for the last decade or so, and that is the adoption of a continental language for black Africa. As you probably know, I have promoted the cause of KiSwahili. Now, if we have a continental language for black Africa, then we can all write in whatever languages we please—Yoruba, Tiv etc. Then there is only one direction of translation—at least one we would preoccupy ourselves with firstly—Swahili. Then we know that only one step—one translation step, only one remove from whatever language one is writing in, and made immediately accessible to millions and millions of readers. That, for me, is a revolutionary step—that is really thinking far. But withdrawing into the cocoon of a fragmented cultural geography doesn't make much sense, especially as there is lots and lots of literature existing in those languages. Nothing prevents anybody writing in whatever language. But I'm a product of a society which communicates on all levels: the market women, the taxi drivers, the factory workers, the peasants—they understand some form of English. When I take a play in my guerrilla theatre, for instance, when I perform in the market place, or outside the secretariat, or house of assembly, as we have done before, I use a language with the people I'm talking to, the people I'm putting on the line—I use a language which they understand, and they are all Ibo, Hausa, Efik, etc. When I'm abusing them, I'm telling them to stop robbing the country, or to stop brutalising the people, or whatever—I've got to talk to them in the language they understand.

▶ *But is it ever possible to translate certain images in their native tongue into English completely?*

It's not a question of native tongues into English alone, or into French, or into German. It's impossible to translate Russian into German, to translate the image completely, English into French completely, Italian into Turkish completely. No, translation always loses something. But sometimes along the way it gains something else. I've had the inestimable joy of translating one of our Yoruba classics into English. I know how hard it was for me, but I know what an enriching experience it was for me: it made me dive deeper into my knowledge of my own language, because Fagunwa, the author of this book, is a marvellous user of language. So it enriched me both in terms of the Yoruba and in terms of the English.

▶ *Your critics also say that you hardly make recommendation, you hardly make proposals, you only content yourself with criticising?*

— Oh I've heard that before, but they don't say it very often, because I've answered them back so often! And they realise, first of all, that this criticism will apply to literally all sections of society, from the extreme right wing to the extreme left wing, the whole body of theory. And the theorists in this country are, if you like, supposedly guilty of the same thing. It's not true anyway. I have made recommendations in the past, I have even gone so far, out of desperation, of joining a political party,(2) with a very definite programme. When you join a political party that means you approve of a particular programme for the country. You make your suggestions, that is, as a kind of collective force which is actually aiming at a possibility of cornering a section of power to be able to implement those recommendations. So both on the personal level, and on the collective level, I have made positive proposals for the direction in which I want to see the country going. Having said that, however, I will also state *categorically* that the aim, the duty of the writer does not necessarily involve making positive proposals, recommendations for social direction. No. Criticism, when you say something is negative, or unacceptable, and you prove that it is so, that is also the beginning of construction. You say this is wrong, and you prove that it is wrong. It is the beginning of construction. It means you send the people back to the drawing board. Not everybody is gifted. A satirist, for instance, is an iconoclast whose duty is to destroy those aspects of human conduct, social conduct, which are not, in his own point of view, appropriate to the promotion of human welfare. So for me he serves a very useful function, even if he never once makes a positive proposal for the amelioration of the human condition.

▶ *You have resigned, I understand, from your Professorship at the University of Ife. What are your plans for the future?*

— Oh, just to devote a bit more time to my writing, and also to directing plays. I will be going to New York to begin work on one of my plays at the Lincoln Centre. In other words nothing changes. I just want to get away from scheduled lectures. I'll still be giving the occasional lecture, and so on. Nothing has changed.

▶ *Would you remain in Nigeria?*

— I'm already in Nigeria. I've got a little house which I had in Abeokuta which is going to be my base now, and that's where I'll stay. ○

Interviewed by
AUGUSTINE OYOWE

(2) The National Redemption Party under the Second Republic.

Practical work carried out together — the Article 193 Committee —

On 19 December 1986, ACP House in Brussels was the scene of a meeting of the Article 193 Committee. This strange title in fact belongs to one of the most interesting of the joint bodies of the Lomé Convention, which, when it was the Article 108 Committee (under Lomé II), was the subject of a Courier dossier in No 90 of March-April 1985. The Committee has been rechristened because the principles, method of operation and aims (which have not changed) of Article 108 now appear under Article 193 in Lomé III. The ACP-EEC Council of Ministers adopted the rules of procedure on 17 November 1986 (see inset).

The 19 December meeting was the inaugural session of Lomé III. It was attended by the authorised representatives, under the chairmanship of Miss Archbold (EEC) and Mr Berhane, the Ethiopian Ambassador (ACP).

The meeting was an opportunity to finalise the Committee's programme for the coming months, with a view to preparing the decisions the Ministers are to take in May 1987. Matters to be discussed include the "basic principles" for hydro-agricultural, drinking water and health projects, the "10 years of Lomé" report which the Commission has produced, general project specifications and the choice of subjects for ex-post evaluation.

The Article 108 Committee adopted various texts which now constitute a kind of common case law and the expression of the joint experience of many years' work in the field. They are valuable guides for future work, at all stages, from the identification of projects and programmes, through preparation to implementation and so on. The Courier's March-April 1985 dossier printed the texts available at the time.

Three more new documents (or series of documents) were adopted at the ACP-EEC Council of Ministers in Barbados last April. They covered new "basic principles", a resolution on specific problems encountered in financial and technical cooperation and a resolution on evaluation.

The basic principles adopted in 1986: Roads...

The experts and the Joint Committee looked at four different sectors before the ACP-EEC Council of Ministers adopted the relevant basic principles. They were road infrastructure, livestock operations, technical cooperation and trade promotion.

The documents stressed that, as far as road infrastructure was concerned, an effort had to be made as regards the standard of the preparatory studies and the search for alternative solutions, the "variants", be they technical or economic, and more efficient implementation by, say, ensuring better works supervision and in-service training for national staff. The biggest problem here, however, is undeniably maintaining the infrastructure, which is why the first "basic principle" is that the country involved in future road projects must have a proper road policy that covers all possible means of transport, that is regionally coherent and that lays down "three kinds of action — extension, improvement and maintenance", which must be given "equal emphasis". Ideally, the country should be able "to finance upkeep of the network itself".

What should Community support involve? It could well include the "formulation and establishment ...and implementation... of transport plans", the best possible use of the human and material means available, in the light of the "three chosen forms of action", and safeguarding the environment when infrastructure is set up. But — and this is where the text departs, interestingly enough, from the usual administrative considerations — support must also be given to "the development of a public works tradition... and harmonising laws and regulations at regional level... and adapting procedures and standards of good practice to the ACP States' needs".

... livestock operations ...

A distinction is made here between the various types of action. Some, such as the development of traditional herding methods, have proved to be very difficult or not very viable and therefore disappointing, while others have turned out to be "powerful development instruments" and often tended to "expand in a spectacular

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The inaugural session of the Article 193 Committee was co-chaired by Miss Alexandra Archbold of the United Kingdom Permanent Representation to the EEC and by Mr Ghebray Berhane, Ambassador of Ethiopia (2nd from the left)

manner, carried along by their own impetus". What is being referred to here, above all, is the use of draught animals. Other types of action — health campaigns, modern stock farming, slaughterhouses and so on — depend on a basic number of conditions being met. Health campaigns have to be sustained and ranches and slaughterhouses have to be managed efficiently, but there are often practical difficulties attached to doing this.

So how can waste be eliminated and success become widespread? The first recommendation in the "basic principles" is fully in line with Lomé III — more attention should be paid to the livestock producer (and his wife!) within the context of his society, as well as to constraints: economic, ecological, and even socio-cultural.

A certain move towards privatisation is also suggested—slaughterhouse management, for example, should be "in line with that of the private sector" and "private initiative of all kinds" should be "encouraged" in the "provision of the goods and services needed by the livestock producer". And in so-called "modern" schemes, a rational price policy is a decisive factor, as production costs (of input and livestock products alike) should, "as far as possible, eventually be paid in full by the user".

Lastly, there are two more, highly practical recommendations, one on integrating animal traction into rural development schemes "designed to promote one or more easily marketable food or cash crops", and one on using "simple, effective and hygienic slaughterhouse technology and possibly decentralising such facilities".

... technical cooperation ...

This is the most ambitious part of the basic principles adopted in 1986. It starts from the idea that the ambiguous, all-embracing nature of technical cooperation hampers its efficiency: it aims to run development schemes properly, transfer responsibilities to national staff — and therefore train them first — and these very broad objectives can only rarely be achieved in a reasonable amount of time. But, says the text, the *raison d'être* of technical assistance "is to make systematic preparations for its withdrawal".

Rules of the Article 193 Committee

Members

— One Minister (or his authorised representative) from each of the Member States of the Community.

— One member of the Commission of the European Communities (or his authorised representative).

— An equal number of ACP Ministers (or their authorised representatives).

These members are appointed by the ACP-EEC Council of Ministers every year. The ACP members of the Committee for 1986-87 are Barbados, Cameroon, Congo, Ethiopia, Fiji, Guinea-Bissau, Guyana, Kenya, Lesotho, Niger, Swaziland, Western Samoa and a 13th country appointed in rotation from among the observers (Dominica, Gabon, Malawi, Mauritania, Uganda and PNG).

— "Technical" members (EIB representative and CDI and CTA directors).

Meetings

— four times a year,

— at least once at ministerial level,

— under alternate (ACP, then EEC) chairmanship every six months.

Work prepared *by a technical group.*

Functions

— As laid down by Article 193 of Lomé III:

"To this end, an ACP-EEC Committee shall be set up within the council of Ministers to:

(a) collect information on existing procedures relating to the implementation of financial and technical cooperation and give any necessary clarification of these procedures;

(b) examine, at the request of the Community or the ACP States, and on the basis of concrete examples, any general or specific problems arising from the implementation of such financial and technical cooperation;

(c) examine any problems in connection with the implementation of the timetables of commitments, execution and payments as provided for in Articles 216(2) and 220(2), with a view to facilitating the removal of any difficulties and bottlenecks discovered at different levels;

(d) ensure that the objectives and principles of financial and technical cooperation are attained;

(e) help establish general guidelines for financial and technical cooperation in accordance with the provisions of this Convention;

(f) prepare and submit to the Council of Ministers results of evaluation of projects and programmes;

(g) submit to the Council of Ministers any suggestions likely to improve or expedite the implementation of financial and technical cooperation;

(h) follow up and implement guidelines and resolutions adopted by the Council of Ministers on financial and technical cooperation;

(i) perform other tasks entrusted to it by the Council of Ministers....

5. With the agreement of the Committee of Ambassadors, the ACP-EEC Committee may convene meetings of experts to study the causes of any difficulties and bottlenecks which may arise in implementing financial and technical cooperation. These experts shall suggest to the Committee possible ways of removing such difficulties and bottlenecks.

6. Any specific problem arising in the implementation of financial and technical cooperation may be submitted to the ACP-EEC Committee, which shall examine it within sixty days with a view to providing an appropriate solution.

8. The ACP-EEC Committee shall examine the annual reports on the management of Community financial and technical aid, which shall be submitted to it by the Commission and the ACP States pursuant to paragraph 7. It shall draw up, for the attention of the Council of Ministers, recommendations and resolutions relating to measures directed towards attainment of the objectives of financial and technical cooperation, within the framework of the powers conferred upon it by that Council. It shall draw up an annual progress report, which shall be examined by the Council of Ministers at its annual meeting on the definition of the general guidelines for financial and technical cooperation.

— The Committee also gives a range of opinions on such things as general contract specifications, what to do with any financing proposals the Community rejects and the regulation on the procedure for settling differences related to the award or implementation of contracts.

Secretariat: *Assured by the ACP and EEC Co-secretaries.*

AMK-Berlin – W. Albrecht

An example of trade promotion: Kenya's stand at the Berlin Tourism Fair

This is why there is a balance to be struck — which means that the aims of technical cooperation must be very clear from the word go and that someone must ask whether they could be achieved in any other way.

One interesting thing about these "basic principles" is the link they make between boosting national *staff* and *institution*-building, both being needed to produce "the long-term impact of the technical cooperation mission".

Operationally speaking, the text also covers the selection and recruitment of experts and ACP involvement in this. "ACP-EEC technical cooperation should strengthen the ACP States' capacity to negotiate cooperation contracts, in the interests of resisting pressures and habits which contribute towards the use of consultancy firms where there is no absolute necessity". And inter-ACP technical cooperation should be sought in technical assistance, as should twinning of ACP and EEC institutions through, say, "durable cooperation agreements between research or higher education institutions".

One important passage in the part on the criteria for choosing technical staff is that "professional skills (technical and training ability) and the personal and human qualities" must be taken into account. These qualities "must include respect for the cultural values and the political and administrative circumstances of the host country. The agent must be capable of communicating and working in a team... a knowledge of the local language would be an advantage". The logical conclusion is that cooperation officers have to have specific preparation for each mission. The financial implications, however, are not mentioned. One of the commonest complaints about technical assistance is the cost, but the text could mean that this consideration has at last been deemed less essential than quality.

Lastly, the document suggests that an attempt be made to harmonise the costs of technical cooperation, in particular by producing "reference scales based on objective criteria relating to the qualifications, the nature of the tasks to be undertaken... the living conditions in the host country and the family situation of the technical cooperation staff". The results of this analysis will be communicated to the ACP-EEC Council of Ministers itself.

... and trade promotion

Overall, the document maintains, "the picture resulting from the evaluation of a large number of trade promotion activities points to a certain number of positive results... The evaluation has, however, identified both exceptional profitability of some individual actions and perfect uselessness of others".

Such directness in a public document should be welcomed — and those Courier readers who said the journal was sometimes self-satisfied, in their answers to the questionnaire in No 100, will no doubt be pleased about it.

What consequences does this text draw for the findings it sets out?

First, a general remark. Trade promotion will only work if it is part of a coherent trade policy and a systematic trade strategy based on efficient institutions, says the document, providing an outline of what this involves — "strong government support, autonomy in operations, close relations with the business community, adequate financial resources, strong representation in the market place, well-qualified personnel and an action-oriented approach".

Community support in this field, it says should "aim at an appropriate balance between the development, production and marketing of traditional products on the one hand and non-traditional products on the other". And this should be a basis for reviewing the "selection, appraisal and evaluation criteria" of the various actions: trade fairs, workshops, specialised exhibitions etc.".

So, this text both emphasises the need for methodological reflexion and lays down practical guidelines. It is worth quoting the wish to set up a "cooperation network among bilateral and multilateral agencies and ACP-EEC trade promotion institutions... (which) could play a major role in the identification, appraisal, implementation and evaluation of concrete trade promotion programmes and could also facilitate the sharing of experience concerning evolving techniques and methods bearing on trade development cooperation and human resources development".

Resolution on financial and technical cooperation

The ACP-EEC Council of Ministers continued discussing the practical implementation of the Convention by taking a close look at some specific cases of problems encountered during implementation and adopting a resolution on the courses of action that might help cope with them.

The resolution, which covers all stages of development schemes, starts by recommending that monitoring arrangements "provide an early warning system in respect of material delays in implementation", whereby first the National Authorising Officer and the

Commission Delegate meet "regularly to review progress on the implementation of indicative programmes and projects on the basis of a chart indicating as precisely as possible, for each project or action, the stage of implmentation reached and further action required". The resolution goes on by saying that some projects identified for EDF financing have proved impossible to realise because of:

"— difficulties in some administrations in taking responsibility for preparation of projects;
— inadequacies in preparatory studies and in project design;
— neglect of social and human factors;
— failure to adapt projects to local conditions;
— weaknesses in technical assistance".

Insistence by the Commission on "elaborate studies at different stages of project appraisal" or "detailed information on projects which it has been impossible to supply" can cause delays and push up costs.

So with good sense the resolution suggests that both parties should agree to ensure that the projects are better prepared from the beginning. "The Council therefore recommends:
— the strengthening of procedures for clear definition by ACP States of projects to be presented for EDF financing;
— in particular, the coordination role of the National Authorising Officer should be reinforced;
— that maximum use be made of the provisions in Article 218 of the Third Lomé Convention by virtue of which the Community, where so requested, may provide assistance towards drawing up the dossiers relating to the identification of projects or programmes proposed under the indicative programmes;
— in defining new projects, greater emphasis should be given to socio-cultural factors, to the choice of projects which are properly designed to make use of local materials, equipment and manpower resources and which take account of maintenance and manpower training needs in order to achieve highest possible levels of project use;
— specification for equipment should lay emphasis on simplicity, standardisation and efficient after-sales service;
— consideration should also be given to further measures for speeding up the implementation of procedures for preparing and appraisal of projects through improving project identification, as well as by greater insistence by the Commission and the ACP States on the quality of preparatory studies;
— preparatory studies should be conducted in the spirit of, and in accordance with, the letter of the Convention, if maximum benefit is to be derived from them;
— in the preparation of projects, due account should be taken of the aspirations of local people and of the need to train local beneficiaries to take charge of projects when implemented."

The Council goes as far as asking the Commission to "draft and impose a code of conduct upon the consultants entrusted with the preparation of preliminary studies and plans". How well this reflects the earlier provision recommending that technical cooperation agents be better prepared for their job!

Project preparation should also give greater importance to alternative solutions. All too rarely do "project planners ask themselves seriously what combination of ways and means will allow them to avoid these obstacles and profit from these assets". Generally speaking, the projects "suggest only one way of proceeding, as if it were obviously the best, if not the only one possible".

Greater stress should also go on management and maintenance and the time between preparation and implementation of the project should be as short as possible, particularly when it comes to the invitation to tender and the award of contracts. The Council recommends, where need be, "provision of technical assistance in the preparation of tender dossiers... Central Tender Boards... streamlining of procedures within the Commission for advice on tenders... and the improvement of procedures within ACP States for drafting and signature of contracts". There will also be joint examination of ways of speeding up the payment and accounting procedures and, in future, more attention will be paid to supervision and follow-up procedures.

Lastly, implementation of the resolution will be closely monitored on a joint basis.

Evaluating evaluation

"Who shall guard the guards themselves?" says Juvenal and, in much the same way, the Council of Ministers says that, while evaluation is good, it could be better from the point of view of joint evaluation, where this is appropriate, of information on the outcome and of the practical application of any recommendations. Although the words used in the text, "operational feed-back", smack of bureaucratic jargon, they reflect an imperious and pragmatic necessity — that the care lavished on evaluation should not just lead to a report, even the finest one in the world, but that the guidelines arising from it should actually be put into practice.

It is with a view to "operational" application of this kind that the resolution recommends that evaluation should henceforth be run with the help of the people involved in the programmes and projects, and the ACP partners especially, the ACP Secretariat-General in Brussels being specifically mentioned here.

Compulsory check-point for this operational feed-back: information about the resolutions the Council takes in the light of reports from the Article 193 Committee. This will be provided both by publication in The Courier, in articles of this sort, and by inclusion of reports and basic principles "in the preparatory material concerning subsequent projects and action programmes in the relevant areas..." "Generalised transmission to all bodies and individuals who might be involved" in those subsequent projects and action programmes will also be ensured.

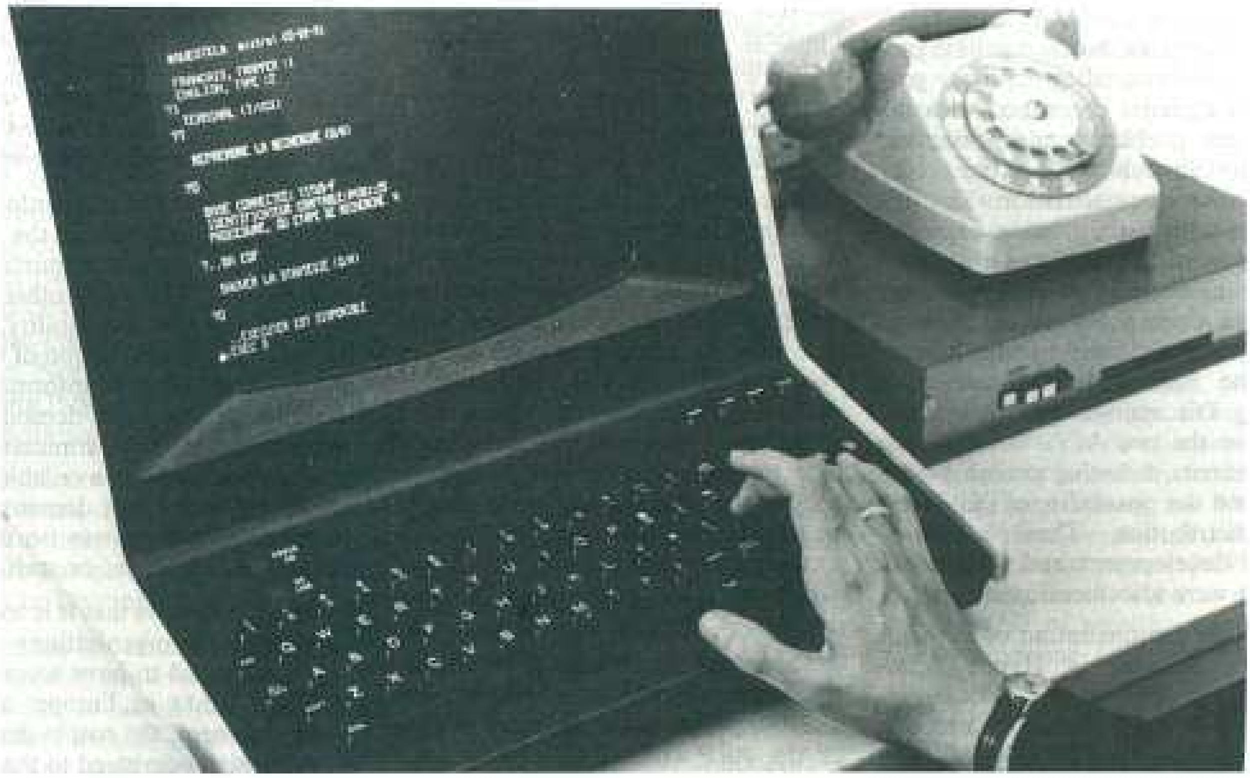
The Commission has already included the full text of the four basic principles adopted in 1986 in its Manual on Project Preparation, which The Courier mentioned in its book column in No 98 (July-August 1986). Moreover, the full text of the reports and resolutions of the Article 193 Committee can be obtained from the Committee's Secretariat (*). ○ M.-H.B.

(*) Texts can be obtained from Mr Carrington, ACP Co-secretary, ACP Secretariat-General, 451 ave. Georges Henri, B 1200, Brussels, or from Mr Vignes, EEC Co-secretary, EEC Council of Ministers, 170 rue de la Loi, B 1049 Brussels.

ACP access to Euronet/Diane

A field study of Senegal and Zimbabwe

by Renato BATTI (*)



On 30 September 1981, the ACP-EEC Consultative Assembly (the joint Lomé Convention body) decided that the extension of Euronet to ACP States interested in joining, and access to Member States' databases should be investigated by the Community and ACP institutions.

Euronet-DIANE (1), which the EEC Commission set up in 1980 to promote the exchange of scientific, technical and socio-economic information by the Member States, was soon opened to the members of the ECPTA (European Conference of Postal and Telecommunications Administrations).

Euronet-DIANE is a network of databases and data banks (2) which was originally intended for the countries of Europe, but very soon spilled out of the initial geographical framework. More than 70 "hosts" comprise the network which now gives access to almost 800 databases and data banks. A very wide range of fields are covered and some of them—on food and agriculture, biology, trade, desertification, education, energy, geology, hydrology, medicine, fisheries and oceanography, science and technology, statistics and so on—are of interest to the developing countries.

The experimental phase

The Commission decided to follow up the Consultative Assembly's request by running a study to check that the data available really were of interest to the ACP countries and to investigate the quality of the service in the light of the practical constraints (distance, state of telecommunications, infrastructure and equipment, staff available and to be trained, etc.) and of its profitability compared to the costs. At the Commission's invitation, representatives of two ACP Embassies (Senegal and Zimbabwe) attended a Euronet-DIANE demonstration in Brussels, which dealt with subjects of great interest (ongoing research into cotton, and information on groundnuts and aflatoxin) to both countries.

After the demonstration, both countries agreed to a study being run in the field to investigate the real possibilities and the point of the ACPs having access to Euronet.

The three aims were to:

— establish the basic conditions (on the European side) for ACP access to Euronet-DIANE;

— check on the economic interest locally in both the ACPs which had agreed to be involved in the experimental phase;

— also look at the technical and human conditions of this access.

During the preparatory phase, contact was established to find out the kind of research likely to interest audiences in the two countries and identify the data banks and network hosts best able to respond to the needs of

(*) Principal Administrator, Directorate-General for Development, Commission of the European Communities.

(1) DIANE = Direct Information Access Network for Europe.

(2) Database = a bibliographical compilation of documents, periodicals, reports, books etc.
Data bank = a collection of data in figures (Statistics on tonnage, prices, exchanges, etc.) and facts.

organisations and users in these countries, particularly when it came to the fields covered and languages used. Research into specific themes was also carried out for demonstration purposes.

Informal discussions were held in Europe and the two ACPs, with international agencies, hosts, database producers, professional groupings, government agencies concerned with development problems, and Senegalese and Zimbabwean organisations concerned with documentation. The discussions with the European organisations covered the problems of disseminating information in the developing countries from the point of view of services and the need to supply users with the right sort of support and training. Discussions with the organisations in the two ACPs covered data requirements, assessing available databases and the possibility of improving data distribution. These countries' general development and informatics policies were also mentioned.

The first demonstration of Euronet-DIANE use was in Harare (Zimbabwe) from 17 November-1 December 1985. It was followed by a second demonstration in Dakar (Senegal) from 12-21 February 1986. The demonstration began by establishing the link with the European network and running some trial information retrieval. The rest of the time was devoted to information sessions.

There were four such sessions in Harare and 13 in Dakar. The programme was as follows:
- general presentation of Euronet-DIANE and on-line(1) European information services;
- screening of a film, "The invisible ingredient"(2);
- demonstration of the siting of European on-line retrieval systems, followed by documentary research showing what it is possible to ask, whom to ask and what can be obtained.
- answers to specific questions from a European on-line retrieval system.

Results

During this experimental phase, it emerged that, as far as physical infrastructure was concerned, the situation in both countries is relatively good. The equipment to connect with Europe was available, with the exception of a modem in Zimbabwe. By using the existing equipment, telephone communications with the European network should be both feasible and practical, although very expensive. Communications between Senegal and Europe (a far shorter distance than Zimbabwe-Europe) proved particularly good.

In contrast to the situation two years ago, data transmission between these two ACPs and Europe is becoming an everyday affair and should not therefore be a major constraint when it comes to using European on-line systems—apart, for the moment, from the problem of the cost. Since both countries are planning to develop their data transmission network to Europe and to the interior, the effect should be to improve the quality of communications and bring down the cost of European data transmission a good deal.

There was a great deal of interest in the experimental phase. There were 125-140 people at the meetings in each of the ACP countries, a fairly good indication of the number of people potentially interested. In both cases, participants came from similar organisations, the majority of them government services, research institutes, universities and commercial companies. There was a higher percentage of librarians in Senegal than in Zimbabwe, probably because of the countries' different information development policies.

Questions raised during the on-line demonstration in Zimbabwe covered most areas of scientific research, technology, engineering, medical science, agriculture, marketing in Europe and current affairs. In Senegal, however, the range was narrower and concentrated on agriculture, irrigation, natural resources, social problems and development. This difference may reflect the fact that there is much more data available in English than in French.

The major requirements in the developing countries, obviously, are mainly those that have to do with national development objectives. The range of information needed is vast and the greatest demand is in sectors which are of particular interest to the development of the country's economy and basic infrastructure—data on natural resources, agriculture and agricultural research, tropical medicine, health care, development economics, the socio-cultural aspects, and the development of appropriate technology. However, more specific sectors, such as statistics on agriculture and the raw materials markets in Europe, were also the subject of demonstrations following the requests which were made.

But the demand for information does not just depend on the type of data and the subjects required in the local context. There are other factors that come into it—availability, for example, cost, and realisation of the possibility of acceding to information. It emerged during the demonstration that demand could be stimulated once the information was available. Note, however, that the demonstrations were free and there was no need for specialised equipment or staff.

This study shows that it is technically possible for organisations in both countries visited to have access to on-line data banks in Europe, although for the moment, the cost is disproportionately high compared to that in Europe. Coupled with the likely usefulness of such services to potential users in the ACP countries, bearing in mind their probable need for a high proportion of locally-generated information, access to on-line databases probably cannot be justified on a strictly cost-benefit basis. However, in the coming years, it would be reasonable to expect a considerable reduction in the cost of data transmission between these countries and Europe—which should significantly alter the balance and make the cost-benefit ratio much more favourable for the ACP countries.

Apart from costs, the major constraint on the use of on-line information systems in ACP countries is the lack of trained and experienced staff and this study has highlighted the need for a training programme for information professionals and users so they can make effective and reliable use of such services. ○ R.B.

For further information on Euronet, contact Euronet-DIANE, 177 route d'Esch, 1471 Luxembourg, Grand Duchy.

(1) Direct communication.
(2) This shows that computers are work tools which can become factors of success. It is based on Euronet-DIANE practice.

Today's youth and tomorrow's development

First Lomé IV Youth Partnership Conference

Youth organisations of all kinds, both within the European Community and in the ACP States, have long been involved in development activities, whether through development education programmes or through active participation in development projects. What more natural, therefore, that the youth of today should seek to influence the development of tomorrow? The European Community's Youth Forum, a grouping of representatives of youth organisations from throughout the Twelve, has been doing just this for some years, trying to put their mark on the content of future Lomé Conventions as well as on the implementing of that already in existence. And, just as Lomé is a Convention between two partners, it seemed to the EEC Youth Forum entirely logical and desirable that an ACP-EEC Youth Forum should be established to arouse greater consciousness among the young of the interdependence between North and South and to add wisdom and weight to their deliberations (youth organisations representing, after all, many millions of the populations of the ACP States).

This indeed was the prime objective in mind when the EEC Youth Forum decided to hold the first ever "Lomé IV Youth Partnership Conference" in Brussels in December last year.

Organising the conference was itself a considerable achievement, particularly as far as identifying—and for that matter financing—the ACP participation was concerned. Unlike their European counterparts, no umbrella organisation exists as yet for ACP youth groups and the representatives of the 24 ACP organisations present in Brussels were very probably meeting each other for the first time. The organisers were keen, however, that it would not be for the last time as well, emphasising from the start their firm intention that this conference would not be without a follow-up, but rather a first step towards drawing up and carrying out a common programme of activities in the field of development.

Their approach was accordingly practical. A number of themes was chosen (education, employment, youth rights and the rights of young women, youth exchanges, and the environment) and the representatives proceeded to debate them, on the basis of references to them in the various articles of Lomé III. Unemployment, for example, was one issue about which the youth of both the Community and the ACPs felt equally concerned, and more help was called for—not only financial, but in terms of management expertise, for instance—for young people wishing to set up their own businesses. Participants also came out in favour of a Youth Rights Charter, in which certain fundamental rights regarding health, housing, employment and freedom of expression would be enshrined, and called for greater opportunities for ACP-EEC youth exchanges as a way of sharing cultural diversity and of helping to break down racial prejudice.

Some of these ideas will certainly be followed up by the Youth Forum. Not only will it lobby the European Parliament and the various European Institutions for financial backing for an ACP Youth Forum, but it will try to persuade the Commission to run a number of youth exchange pilot programmes, so that their usefulness can be demonstrated in the Lomé IV discussions on cultural cooperation and in the subsequent programming of Lomé IV funds. Not all the findings of the various working groups at the Conference found universal favour, though. Katharina Focke, Chairman of the Parliament's Development Committee, invited to address the Conference on its final day, had high praise for the main objectives and the practical step-by-step approach to them that the participants had adopted. She disagreed, though, with the suggestion of the working group on "Women" (refreshingly chaired by a man) that a separate chapter on women's issues should be included in Lomé IV, maintaining that "with the present articles we can go *very* far". The idea of creating an ACP Youth Forum was, she thought, a splendid one, capable of creating the kind of solidarity among ACP youth that she had witnessed among the ACP Group at parliamentary level. ACP representatives were equally enthusiastic, though apprehensive about the sums of money that such a Forum would require. (Some of the poorer countries, it was pointed out, had even had difficulty in finding the funds to send their Ministers to Brussels for the ACP Ministerial meeting that was taking place in Brussels at the same time).

Whether or not an ACP Youth Forum will be established cannot yet be said. What is certain, though, is that the EEC Youth Forum will continue in 1987 to lobby for one as well as for all kinds of other educational and training issues involving young people and development. Another Conference, hopefully as successful as this one, is planned, and will probably take place in 1988, possibly in an ACP State. "After 'Live Aid' (*)", the Youth Forum's Secretary-General, Richard Doherty, says "consciousness of development matters among young people in Europe is high, and now is the time to capitalise on it". o

M.v.d.V.

Representatives of ACP youth organisations. Who more deserving of a say in Lomé IV than those whose future it seeks to influence?

(*) Highly successful pop concert, broadcast worldwide, organised to raise funds for the Ethiopian famine victims.

THE GEORGETOWN AGREEMENT

THE GOVERNMENTS OF THE AFRICAN, CARIBBEAN AND PACIFIC STATES, hereinafter called the "ACP Group"

HAVING CONTRIBUTED through united and concerted endeavours to the acceleration of the process of solidarity of developing countries;

HAVING REGARD to the ACP-EEC Convention of Lomé;

TAKING into account the objectives of the international and regional organisations to which the ACP States belong;

DESIROUS of consolidating and strengthening the existing solidarity of the ACP Group;

RESOLVED to promote and develop greater and closer trade and economic relations between the ACP States;

DETERMINED to promote effective regional and inter-regional co-operation among the ACP States;

DETERMINED to ensure that the Convention of Lomé contributes fully to the realisation of the common aspirations of countries of the developing world;

RESOLVED to establish the Group of the African, Caribbean and Pacific States to achieve the above objectives as a process towards the realisation of the new international economic order;

HAVE AGREED as follows: SIGNED JUNE 6th 1975

Furthering the development of the ACP Group of states

L'ACCORD DE GEORGETOWN

LES GOUVERNEMENTS DES ETATS D'AFRIQUE, DES CARAÏBES ET DU PACIFIQUE, ci-après dénommés « Etats ACP »,

AYANT CONTRIBUE par leurs efforts communs et concertés à l'accélération du processus de solidarité entre pays en voie de développement,

CONSIDERANT la Convention ACP-CEE de Lomé,

CONSIDERANT les objectifs des Organisations internationales et régionales auxquelles appartiennent les Etats ACP,

DESIREUX de consolider et de renforcer la solidarité existant entre les Etats ACP,

RESOLUS à promouvoir et à développer d'importantes et d'étroites relations économiques et commerciales entre les Etats ACP,

DETERMINES à promouvoir et à poursuivre une coopération régionale et inter-régionale efficace entre les Etats ACP,

DETERMINES à œuvrer de sorte que la Convention de Lomé contribue à la réalisation des aspirations communes des pays en voie de développement,

RESOLUS à créer le Groupe des Etats d'Afrique, des Caraïbes et du Pacifique pour atteindre les objectifs spécifiés ci-dessus et contribuer à la réalisation d'un ordre économique nouveau,

SONT CONVENUS des dispositions suivantes SIGNÉ 6 JUIN 1975

The ACP General Secretariat

by E.W. CARRINGTON (*)

In the heart of Europe, in the internationally renowned city of Brussels, in Belgium, a small, little-known organisation, the ACP General Secretariat, strives to pursue and defend the social, economic and cultural development of the peoples of 66 developing countries. This tiny Secretariat, the headquarters of which is located at 451 avenue Georges Henri, on the east side of Brussels, within three kilometres of the mammoth Commission of the European Communities, is the nerve-centre of an experiment in cooperation between developed and developing countries which is unique in the last quarter of the Twentieth Century. That experiment is the Lomé Convention.

Much has been written of the Lomé Conventions, since the first Convention was agreed on in 1975, in the capital of the small French-speaking West African State of Togo, between what was then the nine-member European Economic Community and 46 developing countries from Africa, the Caribbean and the Pacific.

Today, after some 12 years, the EEC has increased to 12 members and the ACP to 66 members, and a Third Lomé Convention is in force. Throughout this period, apart from the occasional interviews with the Secretary-Generals of the ACP Secretariat, little or nothing has been written of the ACP Secretariat (1) as an organisation or about the people who staff that organisation. This issue of The Courier opens a door on the body and takes a look at the ACP Secretariat, a crucial though little-known component of North/South Cooperation.

The ACP Secretariat: its historical beginnings

Just as the ACP Conventions find their roots in the earlier association arrangements between the European Community of Six and the 18 French-speaking African States (Etats Africains et Malgache Associés), parties to the Yaoundé Conventions signed in Cameroon in 1964 and 1969, so also does the ACP Secretariat.

For ten years, beginning in 1964, there was, located in Brussels, a small Secretariat of six, headed by an Executive Secretary from Mali, Mr Djim Sylla, which serviced the EAMA Group of countries.

The period leading up to the negotiations for what was to become the Lomé Convention saw the establishment of an *ad hoc* African Secretariat for the Negotiations. This Secretariat was supplemented by the contribution of small units from the Caribbean and the Pacific. These various elements were later to be merged into the *ad hoc* ACP Secretariat at the time of the signing of the First Lomé Convention.

Located at 10 Boulevard Saint Lazare in downtown Brussels, the Secretariat occupied the twelfth floor of a block of offices—also housing the Belgian National Lottery! It was from this modest abode that the 12-man micro-Secretariat serviced the negotiations which led to Lomé I. Its staff, reasonably professional and certainly highly dedicated, displayed a remarkable dexterity and commitment to the aspirations of this budding Group—a commitment which the current structure would indeed do well to emulate.

(*) Secretary-General of the ACP group.

(1) See e.g. Mr Dodoo's article, Courier No. 93 (Sept-Oct. 1985), pp. 60-61, and Mr Carrington's interview, Courier No. 98 (July-Aug. 1986), pp. 3-7 (Ed.).

True, the work of the Secretariat was supplemented by that of other regional ACP organisations and Member States' Missions but certainly a great deal was contributed by those very few. Some of them continue to serve the Secretariat to this day.

In 1976 the ACP General Secretariat was formally established and was headed by a new Secretary-General, Mr T. Konate, from Mali, who was assisted by a Deputy Secretary-General, himself later to become Secretary-General — Mr E.W. Carrington, from Trinidad and Tobago.

The Courier

The Headquarters of the ACP General Secretariat: "The nerve-centre of an experiment in cooperation..."

The nature of the ACP Secretariat

The ACP Secretariat is the technical and administrative arm of the African, Caribbean and Pacific Group of States. Its legal existence is provided for in Article 3 of the Georgetown Agreement, which states that the organs of the ACP Group, i.e. the Council of ACP Ministers and the Committee of ACP Ambassadors are to be assisted by a General Secretariat of the ACP Group.

Article 19 of the Georgetown Agreement sets out the functions of the General Secretariat as follows:
"The ACP General Secretariat, under the authority of the organs of the ACP Group shall:
— monitor the implementation of the Lomé Convention,
— service the organs of the ACP Group and the joint institutions established under the Lomé Convention, and
— carry out such tasks as may be assigned to it by the Council of Ministers and the Committee of Ambassadors".

Pursuant to these enabling provisions of the Georgetown Agreement, the Council, meeting in Malawi in December 1975, adopted a specific Decision on the organisation of the ACP General Secretariat.

This Decision sets out in greater detail the role, the functions and duties as well as a preliminary organisational chart of the ACP General Secretariat. Some of the functions of the Secretariat, which are not specified in Article 19 of the Georgetown Agreement, but feature in the instrument, include the following:

"... to carry out the development and the application of the Georgetown Agreement;
— to carry out studies and submit such proposals as may assist in the steady promotion of inter-ACP cooperation in all fields, especially trade, and the development of cooperation with other developing countries in general".

This Decision is the first instrument to indicate that there is to be a post of Secretary-General of the ACP Secretariat.

The Secretary-General

In accordance with its organisational structure, the ACP General Secretariat is headed by a Secretary-General appointed by the Council of Ministers. Until February 1985, there was also a Deputy Secretary-General, but that post is now abolished.

As head of the General Secretariat, the Secretary-General is the chief administrative officer of the ACP Group, and is responsible for the functioning of the staff of the General Secretariat, in the undertaking of all the functions of the secretariat. He is also responsible for the sound financial mangement of the budget of the ACP General Secretariat.

The senior staff of the Secretariat are appointed by the Committee of Ambassadors on the recommendation of the sub-committee on Establishment and Finance. The Secretary-General assists the sub-committee in the recruitment procedures by the drawing up of a short-list of candidates.

The supporting staff of the Secretariat — secretaries, locally recruited personnel etc. — are recruited by the Secretary-General.

The Secretary-General is required by the Staff Regulations of the ACP General Secretariat to report regularly on the activities and functioning of the Secretariat.

The Secretary-General is accountable to the Council of Ministers and in the periods between their sessions, to the Committee of Ambassadors.

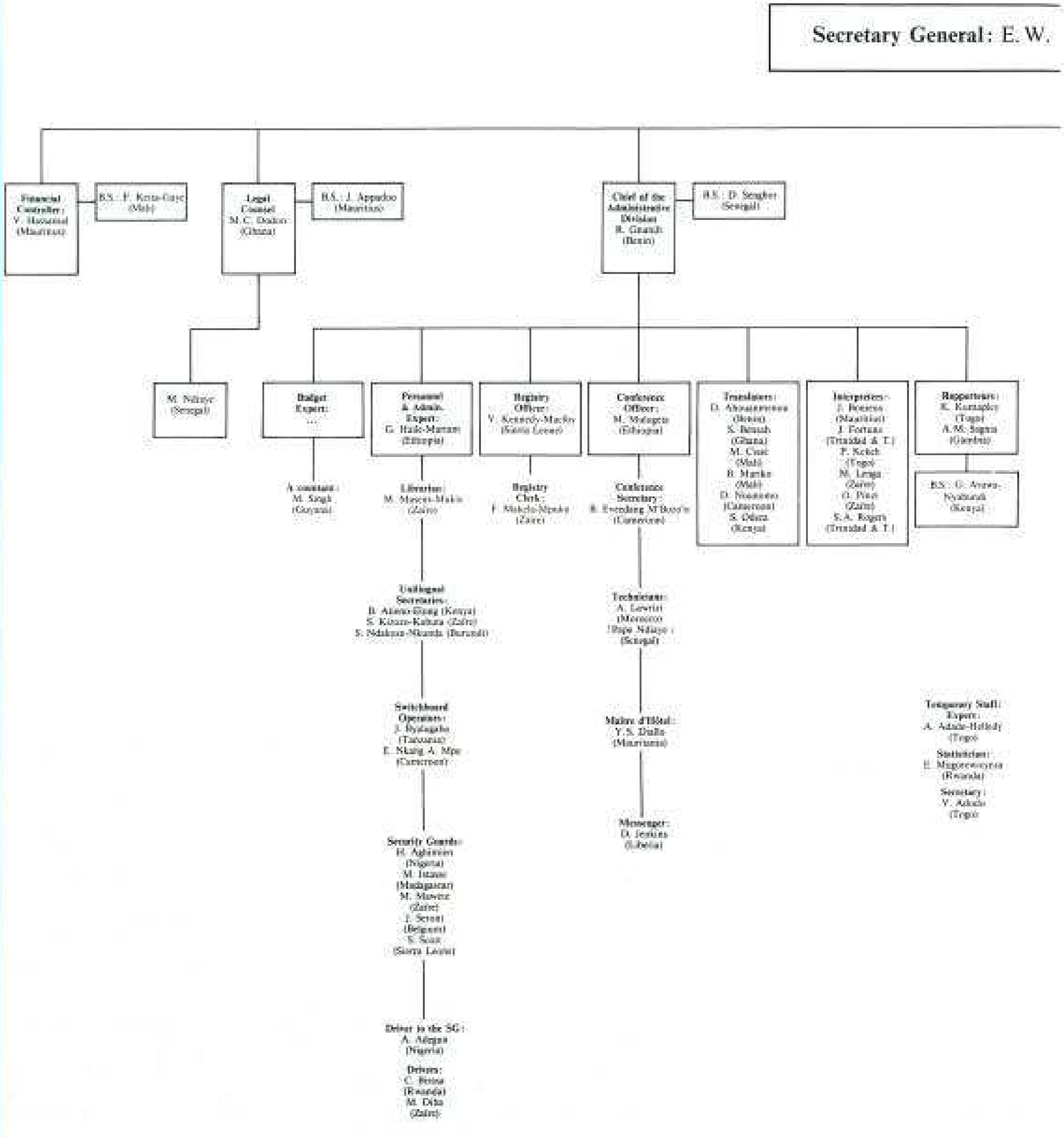
Structural organisation

There are three divisions within the ACP General Secretariat. These are as follows:

(1) **The Trade Cooperation Division:** covers all trade questions including commodities, trade promotion and customs matters. It services the sub-committees on Trade and Customs Cooperation, Stabex, Sugar and Agricultural Commodities.

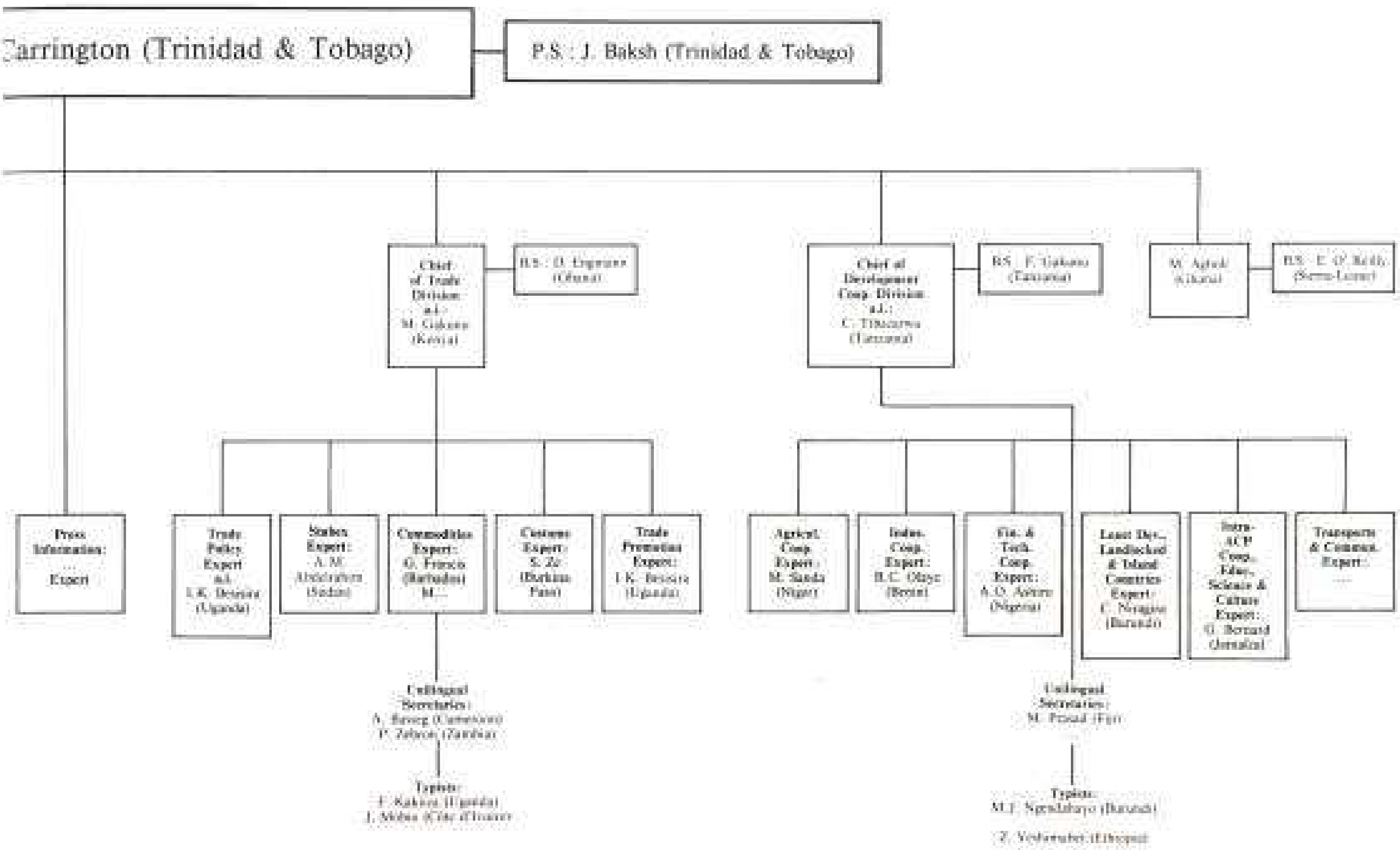
(2) **The Development Cooperation Division:** services the sub-committees on Financial and Technical Cooperation and Article 193, Industry, Minerals

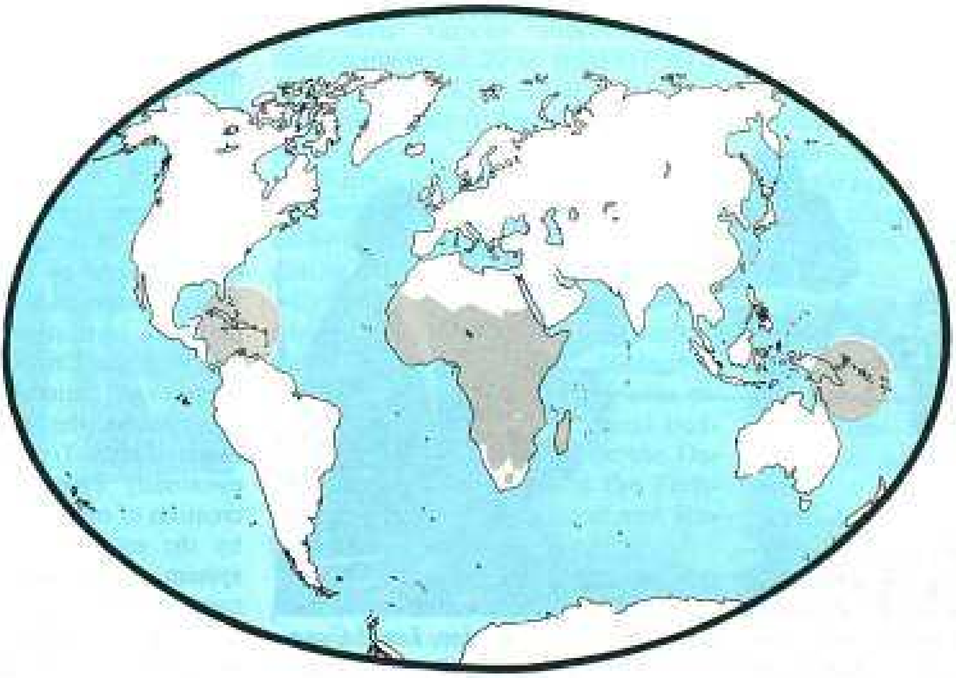
Organigramme of the



P.S.: Private Secretary
B.S.: Bilingual Secretary

ACP General Secretariat





and Sysmin, Agricultural Cooperation, Least Developed, Landlocked and Island Countries, and Social and Cultural Cooperation. It also includes a section on Intra-ACP Cooperation which services the Intra-ACP sub-committee.

(3) **The Administrative and Financial Division**: is responsible for all administrative and financial matters, including organisation of conferences, linguistic services, etc. This division services the sub-committee on Establishment and Finance.

Apart from these three Divisions, there is a Legal Section, which undertakes all the legal work of the ACP Secretariat, and a Press Officer.

The ACP Secretariat — its budget and financing

Each year the Secretary-General is required to present to the Committee of Ambassadors budget proposals for the Secretariat, together with the Secretariat's programme of activities for the year. After in-depth consideration by the Establishment and Finance sub-committee and review by the Committee of Ambassadors, the budget is finally decided on by the Council of Ministers.

The budget of the General Secretariat is funded by contributions partly from the ACP States and since 1977, partly from the European Development Fund within the framework of the Lomé Convention. The contributions of the ACP States to the budget is based on a weighted scale agreed on in 1975. The Secretariat experiences its fair share of difficulties in collecting sufficient contributions for its operation.

The staff of the Secretariat

The Secretariat has a total staff complement of 73. The Secretariat, servicing as it does 66 developing countries spread over Africa, the Caribbean and the Pacific, draws its staff from this widespread background with different cultures, languages, etc.

This has not always made it easy to weld the organisation into a cohesive homogeneous unit. However, after ten years, this process has been greatly advanced, without losing the richness which the diversity of backgrounds brings. Indeed, the ACP Secretariat probably has the greatest claims to being the nucleus of a true Third World Secretariat—an organisation so long mooted in a number of Third World fora, including the Group of 77.

The future of the Secretariat

Without belittling the contribution which the Lomé Convention makes to the Secretariat, especially through the financial contribution to its budget, the future of the Secretariat will mainly depend on the extent to which the ACP States are prepared to advance from the stage of discussion to that of implementation of their programmes for Intra-ACP Cooperation. For this latter process requires serious and long-term investment in appropriate institutions by ACP States if their more fundamental hopes for self-reliant development cooperation are to materialise. The Secretariat is one such key institution.

The responsibility for long-term investment is, however, not only that of the ACP States. To care for the ACP must also be a way of life for the staff of the Secretariat. The Secretariat's sole *raison d'être* is service to the ACP Group of States; every Staff member must share a commitment to the higher ideal of service to the ACP peoples. His task—and we are all too aware of his day-to-day frustrations—must nevertheless become a vocation, not merely a job. This certainly requires everyone to assume his/her responsibility—to replace the notion of "this ought to be done" by "I shall do this".

In support of this ideal, those who employ the staff must provide better conditions of service, ensure greater status and autonomy for the Secretariat and its management, guarantee more opportunities for the development of the capacities of the staff, and give greater encouragement and recognition to the contribution of the Secretariat and its staff.

The Secretariat also cannot successfully work in isolation. Its efforts must be reinforced by closer and more effective cooperation with regional cooperation institutions in ACP States, and with the United Nations and other relevant international bodies. In this process, the true essence of a genuine Third World Secretariat may eventually emerge—not through the creation of one single organisation, but by the establishment of an efficient system of functional inter-linkages between existing regional Secretariats. The ACP Secretariat may therefore well find itself being a crucial nexus for South/South cooperation as it already is for North/South cooperation. □

E.W.C.

The Courier

Staff meeting at management level: from left to right, M.C. Dodoo, Legal Counsel, R. Gnanih, Chief of the Administrative Division, E. Carrington, Secretary-General, P. Gakunu, acting Chief of the Trade Cooperation Division, C. Tibazarwa, acting Chief of the Development Cooperation Division and P. Agboh, Chief of Division (V. Hassamal, Financial Controller, was on mission)

The Courier

A portrait of the ACP General Secretariat

Institutions are made by the men and women who work in them. In order for our readers better to understand the ACP General-Secretariat, which has been in operation for ten years now, The Courier interviewed its staff, at all levels and from all sorts of countries. Below are the results, which say a good deal more than a long article could.

E.W. CARRINGTON
Secretary-General

The Courier

▶ *What exactly are your current working programmes, and how are you implementing them?*

— As you know the ACP General Secretariat services not only the ACP and ACP/EEC Councils of Ministers and the ACP and ACP/EEC Committees of Ambassadors, their Bureaux and their various subcommittees, numbering some 20 in total (11 ACP and 8 ACP/EEC), but also the ACP/EEC Joint Assembly and its supporting bodies. These latter include the Bureau of the Joint Assembly and the various Working Groups established by it from time to time. Of course, during periods of negotiations, the ACP Secretariat also services the ACP negotiating bodies—technical, ambassadorial and ministerial. Moreover, the Secretariat must follow issues relating to the key joint technical bodies—the ACP/EEC Centre for the Development of Industry and the Technical Centre for Agricultural and Rural Development.

As a result of this wide-ranging responsibility, the Secretariat's work programme is always multidimensional.

With the Lomé III Convention now fully in force, the Secretariat's current programmes can be said to centre around four major themes. First of all, we are engaged in assisting in and monitoring the complete implementation of the Lomé III Convention. This has a number of facets; some of them, such as the negotiations for the participation in the Lomé III Convention by the two new Community Member States—Spain and Portugal—and the struggle against apartheid and its deleterious effects on ACP States in Southern Africa, are not at all straightforward.

Secondly, we are working on the devising and implementation of a programme of self-reliant cooperation—designated the Intra-ACP (Harare) Programme of Action—among ACP States in support of their development.

Thirdly, we are striving to establish more effective formal and operational linkages with ACP regional organisations such as the Secretariats of regional groupings in the ACP States and with relevant international organisations. Finally, we are trying very hard to build up the internal institutional capacity of the Secretariat —

conditions of service, staffing capacity and competence, working environment, technical skills, staff exposure and international awareness by and of our Secretariat.

So far, all these programmes are proving very difficult to implement, mainly due to a lack of resources, financial and human, springing mainly from an inadequate appreciation by many of the contribution and the potential of the Secretariat. But we are determined to persist and already there are signs of some increasing support.

▶ *Compared with what you expected in your interview of last June, what will be your programme for 1987?*

— You have referred to my interview of last June and to my expectations then in relation to my programme for 1987. You would recall that in June, I indicated my determination to do all I could to reinforce confidence in the long-term future of the ACP Group by taking advantage of all opportunities to improve ACP States' benefits from their ACP/EEC and intra-ACP cooperation. That objective still informs my actions within all the contexts in which I function. For example, in recognition of the importance which effectively functioning institutions play in achieving such an objective, a lot of effort has been put into reviewing and improving the workings of our ACP bodies including our Secretariat. Not all of it has, however, been successful. We have also tried to participate in important supporting institutions for ACP/EEC cooperation by serving on such bodies as the European Centre for Development Policy Management and the ACP/EEC Cultural Foundation. We have increased our working contacts with important ACP regional organisations and with international organisations. We participated, for example, in the UN Special Session on Africa, and at the OAU, the CEAO and CARICOM Summits.

At our last Council meeting in December, we had the benefit of GATT and UNCTAD's participation. Despite all these efforts, however, it is becoming increasingly clear to me that this task, always thought to be difficult, will prove even more so in practice. Even the restructuring of our Secretariat and the placing of it on a sound administrative and financial basis is proving to be no mean task.

For 1987 I intend to dig in and fight to advance the programmes I have just outlined. And we must really try and progress this year, as next year another important emphasis would be need to be taken into account, that is, the preparation for negotiations for a successor convention to Lomé III. With the growing support of my most modest staff, I remain hopeful.

▶ *How would you characterise your relations with, on the one hand, the EEC, and on the other hand, ACP/EEC bodies such as the Committee of Ambassadors, the CDI and the CTA?*

— Our relations with the EEC is functional and friendly. We work together with both the Commission and the Council. In the Commission we work mainly with DG VIII, that is, the Directorate General for Development Cooperation. We also work a bit with other Directorates General such as DG VI for agriculture, as regards the Sugar Protocol, for example. Without a close and efficient working relationship with the Community, it is virtually impossible to have an effective implementation of the Lomé Convention. Apart from the formal legal arrangement, we also enjoy a number of side benefits, as it were, from the Commission, such as help in interpretation and translation services. We also work closely with the Secretariat of the European Parliament in servicing the Joint Assembly and its bodies. As Co-Secretary of the ACP/EEC Council, I must also work very closely indeed with my counterpart in the EEC Council Secretariat in the daily functioning of the Convention—preparation of joint summary records, of annual reports, etc. Not surprisingly, a friendly relationship has developed.

None of this should, however, be interpreted to mean that we have not had some difficult patches and would not have some rough days ahead. Overall, however, I think that we of the ACP Secretariat have made our point that we are no pushovers and at times, when necessary, we have reminded them of the adage that "a little axe can cut down a big tree". Seriously, though, we have no major grounds for complaint as regards our relationship and as long as we are competent and have our self-confidence, we see no insuperable difficulties in this regard.

As regards the ACP/EEC joint bodies, the ACP have long stamped their full equality of partnership on these bodies. On the few occasions when the slightest threat to erode that basis rears its head, such as the putting of EEC Minister Counsellors rather than Ambassadors up against ACP Ambassadors, the ACP have made clear their concern and had the situation corrected.

The CDI and CTA as joint technical ACP/EEC bodies created under the Lomé Convention are subject to the supervision of the ACP/EEC Committee of Ambassadors and the ACP/EEC Council of Ministers. Being a little more distant in location and in their statutory arrangements from the Headquarters of their supervisory bodies than, say, the ACP Secretariat is, these bodies seem to enjoy a measure of *de facto* independence sometimes envied by the Secretariat.

As a Secretariat we have a certain functional linkage with these two bodies in the undertaking of their tasks. There is also a useful fraternal informal relationship between the Heads of the three bodies, which helps them to help each other in the undertaking of their various difficult tasks.

▶ *What are your relationships with the UN and their different organisations?*

— The ACP Group has had observer status with the United Nations since 1981. That was the basis on which an ACP delegation attended the UN General Assembly Session on the Economic Crisis in Africa in May last year and for the first time addressed the Assembly. The Secretariat also has a formal cooperation agreement with the Economic Commission for Africa. The Group maintains close relationships with a number of UN bodies such as UNDP, to whose Governing Council Session we have recently begun being invited. We also work closely with UNCTAD and are invited to its Trade and Development Board Meetings. GATT is another body in which we have a special interest—over a third of the GATT countries are ACP States. We are therefore trying to develop an effective process of cooperation with this body, particularly in view of the forthcoming Uruguay Round of Multilateral Trade Negotiations. We draw from time to time on the work of UNIDO, GATT and the UNCTAD International Trade Centre. ○

M. GAKUNU
Acting Chief of the Cooperation Division

The Courier

► *How does the Trade Cooperation Division of the ACP General Secretariat function?*

— The Trade Cooperation Division is responsible for the following issues under the Lomé Convention: development of trade and services, cooperation on agricultural commodities, general trade arrangements and special undertakings on rum and bananas, stabilisation of export earnings from agricultural commodities, special undertakings on sugar, and customs cooperation.

These issues are pursued by four sub-committees of Ambassadors: Trade and Customs Cooperation, Commodities, Stabex and Sugar. Within the sub-committees there are a number of Working Groups: on the Generalised Scheme of Evolution of ACP-EEC Trade, Supply of Available Agricultural Products, Preferences, Enlargement of the Community, Sugar, Commodities, Stabex, Rum, Bananas, Beef and Veal, and Customs. The sub-committees and the Working Groups are serviced by a Chief and five experts in the Trade Cooperation Division. The Division has also responsibility on matters relevant to the ACP Group which are covered by regional and international organisations such as the GATT, UNCTAD, FAO, etc.

The role of the Division is to formulate proposals on ACP positions on all matters under its competence. For this purpose, the Division undertakes general research work, prepares the relevant dossier for consideration by the Working Groups and the sub-committees and follows up the implementation of the decisions arrived at by these organs. The Division liaises very closely with the Ambassadorial Chairmen of sub-committees in arranging meetings and identifying the issues to be considered by the Working Groups and the sub-committees. As the initiators of ideas and the keeper of the records of the meetings, the Division plays an important role in influencing the position of the ACP Group on all matters under its competence.

In representing the ACP Group at international conferences and seminars, the Division has not only a technical role to play but a "political" one also. The contribution it has made to date at these conferences and seminars has been substantial and has been recognised by both the ACP Group and Regional and International organisations and even non-governmental organisations where it has participated. Unfortunately, the Division, because of financial resource constraints coupled with shortage of manpower, has not been able to play a more effective role in this area.

► *Trade is a very broad subject—with existing staff it must be difficult to cover. Do you have the authority and the funds to go to outside consultants?*

— The ACP Group has decided to increase the functions of the Division without increasing the manpower or placing any additional financial resources at its disposal. In particular the Division is expected to cope with the new Round of Multilateral Trade Negotiations and the new Committee on Commodities with its present manpower. This creates further human constraints in the Division. ○

C. TIBAZARWA
Acting Chief of the Development Cooperation Division

The Courier

► *You are mainly in charge of servicing different sub-committees. How do you organise this work?*

— The organisation of the work depends largely on the objective for which the sub-committees were established. My Division has five sub-committees: on agriculture, industry, transport and communication, least developed, landlocked and island countries and cultural co-operation. Thus each sub-committee has a set of mandates deriving from the Lomé Convention, decisions of Council of Ministers, Committee of Ambassadors or the Georgetown Agreement. For the medium term, say the five years of the Convention, each sub-committee endeavours to realise the goals enshrined in the provisions of the Convention, while for one year's period, there are sets of specific actions to be attained by the sub-committees.

In order to draft the above-mentioned programmes, there is an ACP expert assigned to each sub-committee. The main task of the Chief of Division is to assist the expert by providing him/her with the technical backstop and situate the proposal in the overall matrix of the Division and the Secretariat.

At the sub-committee meetings experts provide the technical support to the sub-committee and prepare summary records as well as follow-up action. These are then discussed within the Secretariat in order to give effect to the recommendations of the sub-committee.

▶ *As far as very specialised matters are concerned, how do you select your experts and how can they cover such a wide range of questions?*

— First of all, I need to point out that the Lomé Convention is a specialised and applied field of activity and therefore the full-time experts employed by the ACP Secretariat are expected to have a special insight into their relative areas of assignments.

As you can see, each of these sectors is very broad and cannot be adequately covered by one individual. In the light of this, the ACP Secretariat has been requesting an increase in the number of experts. My own estimation is that, for each current post of expert, three experts are needed and only at that stage will the Secretariat be able to provide the minimum quality and quantity required of its experts.

In order to cope with the above problems, first, we try to be very selective in the activities we plan for each sector over a given period. Secondly, we occasionally engage external consultants to undertake studies or analytical work in selected areas so as to enable the ACP States to have an adequate basis for taking decisions on certain issues. The use of consultants tends to increase at the beginning of the renegotiations of the Lomé Conventions.

Thirdly, the ACP Secretariat makes great use of the ACP-EEC specialised agencies, namely the Centre for the Development of Industry and the Technical Centre for Agricultural and Rural Cooperation which were established to provide specialised information to ACP countries in the respective sectors.

Fourthly, in the area of intra-ACP co-operation, the ACP Secretariat collaborates with the ACP regional and international bodies such as SPEC, CARICOM and OAU. The latter provide technical information and support which the ACP Secretariat cannot obtain with its own limited resources. ○

R. GNANIH
Chief of the Administrative Division

The Courier

▶ *What are the main daily problems facing the administration of a relatively new organisation such as the ACP Secretariat?*

— The administrative services are of prime importance in the running of the Secretariat. Because of the breadth of their responsibilities, they are at the heart of its day-to-day activities, both to fulfil their managerial functions and to act as consultants and participants. The principal functions of the Administrative Division are as follows: on the management level, to deal with all staff and budget matters; in their consultative capacity, to interpret the Staff Regulations and the Financial Regulations, or any other *ad hoc* consultative or study document pertaining to them; as participants, to take part in decision-making, or in joint consultations with the Staff Association and within the Joint Committees, so as to maintain a healthy working atmosphere.

The Administration is marked by one characteristic—the services reflect the image of the Secretariat as a whole, where a major portion of the workload consists of the preparation of meetings, with all that that entails in financial and material terms, both in staff (translation, interpretation, typing, copying etc. ...) and in costs.

As for the means put at the Administration's disposal to carry out these functions, certain weaknesses exist in the Secretariat's organigramme, as it stands at present, due to the absence of intermediary posts for more junior adminstrative staff and book-keepers.

As a result there is a risk of there being no real and constant follow-up to the work of the Secretariat's senior staff, or to that of the Head of the Administrative Division or his experts.

▶ *What are your precise tasks?*

— If you take the daily tasks, they are very varied—making sure, for example—and making sure in time—that before each meeting there are enough interpreters available, that the documents are available in the working languages of the Group, that there is the necessary infrastructure to allow the work to be done, both answering the pressing demands of work and respecting the unassailable rights of those called upon to do that work.

The Head of the Administrative Division is also responsible for the supervision and the coordination of several departments, namely those responsible for personnel and administration, for the budget and accounts, for meetings, and for press and information and protocol.

He also supervises the work of the senior staff in all these departments.

Finally, he is responsible for drawing up proposals relating to the various matters for which he is responsible.

▶ *Have you been able to create a unified 'house style' here, bearing in mind that your staff comes from a variety of geographical regions, cultural backgrounds and administrative habits?*

— I think that I have been able to forge a bond of unity amongst the staff, despite these differences—which extend, also, to the languages we speak.

I think, too, that the desire for unity amongst the staff cannot be put before respect for hierarchy and a sense of duty. These are, first and foremost, the Administration's concerns.

I think, moreover, that the Administration is best placed to strengthen this team spirit, through consultation within the joint internal groups or by creating a greater sense of responsibility in the staff by way of delegating powers or encouraging participation in decision-making. In this way the Secretariat would derive greater benefit from their various talents.

► *You are in charge of servicing the sub-committee on Establishment and Finance. What precise tasks does this involve?*

— The Administration and Finance sub-committee deals with all the various administrative and financial matters for which the Committee of Ambassadors is responsible. We therefore have to prepare meetings—in particular, putting together and coordinating documents, ensuring that they reflect the Secretariat's policy on the matter in hand.

Sometimes consensus on policy is difficult to obtain, and the drafting of a Secretariat document comes about only after lengthy debate, due often to the sensitive nature of the matters under discussion. ○

M. DODOO
Legal Counsel

The Courier

► *What is the nature of the work of the legal section of the ACP General Secretariat?*

— It provides legal services and assists, as and when needed, all the departments within the Secretariat and the ACP Institutions and attends to all the legal work of the ACP General Secretariat.

It gives advice on legal matters arising in respect of all the subject areas under the Lomé Convention such as the area of Trade Cooperation, Stabex, Customs, Financial and Technical Cooperation, Industrial Cooperation, the Protocols on Sugar, Bananas and Rum.

It assists in the preparation of the work of the Committee of Ambassadors and the Council of Ministers; and also assists with the co-ordination of the reports of the Committee of Ambassadors for the meetings of the ACP Council of Ministers.

► *What legal problems have you encountered in the implementation of the ACP-EEC Convention?*

— As in many cooperation arrangement, it has in the Lomé Convention taken time to establish working methods satisfactory to both sides. We of the ACP, for example, have encountered a tendency on the part of the Community, from time to time, to impose its interpretation of the provisions of the Convention. This has especially been the case when there is not a clear position on one or other question. For example, this has been so in Stabex, when, in the earlier Convention, the Community unilaterally established the rate of exchange applicable to Stabex transfers.

Similarly, the Community has for example, steadfastly maintained an interpretation of certain provisions of the Sugar Protocol, such as Article 7§4 to deal with the reallocation of shortfalls, with which the ACP has never been totally in agreement.

From time to time, however, efforts have been made to find solutions to some of the more difficult of these problems, and, in the two aforementioned examples the first has been solved by the provisions of Lomé III and the second by agreement on procedural guidelines in the application of Article 7§4.

Another area which has presented difficulty in the past has been the application of the consultation machinery. There are provisions in the Convention which require the Community to enter into consultations with the ACP States before the introduction of any measure or measures by the Community which are likely to affect the interests of the ACP. On this question, the Community has stressed from the beginning that consultation does not necessarily mean arriving at jointly agreed decisions. Against that background, our experience has been that the Community has sometimes made up its mind before entering into the consultations and has therefore remained adamant throughout the consultations, thereby rendering them of very limited value. And even sometimes when there has been change, it has not always been in substance, merely in form.

On the other hand, there have been a few occasions when the consultations have led to the Community changing its original position. We still believe that progress needs to be made in this area to ensure a more equitable implementation of the Convention.

One of the distinctive features of the Convention has been the preferential trade advantages enjoyed by ACP exports in the markets of the Community. But these advantages are constantly threatened and undermined on account of measures taken by the Community, and I am here referring to the Community Generalised Scheme of Preferences as an instance.

We have also met with difficulty when, at times, the Community has contended that it was not competent on certain matters in the framework of the Convention. I refer to the question of ACP students and migrant workers in the Community and the situation in South and Southern Africa. We have raised these issues many times under the previous Conventions. In Lomé III there are clearly expressed provisions governing these questions. Nevertheless, the Community is reluctant to take concrete decisions on these issues. It is always convenient for the Community to contend that these are matters falling within the authority of the individual Member States of the Community and that the Community as an entity is not competent to handle such questions, particularly in the manner in which the ACP States would like them to be approached.

In saying this I am not implying, however, that we haven't made substantial achievements in the application of the Lomé Conventions. We have also found mutual agreement and managed to solve or find solutions to a number of problems.

I think perhaps some of these criticisms or difficulties and problems I have mentioned were prevalent in the previous Conventions. Lomé III intends to minimise these particular problems I have mentioned but I think some of the problems are still there and it depends on goodwill on both sides. If both sides display the necessary political will problems can always be overcome. We are optimistic that solutions could be found to difficulties. And once you have an agreement you should expect difficulties with interpretation. Exhaustive provisions are contained in the Convention for resolving questions of dispute concerning the interpretation or application of the Convention. ○

M. CISSÉ
Translator

The Courier

► *What are the main motivations of the linguists working at the ACP General-Secretariat?*

— If you mean by that, the motivations that keep interpreters and translators at the General-Secretariat rather than elsewhere, I'm afraid, frankly, that there aren't very many. When the Secretariat was set up, you see, there was no real language service at all. The young linguists who came here one by one and established the basis of a genuine service were, certainly, inspired by a number of ideals—belonging to

The ACP Secretariat: my working life

by J. BAKSH, Secretary to the Secretary-General

The Courier

For better or worse, unlike many of my colleagues, I have not had the experience—whether good or not so good—of working outside the ACP context. My first job after leaving school in 1972 was with the Embassy of Somalia, incidentally with the present Ambassador of Somalia to Brussels.

As my first experience in the world of work, its impact shall always remain with me. It was a basic lesson in preparation for life, and I could hardly have had a more kind and patient teacher than Ambassador Giama.

My introduction to the ACP came when the Caribbean countries were asked to make a contribution to the work of the *ad hoc* African Secretariat, which was involved in servicing the negotiations which led to Lomé I. Being of Trinidadian nationality, I was contacted on behalf of the Caribbean Group of Ambassadors in Brussels, by their then Chairman, the inimitable and unforgettable Ambassador Lawrence Mann of Guyana, with a view to considering me for a secretarial job with the Caribbean Group. It was that job which was to lead to my becoming part of the *ad hoc* ACP Secretariat and later the ACP General Secretariat. My working life with that organisation commenced in fact on 2nd May 1974.

Today, I look back over nearly thirteen years with the Group with mixed feelings. At the personal level, I am one of the few lucky ones in the Secretariat who made progress in his/her career. With the virtually inexistent scope for promotion, rising from a position of unilingual secretary to secretary to the Secretary-General is almost unique. In my long years here I believe that I have learnt a lot—a lot about people—different people, with different backgrounds, cultures, ideas, mentalities, morals. I certainly met many people, saw many countries and regretfully made but few true friends, lost many illusions. However, the ACP is still something I believe in, and wish to continue, in my own small way, to contribute to.

At the more important level, I may be impatient, but I am concerned at the price of, and delay in, achieving development. I would wish that the potential beneficiaries of the efforts of the Secretariat were a little more aware of, and serious about, their own interests, and that there would be more transmission of the efforts made in Brussels, to the man at home—the man in the street, the man in the field. As has often been said, the Lomé Convention is something unique, an opportunity we have no right to squander, and for this I exhort my colleagues to remember that we are not working for our "bosses" or institutions, we are working for the small people at home, your brother in Suva, your grandmother in Kinshasa, your daughter in Trinidad.

This is why Intra-ACP cooperation appeals to so many of us—and Intra-ACP Cooperation begins here with us, the staff of the Secretariat. ○ J.B.

an organisation dealing with development, providing a window onto other cultures, the feeling of contributing to mutual understanding between people of different backgrounds and different languages... Nowadays, despite the perpetual difficulties, there is still a feeling of wanting to build up a permanent language section of high international level which would allow us to better serve the interests of the ACP Group and, by extension, of our own countries.

▶ *Do the linguists have any special problems?*

— Yes, of two kinds. Firstly, there are difficulties in working conditions simply by virtue of the way the Secretariat's work is organised. The problem can be lack of staff, overwork of a section which is too small, the unsatisfactory way in which meetings are organised, ignorance of a linguist's job and of the way in which it should be carried out (working hours, the number of pages to translate daily, the length and frequency of meetings, etc.).

Moreover, as the profession of translator or interpreter is relatively new in our countries, few people recognise the true worth of linguists, a situation which often gives rise to abuse on the part of those who benefit from their services.

▶ *How do you see the future of the language service?*

— The Secretariat in general gets more staff, and different kinds of staff, while the language service stays as it is. One day, for sure, this will bring about total saturation, and this vital service will come to a complete halt. Until a genuine structural policy is put into place, a question mark must hang over the language service's future. ○

J. APPADOO
Secretary


The Courier

▶ *Do you feel involved in your work, in the work of development, or is it just a job for you?*

— There are two dimensions to the concept of development. In one aspect, I can say that I am indirectly involved in the efforts towards Third World development in my capacity as personal secretary to the Legal Division. However, there is the second important aspect and I think that whatever work you do, you feel involved in its development. Do we not all work for the development of mankind in one way or other? The degree of involvement in one's work depends on the value one attributes to development. So, it is certainly not just a job for me.

▶ *Is there a good working atmosphere?*

— I would rather say no, because I think that a good working atmosphere has to be built up by everybody and here in the Secretariat the majority of us believe that it is the responsibility of others to do so while everyone needs to make his trusty contribution. Every grain of sand contributes towards the making of a desert.

▶ *How could the efficiency of the Secretariat be improved, in your view?*

— First and foremost, we need to change our attitude towards work. Work is not only a matter of earning a salary or holding such and such position; it is also a duty towards society and good work brings job satisfaction. Secondly, the Secretariat would be more efficient if the conditions of service were improved (longer duration of contracts, career prospects, training courses, exchange of staff among regional organisations, modernisation of the office equipment, etc.).

Thirdly, there should be a wider circulation of information among the staff.

Both management and staff should care more for each other.

And lastly, it would be good if the Secretariat could invite, once every two months, an expert to give a talk on a specific subject to the staff. The recent exposé by the NGO's Liaison Committee was much appreciated.

▶ *What has been the biggest difference for you between your work here and the working life you had in your home country?*

— Here I work longer hours, with colleagues of about 40 different nationalities, in English and French, in a Division within a political context. The working relations are trying but at the same time stimulating. The reward is that one is obliged to educate oneself, especially in human relations, to better understand one's environment and hence to have a wider view of the world and its needs. ○

M. PRASSAD
Secretary


The Courier

▶ *As I understand it, you are at present the only staff member of the Secretariat from the Pacific Region. Were there never any others? And how do you find living in Brussels and working among your colleagues from Africa and the Caribbean?*

— There have been two other Pacific nationals who worked here in the Secretariat and left us for higher functions in their countries and elsewhere. It is very cold here but at the same time it can be interesting to work with people who have such diverse cultures as the Africans and the Caribbeans. In fact, there is a certain element of com-

Some of the 66 national flags which decorate the foyer in ACP House plus one of the numerous works of art there (a tapestry from Senegal)

The Courier

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The visitor's first contact may well be at the reception desk, above, Mr Scott, or through the switchboard, above, Miss Nkong Ampe

The Courier

The main meeting room in ACP House with, from left to right: Mr Mulugeta, conference officer, Mr Birasa, driver, Mr Lenga, interpreter, Miss Eveedang-M'Bozo'o, conference secretary, Mr Fortune, interpreter, Miss Kekeh, interpreter, Mr Rogers, interpreter and Mr Jenkins, conference messenger

Innumerable documents have to be reproduced. Here, Mr Ndiaye, printshop operator at work

ACP House's basic working languages are English and French; here Mr Nounomo, one of the translators, at work

Mrs Gakunu, bilingual secretary...

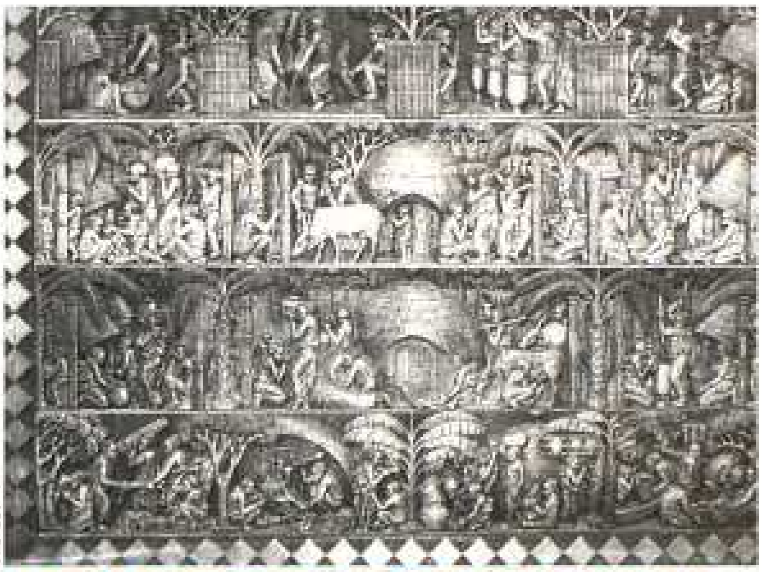
The Courier

A random sample of people

Mrs Keita-Gaye, bilingual secretary...

The Courier

Two senior staff members, left Mr Agboh, Chief of Division and right Mr Hassamal, Financial Controller



A beautiful carved wooden panel from Burundi, in the foyer of ACP House

Part of the ACP House library, which contains a wide variety of books and magazines, with Mr Masens-Mukis, the librarian

Mrs Kennedy-Macfoy, the registry officer, and her assistant Mr Diba, handle all in- and outgoing mail

working behind the scenes:

Miss Ngendahayo, typist

Miss O'Reilly, bilingual secretary

There is a continuous flow of documents from ACP House to be distributed among ACP Embassies. Here driver Chris Birasa adds manpower to the task

prehension. The essence remains, probably modified through our historical experiences. And this makes our richness.

▸ *Do you find the work in the Secretariat stimulating? Have you been able to develop your skills, competence, etc. in any way during your period here in Brussels?*

— Yes, certainly. For the reasons stated above, the work in the Secretariat is particularly interesting. It concerns not only ACP countries but also the outside world with different international contacts. This permits us to enrich our intellectual and cultural capacity, and, above all, Brussels offers a lot of possibilities to enhance yourself in all areas, starting with languages.

▸ *After this long period with the ACP Secretariat in Brussels, do you intend to return to live and work in Fiji, and do you think that you would be able to fit back comfortably into your society?*

— From the mental point of view the ACP is not that far from Fiji. I will certainly go back home, with a rich and positive experience and the will to use it. In this way, my stay in Brussels will have served a purpose. I don't believe that I will have any problems to fit back in my society (Fijian) for the simple reason that I never really left. ○

A. LAWRIZI
Technician

The Courier

▸ *What do you think of your work with the ACP Secretariat?*

— The C-grade staff are especially proud to contribute to what is being done to make a strong and respected ACP Group.

They appreciate the fact that their work isn't considered as of secondary importance and greatly value any form of recognition of their readiness to work and to work hard.

▸ *What are their main concerns?*

— C-grade staff are, in the main, recruited locally and their contracts are governed by Belgian law.

Not all the C-grade staff are Belgians, however, and not all have work permits issued to foreigners by the Belgian authorities. So that, while some colleagues are fully entitled to certain benefits—notably Social Security payments—others are not. ○

A. SAGNIA
President of the Staff Association

The Courier

▸ *For how long has the Staff Association of the ACP General Secretariat been in existence?*

— The Staff Association, as we know it today, held its first constituted meeting on November 5, 1984. It has therefore entered its third year of existence.

▸ *What are the main claims of the staff?*

— I am not sure whether I can speak of the "claims" of the Association.

Allow me, however, to say that the Association's aims and objectives are broadly reflected in Article 2 of its rules:
"1. To see that staff rights are respected and ensure that staff fully abide by the obligations arising from the texts governing the Secretariat;
2. To help maintain a working atmosphere favourable to the social and professional uplift of its members and stimulate a spirit of solidarity."

▸ *To what extent can the Staff Association contribute to improving the working conditions of personnel here?*

— I have just referred to the principles. Studying them carefully, one will understand in what spirit the Association was formed; the staff was concerned, foremost, by the image of the Secretariat. I can recall that this was the platform which was used to rally staff in 1983 to the idea of formally establishing an Association.

It goes without saying that to achieve these aims certain basic conditions of service and work ought to be created to stimulate efficiency and productivity. This is a prerequisite and I want it to be fully understood; there is no logic in talking about efficiency and productivity when basic conditions of service are seriously deficient.

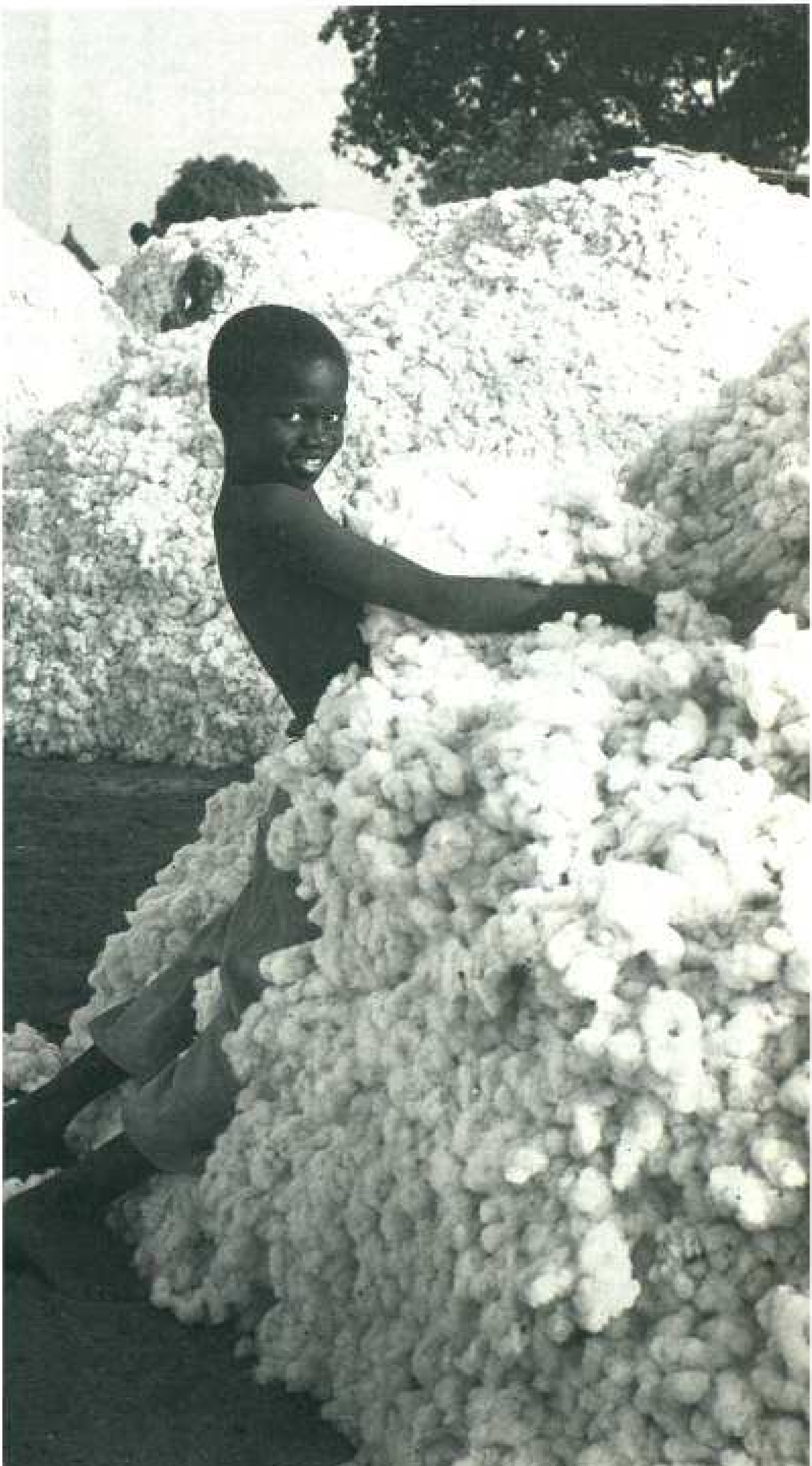
Conscious of this fact, the Association has been busy over the last two years or so, in preparing basic documents on proposals for the improvement of the conditions of service of the Secretariat staff. The proposals cover a wide range of subjects which include, notably, annual assessment procedure for evaluating staff performance, the establishment of a provident fund, a social service to assist new staff and an Assessment and Promotion Committee to advise the Secretary-General on matters of the nature suggested by that Committee's name. The list is not exhaustive.

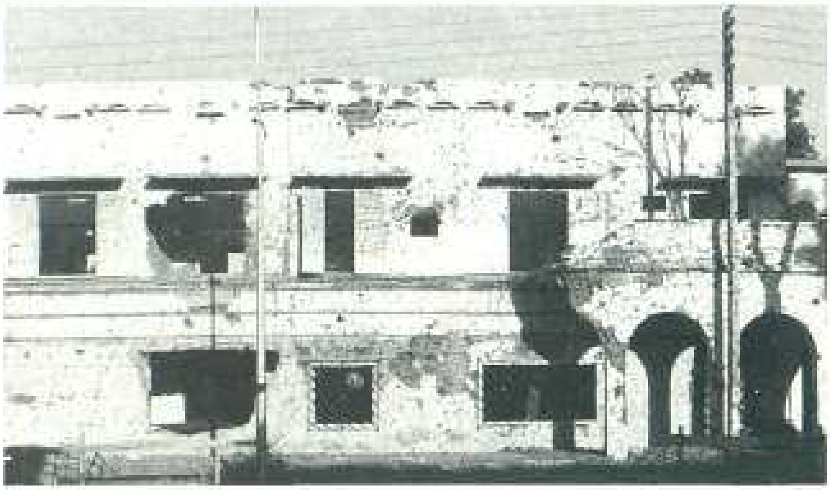
It is our hope that at the next session of Council, sometime in May this year, the ACP Council of Ministers will have the opportunity to pronounce itself on the recommendations submitted by the Committee of Ambassadors on the improvement of the conditions of service of the staff. We further hope that a tangible effect of the decision of the Council on this subject will be the birth of a renovated Secretariat with a highly motivated and enthusiastic staff wholly set to serve, in the best possible manner, the ACP Group. ○

CHAD

Few African countries occupy as many column inches in the international press as Chad, which for a number of years now has been at the centre of one of Africa's, and the world's, political problems. The names of Chad's smallest oases, scenes of the struggle against the Libyan invader, are well known to the readers of the international press.

But there is another Chad, too, existing side-by-side with the famous one; a Chad sadly under-equipped, prey to drought and desertification and peopled by five million citizens whose standard of living is among the lowest in the world. It is this Chad, largely unknown, which The Courier presents to its readership for the first time.





Everywhere the facades are riddled with bullet-holes, there are burned ruins and bombed houses…

… 20 years to destroy it all

N'Djamena, the capital of Chad, stretches lazily along the banks of the Chari. It might be any other Sahel town built by the water, that symbol of life in countries hard hit by nature. The hundreds of mud houses—for this is how the poor build their homes—and the corrugated tin roofs covering some of them, the type of people and the way they dress mean that this could be the banks of the Niger, in Bamako or Niamey. There are the same crowds at the market round the same big mosque—a gift, here too, from Saudi Arabia. The market is full to bursting, spilling over into the surrounding streets, while, further on, the residential quarter slumbers just as peacefully in the shade of the majestic mahogany trees—the fast disappearing stamp of French administration—a bad thing, alas, in Sahelian Africa where big trees are needed so much.

But the comparison stops there. For, undeniably, N'Djamena has got many of its old habits back again. Its still-recent calm seems artificial, troubled as it is both day and night by the hum of military aircraft which are unknown in its sister towns but here a constant reminder, if any reminder is needed, that this is the capital of a nation at war. These planes—20-odd Jaguars and F1s, one or two Transalls and Bréguets from the French Epervier force, not forgetting the three Hercules C130s of the Chad Air Force—are an integral part of the life of the people of N'Djamena and many of them can identify them all from the noise they make taking off or landing.

The thunderclaps that regularly rend the air are the visitor's first signs of Chad's more than 20-year old conflict. And further signs appear as he visits the town, for everywhere the facades are riddled with bullet-holes, there are burned ruins and bombed houses with no doors or windows, their roofs long-since pillaged. In some areas that are still virtually uninhabited today, not a single house seems to have survived the fighting. The rare houses in good condition were, I was told, restored recently. Squatters have taken over ruined houses, using the first storey floor as a ceiling and hanging lengths of material over the holes that were once doors and windows—a pathetic protection against wind and rain.

In spite of the drive to rebuild, N'Djamena still bears the marks of all the battles that were fought there—and are still being fought in the north. For let us not forget that Chad is still at war. The vigilance of the Gorane guards, those fearless warriors some with the clear-eyed look of children, are adequate reminders as you approach the airport or the presidency.

A martyred town

After World War II, the Soviet Union conferred the coveted title of "hero" on some of its towns for what they had done during the fighting. And N'Djamena—formerly Fort Lamy, the name a premonition of all the attacks to be made on it—should be dubbed "martyr". As a symbol of power, and therefore authority, the town has always crystallised the nation's anatagonisms and rivalry. In a Chad where political changes happen fast, as they did in 1978-82 especially, only the conquest of N'Djamena gave the various Governments their legitimacy. Whoever controlled N'Djamena represented the nation and spoke in the name of the country as a whole. Hence the fierceness of the battles fought there, particularly in 1979, when the first Battle of N'Djamena saw the troops of the then PM, Hissène Habré, take on the army of Président Félix Malloum, and again in 1980, during the second Battle, when the armed forces of Goukouni Oueddeye, the head of the GUNT (the Transitional Government of National Union), backed up by Libya, spent nine months fighting the troops of Defence Minister Hissène Habré.

The whole town still abounds with tales of the violence and death of these times, each more terrifying that the last. The capital was literally emptied of its inhabitants, most of whom sought refuge at Kousséri on the Cameroonian banks of the Chari in makeshift camps up to 200 000-strong. Or they went south, if this was where they originally came from. When they returned, there was nothing left. Those who has stayed had been forced to entrench themselves in their own homes to protect the property they could not take out of the town. But they were not always successful. One former haulier, for example, had his van requisitioned by the troops.

But maybe the worst memories are of the end of the second Battle of N'Djamena, on 15 December 1980. During the three days that followed, the leaders turned the town over to the victorious fighters of Goukouni Oueddeye. They had not been paid for months and the inhabitants had to pay up instead and it was not until the fourth day that the extortion stopped. Historians will shed light on this unfortunate period—the details of which I heard several times over from simple people and from their leaders—as they will on all the fighting.

"It will be very difficult thing to do", Baal Zahr, the young prefect of Sahr, himself a former fighter, warned, "for, although every camp counted its dead, no-one checked on the civilian victims". For the moment, the figures are only approximate. The first Battle of N'Djamena took an estimated 3000 victims and it only lasted a few days. But the 1980 fighting lasted nearly nine months (from 21 March to 15 December) and the French medical base at Kousséri alone performed more than 800 amputations. And less than a month after hostilities began, the Red Cross delegate said there were already 1000-1500 dead and 2000 wounded. But the capital was not the only theatre of war. Other murderous battles occured, more than once, at Faya-Largeau, Abéché, Oum Chalouba, Moundou Sahr and more. Some of the present leaders say that hundreds of thousands and not the tens of thousands I suggested died in the fighting in Chad.

An uprising with fearful consequences

The return to normal everywhere south of the 16th parallel today is all the more remarkable for this. It certainly underlines the Chadians' extraordinary stamina over more than 20 years of war—a generation. It all began at Mangalmé, a little township in west-central Chad, back in 1965, with an uprising against the authoritarian régime of President Tombalbaye, who had taken a progressively harder line since independence and just pushed up taxation a long way. The following year the Frolinat (the Chad Liberation Front) came into being and the year after that the first roads were cut as the rebellion in Tibesti gained ground.

In 1968, military agreements with France meant that Chad was able to get French troops sent out to put down the insurrection. They pulled out in 1971, but the revolt against the Tombalbaye régime continued. In 1973, Libya occupied the Aouzou strip, having already spent some years helping Chadian dissidents. The following year, the whole world heard about Françoise Claustre, the French ethnologist, and her kidnapper, Hissène Habré. On 13 April 1975, Tombalbaye, now called NGarta instead of François under his policy of a return to African roots, was killed in a coup d'état which brought General Félix Malloum from prison to power. In 1978, Malloum asked France to step in again to

Jaguars and F1s of the French Epervier force on the runway of N'Djamena airport

N'Djamena Cathedral which was burned during the fighting has now been restored

re-establish order and a basic charter, the foundations of the future constitution, was signed. Hissène Habré became Prime Minister. But the year after that, dissent between Malloum and Habré led to the first Battle of N'Djamena and Goukouni Oueddeye increased the pressure on the whole of northern Chad, with Libya's help.

Two conferences were held in Kano (Nigeria) to try and settle the situation. It was third time lucky, in Lagos in August 1979, when a Transitional Government of National Union (the GUNT) combining 11 Chadian politico-military tendencies and chaired by Goukouni Oueddeye, was formed. Colonel Abdelkader Kamougué, the leader of the south after Malloum went, became deputy leader and Hissène Habré was responsible for defence. But the agreements only held for a few months and the second Battle of N'Djamena broke out in March 1980 and for nine months Hissène Habré's men fought Goukouni Oueddeye's troops, who were backed up by other forces too.

The French troops pulled out yet again. After bitter fighting, Hissène Habré withdrew from the capital after the entry of the Libyan troops and reassembled his army near the frontier with Sudan. On 6 January 1981, Colonel Ghadafi, who had signed a defence agreement with Chad some months previously, announced, to the surprise of all and sundry, that Chad and Libya were to merge while Goukouni Oueddeye was on a visit to Tripoli. In November later that year, under pressure from the Franco-African summit, Goukouni Oueddeye called for Libyan troops to leave Chad. They responded and were replaced by an inter-African intervention force, which was powerless against Hissène Habré's victorious march on N'Djamena on 7 June 1982. Three months later, Moundou, the southern fief, fell in turn, but the GUNT was not dead for all that and, with Libya's help, it moved into Bardaï in nothern Chad in 1983 and took Faya-Largeau, the vast and strategically-placed palm plantation which commands the roads to the capital.

In August, France was asked for further military intervention, this time with Operation Manta, to prevent Libyan troops from coming beyond the 15th and then the 16th parallel, a "red" line level with Koro Toro, north of Oum Chalouba. In September 1984, France and Libya concluded an agreement on "simultaneous, concomitant withdrawal". In 1985, several leading figures who had hitherto been fiercely anti-Habré — Senoussi Khatir and General Négué Djogo, the Commander in Chief of the GUNT forces, both of whom joined the Government, Colonel Kotiga, the head of the famous Codos, the commandos who operated in the south, and more—rallied to his cause.

Several tendencies, including the original Frolinat, had joined the new party, the UNIR (National Union for Independence and Revolution), so the armed opposition to the Habré Government was now only the FAP (People's Armed Forces) of Goukouni Oueddeye, part of the FAT (the Chad Armed Forces) of Colonel Kamougué and the armed section of the CDR (the Democratic Revolutionary Council) of Acheick Ibn Oumar, the late Acyl Ahmat's successor. With help from Tripoli, however, this opposition attacked Kouba Oulaga and Oum Chalouba, both below the 16th parallel, in early 1986. This provoked intervention by the French, who destroyed the Ouadi Doum airport runway—a 3800-metre asphalt strip that could take whatever aircraft Libya had, and which had been built at great expense—between Faya-Largeau and Aouzou.

Tripoli riposted the following day by bombing the airport at N'Djamena,

Aerial view of N'Djamena; at the centre is the great mosque

causing limited damage. France consolidated the surveillance and intervention force—code name Epervier—it had installed and so there were 20 or so Jaguars and Mirage Fls, two radar bases at N'Djamena and Moussoro and a thousand men guarding the red line dividing Chad along the 16th parallel.

And last year saw another major event—the break between Goukouni Oueddeye and Ghadafi. Goukouni, who was wounded during a skirmish and was held for a long time in Libya has been replaced at the head of the GUNT by Acheick Ibn Oumar, who had been himself under house arrest in Tripoli a few months earlier. Colonel Kamougué, one of the last lights of the opposition, walked out of the new GUNT, which he accused of being Libya's creation and returned to N'Djamena in February 1987. President Hissène Habré's position has never been so solid. He has virtually achieved the unity of Chad against the aggressor. In the field, the FAP now fights side by-side with Chad's national forces against the Libyan troops—who are currently trying to trap them in the Tibesti mountains. They have inflicted resounding defeats on the Libyans by taking control of the oases of Zouar and Fada.

Determination and combativeness

These are the outlines of Chad's drama, which, let us hope, is drawing to a close. What this brief summary has probably not revealed is the many attempts at mediation by the OAU and the neighbouring countries or the extreme atomisation of the troops. Some groups only consisted of 20 odd soldiers, backed up by sketchily armed militiamen, the Prefect of Sahr told me—which is why the word "Lebanisation" has sometimes been used for the war in Chad, which in fact had many things in common with the Lebanese conflict. But those who called it a north-south conflict were mistaken. For these has never been a rift between the Moslem north and the Christian and Animist south.

Very early on, the Arab peoples by the edge of the desert joined the sourthern cause and southerners fought with Hissène Habré's northern armed forces from the beginning. And most of the different tendencies came from northern Chad anyway. Would this conflict, which began as peasant uprising and looked at times as a battle between leaders, have been of the same size and duration without Libya's intervention and territorial ambitions? Probably not.

Today, in any case, the situation is clear at last. "The Chadians are united against the invader", as President Habré puts it. The Libyans now have to move into the front line—but how long can they go on fighting a difficult war in what is now a hostile human environment in a region that they do not know as well as their adversaries, against a background of deteriorating oil revenues and a substantial increase in the French and American backing for N'Djamena's troops? Impossible to say. As the Chadian official pointed out, in a certain way, paradoxical as it may seem given the unequal means, the future of the Libyan régime is being played out in the foothills of the Tibesti.

Once peace has returned, it is to be hoped that the Chadians will put the same combativeness and the same determination as they showed in the war into raising their country from its ruins. For the task will be as long and difficult as the war itself. This, at any rate, is the opinion of a priest who loves Chad and has lived there for more than 30 years. "It took 20 years to destroy it all and it will take 20 years to build it up again". □

Amadou TRAORÉ

"We may be at war, but we are still trying to improve our standard of living"

An interview with President Hissène Habré

Tall, slender, prematurely greying, Hissène Habré has now been at the heart of the Chad crisis, a major issue in African and world politics, for more than 12 years. He is the only politico-military leader to have denounced Libya's ambitions for his country from the word go and today he has the satisfaction of seeing his ideas win through. The conflict in Chad has ceased to be seen as a civil war with Chadians locked in fratricidal combat and no one can now deny that Libya plays a predominant role in the affair.

Hissène Habré's conciliatory attitude has brought his main adversaries round and he makes no secret about wanting to win back the north—which is still occupied by Libyan troops. But he says that preparation for the post-war period has also been under way since his return to N'Djamena in 1982. Economic issues, indeed, occupied most of the interview.

Habré speaks slowly, seeking exactly the right expression for what he has to say, punctuating his speech with gestures and his eyes gleaming with the determination that has enabled him to cover the stony path from the caves of the Tibesti to the Presidency of the nation. He gave us this interview in N'Djamena in mid-December, when there was violent fighting around the town of Bardaï.

▶ *President Habré, support for your Government and the collapse of the GUNT recently have given a big boost to your régime. Is this the beginning of the consensus the country has been seeking in vain for so many years?*

— You are right that, given the recent developments, the situation is now a positive one. The process of national reconciliation that we started is continuing and the latest developments in the north of the country constitute a great step forward. I can assure you that, today, the basic job has been done. The Chadians are one again and we are united against the foreign invader. However... for us young nations, unity and national harmony can never be taken as read. It has to be nurtured and consolidated and developed. And I should add that what has happened, what is going on at the moment, comes as no surprise to us. We have always told our brothers in the opposition that the main threat to Chad is not squabbling within the nation, but the menace to our territory, our sovereignty and our freedom. Today, God be praised, many of our compatriots have realised this. They have gained new awareness and split up with the Libyan aggressor who has always tried to hide behind a mythical Chadian opposition and is now exposed. Now the problem is clear. There is Chad on one side and Libya on the other.

▶ *How do you see the next stages in this process of national reconciliation that you said just now had to be maintained?*

The Courier

— We have in fact already been through the main stages of national reconciliation and there are no big opposition groups on the outside any more, only a few individuals in the service of Libya. But you will realise, of course, that there are always one or two black sheep here and there in any country, in any nation. What we intend to consolidate and maintain are our achievements, the victories we have won. The fragility of our young nations is manifest and the threats to the unity of the peoples of our States and nations are a constant danger. This is why we must not rest on our laurels because we have completed the essentials. On the contrary. We must remain on our guard and constantly strive to consolidate our national unity.

▶ *You said just now that the main aim of all Chadians was to keep the national territory whole... and Chad is in fact divided, as the recent events at Bardaï proved once again. So how do you see the reconquest of the whole territory—including the Aouzou strip?*

— This is our constant, principal and priority target. What you just said is the truth and it hurts. Libya occupies almost 500 000 km^2 of our country and it consolidates its position every day. The Bardaï fighting shows, if any proof were needed, the constancy of this policy of aggression and expansion and of the aim to annex us. In the north, the people as well as the FAP* fighters, who were manipulated by Libya only yesterday, have decided to turn their arms on the occupier today. Time has opened people's eyes. And Libya's reaction has been brutal and bestial. It has laid waste villages, destroyed cattle, fired at anything that moved, poisoned wells and used napalm bombs and poison gas. This is a scorched earth policy. It wants to annex Chad even if it means genocide. So we have to fight—and thank God Chad is now reconciled with itself. We have to fight with all our strength and with all our means to reach our goal and repel the conqueror from our land.

(*) Forces Armées Populaires — Goukouni Oueddeye's troops.

That will probably mean a considerable war effort for some time to come... when you, as a country of the Sahel, have extremely serious problems of desertification to cope with. Can you tell us about the importance of the war effort in relation to the demands of development?

— That is our dilemma. Chad, as you said, is in the Sahel. It is faced with the advancing desert and with under-development. And it has other extremely serious economic and social problems too, which we shall no doubt be talking about in a minute. But nonetheless, when a country has suffered blows to its dignity, when it is partially occupied and its independence is compromised and its freedom flouted, it has to tackle the issues of basic survival, of freedom and of dignity, regardless of what its social and economic situation may be. Our priority today is war and we are channelling most of our resources into it—without, of course, totally neglecting the economic and social side either, because the war itself has to be nourished. So we also have to strive for economic and social development and doing the two together is by no means easy.

When peace comes, President Habré, the Chadians can plough all their energy and all their effort into building the future... But what state will their country be in? Have you worked out just how much the war has cost you?

— Yes, we definitely do have an idea of what the war has cost the nation. Even without very precise statistics, some things are obvious. Traditionally, Chad was able to produce all the food it needed, but now it has famine, in spite of a slight improvement in the situation over the past couple of years. This is not just due to the drought. It is the war. Our economic potential has suffered terribly. Not only have we not got any new industries. Those we had have suffered incredibly badly. Our roads are utterly ruined, we have no roads any more, only tracks, and our herds have suffered badly too. We have not so far returned to the economic and social level of 1976. So the consequences of the war are there for all to see... and there is the loss of human life...

However, I can't tell you what Chad's economic and social health will be like once stability and peace have returned. But I should like to say that, since 1982, we have made a big effort in the unoccupied part of the country nonetheless. I'll give you just one figure — GDP, which has gone up by 7% since 1982. Our industries have started up again, the patterns of trade have been re-established and work has begun again in health and education. So we may be at war, but we are still trying not just to live, but to improve our standard of living. I cannot read the future, but I do know that Chad has great potential and when peace has come, we will be able to do a lot.

Chad has adopted a three-year interim development plan for 1986-88 and it needs something like CFAF 200 billion for it. How much of this financing have you already obtained and how far have you got with implementation?

— As you said, this interim plan of ours is a very recent thing. We are only at the beginning. At the Geneva conference in late 1985, we noticed that the funders and the friendly countries and the international organisations had manifest interest in, and practical goodwill towards, Chad. Firm promises were made. But we have no intention of being content even with firm promises. Action is called for, so we have agreed there should be periodic consultation meetings, monitoring meetings we call them, to take stock of what has been done so far and see what remains to be done. The most recent of these was in N'Djamena in December. What I can tell you at this stage is that the outlook is very encouraging and the interest people have shown is manifest. If you want something more specific, take the first Geneva conference — the schedule is complete and the results are extremely good. All the commitments that were made have been respected.

Aren't you worried about the weak administration—which has also been hard hit by this long internal conflict—being a handicap when it comes to implementing the plan and preparing and running the projects?

— Certainly. And that is one of the reasons why Chad has not had any real plan so far. The early years were really a time when we put things in order, particularly by setting up the civil service and re-establishing the economic circuits, and so far we have been more or less playing it by ear. This first phase was an opportunity to get the basics set up and then there came an intermediate phase—which is why our plan is an interim one. In this phase we shall be developing the civil service and making it more operational. And thanks to international help, from the EEC and the UN, we have already managed to make much of the administration operational. Look — Chad hasn't just absorbed the 5th EDF. It has practically digested it. So, although our administration is still deficient, it has made good progress and I think it will get better still over the years.

You said just now that, before the fighting, Chad was self-sufficient in food but one of your objectives is also achieve to regional self-sufficiency. Do all the regions of your country really have the potential for this to be on the cards?

— The country has the right potential, I can tell you. What I mean is that it is true that we have suffered terribly from the combined effects of war and drought and that 1984 and '85 were dramatic years. In 1985, we were 350 000 t of food short. But our ambition for self sufficiency in food is well-founded, because all the elements for it are there. First of all, the important thing is that we have immense water reserves in our lakes and our rivers. But the most important thing is that virtually every one of Chad's regions has major water resources that are easily accessible. Wells and boreholes, deep ones and shallow ones, have to be sunk, according to region, and we have already started on this. And another thing is that all our regions have land that is rich — although unequally so, of course. A third thing is that our people have woken up to the need to cope with all this by working to produce things themselves. Of course the regions have unequal assets and unequal levels of development. Our aim is to deploy the means to make Chad self-sufficient at regional level and it is not one that can be achieved just like that. But in the long run, our ambition is for every region to be sufficient unto itself. Meanwhile, improved goods, marketing circuits and better roads should enable us to run a policy whereby regions with shortages can benefit from regions with surpluses. We have set up the machinery to do this with our National Cereal Board which, in spite of being a young organisation with only 18 months' to two years' experience, has already proved to be efficient. In 1985, for example, we had the 350 000 t deficit, but in 1986 the figure was down to 60 000 t. So the trend is up.

► *Overall, then, cotton will still be your big crop, won't it? Don't you think that the huge fluctuation in world prices and the very high cost of transport are always bound to be a brake on your progress?*

— That, alas, is the fate of all the countries of the so-called Third World and Africa in particular. At the Club of Rome again recently, they underlined a paradox — Africa, relatively speaking, is one of the richest continents as far as raw materials are concerned. But it has the biggest development problem. This is because of the international economic situation, which is absolutely unfair. We talk about the civilised world and civilised nations when the world so far has been run by the law of the jungle. It's obvious. The price of things we buy goes up every day and the price of things we sell goes down. So the drama of the Third World and of Africa is the drama that Chad is experiencing so intensely, particularly since it is landlocked, and, as you said, cotton is the essential factor of our economy. Everything hinges on it. We inherited it, alas, and we can't get rid of something that is the basis of our export revenue. The international situation has hit us full in the face, but we are forced to cope, naturally, until our economy can be diversified and we can count on other things. Meanwhile, we have to cope with cotton and take a certain number of measures that are extremely hard for a country at war and with all the problems we have. With the help of the international community and the EEC and the UN and friendly countries, we have produced a plan to handle the cotton crisis. But it is a cross we shall have to bear for some time to come.

► *President Habré, the anti-desertification campaign is one of your priorities, but it has become something of a problem, not just because of the war but because of the size of the country and the small population. What do you think is a possible strategy?*

— Chad's situation is indeed difficult. It has war, it has an immense territory and it is a long way from the sea, so communications are difficult both at home and abroad, as the nearest port is more than 1700 km away. We have enormous problems. But our strategy is based on the realities of the country, on its potential—its agriculture. Cotton is the focus of our agriculture today, but there are real possibilities for diversification in most of our regions. The development and diversification of our agriculture is one of the mainstays of our action, the economic priority, I should say. At the same time, we should develop our communications, particularly roads. And thirdly, given the potential, we can hope to see Chad become an oil producer. You may say I am dreaming, but I assure you I am not. This is one of our realities.

The Courier

"Whatever our present problems may be, let me tell you that we have great ambitions for our country"

► *Chad does, indeed, have proven deposits of petroleum. Do you know how big they are and whether there are any reasonable prospects of exploiting them soon?*

— Chad has proven reserves of petroleum. They have so far been located in the north, in the Lake Chad basin at Sédigui and also in the south, in the Miandoum valley. I can tell you that the reserves in the north, even limited ones, can be exploited right now, so that Chad could be self-sufficient in energy and even have a little bit left over to export. We have a programme going to get Chad a mini-refinery which could perhaps be supplied by the Sédigui deposit which could turn out 2000-3000 barrels a day for 15 years. Things are fairly precise as far as Sédigui is concerned. However, the research and studies run so far have not led to any precise figure being put on the oil in the Miandoum valley in the south. We do not know how much there is to exploit or for how long or at what rate. These things are being investigated, of course, and I think we shall have something definite fairly soon.

► *You haven't mentioned the Aouzou strip reserves. Some people say this region is very rich in minerals.*

— No, I haven't mentioned the northern reserves for the simple reason that, with the situation as it is, we cannot reasonably expect to exploit these deposits for the time being. But it is not just the Aouzou strip. It's the whole of Borgou-Ennedi-Tibesti province which is potentially very rich in oil and minerals. Aouzou does not just have oil. It has uranium as well—which is no doubt what is interesting Colonel Ghadafi the most at the moment.

► *How do you see the future of Chad? You mentioned agriculture and you mentioned exporting oil, but all this seems very difficult. What can your country do as far as the whole region is concerned?*

— Whatever our present problems may be and whatever difficulties we may be experiencing at this time, let me tell you that we have great ambitions for our country. First of all it is in the heart of Africa, in an important strategic position. Second, it is potentially rich. God has given Chad all it needs in life—agriculture, rich soil, plenty of water, promising underground resources and hard-working people who have proved themselves over the years. Just remember, Chad has been at war for 25 years, practically for a whole generation. And we know how the people have carried this burden. So we think that Chad's future, when peace and stability and national harmony come, will be brilliant and that it has a role to play in our sub-region. Chad belongs to a whole range of international organisations, to UDEAC, to the Niger Basin Authority, to the Lake Chad Basin Commission and more. And it belongs to regional organisations as well. So, in all modesty, I can legitimately say that Chad, a Chad of peace and stability and harmony, will have an, albeit modest, but positive contribution to make in this region and sub-region of Africa... and why not on the international scene too?

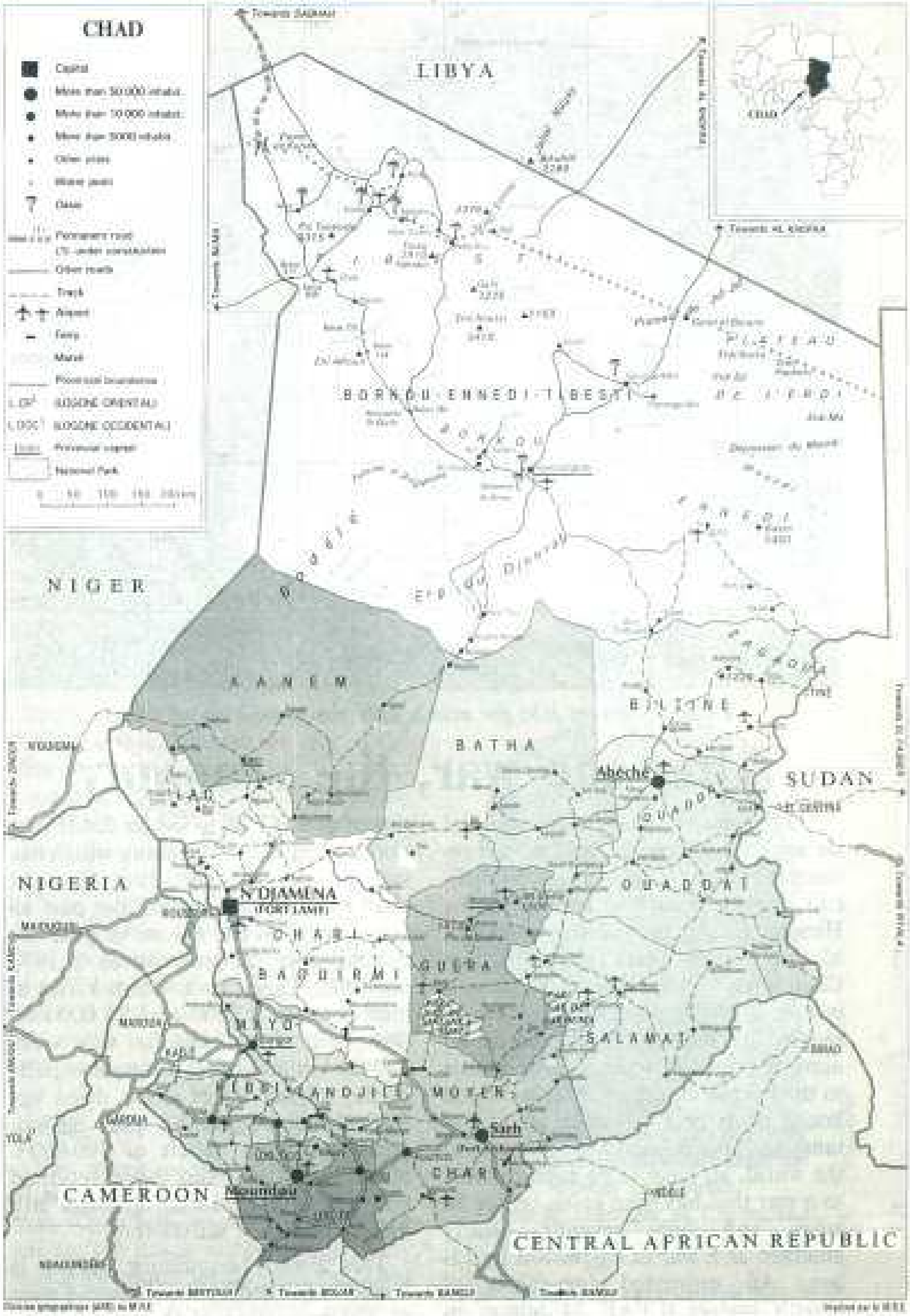
▸ *Chad also belongs to the ACP Group and thus has had relations with the EEC from the beginning. What do you expect of your cooperation with the Community under Lomé III?*

— As you say, Chad is associated with the EEC and, traditionally, our relations with the EEC are excelllent. I should like to take this opportunity of saying how pleased we are at the cooperation between Chad and the Community. The EEC is one of Chad's privileged partners, because our cooperation—just to give you one figure, the one for 1957 to the present day—has brought us more than CFAF 140 billion in Community financing. I particularly welcome this cooperation since it takes place in first-class conditions, it is based on fruitful dialogue, permanent consultation and a desire on both sides for the best possible kind of development. I said just now that Chad had absorbed practically all the 5th EDF resources. Lomé III, as you well know, has a new approach to development. Aid is no longer to be scattered over a wide area, but concentrated. We in Chad entirely agree with this. Experience has shown that scattering aid is not the way to get tangible, lasting results. So it intends to make the most of the conditions and possibilities of cooperation with the EEC.

▸ *Lomé III also means an approach based on permanent consultation. Is this going well in Chad?*

— Absolutely. And I can tell you that we began to do this well before the accent was put on it too. If in these difficult times and with our administration still weak we have managed to cope with these problems, it is partly due to this spirit of concertation and constant help and permanent dialogue. ○

Interview by A.T.



Country Profile

Area: 1 282 000 km^2

Population: 5 m inhabitants (1985)

Capital: N'Djamena (±400 000 inhabitants)

Port access: via Douala (1700 km from N'Djamena), Lagos (2200 km)

GDP: US $ 130 per capita (1985)

Birth rate: 42 per 1000 (1983)

Mortality rate: 21 per 1000 (1983)

Life expectancy: 43 years (1983)

Infant mortality before the age of one year: 142 per 1000 (1983)

Production:

Cereals (1984/85): 315 000 T; (1985/86): 587 000 T

Cotton: 100 000 T (1985/86)

Cattle: 4 000 000 head

Sheep and goats: 4 500 000 head

Camels: 500 000 head

Imports (CIF): 51 CFAF billion (1984) of which 45% come from the EEC

Exports (FOB): 50 CFAF billion (1984) of which 46% go to the EEC.

The Courier

Cotton provides jobs for nearly half the population of Chad

After the war, the economy

"Our priority today is the war and we are channelling the bulk of our resources into it." This no doubt difficult choice, resolutely announced by Hissène Habré, is a perfect summary of the tragedy being played out in Chad today. This is one of the poorest countries on the planet. Its per capita income is a mere $ 130 p.a. and development policy and the improvements to the living conditions, education and health of its people, whose life expectancy at birth is one of the shortest in the world, all have to be subordinated to a war that has been going on for 20 years and only recently clearly emerged as a war of aggression by Libya. An estimated two-thirds of Chad's budget (CFAF 24 billion in 1985) is generally thought to be devoted to the war effort.

The country, 1 284 000 km², is immense. It is landlocked, with Douala, the nearest port, 1700 km from N'Djamena, and it is underequipped. There are no railways or surfaced roads (1) and its dirt road network is not only embryonic but in very bad repair. On top of this, Chad is in the Sahel (the north is right in the Sahara), which has suffered enormously from drought time and time again over the past 15 years. In 1984/85, the worst year for climate since the great waves of 1973 and 1982, Lake Chad, which varies in area between 13 000 and 28 000 km² (low and high water), was only 300 km² in area. And even some parts of the mighty River Chari dried up. Agricultural output that year halved, creating a food deficit of 300 000 t. Since then, the rains have returned and the food situation, although still fragile, is almost satisfactory.

This already disquieting picture is further darkened by the profound state of disorganisation of the civil service and the economy which occurred during the fighting of 1979-82 when massive destruction reduced or put an end to industrial activity and banking. Even the Central Bank had to stop operations for two years. The only part of the modern sector to escape was cotton, which retreated into the production zones of the south and continued its activities amidst major financial problems.

These things too are part of the reality that is Chad. But they never hit the headlines in the international press, which is content to cover the fighting, bringing towns and oases like Oum Chalouba or Biltine or Abéché or Faya-Largeau into the public eye. This is the devastated land — the north occupied by Libya and the south torn by guerrilla warfare — that the victorious troops of Hissène Habré took over on 7 June 1982.

The blighted hopes of King Cotton

Since then, the N'Djamena Government has in fact taken over the whole of the territory south of the 16th parallel and applied its policy of national reconciliation to it. It has revived the civil service, which is now as big as it was before the war, although wages are still half what they were in 1977, and it has made a start on reconstruction. A round table in Geneva in November 1982 was an opportunity to get the financing for economic recovery and, in 1983, there was a 5% improvement in GDP. Banking and all the modern sector (the brewery, the textile plant, the sugar company and the cigarette factory) started up again and, in spite of the severe drought of 1984/85, the Government has more than doubled its revenue from CFAF 9 billion in 1983 to CFAF 21 billion in 1985. With the sound harvests of last year, GDP should have gone beyond the record year of 1977.

The cotton sector, which accounts for 80% of export earnings, made a big contribution to this recovery with its all-time record harvest of 1983/84.

Some beautiful ears of millet and sorghum. Chad is self-sufficient in food in normal years

(1) The asphalt on the only two surfaced roads, the one linking N'Djamena to Massaguet and Guelendeng, has disappeared through lack of maintenance.

This leap in production, the results of a productivity drive of which the EDF was one of the principal financers, coincided with a spectacular improvement in world cotton prices, which jumped from an average CFAF 520 (fob) in 1981/82 to CFAF 752 in 1983/84. Yet it is this same industry, hit today by a steep long-term drop in prices, which is now causing the worst fears, going as far compromising the recovery programme, such is its effect on the economic life of the nation. For, as Mr Adoum Djonouma, the head of Cotontchad (the company, 25% state-owned, which has a monopoly on purchasing, ginning and marketing) says: "This crop accounts for 80% of the nation's export earnings, 35% of the State's income, 55-60% of the investment credits and 90% of the short-term seasonal bank loans. And it provides jobs for more than 2 million Chadians, nearly half the population of the country".

Cotton prices, which leapt in 1983/84, have dropped to an even greater extent now, to only CFAF 275 per kg. They have improved again slightly recently, going to CFAF 425, but this is not enough even to cover costs (around CFAF 772 per kg in 1986/87, including amortisation and financial costs). Cotontchad owes the banks between CFAF 3 and 4 billion p.a. in interest on the arrears alone. Another very important component of this cost price is transport. Because Chad is landlocked, the cost (ginning factory gate-fob ship) is CFAF 80—a quarter of the selling price (CFAF 300-315 per kg) at the time of reporting.

"This is an inextricable situation". Mr Djonouma said, "as since last year[2] and for the next two years, our actual or anticipated deficit was or will be greater than the state budget... So we close our eyes and we pedal along blindfold". Cotonchad has already got the central bank to amalgamate all its debts into a lump sum, with a 10-year moratorium on capital and interest repayments and a grace period of five years for the capital and two for the interest. "That gives us a little bit of fresh wind", the head of Cotonchad told us—although he is still not sure of being able to keep up the payments. Yet his organisation has put its back into improving its management. It has laid off 1310 of the 2510 staff, closed down some ginning mills and put a 100 000 t ceiling on production until the end of the price crisis.

(2) 1985.

The Courier

Canoe on Lake Chad

The Courier

Traditional irrigation by "chalouf" on a polder

Is this the beginning of the end for Chad's cotton? Mr Djonouma does not think it is, because the crop is the only way a large number of Chadians have of getting actual money coming in. "In March, before the peasants sowed their cotton, it was decided not to put up the price paid to the producer", he said, "yet it has been in force for three years. The fertiliser and pesticide purchasing subsidy has been cut in half and factories have been closed down. So the psychological context of the season is a bad one. Yet the peasants have made 100 000 t of cotton".

Oil — the hope for tomorrow

Yet many people agree with the Ministry of Mining and Energy, Adoum Abou Seif, who says that "Chad has set too much store and too many means by cotton for far too long". But he has, if not an alternative solution, then at least an additional, appreciable source of income to suggest—oil. Prospecting began a dozen years ago and a reasonably large deposit, able to produce 2000-3000 barrels per day for 15 years, enough to cover domestic demand, was found at Sédighi in the west of the country and north of Lake Chad. A project to put up a mini-refinery at N'Djamena to process the crude is now fairly well advanced and negotiations with the World Bank are being held with a view to financing. The final engineering report was due to be presented at the end of last year. Abou Seif is confident that Chad can became an oil producer in two or three years.

The Courier

Adoum Djonouma,
General Manager of Cotonchad
"This is an inextricable situation"

Conoco and Exxon, which prefinanced the research, have found oil in the Miandoum valley in the south around the town of Doba. These are apparently very large deposits, but the work on them has come to a temporary halt because of the crude price slump and the weakness of the dollar. And, of course, long-standing studies by BRGM (a French geological and mineral research office) have shown a

The Courier

**Adoum Abou Seif,
Minister of Mining and Energy**
"Chad can become an oil producer in two or three years"

lot of uranium and phosphates in northern Chad. Traces of gold, diamonds and natron have also been found and these, the Minister suggests, are an opportunity for forming small artisanal concerns that would raise the standard of living and create employment.

But the diversification of the economy will primarily be in the agricultural sector. Although Chad is in the Sahel, it has the good fortune to be crossed over 100 km of its territory by two great rivers, the Chari and the Logone, which both flow into Lake Chad, a vast stretch of water which forms the frontier with Niger, Nigeria and Cameroon. An estimated 5 million hectares of land are irrigable — by far the greatest potential in the Sahel. Chad is already self-sufficient in food in a normal year (the main produce being millet, sorghum, maize and rice) and it is now seeking the maximum development of irrigated agriculture through the interim plan for 1986/88, which was presented to the funders in Geneva in December 1985. The programme supervisor, Soumaïla Mahamat, the Minister delegated to the Presidency in charge of Planning, says that the only possible strategy that will "protect our people from famine and drought is to concentrate on irrigation".

Regionalisation

That is why the interim plan, which calls for financing of the order of CFAF 200 billion, puts priority on agriculture. In December the sector strategy was put to the funders in N'Djamena for comments and advice at what was called a monitoring conference. One of the main ideas was the regionalisation of development — that is to say integrated development of all the potential of a given region. Scattering of aid over too wide an area will be avoided by having the same source of financing cover farming and herding projects, road building and health and education programmes in "its" focal region. The focus under the 6th EDF is in the west of the country south of Lake Chad in an area between the Logone and the Chari, where there are sound possibilities for water engineering and N'Djamena as an outlet.

Another high-potential but highly populated region is the Salamat, a vast area of marshland in the south east where, although there is no permanent waterway, there is flooding during the rainy season. Several grain crops can be grown in one year without any irrigation. This applies particularly to Berbéri, the variety of sorghum which thrives with water absorbed from the river valley. They said that during the last winter season, the peasants of the Salamat still had full granaries from the previous harvest and were reluctant to plant any more.

... And then there is Lake Chad, a kind of vast internal sea which shrinks

The Courier

**Soumaïla Mahamat,
Minister of Planning**
"We have our assets"

to leave 70 000 ha of very fertile land. Mr Djonouma, the head of Cotontchad, thinks this is one of the keys to the nation's future. "On these 70 000 ha of land, which emerge in the form of polders", he says, "we could grow two or three crops a year. You can grow cotton and then corn, or cotton or corn, followed by two lots of maize, without any fertiliser. It will take 20 years for the soil to suffer and the yields are unimaginable, something like 3½ or 4 t of cotton and 70 quintals of corn per ha. And I repeat, without any fertiliser. We could get 280 000 t of cotton from these 70 000 ha whereas you would need 200 000 ha in the south to produce 100 000 t. Particularly, Mr Djonouma said, "as our neighbours already make considerable use of the waters of Lake Chad". The Nigerians have dug a canal that collects 2 to 3 billion m^3 p.a. and the Cameroonians have created a veritable artificial lake for their Sembry I, II and III irrigation projects.

After the war, Mr Djonouma thought, the capital should have been be moved to Bol and this town on the

The fact that the country is landlocked with its infrastructure in a bad state (below left, the N'Djamena-Sarh road being rehabilitated) puts a heavy burden on industries such as Sonasut

The Courier

shores of Lake Chad made a focus for development — instead of restoring the ruins of N'Djamena, an undertaking that is just as costly as starting afresh. This would not have been easy, however. If the centre of decision-making were to go to Bol, then the region would have to be made viable and the Chari to be dredged for navigation (a feasibility study is apparently available). However, road building in this area is a real headache, as the ground is sand and clay and there is no stone. The engineers of FAI (the Italian aid fund) are well aware of this, as the $29 million project they are running at Bol to create a seed farm and build a 310 km road along the lake as far as Massakori, is causing all too many problems. The gravel for the farm foundations costs CFAF 115 000 per m^3 delivered to Bol, as it has to be brought by lorry 150 km from the only quarry which also supplies N'Djamena. As the cost obviously prohibits the same system being used for the road, only a sand and lime mixture, covered with clay and sand, will be used. The works manager is frank about it. "Unless we can find the financing to surface it with bitumen, the road won't even last two years because of the wind and the rain and the trucks and the animals". And tens of millions of dollars will be wasted.

The lack of any reliable domestic road infrastructure is, of course, the biggest brake on Chad's development and there are the problems of being landlocked to cope with on top of this. The country has an area of 1 280 000 km^2 but only 700 km of unsurfaced roads and 20 000 km of tracks. It takes seven or eight hours to do the 280 km from Bol to N'Djamena in a four-wheel drive vehicle and 24 hours in a big truck. The slightest breakdown — and the state of the roads are such that there are many of them — means that the rigorous climate will irreparably damage a load of fish or vegetables. So it is easy to see why the region has not so far exerted the attraction that the richness of the land would amply have justified... particularly since it is marshland where mosquitoes abound. And herdsmen are often to be found putting up mosquito nets to protect their calves — which would be a rare sight anywhere else.


The Courier

Chad is also a pastoral country. Its cattle herd is about 4 million


The Courier

Small jobs flourish in N'Djamena. Here a black-market petrol dealer

Exorbitant transport costs

The fact that the country is landlocked and the infrastructure in a bad state seriously compromises the country's one or two industries — STT (the Chad textile company), and Sonasut (the national sugar company), for example. This latter firm, which has glittering installations and dozens of circular water-sprayed cane plantations of a 100 ha or so each, is a veritable enclave of modernity in a country of so much ruin. It even has two huge, high-performance centrifugal machines and, the plant's Technical Director told us, there are only half a dozen more like it on the whole continent.

The cost of imported energy is a burden on the cost price of both factories and their products cannot really compete with their Cameroonian or Nigerian rivals as a result. Mr Rapenne, the Technical Director of STT, gave us the details; "One KwH costs us CFAF 90, but it's only CFAF 26 in Cameroon. And as we need 0.65 KwH to turn out a metre of fabric, just for the energy, you are getting unbleached cloth at CFAF 40 more a metre than it would cost in Cameroon. And the diesel fuel we use for heating comes to CFAF 245 per litre with tax, whereas in Cameroon it's only CFAF 90".

So it comes as no surprise to see a flourishing black market in fabric and sugar and petroleum products from Cameroon and Nigeria. The streets of N'Djamena are liberally scattered with little stalls offering black-market petrol at almost a third cheaper than at a garage. The Government has closed its eyes to this so far, given the employment situation, but it is now ready to pounce and save what some people estimate as CFAF 4 billion in tax p.a. "At all events", the Minister of Mining and Energy said, "once we start exploiting our own oil, we shall have to put a drastic stop to these under-the-counter imports".

This, then, is the Chad you hardly ever hear about. The big newspapers are always full of the war, but the nation has begun to tackle the post-war period, those of all the least-developed countries, over much of the territory, as we have seen. It remains for it to find its proper place in the central African region to which it belongs. It is already exporting its livestock products, its main asset as things stand, primarily to Nigeria. The national herd has been put at around 4 million head of cattle, 4.5 million sheep and goats and 500 000 camels. The country could easily produce a sorghum surplus. But Nigeria, the natural outlet for this, is consuming less and less, being increasingly interested in rice and wheat. There will be oil, of course, but all its neighbours bar the CAR and Niger are also producers of it and the transport costs are a severe handicap.

Yet the Minister for Planning, Soumaïla Mahamat, is fairly confident in the country's future. "We have our assets", he says. "We have a large country with several different climatic zones and an attendant diversity of physical environments and wealth. Our population, an estimated 5 million today, could double tomorrow if the basic conditions were right, for almost 4 million Chadians are living in the neighbouring countries. We have considerable mineral wealth, we have extraordinary tourist potential that nobody realises — the Zakouma park, for example, one of the richest reserves in Africa, and the very unusual countryside of the Tibesti. If we exploited all this, Chad could take off — if it were at peace. But peace depends on Ghadafi. If he stops interfering and recognises our country as a State in its own right, we shall have peace at once". ○ A.T.

EEC-Chad cooperation

by F. BAAN (*) and H. SPRIETSMA (**)

Chad has been associated with the European Economic Community ever since it became independent in 1960.

Over the past 25 years, all aspects of international cooperation have been covered by the EEC-Chad partnership and there has been a constant desire to boost and adapt cooperation to the country's requirements, in spite of one or two periods of stagnation occasioned by fighting during the civil war.

EEC-Chad cooperation has been primarily aimed at economic and social development, providing humanitarian emergency aid and backing up the national drive to reconstruct. But none of this support was of any help in stopping the decline of the economic and financial situation until 1983 when the economic revival began after hostilities ceased.

Chad, a vast area of 1 284 000 km^2 landlocked in the middle of Africa, is two-thirds desert, has limited natural resources and great ethnic diversity. So the political and economic situation of this 5 million-strong ACP is particularly precarious.

The per capita GNP, at US$ 140, makes Chad one of the poorest of the ACPs. The sectoral breakdown, which stayed the same between 1960 and 1985, shows the vital importance of rural affairs.

Chad is in the franc zone and a member of both the Economic Community of Central African States and UDEAC.

Financial and technical cooperation

Chad has received about ECU 330 million (CFAF 114 billion at current rates of exchange) of aid from Community cooperation since 1960. Most of the schemes have been in the rural sector, in infrastructure and human resources (health and training).

The country's biggest source of aid is the three Lomé conventions and it is broken down, by sector and by instrument, in the table below.

Lomé I and II

Agriculture and livestock

As the table shows, the bulk of the funds went to rural development. Under Lomé I and II, the accent was on the integrated development of the cotton industry in the southern area.

Cotton took ECU 28.5 million or 58% of the Lomé I Indicative Programme and ECU 11 m under Lomé II. The direct effects on cotton and the consequences (via fertiliser distribution) on food crops were greater than anticipated, as can be seen from the average increase in cotton production (there was a record harvest in 1984/85) and in food crops.

Given the good (also financial) results in the cotton industry in 1982/83 and 1983/84 especially, and given the nature of the product itself, a cash crop which must, by definition, be structurally profitable, intervention in

The EDF has financed the rehabilitation of a good deal of the infrastructure, including this water-tower which supplies water to the capital, N'Djamena

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(**) Economic adviser at the EEC Delegation in Chad.

This road linking N'Djamena to Sarh in the South is currently being rehabilitated with EDF financing

agriculture since 1984 has been focused on food crops. The agricultural programme being run in the southern region is aimed at boosting the yield of the main food crops in this area by introducing improved seed, extending animal traction and backing up farmers' groupings aimed at storing and marketing the produce.

But the good prospects of the cotton industry, alas, came to an end. The present cotton crisis hit the countries of Africa, and Chad especially, very hard. Cotonchad, the semi-state board that buys, processes, transports and sells cotton, saw its cost prices rise by more than 80% in the space of two years, while those on the world market dropped from CFAF 750 down to less than CFAF 400 per kg of cotton fibre in 1982/83 and 1984/85.

Once again, this situation led the Community to intervene, on an exceptional basis (outside the Stabex system), in the cotton sector under Lomé II. A cotton seed purchasing fund was set up and the Community put in ECU 5 m.

In agro-industry, the Banda (near Sahr) sugar complex project got a special loan of ECU 7.6 m—15% of the Indicative Programme—and a conditional loan of ECU 7.5 m from the EIB. The aim of the project, which was to establish a 3 360 ha industrial sugar cane plantation and build a sugar refinery capable of turning out 23 000 t of refined sugar, was achieved and production is already up to the national limits.

The main schemes in the livestock sector have been to protect the health of the herds (the Farcha laboratory, vaccination campaigns and the rehabilitation of the livestock services) and rehabilitate the wells and boreholes in the migratory sector (the prefectures of Kanem and Batha).

	Lomé I	Lomé II	Lomé III
I. Indicative Programme	ECU 52 m	ECU 62 m	ECU 79.5 m
Rural development	62%	48%	65%
Economic infrastructure	24%	22%	35%
Social development	13%	28%	
Miscellaneous	1%	2%	—
II. Recovery & rehabilitation plan	—	ECU 8 m	—
III. Emergency aid	ECU 0.3 m	ECU 13.1 m	ECU 0.4 m
(outside the Convention)	—	ECU 11.9 m	—
IV. Stabex	ECU 7.3 m	ECU 6.6 m	ECU 6 m
V. EIB	ECU 7.5 m	ECU 2 m	ECU 9.5 m
Total aid available (1.01.87)	ECU 67.1 m	ECU 91.7 m	ECU 95.4 m

Infrastructure

Under Lomé I and II, Community intervention in the road infrastructure area concentrated on rehabilitating the country's main highways:
i. the Sahr-Moundou-Léré-Cameroonian border road, which is vital to move out cotton;
ii. the Sahr-Guelendeng-N'Djamena road, the link between the capital and southern Chad.

In N'Djamena itself, 68 public buildings are being repaired so the public services have proper conditions to work in, regardless of the events in the capital.

The social sector

The main help here has been with education and health.

In education, this has meant the multiannual training programmes, which have given something like 1100 grant-holders the opportunity to carry on studying, and programmes to rehabilitate teacher training colleges, the high school of commerce and technology in N'Djamena, the Ba-Illi college of agricultural technology as well as various other schemes to improve the potential of the education system.

In public health, the Commission has helped get the campaign against the major endemic diseases off the ground again and contributed to the repair of dispensaries, social centres and the emergency ward at N'Djamena Central Hospital. But the most important thing in this sector has been the rehabilitation of the Sahel area health network, which began in 1983 and is still going on today. This particular programme includes repairs to buildings (medical centres and dispensaries), supplies of drugs, logistical means and technical assistance in nine prefectures in the Sahel area. It has made it possible to provide basic medical cover, both prevention and cure.

Rate of commitment

The fact that events in Chad meant Lomé II was signed late (on 31 May 1983) did not prevent 96% of the funds from being committed by the first half of 1986 or 50% of the payments actually being made by this time. This shows that, in spite of unimaginable difficulties of all kinds, the

Chadian authorities have shown laudable efficiency in preparing for the implementation of Community aid.

Regional cooperation

In addition to the resources of the Indicative Programme, Chad has had direct and indirect benefit from a certain number of EEC-financed regional projects too.

Schemes of direct interest to Chad include the UDEAC/Chad long-term storage area at the Port of Douala (Cameroon), the millet, sorghum, maize and cowpea improvement projects and the permanent diagnosis scheme run by the CILSS.

Trade cooperation

The aim here is to promote trade between the ACPs and the Community and between the ACPs themselves so as to strike a better balance in trade between the ACPs and the EEC.

The value of Chad-EEC trade dropped between 1979 and 1983, but climbed again slightly in 1985, with the Community, the country's principal customer and supplier, accounting for more than 65% of trade.

Stabex

The idea here is to stabilise earnings from the ACPs' exports to the Community of products on which their economies depend—as Chad does on cotton.

So Chad has had Stabex transfers worth ECU 14 m under Lomé I and II and this does not include the anticipated transfer for 1985 to compensate for a major drop in the value of cotton fibre exports.

Industrial cooperation

Lomé III lays down a dozen aims for industrial cooperation and the three most significant are:

— the promotion and development of ACP industry;

— the advancement of transfers of the sort of technology that is adapted to the specific conditions and needs of the ACP countries;

— the promotion of small and medium-sized firms contributing to the full use of the internal resources of the ACP States.

There have been two Community schemes with this in mind:

— an EIB project with three special loans, aimed at setting up a plantation, a sugar refinery and a textile plant. These are satisfactory from the point of view of the economic returns. An ECU 2 m line of credit has already been granted to Chad's SMEs;

— a CDI project to encourage the agro-industrial sector in Chad and contact between Chadian and European economic operators.

Emergency aid and food aid

The volume of the emergency aid programmes, which are managed by the Action Committee of the Ministry for Food Security and Afflicted Populations (this comprises representatives of the main funders, NGOs and international organisations), underwent a spectacular increase in 1984/85 after the exceptional drought.

The food aid requested of the international community was 115 000 t, in the hope of making up the total deficit of 300 000 t and knowing that the country's logistical means (transport and storage) enabled it to absorb 140 000 t p.a. The government appeal was well received and 186 000 t (21% of it from the EEC and 23% from the Member States) arrived in Chad between 1 November 1984 and 31 October 1985, 127 000 t of it being distributed to the neediest people, thanks to various funds from the European Community and the EDF.

In the spring of 1985, Nigeria's ports were closed and all the aid had to transit through Cameroon. Fruitful logistical collaboration meant that practically all major problems in Cameroon were avoided. However, for the first time in the country's history, the River Chari, which flows between Cameroon and Chad, dried up after the drought of 1984 and it took EEC financing to build a temporary bridge—in the very short time of 60 days—for 75 000 t of food and 25 000 t of fuel to be moved in between February and June 1985.

A number of emergency schemes (including the Dublin Plan) have been run recently (transport of food aid,

Using this temporary bridge, financed by the EEC, 75 000 t of emergency food aid and 25 000 t of petrol have transited to Chad purchase of seed and dried meat on the local market, formation of flying teams etc.). They have cost a total of something like ECU 18 m.

Food aid, which is directly fixed by the EEC budget and is thus in addition to resources provided for by Lomé. Around ECU 22.5 m has been allocated to Chad under this heading since 1975.

A large percentage of the EEC's aid (25 000 t) was delivered direct to the National Cereal Board, which is in charge of sales in the drought-stricken areas. The rest of the aid was sent through either NGOs or the Ministry of Food Security and Afflicted Populations, with assistance from the Action Committee mentioned earlier.

Although self-sufficiency in food is one of the main aims of Chad's agricultural development drive, the hazards of climate and a weak marketing system are such that food aid will be inevitable for some years to come if food requirements, which fluctuate in time and space, are to be met. However, the fact that food aid tends to upset local production and markets has led the Community to encourage substitute schemes—which is why a programme to buy cereals locally (ECU 2 million) is currently being run.

Decent rainfall in 1985 and 1986 increased the usefulness of the scheme via price support and the possibility of setting up cheap buffer stocks.

Community aid for livestock development has concentrated mainly on health protection for herds. This is a superb Kouri bull, easily recognisable by its distinctive horns. The species, to be found only along the shores of Lake Chad, is currently facing the threat of extinction

Chad gets help from the Recovery and Rehabilitation Plan for the African countries hardest hit by drought

This amounted to ECU 8 m and it went to the emergency programmes financed under the 4th EDF. The plan will make for a link between the emergency aid phase and long-term development aid.

The following schemes were run in 1986:
i. Early warning system for food risks: ECU 1 m;
ii. Resettlement of afflicted populations: ECU 1.9 m;
iii. Water supply programme for villagers and livestock: ECU 2 m;
iv. Anti-locust action: ECU 0.2 m;
v. Improvements to difficult patches on the Am-Timan/Mongo/N'Goura road: ECU 2.9 m.

Lomé III Indicative Programme

This was signed in N'Djamena on 30 November 1985. It involved ECU 89 m, 79.5 m of which the form of grants and the rest as risk capital managed by the EIB.

Cooperation between the Republic of Chad and the Community will concentrate on the food security policy and also aim to conserve the natural heritage.

It will involve developing the catchment basin that feeds Lake Chad (starting from the south bank) and will cover a range of sectors.

The Commission will be ploughing around 65% of available resources into this area.

The EIB will be putting priority on integrating its operations here. This means that any projects presented to it must comply with its intervention criteria and be in the sectors mentioned in Article 197(5) of the Convention.

Self-sufficiency in food will be sought by:
— developing small hydro-agricultural production systems along the banks of the rivers and existing natural and artificial water points (ponds, backwaters, wells, boreholes and so on);
— encouraging farmers to produce extra food and boosting both their quality and their yield;
— marketing any surplus production in regions where there is a shortage by making trade easier;
— improving the quality of life of the rural populations;
— protecting natural resources through the anti-desertification campaign.

Schemes outside the focal area

The Community is ready to channel 35% of the Indicative Programme resources to schemes outside the focal area:
i. Rehabilitating patches on the transport routes which interfere with trade. This support for the national road maintenance plan is aimed primarily at the roads that were rehabilitated under the 4th and 5th EDF;
ii. Essential health schemes.

The continuation of Chad's health drive in the Sahel prefectures is currently being discussed. ○

F.B. and H.S.

Horst Mendana

Paradise lost: abandoned guns left over from the bitter fighting of World War II

Solomon Islands

Paradise lost and found

Norman Bros., Honiara

Paradise found: canoes on a peaceful lagoon

History has a way of dropping in on the Solomon Islands at infrequent intervals, and usually with results that are highly displeasing to the inhabitants. No people could feel more wholeheartedly the power of the Chinese curse—"May you live in interesting times"—for when the spotlight of international events falls upon the Solomon Islanders, it usually does so in a way which disrupts their lives, casts doubt upon their unique and stable social system, destroys their property and replaces old certainties with modern doubts. The Solomon Islands entered the pages of European history in 1567 when the Spanish adventurer, Alvaro de Mendaña discovered them and named them in honour of the Israelite king of fabled wealth, hoping, no doubt to attract settlers. Happily for the Solomon Islanders, nothing followed for two centuries, and then it was merely M. de Surville, a French cartographer, who was driven off by the hostility of the inhabitants. This natural caution led, over the next century, to the deaths of Mgr Epaulle, vicar-apostolic of Melanesia, in 1845 and of an English traveller, Boyd, in 1856. But history was not to be denied its triumph, for in 1899 Germany and Great Britain divided the islands and in 1920, Britain took over what are today the boundaries of the Solomon Islands. Lest this brush with history (and Western civilisation) would prove too mild, the year 1942 saw the modern world, with all its attendant horrors, encompass the Solomons. The main islands were occupied by the Imperial Japanese forces and after some of the most bloody fighting of the Second World War, by land, sea and air, they were dislodged by the US Marines. Guadalcanal was written firmly into the history books. As were Tulagi, Iron-Bottom Sound (the sea-bed was so full of sunken Japanese and American vessels) and Henderson Field (today the airport of Honiara, the national capital, but in 1942 a hotly-contested airstrip). All over Guadalcanal (on which Honiara is situated) the traveller can still see, more than forty years later, the debris of war; rusting tanks and artillery, battered aircraft, half-submerged landing craft, and small neat Shinto shrines commemorating the Japanese dead. The Solomon Islands are a tourist paradise, smiling landscapes, inviting blue waters, a charming and hospitable population and fascinating folkways. But the bulk of non-Melanesian or Polynesian visitors are relatives of the Japanese or Americans who died on Bloody Ridge on in "the Slot" or the survivors of those battles come to pay respects to their dead comrades in arms.

A young Solomons artisan carving an eagle

The Courier

Abandoned armour near Red Beach

The Courier

Incongruous among the greenery, a wrecked fighter plane

"Village life is life"

Subsequent history has had further bitter lessons for the Solomon Islanders. World economic trends have shown, in the words of George Kejoa, Minister of Finance, that "there is no charity between primary producers and those who buy and process the products". Political and economic interests obliged the Solomon Islanders to stand up to the world's most powerful country, the USA, and to suffer the economic consequences for more than two years in defence of their fishing interests. And in May 1986, the worst cyclone ever to strike the islands, Namu, also entered its name into the history of the region, making 90 000 people homeless, killing over 60, and setting the country's development back by a decade. Most Solomon Islanders would be content if history were to overlook them for a time.

The Solomon Islands, six major islands and a large number of smaller ones, with a total population of something under 300 000, lie in the Western Pacific, and are linked geographically and ethnically with Papua New Guinea. The population is about 90% Melanesian, with some admixtures of Polynesian and Micronesian, but within this seeming homogeneity there is considerable divergence in terms of language (there are seventy major linguistic divisions and hundreds of dialects), culture, beliefs and lifestyle. Over 80% of the population live in communities of less than 200, and an estimated 60% in communities of less than 100. Village life *is* life: the capital, Honiara, with its population of 20 000, is seen as an aberration; an attractive place to visit, to buy beer and spare parts, or to gain a temporary place in the money economy. But it is not typical, and it is not a social magnet after the manner of Africa's great cities such as Dakar, Kinshasa, Lagos or Nairobi. The bulk of these village communities lie close to the sea, and many derive their livelihood from it, but others are inland in the fertile plains or inaccessible mountains of Guadalcanal, Santa Isabel or Malaita. Only 15% of the working-age population is in formal employment and between 35% and 40% of GDP is generated by subsistence agriculture.

The pillars of village life

Village life, the life of the vast majority of the Solomon Islanders, is not despised. Money is to be made in formal employment on the plantations that grow the export crops of copra, palm oil, cocoa and timber, but as Brian Woodhead, General Manager of Solomon Islands Plantations explained: "We have to devise all sorts of bonus schemes to retain the workers once they are trained. Their natural inclination is to work for a few years and then go back to their villages, to make way for another family member who wants a crack at earning money. That means we have to train them up from scratch. Our long-service bonuses look ridiculously generous—they go to something like 100% after 15 years—but we still have trouble retaining people". The same is true in the fishing industry and even in political life. A man is elected MP (there are 38 in the unicameral Parliament) and, unlike his counterparts in other parts of the world, will not hang on to his power and privileges at all costs for years and years. He is more likely to serve a term, learn about the complexities of modern economic and political life and return gratefully to his community. Power in the community itself is not clear-cut. The village chief is not an undisputed hereditary figure, as he is in much of Polynesia. In the Solomons, village authority is a more collective affair—largely an affair of elders, sanctioned by age and wisdom, though now under threat by younger men who have more knowledge of the outside world.

Village life rests on four pillars. The most important, at least in economic terms, is land ownership. Over 87% of all land in the Solomons is owned by villages. Ownership and usage of the land is made immensely complex by this traditional pattern, which may be

A view of the capital, Honiara

Young cocoa plants growing under coconut palms on a plantation on Russell Island. The palms produce the copra which was the country's No. 1 foreign exchange earner until 1984

based on a single settlement or on a multiplicity of groups through marriage or commercial treaties. No decision on land use can be taken without reference to, and agreement with, all the interested parties, which is a procedure that can be interminable. It is also a serious brake on inward investment—Lever Pacific Timber decided, in 1986, to withdraw from its operations in the Solomons after failure to agree on land concessions in New Georgia.

The second pillar of village life is the extended family system. The nature of the bond that unites members of the same village is deep and permanent. Membership of the group carries duties and privileges, and is a system of social security that is the envy of many developed societies. Land is held in common, or at least communally, so that nobody need be without the means of gaining a livelihood. But there is a premium to be paid— the notion of purely personal gain is unacceptable: a member of the community in a good job has the obligation to share his good fortune with his extended family. (One of the most harmless signs of this obligation getting in the way of efficient management is to be seen outside the Parliamentary Guest House in Honiara. Distances are very considerable in the Solomons, and MPs travel a long way to attend sessions of Parliament. Naturally, they are accompanied by curious or adventurous family members who then expect to be accommodated free, as is their Parliamentary relation. To prevent gross overcrowding in the (free) Parliament Guest House, a large notice by the door states clearly "NO WONTOKS"). Members of the wontok (one-talk, community) thus have little incentive to amass capital, since obligations to the wontok group will mean that it will risk being dissipated as soon as it is amassed.

The third pillar of village life is the language—it is not surprising that the groupings are known as wontoks since it is language that unites and divides the communities. But it makes education a problem—although 50% of the population is at or below school age, the creation of tiny schools for the scattered and diverse population is extremely difficult, and as a result, only about half the primary-age schoolchildren receive an education, a proportion that drops to about 15% for secondary-age children.

The final pillar consists of customs and religious beliefs. There seems to be no inherent clash between immemorial customs and taboos and modern "imported" concepts of Christianity and parliamentary democracy. "Indeed", in the words of a recent report ('Human Resources Development in the Solomons and EEC Assistance' by Professor John Fyfe, David Kera and Keith Lewis) "the prevailing customs and 'extended family system' fit in closely with many of the fundamental Christian beliefs". A multiparty democracy and peaceful transfer of power following elections seem to be enshrined both in the Constitution and the habits of the islanders. All in all, then, the social habits of the people, their organisation, habits, beliefs and way of life, all make for a way of life that is secure, based on tradition and the rhythms of nature, that is a compound of duties and rights and is within the comprehension of all. "Chiefs" said Sir Peter Kenilorea, lately Prime Minister and now Minister for Natural Resources, "do not have absolute power here. Their power is built up by consensus. We do not, on the whole, have hereditary chiefs here and since we live for each other, a chief who doesn't live for his people's good will not stay chief". He was, perhaps, echoing the motto on the country's coat of arms: "To lead is to serve".

But these pillars, making for a secure, stable, just and democratic society, are also barriers to economic progress. The complex question of land ownership has been touched upon, making large-scale and intensive export crop development more difficult

Chris Taboua, Honiara

Young farmers looking at exhibits at the Gizo Agricultural Show

Sir Peter Kenilorea, KBE
Deputy Prime Minister and Minister for Natural Resources

than it need be. The wontok system is a barrier to individual enterprise and initiative. The idyllic life on small settlements makes it difficult to provide even rudimentary services, water, health and education. The distances involved between the various communities are considerable, and the infrastructure is weak—the country's interisland shipping services have out-of-date equipment, and there have been problems in the running of Solair, the country's internal airline, which the Government, with a 49% stake already, wants to take over and reform.

Government with a small "g"

Faced with these problems, and with a worldwide depression in the prices of most of the country's export crops, much of it in steep decline since the boom years of 1983-1984, the Government is facing an austerity programme. This involves slimming down the bureaucracy (which accounts for 42% of formal employment and 60% of total monetary incomes), taxing imports, and looking ever more closely at the expenditure of the seven Provincial Governments, which account annually for SI$20m, about 12% of budget expenditure. George Kejoa, Finance Minister, and therefore responsible for balancing the books, is extremely outspoken on this matter of government. "I feel, frankly, that we are overgoverned" he said. "We don't need three tiers of government, 15 central ministries and statutory bodies who eat up, in wages and salaries, 60% of Government revenue. I have said this in the House (Parliament) and I will say it again—the Government is a 15-headed monster". He has ambitions for his country, ambitions which go against the centralist, authoritarian trend of much constitutional development today. In Mr Kejoa's view, there should be fewer than ten Ministries, and the Parliament should abandon the Westminster-style battle between Government and Opposition. Instead, he feels the whole of Parliament should appoint sub-committees for each subject and the chairmen of these sub-committees would act as ministers. The committee's proposals would reflect the mood of the whole Parliament. "You must try village life" said Mr Kejoa. "That is how things work in the villages, and 90% of the people live there. The Government should be a government with a small 'g'". And, turning to development and the problems of growth, he said "We have everything here, but we haven't got our act together. Our Development Plan has no priorities—it is simply a list of things we would like to do". In this he was echoed by his Permanent Secretary, Leonard Maenu'u who said, "Things are there—they just need putting together properly. Our Development Plan tends to be open-ended, rather than tightly-programmed, and project implementation tends to depend on individuals. When those individuals leave, the project falters".

Wilson Ifuanoa
Permanent Secretary at the Ministry of Foreign Affairs

"Nobody owes us a living, not now"

Agricultural output accounts for around 65%-70% of total GDP and fishing and forestry together account for 70% of export earnings ($ 103.9 m in 1985) and 10% of paid employment. Agriculture and fisheries are also the main motors for industry, which is largely confined to fish-canning, saw-milling and palm oil refining. Employment in industry-related activities is probably in the 15%-20% range. Copra prices, which reached $US 425/ton in 1984, were down to US$67 by late 1986, and only the Government's intervention scheme, fuelled by EEC Stabex receipts, was keeping the cutters in operation. From being the top export earner in 1984, it fell to third place in 1985, behind fish and timber. Palm oil was notching up impressive progress (Solomon Islands Plantations provided SI$3.2 m in revenue to the Government in 1985, about 2% of the total) until Cyclone Namu struck in May 1986. Production is down by at least 30% as a result.

Timber is an undoubted growth area for the future. Log and timber exports increased in value by 50% between 1981 and 1985, from SI$16.1m to SI$24.8m. But there is growing concern over the lack of forest management. The 1984 Timber Act incorporated measures to be taken by extractors to create and sustain a reafforestation policy. But fears exist that the Act is neither sufficiently detailed, nor is the enforcement of its provisions adequately policed. Moreover, there is insufficient public or private investment in reafforestation to ensure that the current level of logging can be sustained over more than 10-15 years. And Lever Pacific Timber's decision, already mentioned, to close down operations during 1987 will lead to the loss of 400 jobs and a decline of 30%-40% in Government revenues from forestry.

The Hon. George Kejoa
Minister of Finance

Leonard Maenu'u
Permanent Secretary at the Ministry of Finance

Money, manpower and better world prices are all desperately needed to revive copra and palm oil exports and to ensure a steady viable future for timber. The Government has estimated that it will have SI$135m in development aid for the 1985-1989 period (of which SI$33m will come from the EEC). This aid will go—at least as far as Lomé III aid is concerned—primarily to the rural sector, and will focus on the development of human and natural resources and rural infrastructure. But what is needed to revive the export crops is investment. And, as George Kejoa explained, the Government has produced a White Paper on investment, proposing a "one-stop shop" system for inward investment and concentrating on the cash-surplus countries of the Pacific Rim, the ASEAN group, Korea, Taiwan and Hong Kong, and making far greater efforts to tap the potential in Australia. The uncertain future of Hong Kong after 1997 led Mr Kejoa to speculate on the opportunities for expatriate investment, and on the advantages of some kind of offshore status. "The main areas we are looking at are natural resources and tourism and our stability and incentive package, with duty exemptions and tax holidays, are the main attractions", he said. Barry Clarke, Financial Adviser to the Minister, added that the Commonwealth Development Corporation was creating a SI$40m package for forest regeneration in conjuction with the Government, so that project leadership cannot be said to be lacking. But investors are still cautious, and the need for cash is pressing. That need is at least partially satisfied by the country's most buoyant export earner—tuna.

Salvation from the sea

Solomon Islanders are almost all born to be fishermen. As Milton Sibisopere, head of National Fisheries Development, explained "Bonito and skipjack are equal in importance to pig both as a ceremonial dish and as a source of protein. Such fish, when included in the feast to celebrate some event like a land deal or a marriage, play a central role in reinforcing the event; shell money does not complete such a transaction—a fish or a pig would. Half will be eaten, along with taro pudding, and the other half carried away as a present". Mr Sibisopere also spoke of some Islanders' uncanny ability to "call" to the fish, a gift which one of his own nephews possessed and which he ruefully explained he himself did not have. The ability to call to the fish, to be able to bring them to where fishermen operated, or to be able to direct fishermen to where they could fill their nets, is a gift which is highly prized by the Islanders and brings the possessor considerable merit and esteem.

But tuna fish are esteemed the whole world over, and by people who have no gifts to call to the fish. What they do have is money, manpower and technical expertise, and in 1984 over 90% of the tuna caught in the South Pacific (an estimated 600-650 000 tons) was caught by foreign vessels and landed in foreign ports. The market for tuna is immense—the highest prices are paid for sashimi (the raw fish dish that is much favoured in Japan) which rose to nearly US$4000/ton in 1984, and even prices for canning never fall below US$600/ton.

The Hon. Paul Tovua
Foreign Minister

There are three main methods of fishing for tuna, long-lining, pole-and-line and purse-seining. Long-liners, as the name implies, catch their fish with lines sometimes many kilometres long, which have intricate arrangements of baited hooks along their entire lengths. It is a complex and highly skilled operation, and the length of the lines means that technical upsets, such as broken or tangled gear, can often occur. Pole-and-line fishing is labour

Milton Sibisopere
Manager of National Fisheries Development Ltd.

An impressive view of one of NFD's pole-and-line vessels

intensive: the boats attract schools of tuna by throwing live bait overboard and when the school of tuna has been attracted, they are rapidly hoisted aboard on a line attached to a pole. Purse-seiners represent the maximum investment of money and technology. Equipped with helicopters and radar to spot distant schools of tuna, the seiners' powerful motors enable them to arrive on the spot and envelop an entire school of fish with a purse-shaped net. Some purse-seiners are group seiners—a mother ship with all the high technology leads a group of "work boats" to the schools of fish.

In the South Western Pacific, the Japanese are the most prominent fishermen, operating about 800 longliners, 100 pole-and-liners and 42 purse-seiners; Korea and Taiwan field about 140 pole-and-liners and 8 purse-seiners while the Americans have some 30 purse-seiners. And there is growing interest in the area from countries like Spain, Mexico, Indonesia, Philippines and the USSR. All these countries are larger, more powerful and wealthier than the Pacific Island States; the Solomons, though by no means the smallest, do have one of the largest EEZs (exclusive economic zones) to patrol and have only one patrol boat with which to do it. What means does a small country then have to prevent the ruthless plunder of its most precious natural resource?

The first step that the Solomon Islands have taken, and taken very successfully, is to opt for joint venture operations with the major fishing nation, Japan. The result is Solomon Taiyo, an integrated company which catches, freezes and cans the fish (about 30 000 tons in 1984). The company has 22 pole-and-line vessels and one group seiner, and a cannery and freezing plant at Savo (opposite the capital, Honiara). With considerable help from the EEC, a new cannery, freezing plant and port are expected to be built, starting in 1987, at Noro in Western Province, to expand output and create an alternative pole of attraction to Honiara. Spurred on by this, the Government-owned National Fisheries Development Ltd, with 12 pole-and-line boats, ordered two purse-seiners and is putting pressure on Solomon Taiyo to increase its canning operation. Mr Sibisopere explained "Our aim must be to can every single fish we catch. We want to move into processing, canning and marketing ourselves even if it means competing with Solomon Taiyo. Freezing fish and selling it is not economic, and if we do not make a profit, or create a sustainable industry out of our resources, then something is wrong".

Something has certainly been wrong for some time. World fish prices are only now beginning to pick up; there have been problems with the finances of both Solomon Taiyo and the NFD, losses being chalked up every year since 1982. "Our industry" said Mr Sibisopere, "has been stagnant for 10 years, while everywhere else the industry has responded". But industry may have stretched itself too far—the American purse-seiner fleet was reduced from 60 to 30 boats between 1982 and 1986, and in that time the Solomons have increased their own local capacity to build, man and operate commercial-scale fishing vessels. Also during that time, the Forum Fisheries Agency, the South Pacific Forum's maritime arm, has perfected its computerised register of ships permitted to operate in the EEZs of South Pacific Island States, has provided vital information to members, and has negotiated with a super-power, the USA, for a fairer deal for Pacific Island States. And in bringing about that Treaty, the Solomon Islands, even

Ted Marriott, Honiara

Copra being loaded at a small jetty

The Courier

Infrastructure is still a weak point, but the need is not a pressing one. Part of the Guadalcanal Road Improvement Project

The Courier

Paradise. For locals and visitors alike

though they may not accede to it, since it does not fully meet their requirements, played a leading role. A second patrol boat will be on station from 1988. In the words of Sir Peter Kenilorea, "We look to the sea and to our fisheries resources as the mainstay of the economy". It may well be that with increased interest in canning, better terms of trade, an upswing in local capacity, and new boats on order things are going to go less wrong in the future.

Strangers in paradise

Solomon Islanders tend to have a somewhat ambivalent attitude to development. Almost every official and Minister is at pains to stress the enormous force for stability and social justice that the village-based society represents. "Ours is an egalitarian society, uniquely well-suited to the practices of a parliamentary democracy", said Mr Ifuanoa, Permanent Secretary at the Ministry of Foreign Affairs. "There has been criticism that the pace of development is too slow, but there are merits in not destabilising the system. It is more meaningful to cast around for the best means of achieving it". "There is a lot of money available" said Sir Peter Kenilorea, "and the challenge is how to spend it". He said this with reference to the relative complexities of operating the Lomé system, and said that the first expenditures on Lomé III would probably be on Technical Assistance to aid in decision-making on how to spend the money!

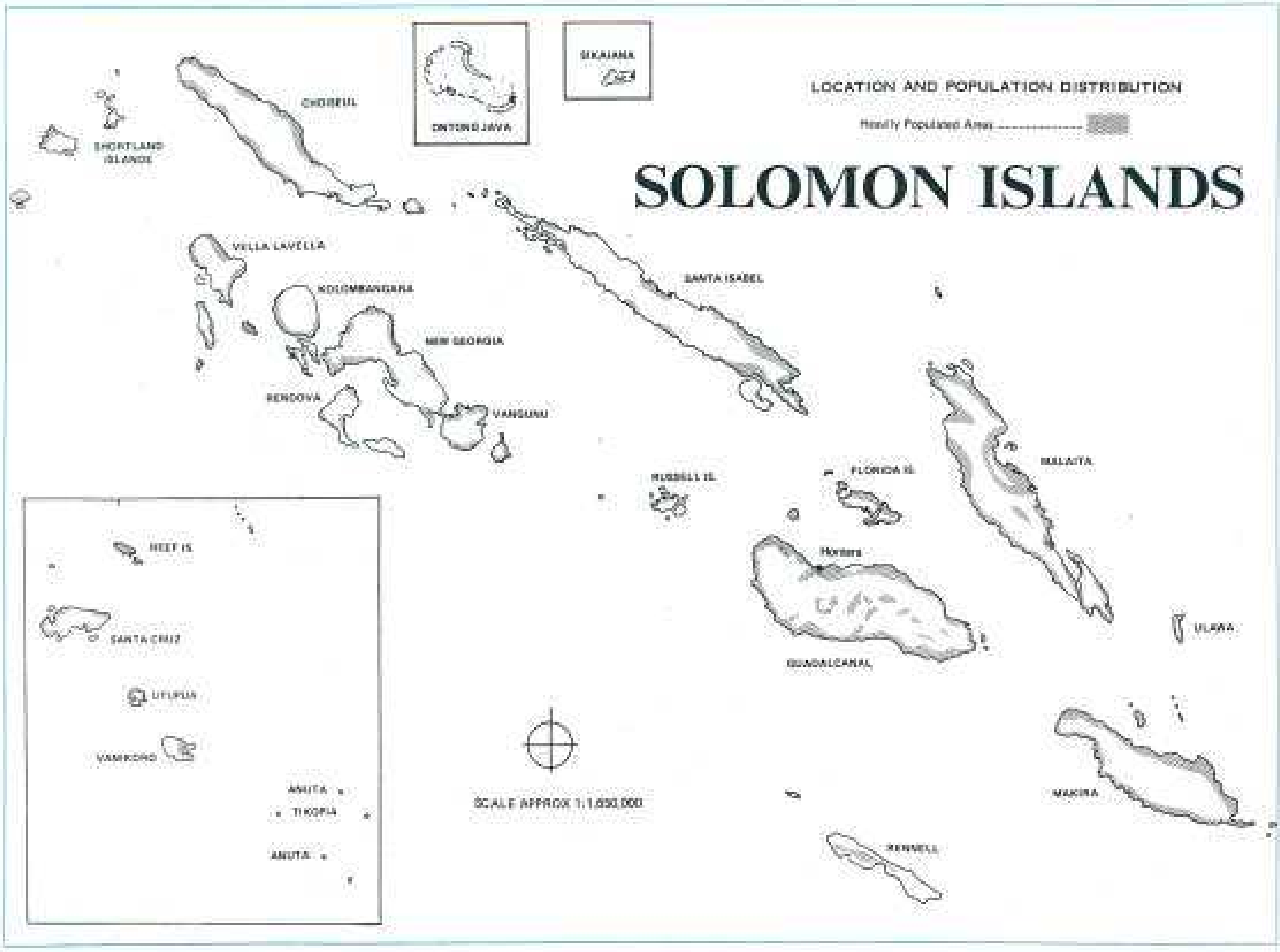
There is no malnutrition, and marginal pressure on land only in the island of Malaita. The society is a static one, based on the wontok system, able to cushion economic blows in an effective manner. Per capita GNP is around $700, but most people live outside the money economy anyway. Yes, muse the Ministers, it would be fine to have development, but the costs are likely to be high. Tourism could be a money-earner, but nobody, from former PM Sir Peter Kenilorea down, is quite sure what social upheavals it would entail. "Tourism has potential, but it must be developed in a controlled way. Otherwise we would destroy what tourists have come to enjoy". He explained that the main social pressure is for "localisation", the filling of former expatriate posts by locals. But even though this is proceeding, more expatriates are coming in. In the Central Bank, only two expatriate posts remain, down from four in 1984. In the NFD fishing fleet, five boats are fully 'localised' but Okinawan skippers and bos'ns remain on the others. But even as these posts are filled by locals, the pressures for development force upon the Government the need to find technical assistance in new areas. Even its success in forcing the United States to abandon its policy of benign neglect of the Pacific region has meant that a company of US Naval Engineers is now on the scene, building roads and bridges.

But the framework for a viable solution is at least to hand. Government, external experts and the EEC all agree that human resource development is the major priority. A two-pronged thrust is envisaged, one area of priority being centred on rural communities, the other towards the provision of scholarship, training and aid to the public service bodies responsible for manpower development. Over the life of the next five-year plan this should begin to bear fruit.

It is, however, very easy to see why there are so many expatriates in the Solomon Islands. Quite simply, the islands are a little paradise. Solomon Islanders are naturally friendly and hospitable, the sea is a shimmering blue for much of the time, the scenery is magnificent. There is an atmosphere of peace, stability, patience and good humour in work and at leisure. The strangers in paradise are made to feel remarkably welcome and a number of them have settled there. Over them flies the blue, green and yellow flag of a small, young country whose confidence in itself is such that it can question not only the rights of Great Powers but the ethic of development itself. It is a salutary reminder that the quality of life cannot be measured in economic terms alone. However it might be defined, the Solomon Islanders seem to have come closer to it than most of the rest of us. ○

Tom GLASER

SOLOMON IS.



Profile

Head of State: HM Queen Elizabeth II.

Governor General: HE Sir Baddeley Devesi GCMG, GCVO.

Prime Minister: The Hon. Ezekiel Alebua.

Constitution: Parliamentary democracy, with a 38-seat unicameral Parliament. The seven provinces are administered by Provincial Assemblies. These latter are elected and supported by Central Government grants.

Languages: English and Pidgin are official, but over 70 languages are spoken.

Currency: SI $. 1 SI $ = about 1 Austr $ = ½ ECU

Area: 27 556 sq km.

Population: 280 000 — a census is in the process of completion.

Capital: Honiara (pop. 23 000).

Employment: 90% engaged in subsistence farming or fishing. Of the rest, 40% are in government or semi-government employment.

Exports (1985): Fish SI $ 31.995 m
Timber: SI $ 24.808 m
Copra: SI $ 23.471 m
Palm oil: SI $ 12.382 m
Total exports: SI $ 103.864 m

The Courier

Interview with the Hon. Ezekiel Alebua, Prime Minister of the Solomon Islands

On 17 November 1986, less than three weeks after The Courier's mission to the Solomon Islands, a Government reshuffle brought Ezekiel Alebua to the Premiership. Due to the excellent coordination which extended from Brussels to the Delegation and from the Delegation to the new Prime Minister, we are able to print Mr. Alebua's written replies to some questions that were put to him. Mr Alebua, born in Guadalcanal in 1947, had a career in public administration before entering politics in 1980. He has held the portfolios of Foreign Affairs, Home Affairs and Provincial Government and Agriculture and Lands, as well as the post of deputy to his predecessor, Sir Peter Kenilorea.

▶ *It was a matter of foreign affairs which brought you to the Prime Minister's Office. Could you situate Solomon Islands foreign policy in the context of relations with European countries and your relations with your Pacific neighbours?*

— Solomon Islands being a democratic and peace-loving country will continue under the present Government to maintain cordial relations with European countries both on bilateral and multilateral bases through ACP/EEC cooperation under the Lomé Convention. Presently Solomon Islands have diplomatic relations with six members of the European Community and a consular relation with Switzerland.

As a Pacific country and full member of the South Pacific Forum, the Forum Fisheries Agency, South Pacific Bureau for Economic Cooperation and South Pacific Commission, Solomon Islands attaches greater importance to its relations with its Pacific neighbours. This principle forms the cornerstone of Solomon Islands foreign policy.

▶ *The passage of the budget will constitute your biggest challenge in the months ahead. Will you be making any changes in the budget, and if not, what are the major points at issue?*

— The Government intends to adhere to its 1987 budgetary commitments. However, at its discretion, the Government may recast its priorities, in which case current budgetary allocations may need to be reconsidered and rearranged. It is unlikely, however, that fresh projects, which have not been thoroughly discussed, will be introduced.

▶ *It has been said that there is perhaps too much government in the Solomon Islands. Can austerity be combined with efficiency, and, if so, how do you propose to tackle the problem?*

— The Solomon Islands Government is not unmindful of the impact of the structures and rules which have given it its present form. Work is in progress to review the National Constitution and the Provincial Government system. The efficiency and effectiveness of the public service have been of concern for some time and every effort is being made to ameliorate this situation.

▶ *You have retained in your Cabinet not only Sir Peter Kenilorea, the former Prime Minister, but most of his Cabinet team. Are there going to be any differences of emphasis in your Government, or is it a case of "steady as she goes"?*

— I am likely to usher in a new approach to leadership. Emphasis will be placed mainly on domestic matters, with those programmes likely to generate more revenue or benefit more people having the priority. For the next 24 months the Government will concentrate more on injecting new life into the economy as well as repairing the damage caused by Cyclone Namu.

▶ *The peaceful hand-over of power is a feature of Solomon Islands political life. To what do you attribute this attachment to the democratic process?*

— Solomon Islanders are a peace-loving people. This can be attributed to their Christian heritage, a respect for democratic institutions, and to the appropriateness of their own dynamic cultural norms and values to the ideology of democracy.

▶ *Do you intend to retain the priorities of the Indicative Programme for development between the EEC and the Solomon Islands agreed by your predecessor?*

— Yes. The Government is very thankful to the EEC for its continuing support in its developmental and recurrent programmes. ○

"The beauty of unity in diversity"

Interview with Sir Peter Kenilorea, KBE, Deputy Prime Minister and Minister of Natural Resources

At the time that this interview took place, Sir Peter was, in fact, Prime Minister, a post he had held from 1978 to 1981 and again from 1984 up to his resignation in November 1986. Born in 1943 in Malaita Province, Sir Peter has been a teacher and civil servant, and an MP since 1976. He led the Solomon Islands delegation to London for discussions on independence in 1977, and was Chief Minister of the colony at Independence in 1978. His imprint on the political and economic life of the nation is as considerable as his impressive physique and his way with words, the latter in evidence in this interview with The Courier.


The Courier

Sir Peter Kenilorea, KBE, Deputy Prime Minister

► *Sir Peter, Cyclone Namu caused 150 deaths, and did considerable damage to crops. How highly and how seriously would you assess the overall damage that it brought?*

– I think firstly, as far as confirmed figures are concerned I need to correct 150 deaths — the confirmed figures, according to police records, is 67 deaths, but despite that reduction in figures from yours, Cyclone Namu has certainly been the worst cyclone that has ever come to Solomon Island's shores. We do acknowledge, and accept the idea that we are in a cyclone belt. We do have, as I was trying to say earlier, cyclonic weather almost every year. But this particular cyclone, Namu, was totally out of season to start with; it was a little bit too late into the year, in May, and secondly, it was the worst cyclone in terms of extent, area of coverage, and intense extent of damage as well. One of the examples of the varied damage that Cyclone Namu caused is that this is the first time that the Government is being requested, and the Government understands the need for people to request, rural housing rehabilitation. I have picked this example because we do have cyclones every year, but they do not bring destruction to the extent that people request homes to be built for them. But this particular one, its overall damage was such that all the local materials — became our people normally use bush materials for the building of their houses, and sago palm leaves to use as roof thatching — these materials in the worst affected areas have been completely wiped out — completely destroyed. So it's not just a matter of waiting nine months, or ten months, or a year, or even two years for the branches, or the new palm leaves to come back. It is a matter of waiting ten or more years for the new palms to grow up and be useful again for housing. So that is the special extent of the damage that Cyclone Namu has done. In terms of our economy, of course, I have more or less to say that it has put us back ten years. Malaita, where it hit hard, in the southern part, we can forget forestry — as a matter of fact, on the eve of the cyclone, I was requesting a timber company from Taiwan to come and do some timber surveys and possibly establish an operation there. But they have come subsequent to the cyclone, and they told us that now it is not economical: all trees that we could have used are no longer there. In terms of copra, for example, in the southern part of Malaita as well, we will have to wait another three to five years. But then even if you wait that long, you will only be waiting for the few remaining trees, if any, to start growing fruit again. But otherwise you will have to wait for new plantations — it depends on the willingness of the people to get back and start planting trees after Cyclone Namu, otherwise we will wait for ever. So it was, overall, the worst damage, and the worst cyclone that has come to Solomon Islands.

"Just because we were at the meeting... does not... mean that we have concurred"

► *Sir Peter, can we turn to the tuna fisheries, which represent a major economic opportunity for Solomon Islands. How will you ensure that the bulk of the economic benefits go to the islanders, and not to outside interests?*

– That is a very interesting, and important, question to Solomon Islands, both as a government, and for its economy. We do understand, according to statistics, that Solomon Islands has the best fishing ground in this region, in the South Pacific region — I would almost dare to say in the whole of the Pacific, and because of that we look to the sea, and the fisheries resources as an important stay of our economy. We have therefore tried to establish and develop the local industry, so that as much as is possible, we can have the best, and maximise these resources for our own benefits. Because of that, during the recent discussions for multilateral arrangements with the Government of the United States for purposes of fisheries access to the region, we thought we had put on a very strong stand that whatever is happening, either through that access arrangement or elsewhere, the best benefits to the islanders — well, selfishly to Solomon Islands particularly — should be achieved.

► *Are you happy with the arrangement as it's initialled now?*

– Well, I cannot really say that I'm happy because they have not met Solomon Islands' requirement of $ 1.5 million per boat per year — that was our claim, and our negotiating stand. We are happy, because they will not change Solomon Islands' stand that we are only allowing part of our waters to these regional arrangements, and not all our waters, and that does not mean that we're being uncooperative, and thinking less about our regional solidarity and regional commitment. It is simply because, as I said earlier, we are developing a local fisheries industry, and one of the ways of safeguarding that local industry, and ensuring that we maximise the benefits of the sea for our own interests, is to say: "OK, if the arrangement is concluded, and Solomon Islands is to be a member of this multilateral arrangement, then Solomon Islands is going to give you only a piece of its waters — an area of its water", and although America does not like that, it has been decided for the basic sincere reason that we'd like to encourage our own local industry, and protect our local industry.

► *So in any case, whatever arrangement is made it would only involve part of your territorial waters?*

– Yes. When I had the American representative passing through this office on his way to the recent talks, he was trying to suggest to me that maybe we should give more of our sea, and I said that: "As far as the area of sea Solomon Islands is giving is concerned, it is non-negotiable". We have decided to give this area and nothing anyone can say would change that. Of course, since the discussions have not really met Solomon Islands' requirements, it would therefore depend upon Solomon Islands' Government to then further decide whether or not it will be a member of this multilateral agreement. Just because we were at the meeting during its conclusion does not necessarily mean that we have concurred to the whole thing.

"Why can't they give us a good price to start with?"

► *Sir Peter, what is the outlook for copra in the light of the extremely depressed world price, and in view of the damage caused by Cyclone Namu?*

– We've been very concerned about our copra industry in recent years — especially as far back as late 1984, we've been very concerned, because then we saw the drop of the prices. And we thought that it was exclusively copra, but of course in recent times we've come to realise that all countries who are dependent on commodity prices are suffering because of world market depression. In this particular area certainly we are very concerned because we have gone almost to rock bottom in terms of world market prices. It is because of the local copra board subsidising the local price that we still have copra cutters cutting copra.

► *Otherwise you have a stabilisation scheme?*

– Yes. We've got a stabilisation scheme from the EEC, which was very good, and in fact this is a paradox, if I may say so in the presence of an EEC representative here, because my view is that it is because of a protectionist attitude that is growing around the EEC countries, that is affecting those of us who are depending on commodity prices. And I say it is a paradox because they turn around and help us out again with stabilisation — Stabex funding — which we appreciate very much. Why can't they give us a good price to start with? But hopefully, as I've heard now, I think the last days of the rock-bottom price have gone, and we are on the upward trend again. I hope it will go from extreme to extreme.

► *Sir Peter, in view of the current high level of, and expected increase in, logging activity, what steps are being taken by your Government to ensure the renewal of forest resources?*

– Yes, that's another area of concern. In 1984 there has been an amendment of the Timber Act which incorporated certain measures to be taken by loggers, and companies who were involved in the timber industry, not only to use sensible means to log the trees, but to create and also ensure that reafforestation is an important part of the development. We are also trying to work on an export quota per year which is under the timber control section of the Ministry of Natural Resources. They are trying to tell us that you can only export in total per year so many cubic metres. So these are the kind of measures that we have tried to put in to ensure not only that this renewal of resources is continuing, but that the kind of development is done in such a way that it's sustainable. We don't like to take all our forests out one day and then forget about it because I'm sure our unborn generations would not forgive us for the harm we would do.

"Human beings are still enjoying their natural surroundings"

► *Is there a future for tourism in the Solomon Islands, and if so, what sort of tourist are you hoping to attract?*

– Yes. I think what I've been saying about commodity prices certainly has caused the Government to be thinking more seriously about the encouraging of tourism — not encouraging it irresponsibly — our policy statement has said that tourism must be encouraged in a kind of a controlled development. I do not know how to control tourism. But that is the basic policy statement, that tourism must be developed in a controlled manner. Now we'd like to think that there are opportunities for that industry here in the islands. Presently it's for those who would like to forget it all. For the type of tourists who think that they'd like to come and see another New York, they can forget Solomon Islands. But for those who'd like to come and see that human beings are still enjoying, as it were, their natural surroundings, and there is still green jungle around, and, as I said, people who'd like to really have peace of mind away from the rat-race of the highly industrial civilisation.

▶ *Would you be looking at long-term tourists who might buy a house here and spend three, four, five months of the year here?*

– That would be very good indeed; especially from the north. They do that very well in the West Indies.

▶ *That would be more individual, more long-stay, less package tours?*

– Which means that we will be getting the sincere ones. Of course we are aware of the difficult security situation in the north, as well, and so we thought that the tourists might be coming down south — hijacks everywhere — terrorists, and all this activity. Not that we are not part of the world, but it's less pronounced here at this stage.

▶ *What changes would the Government bring about when it gains full control of Solair, the national airline?*

– Well, we will ensure efficiency. We'll ensure that it meets the desires of the travelling public, and we will ensure that at least we'll know whether we're losing, or making money. At the moment we don't know where we're going. All we're told is that, well this year we have not done very well, but they dig their heels in not to inform us. We'd simply like to know what is happening with the operation of Solair, because our main objective is to create travelling efficiency, for the public travelling by air, and simply know what we are doing. At the moment, I'm afraid even I myself would not get the information I'd like to get from Solair, and that's with 49% shares of it.

▶ *The Islands' population lives in small villages scattered over many islands. How are you tackling the problems of nation-building, given their way of life?*

– This is a very difficult situation. Not only are we divided geographically, in terms of small scattered islands, but linguistically. Solomon Islands has got about 70 different languages, and associated with that, cultural differences, and then it's heightened by its geographical divisions, and to create a sense of nationhood out of that kind of situation, it's a real nightmare. So we have been trying in the past to bring the Government to the people through our constitutional structure. We have decided in principle that people would be able to feel part of it if they are part of the decision-making processes. So the kind of decentralised political structure that we have decided upon, was with that view, that it would bring people the beauty of unity in diversity.

▶ *So you have your area councils?*

– We have our area councils. We're trying to recognise our traditional leadership and our chiefs, and we've got our Provincial Government, and our National Parliament. So there was political sensitivity to the kind of fragmented situation we've got here. Of course, we have been talking about air services; we are trying to improve on that to create links to the isolated islands, so that not only the travelling public are catered for to get from one place to the other, but the Government — the high officials in the Government would be able to get out there, and rub shoulders with the people out in isolated places, cause them to feel that they are one, and they are not forgotten. I have travelled all over the Solomon Islands because of that factor: once the people don't see the leadership they feel that they are not part of it — so literally you have to go out and see them.

▶ *On the other hand your diversity is one of your great strengths, it ensures the survival of parliamentary democracy in many ways?*

– Well if you look at it that way — yes — people understand it to be that, it creates a guarantee for that parliamentary democracy. In fact, in certain parts of Solomon Islands, although we've got a lot of chiefs — the chiefs do not have an absolute power. Their power is really to learn from the people and it's the people that create a kind of status around them.

▶ *With such consensus is it right to say that the chief more interprets than enforces?*

– Yes, because our Melanesian culture in the Solomon Islands is such that we live for each other, and a chief who does not live for the good of his people will soon no longer be a chief, because when you really get back into it, we do not have hereditary chiefs. We do have in the outer islands, possibly the Shortlands, Tikopia, Northern Solomons; but Solomon Island chiefs are not hereditary.

"Small changes... can have a really bad effect on us"

▶ *How do you think your country will be affected by Australia's current economic woes, and the United States' economic muscle?*

– We've already been adversely affected by that situation. The Austral-

The Courier

"Literally, you have to go out to see them." Meeting house in a Guadalcanal village

ian economy has been suffering lately, and it cannot be isolated from the attitude of the American economy, and American relations with its friends and markets outside. For example, in recent times Australia has been jumping up and down about America dumping its wheat supply on the Russian market with no due consideration for the similar market for Australian goods and therefore doing Australia down in that way. And we see Australia as a very important country in our rehabilitation programme. Now at first, they promised that their cyclone rehabilitation assistance to Solomon Islands would be additional to normal development programmes that they established with us, but last month when I was in Canberra discussing that with leaders in Australia, the additionality of their aid for cyclones was no longer the case. We will have now to put it in with our normal development aid programme, and the reason simply is that they are going through a bad economic and financial situation. So it is certainly the fact that what happens to Australia because of the USA's economy and the USA's behaviour and attitude does have an adverse effect on our economy as well; because we are very close to Australia, they are our nearest trading partners, and they are very involved in our development aid programmes. So I hope that the USA will see that what they might see as small changes in their own behaviour can have a really bad effect on us.

▸ *Do you see increased scope for regional cooperation, and if so in what form?*

– Yes, I think regional cooperation, we submit to, and we are committed to and it must be perhaps interpreted in the same spirit we were talking about the solidarity of Solomon Islands as a nation: one of increased cooperation, one of accepting unity in diversity, and regional cooperation also must recognise that we are dealing with 15 or 16 different independent sovereign states. But on the part of Solomon Islands, when we said we are committed to regional cooperation we do mean that, and we hope that all our friends do also mean that. Of course, this must be done without regional cooperation belittling their own national sovereign rights. This initiative of multilateral access talks with USA is an example.

▸ *How do you view cooperation with the EEC under Lomé I and II so far, and what improvements do you think Lomé III will bring?*

– Well, there is a lot of improvement Lomé III will bring, but we are certainly very satisfied with programmes under Lomé I and II, and with having Lomé at all. The arrangements that have been entered into, and initiated by the EEC to make such arrangements is certainly fully endorsed and appreciated, and meets with our true satisfaction. Quite frankly, however, the kind of message I am giving all EEC representatives, I'm even telling the headquarters when I have the privilege of visiting them, is that their system is too complicated to operate: I hope they will give us some people who know the system to help us use it to our own maximum benefit, because in terms of willingness to help us there is no problem. We see that there is no problem, but when we have been promised and agreed: "Well, we'll give you this amount of ECU for your development programme", we must know how to work the system in order to get the money coming out of the till. For example, under Lomé II we have yet to spend \$ ½ million for micro projects — to me that should be a very easy project, it is small, but the procedures, and the system that we have to work in order to qualify for disbursement of a fund are complicated — maybe because we have yet to develop a pool of expertise in this area. We have yet to have the proper experience, but since we have had resident representatives of the EEC here, that was a big step forward for us; because then we can always call on them to see how we can do this in order to satisfy the requirement of the treasury...

"There are ... important implications in that kind of relation"

▸ *On the whole, then, with the exception of this problem about unlocking the cash you are very satisfied?*

– We are very satisfied, particularly under the present Lomé III, we are very grateful, because we have such a great amount of money available to us. Our challenge, and our problem is how to unlock that money. But certainly Lomé III has given us the largest programme ever since the EEC has created that system.

▸ *Well, there's always technical assistance to help with spending...*

– Yes. In fact, I understand from our economic planners at the moment that that is just what they are working on, bringing in some technical people to help us in particular areas where our capacity doesn't really show up.

▸ *How, in your view, could cooperation with the EEC and its individual Member States be improved further?*

– Well, presently, our concern is simply that there are not so many bilateral relations with individual member countries. My concern is that the EEC member countries should not simply use the EEC as their source of aid to us, that they should not lose sight of the fact that we would also like to create a bilateral relationship with them. The danger is that they say: "Well yes, I see your problem. Please go through the EEC for my money".

▸ *So you would like to see more individual bilateral approaches made, whether it's in investment, or tourism?*

– In tourism, investment, or even bilateral government-to-government development programmes. Because then we can specifically tell them, and hopefully for them individually to see our special needs. When they throw it into a common basket, the common basket might not necessarily see our special needs. And another point is, with due respect to the EEC, it is not an independent sovereign state in terms of government — they have got their own parliament, of course, but we would rather deal with a nation as it were, with an equal sovereignty, because there are also important implications in that kind of relation. The EEC may be developing into a kind of technical body, rather than a nation with its sovereignty in a world of interdependence between nations. We would rather deal with personalities than with committees, if you see what I mean! ○

Interview by T.G.

Cyclone Namu — disaster without precedent

During the night of 18-19 May 1986 a tropical depression moving in from 7° South 161° East in a south-westerly direction deepened into a cyclone and passed through the islands of Sikaiana, Malaita and Bellona. By the morning of 19 May, the cyclone hovered over Guadalcanal and caused 25 inches of rain to fall in a few hours. (As a parenthesis, 25 inches is what falls in Brussels over a year, and Brussels is considered to be a rainy city!) Storms of 50-60 knots blew down trees and whipped up enormous waves in the seas surrounding the islands. Winds, waves and flood waters caused rivers to burst their banks, uprooted forests of trees and carried them to the coast, destroying everything in their path, caused massive landslides that buried villages, ruined gardens, destroyed roads, bridges and plantations and caused 67 deaths and made 90 000 people homeless. This was a catastrophe by any reckoning, but for Solomon Islanders it must have seemed almost irreversible — one third of the population homeless, 22 000 ha of coconut groves destroyed, oil palm production cut by 30%, and the infrastructure, never very strong, severely battered.

It is fortunate that, even with its limited resources, the Government had set up a National Disaster Council in 1980 and drawn up a National Disaster Plan in 1982. Headed by the Permanent Secretary for Home and Provincial Affairs, Milner Tozaka, the NDC swung into action on 19 May and two main teams — the Technical Advisory Team and the Operations Desk — were set up in Rove Police Headquarters. There was much to be done — feeding, provision of shelter, medical services and water supply, restoration of communications, power and transport services and the evacuation of those in threatened areas. There were almost insuperable problems from the start — may of the areas worst affected were remote, and bridges, roads and airfields had been destroyed, damaged or blocked, so that accurate information on exact needs was very hard to come by. Relief supplies were very thin on the ground and distribution capacity was equally lacking. And the members of the Operations Group of the NDC had limits to their capacity to work round the clock. The horrendous nature of the cyclone caused some very unusual problems, too: although the Government requisitioned civilian ships, and fishing boats and government vessels were pressed into service too, they could only operate in daylight hours, since the coast was awash with tree trunks, washed down from the hills and plantations, which proved a hazard to navigation.

Strong winds whipped up the sea

Relief supplies came swiftly from the Solomon Islands' friends and neighbours. France supplied milk powder and construction materials, the UK supplied specialist troops, money and equipment and the EEC can justly take pride in this entry in the Report of the Chairman of the NDC on Cyclone Namu, dated 29 October 1986:

'Of particular significance were the following —

— the European Economic Commun-

Destruction of Vouza Bridge on Guadalcanal. This was repeated on a massive scale ity (EEC) *first on the scene*, with an offer of funds for the purchase of some 1 800 tons of rice"

At the end of the day, 3 000 tons of rice, 20 tons of milk powder, dozens of doctors, nurses, aircraft, helicopters, fuel, materials, equipment and SI $ 1 m of cash were made available. Refugees returned quickly to the sites of their homes and the distribution of supplies, by helicopter where necessary, was organised. Medical and paramedical teams staved off epidemics, water purification plants from Australia and the USA were set up, heavy-duty plastic sheeting was provided to give temporary shelter.

Within four months, according to Mr Tozaka, the country could be said to be back to normal, at least as regards housing and feeding. On Sikaiana Island, the swamp taro had to be harvested with goggles, so far was it below water! But elsewhere agricultural extension officers have been busy supplying seeds and inputs to replace the gardens that were swamped; an estimated 70% of all gardens on Guadalcanal and 64% on Malaita were destroyed.

But is it normal? People are eating, but instead of yams and taro and their garden vegetables, they are eating rice, tinned fish and biscuits. Families have houses again, but they are roofed with heavy-duty plastic or corrugated iron,

Milner Tozaka, Head of the NDC

A house in Are Are village, Malaita Province. The materials for rebuilding may not be to hand for another ten years

since the thatch they normally use, sago palm leaves, was torn off the trees and will not be available for another five years. This is a cause for concern — that traditional skills will die out and cheap, renewable material will give way to expensive foreign imports, that local food will be considered inferior to foreign food. These are problems which are being tackled in the Recovery Phase of NDC operations, a phase which is being estimated at seven years' duration. The tasks which the NDC has set itself are the following:

— obtaining accurate assessments of the nature, extent and cost of cyclone damage;
— formulation of rehabilitation and reconstruction programmes;
— monitoring and coordinating the progress of the programmes.

The first task was completed by mid-August 1986. A total of 118 000 people in 2431 villages were contacted, a staggering 40% of the population, and it is from that survey that estimates have been made of damage to crops, housing and infrastructure. It is a poignant document, and shows that the NDC's estimate of seven years is by no means exaggerated. Sir Peter Kenilorea, Prime Minister at the time of Cyclone Namu said, "In terms of the economy, this has put us back ten years. In South Malaita we can just forget about forestry development".

And, reading the damage assessment report on the Solomon Islands Plantations Ltd. on Guadalcanal, one comes across items like this: "Six company vehicles... were swept away and damaged beyond repair. Head office, agronomy office and laboratories, Ngalimbiu estate office and stores, building department offices, workshop and stores, Ngalimbiu clinic and the school were all buried in 4-5 feet of mud and debris and suffered varying degrees of physical damage... The contents of offices, laboratories etc., were largely destroyed".

This, then, was Cyclone Namu. It was not just another cyclone. The Solomons lie in the Pacific cyclone belt and the islanders are used to tropical storms. "We have them each year" confirmed Sir Peter Kenilorea, "but never before have the people requested housing rehabilitation". Cyclone Namu has done a lot of damage, to the economy, to the prosperity and perhaps even to the social fabric of the islands. But it has also shown two things very clearly. The first is that the Solomon Islanders have the capacity for planning and organising their own relief efforts. And the second is that they are not short of friends to help them in a time of crisis. ▫ T.G.

Jeannette Diana and the mouse that roared


The Courier

Tuna fish - lifeblood of the Solomons

Thirty years ago, a comic film was made, based on the premise that those who fight a Great Power are often the indiscriminate beneficiaries of its aid after their defeat; only in this case, the tiny state which dared to challenge the USA in the hope of swift defeat and post-war reparations, actually won the war! It was entitled "The mouse that roared" and was a great comic success, a triumph of imaginative force. But it was not just that—it was the precursor of a drama which actually took place, and which enabled the Solomon Islands, with a population of 280 000 and per capita GNP of $ 700 to force a change of policy in the USA, the initialling of a Fisheries Treaty with South Pacific nations and the provision of $ 60 m over 5 years in fees, technical assistance and untied aid.

The villains of the piece were the tuna poachers from the USA's West Coast, independent operators represented by the American Tunaboat Association, who man 1000-ton superseiners with powerful engines, radar, helicopters and outboard freezing facilities. These boats supply giant US food corporations like Starkist who have canneries in Hawaii, American Samoa, Puerto Rico and Thailand. The boats began to fish experimentally in the South Pacific Forum zone during the late 1970s. Unlike the Japanese, who always made bilateral treaties, the US sought fishing licences on a regional basis, claiming that tuna was a migratory species that could not be confined within any one country's EEZ (*), and therefore that fishing them inside a country's EEZ was not poaching but a form of hot pursuit. The tuna boats were fortified by the US Magnusson Act which enshrined this doctrine and which laid down a scale of financial punishment for any country rash enough to arrest an American tuna boat. On first news of the arrest, the United States would put an embargo on the arresting country's tuna fish; should this prove insufficient, the embargo would, in stages, be extended to all fish, then all exports, and finally to inward financial flows. In addition, the Act stated that costs incurred in recovering an arrested US boat would be deducted from the arresting country's foreign aid allocation.

The provisions of the Act, and their swift implementation when another Pacific country arrested an American tuna boat, were considered sufficient guarantees of immunity. While the Forum Fisheries Agency was attempting to get the Americans round a table to discuss a comprehensive treaty, the Americans dragged their feet. And then, on 26 June 1984, the only patrol boat owned by the Solomon Islands Government caught the *Jeannette Diana* of San Diego, fishing in its territorial waters. A 2½-hour high-speed chase followed, three shots were fired and the poacher was captured. At the subsequent trial, the Solomon Islands' Chief Justice found that poaching had indeed taken place. "The fish within a country's limits are part of that nation's assets" he said in his summing-up. "When a master and a company fish illegally they take the assets of that nation illegally. I have no doubt Captain Finete (the *Jeannette Diana's* captain) knew exactly what he was doing. I have no doubt he thought the risk of being caught was minimal. The motive was financial gain. The penalty must be accordingly". He fined the captain SI$ 12 000 and the owners SI$ 60 000 and confiscated the boat,

(*) The Exclusive Economic Zone of 200 miles.

gear, helicopter and the fish in the vessel's hold.

Quite naturally, the storm broke. An embargo was placed on Solomon Islands' tuna, and Solomon Taiyo Ltd was forced to seek new markets in Thailand and Canada for frozen tuna. A campaign of vilification of the Solomon Islands was begun in the USA and the Foreign Minister in 1984 instructed the country's Ambassador to the UN to try and set the record straight. The present Foreign Minister, Mr Tovua, has admitted that his major task has been to turn round the USA's attitude. "They musn't be allowed to forget the Pacific", he said.

At this point, with the poacher arrested but American opinion upset, the Solomon Islands looked as though, like the original plan of "The mouse that roared", they would be defeated by the super-power. But into the picture stepped the Forum Fisheries Agency, headed by its Director, Philipp Muller. His Agency, based in Honiara, covers the interest of all Pacific Forum members, and, while he had been attempting to bring the USA to the negotiating table, he gave his advice frankly to the Solomon Islands. "I advised them to negotiate the *Jeannette Diana* case on a bilateral basis", he explained, "and while the boat was returned, the embargo was not lifted". But in September 1984, the first of ten negotiating rounds between the Forum and the USA had begun, and Philipp Muller persuaded the US to lift its embargo on the Solomon Islands. Over two years of negotiations followed, which, as Muller says, "showed the real value of the Forum in providing the framework for a united negotiating position. Forum country leaders and officials were solidly with us and provided the information for the Agency to use. Without the Agency, such cooperation would have been unthinkable". The package of licence fees and aid is impressive: the tuna industry will pay US$ 50 000 per vessel up to 40 vessels, and from 40 to 60 vessels at $US 60 000 per vessel. The industry would also provide experts and technical assistance to island industries to a value of US$ 250 000 each year. The US Government would, moreover, provide US$ 9 m a year as a cash grant and US$ 1 m/year in tied aid, as well as a "sweetener" of US$ 6.5 m from October 1985 to October 1989 in specific fisheries-linked aid.

Jeannette Diana *at high speed*

The Courier

Philipp Muller, Forum Fisheries Agency Director. He steered the Pacific states to victory in the fisheries access agreement with the USA

What caused this change of heart? In part, no doubt, the US Government realised that the Pacific was an area which it had taken for granted for too long, and there was a growing realisation in Washington that the Pacific Century was about to dawn, in which it would be foolish to neglect a group of countries there, naturally disposed to be friendly. Strategic interests also played a part: the uncertain future of US bases in the Philippines and the partial disintegration of the ANZUS alliance focussed American attention on possible alternatives. The fisheries treaty signed between Kiribati and the USSR was another valuable stimulant, indicating that, if the USA had lost interest in the Pacific, others were not so blind. (Incidentally, on this matter, Foreign Minister Tovua sees eye to eye with the United States. "No licences will be granted to the Russians" he stated, "while I am Foreign Minister".).

But there can be little doubt that the Solomon Islands did more than a little to bring about the South Pacific Fisheries Treaty. Even though the Treaty does not give the Solomons all it wants, and even though the Government will probably refuse to allow all its enormous territorial waters to be included in the Treaty, and may thus even refuse to sign the Treaty itself, the fact that such a Treaty was signed on such generous terms (the initial offer was US$ 6.5 m only) owes not a little to Superintendent Moala, the crew of the SIPV Savo and the three rounds they fired on 26 June 1984. It is a story which, in the end, reflects credit on all those concerned, and, as such, is a story with a certain amount of rarity value. And, who knows, there might even be a film scenario to be made out of it! ○

T.G.

European Economic Community — Solomon Islands cooperation

by Jean-Claude MELLOR (*)

Solomon Islands, first an assimilated member of the Convention of Lomé as a British OCT (Overseas Countries and Territories), became, after its independence in July 1978, the 54th member of the ACP Group.

Although a potential beneficiary of EEC cooperation since the effective start of the Lomé Convention, and of the parallel Council Decision on the association of OCT countries in 1976, financial and technical co-operation between Solomon Islands and the Community took an official turn only after much delay, in April 1978, with the approval of its Indicative Programme (before that date only the trade and STABEX arrangements were already effectively in force).

This official start coincided more or less with the moment when the Commission's Delegation in Port Moresby, established since February 1978, took over responsibility for EEC affairs in Solomon Islands.

An EEC permanent office was opened in Honiara, staffed by a Resident Adviser, in November 1981, to facilitate communications between the SI Government and the Delegation of the Commission in Papua New Guinea, and to accelerate the implementation of the European Development Fund (EDF) co-operation programme. Since then the Commission has decided to upgrade this office and make it a fully fledged Delegation. A Delegate should take up the post in 1987, after his nomination has been approved by the Solomon Islands Government.

Trade with the EEC

SI traditionally sells vegetable oil products (copra, palm oil and kernels) to the EEC, and buys machinery, chemicals and food from the EEC.

In 1985, Solomon Islands exported to the EEC 27% of its total exports. But Solomon Islands imported only 6% of its total imports from the EEC.

(*) Resident Adviser, Honiara.


Ted Marriott, Honiara

27% of Solomons exports go to Europe. Here copra is being loaded

The trade balance was SI $ 22 123 000 in favour of Solomon Islands (as compared with SI $ 34 041 000 in 1984).

During the first nine months of 1985, SI exported goods worth ECU 20 195 000 into the then 10 Member State Community.

For the same period in 1986, exports from Solomon Islands to the now 12 Member State Community (Spain and Portugal having joined the EEC on 1.1.86) only reached half that amount (ECU 10 485 000); this was a direct result of the cyclone that devasttated crops in Solomon Islands in May 1986).

Imports from the EEC reached ECU 3 798 000 in 1985 (first nine months), and ECU 5 384 000 from January to August 1986.

Thus the trade balance remains very strongly in favour of the Solomon Islands.

Community Aid

The EEC is one of the major donors in Solomon Islands. This is particularly true of capital aid in the form of grants where the European Development Fund (EDF) was, according to government statistics for 1986, by far

Table 1

Trade Balance	S.I.$ '000			
	1984	%	1985	%
Total exports — to EEC	118 563 39 303	100 33.1	103 805 28 343	100 27.3
Total imports — from EEC	83 838 5 262	100 6.3	102 664 6 220	100 6.1
Trade balance — worldwide — with EEC	+34 725 +34 041		+ 1 141 +22 123	

the biggest donor, providing almost half of all grant aid.

Apart from some technical assistance provided by the Federal Republic of Germany, the UK is the only European Community Member State with a bilateral aid programme in the Solomon Islands. Most of this finances technical assistance and training. Altogether, the EEC and the Member States make a substantial contribution to the economic and social development of the Solomon Islands.

Lomé I and Lomé II

During the course of the First and Second Lomé Conventions, EEC aid to the Solomon Islands focussed mainly on three sectors:
- transport and communications;
- development of sea fishing;
- conservation of natural resources and rural development.

In the first of these, transport and communications, the impact is considerable and will be even more so when the last big project has been fully implemented towards mid-1988. The quality of telephone communication is already vastly improved and coverage of the system has increased by 100 %. Six rural airstrips have been equipped with navigational aids. The last project to be funded under the Second Convention will provide a port and township infrastructure at Noro in the Western Province. By Solomon Islands standards, this is a major intervention (ECU 7.5 million, or approx. SI $14 million), which will help establish a second pole of economic and social development in the country. It will enable the further exploitation of the country's abundant fish resources, considerably increase the value added to fish processing in Solomon Islands and provide a substantial number of new jobs.

In the second sector, development of sea fishing, EEC aid has focussed on training. A school for fishermen has been built and some 200 fishermen trained, originally with the help of a technical assistant but latterly by a Solomon Islander prepared for the task by the expatriate. In a parallel activity, Community-funded technical assistance has trained about 40 Solomon Islands officers (skippers, engineers, etc.) who have already taken over posts on tuna fishing boats, previously held by Japanese.

The third sector of EEC support has two parts — conservation of natural resources and agricultural and rural development.

The Lomé I and II reafforestation projects have made substantial progress and have been implemented somewhat ahead of schedule. At the end of 1985, 1 718 hectares had been replanted with about 820 000 trees. During 1986, the last year of the Lomé II project, a further 300 hectares has been replanted with some 200 000 trees.

Turning to agricultural and rural development, 80 % of the programme of microprojects has now been implemented (despite a slow start), and the Development Bank of Solomon Islands benefits from a substantial line of credit (special loans).

To prepare for Lomé III, the Solomon Islands Government requested EEC support for a study of small-holder coconut development. Copra is the principal source of cash incomes in rural areas. Although the large, predominantly coconut growing, Western Province could not participate in the study, the EEC-funded consultant's report paves the way for a possible SI $6 million coconut development project presently being studied by the Government.

Another EEC consultant prepared a study on manpower and training priorities for the Solomon Islands. This report has been studied by the Government and has led the way to an ECU 5 million Human Resources Development Programme, with emphasis on technical assistance and training in the rural sector, to be financed under Lomé III.

Overall, the first two Conventions have made a significant contribution to the economic and social development of Solomon Islands.

In addition, outside the Indicative Programme, nine Stabex transfers to the value of ECU 6.376 m have been made to the Solomon Islands Government to compensate for shortfalls in the receipts from exports of copra and, to a much lesser extent, from timber. Because of the anticipated shortfall in export earnings in 1986 due to the extreme damage to crops by Cyclone Namu (May 86), the Solomon Islands received an ECU 8 m advance (copra and palm products). Another transfer should take place in mid-1987.

Stabex transfers to Solomon Islands are grants. The products covered are copra, palm oil and kernels, cocoa beans, sawn timber and wood-in-the rough (logs).

Cyclone Namu hit Solomon Islands on 18 May, 1986. It resulted in the loss of 67 lives and the homes, gardens, cash crops and supporting environment of about one third of the total population of 280 000 were destroyed or badly damaged.

The immediate response of the EEC was to grant emergency aid of ECU 500 000 (SI $970 000). These funds were used to supply over 1 800 tons of rice and to pay for distribution costs to those affected by the calamity.

A rehabilitation programme (after Cyclone Namu), totalling ECU 1 722 000 (approx. SI $3.5 million) was approved by the Commission in January 1987. It covers agricultural rehabilitation schemes (coconut and cocoa), education materials and equipment for Selwyn Collge and Su'u Secondary School, health (drugs, medical equipment and buildings) and rural housing assistance. In this last project, with a grant of some SI $1.7 million, Community aid will help finance purchases of over 2 400 tons of roofing iron and other building materials.

Under the Regional Programme, the EEC provided funds for the Forum Fisheries Agency Headquarters building in Honiara and for the promotion of the use of indigenous and renewable sources of energy (thus reducing dependence on imported fuels). Projects implemented in the Solomon Islands are in the following fields: wood gasifiers, biogas, charcoal kilns, solar photovoltaic and water heating (for hospitals) and hydro survey equipment. Regional funds were also provided to help Solomon Islands participate in tourist fairs (Sydney, Berlin, London). A Pacific Regional Tourism Development Programme was also launched. Its purpose is to provide technical assistance to the Tourism Council of the South Pacific, of which Solomon Islands, together with seven other Pacific ACP countries, is a member.

Lomé III

A programming mission from the EEC, headed by Mr Maurice Foley, then Deputy Director-General for Development at the Commission and including a representative of the European Investment Bank (EIB) visited Solomon Islands from 28 November to 2 December 1985. Discussions were held with a delegation of the Government of Solomon Islands, then headed by Sir Peter Kenilorea, KBE.

The programmable financial package is equivalent to ECU 17.5 million (grants: 13.5; special loans: 2; risk capital: 2). Seventy-five percent of the resources will be concentrated on the rural sector. The broad aim of this focal area includes human resource, natural resource and rural infrastructure development.

In addition to the ECU 2 m from the risk capital resources managed by the EIB, other possible financing might be rendered available by the EIB.

Also, a Commission representative stated that some ECU 34 m could be considered for Regional Programmes for the eight Pacific ACP States.

Several ministries are presently coordinating with the EEC to identify programmes/projects and prepare relevant dossiers. The devastating effect of Cyclone Namu has brought about a Rehabilitation Programme involving several components (agriculture, education, health and rural housing), identified as being realistic and urgent areas of operations (construction, materials/equipment) which the EEC is presently considering funding (approximately ECU 1.7 m). This would restore proper social and sound economic conditions to the affected populations and regions, forming the basis on which future development programmes can be built.

Other programmes in the focal area for concentration of cooperation are being prepared by a joint Solomon Islands Government-EEC technical assistance team.

The Minister for Finance and the National Authorising Officer's recent visit to the Commission (in early October '86) indicates the degree of collaboration instituted between the Government of Solomon Islands and the Commission and its representatives.

The value of the ECU in Solomon Island dollars appreciated substantially both in 1985 and in 1986. It was worth SI $ 0.94 in February 1985 and kept climbing steadily over the months to reach SI $ 2.06 in December 1986. At the December 1986 rate of exchange, the Lomé III allocation of ECU 17.5 m was equivalent to SI $ 36 m.

This financial allocation is not exclusive of possible additional resources which may be allocated to Solomon Islands during the lifetime of the Convention by way of non-programmable funds managed by the Commission. ○ J-C. M.

Table 2: First and second Lomé Conventions

	Lomé I	Lomé II
I. Indicative Programme	ECU 10 745 000	ECU 12 000 000
Transport & Communications of which:	75%	54%
Telephone Communication	(57%)	—
Air Navigational Aids	—	(4%)
Port & Town Infrastructure	(18%)	(50%)
Sea Fishing Training	5%	2%
Agriculture of which:	19%	26%
Reafforestation	(7%)	(12%)
Rural Development, incl. line of credit to Development Bank	(12%)	(14%)
Training and Technical Assistance	1%	14%
Population Census	—	4%
II. Emergency Aid	—	ECU 500 000
III. Stabex	ECU 2 173 387	ECU 12 202 212
IV. EIB (Risk Capital)	—	ECU 100 000
Total available 1.11.86	ECU 12 918 387	ECU 24 802 212
V. Regional Fund: actions directly or indirectly in favour of Solomon Islands	ECU 300 000	ECU 1 838 000

EEC funds have set up a fisheries training school for this most valuable of the Solomons' industries

GLEC: ten years old

by G-M. ANDRE (*)

The 9th Conference of the Heads of State of the Great Lakes Economic Community was held in Ghado-Lite (Zaïre) on 8 and 9 November 1986 at the invitation of Mobutu Sese Seko, the President of Zaïre and President-in-office of the Conference. The meeting was a special one, as it marked the 10th anniversary of the Heads of State of Burundi, Rwanda and Zaïre signing the Gisenyi Convention founding the Community on 20 September 1976.

It was the opportunity for President Mobutu to recall that, when the three Heads of State created the Community, they were determined to do all they could to ensure that their respective countries, with their historic, geographic, fraternal and blood ties, would develop in a harmonious and balanced fashion in all fields.

General Juvenal Habyarimana, President of the Rwandese Republic, emphasised the ideal of solidarity and complementarity between the three countries of the Community. He insisted on the continuity that would enable them to pursue the fundamental mission of the Community, with the institutions offering a framework for reflexion, initiative and practical action whereby the people could join together and make an efficient job of tackling the socio-economic problems of the member countries.

(*) Assistant at the Directorate-General for Development.

Colonel Jean-Baptiste Bagaza, President of Burundi, was appointed head of the Community for 1986-87. The economic integration which the three members sought should be a gradual affair, he said, and he would spare no effort to see that the Community's action programme had yielded practical results by the end of his term of office.

This 10th anniversary was an opportunity to take stock of the Community itself and of its aims, results and achievements.

Aims

The aims of the Gisenyi Convention were, and still are, to ensure the security of the States and their populations, to design, establish and encourage the creation and development of activities of joint interest, to promote and intensify trade and the movement of goods and individuals and to ensure close cooperation between the States. This cooperation, of which the OAU was an ardent supporter, was the ideal of the Great Lakes Community — whose aim was to achieve genuine economic unity.

The headquarters of the GLEC's Executive Secretariat at Gisenyi (Rwanda)

Since the Convention was signed, the following institutions have been set up to achieve these objectives. They are:
— the Conference of Heads of State, the supreme body, which takes the Community's decisions. It holds an ordinary meeting once a year and extraordinary meetings whenever required, takes unanimous decisions for all the States and is chaired by each of the Heads of State in turn.
— the Council of Ministers and State Commissioner, which promotes schemes to achieve the aims of the Convention and devises and proposes general measures relating to the cooperation and development of the member countries.
— the Permanent Executive Secretary. This post is currently held by Antoine Nduwayo, who devises and monitors projects of joint interest and suggests sources of financing, under the authority of the Conference of Heads of State and the Council of Ministers and State Commissioner.
— the arbitration commission, which ensures that the Convention is interpreted and implemented in accordance with the law and decides on any differences between the member countries.

The Community's budget is fed by contributions from the members. The headquarters are at Gisenyi (Rwanda), on the banks of Lake Kivu.

The Community has set up a number of joint organisations to help achieve its objectives. They are:
— a body to deal with energy in the countries of the Great Lakes (EGL), based in Bujumbura (Burundi), which ensures cooperation on all kinds of energy. The EGL has to inform and advise the members with a view to harmonising the national energy resource exploitation policies and promoting the study and implementation of regional projects.

The EEC Commission has already financed a number of EGL ventures:
(a) a study on integrating micro-gas generators in rural areas (ECU 300 000);
(b) technical and economic studies of the Ruzizi II power station (ECU 1.370 million);

Methane from Lake Kivu

The lake:

Area:	2 450 km^2
Volume of water:	600 km^3
Depth:	400 m max.

The lower levels of Lake Kivu have been known to contain methane gas mixtures for some 50 years now and many studies have been run since the discovery was made.

The phenomenon is a known one, but two things make Lake Kivu unique:

1. The concentration.

The deep water contains about 0.3 m^3 of methane (and 1.6 m^3 of carbon dioxide). This suggests that there are methane reserves of 40 billion m^3 at a depth of 270 m and below.

2. The stratification.

The deep water is more or less isolated from the rest of the lake because slight salinity makes it denser than the layers above and its weight keeps it at the bottom.

Maintenance of the general balance of Lake Kivu and the permanence of the methane deposit are the basis for industrial exploitation of this natural resource. Exploitation is currently at 1 million m^3 p.a. for a Gisenyi brewery.

The lake balance model produced for the (TECHNIP-SOGREAH-BRGM) technical feasibility study show that neither the hydrological or meteorological phenomena nor exceptional happenings (destratification due to wind, a massive influx of salt in the upper layers or the risk of seismic activity) should upset the main stratification at −270 m.

Along the same lines, the tapping of 50 million m^3 of methane p.a., something which could be envisaged over the coming 10 years, would reduce the main layer by 20 cm p.a. without altering its behaviour, it would also remain below the methane regeneration level estimated at 200 million m^3 p.a. ○

R. Ebersberg

Taking deep water samples off Cape Rubona

(c) long-term technical assistance to monitor and coordinate the Ruzizi II project and studies of further HE development projects in the region (ECU 790 000);
(d) equipment and services (ECU 21.03 million) as part of the construction (ECU 64.88 million) of the Ruzizi II HE station, other sources of financing being the World Bank (ECU 33.02 million), Italy (ECU 8.33 million), the BEDGL (ECU 2.5 million) and the members of the Great Lakes Community (part of the expenditure in local currency);
(e) a project on compressed gas for vehicle fuel (ECU 425 000);
(f) a very promising feasibility study on using methane from Lake Kivu (see inset) (ECU 1.7 million), the other source of financing being the European Investment Bank (ECU 500 000).

— SINELAC (the Great Lakes international electricity board) was set up, as part of the EGL and Ruzizi II, in February 1984 so the three States of the Community had a works supervisor for the initial construction and for the running of the power station later on.

— the Great Lakes Development Bank (BDEGL), which mobilises the necessary financing and promotes the economic and social development of the States of the Community. This body is based in Goma (Zaïre). It has helped finance Ruzizi II (with its support for SINELAC, currently the only joint Community company) as well as Verrundi, a Burundian firm, Matériels Agricoles, a Rwandese agricultural equipment concern and Cimenterie de Katana, Zaïre's cement works. It is involved in transport and services (i.e. the hotel and tourist trades).

— IRAZ, the Institute of agronomical and animal research. This was set up on 9 December 1979, mainly to run research and organise agricultural training and advanced training seminars.

The Heads of State of the GLEC Member States: from left to right, Presidents Mobutu (Zaïre), Habyarimana (Rwanda) and Bagaza (Burundi)

Results

The Conference was an opportunity to look back over the 10 years of the Community and see how far the aims had been achieved.

The first basic target, ensuring security and keeping peace, has been very largely achieved.

The idea of designing, establishing and encouraging the creation and development of activities of joint interest has attracted a lot of effort and means and, as a result, the specialised bodies that have been set up are now operational. The important thing now is to insist on the roles they are going to have to play.

The aim to promote and intensify trade has led to a trade and customs cooperation agreement and a monetary arrangement between the central banks. A treaty on third party vehicle and transport insurance has also been produced. A pragmatic approach to the free movement of individuals has made it possible to reach two target groups — civil servants and businessmen.

In 1985, a convention on the free movement of individuals, goods, services and capital and the right of establishment was signed and is to be implemented over a 10-year period. This is an important step forward for the Community. Ratification is imminent and the timetable of implementation should be able to be adhered to.

The future

The decision-makers of the Community are aiming to develop activities that are of interest to all three member countries and to put their development aims into practice. They have outlined a number of priority themes here:
— harmonious development of local industrial resources;
— quest for self sufficiency in food (a prime objective of the Lagos Plan);
— better communications, a field where the EEC Commission has already offered support through the many important schemes that have been financed (Northern Corridor to Mombasa and the Central Corridor to Dar es Salaam, as well as the various infrastructure projects) and the implementation of transit agreements;
— coordination of energy policies so as to get more out of the resources available in the sub-region (HEP, bio-energy, coal and methane from Lake Kivu).

On this basis, the Community has included in its future programme the optimum use of energy resources (including methane), development of the agri-food sector (milk, cereals, cattle-feed and fertiliser), better air transport (freight) and lake transport (on the basis of a study of Lakes Tanganyika and Kivu) and hertzian links between the various telecommunications networks.

On the threshold of a new decade, the Community has backing for its drive to establish the programmes that will achieve its aims. The hopes of the peoples of Burundi, Rwanda and Zaïre are vested in it, particularly since its previous projects have been crowned with success and the studies that have been run should lead to concrete action programmes. ▫ G-M. A.

1987
European Year of the Environment

by Claude PLEINEVAUX (*)

The environmental alarm sounded loudly twice in Europe recently. First the Chernobyl explosion in the USSR sent radioactive clouds across much of Europe (see Courier N° 98 for July-August 1986) and then the pollution of the Rhine caused a furore following the accidental discharge of waste from a Swiss chemical plant. These two events drew attention to the dangers of pollution and the need to protect the environment — and increased interest in the measures taken to do this. In this article, Claude Pleinevaux looks at what Europe's contribution — the different activities of the European Year of the Environment.

The Community has had its environmental policy since 1973. In the beginning, hard work on legislation created laws for the campaign against pollution. Then things moved towards a global policy of prevention whereby the environment could be protected at the lowest cost and positive measures offering support and backing for economic development could be provided.

If the Community is now to take the new economic conditions into account and give the right sort of response to the public's serious concern with the deterioration of the environment and the world in which we live, it must see that environmental considerations are fully taken into account in any economic activity. This is a new side to the environmental policy — which, the European Council maintains, must make significant progress in the coming years.

And progress means active support from both political and economic circles and from the man in the street as well. Which is why the European Council has decided that 1987 will be European Year of the Environment.

During this environmental year, which starts on 21 March, the Commission and the Member States will be organising and encouraging a series of events and activities aimed at:

(i) making all Europeans aware of the importance of protecting the environment and running practical schemes to set an example in this field;

(ii) ensuring that environmental protection policy is better integrated in the various other policies — particularly economic, industrial, agricultural and social — run by the Community and its Member States;

(iii) highlighting the European dimension of environmental policy;

(iv) showing what European environmental policy has already achieved.

Two sorts of programme will be run during the year — a Community programme and 12 individual national programmes.

This dual approach is very important, as it means the particular characteristics of each Member State can be respected and the greatest possible cohesion assured at the level of the Community as a whole. The national programmes will be drawn up and coordinated by national committees and the Community programme by the Commission, with the help of a steering committee. This will mean that campaigns that are on common themes, but suited to the situation in the individual countries, can be run simultaneously.

The Community programme

The Community programme will be geared to the main target of the year — promoting the use of clean technology and sound environmental practice, encouraging the development of the environmental sector, gearing some campaigns to special themes and others to special target groups, boosting international environmental solidarity, organising special events and publicity, promoting coverage of environmental issues in the media and getting the Community's environmental policy as widely known as possible.

Clean technology and environmental *savoir-faire* will be the focus of the vast campaign to make industry aware of the situation.

The Commission will be running an Industry-Environment competition to promote these two subjects. It will also be taking part in seven major technology exhibitions and organising various events to bring producers and users of clean technology closer together.

Four different prizes will be awarded — for the best depolluting technology, for the best design of a "green" product, for the best environmental manager in industry and for the best technology for developing countries.

The local communities, which have an important part to play when it comes to practical improvements to the environment, will be encouraged — the Commission is planning to organise four competitions for them and

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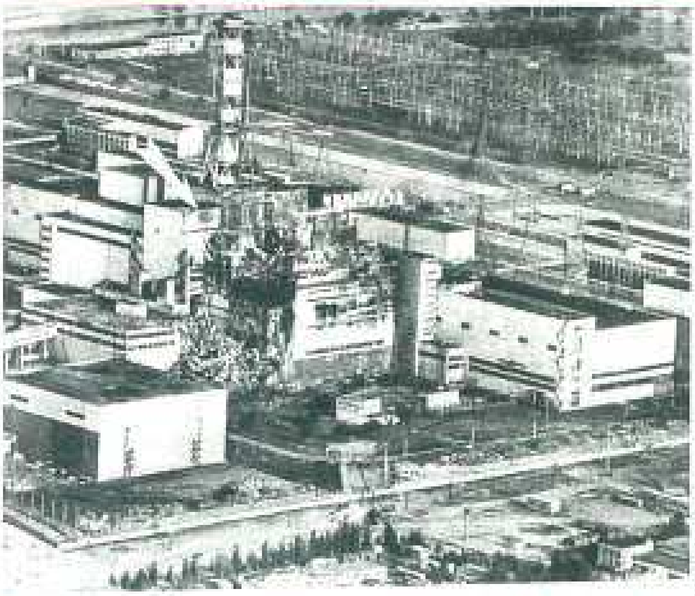

Belga / Belga

Two major environmental catastrophes drew Europeans' attention to the dangers of pollution and the need for protection of the environment: the explosion of the nuclear power plant at Chernobyl in the Soviet Union (left) which sent radioactive clouds across much of Europe and the pollution of the Rhine (right) caused by the discharge of chemical waste following a fire at the Swiss-based chemical plant, Sandoz

to increase their motivation through five European campaigns.

The common theme of the four competitions (national to begin with, with national winners competing at European level) will be a good quality environment for Europe.

The "Silver brooms" will get people in towns of 10 000 or more, divided into different categories, involved in typical cleanliness schemes. The best urban architecture protection schemes will be shortlisted and a final winner chosen.

A third competition will be for twinned towns which manage to beat an environmental problem together.

The prize for the best conservation scheme will go to individuals, groups or organisations doing outstanding work for the protection of the natural or man-made environment.

Five introductory European campaigns will be run simultaneously in the 12 Member States and this should trigger a vast movement of solidarity throughout the Community. The focus here will be managing clean water, beaches and ports, protecting the forests, recycling waste and preventing the average industrial accident.

The first European urban environmental forum will be for representatives of the major European towns and the Mediterranean area. It will be an opportunity for political leaders, local intermediaries and specialised associations and industries to swap their experiences in managing the urban environment.

The media will be involved throughout the year, of course, so that the general public knows what is going on in the four corners of Europe.

Coordination with third countries

Although most of the schemes run by the Commission and the Member States during 1987 are first and foremost for the Community public, some of them will be in conjuntion with other countries, especially those in EFTA (the European Free Trade Association) and various international organisations — the UNEP, for example, and the Council of Europe, which is running a European rural campaign in 1987-88.

During the European Year, the Commission will also be paying particular attention to solidarity schemes with the Third World. It will be suggesting to volunteer countries of Africa (if possible one French-speaking and one English-speaking nation) and Latin America to produce a resource conservation strategy and an environmental campaign reflecting the world conservation strategy.

It will also be helping some countries in the Third World with publicity and training campaigns and with some practical environmental improvement schemes.

The water solidarity programme will get particular support.

Europe's environmental year coincides with the launching of the fourth Community programme and the start of the application of the Single Act — which contains a chapter on the protection of the environment.

These two events will help push the policy further forward so that the advantages which the European Council predicted in the matter of economic growth and employment can actually be obtained.

The year will also be an opportunity to explain this new side to the Community's approach and to get it across to the maximum number of people in the EEC.

In this publicity and information campaign, the Community is hoping to change the behaviour of everyone in our society. It wants the need for environmental protection to be understood better and for environmental considerations to be decisive in any economic activity. o C.P.

INVESTMENT IN ACP STATES

Investment is the lifeblood of economic growth. It can come in many forms—from a peasant deciding to clear an extra patch of land to grow a surplus to a multinational corporation deciding on a new base of operations. As far as the majority of ACP States are concerned, investment can come from three sources: it can come from domestic capital formation; it can come from official transfers in the form of aid; and it can come in the form of private investment. The history of the last quarter century shows that a variety of factors have inhibited domestic capital formation, although things may now be changing for the better. The last five years have seen a decline in the volume of official development assistance, due again to a variety of factors, but perhaps principally to the economic downturn in donor countries. And as the economic prospects for ACP States have declined, due to these two factors, so their economic landscape has looked less inviting to the private investor. It looks very much like a situation of economic '*sauve qui peut*'.

Vice-President Natali made it clear at the Joint Assembly last September in Athens that Europe does not "presume to prescribe a code of conduct for others" and added that "Europeans are not spellbound by the charms of the *laissez-faire* message." However, the Third Lomé Convention reflects the swing towards private investment, in its fourth chapter which recognises "the importance of private investment" and which has stimulated a high-powered joint working group towards making some proposals. And the tide of opinion in ACP countries themselves is swelling massively towards the view that private enterprise, private investment and private initiative may be able to do more for economic growth and development than the agencies of the state.

At the UN Special Session in New York in May, the first sounds of this message were clearly heard; at the Enabling Environment Conference in Nairobi in October they were heard far more strongly. They are not due to a desire to please economic liberals in donor countries; they are rather the results of reflection on the state of many economies and the possible causes for their being in that state. They are the result of object lessons being taught, too, in other parts of the world: it should be remembered that, for example, in 1957, Ghana's per capital GNP was as high as South Korea's. Today the rate is: South Korea $ 1924, Ghana $ 360.

Private investment is governed, to a very large extent, by harsh economic laws which boil down to profit and loss. It is not dictated by sentiment, or by nationalism. If private investment is to be attracted it must be done by offering conditions which will profit the investor, whether he be a domestic or a foreign one. Those conditions cover the whole spectrum of economic life, infrastructure, services, market factors. A foreigner who invests may pull out in a dramatic fashion if the investment climate deteriorates: but a domestic investor can escape, too. The farmer will retreat into self-sufficiency; the dynamic businessman will turn to real estate speculation, importing or black marketeering.

This dossier must therefore, of necessity, cover a great deal of ground. It is perhaps heavier and denser than some other dossiers covered and we make no apology for that. But the subject is so large, and encompasses so many factors that perhaps some have been left out, and, if an apology is due, it is for that. ○ T.G.

The role of direct investment in financial flows to ACP States

by R.W. STROHMEYER (*)

Financial flows in the ACP States were never homogeneous either in their extent or in their structure. In each development decade there is a main actor playing a dominant role, although it should be noted that in general all data concerning this issue should be treated with some caution because their bases—if existing at all—very often are not complete nor comparable.

In the 1950s, direct investment by private foreign companies was the main source of financial flows to the Third World. During the 1960s the public development organisations played the lead. In the 1970s the international banks were the most active. The reasons for these changes have been complex. In general, in the 1960s and in the major part of the 1970s there was a trend towards restrictive measures against foreign direct investments. An increasing availability of alternative foreign capital, in the 1970s mainly as a result of recycling of the big oil revenues, disillusionment with the results of direct investments, and a growing nationalism contributed to this development. Following the empirical theorem that about $ 10-15 billion of additional external influx in the Third World could raise economic growth there by 1%, a current problem could be to find a new actor, willing and capable of playing a dynamic role in the transfer of financial resources to the developing countries. For the main actors of the past developing decades cannot be relied upon in the foreseeable future.

Trends in international capital flows to the Third World

Following the current scenario of the World Bank up to 1995, public development assistance as a percentage of the DAC countries GNP will stagnate at the level of 0.37%, although it will rise 2% per year in nominal terms.

The banking sector, as the last main actor, has reduced its transfers to the developing countries within only 2 years from a peak of about $ 4.22 billion in 1982 to $ −0.48 billions. It has to be admitted, however, that a certain part of these flows had always been provided to service existing debts. Therefore, the scenario of the World Bank assumes growth rates of private non-concessional loans between −14.7% (low) and +7% (high), each time related to the total of developing countries. Though the global amount of sub-Saharan Africa's debts is relatively small, the extent of the mentioned growth rates will probably tend towards the lower rate. For although total long- and short-term liabilities increased from "only" $ 38.5 billion in 1978 to approximately $ 80 billion in 1984, this is, however, equivalent to a rise from 30% of the region's combined GNP to 50%!

That is why the debt problem has become more and more a debt service problem for the ACP States. Moreover, this problem will not be substantially moderated by significantly higher export revenues in the near future. The long-term public debt service as a percentage of exports in sub-Saharan countries, which came up to 18.5% in 1984, is scheduled to rise to a projected 39.6% in 1985 (!) with a tendency to fall only slowly in the following years.

The reasons for the increase are manifold: it may be that the internal incentives for exports are not sufficient, it may be that commodity prices fell dramatically, or it may be that the many protectionist measures which were taken by the industrial states—for example in the textile and the agricultural sectors—represent constraints. The necessary rescheduling and adjustment programmes following from this, however, have a negative influence *per se* on foreign private investment. For they create an atmosphere of uncertainty, which reduces confidence in the overall performance of these countries and which therefore discourages private investment. Faced with this problem in particular are those ACP States which have already a debt service rate of 50% or more. Not least, this fact explains the sharp decrease of direct investment's part in the global capital flows to the Third World from 20% in 1970 to 9% in 1983.

Nevertheless, in its scenario up to 1995 the World Bank attributes the highest growth rate to the sector of private direct investments, taking the average between high (+5.7%) and low (+2.6%) as a rule.

Importance of direct investment

However, to award direct investment the role of the new main actor would be to go too far. Following the World Bank's scenario the average growth rate of the period 1970-80 of 5.8% will not be achieved, even at the best of the projected rate for the period with 5.7%. But already the latter presupposes that economic growth in the industrial states will continue and that the rate of inflation will stay at a low level, which would raise the attractivness of financing a project by foreign equity rather than by loans for the reason of interest payments. But it needs not to be stated that these premises have to be balanced against the problems posed by the high internal US debt problem and a return to rising energy prices.

This is a great pity, all the more because direct investments alone could represent an escape from this vicious circle of debt. For direct investment, as compared with public borrowing, offer to the host country the big advantage that the investor keeps the risks of a failure of the investment. That means that if the investment fails to yield an adequate return, the investor takes the loss, whereas if a publicly-guaranteed loan

(*) Administrator, Bavarian Administration on exchange with the EEC.

is misspent, the repayment obligations continue. Beyond that, direct investments transfer a bundle of resources: capital, technical know-how, management skills, marketing knowledge. With direct investment, transfer of economically valuable information—technology transfer in its widest definition—is inherently involved. In particular, by direct investment the competitive situation on the local market can be improved and, through that, an increase of productivity might be stimulated. Finally, foreign direct investment can also stimulate the acceptance and adoption of better technical and management methods in other sectors of the local economy in the long-term. The reason why this was not always the case until now is that in the interest of local enterprises—whether state-owned or not—measures were sometimes taken by host governments, which negated the positive pressure to adjust, which very often made the direct investment itself unprofitable in the end.

Stock and capacity of absorption of direct investment in ACP States

Even if the part of direct investment in financial flows to the developing countries will globally rise, from the viewpoint of the ACP States this increase appears in very different ways. Regarding the stock of direct investment in the developing world it should be noted first that in 1983 nearly 50% fell to only 5 (not ACP) developing countries without oil and secondly that the whole ACP group holds only about 15%.

The situation becomes all the more dramatic for the majority of the ACP States if one takes into account that this stock is scattered very irregularly over the ACP Group. In 1984, about two-thirds of the ACP stock of foreign direct investment was located in only 10 states (Bahamas, Gabon, Côte d'Ivoire, Jamaica, Kenya, Liberia, Nigeria, Papua New Guinea, Trinidad & Tobago and Zaïre), of which at least one (Bahamas) is a typical seat for holding companies. The others are practically all relatively well-developed Third World countries. That means that they have either important mineral resources or comparatively attractive domestic markets, which

Direct investment from DAC countries to ACP States (in $ m)

Country / Year	74	76	78	80	82	84
Angola	6.7	– 1.2	1.9	37.4	115.8	42.5
Antigua & Barbuda	—	–19.9	1.9	—	1.0	—
Bahamas	143.4	309.6	539.8	471.5	344.9	47.0
Barbados	0.0	—	3.8	4.0	3.3	0.3
Belize	—	—	—	—	—	—
Benin	– 2.0	0.0	0.0	1.7	0.1	0.0
Botswana	0.1	3.0	3.6	0.0	1.9	0.6
Burkina Faso	– 0.6	– 0.1	0.1	–0.2	– 0.2	– 0.1
Burundi	0.2	0.1	0.9	4.6	0.9	1.2
Cameroon	2.6	4.3	– 1.8	69.2	45.5	7.9
Cape Verde	./.	./.	./.	./.	./.	./.
Central African Republic	0.7	– 0.1	1.1	4.7	1.1	– 0.2
Chad	– 0.1	0.3	0.7	0.0	—	—
Comoros	—	—	1.9	—	0.2	—
Congo	18.1	2.4	0.0	– 0.8	15.5	40.0
Djibouti	0.0	0.0	—	0.2	– 0.1	0.2
Dominica	—	—	—	—	3.0	—
Equatorial Guinea	—	—	0.0	—	0.5	2.2
Ethiopia	0.5	0.2	0.0	1.0	2.0	0.0
Fiji	7.5	7.3	12.2	14.3	5.4	– 4.3
Gabon	12.6	6.8	9.1	24.5	102.6	13.1
Gambia	1.7	0.0	—	0.3	0.3	—
Ghana	14.3	– 3.7	– 2.6	3.4	2.0	4.6
Grenada	—	—	0.1	0.0	—	1.6
Guinea	1.5	– 0.7	0.6	0.6	—	0.7
Guinea Bissau	—	—	—	—	—	2.3
Guyana	1.4	5.0	—	– 0.2	2.0	0.1
Côte d'Ivoire	1.2	29.7	5.5	12.1	58.0	– 0.5
Jamaica	– 1.4	–80.9	–42.3	3.1	14.2	0.8
Kenya	23.4	33.8	57.0	24.1	12.3	0.2
Kiribati	./.	./.	./.	./.	./.	./.
Lesotho	—	—	0.0	—	—	—
Liberia	57.7	3.2	44.7	1.9	312.9	–22.8
Madagascar	6.8	– 0.4	0.6	– 0.8	– 0.1	8.6
Malawi	6.7	5.3	– 7.8	11.8	6.0	0.0
Mali	– 0.1	0.0	0.2	– 0.2	2.3	0.1
Mauritania	3.6	–28.8	– 0.6	– 3.2	– 1.1	0.2
Mauritius	3.6	0.5	0.8	13.3	7.2	0.4
Mozambique	2.0	12.6	2.0	4.4	1.9	– 3.2
Niger	1.5	31.4	19.9	– 5.8	– 2.1	1.5
Nigeria	–132.0	6.5	164.2	206.2	630.6	–252.1
Papua New Guinea	72.7	49.0	33.0	40.4	84.5	68.9
Rwanda	0.0	0.1	– 0.7	0.2	1.4	– 0.2
St. Christopher & Nevis	./.	./.	./.	./.	./.	./.
St. Lucia	—	—	—	0.0	—	—
St. Vincent & the Grenadines	—	—	—	—	0.0	0.1
Sao Tomé & Principe	./.	./.	./.	./.	./.	./.
Senegal	1.1	1.3	– 4.5	1.9	4.5	– 1.7
Seychelles	1.7	3.7	2.5	– 0.6	3.0	0.1
Sierra Leone	—	1.3	3.8	– 0.7	– 1.1	—
Solomon Islands	0.0	0.1	0.6	– 0.1	—	– 0.3
Somalia	– 1.6	1.3	– 0.1	0.0	55.8	20.3
Sudan	– 1.2	5.8	6.0	8.9	16.8	2.6
Suriname	7.5	1.1	1.0	– 0.4	—	– 1.2
Swaziland	—	2.0	0.3	9.4	0.1	
Tanzania	– 2.1	6.6	6.1	4.6	17.3	– 3.7
Togo	– 0.9	0.7	– 0.1	1.0	– 1.2	
Tonga	—	—	0.1	—	—	—
Trinidad & Tobago	10.4	– 0.7	10.9	54.1	18.0	– 3.0
Tuvalu	./.	./.	./.	./.	./.	./.
Uganda	0.0	2.1	2.0	4.0	2.0	—
Vanuatu	1.8	10.1	4.9	2.7	7.6	2.0
Western Samoa	0.0	—	0.3	—	—	0.0
Zaïre	52.0	238.4	97.7	109.6	– 2.4	–79.0
Zambia	14.3	28.3	25.9	36.8	62.4	– 1.3
Zimbabwe	33.4	29.1	21.1	80.0	46.3	0.7

Source: OECD-Computer Extracts. ./. = no figures available. 0.0 = less than $ 1/2 M.

could at the same time be used partly as a basis for the service of other (neighbouring) markets.

Only a dozen of the ACP States reach the critical mass of 10 million plus citizens, establishing a market whose purchasing power remains, even then, very modest. Nearly half of the ACP group (27 states = 42%) has a population of less than 1 million—among them 18 island states with less than 500 000 citizens—and only 15 ACP states have a population between 1 and 5 millions.

This cannot mean, however, that these small states will also be excluded from considerable direct investment in the future, but the kind of direct investment will be different and will make other, more complex, demands on both investor and host country than was the case until now. Nevetheless, there have already been amazing shifts in the past. Regarding the sectoral distribution of direct investment, it should be noted that until the end of the 1960s investment in extractive and primary sectors dominated. Until 1971, those investments represented about a quarter of all direct investment in the developing countries, but their share in 1978 was only 12.5%. In the same period, the manufacturing sector's share rose from 59% to 64.5% and that of the service sector from 18.1% to 22.7%.

New forms of investments

A more detailed analysis of financial flows to developing countries also indicates an increasing occurrence over the last years of so-called "new forms" of direct investment. These investments stand out by the fact that the foreign investor does not hold a controlling interest via an equity participation (in particular of more than 50% of the total equity) but where his investment is in the form of various international contractual arrangements such as licensing agreements, franchising, management contracts, turnkey contracts, product-in-hand contracts, production sharing contracts, risk service contracts, international subcontracting, and—most important—joint international business ventures, in which foreign-held equity does not exceed 50%.

One reason that these forms have not played a significant global role until now is certainly due to the fact that they do not promise the prestige which is usually linked with the big figure. Nevertheless, it would be shortsighted to underestimate these forms of direct investment for they, in particular, offer the great advantages of a more appropriate scale applied to the narrowness of most ACP markets and of a more appropriate technology and know-how transfer. These new forms have the additional advantage that those investments can also be undertaken by small and medium-sized enterprises in the industrial countries. This would comply with the wishes of many developing countries for a minor dependence on multinational enterprises, too.

By the same token, however, it should not misconstrued that, above all, the engagement of SMEs from industrial countries—if it is then accepted—has some preconditions in the ACP States themselves. In any case, there is at least a sufficient number of potential ACP counterpart firms with whom joint ventures could be concluded. In the development of the rural regions in the ACP States, and using this strategy to broaden their national markets, the fallow informal sector —until now very disadvantaged —has in particular to be encouraged.

This, however, will prove fruitless, if the formation of adequate equity—whether it be in the structure of a (farmers') co-operative or not—will not be possible by realising appropriate profits from agricultural production. The comparison with the Asian low-income countries demonstrates that there is still an unused potential for the sub-Saharan ACP States in particular.

Whereas in the former the internal savings in percentage terms of the GNP rose from 20.2% in 1965 to 24.3% in 1984, they fell in the latter from 11.4% to 4.3% during the same period. Therefore this may be one of the reasons why in that period investment in this part of Africa fell from 14.2% to 11.8% whereas it rose in that part of Asia from 21.3% to 26.5% (in percent of GNP). Other important preconditions, in particular for SMEs' participation, are stable conditions and simpler relations with the national administrations. The necessary improvements are, however, not only in the interest of enterprises originating from industrial countries. Due to the already-mentioned narrowness of most ACP markets, their regional cooperation becomes very important. But that might also consist, for example, in the foundation of common enterprises by nationals of several ACP States or by ACP States themselves. The fact that in the period 1978-80 2% of all international direct investment already originated from developing countries—even if mainly from newly industrialised countries— compared with only 0.3% in 1970-72, indicates a growing share for intra-ACP investments in the future. The concentration of these investments on small-scale industries might result beyond that in a parallelism of interest with medium-sized investors from industrial countries.

Direct investment and Lomé III

Five Member States of the European Community, the Federal Republic of Germany, France, Italy, the Netherlands and the United Kingdom belong to the group of 8 industrial states which in 1970 as well as in 1982 held about 90% of the global stock of foreign direct investment in developing countries—though with shifting shares of course. Due both to this importance of the EEC and due to the growing role of direct investment in the financial flows to the developing countries, the Lomé III Convention contains for the first time a separate chapter on investment (Articles 240-247). In this chapter the contracting parties underline the importance of private (direct) investment for the promotion of their development cooperation as well as laying down principles for the treatment of those investments.

Under the provisions of Articles 241 and 244 of Lomé III, the contracting parties are at the moment jointly studying both measures which will facilitate an increased and more stable flow of private capital to the ACP States and the scope and appropriate mechanisms of a joint ACP-EEC insurance and guarantee system for private investment. Special attention will be given by that to the specific disadvantages of least developed, landlocked and island ACP States (Article 246). These studies will be terminated not later than the beginning of 1988. They will help the contracting parties to supervise the implementation of the investment chapter of Lomé III. o R.W.S.

Another approach to African industrialisation

by André HUYBRECHTS (*) (1)

Although industrialisation throughout Africa has progressed since the countries gained their independence—essentially in the '60s and the first part of the '70s—everybody knows that this is the continent with the poorest rates of economic growth in the Third World, that the African economies are still primarily rural and very little turned towards industry and that the situation in what industries there are is disastrous.

SNI Cameroon

One of the four traditional paths to industrialisation in LDCs: processing local resources for export

The industrial sectors that have grown up in all the countries of Africa are at best embryonic and have made very little contribution to the overall development of the national economies. For a start, the industrial structure of each country is rudimentary and unbalanced and import substitution and the development of one or two exports tend to have produced only light consumer industries geared to the needs of an urban minority with a fairly high income. There are virtually no intermediate or capital goods industries and no integration, no stimulus and no industrial infrastructure. And the factories that do exist are long on costs and short on competitiveness and profitability. This is limited industrialisation, built on sand, and its effects are limited too. It adds little value, brings in no foreign exchange, creates few jobs, distributes few incomes (and very unevenly at that) and helps drag down the rural economy. It worsens the food security situation, adversely affects macro-economic competitivity, has barely any indirect effects, is a burden on the budget and the external debt and increases dependence on the outside world—a more than disappointing record.

A survey (Egnell, 1985) illustrates this. Only a fifth of the 343 firms covered were using what can be considered to be a satisfactory percentage of their capacity. Almost a quarter have ground to a halt and almost 60% are working badly, making very inadequate use of their production potential.

How did it happen?

This is very much the result of the countries' choice of inappropriate strategies and the application of inappropriate policies.

1. The development model chosen throughout black Africa has proved to be inadequate and too extraverted. Industrialisation did not deserve the relative priority it was given. The terms of trade between town and country were systematically fixed to the detriment of the rural areas and an exaggerated tapping of the rural surplus for the benefit of an urban minority, the state appartus and prestigious and unwarranted over-investment discouraged the rural producers, who took refuge in subsistence farming and reduced the production base which was a source of exports, foreign exchange and income, as well as food and industrial supplies and savings for investment. The concept of industry was also over-extraverted, dependent as it was on imported input and outlets that were abroad or export-linked.

2. Governments chose, or were influenced by, industrial strategies and policies designed for a different (i.e. industrialised European) socio-economic environment and they strove to set up factories along European lines.

3. Political leaders first thought in terms of outsize firms that were capital-intensive—hence overinvestment and the subsequent over-utilisation of capacity and the consequences in terms of non-profitability, recourse to external financing (a source of debt), the need for protection and subsidies that unbalanced all the economic machinery and the aggravation of the different kinds of dependence (financial, technological, commercial, managerial, entrepreneurial and economic) on the industrialised world.

4. The authorities, which had rightly taken over initiative and guidance in the industrialisation drive, also intervened directly in production. This was the start of the proliferation of state firms and the awful consequences we now know all too well.

5. Industrial policies remained strictly national and, because there was no integration or regional cooperation, the inadequacy of the market

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(1) This article expresses the opinions of the author—although the subject was discussed by a large number of European and African personalities convened by the then Commissioner Pisani for this purpose and thus achieved a certain consensus. Ed.

soon put a stop to the drive to create industries.

6. And industrial policies were badly affected by considerations foreign to the industrialisation target—problems of foreign exchange, monetary and exchange policy (overvaluing), prices, market policies and wage policies. Stimuli to industrial investment tended to worsen the trend towards capital- and import-intensive investments. So they became anti-incentive policies that cost money instead of generating added value, sending production costs off the rails, creating an added burden for the national economy and public finances and falsifying the industrial environment.


Intermediate Technology

Import substitution should start at a practicable level

Conventional industrial strategies

The four traditional paths a developing country's industrial strategy is likely to take (and they are neither mutually exclusive nor exclusive of other possibilities) are more or less blocked as far as the nations of Africa are concerned.

1. *Import substitution.* This is the most logical and (only) apparently the best idea, so it is the one the ACPs have most commonly used over the past 25 years and even more in some cases (Zaïre, for example). But the limitations are obvious, largely because of the narrowness of the markets and the limits that have to be set for the protection that helps palliate the non-competitivity of certain forms of manufacturing. Some industries of this kind have proved to be profitable, but others have been a burden on the national economy, pushing up debt and increasing dependence. Today, the limited size and poor growth of the national markets, combined with the failure to progress with regional integration, mean that practically no more substitution industries should be created.

2. *Processing local resources for export* (in the light of both success and failure).

It would be a mistake to expect very significant developments in the medium term here, because of the discouraging prospects of world demand, the heightened rate of technological innovation which results in saving of raw materials and energy and the creation of new materials, the problem of markets and the strong competition from other producers in both the industrialised and the developing world.

3. *Heavy industry and capital goods manufacture.* This is a sector that is virtually unknown in the ACPs and it is no more promising, overall, than the others (apart from one or two one-off undertakings in the biggest countries in the medium term), because of the size of the markets, the heavy financial and technical commitments and the constraints of international competition.

4. *Sub-contracting.* This means relocating all or part of the manufacturing process to sites where labour is not only plentiful but really cheap because it is efficient—which is hardly the case in Africa. There are only rare examples of this strategy in the ACP Group (in Mauritius, for example)—which is now being seriously hampered by increasing protectionism by the industrialised countries and the change in comparative advantages brought about by the latest technological leaps, automation in particular.

Objective constraints

We have only room to outline these briefly under two headings.

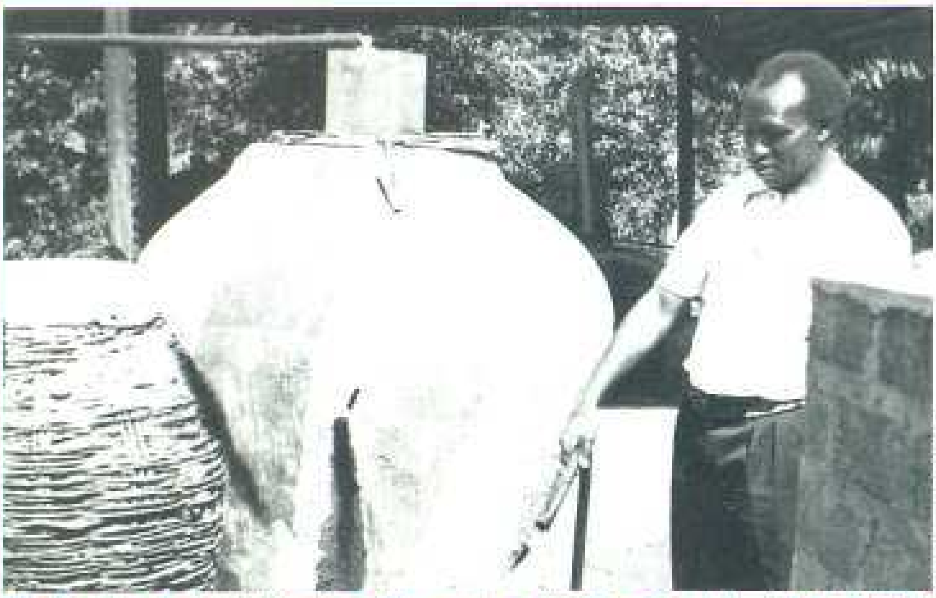
1. *The narrowness of the existing markets.* This may be obvious, but it is something that some ambitious policies contrive to ignore by focussing on the needs that want satisfying and the large theoretical outlets. It is a fundamental limitation. The local markets are very small. The rural markets are practically non-existent and the urban markets are very little better—but they import a lot. The regional outlets are compartmentalised in various ways and regional integration is more a question of theory than practice.

The African economies have to integrate properly if they are to industrialise

2. *The existing industrial structure is extremely fragile.* The under-utilisation of existing capacity is the most obvious illustration of this. People have over-invested in over-large concerns, but they have under-capitalised than at the same time. And the national environment is not right for industry. The labour force is short on qualifications and efficiency; technical culture is lacking, there is no dynamic approach to business, the policies and the institutions are wrong, the production costs are high, the infrastructure is weak and more.

Self-reliant development as an alternative

The heart of under-development in black Africa is the under-development of the traditional rural world, which is still preponderant and constitutes the essential factor of production, although it is in a situation of growing pauperisation. We shall not insist on this point—which is an increasingly accepted justification for a strategy of



Intermediate Technology

"Self-reliant industrialisation will... make a significant contribution to boosting the production of goods and services in response to essential needs"

integrated development based on agriculture and with food as its priority. But rural development—self-sufficiency in food, more autonomous development and priority on essentials—does not exclude other concerns and even means making complementary efforts that should be integrated into the rural development. For example:
— elementary conditions of health and education;
— basic services — transport, marketing etc.;
— minimum proper functioning of the state apparatus;
— an industrial component that accompanies rather than precedes rural development.

And a different kind of industrialisation

The strategy of self-reliant (or endogenous) development gives a whole new dimension and a new role to the sort of industrialisation that is geared to local needs and resources and the internal or regional market, to self-sufficiency rather than export and to integrated development as a priority—unlike the extraverted, piecemeal approach that has been predominant so far.

Although self-reliant development and industrialisation by no means involve an impossible or damaging autarky, they would make it possible to break with the idea of excessive involvement in the international division of labour whereby the balance of power always favours the dominant countries and the social classes associated with them. Self-reliant development, on the other hand, means more autonomous production systems and stresses the essential needs of the masses, the national outlets, domestic accumulation, greater autonomy of decision and less external dependence.

Self-reliant industrialisation will thus make a significant contribution to:
— boosting the production of goods and services in response to essential needs;
— increasing employment and spreading incomes widely;
— increasing autonomising links between the sectors;
— developing local sources of savings to be substituted for external financing as far as possible;
— capitalising on human resources (labour, management, training, research and innovation, technical adaptation, entrepreneurial spirit etc.) so as to contribute to the gradual, general mastery of modern technology.

Since the slowness of agricultural development and the absence of the rural masses on the market in manufactured goods are major stumbling blocks to ACP industrialisation, rural productivity has to be boosted in parallel to provide a greater surplus and the rural population has to be left more of this surplus to create purchasing power that can be used for agricultural input and consumer goods manufactured in the country.

In this case, industrialisation would not be seen in isolation as it is now. This inevitably meant failure and objective doubts as to the much-advertised priority given to it. It must be an integral part of an overall development process of which the rural world and agriculture are the driving force.

In this new framework, there are three aspects of industrialisation that should be priorities:

(a) The supply of agricultural inputs

If the peasants become motivated to production and productivity drives, if credit facilities and technical back-up are available and if the input is to hand (distribution and marketing), this input must, as far as possible, be produced locally. The two problems—modernisation of the agricultural production apparatus and industrialisation to produce inputs—must be taken together, which has rarely been done so far. Practically speaking, this means a certain number of materials and products—farm tools and the wherewithal for irrigation, transport, preservation, first-stage processing, fertiliser and pesticide, cattlefeed and more.

The potential market is enormous, if only because the basic level is so low. The essential thing is actually to bring this market into being and this must be the aim of agricultural and price policies—and of certain institutional and administrative adjustments.

(b) Processing

Products obviously have to be processed and adapted to the needs and tastes of the urban consumer. The obstacles to this are the weakness of applied research in this sector, the competition from products imported from the developing world and food aid.

But there are many paths to industrialisation—meal and flour, beverages, bread and confectionery, ready-to-use traditional foods, preserves and so on.

(c) The other needs of the rural world

The rare surveys of what are currently the hardest-felt and least-satis-

fied wants in the rural world show that priority demand is for a series of products and services that could well provide outlets (production and maintenance) for the local industries. They are:
— lighting — storm lamps, acetylene lamps and other forms of lighting;
— drinking water supplies — hand pumps and other supplies;
— housing construction — materials and ironmongery;
— all the manufactures already distributed in rural areas, textiles, household appliances, cycles and motorcycles, radios etc.), for which the potential demand is very high.

One or two priorities

Each State clearly has to choose its own priorities and establish its own industrialisation policy. The different approach to industrial development that we have just described does, however, almost always lead to certain policies and priorities.

1. Revision of the national framework of industrialisation

So far, the ACPs have made the state paramount in taking initiative and implementing plans and it has developed a centralised, all-pervading and highly interventionist administration for this purpose. And this administration has largely replaced stimulus by supervision. So far, the crisis has done nothing but boost this tendency, if only under pressure from private operators who want official aid at all costs. So the state framework has to be made dynamic and turned into an efficient support structure and the state firms have to be reorganised, by paring off what is superfluous and changing them into mixed or private undertakings.

2. Rehabilitation, maintenance and management

We shall not insist on the priority that has to be given to rehabilitating what exists but is currently in a state of malfunction. We are all aware of the alarming situation throughout Africa in this respect.

But there is more to it than rehabilitation. We must get to the root of the present situation and this means insisting on maintenance (equipment and amortisation) and management (accounting and forecasting) which are, as we all know, two major problems in Africa today. They must be borne in mind constantly, from the time of the decision to invest or rehabilitate, through the training programmes (particularly the technical and vocational ones) to the implementation of technical assistance.

3. Priority for SMEs

We shall not elaborate on this point either—although it lends itself to an extended discussion. Self-reliant development means that national firms, primarily SMEs at the beginning, must emerge. And they have to be given real, not just verbal, priority and our best thinking on the—indeed—difficult ways and means of achieving this policy.

4. South-South industrial cooperation

We have already insisted on the vital necessity of regional integration. The markets are the real problem in international competition, far more so than energy or raw materials or cheap labour. And big enough markets are the *sine qua non* of industrialisation. So it is vital to seek out all possible forms of integration and, at the very least, sectoral industrial cooperation in the regions. Here again, there is room for serious thought and, more than that, for decisive government action.

5. Industrial cooperation between firms

Lomé III is clearly a turning point in that it clearly expresses a broader approach, both parties agreeing, in particular, on the need to give investment fair treatment, to create clear and stable conditions to attract it and to maintain a reliable, predictable climate of investment. They say they are ready to conclude inter-state agreements on investment promotion and protection and agreements on specific projects and they undertake to run two studies together, one on the growth of the flow of capital to the ACPs and the other on a joint ACP-EEC system of insurance and guarantee against non-commercial risks.

The promotion of industrial cooperation between ACP and EEC firms should be seen against this promising background. This industrial cooperation, I feel, is essential. Although public cooperation is ill-at-ease in the industrial sector, and inefficient as a result, the cooperation of the private sector is vital. Who but they can choose properly? Who but they can transfer the technology of production and management, ensure the marketing, turn out the industrial products and, most important, get them to work? Industrial cooperation between firms, I think, is also something that generates development because it brings the transfer of far-reaching industrial knowhow—although there are very few other options. So North-South and particularly EEC-ACP cooperation has to be encouraged among firms. It should be the driving force of industrial cooperation.

The Community can make a very effective job of backing up the industrial promotion schemes in some States that are more determined to do this and in some regions that are anxious for it. One particularly effective idea here is the industrial forums run in such places as Dakar and Libreville. Events of this type bring businessmen and promoters from both public and private sectors of Europe and Africa together in a smooth-running organisation. The advantage is that they provide an opportunity to meet the maximum possible number of potential partners in one place, in only a few days, at low cost and on the basis of information that has been carefully prepared beforehand. So the chances of meeting someone useful are maximised.

Conclusion

Industrial development and industrial cooperation with the EEC have to be seen in their rightful place in the context of African development. And this place is not at the top of the list if the reality and the real priorities are borne in mind. But they are sufficiently important for the ACP and European partners to make the maximum use of the means Lomé III offers. The Convention creates a kind of industrial cooperation area which supplies the resources—and genuine opportunities. Clearsightedness and the political will of the partners will give them, we hope, the practical shape they deserve. o

A.H.

Overcoming political risk

by N. ARGYRIS [*]

Risk is inherent in economic decision-making. The investment decision, which requires estimates of returns many years ahead, involves obvious risks, which are particularly acute when the investment is to be realised in another country. This is partly because a degree of ignorance about the foreign country tends to make the project *appear* riskier (and evaluation of risk is essentially subjective), but also because foreign investment adds to all the normal risks that of fluctuating exchange rates and undoubted political risks associated with the very fact that ownership is foreign. Political risks include arbitrary or discriminatory actions taken by host governments (expropriation without adequate compensation, breach of contract) as well as losses resulting from wars or civil disturbances (either in the host country or in an adjacent country through which transport is disrupted) and, especially in the case of foreign investment, restrictions on currency transfer. One can also think of other risks, less commonly cited since outside the control of the host government, such as introduction of barriers to access to export markets.

Political risk is present in all countries, but it is in the case of developing countries that it is most usually cited as a factor inhibiting foreign investment. In the context of the emphasis currently being put by most bilateral and multilateral donors on the need to encourage private investment as a means of promoting development, special attention is being given to overcoming political risk. Most commentators consider, however, that economic and financial factors are likely to be the main determinants of investment decisions with political risk considerations playing a very subsidiary role. Indeed, large multinational companies would be expected to take political risk in their stride because of the geographical spread of their investments, and have moreover resorted increasingly to the new forms of investment in order to reduce both economic and political risks. Only in the case of unusually large projects would political risk be likely to be a significant factor for these companies. It is smaller companies, in both developed and developing countries, whose foreign investment decisions are most likely to be affected by political risk considerations. Yet investment by these companies often has a particularly beneficial effect on development because their projects tend to involve greater labour intensity, the use of more appropriate technologies and to have greater multiplier effects through linkages with the local economy. Hence, to reduce political risk may affect the quality as much as or even more than the quantity of foreign investment; and since investment is not an end in itself but rather a means of promoting development, its quality is at least as important as its quantity.

What then can be done to reduce or overcome political risk? The main possible measures fall into three categories: first, action by the host country to improve its inward investment legislation and administration; second, action by the home country in the form of insurance against political risks and third, joint action by the home and host country through the signature of a bilateral investment treaty.

Host country policies

Commentators generally attach particular importance to "the investment climate". In the Third Lomé Convention the ACP and the EEC agreed to "accord fair and equitable treatment" to private investors, to "encourage and create clear and stable conditions" and more generally to "maintain a predictable and secure investment climate". (Article 240).

These principles have to be translated into practice. This is usually done in the host country's "investment code", which specifies the treatment to be accorded to foreign investors and the conditions to be met by the latter. Codes vary significantly from country to country but generally contain provisions relating to equitable treatment, repatriation of profits, employment of foreign personnel, the tax regime, compensation in the event of nationalisation and dispute settlement, as well as specifying the sectors where foreign investment is admitted and the obligations of the investor relating to shareholdings by the host country, and performance requirements, including use of local inputs, training of local staff and so on.

The code sets the legal framework and the potential investor is likely to have regard both to its terms and to its stability. Indeed he may be less worried by terms which are not wholly favourable than by the instability of these terms which would make planning extremely difficult. Similarly the investor may be more influenced by the administration of the code than by

Political risk icludes the risk of war, civil war and even war in a neighbouring state. Here, Zimbabweans return to their country at Independence in 1980

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its content — his interest will be in having decisions taken rapidly and in conformity with the legal provisions. A generally welcoming attitude to private foreign investment will certainly improve the investor's confidence but will be more credible when backed up by a history of fair administration. Hence a change in climate is unlikely to have an immediate impact on the flow of foreign investment, especially if the change is a radical one.

Since host country policies will always be subject, in the eyes of the investor, to a degree of uncertainty, there is much to be said for consolidating the investment climate by bilateral investment treaties and for protecting investment by investment insurance and guarantee systems.

Investment insurance

Most capital-exporting countries established, usually in the late 1960s or early 1970s, systems of insurance against political risk. The risks covered by these systems generally include war, expropriation and currency transfer risks, and in some cases natural disasters. There are, however, variations between the different schemes both in the details of coverage (for instance, creeping expropriation is often excluded) and in the types of investment eligible, the new forms of investment frequently being excluded. The country coverage is often rather restricted and there are difficulties in relation to coverage for international consortia. Moreover, the schemes generally require that the investment benefit the economy of the home country as well as promoting the development of the host country. This may result in a concentration on projects to supply raw materials (mining, plantations, etc.) or on projects promoting exports, and the exclusion, for instance, of small manufacturing projects promoted by small companies. There is also a private insurance market which provides cover against certain political risks (but not the war risk), but premiums are high and the period of cover rarely longer than a few years.

The scope of these national systems and of the private sector is thus not as wide as it might be and in general they insure a very small proportion (well under 10%) of capital outflows. Consequently, attempts have been made to establish a multilateral system which would provide much broader coverage of investments against political risks. Discussions began in the early 1960s and a variety of proposals were made, in particular by the World Bank and by the European Commission. While a regional scheme, the Inter-Arab Investment Guarantee Agency, was established in 1974, progress elsewhere was blocked until recently, when the World Bank launched its proposal for a Multilateral Investment Guarantee Agency (MIGA), which may begin operating before the end of this year. MIGA will considerably extend the scope of available insurance by covering a wider range of risks, by extending cover to host countries which are for various reasons excluded by national systems and by enabling investments to be insured even where the home country has no national scheme. MIGA should also facilitate insurance of projects promoted by multinational consortia. (See box for further details of MIGA).

The Third Lomé Convention provides, in the Investment Chapter, for a study to be made jointly by the ACP and the EEC of the scope and appropriate mechanisms of a joint ACP-EEC insurance and guarantee system, complementary to existing systems. The study will be in two phases: the first phase will determine whether the gaps in the coverage offered by existing systems (including MIGA) provide sufficient scope for a viable and financially autonomous ACP-EEC system, and the second phase will outline the possible operating principles and mechanisms of such a system. This study will be launched in the spring and is expected to be completed by the end of this year or early in 1988. The results of the study will be examined in the Joint Working Party established to monitor the implementation of the provisions of the Investment Chapter.

The spread of insurance systems is certainly a welcome development. It should enable investors to make their decisions without being unduly influenced by non-economic factors, and in particular to take a longer-term view of their projects, so that the developmental impact should be greater. However, even with the advent of MIGA, there will still be scope for improvements. In particular, two aspects of risk coverage merit some comment.

First, the risks insured always relate to actions by or events in the host country. This is usually considered to be justified by the principle of subrogation (under which the guaranteed investor assigns an existing claim to the insurer who is thus able to pursue the claim after paying compensation to the investor). On the other hand, subrogation does not apply in all cases: for instance, claims against the host government will not normally exist in respect of losses due to wars or civil disturbances. Hence it would be conceptually possible to insure against risks in other countries such as the disruption of transport facilities in neighbouring states in the case of investment in landlocked states, or the introduction of restrictions on market access in the export markets targetted by the investor. The proliferation of so-called grey area measures (such as "voluntary" export restraints) demonstrates that the risk of such restrictive measures is a real one and there is little doubt that it can be a significant factor inhibiting the transfer of production from developed to developing countries.

The second comment concerns the impact of insurance upon the behaviour of the parties, sometimes called "moral hazard". The point here is, for instance, that the insured investor may not take all the steps he would take, if he were not insured, to avoid the realisation of the covered risks. A related problem may arise in the case of breach of contract, a category of risk to be covered by MIGA. For instance, the terms of an investment contract may turn out to be unduly favourable to the investor, as can happen especially in the case of mineral exploration where potential reserves and extraction costs are unknown in advance. The investor may be tempted to exploit his initially strong bargaining position to the full and then to insure the result against breach of contract. This would significantly weaken the position of the developing host country and it would seem that such insurance should only be granted in respect of contracts which include adequate provisions for renegotiation.

In any event insurance on its own is not a solution, since no insurance system will grant cover unless the investment climate is reasonably favourable. Most systems require the existence of protection under a bilateral investment treaty, or an equivalent standard of protection in national law and practice. Premiums are usually lower where a bilateral investment treaty exists. MIGA is expected to negotiate protection agreements with host countries where no adequate protection exists.

Bilateral Investment Treaties

Over the last 25 years a major network of bilateral investment treaties has been developed. An OECD report [1] lists nearly 200 such treaties between OECD and developing countries, of which over 50 are between

(1) Intergovernmental Agreements relating to investment in developing countries, Report of the Committee on International Investment and Multinational Enterprises, March 1985.

The Multilateral Investment Guarantee Agency (MIGA)

In October 1985 the Board of Governors of the World Bank, meeting in Seoul, decided to open for signature the Convention establishing the MIGA. Membership is open to all members of the World Bank and to Switzerland. A preparatory committee of signatories met in September 1986 to draft the initial by-laws, rules and regulations needed for the Agency to start operations. By mid-December 1986 the Convention had been signed by 11 developed countries and 39 developing countries, of which 18 ACP, representing in total 63% of the Agency's capital. The Convention will enter into force when it has been ratified by five developed countries and 15 developing countries representing together at least one-third of the subscribed capital. By mid-December 1986 six developing countries had ratified the Convention.

The objective of the MIGA, as defined in the Convention, is "to encourage the flow of investments for productive purposes among member countries, and in particular to developing member countries ..." To this end the Agency, which will have full juridical personality, is empowered to guarantee investments flowing from one member country to another against losses resulting from non-commercial risks and to undertake various promotional activities such as advising on inward investment policies and disseminating information on investment opportunities.

MIGA will provide insurance cover for the three standard categories of political risk: the currency transfer risk, the risk of expropriation and similar measures and the risk of war and civil disturbance in the host country. The Convention adds a fourth category of risk: breach or repudiation by the host government of a contractual commitment towards the investor. Other categories of risk may exceptionally also be covered if both the host country and the investor so request, but cover may in no case be granted against the risk of devaluation or currency depreciation.

Investments eligible for cover must be new direct investments (as opposed to portfolio investments). The term is not defined in the Convention, leaving scope for a broad definition including not only equity interests but also equity-type loans and new forms of investment such as service and management contracts, licensing, leasing and so on. The investment may be made in monetary terms or in kind (for instance by supplying equipment or providing knowledge). There is a provision enabling a guarantee to be granted also in the case of investment financed by repatriated flight capital. The investment project must be economically sound, contribute to the development of the host country, comply with the latter's laws and regulations and be consistent with its development objectives and priorities. The host country is, moreover, required to give its approval before an investment can be guaranteed by MIGA.

The Agency is an autonomous institution and is expected to operate on a commercial basis covering its costs and any insurance claims out of its premium income and other revenues. MIGA's operations will be backed by its subscribed capital and by the sponsorship arrangements described below.

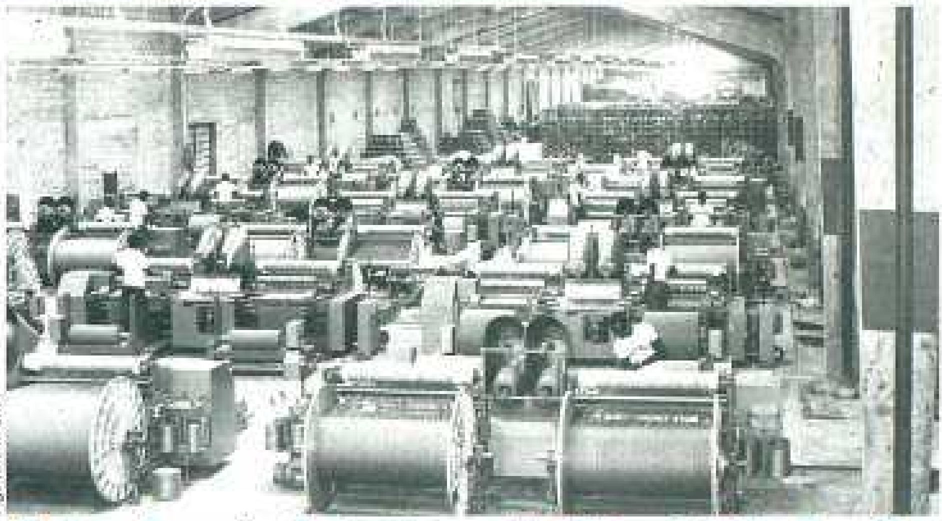
MIGA's authorised capital is SDR 1 billion to be subscribed by its member countries. The size of the subscription ranges from SDR 0.5 million for the smallest developing countries to more than SDR 200 million for the largest developed country. In the first instance, members will be required to make a cash payment equal to 10% of their capital subscription. This sum is to be provided in convertible currency, except that for developing countries one-quarter of the amount may be in the national currency. The Convention provides that each member is to receive a basic fixed number of votes plus a number of votes proportional to its capital subscription. The fixed number is calculated in such manner as to ensure that, taken as a whole, the developed country members and the developing country members have voting parity. This reflects the view that home and host countries have a mutual interest in foreign investments.

The volume of guarantees backed by the Agency's capital is limited in the first instance to 1.5 times its subscribed capital plus reserves, a prudent ratio which may be increased in due course. Guarantees can be given for investment in developing countries by companies from developed or developing countries. The possibility of promoting South-South investment is an important feature of MIGA, since such investment is thought to be more likely to entail technology which is appropriate to developing countries.

The Agency will also have a sponsorship window, under which the guarantee provided by it will be backed by the contingent liability jointly assumed by all sponsors. This facility is financially distinct from the Agency's other operations. There is no limit to the value of guarantees that can be provided through the sponsorship window, which also enables investments in developed countries to be guaranteed. o N.A.

ACP States and EEC Member States. Although there are differences of detail, these treaties generally follow a standard format based on a draft Convention prepared by the OECD in 1967.

The standard format includes a relatively wide definition of investment (covering also the new forms of investment), defers to the laws and regulations of the host country as regards the latter's acceptance of the investment, and provides for the investment to receive "fair and equitable treatment". While the notion of "fair and equitable" treatment is not in general defined, there is also usually a provision that the investment will receive "most-favoured nation treatment" or even "national treatment", although the latter, if taken literally, could seriously impede a development strategy based on the promotion of national enterprises. It is, however, very rare to find any provisions on the performance requirements which host countries frequently impose on inward investment and which relate in particular to the use of indigenous inputs and to the export of a minimum proportion of outputs. (These trade-related investment measures are among the subjects to be addressed in the Uruguay Round of multilateral trade negotiations which was recently launched in the GATT). Bilateral investment treaties inevitably deal at some length with expropriation and measures such as the use of price controls, to make an investment unprofitable, arbitrary restrictions on raw material imports, or unwarranted administrative interference, whose effect is equivalent and which have been termed "creeping expropriation". The standard provision is that expropriation should only be undertaken on public interest grounds, and that, where undertaken, it should be non-discriminatory, be carried out with regular legal procedures, the state honouring all its contractual obligations. Among these obligations is the provision of compensation which is adequate, prompt and effective: meaning that the amount of the compensation should reflect the real value of the investment, that it should be paid rapidly and in a freely usable currency. A dispute settlement procedure is also included, generally by providing that disputes will be referred to the International Centre for the Settlement of Investment Disputes (ICSID), which belongs to the World Bank Group. ICSID has 87 member countries of which 44 are ACP States.


Aga Khan Fund

The looms for weaving these jute bags, used by Filtisac in Abidjan, Ivory Coast, are the most modern of their kind and the only ones installed in Africa. A comprehensive form of insurance for investor and host is the best guarantee that they will continue to work

In the Third Lomé Convention the ACP and the EEC affirm the importance of concluding bilateral investment treaties and ban discrimination between ACP or EEC States. There is also provision for multilateral agreements to be concluded in the case of specific development projects of special importance to the ACP States. This power, which was introduced on a more restricted basis in the Second Lomé Convention, has not yet been used, so that the scope of the provision remains unclear.

Bilateral investment treaties are generally couched in terms of reciprocity: that is, each party agrees to accord the same treatment to investments made on its territory by nationals of the other party. Where the parties are a developed and a developing country this reciprocity is essentially fictitious; and it is clear that the real *quid pro quo* for the treatment accorded is the investment itself. Nevertheless, one may speculate on the possibility that developing countries might seek an alternative *quid pro quo*, for instance, the introduction or maintenance of a tax regime which does not discriminate against outward investment or an undertaking not to impede exports by the investor to his home country. The treaties would then be designed to overcome both host and home country obstacles to foreign direct investment.

These treaties have an important role to play in reducing political risks and in creating and maintaining a climate of confidence between the home country, the host country and the foreign investor. It is therefore not surprising that they are increasing in number and that there are now even a few between developing countries.

Conclusions

As developing countries have increasingly sought to attract private foreign investment, attention has focussed on the obstacles to such investments. These obstacles are no doubt principally economic and financial, but political risk is also a factor which should not be and is not ignored. As suggested above, however, more attention could be paid to political risks outside the host country especially in relation to access to export markets.

In this article we have briefly analysed the main approaches to overcoming political risk, examining in turn host country policies, investment insurance and bilateral investment treaties. In reality these are not alternative measures; they complement each other. The investment treaty confirms the host country's adherence to a policy of fair and equitable treatment and the two constitute a satisfactory basis for an investment to be insured whether by a national insurance system or multilaterally. ▫ N.A.

Obstacles to investment, seen from the European side

An analysis of obstacles to "directly productive" private investment is explicitly provided for by Lomé III (Article 241) as being a way of getting a better grasp of how to remove them and expand this type of investment—by which the Convention sets considerable store.

At the EEC Commission's request, consultants have run studies showing which obstacles are inherent in the ACP situation and which are attendant on the European view of things. The former (1) are summed up in A. Huybrecht's article: "A different approach to African industrialisation" as what are often unsuitable development models and industrial policies, over-investment, over-capital-intensiveness, problems relating to foreign currency, the exchange rate, wages policies and price policies; narrow markets, the high cost of some inputs, the shortage of local businessmen and any proper industrial framework (basic infrastructure, reliable communications, maintenance or repair services, information etc.), restrictions on expatriate staff and repatriation of foreign capital, protectionism, institutional and administrative constraints (unstable tax systems, problems with import licences, etc.) and even cultural constraints, such as a wariness about transferring technology.

Obstacles of the latter kind are discussed in a study by J.A. Tilot (2), which was completed in October 1986. The following article sums up Tilot's work, which was based on a survey of more than 1000 European firms and organisations of various sizes and sectors in nine of the countries of the EEC (3).

An estimated 10% of Europe's firms could go in for industrial cooperation with a Third World partner, although only 1-2% are already doing so. For those who are, the decision to cooperate is usually in emulation of another European company, partner or sister company and, in at least one case in five, triggered by a proposal from a future overseas partner.

Why are firms that could cooperate not doing so? Outside the factors relating to the situation in the developing countries themselves, there are, the survey shows, various types of difficulty. They are, in order of importance, the lack of any decent information, human problems, bad distribution of the means of financing and a number of tax and other difficulties. However, it is important to realise that profit is not the only reason for investing or for preferring one country to another. The motives of firms investing in the Third World are not nearly so simple, as they involve complex commercial and technical considerations—the survival of a brand-name or product for example, protection of a market, the amortisation of trade assets, tiding over until other activities are resumed and so on. This is why some inter-company cooperation agreements are for countries that are less attractive than others. But these reasons apart, the prime obstacle—as far as the Europeans are concerned—is information. Or lack of it.

Getting "proper" information

It is vital for the investor to have information so he can get to know the terrain, compare decisions, find opportunities and partners, bring in external means and assistance, organise the undertaking, limit the risks and know what the major changes are. So he needs details of the general economic framework right through to the most sophisticated technical issues.

The general information will be about the country and its regions, their evolution, any local risks; the conditions of industrial activity (cost and availability of inputs, services and social legislation), the markets; financial affairs (taxation, guarantees and the exchange situation); and local business structures.

Investors tend to think there is too much of information of this kind, but say there is a shortage of exact, precise, recent and condensed data. As they see it, the best sources of information are the local bankers, trade advisers, operators and so on... although they often come up against the problem of the confidential nature of information, which is why operators' "clubs", which can pool their information, are so often felt to be a good idea. Lastly, one subject that is felt to be particularly useful is future prospects — which, it has to be admitted, is one of the most difficult of areas.

Specific information about the chosen *sector* mainly relates to the main producers, importers and brokers, the strategy and results of established firms, the usual procedure with the transfer of technology, the evaluation of non-material contributions, turnkey operations, ways of entering the sector; national or foreign aid programmes for this sector; standard clauses in contracts. This simple list shows that the information is pragmatic, often rare and often, but not always, hard to find. Industrialists, for example, regret not being *au fait* with national, bilateral and multilateral assistance programmes that could make for synergy with their own efforts.

Information relating to a *product or project* relates to finding partners and opportunities, commercial channels, feasibility and implementing studies, local human resources and how the project technology fits in with the conditions of production and demands of the market. Getting this information together means a long and arduous series of jobs, particularly for smaller firms, and the situation is even worse for European businessmen who are not near the big industrial centres.

Tilot suggest that one answer to the problem of information might be to set up data bases that distribute details

(1) P. Queyrane: Les contraintes à la coopération industrielle inter-entreprises ACP-EEC (Constraints on industrial cooperation between ACP-EEC firms), 110 pages + annexes, EEC Commission, February 1985.

(2) J.A. Tilot: Les obstacles à la coopération industrielle entre entreprises européennes et partenaires dans les pays en développement — difficultés du côté européen (Barriers to industrial cooperation between European firms and partners in the developing countries — European problems), 98 pages.

(3) Belgium, Denmark, France, Germany, Greece, Italy, Luxembourg, Netherlands and the United Kingdom.

Harder work and additional duties make it hard to find the right sort of expatriate staff

through computer terminals or by newsletter.

Manpower shortage

The second problem the businessmen raise is manpower—there has to be enough qualified staff to study the situation, produce dossiers and, above all, set up production. At this final stage, someone has to live on the spot, leave his firm and even face a whole range of personal problems such as tax status, maintenance of social security and conditions of family life. Without the right status and enough guarantees, an increasing number of qualified managers are refusing to agree to expatriation—which often also means harder work than in Europe and doing such things as training local staff, too.

Tilot suggest a number of ways of coping with this, including setting up "flying squads" of specialised staff, creating the "status of expatriate" and special training programmes.

Financing problems

Many businessmen said there were financial problems, but this general heading covers a wide range of questions.

The first is public financing institutions, which the private sector says are short on means, slow and formal in their procedures, geared to big firms and full of red tape. The trading banks are said to have high lending rates, dislike non-material operations (the transfer of know-how, for example), and tend to rely on a public institution, one of the consequences of which is that local development banks then intervene, apparently creating difficulties. There are also complaints about lines of credit. These, it would appear, often help sectors other than industry and are used without consulting the businessmen concerned...

It is hard to find a source of financing for some components of an industrial investment, particularly preparatory studies and equipment. And then there is the fact that the European partner's commitments have to be quoted in foreign currency, which makes things worse when there are different sources of credit at different rates and tends to lead to the kind of management that is too complicated for small and even medium-sized firms, which cannot easily get help from the foreign-exchange brokers. Another thing that may be a problem for an investor seeking a licence agreement is the local partner's insistence on him holding more than the usual 10% of the value of the business—this percentage corresponding to the cash down-payment on the licence, hitherto used to buy the shares. And above all, if the cooperation is with a local firm which is short of own resources, that firm will rarely find the means of financing (shares, bonds, cash certificates or even leasing) on the spot.

Tilot suggests trying to solve these problems in various ways but most importantly with a guarantee system such as MIGA [1]. The question of the guarantee is one of those raised under the miscellaneous heading as being a potential obstacle to investors.

A wide range of problems

This survey was like any other in that it revealed a wide range of miscellaneous problems. On the subject of guarantees and insurances, for example, the European businessmen want to see any commitments the European partner made in an industrial cooperation contract covered by a collective private investment guarantee system involving a broad definition of the "non-commercial risks" and aimed at a wide audience. At the moment, only 10-15% of international investments are insured because the big firms often provide their own cover and because the present premiums are too high, as well as being at a flat rate (instead of scaled according to risk and host country). Bilateral systems already exist and they need adding to.

In the case of the transfer of technology, the replies to the survey mentioned that intellectual property rights

(1) The Multilateral Investment Guarantee Agency (World Bank) will take effect once the ongoing ratification procedure is complete.

were ill-defined and badly protected in industry—and this applied to the technology, the know-how and professional techniques. The worst affected are the small firms and, the study maintains, protection should be provided by a network (to be created) of offices that transfer technology to the developing countries and certify intellectual property, supply outline contracts, help avoid disputes and ensure a simplified security procedure.

A number of tax problems, from the management of profits to the dual taxation of expatriates, were raised. There is, alas, no miracle solution for the whole of the countries concerned.

Training is the last problem area. The study points out that European businessmen who negotiate with their opposite numbers in the developing countries have noticed a remarkable change over the past 15 years in the know-how and ability of the people they are negotiating with. But there has been no equivalent improvement in the European staff sent overseas and staff in European firms would like to be taught to shoulder responsibility in the Third World. They want advanced classes on the economic environment in the developing countries, on recent experience of industrial cooperation, and on the particular conditions of industrial activity in the developing world. Local staff and technicians also need specific industrial training—which the European businessmen would prefer to see offered locally, possibly on an in-service basis.

What to do?

The reasons for investing and not investing are closely linked. Three out of five European investors say the problems are to do with the host countries themselves, but that any investment decision is a matter of weighing up the pros and cons. So all the obstacles should be tackled, not individually, but together.

On the European side, Tilot suggests that there is no difficulty that automatically rules out investment. The obstacles mentioned vary in seriousness, but they tend to be drawbacks rather than total dissuaders, they cannot be intrinsically blamed on European structures and remedies can be found. o M-H.B.

Three 'musts' for freeing the market:

Interview with Mr G. Wissels, Secretary-General of the Group of Seven

The Group of Seven, as its Secretary-General explains, is a loose but powerful grouping of private concerns in EEC Member States with close ties to ACP countries, to Africa in particular. Their work is not called development—it is the pursuit of profit, growth, market share and the other aims of private enterprise. But as becomes clear in the interview, there is considerable harmony between corporate aims in Europe and the aims of those in charge of developing the ACPs' economic strength. Gerhard Wissels, a Dutch economist who has worked both in the public and private sectors, and who is the Group's Secretary-General, shows how public and private welfare could be combined.

► *Mr Wissels, can you tell me what the Group of Seven is, and whom it represents?*

— Well, yes, the Group is a group of institutes, chambers, organisations of private business with interests in Africa—mostly in Black Africa. There are seven of them: the Afrika Verein in Hamburg, the Assafrica in Rome, CIAN, Conseil des Investisseurs français en Afrique Noire, in Paris, two institutions in Great Britain, the West Africa Committee, and the East Africa Association in London, as well as the Chambre de Commerce Belgo-Africaine here in Brussels, and the Afrika Instituut in The Netherlands. In our last meeting a representative of Portuguese private enterprise was present, and we hope we'll have a Portuguese member in the course of this year. So these members of the Group represent private enterprises in their countries with interests in Africa, (we think we have some 1200 'members of our members' in total) people who have vested interests in Africa; have invested there, or because their branches have been set up there or gone into joint ventures; banks, services and traders who are interested in having a market for their goods.

► *What are the main aims of the Group of Seven as they stand at the moment?*

— It's probably correct to start with the founding of the Group in '73, when the idea, especially among French and German institutes, was that in the Lomé Conventions and the relations between the European Community (at that moment enlarged with the entry of Great Britain, Denmark and Ireland) and Africa, things were organised too much in a government-to-government way. If real development in Africa was the purpose it was felt we should try to have more leeway for entrepreneurs within the economy and get attention drawn to the possibilities of autonomous growth of the economy in those countries—private enterprise growth. In the Lomé Convention there was a lack of insight, and of stimulus to develop private enterprise in African countries, and we felt private enterprise in Europe should ask governments for discussions about the new Lomé Convention to look into that aspect of development policy. The Group became active in submitting memoranda to the negotiating parties for Lomé II and for Lomé III, and you see the results in Lomé II in the first instance, and in Lomé III somewhat more already as in Title IV of Part III.

► *But you feel that both partners have really taken note of what you've said, and included more scope?*

— Yes. That's what the Group thinks it has done, asking for it, having attention drawn to the positive aspects of private enterprise development in the development policy convention. So we think it is a positive action and our aim continues to be of help in creating as comfortable a climate for private enterprise, for investment, for free trade as possible in the future. In pursuit of that we are con-

"The emphasis laid on food autonomy... is a very wise one." A joint venture chicken farm in Nigeria.

tinuing discussions with the Community, with the Commission, with DG VIII, and with the African Ambassadors here in Brussels. It is a very useful thing and that's why we want to be present permanently in Brussels.

▶ *To what funds, and what expertise does the Group have access?*

— Well, I think I must be rather negative in answering that question. The Group doesn't have funds. It has a very small budget for its functioning here in Brussels, and that's it. Up to now we haven't had access to funds — outside funds either. So I think the first part of your question is to be answered very negatively. As for expertise, of course amongst our members, and what I would call my "member's members", in the enterprises that work in the field in Africa there is a lot of expertise, and it's on the basis of this expertise, of course, that our discussion with Commission officials and African Ambassadors and African officials take place.

▶ *I noticed in your manifesto that you laid great stress on education and training. How far advanced are your education and training plans for businessmen, entrepreneurs, and so on, in the ACP States?*

— We lay great stress on education and training programmes. But you have to remember that we are only a very loose and informal grouping, and that those programmes take place within our "members' members", within the enterprises. In general the enterprises have programmes for training and education. People just have to use skills available here either in programmes in Europe, or else in Africa, where technical assistance can be given. Normally for an enterprise it will be in the course of its normal transactions. There will be the profit aim involved for private enterprise and that does exclude the idea that firms could run technical assistance programmes such as the Commission does.

▶ *So it's really up to the Commission to ask, and not for you to offer, you feel?*

— Well we would like to offer, but we can't. Private enterprise has a responsibility to its owners, its shareholders and has to justify its costs. Of course, technical assistance is a costly thing so if it can be added in a transaction, it's acceptable; if it is something that can be put in as part of a commercial deal, it is acceptable. If it's not, there has to be some payment for it — you'll have to pay experts — expatriate experts come at a rather high price. Firms are not philanthropic institutions and do not dispose of taxpayers' money. They will have to answer questions from the shareholders.

▶ *What, in your estimation, are the critical economic factors for revitalising ACP economies?*

— Well I think the general emphasis laid now on food autonomy in these countries is a very wise one. European industrialisation also started on food autonomy before we established industry. In an economy, the first phases involved people being fed, and before you have that you can't even hope to industrialise. So that's the first thing, I'd say. The emphasis now is laid, by donors to African countries and the countries themselves, on this aspect. They will have to think about the agricultural policy aspect. Secondly, I think there is a question of bureaucratic hindrances to developing the economy in the countries concerned. Also, for developing industry in those countries there is a handicap in that the markets are very small and anything that could promote regional or continental cooperation in freeing the markets is a very useful thing. I personally think that in Lomé IV, some kind of analogy to the European Payments Union founded after the war in relation to American help in the Marshall Plan for Europe would be very appropriate for Africa at this time, to overcome difficulties of payments. I think that industrialisation in all African countries can of course be export-oriented to the world market, but should surely in the first place be oriented to regional markets around the industrial base in the country. So I think an opening up of the market by way of deregulation and payments reorganisation is a very important thing. It seems that the PTA and others are working in that way and should be strengthened and helped to function by all possible means.

▶ *So really your two priorities are: food self-sufficiency, and greater regional economic and monetary cooperation to create the sort of markets that would enable industry to sustain the take-off?*

— Well, I had a third that I mentioned to you: the deregulation of industry. I, myself, have been an official for 25 years or so, and I've been in private business for about 15 years of my working life now, and I understand better why private business isn't always very happy with government regulations. I've seen it from both sides, and I really believe that government should restrain itself as much as possible from interfering in markets and in economic development. Those countries need a lot of help, but I heard from a Malian banker referring back to the situation in Europe after the war, there was a slogan: 'No aid, but trade'. This slogan will become more interesting for Africa in the future as cooperation between the Community and the ACPs will orient itself more to self-sustaining autonomous growth based on more private enterprise. ▫

Interview by T.G.

Joint venture investment in ACP industries — CDI's functions and experience (1)

by Dr. Eckhard HINZEN and Diarmuid PEAVOY (2)

During the past 10 years the ACP-EEC Centre for the Development of Industry has helped to establish and strengthen a considerable number of industrial enterprises in ACP countries. It has also put a lot of effort into encouraging joint ventures between ACP entrepreneurs and private investors in the European Community.

In accordance with its mandate, CDI has been operating selectively, giving priority to small and medium-sized industrial enterprises that meet the needs of ACP states.

Although CDI has given valuable help for the improvement of *existing* ACP enterprises, its interventions have so far involved the mobilisation of only ECU 150 million in *new investments* with the creation of about 3 400 jobs.

Certainly this result is quite modest and invites critical analysis of the reasons for such limited success. However, as many of the global obstacles to private investment in ACP countries have been treated elsewhere in this issue of *The Courier*, we will focus here mainly on CDI's own experience of the problems of joint venture promotion.

ACP investment background

While agricultural and service sectors remain paramount, every ACP State today expects the manufacturing sector to greatly increase its contribution to GDP, thereby providing a much-needed boost to employment and income. Thus each ACP State, whatever its factor endowments and socio-economic structure, has now adopted some general industrial strategy.

Government and international development organisations have recently begun to emphasise the importance of the private sector and private investors (domestic and foreign) as a highly efficient driving force for industrialisation.

The current industrial objectives of ACP States are well conceived, but they are not easy to realise. Adequate policies, institutional and legal frameworks, could well have a catalytic effect. But they do not of themselves generate viable project concepts, nor mobilise private investors.

Industrial dynamism, with continuous self-generating investment, is not yet to be found in most ACP states. By and large, appropriate industrial and entrepreneurial fabrics are still missing.

A further disadvantage is that the majority of the ACP Group are least-developed, landlocked and island states. This makes them less attractive to private investors.

Against this background, CDI's role in promoting private investment (besides other functions like rehabilitation, training and marketing assistance) is not without serious obstacles.

Identifying projects

To prepare the way for new investments, the first and perhaps the most important step is to identify ACP project proposals with real prospects of viability and profitability.

It is of almost equal importance to find capable ACP entrepreneurs and potential ACP investors to whom the primary initiative and leading action can be entrusted.

Let us now briefly describe how CDI sets about identifying ACP projects and promoters.

CDI has always tried to have direct contact with private operators in ACP countries with a minimum of bureaucratic procedures. A direct link is provided by CDI's liaison offices (so-called "antennae") which are close to the private and public sectors in all ACP states, e.g. chambers of commerce and industry, development banks (or corporations) and industrial consultants.

These antennae's continuous efforts to identify investors and project proposals are complemented by CDI-sponsored project verification and identification missions.

In addition, industrial potential surveys which CDI has systematically undertaken since 1984, in most ACP countries, have generated a large number of investment proposals and have confirmed the availability of suitable promoters.

Face-to-face meetings with ACP promoters have been found to be an important prerequisite for judging the validity of their investment proposals.

Finding EEC partners

Many ACP proposals call for the involvement of technical partners and investors from abroad. CDI therefore provides, by way of its publications, contacts, and promotion meetings, wide access to European industrialists.

The latter are equally encouraged and helped to present suitable project proposals for promotion in ACP countries. CDI can provide them with a valuable link to ACP industrial milieux and can also furnish them with relevant information about investment conditions in various ACP countries.

In this manner a large number of project proposals are obtained and investor contacts are facilitated. Yet the way to successful partnerships and effective investment is long and difficult, and many would-be partners drop out along the way.

The matching of interests has proven to be extremely difficult, for small

(1) The Centre for the Development of Industry (CDI) is an ACP-EEC institution established in 1977 under the Lomé Convention. Its address is: Rue de l'Industrie 28, 1040 Brussels, Belgium.

(2) Dr. Eckhard Hinzen is a project finance expert attached to CDI's Investment Promotion Division. Diarmuid Peavoy is attached to CDI's Administration Division as a public relations expert.

and medium-sized projects. (On the other hand, larger investments seem to progress satisfactorily without the help of intermediary organisations like CDI).

The question must therefore be asked: who are and what are the basic interests of small and medium-sized ACP and EEC investors?

Profile: the ACP promoter

In the absence of a long and solid industrial entrepreneurial tradition in most ACP countries, ACP promoters are often newcomers to the industrial scene. Their backgrounds are diverse. For instance, they may have been traders, artisans, owners of agricultural land, retired civil servants, or former politicians.

Their management experience and capabilities, as well as their relevant technical skills, are often quite limited. They do not easily adopt the long-term planning perspective so necessary for industrial investments.

The risk capital which ACP entrepreneurs make available for industrial investments is usually scarce and is sometimes limited to the assets of land, buildings, certain legal assets, or goodwill.

Thus, the ACP promoter typically expects his foreign partner to provide technical and management know-how, entry to foreign markets (in the case of export-oriented projects), plus a considerable contribution to equity capital and access to foreign loans at preferential terms.

Profile: the EEC partner

Potential European partners for ACP projects are found among a wide range of existing small and medium-scale enterprises. They have often had some previous contacts with developing countries, through importing and exporting activities. Their motives can be manifold; and some are, of course, more suitable than others for a lasting industrial cooperation in an ACP project.

While some European manufacturing firms try to expand their sales by establishing foreign subsidiaries, others want to secure and enhance their supplies of raw materials by involving themselves in further processing in the countries where raw materials are found.

Yet, apart from these more genuine investment interests, there are also many firms who are predominantly anxious to supply plant and machinery, technological know-how, input materials and service contracts.

The latter group is usually less inclined to offer a capital participation but prefers less binding forms of industrial co-operation like licencing and management contracts.

Another significant cause of interest in investing in ACP countries comes from the restructuring made necessary by growing competition, concentration and technological progress in Europe. European firms affected by such conditions often seek opportunities to contribute second-hand plant and machinery as part of their investment.

When it comes to project financing, European joint venture partners more often than not take a very risk-averse attitude. They are worried by political, administrative and monetary obstacles in the host country.

Nevertheless, a significant financial participation by the European partner is usually a pre-condition for obtaining preferential project loans from European development finance institutions.

Convergence of interests

On top of the above factors, the restricted market demand, as well as the scarce input supplies in most ACP countries, additionally limit the extent of the genuine convergence of ACP and EEC investors' interests.

Moreover, the highly mechanised technology available from Europe often does not correspond to the usually small plant capacity and investment size required for an ACP project.

Another constraint is that the relatively small investment and turnover, in many ACP-EEC joint venture projects, cannot cope with the necessarily higher overheads (due especially to the cost of expatriate personnel).

It is therefore not surprising that, notwithstanding CDI's great efforts to select and appraise projects and investors, successful joint ventures are still the exception rather than the rule.

The selection process

Given the difficulties we have described, CDI's role in the substantiation and pre-appraisal of projects and promoters is important for the discarding of unrealistic demands and the avoidance of wasted effort and resources.

ACP sponsors and their resource capacities are verified with the help of CDI's local antennae and project proposals are assessed via pre-feasibility appraisals. When selecting projects for assistance, CDI gives priority to those which involve the processing of raw materials, labour-intensive operations and suitable technologies, and which will provide net export earnings and efficient import substitution.

Similarly, potential EEC partners are assessed with regard to their financial strength and their capacities to supply adequate technology and know-how.

Shortcomings

The following are some typical shortcomings encountered *on the ACP side* at the selection stage:

- the market potential has been overestimated;
- local raw materials are not available in sufficient quantity or their quality is poor;
- licences required for the exploitation of local resources have not been obtained;
- the available risk capital of the promoter is too small in relation to the total investment needed;
- guarantees for eventual foreign loans are not available;
- the transfer of foreign exchange (for the importation of materials, debt servicing and the payment of dividends) is too restricted.

Shortcomings also appear *on the European side*. The following are typical examples:

- the technology offered may be inadequate or the plant may be excessively large;
- the partner may be competent as an equipment supplier, but is less suitable for operational management;
- the European market is not receptive to, or rewarding for, the ACP manufactures concerned;
- the European partner's financial capacity, or his commitment, may be insufficient;

CDI-Peyroy

Tannery, Gambia. Workers sammying hides in the CDI-assisted joint-venture tannery project in the Gambia

• the European partner demands undue control of management vis-à-vis the equity share he is offering.

Helping with implementation

If a project and its partners pass the pre-feasibility appraisal, and if the project shows reasonably good prospects of feasibility and promises to yield mutual benefits, CDI encourages and assists the partners to meet and to sign a letter of intent. This states their joint commitment to the advancement of the project. It specifies certain tasks to be undertaken by either party and confirms their promise to contribute capital (once a detailed study eventually proves the project to be feasible).

In many cases a thorough feasibility study is required to establish the techno-economic viability of the project. However, ACP promoters and some small or medium-sized European industrialists, are inadequately equipped to undertake such studies on their own. CDI therefore offers a valuable form of assistance by co-financing studies.

CDI provides further support towards implementation, in the form of technical services, legal advice and searches for sources of industrial finance.

All this is meant to provide a sound basis for investment decisions; and CDI's role as an honest broker is aimed at assuring both parties of fair treatment and helps to increase their confidence in one another.

Delays and failures

As must be expected some projects turn out, upon close study, to be technically or financially unviable. Of those found feasible, the majority will still encounter a number of problems and setbacks resulting in the delay, or even in the abandonment, of implementation.

It should be noted that the average time-span (from the completion of a feasibility study to the implementation of the project) comes to almost two years. In CDI's experience excessive delays, or failures of implementation, occur mainly because of any combination of the following reasons:

• sudden and serious deterioration occurs in the investment conditions in an ACP country (e.g. political upheaval, changes to the foreign exchange regime or to the tariff and tax policies);

• it transpires that government licences, the provision of land and infrastructure, or investment incentives, are not forthcoming;

• local equity and especially guarantees for foreign loans (or for export credits from Europe), become unobtainable;

• the ACP promoter diverts his interest to other investment outlets (e.g. commerce, real estate);

• the partners eventually prove to be unsuitable (economically, technically) for collaboration;

• prices fall or internal conditions change in prospective export markets;

• local/external financiers (development banks, etc.) decline financing.

It is against this background that CDI's "modest" implementation rate, for new joint venture investments, should be judged.

Some of the factors favouring the establishment of successful joint venture projects can be discerned in the accompanying box, under the heading "Ongoing joint venture projects".

Other forms of investment

More recently CDI recognised the "new forms of investment", i.e. licensing, subcontracting, marketing contracts, etc.

CDI will assist projects based on such formulae, where equity joint ventures are unsuitable. CDI has already assisted new ventures based on licencing/franchising arrangements in two ACP countries.

Furthermore, private investment in ACP projects should be enchanced by the improved investment insurance and guarantee schemes being established by the World Bank and also being initiated under the Lomé III Convention, as well as by various risk capital and preferential loan facilities which have been introduced by development finance institutions (with whom CDI liaises).

However, many CDI-assisted projects have been able to proceed *without* direct foreign investment.

For instance, CDI has long been assisting the development of adapted technologies which are now a significant feature of many projects entering production. These are usually small-scale and do not require external equity investment.

CDI's assistance with the rehabilitation, diversification or expansion of existing ACP enterprises, forms the bulk of its project implementations. Such projects also imply new investment, but this is usually supplied by local sources and does not require external contributions.

Moreover, CDI has also given start-up and training assistance to many new industrial enterprises which had already found plant suppliers and finance. Again, such projects did not need to seek foreign investment. ○

Ongoing joint venture projects

The accompanying article outlines the various difficulties and practical obstacles in project promotion and preparation. It will therefore be instructive to take a look here at some projects which successfully went into production.

Over CDI's ten years of existence it helped a total of 85 industrial projects to go into production.

The number of projects entering production has markedly increased during the last three years. These have tended to involve smaller investments and increasingly labour-intensive operations.

The share of export-oriented projects has remained low, coming to only some 20%.

It is difficult (and perhaps not very useful) to provide aggregate statistics for these projects, as investments range from some ECU 40 000 to ECU 10 million. They are also rather diverse, ranging from the small-scale production of roofing tiles, to the manufacture of furniture for domestic markets, to the production of honey, fruit juice and leather for export, to the production of biogas and briquettes from agricultural waste (as alternative local energy).

However, in order to give some insight into the motivating factors behind ACP-EEC joint ventures, we shall briefly describe a few successful projects.

• Electric control panels (Senegal and France)

CDI located a French partner for an existing local electrical contractor and financed a feasibility study for the manufacture of electrical switchboards. Investment was ECU 280 000 and the factory employs 30 people.

The Senegalese entrepreneur wanted a foreign partner to purchase components on favourable terms in Europe and improve his expertise and credibility when going for large contracts.

The French partner wanted to associate with a company in the region, to be in an advantageous position when responding to calls for tender.

• Production of brushes (Gabon and France)

CDI located a French partner, co-financed the feasibility study and assisted with training both in France and Gabon. Investment was ECU 170 000 and the factory employs 11 people.

The Gabonese partner wanted to diversify out of his large painting and decorating business into the related field of brush manufacturing. For this he needed the expertise of a foreign partner.

The French partner had recently taken over a small and ailing brush plant which he quickly rescued. He found expansion in France difficult due to competition from large firms and welcomed the opportunity to invest his know-how in an overseas venture.

The partners soon established mutual confidence and friendship which became a major factor in the success of this venture.

• Leather tannery (Gambia and Belgium)

CDI located a Belgian partner, co-financed the feasibility study, evaluated second-hand equipment, assisted with the negotiation of the joint venture agreement and provided implementation assistance. Investment was about ECU 600 000 and the tannery employs about 20 people.

The Belgian partner was obliged to shut down his tannery in Belgium, but wished to remain in the business of leather manufacturing and to continue to supply his customers in Europe.

The Gambian partners wished to establish a tannery and to add value to exported hides and skins.

The second-hand machines supplied by the Belgian partner reduced the cost of the investment; and this partner's expertise and market outlets helped to establish the project.

• Mother-of-pearl buttons (Mauritius, Vanuatu and France)

CDI initiated the joint ventures, provided implementation assistance and helped to train local staff. Investment was ECU 70 000 (Mauritius) and ECU 29 000 (Vanuatu). The plants employ 10 and 9 people, respectively.

The French partner needs mother-of-pearl as a raw material for buttons which he supplies to the European fashion market. The island states of Mauritius and Vanuatu have access to an abundant supply of mother-of-pearl which they wanted to exploit to earn foreign exchange.

Under these joint ventures, the companies established on the islands organise the collection of the shells. They then fashion them into mother-of-pearl button blanks to be made into finished buttons in France.

• Honey processing (Western Samoa and Germany)

CDI co-financed a feasibility study and assisted with joint venture negotiations. A German company took the majority of equity capital. Total investment was some ECU 400 000 with direct employment for 12 people and indirect employment for numerous self-employed beekeepers.

The German partner wished to blend pollution-free honey from the Pacific islands with the product he prepares for the European market.

The Western Samoan partner was attracted by the sales outlet provided to many Western Samoan beekeepers.

As these examples illustrate, each ACP and EEC partner had very distinct reasons for wanting to create a joint venture and was therefore strongly motivated to make it successful.

The evidence shows that it is important that the partners are mutually dependent in reaching their objectives and complement each other with quite specific resources.

As experience has shown, such opportunities and conditions for new joint venture investments in ACP countries are unfortunately not found in abundance.

Therefore, it seems to be necessary and appropriate to explore additional or alternative forms of industrial cooperation and to give great attention to the rehabilitation of existing enterprises. ○

The EIB: a stimulus for investment in the ACP States

by P. TABARY [*]

The European Investment Bank registered a sound start to activity under the Third Lomé Convention in 1986 when financing provided over eight months of the year (the Convention entered into force only at the start of May) totalled ECU 209.7 million [1], comprising 150.7 m in subsidised loans from the EIB's own resources plus 59 m in risk capital operations.

In accordance with the task assigned to it under the Convention, the EIB provides financing mainly for industry (including agricultural processing), mining and tourism as well as for productive infrastructure such as energy sector equipment, transport and telecommunications. This element of specialisation, the flexible and attractive conditions of financing available, the frequent practice of co-financing—giving promoters access to various sources of funding often of a complementary nature—plus operational experience gleaned since the first Yaoundé Convention enable the EIB to act as a catalyst for investment in the ACP States.

Investment eligible for EIB financing

Investment qualifying for EIB support may centre on any of a range of productive activities involving processing of local products or imported raw materials, or output earmarked solely for the local market, for neighbouring countries too, or for export further afield. Projects may focus on establishing new activities, expanding sectors inadequately represented in a given country, extending existing enterprises or rehabilitating production capacities bedevilled by economic or technical problems. Where appropriate, the EIB can provide various types of financing tailored to the specific features of the project involved as well as to the local and general backdrop against which it is being implemented.

The EIB funds both projects mounted by promoters in the ACP States and joint ventures entailing cooperation between enterprises in the EEC or other countries, and local partners. It also attaches particular emphasis to projects fostering regional cooperation between ACP States.

Loans may be granted to private companies, public investors or, as is most frequently the case, enterprises in which the ACP State concerned holds either a majority or minority stake alongside private shareholders in the same or other ACP States or companies or groups based in EEC Member States or other countries; capital distribution, however, does not constitute a decisive element when granting a loan.

Projects financed may involve expenditure both at local level and on imports. However, it should be pointed out that, as a general rule, orders must be placed following international invitations to tender—procedures here may be vetted by the Bank—and contracts awarded on a non-discriminatory basis and in such a way as to guarantee the project the greatest chance of success.

A project and its various stages

Without reviewing in detail the arrangements applicable to financing provided by the EIB [2], it should nonetheless be pointed out that, in view of the wide variety of funding facilities managed by the Bank, various stages of one and the same scheme may qualify for several types of financing, each complementing the other where appropriate.

— *project preparation*: the EIB may furnish support for feasibility studies designed to establish a sounder basis for the start-up of projects or to assess optimum conditions for implementing ventures. Such studies are financed through conditional loans, i.e. credit of which the terms and conditions are tailored to the type of study involved and of which repayment may be cancelled in certain cases. The choice of consultants must be approved by the EIB.

G. Prunet

"Investment qualifying for EIB support may centre on any of a range of productive activities." Here, manganese extraction in Gabon

(*) Information Officer, European Investment Bank.

(1) At 31 December 1986, 1 ECU = Bfrs 43.23, Ffrs 6.88, US$ 1.07, £ 0.72, CFAF 343.752.

(2) These aspects were dealt with in the ACP-EEC Courier No. 98 of July/August 1986 (pp. 17-20).

— *equity participations:* the EIB may, in the name and for the account of the Community, acquire a stake in the capital of a company with a view to bolstering the latter's equity base. Such holdings, generally of a minority and provisional nature, are transferred with the agreement of the State concerned as soon as operation of the project so permits. In most cases, however, the EIB does not play a direct role, but grants a conditional loan to an ACP State, bank or local financial institution enabling it to purchase a stake of this kind. Such operations may be mounted in the productive and financial sectors (development banks).

— *the project itself:* the project per se may be financed either from risk capital resources or from the EIB's own resources.

Technical assistance during the start-up phase and the building-up of initial or stand-by stocks may also be financed in certain circumstances, normally through conditional loans. However, support for a project is earmarked mainly for acquiring equipment, constructing buildings and establishing various installations.

— Drawn from risk capital resources, conditional or subordinated loans may be granted for projects requiring quasi-capital assistance, priority being accorded to schemes in the less developed ACP States listed in Article 257 of the Convention.

— Tapping its own resources (i.e. chiefly the proceeds of its borrowing operations), the EIB may finance up to 50% of the project cost over a term not exceeding 15 years in the case of industry, with a grace period of up to five years tailored to the type of venture involved.

In accordance with the Bank's Statute, EIB financing must be secured by first-class guarantees which may be furnished by the State in whose territory the project is located. In practice, adequate bank guarantees may also be accepted in the case of certain privately mounted schemes.

In the ACP States, there is also provision for interest subsidies (normally 3%) drawn from EDF resources which ensure that the rate actually borne by the borrower ranges from 5% to 8%, although these arrangements do not apply to the oil sector.

EIB

Signing of an EIB contract for loans to SMEs in Madagascar. The Minister in the President's Office responsible for Finance and Economic Affairs (second from right), Mr Rakotomavo, and the Governor of the Industrial Bank Mr Randriamaholy are signing in the presence of Mr Ross of the EIB

The EIB often participates in co-financing operations mounted with bilateral or multilateral financial institutions as well as with private banks.

— *industrial rehabilitation,* an essential requirement in the ACP States in the present economic climate, particularly in conjunction with economic restructuring programmes, may also qualify for EIB financing. Such operations are funded preferably from risk capital resources, usually via conditional loans which are especially well suited to the specific constraints and prospects attaching to this type of project. Loans from own resources may also be granted, depending on individual cases.

It should be emphasised that, in practice, the EIB often makes available various types of support for one and the same project, either in tandem, successively or at various stages in the venture's life, in such a way that the financing package is tailored to the borrower's requirements and possible changes in the economic environment.

SMEs and co-financing

For reasons of operational efficiency, projects financed directly receive loans which rarely run to less than ECU 2 million. Below this amount, the EIB works with local or regional development banks in conjunction with global loans (lines of credit) funded from own and/or risk capital resources. It is then able to support the same types of scheme, but with individual amounts down to around ECU 30 000.

This practice allows the Bank to finance small and medium-sized industrial, agricultural processing, mining and tourism enterprises of particular importance in promoting the sound growth of economic activity in the ACP States. It also enables the Bank to rely on local intermediaries who are more abreast of economic realities in this sector.

A final point calls for mention: in serving as a stimulus for investment, EIB support is often provided as part of a co-financing operation mounted with bilateral or multilateral development aid institutions and with commercial banks. Although it is impossible to quantify this aspect precisely, EIB participation can clearly exercise a positive influence on the decisions of other financial partners to contribute towards the scheme, hence bolstering the flow of capital to the ACP States.

The diverse and complementary nature of financing facilities offered by the EIB, representing the fruit of experience gleaned over more than 20 years of activity in support of economic development in Africa, highlights the positive role which the Bank can play in assisting investment by enterprises. To sum up, it may support private promoters by bolstering their equity base, funding preliminary studies and providing credit on preferential conditions (long-term, conditional, subordinated or subsidised loans), either when mounting new projects or when rehabilitating existing enterprises, thereby making an appreciable contribution towards economic liberalisation programmes designed to foster the development of the private sector. ○ P.T.

Investment in the South Pacific

by Raymond DUNSTAN (*)

When we mention the South Pacific, one thinks of palm trees and sandy beaches. While this is basically true, if we exclude Australia and New Zealand the islands region covers a vast ocean but only a small area of land.

The ACP States in the South Pacific are Fiji, Kiribati, Papua New Guinea, Solomon Islands, Tonga, Tuvalu, Vanuatu and Western Samoa. These eight states in what is referred to as the Pacific Basin have a total land mass of 524 000 km², and if we allow for a 200-mile exclusive economic zone, their combined sea area is 11.7 million km². The huge area of ocean is a tremendous asset that is as yet virtually untapped.

These developing countries are endeavouring to stimulate investment in the region. However, with the relatively small economies of most of these states, and the remoteness of many of them, it is found that the big investors usually bypass the islands and look for larger-scale investment in Australia, New Zealand and other Pacific Rim countries.

The two larger ACP countries, Fiji and Papua New Guinea, do attract substantial investment. Indeed, Papua New Guinea, with its 462 243 km² and 3½ million population, has attracted large-scale investment recently with projects such as the $ US 1 200 million Ok Tedi copper mine.

The island states of the South Pacific are not heavily populated and are blessed with good rainfall and in most cases fertile land. Kiribati and Tuvalu are the exceptions. Their land is not very productive, but the sea around their shores abounds with fish. Both these countries have been successful in recent years in negotiating favourable commercial agreements with foreign fishing fleet operators. Kiribati will shortly receive two EEC-funded pole and line fishing vessels. It is of interest to note that both Kiribati and the Solomon Islands governments are thinking of venturing into purse-seining which will represent a considerable investment for these countries.

Investment trends in the region are encouraging. However most countries are seeking a higher degree of investment in order to create employment, and in turn improve the standard of living of their people.

Levels of development

The countries of the South Pacific are at different levels of development and, at times, because they produce similar products, compete for the same investor. This can lead to exploitation of the good will of the Pacific by investors.

Not all ACP States in the South Pacific have specific and clear-cut policies on investment, but all countries are endeavouring to attract the investor in some form or other. It is felt in some quarters that harmonisation of basic incentives would be of benefit to the region. However, at this point in time, little has been achieved as each country still has its own set of investment guidelines with little regional coordination.

It was against this background that, given the ACP initiative worldwide to strengthen chambers of commerce, the South Pacific region in April 1984 decided to establish the Pacific Islands Association of Chambers of Commerce (PIACC). The objectives of PIACC are to promote, encourage and assist economic and social development of the countries in the region, and to facilitate improved business and trading conditions between its members and trading partners around the world. It was with the help of the European Community's funding under the Lomé Convention that PIACC was established and placed on a firm footing in order to stimulate and coordinate the private sector operators of the region and to communicate with the appropriate government departments in its member countries.

Export industries

There is a varied array of incentives offered to potential overseas investors and countries in the region are endeavouring to upgrade incentives to create export-oriented industries. As most of the islands' populations are small it is essential that any industry being established is geared for export.

Garment manufacturing generates substantial foreign exchange for Fiji and Tonga, where garments are targeted at the high quality Australian, New Zealand, Singapore and United States markets.

In Fiji some 3 000 people are employed in 100 garment factories, ten of which are export-oriented with between 30%-95% of their production being exported. The Fiji government in the last 12-18 months has actively supported manufacturers in negotiations with Australian authorities. It is expected that within two years exports will increase substantially and the number of people employed in the industry will double.

A little over five years ago, the island kingdom of Tonga adopted a positive attitude to attract foreign investment. The relatively small group of islands, with a land area of 700 km² and a population of 100 000, has set up a small industries centre which is, in effect, an export processing zone (often referred to as EPZs). Induced by these initiatives, Scantonga established a mini-backhoe factory, Saddle and Harness Manufacturers Limited a leathergoods factory, and more recently the South Pacific Manufacturing Company established a factory to manufacture high quality handknitted wool sweaters and now employs 50 women on its staff.

Interest rates

It is interesting to note that a major source of foreign exchange in Samoa is obtained from Western Samoans living overseas remitting funds to assist their families and relatives back home. It is estimated that about 25% of Samoa's external income is remittance money from citizens working overseas, mostly in New Zealand and, to a lesser extent, Australia.

The lowering of interest rates in Papua New Guinea and Fiji appears to be a step in the right direction. It has beome apparent to some governments of the region that to create new invest-

(*) Chairman and Chief Executive, Pacific Islands Association of Chambers of Commerce (P.I.A.C.C.).

ment and economic growth and to reduce production costs, interest rates should be lowered. To this end pressure has been exerted on commercial banks to lower interest rates, and projects that have been placed aside in the last year or two are now being revived. It is expected that the lowering of interest will stimulate many business ventures including those in the building and manufacturing sectors.

In the 1987 budget of Western Samoa, the Minister of Finance Hon. Faasootauloa S.P. Saili said the country, which had suffered sluggish economic growth, was on a verge of a breakthrough and with the lowering of interest rates, the establishment of an industrial free zone and attractive incentives, local and foreign investment in Western Samoa will accelerate.

One South Pacific country has promoted investment by establishing a tax haven. Vanuatu in the early 1970s enacted legislation for the development of an off-shore banking centre in its capital Port Vila. Whilst there has been a rapid increase in the number of banks and finance houses, Vanuatu still relies on its four main export products, i.e. copra, beef, cocoa and timber, to bring in foreign reserves to the country.

Investment seminars

The South Pacific Bureau for Economic Cooperation (SPEC), in association with the Asian and Pacific Development Centre, recently sponsored a Forum in Suva, Fiji, on potential ASEAN-South Pacific Investment. Senior executives of the ASEAN Chambers of Commerce and Industry met their South Pacific counterparts in a three-day seminar at SPEC headquarters. Issues presented included overviews of economic development plans for each of the regions and centred on the investment policies of South Pacific countries.

It became apparent that the Development Plans of the South Pacific countries had virtually all selected agriculture, fisheries and forestry as major areas of development. These priorities, along with tourism and the establishment of new manufacturing industries, present the potential foreign investor with a range of investment opportunities.

One point which emerged from the discussions was that the ASEAN region knew very little about the South Pacific, and much benefit could be derived if the Pacific Islands Association of Chambers of Commerce (PIACC) and the ASEAN Chamber of Commerce and Industry established permanent lines of communication to stimulate and improve the flow of information between the private sectors of the two regions. Investment in the Pacific could be further stimulated by opening up private sector communication between the various chambers of commerce and industry of the two regions.

The United States Agency for International Development (USAID) has sponsored several seminars in the region. These seminars have been aimed at teaching businessmen improved financial management techniques and stimulating exports, particularly to the United States.

In May 1986, the Pacific Islands Association of Chambers of Commerce, sponsored by USAID, conducted an Export to the USA seminar in Fiji to which three delegates from ten island countries were invited at USAID expense. US experts in agriculture, fisheries, food and drugs, customs, cooperatives and marketing, conducted group discussions and held private interviews with South Pacific exporters. Four months later, as a follow-up, USAID assisted the region's exporters in setting up a South Pacific Pavilion at the 4th International Food Show held in San Francisco. This exhibition not only established confirmed markets for South Pacific products, it also led to enquiries on potential investment and joint venture projects with exhibitors.

Economic development authorities

Economic development in some countries is placed in the hands of statutory bodies. The Economic Development Board of Fiji is a good example. The EDB is the first point of contact for foreign investors wishing to set up business in Fiji. The board has clear guidelines for investment in accordance with Government policy, and has on hand details of incentives and concessions that are available to potential investors. The EDB is prepared to assist in market research and the preparation of feasibility studies for desirable projects. In addition to these services, the EDB conducts investment seminars and export development trade missions to overseas market centres.

Economic development boards and authorities throughout the region try to establish a path through the various government departments and, where possible, reduce the bureaucratic red tape that the investor has to face.

The coconut industry

The humble coconut is the common denominator in the South Pacific. Until recent years, the industry has been the backbone of most Pacific island countries. With the lowering of copra prices, many countries have had to look to other sources to bridge the gap in foreign reserves brought about by depressed copra revenues.

The South Pacific is generally regarded as having high quality coconut products. There is considerable pressure being brought on the region to move into value added coconut products. Some economists feel it would be beneficial to set up a processing plant in a central Pacific location to process coconuts brought in from the other countries in the region.

One thing has been made quite clear: the once-thriving coconut industry must come to grips with the very real problems the industry faces. It is hoped that the newly established South Pacific Coconut Industry Federation will tackle this challenge with vigour. If it succeeds in establishing regional cooperation in this vital industry, some of the smaller island countries may see their faltering coconut plantations finding a new lease of life.

Tourism

While most of the countries in the region are cautiously moving towards tourism, several countries are actively and aggressively pursuing the tourist's dollar. Tourism is high on the investment priority list of some South Pacific countries. The sandy beaches and warm clear waters attract Australian and New Zealand visitors by the

Mr Puran Lala, Managing Director of Pablo Ltd of Fiji, and Pablo's Production Manager, Tony Moller, looking at the tangible result of a joint venture with an Italian company

hundreds of thousands. Recently Americans, Canadians, Japanese and Europeans have shown more interest. Relaxing in the friendly atmophere of the South Pacific is a major holiday attraction for these people.

A ECU 3.2 m regional tourism development project funded by the EEC was established in August 1986. The Pacific Regional Tourism Programme will provide technical assistance, training and education programmes, marketing studies and economic impact surveys.

Tourism is big business, and is seen by some developers as one sector where rapid expansion and good returns on invested capital are assured. The investor has a wide range of styles to consider, from small homely establishments to multi-million dollar complexes. Fiji is currently in the final stages of negotiating a $ US 150 m Saweni Beach Resort complex. This is large-scale investment in anyone's language.

Joint venture programmes

One of the longest running joint venture projects in the region is the New Zealand Government's Pacific Islands Industrial Development Scheme (PIIDS), which was established in 1976. The scheme provides assistance for New Zealand entrepreneurs establishing or expanding manufacturing or agriculture-based processing operations, or setting up pioneer agricultural ventures in South Pacific Forum Island countries (FICs). In the last decade, over 80 joint venture projects have been established, creating direct employment for in excess of 1 000 people.

An Australian Government aid programme has been designed to improve the capability of development banks in providing equity capital for domestic investors. By channelling funds through development banks, the Australian Government has assisted private sector entrepreneurs in establishing new ventures and in some cases expand existing business operations.

The EEC, through the Centre for Development of Industry (CDI), has established a joint venture programme for the ACP States. Two companies in Fiji have taken advantage of this scheme. The partnership of Pablo Limited and Central Pharmacy Limited of Suva have joined with Sicplant International of Italy in a plan to set up a $ US 4.85 m venture in Fiji. The Managing Director of Pablo Limited, Mr Puran Lala, has been carrying out most of the feasibility studies and negotiations. Mr Lala pointed out that the whole idea originated when he attended a CDI-funded meeting in Port Vila, Vanuatu in November 1983 attended by a selected group of European investors. With the sustained assistance of the CDI legal advisers, he said, the agreement was finally prepared, signed and sealed in June 1986, the joint venture partners being Pablo Limited (40%) Central Pharmacy (40%) and Sicplant International (20%).

The factory will manufacture cosmetics packaging such as lipstick containers for export, mainly to the USA. In fact 65% of production will be exported to the USA on a duty-free and quota-free basis, taking advantage of Fiji's special preferential treatment under the USA Generalised System of Preferences (GSP). Thus Fiji is combining the CDI assistance provided under the Lomé Convention with the advantages offered by the USA's GSP. In 1985 the Italian factory exported products to the value of $ US 45 m to the USA, so the joint venture partners look confidently to securing a major share of this important and established market.

Pablo Limited was established in 1983. Currently it employs a staff of 23 and its Production Manager, Tony Moller, of Holland, brings with him some 27 years of experience in the industry.

With a paid up capital of $ US 1 m the new company is on a firm footing. The Asian Development Bank is planning to finance up to 25% of the total project cost and the Hong Kong & Shanghai Bank, which recently commenced operations in Fiji, is also looking at investing 25% in the joint venture.

Why set up in Fiji? "Well", said Mr Lala, "we have substantially lower wage levels when compared to Italy, our shipping costs to the US market are much lower, plus our duty-free and quota-free access into the States makes it a very viable proposition". Mr Lala added that the Fiji government has allowed duty-free importation of raw materials and the Reserve Bank of Fiji offers import/export finance at very attractive rates. This, added to other export incentives, make the whole project extremely viable.

With the commencement of construction scheduled for March 1987, the whole project is ready to go, and as Mr Lala states, "its been a long haul to get everything up and going, but we are now moving and hope to be in production by early 1988". o R.D.

CAMEROON: The foreign investment climate

by J.S. FOMUNUNG (*)

Cameroon, like many new nations coming out of colonisation was immediately faced with the problems of national security, national integration and national socio-economic development.

A common behavioural trait was suspicion of the former colonial powers, and to some extent the reluctant tolerance of their approaches to economic development. Many elites regarded with suspicion the very advice offered by those who had colonised them. As a result, it took a long time for many of these states to accept foreign private investment as a viable vehicle of economic development. Most political elites regarded foreign investors as agents of dependency and exploitation to the benefit of Europe.

The Cameroon government, however, from the outset, had adopted "planned liberalism" as its guiding philosophy on economic development. Essentially, this concerns itself with national development whereby the state controls and guides the key areas of the economy while encouraging private local and foreign investment. It is what could be called a "mixed economic bag" with the public sector exceeding the private sector. Stated otherwise, planned liberalism is the method whereby the Cameroon government encourages investment in priority areas in the hope of stimulating growth, employment, regional development and the promotion of manufacturing and exports. It is planned only in so far as the main national goals to be attained are concerned.

To planned liberalism has been added an open door policy designed to encourage foreign private investment in Cameroon. In the two years following his accession to power in 1982, President Biya reformed the activities of the investment commission to produce a revised code of investment for Cameroon.

In addition, the National Investment Corporation (NIC) that had been created in 1964 received new impetus. It is largely responsible for investment projects with foreign partners. Another sister institution, created solely to promote and encourage investment, is the Cameroon Development Bank known by its French acronym as BCD. Its role is to finance investment projects, participate in the realisation of development projects and provide technical assistance and credit to entrepreneurs.

Other concrete mechanisms designed to encourage foreign private investment include the revised liberal investment code that place no restrictions whatsoever on remitting profits realised from operations in Cameroon, the relatively literate labour force and, perhaps most importantly, the nation's political stability. All these factors give confidence to investors from abroad. In addition, the President has promised to further simplify the bureaucratic red tape that hitherto has been viewed by business as a nightmare. All these confidence-building measures, plus the available local resources add up as a plus for would-be investors.

One might wonder what would be left to Cameroon if foreign investors were allowed to remit all the profits realised from their business operations in Cameroon. In this respect, mechanisms have been put in place to ensure that the host country derives some benefits as well. These include, but are not limited to, the percentage of share capital held by Cameroonians which, in the case of small to medium-sized undertakings, has to be 65%, and continuing vocational and on-the-job training of Cameroonians must be guaranteed. In the case of the priority areas, there must be a conscientious effort by the foreign investor to utilise as much of the skilled local manpower as possible. Thus the political leadership realises that when foreign investors train Cameroonians in the use and maintenance of their equipment and products, technology transfer takes place, and this stems the brain drain. In fact, by training nationals in the use and maintenance of sophisticated machinery and in the production process, reverse brain drain occurs and offsets those skilled Cameroonians lost, perhaps permanently, to handsome salaries in the developed countries.

Furthermore, joint ventures with top management in the hands of the foreign investor ensures that efficiency would be the criterion for evaluating performance. This efficiency criterion notwithstanding, jobs are still created in the country and this reduces the pressure that the government would have to face from social unrest due to high unemployment levels. The benefits to the host country from foreign investment are immense. Equally, the foreign investor in Cameroon benefits from import duties and taxes reduced by 5% when he sets up operation in the non-port and border areas of the country, and total exemption from taxation when equipment, materials and machinery are for the direct manufacturing and processing of products.

Another very important measure created by the state to encourage foreign investment is the creation of an institution to cater solely for small- and medium-sized enterprises known by its French acronym as CAPME. This organisation undertakes feasibility studies, evaluates the proposed business operation and provides technical assistance and services to identified investors. As mentioned earlier, BCD provides credits and guarantees loans to investors. NIC on its part enters into joint ventures and partnership with both local and foreign investors.

When one looks at the entire package, the inevitable conclusion would be that Cameroon is an investment haven for foreign businesses willing to expand operations. The liberal investment code, particularly in the provision for non-restrictive repatriation of realised profits, tax breaks and a free hand in management, all add up to a bonanza to multinationals thinking of expanding their business operations. That the leadership and the opinion-makers see foreign investment as a credible engine of development is no longer in dispute. The resource gaps that foreign investment fills are numerous; so too are the increased foreign exchange sources and the technology know-how that host country nationals gain when foreign investors or multinational corporations produce for both the local market locally as well as for exports. The continuation of this open door policy can only increase the mutual benefit of Cameroon and her cooperation partners. ○ J.S.F.

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Investing in Cameroon

by Simon NGANN YONN [1] and Julien GONTA [2]

SNI Cameroon

One of Cameroon's advantages: the existence of 'Cameroonian businessmen whose dynamic approach is leading to many an industrial venture'. Above, the SOLICAM plant producing household linen.

Cameroon offers investors a precise institutional framework consisting of a five-year economic and social development plan and a code.

The five-year development plan

Cameroon has been producing a five-year economic, social and cultural development plan ever since the early years of independence.

Each plan, designed to be run in a liberal economy, is a framework providing guidance and stimulation rather than an instrument of economic dirigisme. It highlights the priorities around which the Government intends deploying the nation's resources with a view to achieving the various objectives of its economic policies, which are, in particular, to generate growth and create jobs, encourage rural development, maintain a balance of the major economic forces, transfer technology, control the domestic market, win markets abroad and safeguard the national heritage.

The investment code

This series of incentive measures aimed at offering firms a certain number of tax and customs advantages is a mainstay of the country's investment promotion policy.

Most of the provisions have been revised and improved recently. There are now four main systems and eligibility for them depends on the firm's size and type of activity, the size of the potential investment and the location of the project.

System A

This, the so-called promotional scheme, offers a reduced rate of 5% of import taxes and duties and total exemption for local purchases of production and processing materials, machinery and tools and for purchases of spare parts and raw materials for 10 years for investments of at least CFAF 500 million.

System B

This is the priority system, offering firms intending to invest something like CFAF 2 500 million all the advantages of system A, plus exemption from conveyance duties on acquisition of the relevant buildings and tax deductions in the following years in respect of the amortisation normally entered during the first three tax years, on the authorisation of the Tax Authorities, for a period of five years.

System C

This system, for SMEs, applies to any investment below CFAF 500 million. It offers the advantages of system A, plus eight-year (and 15 for plants set up outside the highly industrialised areas) exemption from capital tax, the credit distribution tax, registration duties, company tax and the tax on industrial and commercial profits.

System D

This is the so-called conventional system, designed for firms working in strategic areas of the national development plan. In addition to the advantages of system B, system D offers a stabilised tax system over a period of up to 15 years for investments of at least CFAF 5 000 m.

In addition to this institutional framework, there are the various advantages of the Cameroonian economy, including:

— Cameroonian businessmen whose dynamic approach is leading to many an industrial venture — unlike what happens in some sub-Saharan countries where the nationals tend only to go in for property and commerce;

— one of the highest literacy rates in black Africa and, consequently, a labour force that may not be highly qualified but is to a large extent educated. The opening of vocational training centres across Cameroon can only boost this trend towards qualified labour;

— a geographical position such that

(1) Director General of the Cameroon National Investment Company (SNI).

(2) Staff member, Cameroon Development Bank (BCD).

makes it easy to win foreign markets, particularly in the neighbouring countries.

There is no doubt that the potential and the assets that the economy continues to offer is behind the Cameroon authorities' desire to involve private (national and foreign) interests in investments, from the early years of independence, by getting the Cameroon Development Bank to support and finance investments by granting credit facilities and take shares in the potential projects. It very soon became clear that the industrial experience of private Cameroonian businessmen was not really adequate for them to undertake large-scale projects—and it is this gap that the authorities were aiming to bridge in 1963, when they set up the National Investment Company to run large projects, as joint ventures, with foreign partners, leaving small and medium-sized projects for the local private sector.

Cameroon's private businessmen and small and medium-sized investments

The authorities were anxious to take account of the means and, above all, the experience of its nationals in their investment promotion policy and so they set up a separate support and financing structure for SMEs, as follows:

— In 1968, a tax scheme for SMEs was introduced as well as a mission to assist with the promotion and starting up of small local firms. This body, which was located in the Cameroon Development Bank, was run by the Technical Assistance Company, with FAC financing, until 1975.

— A National Centre to provide assistance for SMEs (CAPME) was created to promote small and medium-sized projects via feasibility studies, evaluation, technical assistance and management.

— Privileged rediscounting (Bank of Central African States — BEAC) was introduced in respect of credit granted to SMEs and the Cameroonian banks were invited to devote 20% of their funds to the SMEs.

— In 1975, the creation of a Credit Guarantee Aid Fund for SMEs (FOGAPE) in the Cameroonian Development Bank.

— Various lines of credit from

Another advantage for Cameroon is the relatively high educational level of the workforce which is being reinforced by the creation of vocational training centres. Above, aluminium ingots produced by ALUCAM

IDA, the CCCE, the IBRD and the ADB have been opened since 1975 to finance SMEs, SMIs and the craft sector.

— In 1984, FOGAPE was reorganised, making its management autonomous and introducing a wider range of resources with a view to extending its original aims and holding shares in SMEs and granting credit facilities and management assistance.

This back-up structure was not designed to confine nationals to small and medium-sized industrial ventures. The idea was more to help the nationals get experience of industry so that, with this experience, they could then move on to large-scale projects.

The National Investment Company: large-scale joint ventures

In 1964, Cameroon set up the National Investment Company, not to develop state capitalism, but to make greater capital out of the dynamism of the private sector and to stimulate industrial growth, by associating the private national and/or foreign sectors in large-scale schemes. This involved:
— encouraging, promoting, generating or actually undertaking the creation, reorganisation or expansion of industrial and commercial firms;
— offering stimulation and support for a large number of innovatory firms able to grow and generate employment;
— seeking, finding and identifying new industrial prospects;
— helping to improve the management of the firms financed;
— helping to rationalise and reorganise industry, with a view to synergy, through mergers, groupings and takeovers.

All this is carried out by the National Investment Company in various ways:
— setting up projects;
— running any study of any financial operation likely to promote the nation's economic and social development;
— buying shares;
— granting loans and guarantees to companies in which it holds shares;
— running studies, evaluating projects and managing investment operations for the State, and public bodies and institutions;
— promoting private investment by offering advice and producing and distributing lists of projects;
— providing (and charging for) technical assistance for third parties in respect of the negotiation of investment projects.

So, by "inventing" new projects, the Company should catalyse development and gain a sound reputation as an investment banker—with a view to facilitating the nationalisation of part of its shares and thereby helping develop the securities market (as its statutes make clear).

In spite of one of the most liberal institutional investment promotion frameworks in Africa and a back-up and financing structure that respects the different people involved in investment, Cameroon's means of more accelerated investment promotion are not perfect. Although the banking and financial system in the Bank of Central African States' area finds it fairly easy to finance the needs in the medium and, above all, the short term, the same cannot be said for the long-term schemes. Here there is still a problem of financial intermediation, the answer to which would no doubt involve reorganising and improving the financial/banking system so that more is made of local savings and running a refinancing policy (internal and external) that can mobilise long-term resources that take account of gestation periods and the maturing of the projects that have been financed. ○

S.N.Y. and J.G.

Proof that a joint venture can work

A Danish experience in Nigeria

by E. KRISTENSEN (*)

A/S Cerekem, Danish Food Technologies Ltd., was established in 1969 based on the considerable experience of one of the parent companies working in various West African countries. The purpose of the concern was to sell Danish knowhow and practical production experience together with administration and management within the brewing and soft drinks industry and in malt production. Furthermore, the company was intended to export knowhow within agricultural industries through its daughter company Cerekem/Agro.

A/S Cerekem is a subsidiary company of the Jutland Breweries Group whose annual capacity amounts to 1.5 million hl beer and soft drinks and approximately 50 000 tons of malt (four breweries, five soft drink plants, and two maltings).


Cerekem

An aerial view of the Jos Brewery complex

The Nigerian market

At the beginning of the 1970s, Nigeria became the main area of activity due to the economic boom in that country.

The existing breweries being unable to satisfy the growing demand for beer, A/S Cerekem became involved in the expansion of the brewing industries.

These turnkey rehabilitation programmes led to the construction of two new breweries in Nigeria, one close to Lagos and the other in Jos, Plateau State. These breweries have been extended several times and today they have a capacity of 3.15 million hl per year.

Jos International Breweries Ltd.

The brewery at Jos, called Jos International Breweries Ltd. (JIB) is considered as A/S Cerekem's most successful investment in Nigeria.

JIB was established in 1979 with an annual capacity of 260 000 hl. The brewery was established as a joint venture project with an initial and paid-up share capital of Naira 5.2 million. The initial capital was formed by 50% shareholdings from the local government, 12.5% was invested by A/S Cerekem, 12.5% by the Industrialisation Fund for Developing Countries, Denmark (IFU); the remaining 25% by private investment, and furthermore Cerekem was made responsible for the management of the new company through a long-term management agreement.

Today 1 600 people are employed by JIB.

The investment has been rather successful and has meant a lot to the local state government. Today, the capital has increased to about Naira 37 million as a result of the capitalisation of part of the profits of the company over the years. Up to now, the shareholders have received cash dividends of more than Naira 16 million and bonus issues of more than Naira 30 million/Naira 100 shares.

The Federal Government has received a substantial amount of money from the operation of JIB in the form of excise duty and company income tax. In the financial year 1985/86 JIB has paid more than Naira 30 million in excise duty and Naira 27 million in company income tax.

In terms of current output JIB has become No. 3 among nearly 30 breweries in Nigeria; a position it has reached in a very short time. The brewery has, like other companies, experienced difficulties in getting import licences. The capacity today is about 1 million crates of "Rock Lager" per month, and an expansion to about 2 million crates is ongoing.

JIB decided at an early stage to invest in grain-growing and farming with the specific purpose of increasing the use of local raw materials, thereby reducing the level of imports. The investments have had far-reaching positive consequences both at a local and a national level in Nigeria because of their influence on the level of self-sufficiency.

Pilot brewery and milling company

At JIB the brewery has installed an experimental "Pilot Brewery". The purpose of this plant is to improve the use of local raw materials for brewing. In the brewing process it is possible to replace imported malt partly with sorghum and maize. Research has been carried out in order to use 100% sorghum from the agricultural project in the process of beer brewing. At the moment 35% sorghum is used in the process.

With the establishment of a new mill, called Pioneer Milling Company, specially constructed and designed for processing local grains, the use of local raw materials will increase. The mill should guarantee at least 60% substi-

(*) Sales Manager, Cerekem Danish Food Technologies Ltd.

tution as well as offering raw materials to other breweries in Nigeria. The capacity of the mill will be able to support one third of the total requirements of the Nigerian brewing industries. The mill is scheduled to go into full production in April/May '87.

Pioneer was established by JIB for the main purpose of accelerating the attainment of the objectives of the Federal Military Government in respect of the utilisation of local raw materials by the Nigerian manufacturers. Among other products, the company will be producing sorghum/maize grits to be used by JIB and other breweries.

Pioneer will play an important role in the farm project, founded by JIB, because the mill will also be able to produce maize and sorghum flour for food as well as feed for the livestock at the farm. The mill will be capable of processing 60 000 tons of grain per annum.

It is intended to develop Pioneer further in order to permit processing of local grains into corn flakes, syrup and other products.

Brewery and Agricultural Research Company

The integrated farming project was established by JIB in 1982 with the purpose of growing maize and sorghum and using these cereals for the production of flour and grits. Today BARC, the agricultural project, has developed into a major industry with a great diversity of products, based on local raw materials. The ideas behind this are the following:

- to save foreign currency for Nigeria by substituting imported raw materials with locally grown products, and local manufacturers;
- to increase the self-sufficiency of the industries;
- to utilise the natural wealth of the land;
- to create jobs for the population of the country;
- to make use of as many by-products as possible for different purposes.

The right to an area of 4 500 hectares, 40 km outside Jos, was bought for the sum of Naira 1.8 million in 1982. The agricultural project is not only capable of supplying the brewery with raw materials but also of supplying the food requirements of the people in the surrounding area. At the moment Nigeria imports 70% of its requirements for food and raw materials.

Today a total of Naira 26 million has been invested in the farm, 16.6 million of these being loans from Agricultural/Merchant banks and various commercial banks.

At present BARC employs nearly 800 people, most of whom come from Bassa Local Government area (75%). Therefore the local economy and employment has benefitted from the project. The salaries and monthly wages now amount to Naira 120 000 altogether, which means that the standard of living has risen.

The farm, with an area of about 4 500 hectares, is considered to be the largest of its kind in Nigeria, perhaps even in West Africa. BARC is organised under the following divisions:
— Crop (including horticulture and tree crops); Poultry; Livestock; Meat processing plant; Marketing; Engineering; Research; Administration.

The Crop Division

Sorghum, maize and soya beans are the principal crops, while minor crops include sunflower, cassava and cowpeas. In 1986 a total grain harvest of both sorghum and maize stood at 1,800 tons with a value of Naira 1.5 million.

Potatoes, onions and tomatoes have been tested on a 10 hectare irrigated area using a water reservoir, established by BARC, with a present capacity of about 400 m^3. By expanding the dam to the capacity of 1.3 million m^3 it will be possible to irrigate 100 hectares.

Ten hectares of land were in 1985 planted with rain-fed potatoes, which are expected to give 200 tons per hectare of top quality potatoes with a market value of Naira 0.5 million based on an average price of Naira 250 per ton.

The Poultry and Livestock Division

The poultry programme of BARC stands as one of the most viable activities of the integrated farm. When fully developed, the poultry section will be able to produce two million broilers per annum, and a (relatively small) number of table eggs. The hatchery has the capacity to produce 8 million day-old chicks per annum.

In 1986 BARC started a poultry processing station with a capacity of 2,5 million birds per annum. Within and around Plateau State there has been an increasing demand for the products, especially by department stores.

The Livestock Division is organised in two sections, one for cattle and one for pigs. The cattle operations consist of fattening and breeding. The basic feed for the cattle is spent grain from the brewery and molasses from a nearby sugar factory. The capacity at JIB limits the number of cattle that can be kept to 1 800 head. The demand exceeds by far the production at BARC, as beef has gained wide acceptance in other parts of Nigeria. Pending the construction of a modern abattoir at BARC, temporary slaughtering and cold store facilities are to be installed.

The pig section amounts to approximately 1 000 pigs that are cross-bred to give hybrid vigour. The total production from the facilities is expected to increase to 3 600 fattened pigs per annum. As an experiment, the pigs have been fed with waste brewing yeast which may substantially reduce production costs.

When fully completed, the JIB BARC project will probably be one of the most advanced integrated agricultural enterprises of its kind in Nigeria. The plan of reducing imports and increasing the use of local raw materials is a reality.

Conclusion

Cerekem has obtained management contracts with a number of companies in the beverage industry and in the agriculture and food processing industry, because we believe that it is in the interests of the ACP countries and the EEC partner that the production at the factory/project takes place in close cooperation with the ACP partner, and that Danish knowhow is, at all times, available for the project. ○ E.K.

The Enabling Environment

A leg-up for the invisible hand

by Nicholas VAN PRAAG (*)

It is fashionable to emphasise the invigorating effects of unfettered competition and a burgeoning private sector on the stalled economies of large areas of Africa. However, steps to implement these ideas have been as invisible as the proverbial hand of the market place that they are intended to coax back into action.

Times may now be changing. Convinced that private initiative and capital have genuine potential as major instruments of development in Africa, more than 180 delegates, representing African Governments, development agencies and business, gathered in Nairobi in October 1986. They produced a document known as the *Nairobi Statement* which, for the first time, charts a course towards a policy environment in which the private sector can play an effective role in turning political rhetoric into economic reality.

The *Nairobi Statement* followed a decade of distinctly self-righteous advice to African leaders urging them to lower barriers to imports, to lift currency restrictions, to end price controls and, generally, to change their attitudes and practices.

Whatever the motivation behind this advice — and it owed a good deal to the advisers' own domestic political agendas — the corollary was not only a further reduction in foreign investment in Africa, but a decline in the value of official development transfers. Between 1975 and 1985, public and private long-term capital flows to low-income countries in Africa slipped from $ 1.6 bn to $ 1.4 bn, according to the World Bank's *Development Report 1986*.

The result was not only increasing misery in the South, but a pernicious fatalism in the North about the very ability of certain countries — the pessimists say all of sub-Saharan Africa — to break out of the gridlock of underdevelopment.

To try and check the vicious circle of decline, the Aga Khan, the spiritual leader of some 15 million Ismaili Muslims, embarked upon an ambitious initiative designed to unleash the economic potential of the many millions of African men and women whose energies he sees as entrapped by circumstances.

What is needed, the Aga Khan told an audience in Nairobi in 1982, is an "enabling" policy environment to replace the "disenabling" one that he analysed as the main cause of Africa's economic demise.

"Both the development of the economy and the success of social institutions depend on the creation of the right environment for progress, an environment which enables both business and people to realise their full potential", said the Aga Khan.

Four years of energetic private diplomacy culminated in the *Enabling Environment Conference*, held in Nairobi in October 1986, charged with exploring concrete measures to harness the energies of the private sector to development in sub-Saharan Africa.

The line-up of co-sponsors was propitious. It covered an unusual cross-section of the partners in development — from Governments through private and international development agencies to business — who too often pull in opposite directions. They included the Aga Khan Foundation, the Government of Kenya, the World Bank, the Kenyan Association of Manufacturers, the African Development Bank and InterAction, the US coalition of private development agencies. "The more we interact and understand one another, the easier it will be to solve our common problems in the years to come", Kenya's President Daniel Arap Moi told the Conference.

The results of the Conference went a long way to bear out this optimism. Although not binding, the *Nairobi Statement* adopted at the end of the 4-day session was seen by observers as an important milestone.

The *Statement* urges Governments, business and private development agencies to work closely together to promote African entrepreneurship. Then it clearly and separately addresses the responsibilities of each of the constituencies in this three-way dialogue.

Governments are urged to enlarge the role of the private sector through freer markets and more realistic prices for foreign exchange, capital, goods and labour. They are also called on to foster confidence in the future through reliance on the rule of law and the protection of the rights of individuals. A reduction of administrative controls and the simplification of procedures for the private sector, both business and development agencies, are also urged in the *Statement*.

Businesses are free to make profits, but are called on to match their investments to the development priorities of African Governments. Most important, the *Statement* urges them to be sensitive to their social responsibilities in the African context.

The private development agencies, for their part, are called upon to remain innovative in their programming, to bring women into the development process, and to nurture local agencies. As with Governments and business, the private development agencies are also requested to improve manpower training and promote the transfer of appropriate technologies. Their special role in communicating Africa's predicament to the rest of the world is also acknowledged.

The danger now is that the fine sentiments expressed in the statement will remain just that and will fail to be translated into policy prescriptions to achieve an "enabling environment". Several factors suggest that cautious optimism is justified.

The UN Economic Commission for Africa has put the "enabling environment" on the agenda of a special meeting of all African Ministers of Economic Planning and Development when they meet in Addis Ababa in April. Further meetings are planned in different parts of the world to drum the message in.

And finally, there is the logic of the case. The Aga Khan put it succinctly: "The only answer for Africa is to become more productive. The way to achieve that is by encouraging local and international investment." ○ N.V.P.

(*) Of the Aga Khan Foundation.

Elephant herd in Lake Manyara National Park, Tanzania (Photo Mark Boulton, World Wildlife Fund)

Saving elephants: a mammoth task

by Paul Evan RESS (*)

A new ivory export quota system designed to protect the African elephant from poachers and possible extinction is off to a very promising start.

"All of the major ivory-producing countries of Africa have established realistic export quotas for 1986 and they are marking tusks with serial numbers and their weight," says Eugène Lapointe, the Secretary-General of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

Lapointe adds that "Japan and Hong Kong, which import 80% of all African ivory, are insisting on traders furnishing CITES export papers before they allow the importation of tusks.

"So traders in poached ivory are stuck with their tusks", he says. "We know of many cases where ivory shipments have been turned back because they had no CITES export permit. For example, several months ago 18 tonnes of ivory (10 tonnes are worth $ 1 million) were shipped from Singapore to Japan. The export permits were forgeries and so the Japanese Government rejected the ivory."

Lapointe says that another encouraging sign is that "for the first time on a large scale efforts are being made to smuggle ivory *into* importing countries. Tusks have always been smuggled *out* of Africa, and doctored or forged papers were available one way or another to ensure importation."

A shipment of 1 900 tusks, worth close to $ 1 million and described as "beeswax," recently arrived in the port of Antwerp en route from East Africa to Dubai. Alert Belgian customs agents opened the containers and found themselves looking at elephants' teeth.

Still another hopeful indication that the CITES ivory quota system is working is the now substantial difference in price between poached ivory and legal ivory: US$ 35 or US$ 40 per kilo less for illegal tusks.

"Certain important illegal traders have approached us and asked what they can do to legalize their stranded ivory," says the CITES official. "They have even proposed paying CITES off. Well, when the enemy asks you, 'which hoop do we jump through next?', you have reason to think you're succeeding."

More countries — 91 — have ratified CITES than any other environmental treaty. And the 91 signatory states include all of the principal ivory exporting and importing countries.

These countries agreed to establish a CITES ivory unit. It is headed by Joe Yovino, a biologist and lawyer who has worked for 26 years for the U.S. Fish and Wildlife Service (the last four on CITES affairs).

What do importers, notably Japan and Hong Kong, do with tusks? They carve them into an astonishing variety of beautiful and practical objects: ornamental carvings, 'netsuke' figurines, piano keys, billiard balls, personal and company seals that replace the penned or typed signature (100 million are said to exist in Japan), parts of musical instruments, bracelets, necklaces, cufflinks, combs, shoehorns, kimono toggles, mah-jong pieces, chessboards, paperweights, Buddhist rosaries, religious statuary, sword scabbards, pipes, chop-sticks and ear-picks.

"Man has always loved the feel and the look of ivory," remarks Chris Huxley, a zoologist and CITES Secretariat's expert on the African ivory trade. "It is smooth, warm, heavy and has a lovely grain. Some of the world's oldest carvings are of ivory. Admittedly, ivory has more than aesthetic appeal. Some people buy tusks as hedges against inflation. Fluctuations in the price of ivory have reflected to a surprising degree changes in the price of gold."

The going rate for a tusk today is about US$ 75 a kilo (US$ 34 a pound), and the average tusk weighs approximately 7 kilos (15 pounds). "If you can buy it for appreciably less," says Huxley, "then you know it's defective

(*) Information Consultant at the United Nations Environment Programme.

What is CITES?

CITES stands for "Convention on international trade in endangered species of wild fauna and flora". Signed in Washington D.C. in March 1973, it came into force on 1 July 1975; today just over 90 countries have become members of it, though still at various degrees ranging from full ratification to accession, approval or simple acceptance. Aimed at protecting a whole range of fauna and flora threatened in their sheer survival as a species, CITES in fact operates as a sort of "downstream" arrangement: though in general no efforts are spared in fighting widespread poaching, CITES actually fights over-exploitation of those species by putting tight controls on their own trade as well as on the trade of products derived from them. Eugène Lapointe, who heads CITES' Secretariat-General based in Lausanne, Switzerland, puts it this way: "The so-called market situation often determines what happens upstream, i.e. in the field with the actual poachers".

Disappearance at any particular point in time of a certain species has of course to be seen as part of a natural evolution, but in more recent times, careless human intervention has led to the total extinction of a number of species (e.g. no less than 17 species or sub-species of bears, five of wolves and foxes, etc...). Many species saw their natural habitat dramatically reduced or even wiped out by human pressure, often in search of new territories to exploit. As ways and means of transport have improved, trade of wild species has become easier and rapidly boomed as high demand made prices very rewarding for traders. Today millions of exotic plants, live animals or products derived from them travel round the world, sometimes legally permitted, more often on totally illegal terms. Part of it may be attributed to an ill-developed quest for exoticism by some in the industrialised world, part of it goes back to socio-cultural habits (e.g. horns of rhinos used as handles for daggers when boys become men, or the same horns being ground to powder for their supposed aphrodisiac powers...).

A rhino at rest in the Kyle National Park in Zimbabwe. Their horns are much-coveted by poachers

As Eugène Lapointe pointed out, "business in this area can be very lucrative, yet it is usually not those who take most risks – the poachers – who earn most of it, it is the traffickers – the middle-men between poachers and customers – who take the biggest cut of the cake". The going rates for some of the banned items are really quite dazzling: 1 kg of rhino horn powder fetches US$ 18 000 to US$ 19 000; 1 litre of deer musk (used for perfumes) goes for up to US$ 60 000; the mounted head of a gorilla can bring in as much as US$ 50 000 and only recently a very rare gyrfalcon was sold in the Arabian peninsula for a cool US$ 125 000! Wildlife trade all around the world (both legal and illegal, but with the exclusion of fisheries products and pulp woods) is estimated at between US$ 2 billion to US$ 4 billion, but few of the profits made end up with the developing countries' authorities, from which most of the wildlife resources stem. Given the very high profits at stake, it also means that you have to crack down really hard on poachers and use every means of cutting them back; some countries have gone as far as issuing clear "shoot-to-kill" orders.

Poachers, however, are almost as much a victim as the animals they illegally shoot, so CITES makes every effort to fight those behind the screens by tightly regulating and controlling the trade. To that extent the trade in a few hundreds of endangered species is banned outright or so

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Eugène Lapointe, Secretary-General of the Convention on International Trade in Endangered Species of Wild Fauna and Flora

restricted that trade can only take place under extremely limited conditions. A worldwide network established by the CITES' Member States (usually their customs departments) monitors the trade and screens all official trade permits (which are of course themselves subject to possible fraud). All statistical information is passed on by Member States to the Wildlife Trade Monitoring Unit (based in Cambridge, UK) for analysis; additional information is supplied by the so-called TRAFFIC offices (Trade Records Analysis of Flora and Fauna in Commerce) of which eight have already been created by the World Wildlife Fund/International Union for Conservation of Nature and National Resources (a few more are underway). They can refer to three lists on which the species are classified according to the degree of menace to their existence: list no. 1 carries those under direct threat of extinction (e.g. the panda, leopards, rhinos, etc...); list no. 2 contains those species which, if trade continues without restrictions, would die out (e.g. most birds of prey, the African elephant, etc...); list no. 3 comprises certain species which individual countries may feel are being threatened with extinction on their own territory (e.g. hippo in Ghana). Already CITES has scored a few conspicuous successes (e.g. much of the illegal ivory trade has been cut back) and if future generations are able to admire today's endangered species, they can give part of the credit to CITES. ○

R.D.B.

or poached." A big bull elephant can have tusks each of which may weigh 40 to 60 kgs. The world's record is two 100-kilo tusks.

Man's passion for pachyderms is not limited to tusks. Human beings have always been fond of elephants and fascinated by them. "It's quite understandable," Huxley says, "after all, elephants are the world's largest land animal and in many ways they resemble us. For example, they live 60 to 70 years, travel about in family groups, and have a social structure quite similar to ours." However, the female dominates elephant society.

But are elephants in immediate danger of extinction?

"Not for the moment if you look at Africa as a whole," says Huxley who has spent almost 10 years dealing with elephant conservation; first controlling the trade in Hong Kong which was then the world's largest ivory importer, and later monitoring the world trade in ivory at the Conservation Monitoring Centre (CMC) in Cambridge.

"In the late '70s there was a hue and cry about the disappearing elephant, and many people believed that there were only a few hundred left. In fact, the best estimates put the African elephant population even today at about one million. Here and there, locally, elephants have been wiped out by poachers. Uganda did come close to losing all its elephants, and populations were also badly hit in Chad, Somalia, the Sudan and the Central African Republic."

The author of the most recent report on African elephants (funded for CITES by the European Community), Rowan B. Martin, one of the world's foremost authorities, says that their situation should be regarded "not with alarm but with concern."

At their fifth conference in Buenos Aires in 1985 the Member States of CITES unanimously agreed that the "illegal trade in ivory now imperils the future of some populations of African elephant and could imperil others if it continues at its present level, thus depriving producer countries of the wildlife and economic benefits provided by their elephant populations."

That is precisely the point, says Huxley. "CITES believes strongly that you cannot save the African elephant by prohibiting the ivory trade. People want to buy ivory, and will. So the point is to put the poachers out of business and to manage elephant populations and regulate the ivory trade in the economic interests of the African ivory producing countries. At a CITES meeting in Brussels in 1984 it became clear to these African governments that most of the revenue from the 50 million dollars' worth of ivory leaving Africa every year went to private individuals and very little to governments. I think this was a turning point, although already in 1983 at a meeting in Arusha, Tanzania, the African states had taken the initiative for an ivory export quota system. The resulting funds should enable their wildlife departments to establish sound conservation and management programmes.

"We also convinced the authorities and the traders of Hong Kong, Japan and the other major importing countries including India, China, UK, USA and Belgium, that it was in their interest to organise ivory exports in a sensible and sustainable manner. As a matter of fact, the new ivory unit at CITES in Lausanne is largely financed by the Ivory Division of the Japan General Merchandise Importers' Association, together with other private traders and the British Government. The traders have realised that laundering poached ivory is not in their long-term interests.

"One country, the United Arab Emirates, although a party to CITES, has refused to enforce ivory import and export regulations. The CITES Secretariat took a radical step and recommended that there be a ban on ivory trade with the UAE."

Not only does every exported tusk of African ivory bear a serial number, a two-letter code for the country, its weight in kilograms, and the year — stamped by punch-dies or written in indelible ink — but the information is computerized for CITES by the Cambridge Conservation Monitoring Centre. This permits CITES to keep tabs on the number of elephants killed and tusks traded throughout the world.

Partly as a result of CITES' increased effectiveness and the willingness of most exporters and importers to play by the rules, partly due to a steep decline in ivory exports from the Sudan, Chad and the Central African Republic, and partly as a consequence of "over-poaching", the number of elephants killed for their ivory fell from 81 000 in 1983 to 46 000 in 1984.

In 1983 the ivory trade was estimated at 900 tonnes, but only a year later it was down to somewhere around 600 tonnes.

Assuming that 10 tonnes of ivory are worth a million dollars, this means that in 1983 the international ivory trade was worth about US$ 90 million and substantially less — US$ 60 million — in 1984.

This year's quota — the first ever established — should run around 40 000 to 45 000 elephants (90 000 tusks). This may appear a bit high, but the quotas take into account tusks that are currently stockpiled and will be sold in 1986, and tusks that are likely to be confiscated from poachers and sold.

The possibility of creating an Ivory Producers' Export Cartel (IPEC) has occurred to CITES, elephant experts and, naturally, the African producing states themselves. "If the 13 major African producers can 'get their act together,'" comments Rowan Martin, "they could present a formidable front to the ivory-consuming nations." Martin points out, however, that unlike oil and diamonds, elephants are widely distributed and harder to monopolise. The CITES ivory unit will be looking into the feasibility of an IPEC.

Meanwhile, will the simpler new ivory export quota system really work?

"I believe it will," asserts Eugène Lapointe, "but in any case we think it is the best system to save elephants, so we have to give it every chance of succeeding."

With all these efforts to save the elephant, one is entitled to ask, "is it an environmental sin to buy ivory objects or is it perfectly all right?".

"It's all right," replies Lapointe, "but buyers should be careful where and how they acquire the ivory and ensure that it has come from legitimate CITES stock. In any event, we are well on the way to control international trade in ivory, and poached ivory should soon be extemely difficult to find." ◻ P.E.R.

Summary of CTA activities

by R. DELLERÉ (*)

The need for the establishment of an ACP-EEC institution in order to disseminate agricultural and rural information for the benefit of ACP States had been felt by the negotiators of the Second Lomé Convention. The gestation period was, however, long and CTA was established only at the end of the Convention. The first activities were actually implemented at the end of 1984, that is, some two years ago. Consequently, it seems to be the right moment to sum up the Centre's activities.

CTA's task is immense, since 66 States are involved, the greater part of whose populations subsist on the exploitation of natural resources and live in a rural environment. The task is also immense given the fact that information is to be found over the entire world, and that the available means, both in manpower and finance, are limited. At present the Centre employs a total staff of 18; a Director, a Deputy Director, four Technical Advisers and two Documentalists, all supported by the necessary administrative and secretarial services.

At the beginning of our activities we had two options. The first consisted of limiting our efforts to a restricted number of priority projects and concentrating on them at the risk of being blamed for leaving aside other activities and topics deserving more specific attention. The second was to undertake wide range of activities at the risk of dissipating our efforts and to face the difficulty of actually maintaining proper control over them.

The Centre chose the second option since this enabled it to avoid putting all its eggs in one basket and to broaden the range of contacts both downstream—the users—and upstream—the information sources. Thus the main institutions in the field of information, documentation and research were identified and agreements were concluded with them. Indeed, CTA is neither an abundantly stocked library nor a sophisticated documentation centre. It is a clearing house which calls upon outside expertise to fulfil its objectives.

What are the Centre's objectives?

They are to assist the ACP States to attain food security and to help them protect their natural environment through a better circulation of information. We have now truly entered the era of communication, thanks to the remarkable progress which has been made during the past years in the fields of telecommunication and computer science. This period also coincides with the awakening of Third World countries to their needs. The establishment of the Technical Centre for Agricultural and Rural Cooperation was thus well-timed. We are aware of it when we see the interest shown in our activities by the users of CTA: research workers, decision makers, programmers, extension agents, producers and, in particular, by the abundant correspondence received by our "Question-Answer Service".

Indeed, this service puts to the test the Centre's ability to satisfy the information needs of ACP nationals. For this purpose the documentation service collaborates with main databases such as AGRIS of the FAO, CAB International (the former Commonwealth Agricultural Bureau), AGRALIN in the Netherlands, FAIREC of IRFA (France), AGRICOLA (National Agricultural Library in Washington) and TROPAG of the Royal Tropical Institute in Amsterdam, supplemented by a network of correspondents, made up of experts and other institutions. I will not go into details concerning this project since The Courier published an article on this in a previous issue (See Courier No. 98, July-August 1986).

It is obvious that one would only address oneself to CTA if one is informed about its existence. That is why it is necessary for the Centre to make itself known through the development of a certain number of initiatives. The reader will find below a description of the projects which, to date, have been financed by the Centre.

One activity, however, needs to be stressed, namely our bi-monthly publication "SPORE". Indeed, it is normal for an institution which has as its role the dissemination of information, to produce its own periodical which forms a link between the distant reader and the Centre. The first issue of SPORE appeared in February 1986. SPORE is published in English and French, with a circulation of 7 500 copies in each language. Each issue has 12 pages which are to be increased to 16 pages as from 1987: SPORE is distributed, upon request, free of charge to all readers interested in agricultural development in ACP countries.

Mr Assoumou Mba, Director (centre) discussing the work programme of the CTA with Dr. W. Treitz, assistant Director (right) and Mr. R. Delleré, Head of the Technical Division (left).

(*) Head, Technical Division of CTA.

SPORE deals, of course, with CTA activities but does not limit itself to them. It contains feature articles on current events written by specialists. The main subjects which have so far been dealt with include farming methods, locusts, bees, the camel, appropriate farm machinery, cassava diseases and out-of-season crops. Apart from the feature articles, there are four pages of news in brief, bibliographical notes, articles on existing information sources and proceedings of seminars. A new column will appear in the near future, entitled "Viewpoint".

I will not go into detail regarding the programmes implemented by CTA but will instead say a few words about our philosophy.

Assisting the ACP States to achieve food security implies that priority should be given to food crops, without however ruling out cash crops. This also means caring about the long-term effects, that is the protection of the natural environment. Providing information on scientific progress does not imply the rejection of the achievements of traditional agriculture. There is wisdom which has to be respected and an accumulation of experience which has to be given due consideration; however, the evolution in population growth and environmental conditions does not permit us to be silent. Success belongs to those who make a synthesis of what has been attained and of what is new. Preference should be given to low-cost agriculture, which should not be confused with cheap agriculture; that is, favouring farming methods requiring low imported inputs; fighting diseases and pests by having recourse to biological control whenever possible; and using farming techniques and prevention methods based on the observation of climatological data.

Systems for annual production based on the use of natural resources as well as artisanal methods of catching fish should be encouraged. Wastage of what has been produced with much effort should be avoided, and attention should be given to proper storage and preservation of harvested produce. The best use has to be made of existing research capacity; duplication should be avoided, hence the need for the creation of networks, especially those concerned with current research, as well as the need for keeping research workers in contact.

One of the most important factors in the development of agricultural production is the "socio-economic" factor; it is therefore useful to give adequate attention to problems concerning food strategies, marketing, price policies, credit and producers associations. But one must bear in mind that the final decision lies with the national authorities who are best placed to evaluate the local situation. An effort should be made to increase their awareness of these aspects on which the motivation of producers depends.

Various studies have been made and a multitude of research projects have been effected; unfortunately, the results are scattered, confidential, forgotten or even lost forever. These results must be "saved" and made known in order to avoid repetition. The linguistic barrier has to be broken and well known books and works of reference existing only in one language have to be translated. The message has to be adapted to the user and that is why more attention should be given to extension and to the use of audio-visuals. A start has been made on these activities during the initial phase and this will develop in the future.

These are CTA's guiding principles in its choice of activities, which are listed separately. Interested readers may contact CTA to obtain copies of annual reports, publications and SPORE.

A few words now on the organisational structure of CTA. It is true that the ACP-EEC Committee of Ambassadors is the Centre's supervisory authority, exercising the function of a Board of Administration; however, in 1986 an Advisory Committee was established, on a parity basis and made up of experts in agricultural and rural development, to advise the Director in planning the activities of the Centre.

In 1987, the Centre starts a new phase, which consists of the consolidation of what has been done and in the reinforcement of its links with ACP States. Emphasis should be laid on quality and a more thorough approach which implies that its staff will have to be strengthened and its budget adapted accordingly. The links which have been established with the ACP States will have to be reinforced by the establishment of Regional Branch Offices situated within existing institutions together with the setting up of networks of local correspondents who could be working in documentation centres, research and development institutions, libraries or other institutions. This phase should be well under way by the end of the Third Lomé Convention.

It would not be out of place to give some thought to what happens after Lomé III, which implies that in a year or two, an evaluation should be made of the work accomplished by CTA, with the main objective of defining the role and importance the Centre should have during the next Convention. ○

R.D.

Seminars to which CTA has contributed

The Centre contributes by meeting the cost of tickets and per diems of ACP nationals.

— Policies for and Organisation of Agricultural Research in Small Countries, Wageningen (The Netherlands), September 1984 (IAC-ISNAR)
— Poultry Production, Goslar (F.R.G.), June 1985 (DLG)
— Rainfed Rice, Djakarta, Indonesia, March 1985 (IRRI)
— Agricultural Systems, Montpellier (France), August 1985 (ICRA/INRA)
— Edible Legumes, Niamey (Niger), November 1985 (AUPELF)
— Livestock Development and Improvement of Animal Health, Berlin (F.R.G.), January 1986 (GTZ-DSE-AMK)
— Integrated Control of Tsetse in Africa, Ispra (I), March 1986 (CCR)
— Biological Improvement of Soil Fertility in Africa, Dakar (Senegal), March 1986 (IFS)
— Workshop on Animal Production, Goslar (F.R.G.), May 1986 (DLG)
— Workshop on Mechanisation, Goslar (F.R.G.), May 1986 (DLG)
— Symposium on Viral Diseases in Africa, Nairobi (Kenya), June 1986 (STRC/OAU)
— Bio Science in Crop Improvement, Cambridge (U.K.), July 1986 (RASE)
— Agricultural Research, Wye College (U.K.), August 1986 (ICRA)
— International Soil Congress, Hamburg (F.R.G.), August 1986 (ISS)
— Information in Agriculture, Oxford (U.K.), August 1986 (CABI)
— Tropical Veterinary Medicine, Serdang (Malaysia), August 1986 (Pertanian University)
— Operational Strategies for Reaching Women in Agriculture, The Hague (The Netherlands), September 1986 (University of Wageningen)
— National Agricultural Systems, Brasilia (Brazil), October 1986 (IFARD)
— Soil Management, Khon Kaen (Thailand), October 1986 (IBSRAM)
— Impact of International Trade on National Agricultural Policies, Geneva (CH), November 1986 (ENAFOOD)
— Agrometeorology and Crop Protection in Semi-Arid Tropics, Niamey (Niger), December 1986 (WMO)
— Diseases and Pests of the Principal Crops in Central Africa, Bujumbura (Burundi), February 1987 (IRAZ)
— Preservation of artisanal fisheries produce, Dakar (Senegal), November 1986 (TDRI-CEASM)
— Food and Nutritional Strategies, Brussels (Belgium), November 1986 (Royal Academy of Overseas Sciences)
— Improving Citrus and Banana Production in the Caribbean through phytosanitation, St. Lucia, December 1986 (CARDI)
— Food Security in the Southern African States, Maseru (Lesotho), January 1987 (ISAS)

P.S.: Publications on the abovementioned Seminars may be obtained from CTA — Documentation Division.

Technical Meetings organised by CTA

— Scientific and Technical Information for Agricultural and Rural Development, Montpellier (France), December 1984 (GRET-GERDAT)
— Livestock Auxiliaries, Bujumbura (Burundi), October 1984 (GTZ-IEMVT)
— The Role of Agrometeorology and Biogeography in Forecasting Pest and Diseases Outbreaks, Fulmer Grange (U.K.), June 1985 (TDRI)
— Creation of a Research Network for Drought Resistance, Ouagadougou (Burkina Faso), September 1985 (CIRAD)
— Primary Animal Health Care in Africa, Blantyre (Malawi), September 1985 (GTZ-ODA-CTVM)
— Seed Production in ACP States, Yaoundé (Cameroun), October 1985 (IAC)
— Smallholder Livestock Development, Apia (Western Samoa), November 1985 (IRETA)
— Realisation of Africa's Potential for Food Production, Amsterdam (The Netherlands), November 1985 (KIT-AUW)
— Regional Agricultural Research in the Caribbean, Port of Spain (Trinidad), December 1985 (CARDI)
— Linkages between Agricultural Research, Extension, Agricultural Education and Farmers Apia, (Western Samoa), June 1986 (IRETA)
— Coordination of Research for the Development of Small Ruminants in Africa, Montpellier (France), October 1986

Main studies sponsored by CTA

— Bibliographic bulletin on Bananas and Plantains (IRFA)
— Atlas of the agro-pastoral potential of the Sahel, Chad-Niger (IEMVT)
— Inventory of sources of agricultural information in Europe
— Inventory of current agricultural research information systems (CARIS) in the English-speaking Caribbean countries (UWI-FAO)
— Evaluation of fish wastage in West Africa (TDRI-CEASM)
— Agroforestry and desertification (BAUMER-ICRAF)
— The potential role of agroforestry in ACP countries (BEETS-ICRAF)
— Milk production in the tropics (Preston)
— Pig and poultry production in the tropics (Preston)

Main publications

— SPORE
— Newsletter of RISED (EEB)
— Bulletin in "The ACP-EEC Courier"
— Proceedings and Summary Reports of Seminars
— "Le technicien d'agriculture tropicale" (Maisonneuve & Larose-ACCT). Titles: Maize - Rainfed rice - Storage, the Plantain - Cotton
— Gardens and orchards of Africa (R. Dupriez et de Leener - "Terres et Vie")
— Food trends in ACP countries (IFPRI)
— Matching livestock systems with available feed resources in tropical countries (Preston)

Conferences

— Prof. Lennart Kahre: Conservation of plant genetic resources in ACP countries
— Dr. T.R. Preston: Matching livestock systems with available feed resources in tropical countries
— Mr. Gerard Belkin: Presentation of films on the rural environment of developing countries: "Peasantry ... the hush of silence"

Assistance to ACP Documentaton Centres and Information Services

— Training course on information in agriculture, Oxford (U.K.), August 1986 (CABI)
— Repackaging STI for illiterate and semi-literate users, Gaborone (Botswana), August 1986 (FIDA)
— Training course for ACP Documentalists of French-speaking Africa, Dakar (Senegal), December 1986) (IFLA)
— Investigating the use of compact disc CD-ROM: Reseadoc (Mali), ILCA (Ethiopia), Zimbabwe, Kenya (with the collaboration of CABI).
— Equipment to documentation centres: Mauritius, School of Agriculture (University of the South Pacific), Farcha (Chad), Dakar (Senegal), Sahel Institute, Bamako (Mali).
— Assistance with publications and supply of books: (C DOC - BDPA)
— Assistance in the publication of: Cardi News and Caribbean Farm News
— Video programme for the extension of livestock production techniques ("Vétérinaires Sans Frontières")

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THE CONVENTION AT WORK

Also in the yellow pages

Joint Assembly meets in Arusha

Delegates discuss fundamental development issues

The ACP-EEC Joint Assembly held its first meeting of the year in the International Conference Centre in Arusha (Tanzania) from 2-6 February. This was its second visit, the first being in 1980. Mr Warioba, the Tanzanian PM, officially opened the meeting, in the presence of the two co-Presidents, Giovanni Bersani and Emile Mworoha, Eugenia Charles, the Dominican PM and President-in-office of the ACP Council, Commission Vice-President Lorenzo Natali, the EEC Development Commissioner, and ECOSOC Chairman Alfons Margot. The Belgian Cooperation Minister, Mr Kempinaire, who is the current President of the EEC Council, was taken ill as he was leaving for Tanzania and was unable to attend the Assembly.

"The Arusha meeting has been one of the most positive when it comes to tackling the real problems and suiting our action to the practical concerns of the people". So said co-President Giovanni Bersani, visibly pleased as he summed up the four days of discussion. Never, it seemed, had the Assembly's agenda tackled so many of the fundamental issues of development. All the reports—on women, population and development, on the developing countries' debt, on rural development and the environment and on regional cooperation—dealt with the ACPs' main worries. And there were lively discussions on two of the biggest issues in the world today—the situation in South Africa and AIDS.

For the very first time, as Mr Bersani pointed out, the Assembly had taken a step towards a united view. In the voting on the resolutions, there were only two separate votes, although these have been very common at all previous sessions when they have demonstrated the gap between the ACP and EEC parts of the Joint Assembly. This encouraging trend, which of course has to be confirmed, is somewhat limited in its scope by the fact that only 40 ACPs were represented at Arusha, 19 of them by MPs. This parliamentary under-representation, the subject of unequivocal criticism by Joseph J. Mungai, the speaker of the Tanzanian National Assembly, often meant that Euro-MPs found themselves discussing with the ACP Ambassadors to Brussels. The Ambassadors' defence was that it was often cheaper for their countries to send them, rather than the MPs, to meetings of the Assembly and, certainly, a ticket from Brussels to Arusha costs far less than a ticket from Suva. Secondly, they said, discussions between Euro-MPs, whose regular meetings in Brussels and Strasbourg were an opportunity to refine their various positions, and the ACP MPs, who had no practical chance of harmonising their views and strategies before the meetings, were bound to be unequal.

Taking population into account

However, irrespective of the limitations, the ACP-EEC Joint Assembly made a manifestly useful contribution by instituting a public discussion of

From left to right, Messrs. Mworoha, ACP co-President of the Joint Assembly; Warioba, Prime Minister of Tanzania; Giovanni Bersani; EEC co-President of the Joint Assembly; Cleopa Msuya, Tanzania's Minister of Finance and Miss Eugenia Charles, Dominica's Prime Minister and President-in-office of the ACP Council of Ministers

The Courier

Vice-President Natali surrounded by 3 of the 4 Rapporteurs. Left to right, Mr Iroha (Nigeria), Mrs Waruhiu (Kenya) and Mr Hambayi (Zambia)

population problems in their development relations. And of course it took a woman, and an African, Kenya's Rose Waruhiu, to overcome the fears of the ACP Group, and the Africans in particular, when it came to the birth rate issues they have so long been reluctant to discuss. Her report, the fruit of 18 months of investigation (the working party was formed in Inverness in September 1985), in fact treads very carefully, as if to avoid disconcerting ACP leaders and peoples. But it does admit that, "in many developing countries, the balance between resources and people is poor, especially in relation to agriculture and land… (and that) rapid increases in population produce serious managerial problems in economic and social change". In the resolution that follows her report, Rose Waruhiu stresses that, if the present population trends persist, there will be a huge increase in unemployment, a decrease in per capita agricultural output and health care and there will be deforestation and urban spread. So she calls on the ACP States to design and apply the sort of economic and social development policies that take population problems into account and to encourage the drive for successful family planning. Planning programmes, she emphasised, should reflect local values. They should be integrated into existing health care, early childhood and food programmes, particularly at grass roots level. But, she prudently notes, the birth rate can only be lowered through the concern of the individual, not coercive measures.

The Waruhiu Resolution was hailed by the Assembly and by Commissioner Lorenzo Natali in particular, who said it was a milestone in the life of the Convention. It was adopted unopposed, with one abstention.

Debts of ECU 80 billion

The resolution by Joshua O.B. Iroha—Nigerian Ambassador to Brussels and Rapporteur of the working party on the problem of indebtedness in the ACP countries—notched up an even better score, as there was complete unanimity on it, proof of the consensus that debt constitutes one of the biggest barriers to development. The recent declaration of the Vatican's Commission for Peace and Justice advocating a solution was mentioned a number of times in this context. "Even though the European Community itself has", Mr Iroha said, "established an ECU 8.5 billion budget for Lomé III…, when compared to the total long-term and short-term liabilities of sub-Saharan African countries—some ECU 80 billion or 50% of the region's combined GNP—this sum appears relatively small. Debt service for sub-Saharan Africa alone in 1984 was equivalent to almost the total Lomé III budget, US $ 7.9 billion. In 1985 and 1986, scheduled payments for sub-Saharan Africa, according to the World Bank, amount to some US $ 12 billion…".

And in the Caribbean, Mr Iroha went on, there was a problem of debt management, particularly in Jamaica, but in Guyana too and to a certain extent in Trinidad & Tobago. Only the Pacific countries (other than Western Samoa) had so far managed to escape massive debt.

The Ambassador then suggested a whole series of measures ranging from rescheduling over a period of years to setting a ceiling (a percentage of export revenue) on annual repayments and wiping out the poorest countries' debts, cutting the interest rate on commercial loans and injecting fresh money into the ACPs.

On this last point, he proposed giving very serious consideration to the possibility of mobilising a small share (0.7%) of the gold reserves of the European Member States, "which should provide ECU 1 billion for development purposes". The public could invest by buying specially-minted gold coins (ECUs), thus providing money for a special fund along the lines of the IMF Trust Fund. Mr Richards, an expert from the United Kingdom, had presented this proposal to the Working Party on the problem of indebtedness in ACP countries. The resolution also stressed the advantages that certain ACPs derive from being in the franc zone and called on the Commission to run studies to see what the possibilities were of creating a monetary zone tied to a basket of European currencies on which the ACP currencies might depend. But the representatives of the Commission wondered whether linking the ACP economies in this way to the EEC was the best course of action and whether it would not be better to seek a monetary solution in the framework of regional intra-ACP co-operation.

Regional cooperation—a priority

In addition to these two reports (the conclusions of which are to be put to the next ACP-EEC Council of Ministers), the Joint Assembly heard two interim reports which will constitute the central issues of the next meeting. They are:

— a report on rural development and the environment, by Djibrill Sène (Senegal), containing six chapters on rural development financing, trade between the EEC and the ACPs, rural training, capitalising on sea fishing resources, agricultural research and the work of the Technical Centre for Agricultural and Rural Cooperation. This was introduced orally at Arusha and the final text will be discussed in Lisbon;

— a report on regional cooperation by general rapporteur Mr A. Hambayi (Zambia), discussion of which marked the real beginning of the Arusha session. This pointed out that "many development priorities inherently involve a significant regional dimension" and that until now, many Governments have "either failed, or have been unable, for various reasons, to grasp the full potential offered by closer regional contact and coordination."

The rapporteur then looked at some of the main ACP regional organisations, pointing to their weaknesses—as he saw it, the duplication of their targets, a shortage of financial resources, the rapid turnover of staff who were thus unable to get long-term experience, an inability to supply the counterpart to external financing and so on—and briefly discussed the weakness or total absence of trade between countries of the ACP Group.

This was followed by a debate in which it emerged that the rapporteur would do better to get an overall look at the barriers to regional cooperation rather than embark on a detailed rundown of the general and specialised regional and sub-regional organisations, which were far more numerous than the report actually suggested. The forthcoming Brussels meeting of the main ACP regional organisations should provide Mr Hambayi with some worthwhile information on this subject and there is no doubt that he will also draw some very useful conclusions if he looks at the reasons for the failure of attempts at regional cooperation—as was suggested by Joseph Mungai, who pointed out that the Arusha meeting was being held in the buildings that were to have been used by the now defunct East African Community, one of the most advanced attempts at regional integration.

Regional cooperation was the keynote of the speech which Commission Vice-President Lorenzo Natali made to the Assembly. As he saw it, regional cooperation was "not a way of topping up resources for the national indicative programmes nor of allocating a finely-calculated dribble of funds to all the ACP States. It must be directed towards the priority objectives of the Convention, especially in cases clearly demanding an approach not confined by national boundaries, for example desertification control and transport... Deterioration of Africa's natural heritage is threatening the continent's future. The only way of countering it is through a joint, long-term effort, for which regional cooperation is a particularly suitable framework. This is why the Sahel countries and the Commission have expressed the wish that the bulk of the regional resources earmarked for West Africa be devoted to this campaign. Regional appropriations would thus be used to back up national measures and would act as a further incentive so such efforts".

AIDS—a disease gaining ground

The Development Commissioner then fulfilled his duty of providing answers to the Assembly during the traditional question time before leaving Arusha for Gaborone (Botswana) to attend a SADCC meeting. Delegates put a dozen questions on a whole range of subjects—trade cooperation in the Caribbean, food aid, the kidnapping of the Médecins sans Frontières team in Somalia, aid for the Front Line countries... and AIDS. Lorenzo Natali announced that the Commission would be launching an action programme to assist any ACP countries that asked for help in campaigning against this disease—which had been striking all the continents indiscriminately for the past few years and was spreading in what was virtually geometric progression. Two ACP States had in fact already received the equipment to run blood tests. The programme should mean that extra resources from the Member States and some private institutions can be mobilised in addition to funds from Lomé.

Should ACP students be tested for aids when they entered the Community? Mr Natali agreed that some Member States had indeed taken steps to run such tests. In the occasionally animated discussion on this new epidemic, the ACPs all insisted that everyone was affected, not just Africa. They did not want to see the anti-AIDS campaign used to pillory the Africans with insinuations that this was primarily an African problem (that is how Rose Waruhiu put it). An *ad hoc* working party of two ACP and two EEC members of the Assembly was invited to produce a preliminary report on health problems, including AIDS, for the Lisbon meeting. Three further working parties were also formed to deal with raw materials, refugees and displaced persons in the ACPs and education and training.

The Assembly also had its usual discussion on the situation in southern Africa. It was a subject which had already been brought up, in particular by Mr Warioba, the Tanzanian PM, Eugenia Charles, the President of the ACP Council and by Messrs Bersani and Mworoha, the co-Presidents of the Assembly, in their various speeches. The four-hour debate saw 24 impassioned speakers, most of them calling for proper application of the sanctions the Community had decided to use against Pretoria. They wanted harsher sanctions, an end to censorship of the press in South Africa and the protection of Community investments in the Frontline States.

The meeting wound up on 6 February, 20 years to the day after the Arusha Declaration, a development philosophy based on self-reliance which had marked a whole generation of Africans, was made. The more modest hope of the ACP-EEC representatives this time was that the things they discussed in this historic place would be reflected in the next Convention. ○ A.T.

Scene from the Arusha meeting

SADCC 1987: Favouring productive investment and the private sector

The annual consultative meeting of SADCC, the Southern African Development Coordination Conference, met in Gaborone (Botswana) on 5 and 6 February earlier this year. It was attended by about 500 people—representatives of the nine countries of the organisation (1) and delegates from 31 other countries, 19 international organisations and three Southern African and Namibian liberation movements. The EEC Commission delegation was led by Vice-President Lorenzo Natali, Commissioner for development, and included André Auclert, Deputy director-general for Development.

The meeting was held in the crowded Boiposu Hall of the Gaborone Exhibition Centre, under the chairmanship of the Vice-President and Minister for Planning and Financial Affairs, P.S. Mmusi. It was opened by Quett Masire, the President of Botswana, who recalled SADCC's basic aim of giving the states in this region the means of resisting and gradually shaking off South Africa's economic and political pressures. He reminded his listeners of the suffering of the continent of Africa. "Total peace", he said, was the only way out, both for Africa as a whole and for the countries of SADCC in particular. In a vibrant tribute to Samora Machel of Mozambique, President Masire said that, "it was in search of peace and freedom for our region, peace and freedom that has been denied us by South Africa, that Samora Machel met with his death".

Everyone talked about the consequences of South Africa's policy on the SADCC countries and reaffirmed that it was only the successful economic development of these nations, combined with international action, that would hasten the end of apartheid and bring peace to the whole of the region. A large number of pledges of financial and political support came from all the countries attending and especially the Member States of the EEC (Germany, the Netherlands, the United Kingdom, etc.) and, bilaterally, from the Scandinavian nations, the USA, Canada, Australia, Brazil and a number of the Eastern European countries.

International organisations and agencies also said they intended to make a bigger effort to see that SADCC had the finance it needed to achieve its aims. For example, Shridath Ramphal, the Secretary-General of the Commonwealth, announced the recent creation of the Africa Fund in New Delhi following decisions by the 8th Non-Aligned Summit in Harare last year. This Fund, which is fed by the developing countries, currently stands at $ 70 million. A "nucleus" sum, indeed, but it will grow. The idea was due to the leadership role of India's PM Rajiv Gandhi, as chairman of the Fund's Steering Group and Zimbabwean PM Robert Mugabe and Zambian President Kenneth Kaunda, members of the Group, with "the primary objective of strengthening the economic capability of the Frontline States by concentrating on emergency measures related directly to the struggle against apartheid".

The EEC Member States announced they would be making large financial and technical contributions and the Community itself, through Commission Vice-President Natali, recalled the ever-growing contribution the EEC had made to finding an answer to the human and economic problems of the region. As Lorenzo Natali said, "the Community and its Member States have played a part in international efforts to eliminate the main cause of instability and violence—namely the intolerable apartheid system—and to attenuate some of its effects on the victims in South Africa and on the neighbouring countries who are members of SADCC". The Commission Vice-President mentioned some of the measures taken and pointed to the doubling of financial support for victims of apartheid in South Africa, which had gone from ECU 10 million in 1986 to ECU 20 m this year. He said that the whole series of possibilities provided for by the Lomé Convention was reflected in the indicative programmes agreed on with the nine SADCC countries and in the regional programme, guaranteeing a total financial contribution of at least $1 billion (ECU 886 million) over the next four years. Then there were the non-programmable resources that also were made available in response to particular circumstances as the need arose, one or two examples being the special mining financing facility and the help the European Investment Bank provided with productive investments in industry and agro-industry and other fields linked to these sectors.

President Quett Masire (centre), emerges smiling from the Conference; on his right, A. Guebuza, Mozambique's Minister of Transport and Communications and P.S. Mmusi, Botswana's Vice-President and Minister of Finance and Planning; on his left, S. Makoni, SADCC's Executive Secretary

Private investment a driving force

Ever since it was formed six years ago, SADCC's meetings have concentrated on seeking the money to reach

(1) Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe.

its targets, especially in transport, energy, mining, training for workers and, of course, production. However, although the member countries and cooperating countries involved in meeting the SADCC objectives have defined clear targets, they have not so far managed to define the sectors in which the projects they have adopted can be given practical shape. So SADCC 1987 focused on productive investments and, for the very first time, private investors from all over the region and the countries cooperating in the SADCC programme came to the Conference.

A private investors' forum was held before the meeting actually began and a large number of private businessmen gave their views on the ways and means of achieving SADCC's objectives. Mr Mwako, Minister of Commerce and Industry, who opened the seminar, analysed the difficulties encountered by private investors, both local and international, and suggested that private investment was now of vital importance in reaching these goals. This driving force which private investment now exerted made the forum extremely significant at what, it was hoped, would be the beginning of a lasting and fruitful operation between the Governments of SADCC and the representatives of business both in the region and further afield. Mr Mwako went on to underline the region's plentiful natural resources. The potential for profit-generating investments was vast, he said, especially in farming, energy and mining.

Less a question of money than a propitious climate and proper facilities

The investors stressed that the Conference was innovative this year by calling in the private sector to talk with the Governments and had recognised that the forum had become essential as soon as SADCC had come into being. They expressed their concern and "frustration" at the restrictions they met with even in the SADCC region. Many of them emphasised the "red tape", the over-valuing of the national currencies and the shortage of foreign exchange in countries with non-convertible currencies. They stressed that the Governments could not define and implement development policies unaided. Although for a long time the authorities' main worry had been how to finance their economic programmes, such financing now existed and, for private investors, it was less a question of money than a propitious climate and proper facilities. That was how Dennis Norman, the former Zimbabwean Agriculture Minister who has now gone into business, put it.

The investors then outlined various specific proposals for making SADCC an economic area that was full of vitality.

First of all, they thought that the Gaborone (private sector-government) meeting should change its formula. The investors, they felt, wanted to produce one or more documents analysing businessmen's needs and how to go about meeting them, to give to the Governments well before the Conference of Ministers every year. The problems, as businessmen saw and experienced them, could then be discussed, they said.

Secondly, on the crucial subject of foreign exchange, the investors suggested that there be a "floating currency pool" that would facilitate transactions in the region. Because, they said, there was surplus foreign exchange in some countries of SADCC that was frozen, while other countries were short of foreign exchange for their investments.

A third proposal and one which was heavily emphasised, was on setting up a "rigid investment code" which harmonised the views of the nine Governments on such matters as economic policy, capital admissibility, profits and interests, tax and the reinvestment or export of all or part of profits made in the region. This would be a stimulus and offer considerable encouragement to investors in SADCC and it would create a more attractive climate for international investment. "If we are to do an efficient job of attracting foreign capital", they said, "local investments must themselves be prosperous".

Another suggestion was that the Governments take steps to facilitate travel for businessmen. The investors both stressed and regretted the considerable red tape restricting the movement of businessmen, who, by their very nature, had to travel a lot. Interfering with the freedom of movement of investors in the region was putting obstacles in the path of realising investment itself, they added. The measures they suggested were primarily intended to foster regional economic development, but without duplicating investments in several countries.

How to guarantee investments

The usual problem of investment guarantees of course came up and, for the first time, businessmen—or those from SADCC at all events—seemed to see this as a way for certain investors to protect themselves against normal commercial risk. As one speaker said, "The community of investors should also be aware of the fact that it has to deal with the Governments of countries whose independence is recent and which are therefore sensitive and do not wish or desire to be controlled, even economically, by anyone". It did not seem right for investors to ask a Government to guarantee capital invested unless there was some counterpart if they were successful. So a new approach to guarantees was suggested whereby the investor and the Government would both agree to seek joint solutions if an investment made in a

Vice-President L. Natali (second from right) with, on his right André Auclert, Deputy Director-General, and on his left, Giovanni Livi, Director in the main conference hall of the Gaborone Sun Hotel

SADCC 1987 Annual Consultative Conference Communiqué

The Conference, which was chaired by the Hon. P.S. Mmusi, Vice-President and Minister of Finance and Development Planning of the Republic of Botswana and Chairman of the SADCC Council of Ministers, was officially opened by H.E. Dr Q.K.J. Masire, President of the Republic of Botswana. Responses to the Opening Address were given by Mr M.P. McPherson, Administrator, United States Agency for International Development; Mr Ibrahim Tabakovic, Chairman of the Committee for Cooperation with Developing Countries, Yugolsavia and Sir Shridath S. Ramphal, Secretary-General of the Commonwealth.

In addition to the nine SADCC member States, the Conference was attended by thirty one (31) cooperating Governments and nineteen (19) cooperating international agencies, viz.:

Cooperating Countries

Australia, Austria, Belgium, Brazil, Bulgaria, Canada, China, Czechoslovakia, Denmark, Federal Republic of Germany, Finland, France, German Democratic Republic, Greece, Hungary, India, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Romania, Spain, Sweden, Switzerland, Soviet Union, United Kingdom, United States of America, Yugoslavia.

Cooperating International Agencies

African Development Bank (ADB); Arab Bank for Economic Development in Africa (BADEA); Commission of the European Communities (EEC); Commonwealth Secretariat; Council of Mutual Economic Assistance (CMEA); European Investment Bank (EIB); International Fund for Agricultural Development (IFAD); International Labour Organisation; Nordic Council of Ministers Secretariat; Organisation of African Unity (OAU); Preferential Trade Area (PTA); United Nations; United Nations Children's Fund (UNICEF); United Nations Conference of Trade and Development (UNCTAD); United Nations Development Programme (UNDP); United Nations Economic Commission for Africa (ECA); United Nations Industrial Development Organisation (UNIDO); United Nations Food and Agriculture Organisation (FAO); World Bank.

Liberation Movements

African National Congress of South Africa (ANC); Pan Africanist Congress of Azania (PAC); South West Africa People's Organisation (SWAPO of Namibia).

The Conference noted the progress which had been achieved in SADCC cooperation during the past year and, in particular, noted:
— the revised strategy for *Food, Agricultural and Natural Resources* which emphasises the primary goal of achieving food security at household, national and regional levels;
— the launching of an intra-regional trade programme coordinated by Tanzania within a new sector of *Industry and Trade*;
— the efforts which are underway to rehabilitate the region's transport systems; especially the successful launching of the Beira Corridor programme.

Cooperating partners expressed their continuing support for the SADCC *Programme of Action* and pledged additional resources for the implementation of the programme.

The Conference called upon the international community to redouble its efforts to secure a just and lasting solution to the problems of southern Africa.

The Closing Ceremony was addressed by the Hon. G. Weiner, Minister of State for Immigration of Canada on behalf of SADCC's cooperating partners. A Vote of Thanks on behalf of Conference participants was given by the representative of Zimbabwe.

It was noted that the 1988 SADCC Annual Consultative Conference would take place in Arusha, United Republic of Tanzania.

The Conference expressed its appreciation to the Government of Botswana for the excellent arrangements provided for the Annual Consultative Conference.

Large numbers of the representatives of Botswana's businessmen gathered for the Businessmen's Seminar

sufficiently encouraging business climate failed. The SADCC businessmen said that there was "huge business potential in the region—which offered more guarantees than Europe, where investments were perhaps safer but less productive".

The impact of the SADDCC seminar for businessmen and the ideas that emerged from it were far greater than was immediately apparent in Gaborone. The effect on the paths which the Governments of the nine SADCC members and the countries and international organisations helping achieve the Conference's economic and political targets intend to take has been considerable. The place that private investors now occupy in the economy of the region is an important factor that could well help bring the member countries—who have what are often clearly-defined economic policies, ranging from state control to a mixed system with semi-state or private dominant position—closer together. This, at all events, is the feeling which emerged from the speeches of the representatives of most of the foreign governments and international cooperation organisations.

As the Commonwealth Secretary-General said, in the development of the private sector, much depends on national policies. But national policies may also be backed up and extended by regional policies. Much help could be given in the form of commercial credit facilities or incentives encouraging both intra-regional and extra-regional exports. And a lot of progress could also be achieved with the harmonisation of policies in respect of incentives for the private sector, especially foreign investments which could help to avert counter-productive competition within the region and ensure viability of such investments as are made. USAID administrator Peter McPherson announced a new US initiative to help SADCC and its member countries. Washington was currently sending food aid and technical assistance worth $ 175-200 million every year and it would now be giving support to the economy, trade and the monetary reform policies aimed at attracting more foreign and local investment to the region.

The transfer of technology was vital if SADCC's aims were to be achieved and participants also agreed that it should be speeded up, largely via productive private investments.

Of course, although private investment was the focus of SADCC 1987, the other aspects of development, especially transport and communications, were not forgotten. In this last area, the principal projects have been defined and studies run since SADCC was first set up and so participants concentrated on their desire to see them actually take practical shape—especially the highways, the railways and the ports that determine the countries' current dependence on South Africa. The success of the drive for reliable communications, allied to the campaign for economic investments, was a guarentee of the independence of SADCC members vis-à-vis South Africa and a sure way of tackling apartheid, said Sweden's representative Jan Eliasson. This, he thought, was a question of the joint responsibility of "all the democratic countries of the world". He went on to quote the former Swedish PM, Olof Palme, who said: "It is by taking joint responsibility that we can contribute towards abolishing apartheid, for the system can live on because it has support from outside. But if that support is pulled away and turned into resistance, then apartheid will not last. And if the world decides to abolish apartheid, apartheid will be abolished". And then, said the Netherlands representative, "the ultimate aim of SADCC will have been achieved". ▫

L. PAGNI

LOMÉ III PROGRAMMING

The Lomé III programming exercise is now almost complete, with only one ACP country's programme still to be finalised. Details of Somalia's and Uganda's indicative programmes are given below. In addition to the sums indicated as programmable resources, each of the two countries could also be eligible for additional non-programmable aid such as Stabex transfers, emergency aid or food aid, as well as for financing through the EIB.

Somalia

Somalia will receive the sum of ECU 113 m (about So. Shs. 10 550 million) as programmable resources under Lomé III, of which Ecu 101 m (about So.Shs. 9 430 m) in the form of grants and ECU 12 m (about So.Shs. 1 120 m) in the form of risk capital, managed by the European Investment Bank.

Aid will be focused on rural development, including livestock and fisheries, through appropriate actions in the areas of high potential as well as related social and economic infrastructures. Since agriculture is heavily dependent on the state of the infrastructure, priority would be given to the Baardheere Dam and to the development of the Juba Valley and South-West regions as well as to the maintenance of rural roads and other facilities to sustain agricultural development.

The EEC delegation had the opportunity to visit the North-East and North-West regions, where projects financed under the existing Second Lomé Convention are being implemented with positive impact on agricultural production. A second visit took place to the Juba Valley and the Baardheere Dam site.

The Somali and EEC delegations also held an exchange of views on stepping up regional cooperation in the framework of IGADD, the Somali delegation indicating its main areas of priority. The Community delegation indicated that the Lomé III Convention will make available a provisional amount of ECU 185 m (about S.SH. 17 300 million) for the East Africa region.

Upon completion of the negotiations, the indicative programme of Community aid was signed jointly on 17 December 1986 on behalf of Somalia by Dr. A.J. Barre; on behalf of the Commission of the European Communities by Mr. D. Frisch and by Mr. M. Curwen for that part concerning the EIB. ○

Uganda

A delegation of the European Economic Community, headed by Mr. André Auclert, Deputy Director-General for Development at the Commission and including representatives of the European Investment Bank (EIB), visited the Republic of Uganda from 28 to 31 January 1987.

Discussions were held with a delegation headed by the Honourable Dr. Chrispus Kiyonga, Minister of Finance.

Uganda will be receiving the sum of ECU 125 m (equivalent to ECU 190 m Ugandan Shillings) as its programmable financial package.

The sum is composed of:
ECU 112 m (equivalent to 170 000 million shillings) in the form of grants
ECU 13 m (equivalent to 20 000 million shillings) in the form of risk capital, managed by the European Investment Bank.

The two delegations agreed that the Community's aid would be concentrated on support to sustainable activities in the fields of agriculture and rural development, and of rehabilitation of economic and social infrastructure. The basic objectives will be to promote sustainable and equitable growth through enhancing agricultural productive capacity, boosting foreign exchange earnings, conservation of the productive capability of the land, improved transport links, and better access to basic social services. The development of Makerere University is also to be included in the programme for Commission support.

The needs of refugees and of returnees will also be addressed.

The programme has been established to take account of the most urgent needs of the country and of its population. These needs had been stressed by President Yoweri Museveni during his visit to the European Commission in Brussels on 12 November 1986. During the mission, the delegation was able to see a number of development activities, including ones supported, or to be supported, by the European Community.

The two delegations also reviewed the possibilities for supporting the process of cooperation between Uganda and the other countries of the region, the Community delegation stating that ECU 185 m (equivalent to 280 000 m Ugandan shillings) is earmarked for support to regional cooperation in Eastern Africa.

Upon completion of the negotiations between the two delegations, the indicative programme of Community aid was signed jointly on behalf of the Republic of Uganda by the Honourable Dr. Chrispus Kiyonga and on behalf of the European Communities by Mr André Auclert and by Mr Thomas Oursin in respect of matters under the responsibility of the European Investment Bank. ○

Corrigendum:
The Honourable Dr Chrispus Kiyonga holds the portfolio of Finance and not, as stated in a caption in The Courier No 101, page II, that of Minister of Foreign of Affairs.

EDF FINANCING

Following a favourable opinion from the EDF Committee, the Commission has decided to finance the following projects:

Guinea Bissau

Technical assistance for rural development
Sixth EDF
Grant: ECU 3 000 000

The idea of this scheme, which is to continue the reform of trade structures (begun under the 5th EDF), is to help with the drive for rural development, the focal sector of Community aid.

The lack of regular supplies of basic goods on the market seriously affects agricultural production, as the farmers have no incentive to produce if they cannot obtain them. Hence the need to pursue and complete the reorganisation of the commercial apparatus if production is to be boosted.

It means sending out technical assistance and supplying what is primarily teaching equipment.

Côte d'Ivoire

Village oil palm plantations
Sixth EDF
Special loan: ECU 20 850 000

This scheme is support for the Government's policy of self-sufficiency in food in the medium term, as agreed in the 6th EDF indicative programme. It involves setting up most of the village oil palm plantations in the Second Palm Plan to be run with cofinancing from Côte d'Ivoire itself and other funders.

It is a five-year operation, during which around 23 000 ha of village plantations will be set up for a cost of ECU 50.4 m (20.85 from the EDF and 6.95 from the Fund for Extension and Renewal for the development of oil palms). The rest will come from the planters themselves.

Gabon

Help to small and medium-sized firms
Sixth EDF
Grant: ECU 600 000
Special loan: ECU 1 500 000

The aim of the line of credit (ECU 1.5 m) for SME and the support for external personnel (ECU 600 000) is to back up Gabon's SME promotion policy at a time when the slump in petroleum earnings is forcing the country to redirect its economy.

The line of credit will be managed by the Aid and Guarantee Fund at the Ministry for SME, which will be able to provide direct assistance in the form of preferential loans to 30 agricultural SMEs which are meeting local needs and capitalising on the country's natural resources. This promotion drive will mainly benefit young people, farmers and women.

Zaïre

Fitting out of health centres (additional financing)
Fifth EDF
Grant: ECU 1 350 000

The idea here is to provide the basic working conditions (lighting and storage for vaccines and drugs) in rural health posts and centres, other premises and housing.

Somalia

Line of credit for farmers and fishermen
Fifth EDF
Grant: ECU 1 650 000

This is to open a line of credit, plus technical assistance, for the Somali Government. It will be run by the Somali Development Bank and its subsidiary, the Commercial and Savings Bank. The credit will be on-loaned by these institutions to small and medium-sized farmers and fishermen.

Tanzania and Zambia

Tazara development plan
Fifth EDF
Grant: ECU 13 000 000

The Tanzania-Zambia Railway (Tazara) links the port of Dar-es-Salaam to Kapiri Moshi in Zambia, where it links up with Zambia's national railway system. It was built between 1970 and 1976, with help from the People's Republic of China, and makes a significant contribution to opening up these southern African countries, Zambia especially. Although the quality of the construction was sound, various operational problems have cropped up and a 10-year development plan has been produced to improve the efficiency of both operation and management. Most funders reacted positively and if the plan is to be fully effective, all the priority projects must be run. The plan is to produce ballast, relay and maintain the tracks and develop communications, rolling stock, workshop equipment and management and training.

The proposed EDF financing is to supply equipment to produce ballast (with Swedish cofinancing), equipment and technical assistance for a track maintenance programme (cofinanced with Austria and Switzerland), turntables for the Tazara workshops and other workshop equipment. The other donors are Denmark, Finland, China, Norway and the African Development Bank.

Mozambique

Rehabilitation of the Nacala railway (Phase II)
Sixth EDF
Grant: ECU 25 000 000

The idea here is to carry on rehabilitating and improving the railway between the port of Nacala (northern Mozambique) and the agricultural regions of the interior and Malawi. As things stand, the line cannot really be used and this paralyses the development of these regions and acts as a strong brake on the economic growth of Malawi — whose international traffic has to use longer and much more expensive routes through South Africa.

Phase One of rehabilitation, which was completed in late 1985, means that traffic can now use the stretch between the port and Nampula. Phase II, covered by this project, involves replacing 364 km of track, from Nampula to Cuamba (77 km from the Malawi border), at an estimated cost of ECU 110.4 million.

The external financing (French, Portuguese, Canadian, Italian and Finnish cofinancing) is primarily aimed at supplying materials and equipment, strengthening the bridge over the Rio Monapo and providing rail transport and technical assistance.

Solomon Islands

Reconstruction programme following Cyclone Namu
Sixth EDF
Grant: ECU 1 722 000

The main idea here is to restore and rebuild the rural fabric damaged by the hurricane and the ensuing floods as quickly as possible, so as to achieve at least a better and perhaps even a normal level of operation — which is likely take several years.

The hardest hit areas are Guadalcanal, Malaita, Makira, Rennel and Bellona — 48% of the total area of the islands and 62% of the total population.

All ACPs and OCTs

Global commitment authorisation
Fifth EDF
Grant: ECU 25 000 000

This is to finance technical cooperation and trade promotion schemes to help both ACPs and OCTs by accelerated procedure.

Tanzania

Support for the agricultural sector
Sixth EDF
Grant: ECU 94 000 000

This first package of Lomé III schemes is aimed, with the help of other donors, at tackling obstacles which will otherwise be a serious impediment to the production and marketing of agricultural produce in Tanzania over the next two growing seasons.

The programme is part of the Government's drive in the focal areas of the indicative programme and in the economic recovery programme (a series of radical reforms which got support from the donors at a meeting of the advisory group in June). The programme will stress high-potential areas in the south west. It involves:
— food security improvement measures;
— aid for coffee production and processing;
— aid for cooperative unions;
— vehicle and tractor repair and maintenance;
— feeder road maintenance;
— aid for the institutions implementing the programme.

The main beneficiaries will be the coffee and maize producers and their families, particularly in the south west. There will also be a major effect on the strengthening of those regional cooperatives responsible for supplying the villagers with inputs and purchasing and collecting the produce.

All ACPs and OCTs in the Caribbean and the Pacific

Participation in international trade events
Sixth EDF
Grant (ACPs): ECU 2 025 000
(OCTs): ECU 202 500

This financing decision is intended to provide effective financial and technical help (regional cooperation) with organising displays in international trade events. It is also aimed at ensuring the continuity of the successful promotion campaigns which many ACPs and OCTs have run at international fairs.

Mali

Restructuring of the pharmaceuticals sector
Fifth EDF
Grant: ECU 880 000

There are three sub-project here:
— the creation of a national drugs quality control laboratory for which equipment and supplies are to be financed and staff trained;
— the installation of a pharmaceutical product processing packing unit, for which materials and supplies have to be financed;
— the fitting out of medical analysis laboratories in the health establishments, which means rehabilitating the premises and supplying material and equipment.

Antigua and Barbuda

Development of livestock
Fifth and Sixth EDFs
Grant: ECU 1 690 000
Special loan: ECU 213 500

The long-term aim of this project is to develop the livestock sector, which has considerable potential on these islands, by setting up herding units and communal pastures. The scheme should help stop the current deterioration of the land, which is being caused by overexploitation, and boost meat production, thereby improving self-sufficiency in food and cutting imports.

Jamaica

Road and rural bridge repairs
Sixth EDF
Grant: ECU 785 000

The Lomé III indicative programme is putting 90% of resources into rural development with a view to backing up the Government's drive to improve the rural situation and pushing up production. Serious flooding in May and June last year caused a great deal of damage to roads and bridges in the rural areas and this interfered with transport and communications, creating obstacles to the Government's rural development strategy. This project is to repair the damaged roads and bridges. It comprises work on 50 damaged stretches of road and four special bridges (Comfort Village bridge, Rio Minho bridge, the ditch north of May Pen and riverbed protection at the Hope River bridge).

Rwanda

Water supplies in northern and central Bugasera
Fifth EDF
Grant: ECU 1 500 000

This is a decision to provide the funds to complete the water supply project in northern and central Bugasera (grant of ECU 7 700 000 from the 5th EDF).

More funds are needed because the existing installations upstream of the project are inadequate and have to be strengthened.

Zambia

Teacher training
Sixth EDF
Grant: ECU 3 500 000

The serious shortage of science and mathematics teacher training facilities restricts the possibilities of developing secondary education in these areas. So the project aims to improve science and mathematics teaching in Zambia by raising the standard of secondary teachers of these subjects and supplying teaching aids and better facilities.

It involves training the most experienced teachers and those with science and maths diplomas so they can teach these subjects to a higher level. It will also organise advanced training courses of one year for trainee teachers and instructors with more recent lower secondary teaching qualifications.

Malawi

Small coffee planters project (Phase II)
Sixth EDF
Grant: ECU 4 620 000

Phase II is to assist small planters in northern Malawi over the five-year period 1987-91. The main aims are to raise the income and standard of living of the farmers in the northern province and to boost and diversify the earnings Malawi derives from its agricultural exports.

The project is part of a series of schemes to develop cash crops on smallholdings and is in line with the priority which Lomé III puts on the agricultural sector. It follows on from Phase I, which supplied aid for production, processing and marketing and reached more than 7 700 smallholders.

Botswana

Palapaye water supplies
Fourth and Fifth EDFs
Grant: ECU 425 000
Special loan: ECU 1 875 000

This is a project to supply Palapaye, a village in east-central Botswana, with a water supply system that works throughout the year.

It involves sinking five wells into a water supply recently developed east of the village, building pumping facilities, storage reservoirs and a gravity feed to the existing network.

Madagascar

Village micro-water engineering programme
Sixth EDF
Grant: ECU 8 350 000

The idea here is to improve village water control in the highlands over 21 000 ha of small irrigated rice plots by building small dams, bridges and ponds. This will increase the potential rice-growing land by 7.3% on average and paddy rice output by 22%.

The programme will also mean additional works (bridges, sills etc.) can be provided, thereby facilitating access to the dams and making it easier to bring in input and take out the produce.

Comoros, Madagascar, Mauritius and Seychelles

Development of tuna fishing
Fifth EDF
Grant: ECU 6 300 000

The idea here is to get a better grasp of resources in the Indian Ocean and thereby establish the conditions of evaluation, management and exploitation that are best suited to the means of the states in this region.

Three states of the Indian Ocean Commission (Comoros, Madagascar and Mauritius) are taking part and Seychelles and France (Réunion) are associated at management level.

The project is in three integrated parts:
— established of a scientific resource management programme, including the formation of a scientific management committee;
— a local tuna fish development assistance programme, geared to the needs of each country;
— a training programme for fishermen.

Aeroplane maintenance centre
Fifth EDF
Grant: ECU 410 000
Special loan: ECU 2 790 000

This project is to supply the Indian Ocean countries with the possibility of maintaining, servicing and repairing their aircraft equipment and engines in a joint centre offering the relevant human and technical means. The industrial aircraft maintenance centre at Ivato (Madagascar), which is already working, has been selected as being the most suitable for this purpose and it will be completed by further buildings and equipment and offer classes and training session for its staff and technicians and for technicians from other airlines in the region.

Somalia

Building of bridges over the Juba and the Shebelli Rivers
Fifth EDF
Grant: ECU 5 000 000

This is a project to improve the facilities for crossing the Rivers Juba and Shebelli by building five bridges over the latter and one over the former. The relevant access roads (a total length of 9.5 km) are included. The areas round the Shebelli and the lower Juba are Somalia's main agricultural areas and communications, which are currently inadequate, are a serious handicap to the development of farming.

Supply of road maintenance equipment and materials
Fifth EDF
Grant: ECU 3 000 000

The idea here is to boost the road maintenance potential of the Department of Civil Engineering of the Somalian Ministry of Public Works and Housing by providing maintenance machinery and equipment. This Department is seriously short of means when it comes to road maintenance and it also has problems because it cannot obtain spare parts or supplies such as bitumen or lubricants. The project involves ensuring permanent maintenance of the EDF-financed Afgoi-Goluen-Gelib road, which is the main link between Mogadishu, the capital, and Gelib, the administrative centre of the Uaboni region, in southern Somalia, and beyond Kisimayo, the country's second port.

Fisheries development
Fifth EDF
Grant: ECU 3 000 000

The main aim here is to push up fish production in the Mogadishu area by modernising the infrastructure in four fishing centres on the coast by Mogadishu and the surrounding area. It involves supplying the means of production and offering the fishermen the appropriate financial incentives.

It is hoped to back up measures already taken by the Government with a view to liberating fish production and sales.

The extra fish caught will go first of all for local consumption.

Sao Tome & Principe

Rural development at Ribeira Peixe
Sixth EDF
Grant: ECU 4 000 000

One side of the sectoral agricultural production expansion policy is to extend the palm oil plantations and go over to industrial exploitation, concentrated in the south east of the country. This should gradually ensure self-sufficiency in vegetable oil and partial self-sufficiency in soap, as well as improving the standard of living of the agricultural workers involved.

The programme will make it possible to develop a rural area through the complementarity of agricultural production and industrial exploitation.

This will involve agricultural investments (land clearance and the establishment of nurseries) and infrastructure (tracks, housing and a dispensary) and it will be achieved with agricultural supplies, civil engineering equipment and back-up staff. The same goes for the EDF financing of the oil mill. This integrated programme will also include some training.

St. Lucia

Stimulation of agricultural activity in Roseau (Phase II)
Sixth EDF
Grant: ECU 1 400 000

Phase II of this project is intended to complete the development of an old banana plantation. It involves settling contract planters on 650 ha of plains and hills in the Roseau valley on St Lucia. Phase II covers 1986-89, by which time their installation should be complete. ○

SYSMIN

Eligibility of Niger's application

The Commission has recently decided that Niger's application for Sysmin assistance to compensate for loss of earnings in the whole of its mining sector (more than 99% of which come from uranium) was eligible. The next step is to decide what schemes should be financed, with a view to strengthening and diversifying Niger's economy. ○

STABEX

Eight non-Lomé LLDCs to benefit

The Community's Foreign Affairs ministers, meeting on 9 February, formally approved the Commission's proposal to set up a system of compensation for loss of export earnings from agricultural commodities for least developed countries which are not signatories of the Lomé Convention. The countries that will benefit, eight in all, are Bhutan, Bangladesh, Haiti, Laos, Nepal, the Maldives, the Arab Republic of Yemen and the Democratic Republic of Yemen.

The products affected are: peanuts, peanut oil, cocoa (beans, paste and butter), coffee and its extracts of essences, cotton, not carded or combed and fibres, coconut, copra, coconut and palm oil and palm nuts and kernels, uncured hides, cow leather and hides, sheep and goat and kidskin leather, wood in the rough, simply squared and sawed, bananas, tea, sisal, vanilla, cloves, wools, fine mohair, gum arabic, pyrethrum and its essences and extracts, sesame seeds, walnuts and cashews, pepper, shrimp, squid, cotton seeds, oil seed cakes, rubber, peas, green beans, lentils, nutmeg, almonds and shea oil, mangoes, dried bananas, mace and jute. ○

Advances for Mali and Chad

The Commission has just decided on an ECU 5 million advance for Mali and an ECU 6 million advance for Chad for losses in cotton earnings in 1986.

Since the end of 1985, since the beginning of the 1985/86 cotton year, in fact, following the market price slump, the economies of the cotton-producing States in western and central Africa and of Mali and Chad in particular, have been facing serious difficulties. The financing of the new cotton season, which starts in December, is seriously compromised.

Both Mali and Chad urgently need help, which is why the Commission has just agreed to their applications for advances. ○

EIB LOANS

Kenya: ECU 6 m

The EIB has advanced ECU 6 m to the Kenya Ports Authority for selective modernisation and rehabilitation of berths and oil terminals at Mombasa, Kenya's and East Africa's principal port. The Kenya Ports Authority is a public body responsible for operating and maintaining the country's port installations. The project to which the Bank is contributing centres on handling and storage facilities for bulk liquids, general cargo and containers.

The aggregate cost of the capital investment being financed is put at ECU 12.2 m and relates to repair, strengthening and rehabilitation of four berths and two oil terminals. Commissioning is scheduled for mid-1989. The works will make for a reduction in the otherwise inevitable increase in ships' waiting time. They will also mean lower transport costs for cargo.

Mombasa is Kenya's and Uganda's sole sea port. It also serves certain parts of Rwanda, Burundi, Zaire and the Sudan to which it is connected by the Kenyan and Ugandan railway network and by road, and is part of the "Northern Corridor Transit Agreement".

Côte d'Ivoire: ECU 4.5 m

The EIB has lent the equivalent of 1.5 billion CFA francs (ECU 4.5 m) for the modernisation of a factory producing corrugated paperboard at Abidjan in Côte d'Ivoire.

The loan is being granted under the Third Lomé Convention to the Société Nouvelle Abidjanaise de Carton Ondulé (SONACO), formed by the State in partnership with Société des Papeteries et Cartonneries de Lumbres (PCL — a member of the Charfa group).

The project to be financed is intended to increase production capacity and diversify the range of packaging produced so as to meet local demand in terms of quality and quantity both for packaging for exported fruit and for industrial products and everyday consumer articles. The existing factory, which was constructed in 1965 with the help of EIB financing, has a production capacity of 40 000 tonnes of paperboard per annum; the factory, which is at present located in the old port of Abidjan, will be transferred to the industrial area at Yopougon, near Abidjan. As well as reducing costs, the new facilities will enable it to raise nominal capacity to 60 000 tonnes per annum and produce other products including thinner corrugated paperboard. The new factory should commence production at the end of 1987.

Mauritius: ECU 10.5 m

The EIB has advanced ECU 10.5 m for establishing a textile weaving and finishing mill in Mauritius. The funds have been channelled to the Development Bank of Mauritius (DBM) for on-lending to SOCOTA Textile Mill, the company responsible for implementing the project.

The new mill, located some 20 km from the capital, Port Louis, will comprise a semi-integrated unit producing cotton and polyester cotton blended fabrics. The plant will weave 5.5 m linear metres from yarn and import 1.5 m metres of fabric for finishing only, chiefly from the COTONA company (Antsirabé, Madagascar) which attracted a ECU 6 m loan from the EIB in 1985. The project, which will serve to cut back imports and supply mainly the local market, constitutes a valuable example of regional cooperation between ACP States in line with the spirit of the Lomé Convention.

Madagascar: ECU 3.25 m

A loan of ECU 3.25 m is being granted for modernising a textile mill in Madagascar with a view to exploiting local cotton production at Mahajanga, the main town in the north-west of the island and some 600 km from the capital, Antananarivo.

SOTEMA, a semi-public company, is one of the country's two leading textile concerns, channelling the bulk of its annual production of 30 m metres of fabric to the local market. The scheme to be financed with EIB support focuses on the installation of new looms plus equipment incorporating more modern technology, replacing older facilities. Improvements will also be made to certain ancillary installations with an eye to improving working conditions.

Lesotho: ECU 3.5 m

A loan of ECU 3.5 m is being granted for geotechnical investigations connected with the hydropower component of a project for harnessing water resources in the highlands region of Lesotho.

The funds have been advanced in the form of a conditional loan to the State for 15 years at 2%; the State will pass on the proceeds to the Lesotho Highlands Development Authority, a semi-public organisation responsible for supervising and administering implementation of the project.

The engineering studies, part of which will be covered by the EIB loan, involve identifying the most appropriate size and type of power plant, assessing its impact on the environment and providing technical assistance; work will include borings with corresponding field and laboratory tests as well as soil and rock investigations at altitudes of between 1 600 and 2 000 metres. All studies should be completed by 1989 when the main construction contract will be awarded.

Ghana: ECU 17 m

The EIB has lent the equivalent of ECU 17 m towards extensions and improvements to the high-voltage electricity transmission system to serve the centre and north of Ghana as far as the frontier with Burkina Faso.

The loan has been made to the Volta River Authority (VRA), a public body whose entire capital is held by the State, set up in 1961 with responsibility for generating and supplying electricity in Ghana.

The project for which the EIB is providing financing concerns improvements to the interconnected grid existing in the south of the country, its extension to the towns of Techniman, Tamale and Bolgatanga, and rehabilitation of the distribution network. It will have the effect of reducing losses and improving capacity for transmitting electricity to Côte d'Ivoire and will enable electricity to be supplied to the regions in the centre and north of Ghana. Interconnection with Burkina Faso will thus be possible at some future date.

Installations planned between now and the end of 1990 comprise 800 km of 161-kV transmission lines and 175 km of 34.5-kV lines, adaptations to, or construction of, the relevant sub-stations and rehabilitation and extension of the 11-kV and low-voltage transmission network.

St Lucia: ECU 5 m

The EIB is to lend ECU 5 m for improving electricity supply on the Caribbean island of St Lucia. The funds will go towards construction of a new diesel station, together with installation of a first 5-MW diesel set, and erection of an overhead line, about 100 km long, around the island's eastern and western coasts.

In tandem with this credit, a conditional loan for ECU 2 million (term of up to 25 years, interest rate 2%) is being provided to the State to enable it to subscribe to preference shares in LUCELEC with a view to strengthening the company's capital base and helping it to finance the planned works.

The project is costed at an estimated ECU 21.1 million, and a start is expected to be made on the works in early 1987 with completion scheduled for around September 1989. They are designed to allow for subsequent installation of two further 5 MW diesel sets followed by additional units, as required, in line with development of geothermal energy on the island supplementing power from the new diesel station. The EIB's support for geothermal research dates back to 1982 when it provided an earlier conditional loan, also drawn from risk capital, for ECU 200 000 in support of a study on the feasibility of exploiting the island's geothermal resources.

Set up in 1964, LUCELEC is responsible for the supply of electricity throughout the island.

Papua New Guinea: ECU 17 m

As part of the financing provided for under the Third Lomé Convention, the European Investment Bank has lent ECU 17 m in Papua New Guinea for the construction of a storage dam with a capacity of 320 million cu.m and the installation of two new 15-MW generating units at the Ramu power station in the centre of the country, raising its capacity from 45 MW to 75 MW.

The loan has been made to the State for 18 years at an effective rate of 5%. The proceeds will be onlent to the Electricity Commission (ELCOM), a public enterprise created in 1961 responsible for the country's electricity supplies.

The project will cost an estimated ECU 148 m and should be completed by the first half of 1990. It comprises the 60 m high earthfill dam, a concrete spillway, an outlet structure and associated works, relocation of part of a national highway and installation of the two additional generating units with transformers.

Thanks to these additions, ELCOM will be better able to meet the anticipated growth in electricity demand without increasing oil consumption; the dam will allow greater storage of the rain which is especially abundant in the region (2 100 mm per annum). Special provisions have been made to protect the environment and to assist the socio-economic development of settlers in the lake area.

Fiji: ECU 4.5 m

The EIB has lent ECU 4.5 m towards the modernisation of an existing sawmill and timber-processing plant, and for construction of a new sawmill in Fiji.

On the island of Vanua Levu, FFI (Fiji Forest Industries) is modernising a sawmill, restructuring veneer and plywood mills and adding further kiln drying facilities at the Malau complex. On the main island, Viti Levu, the company will be constructing a new mill at Galoa in an area where it has large indigenous forest concessions.

Costed at an estimated ECU 14.3 m and funded also by the International Finance Corporation (a member of the World Bank group) and the Commonwealth Development Corporation (CDC), the project will increase use of Fiji's natural resources.

Belize: ECU 3.5 m

The European Investment Bank has made three loans totalling ECU 3.5 m for the Development Finance Corporation of Belize (DFCB) as part of financing provided for under the Third Lomé Convention. They will be used to finance small and medium-sized ventures in the industrial, agro-industrial and tourism sectors in this Caribbean ACP State.

DFCB, which was set up in 1961 and is wholly owned by the State, was in 1983 granted a global loan for ECU 2 m from the EIB's own resources, the proceeds of which were onlent in support of 14 small and medium-sized investment projects. ○

Fisheries: EEC negotiates with Mauritania and Angola

Two ACP countries, Mauritania and Angola, which have fisheries agreements with Spain and Portugal, have said they are ready to extend access to their waters to all European Community countries. Up to now, the discussions have proved very difficult owing to the excessive demands being made by Nouakchott, and the situation in Angola. But now the situation seems to be clearer. The bilateral agreements between Mauritania and the two Iberian countries have just been extended until January 1st, 1988. The European Commission negotiators, who are due to visit Mauritania on February 24th to 26th after travelling to Luanda, will tackle their mission with some confidence. The conclusion of fisheries agreements with third countries has become one of the EC's priorities following Spain's accession to the Community. Since January 1st, 1986, 7 arrangements have been concluded, with Senegal, the three Guineas, Gambia, Mozambique and the Seychelles. ○

EEC states position on new applications for Lomé membership

Mr Natali, Commissioner for Development, recently stated the Commission's position on the request by the Republic of the Maldives for membership of the Lomé Convention. "The Maldives" he said, in a reply to a written question from an MEP, "which lie close to the southern tip of India, do not fall within the geographic area covered by the Lomé Convention." Nor, he added, did the country figure among the potential associated states listed in the annex to the United Kingdom's Act of Accession to the European Community. He pointed out, however, that the Maldives were eligible for the benefits accorded to least-developed non-associated countries, and that the country had, indeed, been the beneficiary of a number of Community projects in past years.

With regard to the possible adhesion of Haiti, the Commission had already stated that, for a number of geographical and historical reasons, this could not be considered. To assist its emergent democracy, though, the Commission recognised that relations should be established which would help the country consolidate its economic and social progress.

It considered, also, that the time had come to establish direct relations with the Dominican Republic which, despite its links with the countries of Central America, is not part of the EEC-Central America agreement. ○

VISITS

President Sassou Nguesso at the Commission

Dennis Sassou Nguesso, Congo's Head of State and current chairman of the Organisation of African Unity (OAU), paid an official visit to Belgium and to the Commission of the European Communities on 12 and 13 February. Discussions, both with the Belgian authorities and with members of the Commission—with its President, Jacques Delors, and Development Commissioner Lorenzo Natali in particular—centred principally on Africa's political and economic problems.

The political questions had to do mainly with the situation in South Africa and in Namibia. Of the fight against apartheid, President Sassou Nguesso thought that Europe had dragged its feet, whereas, because of the historical links between the two areas, "Africa had expected Europe's stance against the system in South Africa to have been tougher than that adopted by the US Congress". He recalled the "spirit of peace" guiding Africa in its search for

President Sassou Nguesso in conversation with Jacques Delors (centre) and Lorenzo Natali of the South African people: If there was to be a chance of a non-violent solution—which was what Europe wanted—as well as the OAU itself—"we would expect firm measures to be taken to make this possible". If the possibilities for a peaceful solution were to be exhausted, Africa would not stand by "with folded arms" President Sassou Nguesso promised.

In addition to recalling Namibia's claims for independence, the OAU head noted that "Europe had not held official talks with the ANC leader, Oliver Tambo", pointing out that "George Shultz, the American Secretary of State, had done so."

President Sassou Nguesso then spoke of Africa's great economic difficulties. "The economic situation in African countries is deteriorating", he said, "and decisions taken at international level—particularly those taken at the UN Special Session of May 1986—haven't produced the desired effects". Given the drain on its financial resources by the debt burden, "Africa has become a net exporter of capital" to developed countries. He called on Europe and on all the rich countries of the world to step up their efforts to right the economic situation of Africa as a whole which, he said, replying to questions from the Press, "is a victim of constant deterioration in the terms of trade".

President Sassou Nguesso, who, in his capacity as President-in-Office of the OAU, was accompanied by Mr Idé Oumarou, its Secretary-General, said however that he was ending his visit to Brussels with "a clear impression of a wide measure of understanding on the part of the authorities [he had] met". "Our message has been well received", he concluded.

As regards EEC-Congo cooperation, the Lomé III Indicative Programme (1986-1990), concerning a sum of ECU 64 m, was signed on 15 January last year and is now beginning to be carried out actively. The Community's assistance will be concentrated principally on rural development, particularly as regards means of production and improvement of quality of life for rural populations ○

Commissioners hold talks with WFC President

On 5 and 6 January, Henri Nallet, the head of the UN World Food Council and his senior officials held discussions with EEC Commission President Jacques Delors, Development Commissioner Lorenzo Natali and two other members of the Commission, Frans Andriessen and Claude Cheysson.

This was in response to a request from the Council at its 12th session, when it called on its members to draw the attention of the developed countries (and especially the major exporters, the USA and the EEC) to the critical problems affecting the agricultural economy of many developing countries.

The talks centred on the world food imbalance—the fact that some countries had surpluses of staples while there was persistent hunger and malnutrition in others. They underlined the economic and financial difficulties facing the developing world and contributing to worsening the food situation in many nations of Asia, Africa and Latin America.

The Commissioners stressed the importance attached by the Community to developing the agri-food sector as a basis of any Third World development policy. This, they said, was reflected in the concentration of the money the EEC ploughed into the development of the Third World, particularly in the case of aid to the Lomé signatories.

Both the Council and the Community welcomed the Punta del Este (Uruguay) decision to launch a cycle of multilateral GATT negotiations that would include on the agenda trade in agricultural products. The WFC placed particular importance on the specific situation of the developing countries, whether importers or exporters, being taken into account at these negotiations.

One of the Council's duties was to develop its links with the organisations concerned with food and agriculture. Bearing this in mind, the Council and the Community agreed to step up cooperation between them, with a view to exchanging information on the way the international food situation was developing, encouraging food strategies and promoting regional and inter-regional cooperation in food and agriculture. ○

Nigerian President visits EEC's Pavilion

The European Community was recently invited to participate in an exhibition featuring the work of various international organisations, part of the Silver Jubilee celebrations of the Nigerian Institute of International Affairs.

President Babangida (right) in front of the EEC stand

The Institute has as its objective to encourage and facilitate the understanding of international affairs and to develop a body of informed opinion on world affairs in the country's capital, Lagos.

The exhibition was opened by Major-General Ibraham Babangida, President of the Federal Republic and Patron of the NIIA, on the first day of the celebrations, 8 December 1986. After the opening the President, together with Professor G.O. Olusanya, the Institute's Director-General, visited the EEC Pavilion where the EEC's relationship with the ACP States and the development activities financed under the Lomé Conventions was illustrated by way of graphs, statistics, and photos. ○

ACP EMBASSIES

The new Ambassadors of Chad, Congo, Gabon and Suriname have recently presented their credentials to the Presidents of the EEC Council and the Commission of the European Communities.

Chad

EEC / Lambiotte

Mr Abdoulaye Lamana

Abdoulaye Lamana, Chad's new Ambassador, entered Chad's civil service in 1955, rising to the rank of Director of Finance in 1962. Between 1964 and the *coup d'état* of April 1975 he held a number of Ministerial portfolios, including Economic Affiars, Transport and Finance. He was also, from 1971, Managing Director of Cotonchad. Mr Lamana who is 56 is married and has 13 children.

Congo

EEC / Lambiotte

Mr Ambroise Gambouele

Congo's new Ambassador to the European Communities, Ambroise Gambouele, studied finance, administration and accountancy before taking up an appointment with the Congolese sugar firm SIACONGO in 1971. After five years as its Commercial Director, Mr Gambouele joined the Ministry of Planning and in 1984 became Minister of Trade and Consumer Affairs. Mr Gambouele was born in 1942 and is married, with six children.

EEC / Lambiotte

Suriname's new Ambassador, Franklin Leeflang, presenting his credentials to Vice-President Natali

Suriname

Franklin Leeflang, Suriname's recently-appointed Ambassador, holds a doctorate in legal science and practised as a barrister in his home country from 1977-80. In 1980 he entered the government as Minister of the Interior, with responsibility for District Administration, Justice and the Environment, combing these duties from 1983-85 with those of Minister *ad interim* of the Armed Forces, the Police and Health. Since 1985 he has been an Ambassador in general service. Mr Leeflang is 50 years old and is married.

Gabon

EEC / Lambiotte

Mr Marcel Odongui-Bonnard

Gabon's new Ambassador, Marcel Odongui-Bonnard who is also accredited to the Benelux countries, studied in France from 1969 and 1976, specialising in Sociology and in Education Sciences. In 1977 he entered the Gabonese civil service and in 1978 was appointed Director of European Affairs at the Ministry of Foreign Affairs and Cooperation. Mr Odongui-Bonnard, who is 39, is married and has three children. ○

D.G. VIII

Departures...

Corrado Cornelli, who has spent the greater part of his career working for the developing countries, is retiring after 23 years at the Development Directorate of the EEC Commission.

In his early years, Mr Cornelli, an architect by training, designed and directed work in a vast social construction programme in Zaïre and then moved on to school and hospital studies and projects in Mali and Rwanda.

He came to the Commission in July 1963 and began working in the technical department of the EDF directorate in the Directorate-General for Overseas Development, initially in the building sector and then, in 1969, as Head of Division in urban construction and works. He became head of EDF technical operations in 1972.

He was head of operations in 1975-77, head of projects in 1977-82 and then took over responsibility for the Mediterranean, the Caribbean and the Pacific. Before retiring, on 31 December 1986, he was in charge, within the D.G., of the developing countries of Asia and Latin America.

François van Hoek joined the Development Directorate of the Commission in 1978 after spending a number of years with the OECD (in particular in the development centre he helped form in 1962), Metra International and the UN, a career which enabled him to work for the development of, successively, the countries of Asia (South Korea and the Philippines) and Africa (Benin, Niger, Burkina Faso, Rwanda and Burundi) as well as Iran.

At the Commission, Mr van Hoek began by heading the operations Directorate. He moved on to lead development schemes, a post which took him to many international negotiations and, most important, to his last great task in Brussels before his departure on 1 January this year, the setting up of the new Cocoa Agreement.

François van Hoek leaves Brussels for Maastricht (NL), where he will be heading the European Development Policy Management Centre created by the Government of the Netherlands.

... and arrivals

On 18 February 1987, **Mr José da Silva Domingos** took up his duties as Director of Finance in the Directorate-General for Development, replacing Mr Auclert, who was appointed Deputy Director-General on 1 November 1986.

Mr Silva Domingos is thus the first Portuguese national to be appointed to a senior management post in D.G. VIII.

After completing a degree in finance in Lisbon in 1967 and teaching for a year, Mr Silva Domingos worked as a director of various private and public companies in Mozambique and Angola from 1968 to 1975, notably in maritime transport. On his return to Lisbon in 1975, he continued to work on the board of two maritime companies until 1980.

In 1979, he was elected member of parliament for the Social Democrat Party (PSD), and was re-elected in successive elections in 1980, 1983 and 1985. He served the government as Secretary of State for the Merchant Navy from 1978 to 1981, and as Secretary of State for External Transport and Communications from 1981 to 1983.

In 1986 he became a Member of the European Parliament, and served on the parliamentary committees for external economic relations, transport, budgetary control and economic and monetary affairs and industrial policy. o

GENERAL INFORMATION

Cocoa: provisional implementation of the International Agreement

The European Community, the world's foremost cocoa consumer, has given the go-ahead for provisional application of the new International Cocoa Agreement signed last October.

The Agreement, which took effect on 1 February, is intended to stabilise world cocoa prices. The producer countries, and Côte d'Ivoire, the biggest, in particular, who complained at the Community's delay, now have what they wanted.

The Agreement lasts three years. It cannot take effect without the approval of countries accounting for at least 60% of world imports. Until this latest go-ahead the countries which had said yes accounted for only 34.34%: the EEC's approval now brings the figure above the required ceiling. o

Uruguay Round: start of actual negotiating phase

The latest round of GATT talks, the so-called Uruguay Round, opened its initial actual negotiating phase on 9 February with the start of discussions by the group dealing with tariffs, non-tariff measures, natural resources-based products, textiles and clothing. Other groups will meet throughout March and April to discuss *inter alia* agriculture and tropical products, GATT articles, safeguards, and trade-related aspects of intellectual property rights and of investment measures. (See box on next page for negotiating objectives in the various aspects of the Round).

The respect of the standstill and rollback commitments concerning current trade restrictions is considered by some delegations as a condition of the success of the negotiations, notably by the Community delegation.

In the talks on agriculture, the aim will be to achieve greater liberalisation of trade under strengthened and more efficient GATT rules, taking account of a certain number of objectives: the reduction of trade barriers, the improvement of the competitive environment by increasing discipline on the use of direct and indirect subsidies, and minimisation of the adverse effects of sanitary and phytosanitary regulations on trade.

The task of the negotiators in this first round of discussions will be to identify the major problems in the various sectors and their causes and to examine participants' proposals. In subsequent negotiations, proposals will be reviewed further, the ultimate aim being to reach agreement on comprehensive texts making GATT regulations more efficient. o

Negotiating objectives with regard to:

1) Tariffs: to reduce or eliminate high tariffs or their escalation

2) non-tariff measures: to reduce or eliminate these measures, including quantitative restrictions

3) tropical products: the fullest liberalisation is sought, including processed and semi-processed products, covering both tariff and non-tariff measures

4) natural resource-based products: to achieve fullest possible liberalisation through the reduction or elimination of tariff and non-tariff measures

5) textiles and clothing: to formulate ways and means by which this sector could be integrated into GATT on the basis of strengthened rules and disciplines

6) GATT articles: to review the articles as requested by interested contracting parties and to undertake negotiations as appropriate

7) safeguards: to reach a comprehensive agreement on safeguards containing inter alia *principles on degressivity and structural adjustment, compensation and retaliation, multilateral surveillance and dispute settlement*

8) multilateral trade negotiations (MTN) agreements and arrangements: to improve or expand those negotiated in the Tokyo Round

9) subsidies and countervailing measures: to improve GATT disciplines on the basis of existing articles

10) dispute settlements: to improve and strengthen existing arrangements

11) intellectual property rights: to clarify existing rules and draw up new ones to ensure that intellectual property rights do not themselves become barriers to legitimate trade

12) trade-related investment measures: to permit identification of provisions to prevent investment measures having a negative effect on trade

13) functioning of the GATT system: to improve the overall efficiency of the GATT decision-making process and to strengthen its relationship with other international organisations responsible for monetary and financial matters. ○

EMERGENCY AID

The Commission has just decided on the following grants of emergency aid (Article 203 of Lomé III).

Nigeria: ECU 650 000

There is currently a yellow fever epidemic in Nigeria and 300 people have already died. The aid is a contribution to a vaccination programme costing ECU 1 067 000, to be run by the Dutch section of Médecins sans Frontières.

Fiji: ECU 300 000

This aid is to buy and distribute locally-produced food for victims of hurricane Raja, which hit the islands on 24-30 December 1986.

Lebanon: ECU 500 000

The consequences of renewed fighting in this country have prompted the Commission to send emergency aid worth ECU 500 000.

It will be put to use by the ICRC, which will buy blankets, food parcels, medical supplies, etc. for the afflicted populations wherever the need arises.

Malawi: 3 000 tonnes of cereals

The Commission has just decided on emergency food aid—3 000 t of cereals—for displaced persons from Mozambique currently in Malawi.

This is in response to an appeal from LICROSS, which will distribute the relief to around 70 000 people who have fled the internal conflict in their native land and are now in Malawi faced with famine. ○

FOOD AID

The Commission has just decided to send the following amounts of food aid as part of its programme.

(tons)

	Cereals	Milk powder	Butteroil	Vegetable oil	Pulses
Bolivia	12 000	1 000	200	500	1 000
Ecuador		200			
Indonesia		800	300		
Mali		500	200		
Nepal	10 000				
Niger		200			
Pakistan		600	650	500	
Tanzania	15 000	1 200	340		
UNHCR	100 000	4 000	2 000		

The quantities decided for the UNHCR are for Afghan refugees in Pakistan and Ethiopian refugees in Somalia.

The breakdown is 65 000W t cereals, 2 500 to milkpowder and 1 000 t butteroil to the former and 35 000 t cereals, 1 500 t milkpowder and 1 000 t butteroil to the latter.

Zambia: Food aid substitute scheme—ECU 1 540 000, the value of 10 000 t cereal

At the same time, the Commission decided on a food aid substitute scheme for Zambia. It is worth ECU 1 540 000, the value of 10 000 t cereals. The Community has backed a food strategy in Zambia and the substitute scheme involves an input information programme.

The programme will be similar to the ECU 4 million programme financed as part of the special world hunger campaign in 1986, which was very much appreciated by all categories of farmers and functioned very well.

The main features will be:

— the delivery of inputs, instruments and spare parts, to be established by agreement with the Zambian Government;

— sale of these products to farming

beginners and medium-sized commercial operators via specialised organisations and allocation of the counterpart funds accruing from the sale of the imported materials to rural development projects. ○

EUROPEAN COMMUNITY

New President for European Parliament

European Parliament

Lord Plumb

Sir Henry Plumb (UK), leader of the European Democratic Group within the European Parliament, was elected its new President in mid-January, in succession to Mr Pierre Pflimlin, and has since been made a life peer.

Lord Plumb, who is 61, is a farmer who, prior to entering the European Parliament, was a prominent defender of farming interests in his capacity as President of the National Farmers' Union of England and Wales.

Long a committed European, he was actively involved in the European League for Economic Cooperation as well as in the 'Britain in Europe' campaign at the time of the referendum of the United Kingdom's membership of the Community.

He first entered the European political arena in 1979, in the first-ever direct elections to the European Parliament, winning the predominantly rural seat of the Cotswolds for the Conservatives.

Since 1982, Lord Plumb has been Chairman of the European Democratic Group, the third largest of the eight political groups within the Parliament, and which comprises British and Danish conservatives, one Ulster Unionist, and members of the Spanish party, Alianza Popular.

In his speech to the Parliament after his election, the new President called for a greater degree of democratic legitimacy to be given to the Parliament.

"Of all the Community institutions", he said, "it is the European Parliament which must develop the most in the next few years. The Single Act was a small but significant step, giving the power of initiative to this Parliament, and restoring a measure of democratic control back to the people whom we represent".

Special Session on North-South Dialogue

A full day was given over to a wide-ranging debate on development issues at a Special Session held by the European Parliament in mid-February. No fewer than 10 major reports were submitted, on subjects as varied as debt, disarmament and desertification.

The Courier's next issue will carry a full report on the Session, the culmination of months of preparation and debate on the part of the Parliament's Committee on Development and Cooperation. ○

Turning from the institutional framework and from the Community's internal problems, he recalled Europe's responsibility to the Third World.

"Outside the region of our problems of plenty lies the massive rural deprivation and poverty of the Third World. For the sake of the underdeveloped countries, we should not grant ourselves the luxury of a trade war [with the United States]. The major food-producing nations of the world should call a halt to these disputes and agree to come together in a summit meeting on the future of food production".

"We have a unique role to play", the new President concluded, "in the development of the Third World. The EEC can be proud of the structure of ACP-EEC cooperation, and I hope that this cooperation can soon be extended and strengthened". ○

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INDUSTRIAL OPPORTUNITIES

PUBLISHED EVERY TWO MONTHS

No. 54 : MARCH-APRIL 1987

ADAPTED TECHNOLOGY : BURUNDI / JAMAICA

NEW ROOFING TILE PLANTS TO IMPROVE BUILDING SECTOR

There is a critical shortage of housing in many developing countries and dependence on imported building materials serves only to exacerbate the ubiquitous foreign exchange problem.

Construction activity is bound to expand in ACP countries. So if building materials can be produced locally, this will not only save foreign exchange, it will also help to get the indigenous manufacturing sub-sector off the ground and to create local employment.

Two private sector firms in Burundi and Jamaica have recently been introduced to a CDI-sponsored "adapted" technology which allows them to manufacture roof tiles, using a cement and vegetal fibre mixture. (The technology was developed in 1981/82 by a UK firm, JPM Parry & Co (*).

CDI helped both firms to establish pilot projects so that the application of the roof tile technology could be tested and the results made easily available to other interested parties.

Following the success of the pilot plants, both ACP sponsors have decided to increase production. The prospects for the expansion of the technology to other ACP countries and regions are encouraging.

JAMAICAN INITIATIVE

The initiative for the Jamaica project came in 1984 when a private local group, Management Practitioners Ltd (MPL) based in Kingston Jamaica, approached CDI with a view to introducing the roof tile technology to the country.

A feasibility study commissioned by CDI from the UK supplier (JPM Parry), indicated that there was a significant market in Jamaica for such tiles, and recommended that a pilot plant be put into operation.

The UK firm supplied and installed the pilot plant and provided training and technical expertise. The Jamaican sponsor (MPL) provided a site, labour and materials. This being a pilot plant, CDI was able to supply funds to cover the costs of the equipment plus an expert for start-up and training.

The plant was rapidly operating at full capacity and good quality tiles were soon being manufactured using local raw materials (once these had been tested for suitability). The plasticiser needed for cohesiveness in shaping the tile onto the mould was taken from a locally available brand of soap.

COMMERCIAL EXPANSION

The pilot project demonstrated, not only the simplicity of the technical process involved, but also that the low cost of producing the tiles allowed them to be aimed at a broad market band. They are cheaper than the conventional concrete tiles available in Jamaica but are still profitable to produce.

Furthermore, because the fibre-concrete tiles are light, the roof framework to support them can be relatively light and cheap, requiring less timber than for conventional tiles.

The success of the Jamaica pilot plant has resulted in a decision by the local sponsor to join forces with a Jamaican concrete block manufacturer.

The original pilot plant will be tripled in size to a capacity of 6000 tiles a week and smaller units (twice the size of the original pilot plant) are being planned for three other Jamaican sites.

MEANWHILE IN BURUNDI...

Cement-based floor tiles were being produced in Burundi by the Société Commerciale et Industrielle (SCI), a company which had formerly received CDI's assistance.

SCI's Managing Director (Mr Pierre Ntibarutaye) first became interested in the UK roofing tile technology, upon reading a profile of it published in CDI's newsletter "Industrial Opportunities", during a visit to CDI in 1985.

The prevailing roofing market in Burundi, as well as SCI's wish to widen it's production range, led to contacts with the UK firm (which has by now successfully installed its technology in the Jamaican pilot plant).

The testing of local Burundi fibres was carried out in the UK firms workshops from August 1985. After trials with banana fibre, sisal cord fibre was found to be most suitable. The sand required was found to be available locally.

Machinery for the pilot plant, along with tile moulds and accessories, were quickly installed; and because the required operator skills are simple, training in production took no longer than two weeks. The costs of an expert for start-up and training were met by CDI.

Continued on page 2

A training exercise in tiling, on a demonstration roof at the Jamaican pilot plant. →

(*) JPM Parry & Co. specialises in the elaboration and diffusion of technologies suitable for application in developing countries.

Continued from page 1

Production operations for the roofing tiles fitted in well on the shop floor with the existing production of floor tiles.

A demonstration roof, built near the factory, showed that frames made from poles of local timbers (such as eucalyptus) could be used at low cost.

The plant employs eight people but is expected to expand. The UK firm believes that the same technology will be now diffused to other areas in Burundi.

BENEFITS

The successful application of the technology, in both Burundi and Jamaica, implies significant benefits in terms of import substitution.

Product improvement is evident too, since imported corrugated iron roofing materials tend to retain heat and they rust easily.

The fibre-concrete tiles are inexpensive to produce and cheap to buy and so benefit local populations suffering from a shortage of reasonably priced roofing materials.

CRITERIA

These projects were assisted under CDI's adapted technology programme. This is aimed at the promotion and application of industrial technologies well adapted to the levels of skill and investment available to small and medium-sized firms in ACP States.

EEC firms and ACP (technology development) institutions are encouraged to register such "adapted" technologies with CDI, for active promotion. The technologies must, however, meet certain criteria.

The investment costs must be low; the process must use local raw materials; the product must meet the basic needs of local people, substitute for imports, save on foreign exchange and create employment.

Furthermore, the technology must be easy to install and operate; and it must be capable of being applied in other ACP States.

As we have seen, CDI's assistance for adapted technology projects can go beyond the financing of feasibility studies, contacts with partners or suppliers, training, etc., to include the establishment of pilot plants (which may even involve finance for the purchase of equipment).

Workers operating tile screeding equipment in the Burundi plant. ➞

AFRICAN ANTENNAE AT CDI

The following senior officials from five of CDI's African antennae and contact organisations, recently came to Brussels for a six week period to promote projects and study CDI's operations:

- **Cameroon.** Mr Gabriel Nkodo, of the Centre d'Assistance aux Petites et Moyennes entreprises (APME), made progress in Brussels with projects for the improvement of the quality of yoghurt and milk, the rehabilitation of a PVC pipe plant, a study into the production of day-old chicks and the start-up of the production of stabilised earth bricks.
- **Central African Republic.** Mr Jacques L.G. Ayandho, of the Chambre de Commerce, de l'Industrie, des Mines et l'Artisanat (CCIMA), Bangui, worked to relauch a number of projects in view of the recent political stability and the greatly improved security and business climates in the country. The projects included a nail factory (rehabilitation/expansion), school chalk and tiles, porc and poultry production.
- **Comores.** Mr Yssouf Boussy, of the Banque de Développement des Comores (BDC), made progress with a number of projects while in Brussels, including training for: stone crushing, a cononut oil unit, shirt-making, foam mattress production, corrugated iron sheets and yoghurt. He also made progress with projects for start-up assistance to a brick and tile plant and for a feasibility study (and travel assistance) for the manufacture of fibre-glass products.
- **Congo.** Aristide Soki Nkodia of the Banque Nationale de Développement du Congo (BNDC) made progress in advancing CDI's assistance for the start-up of a wooden furniture plant, a toilet paper factory, car battery production. He also worked on a training project for a mechanical workshop, on product evaluation for a computer paper project, on the transfer of technology for sanitary ware production and on a joint venture for shoe production.
- **Somalia.** CDI recently provided training for Mr Sharif Awes Nur, Head of the Information and Documentation Centre of the Ministry of Industry and Commerce, Mogadishu, Somalia. Mr Nur was particularly interested in studying the running of CDI's Documentation Centre. He also worked on the preparation of documentation for Somalian projects potentially suitable for CDI's assistance.

Senior officials from four of CDI's African antennae and contactorganisations who recently spent an operational period at CDI's headquarters in Brussels were (left to right) Gabriel Nkodo (CAPME, Cameroon), Yssouf Bousry (BDC, Comoros), Arista Soki Nkodia (BNDC, Congo) and Jacques L.G. Ayandho (CCIMA, Central African Republic). Insert: Mr Sharif Awes Nur (Ministry of Industry and Commerce, Somalia). ➞

NEWS IN BRIEF

At the signing of the CDI-HOMMEH agreement: Mr Liberis Liberakis, Chairman and Managing Director of HOMMEH (right) and CDI Director Dr I. A. Akinrele (displaying a copy of CDI's Inventory of Adapted Technologies).

GREEK ORGANISATION SIGNS AGREEMENT WITH CDI

In an agreement signed with CDI in Athens in January, the Hellenic Organisation of Small and Medium-Sized Industries and Handicrafts (HOMMEH), unertook to contribute to the pre-investment and implementation costs of Greek companies involved in industrial projects in ACP countries.

The agreement is similar to those signed recently with the French Cooperation Ministry and Belgium's Walloon Region. Its principal features are as follows:

- HOMMEH will keep CDI informed of small and medium-sized industries (SMIs) in Greece which have appropriate technologies and are interested in setting up production in ACP countries.
- HOMMEH will also inform CDI of the capacities of identified Greek SMIs to contribute technical assistance and training to ACP plants.
- CDI will promote appropriate Greek technologies and production proposals, via its publications and its ACP contacts and antennae.
- CDI will keep HOMMEH informed of industrial opportunities in ACP countries so that they may be transmitted to Greek SMIs.
- For ACP industrial projects, HOMMEH and CDI will contribute equal amounts to the costs of Greek SMIs for feasibility studies, the implementation of pilot projects (with new or appropriate technologies), travel and subsistence for negotiations, expertise for start-up (management, technical know-how, training), specialist missions (diagnostic studies, promotion, technical assistance) for the rehabilitation, diversification or expansion of existing enterprises; but the contributions of CDI and HOMMEH will not exceed a total of 2/3 of the costs required for such activities.
- HOMMEH is initially setting aside the sum of ECU 100 000 for joint operations with CDI in 1987.
- HOMMEH and CDI will hold a review meeting at least once a year to follow-up joint projects, exchange information and examine the working of the agreement.

HOMMEH was established in 1977 to assist small and medium-sized industries in Greece with feasibility studies, technical know-how and marketing. It also liaises with loan and credit sources on behalf of its client industries. It confines its operations to industries employing up to 50 people.

In his opening speech at the signing ceremony Mr Liberis Liberakis, Chairman and Managing Director of HOMMEH, said that over the past three years HOMMEH had been responsible for about 2 500 new investments, over 1 000 loans to Greek enterprises and the financing of 900 technical innovation proposals. He hopes that the agreement with CDI will lead to similar results in the creation of Greek-ACP industrial projects.

Mr Liberakis said that the Greek sectors which offer most promise for industrial cooperation with ACP countries are: agro-food, wood, leather (tanning), energy (solar), paper, construction materials and ceramics.

Dr I. A. Akinrele, Director of CDI, said that CDI concentrates on small and medium-sized ACP industries because they are in need of supplementary technical and financial resources, to cover pre-investment and implementation costs. They therefore can benefit a great deal from the kind of assistance provided by CDI.

For CDI, Greek industrialists have a "special advantage" over their counterparts in other EEC countries, continued Dr Akinrele, because of "their experience and success with small and medium-sized enterprises".

Referring to small-scale industrialists in the EEC, Dr Akinrele pointed out that they are "inadequately equipped to engage in foreign investment" particularly in developing countries, all on their own. The joint effort envisaged by CDI and HOMMEH, under this agreement, should no doubt offer some incentive and support to Greek SMIs, for export initiatives aimed at ACP States.

HOMMEH has nominated Ms Cristina Paleologos, of its International Relations Department, to act as liaison officer with CDI.

CONVENTION WITH ITALIAN TRADE BODY

Dr Giuseppe Ratti, Chairman of ICE, signs the collaboration agreement with CDI.

On behalf of CDI, Deputy Director Mr Jens Mosgard recently signed, in Rome, an agreement with the Italian Institute for Foreign Trade (ICE).

According to this agreement, ICE (on a case by case basis) will consider sharing with CDI the costs of studies and expertise provided by Italian companies to ACP industries.

Under the terms of this agreement, CDI will provide details of ACP projects in need of EEC marketing, know-how, technology or investment, for which ICE will try to identify suitable Italian industrial partners.

ICE also undertakes to disseminate information concerning CDI-assisted industrial

NEWS IN BRIEF Continues on page 4

 Continued from page 3

projects through its daily and fortnightly bulletins, through its direct contacts with Italian firms and through the organisation of promotional meetings.

NEW CDI STAFF
(Also see texts below).

Mr Fernando Matos Rosa, Portugal, new man responsible for CDI's contacts with Greek, Italian, Portuguese and Spanish industrialists.

Ms Vasiliki-Vana Catsica, Greece, new Assistant to CDI's Investment Promotion Division.

CONTACT MAN FOR SOUTHERN EEC FIRMS

Mr Fernando Matos Rosa, joined CDI in February 1987 and is responsible for relations with industrial firms in Greece, Italy, Portugal and Spain.

He will be trying to make industrialists in the four countries more aware of the production opportunities in ACP countries available through CDI. He will also encourage them to register appropriate technologies and production proposals with CDI, for promotion in ACP industrial milieux.

Mr Matos Rosa (42), Portuguese, is a graduate in mechanical engineering and followed postgraduate studies in economics. He has worked in product development (amunition) and in management in the metal working and construction industries. He spent eight years as the Director of International Contracting with a large Portuguese construction firm and managed another construction company in North Africa for two years.

Mr Matos Rosa is experienced in negotiating joint ventures and in international subcontracting. He has worked in several North African countries, the Middle East, Mozambique and Cape Verde. He speaks English, French, Portuguese and Spanish.

NEW STAFF MEMBER FROM GREECE

Ms Vasiliki-Vana Catsica (24), has taken up a post with CDI as Assistant to the Investment Promotion Division.

Ms Catsica, graduated in business studies and economics in the UK and took a postgraduate course in European integration at the Europa Institute, Amsterdam. Before joining CDI, she spent a short period as a trainee with the Commission of the European Communities (in the Directorate General for Agriculture) dealing with programmes for the less favoured areas of the EEC.

Ms Catsica will assist in the administration of the Division, in answering technical and marketing enquiries, and in maintaining the registers of consultants and EEC firms. She speaks English, French and Greek.

MISSIONS TO AFRICA

CDI Director, Dr I. A. Akinrele, recently undertook a series of missions to seven West African countries for high level discussions with ministries of industry, development banks, CDI antennae (field representatives), industrial promotion agencies and chambers of commerce and industry.

The countries visited were Benin, Gambia, Ghana, Mauritania, Nigeria, Senegal and Togo.

The discussions centred around the orientations of CDI's assistance in each country. They were followed by meetings between CDI staff and project sponsors and promoters, for the detailed review of particular projects.

The Director more recently undertook a similar mission to Tanzania.

ENABLING ENVIRONMENT CONFERENCE, NAIROBI

This major Conference was attended by CDI's Deputy Director Mr Jens Mosgard. The focus of the Conference was on evolving effective relationships between African governments and the private sector.

In its final statement, the Conference urges governments to:

- facilitate the creation of viable regional markets
- reaffirm and intensify their support for the modernisation of the indigenous small-scale agricultural, industrial and business enterprises.
- undertake mutually agreed policy changes to enlarge the role of the private sector, such as moving towards freer markets and more realistic prices for foreign exchange, capital, products and labour.
- reduce administrative controls on the private sector and simplify procedures.

VISITORS TO CDI

Dr Bryan Coleby of the World Aid Section of the UK Department of Trade and Industry.

Among the recent visitors to CDI was the Mauritius Minister of Industry, Dr Diwakur Bundhun. The Minister mentioned his country's wish to avoid moving from a mono-cultural (sugar) to a mono-industrial (textile) economy and spoke of current diversification into areas like electrical goods, leather products, high precision industries, diamonds, jewellery, watch dials and handicraft products.

Dr Bryan Coleby and Mr Jerome Booth of the World Aid Section of the UK Department of Trade and Industry visited CDI in February. They discussed their Department's willingness to use its Export Intelligence Service to:

- promote ACP joint venture proposals
- invite UK industrialists to submit technology and investment proposals to CDI.

It is also possible that some opening may exist for technical assistance under the Department's Aid and Trade Provision (ATP) fund.

Other recent visitors to CDI were:

- His Excellency Mr Lawrence Anthony, Ambassador of Malawi to the EEC and
- Mr Hugh Doyle, Manager, Technical Assistance Programme, Irish Export Board (CTT).

← Mauritian Minister of Industry, Dr Diwakur Bundhun, during his recent visit to CDI.

INDUSTRIAL POTENTIAL SURVEYS OF ACP STATES

CARIBBEAN

Duty-free access, to the USA, Canada and the EEC, for the majority of manufactured products.

In previous issues of "Industrial Opportunities", we published summaries of industrial potential surveys undertaken by CDI in eight countries of East, West, Central and Southern Africa.

In this issue we carry articles summarising similar surveys of two Caribbean and two Pacific countries – Bahamas, Trinidad and Tobago, Fiji and Papua New Guinea.

All ACP countries have now been surveyed. The surveys are a form of assistance to ACP States and include recommendations for each country on how best to stimulate industrial development.

Each survey also proposes industrial projects – suited to the local economic situation – which may benefit from CDI's assistance.

PACIFIC

Quota and duty exemption privileges for exports to Australia, New Zealand and the USA, for manufactured products; and duty-free entry to the EEC.

Bahamas: plenty of scope for investment

"The absence of income or significant corporate taxes, along with its political stability, is the bedrock on which foreign investment in the Bahamas has been built. There are no taxes on capital gains, dividends, interest, corporate income, private income, profits, royalties, sales, estates, inheritances or payrolls. In addition, there is liberal exchange control legislation."

It is hardly surprising that by offering such a wide range of incentives as these, the government of this Caribbean archepelago has succeeded in attracting a substantial amount of foreign investment in recent years. A recent CDI industrial potential survey explains that "the Bahamas presents numerous trade and investment opportunities, as it is one of the more prosperous nations in the region, with tastes and consumption patterns similar to the US."

INDUSTRIAL TARGET AREAS

According to the survey, the country is still actively seeking foreign investment in several areas. The Bahamas Agricultural and Industrial Corporation (BAIC), for example, is targetting light industry suitable for development, with the souvenir industry "high on the list of opportunities."

Other new industries it considers adaptable to "this ready-made market" include: t-shirts and other resort apparel; jewellery; paper products; linens; textiles; and hotel furniture.

On a larger scale, the report identifies the following as industries "which could bring major benefits to the Bahamas".

- catching, canning and preserving seafood
- manufacture of garments and hosiery
- assembly of electronics
- farming machinery and aircraft components
- production of pharmaceuticals
- assembly of air-conditioners and refrigerators
- building of vehicule bodies for buses, trucks, trailers and launches.

FOCUS ON FARMING AND FISHING

The report says that while agriculture and fisheries employ about 6% of the labour force and represent 5% of Gross Domestic Product (GDP), the intention is to double or triple present production. Indeed international agencies have concluded that two-thirds of the country's food bill – estimated at Ecu 250 million for 1985 – could be met internally by developing domestic resources.

Fruit production has so far attracted most investment with 2,000 acres under production for the export market. There are also plans for large-scale production—again for export—of limes, grapefruits, oranges, avocados and papayas.

The fishing sector is similarly seen as underdeveloped. Indeed the government estimates that only 10-25% of marine resources are being harvested.

As far as the workforce is concerned, the report finds that skilled labour is abundant, but that, "with the exception of the hotel and banking industries, there is a critical shortage of trained and experienced senior and middle management. This represents a considerable constraint on growth in manufacturing, agriculture and agro-industries."

TAX HAVEN STATUS

The Bahamas have developed as a leading offshore financial centre, with more than 350 banks and trust companies registered there. The CDI survey identifies the following factors as having helped them achieve this: their tax haven status; liberal legal provisions for registration and licencing; strict laws for maintaining bank secrecy; a favourable location; and a politically stable climate. "A negative factor is the occasional unreliability of the telephone system, the lifeblood of Euro-currency transactions."

The October 1984 government reshuffle, which saw the Prime Minister assume the Finance portfolio, has served to boost the investment drive, according to the survey, resulting as it did in an "all-out effort to stimulate the economy and create employment through new investment both public and private, local and foreign... Since then approvals for foreign investment have been granted on a timely basis."

Trinidad and Tobago: comparative advantages the answer to future competitivity

Trinidad and Tobago is searching for diversification of its economic structure. For too long the fortunes of this Caribbean economy have been dependent on the vagaries of world oil prices and a recent CDI survey of Trinidad and Tobago's industrial potential indicates that its principal task now is to bring about a "continuous injection of investment capital to restimulate the economy, to create jobs and to develop exports".

This recommendation reflects the belief of the survey's authors that the potential of the economy is substantial. Its resources, skills base and infrastructural network offer a comparative advantage. However, a strategy to harness the evident potential must be vigorously pursued. The economy is at a crossroads but the general picture which emerges is promising.

NATURAL RESOURCE LINKAGES

The most obvious of Trinidad and Tobago's natural resources, petroleum, generated significant increases in income for the economy during the 1970s. But falling oil prices and shifts in international demand have diminished the revenue earning capacity of the industry. Although it will continue to be the backbone of the economy, its future is not assured.

The abundance of natural gas on the other hand offers "the greatest single potential for industrial development". The reserves are healthy, with some gas fields still undeveloped. The quality of the gas is excellent (high in methane and low in sulphur and carbon dioxide). It is a relatively cheap source of energy and it could be the starting block for the country's next surge of industrial development.

Natural gas can be exploited to give a comparative advantage to energy-intensive industries like ammonia plants, iron and steel, urea. Indeed it offers opportunities for investment in various industrial activities, both as a feedstock and as a fuel.

Users of this resource are now being sought and the survey suggests possible projects for inclusion in investment promotion programmes: smelting, metal forging and casting. The gas is distributed by a State company whose pricing policy benefits small and medium-sized firms.

Good potential is attributed to the production and exploitation of another natural resource: asphalt. The survey recommends that "some dynamic experimentation" be carried out on the use of natural asphalt as an intermediate material rather than as a final product. It could be used then in waterproofing, coating, impregnating, etc.

Raw materials for cement manufacture and aggregates for the construction industry are provided by the quarrying of the country's limestone, sand, gravel and clays.

Clays and shales are suitable for producing structural ceramics, an industry in which the country has a major comparative advantage. Local clays have a high plasticity component and so are ideal for plastic forming processes. Other production possibilities include sewer pipes, vitrified tiles, stone ware and sanitary ware.

FOOD SECTOR PROMISING

At first glance, the list of existing manufacturing sub-sectors in Trinidad and Tobago is impressive.

The counrry's history of manufacturing indicates, however, that domestic investment (generated by substantial oil earnings during the last decade) operated at sub-optimal levels with high production costs, because it geared its production to the local market and enjoyed a high degree of protection from outside competition.

With the onset of recession, industrial output and employment fell and there is now a greater need than ever to secure export markets. Sub-sectors like textiles, footwear and garments have declined in importance but those like food and beverages, tobacco, assembling industries, chemical and non-metallic mineral industries, account for almost 80% of manufacturing output and offer scope for investment.

The food sector promises to be particularly rewarding for investment, especially where raw materials currently being imported can be replaced by local inputs. Worthy of attention are:

- meat processing
- dairy products (yogurt)
- fruit and vegetable processing (juices, concentrates, candied fruit...)
- fish preparation
- grain milling
- bakery products and confectionery
- distilling (rum)

Significant possibilities also exist for the production of pulp and papers (a paper making facility should turn out to be "viable and profitable"), drugs, rubber products, plastic, glass and glass products.

INDUCEMENTS FOR ENTREPRENEURS

An "attractive package" of incentives is channelled through state institutions. Several types of benefits are available through the Industrial Development Corporation (IDC).

The Fiscal Incentive Act permits, for example, a ten year tax holiday, exemption from income tax on dividends, reduction of taxable income by 50% of the amount invested in plant and machinery (in the year the investment was made).

Import duty concessions on machinery and/or raw materials and components are also available.

With respect to industrial accommodation, 15 industrial estates have been developed and are equipped with infrastructural facilities. "Factory shells" in various locations have also been constructed and are rented on concessionary terms.

Export-oriented businesses are encouraged by investment allowances and various other export incentives. These include market development grants and a generous tax allowance proportionate to export sales.

Provision is made for the repatriation of profits and capital; and Double Taxation Treaties have been signed with a number of countries to protect investors. The survey nevertheless indicates that an Investment Code should be included in the government's policy initiatives. A Code would improve Trinidad and Tobago's image as an investment location.

EXTRA-REGIONAL MARKETS

Trinidad and Tobago's exports have traditionally been destined for the US market. Between 55% and 65% of exports—mainly crude oil, refined oil products, ammonia and fertilizer—are absorbed by this market. The EEC absorbs approximately 15% of exports.

Caricom (The Caribbean Common Market) has not generated intra-regional trade to the extent expected. In fact, Trinidad and Tobago's exports to the region account for only about 8% of total exports.

For this reason, and because local markets are declining, extra-regional marketing strategies should, the study says, build on the economy's available resources to make manufacturing production more viable and diversified. Such available resources are not limited to petroleum, natural gas or clays.

The excellent state of the infrastructure, superior to that of most developing countries, and the existence of a labour force which is literate, flexible and mobile, are both positive features and will undoubtedly ease the adjustment to modern production methods.

Fiji: survey applauds incentives for private sector

While Fiji's manufacturing industry currently has a limited impact on the country's economy, owing to the importance of the primary sector, the Government "recognises both the potential for development and the critical significance of this on the economy as a whole."

Indeed, according to the ninth development plan which is currently being implemented, both local and overseas investors are treated alike by the Government in respect of the incentives on offer.

These are summarised as follows in a new industrial potential survey conducted on behalf of the CDI:

- income tax concessions for up to 8 years
- carry-forward of losses for 6 years after the tax concession period
- accelerated depreciation on plant, machinery and buildings
- import duty concessions on any plant or raw material not locally available
- export incentives on profits from exports.

The survey points to the vital role of the Economic Development Board (EDB) in stimulating industrial activity in the private sector. The EDB is described as a "one-stop-shop, where all of the problems affecting foreign investment in Fiji can be dealt with."

AGRO-INDUSTRY TAKES PRIORITY

The ninth development plan places high priority on the need to concentrate efforts on export-oriented industries—a significant change from the earlier policy of import substitution—as well as the improvement of standards and productivity.

The survey's authors conclude that the Government's resource-based strategy implies increased emphasis on agro-industry, adding that there has been considerable diversification of late in this sector with the range of industries now including:

- sugar processing and related operations such as distilling
- coconut oil and soap manufacturing
- fish canning
- flour milling
- biscuits
- beer
- soft drinks
- cigarettes
- sawmilling

Outside the food and drink sector, cement, concrete products and metal are the most important industries.

SERIOUS OVERCAPACITY

With its wide range of natural resources, plentiful and well-trained workforce and good infrastructure and communications, Fiji has much to offer the potential investor, particularly in the agro-industrial sector. But in the CDI survey warns that "much care should be taken in identifying the appropriate area as there is considerable over-capacity in many industries."

It points out that over-capacity and "duplication" of industries was the subject of a study commissioned by the EDB which concluded that "given the size of the market it is probably preferable to have controlled monopolies rather than a proliferation of small manufacturers which leads to a waste of resources in the form of under-utilised capacity and high marketing costs per unit of production." On the basis of the EDB study, a list was produced of industries in which new entrants should be curtailed.

It includes: aluminium kitchen were, cables and wires, cardboard cartons, dental creams, extruded snacks, garments, household detergents, ice-cream, multi-wall paper bags, kerosene stoves, PVC pipes, plywood, safety matches, soaps and soap powder, tea blending and packaging, toilet tissues and hand towels, ghee, veneer sheets, confectionary, polythene bags, paints and plastic homewares.

The list refers to production for the domestic market only and it is emphasised that "investment proposals which include at least a 50% export component" should always be considered.

Competition in many areas of agro-industry is said to be "by and large effective", except where "only one manufacturer is licenced for production and imports are banned or effectively prohibited by high tariffs."

But the CDI survey says that the debate over the Government policy on tariffs is opening up, with "increasing realisation that whilst protection of newly emerging industries may often be appropriate, problems certainly arise when these products are required inputs for other manufacturers who could source the products cheaper if allowed to import."

Papua New Guinea: foreign investment needed to boost industrial output

"As a young and almost totally undeveloped nation Papua New Guinea (PNG) has great potential economic strengths in terms of its mineral an hydrocarbon resources, huge timber stocks, large fishing potential and its almost untapped agricultural base.

For a developing country PNG has excellent communications with a reliable airline service, efficient harbours and an advanced domestic and international telephone system."

This bright picture is painted in a CDI-sponsored survey of the Pacific country's industrial potential.

SEVERE DEVELOPMENT CONTRAINTS

The picture is somewhat clouded by a description of what are considered to be severe constraints to economic development: a relatively small and scattered population; a low level of education, application and productivity; and high per capita incomes (owing to the adoption of Australian minimum wage rules).

The lack of entrepreneurs possessing the requisite financial, educational and/or managerial background is identified as prehaps the biggest obstacle to progress. Moreover, despite considerable government encouragement to native Papua New Guineans to become involved in industry and commerce, "traditional and tribal ties are strong and these, coupled with a relatively low level of aspirations, leaves potential industries with a grave shortage of reliable manpower."

The authors of the survey consider it is unlikely that new industries will be generated by the local population in the forseeable future. "Any new industry will have to be initiated by foreign entrepreneurs working in close partnership with government agencies."

Continued on page 8

Continued from page 7

Government policy encourages overseas investment and the authorities urge foreign entrepreneurs to provide 100% of the required foreign exchange. But they must also agree to:

- accept local equity participation, possibly by the government
- provide a training programme at all levels for the benefit of locals
- encourage and help locals set up allied businesses
- use local supplies and services
- protect the environment

MANUFACTURING PROSPECTS

The backbone of the country's manufacturing sector is made up of companies in the food, beverage and tobacco industries followed by basic metal industries including fabricated metal products, machinery and equipment.

But as yet manufacturing industry accounts for only about 10% of Gross National Product (GNP). Moreover, the sector relies heavily on imported inputs. According to the survey, the latest available figures indicate that imports comprise more than 70% of the intermediate products in manufacturing.

Industrial trade in manufactured goods between PNG and overseas is described as "insignificant, unless copper concentrate, coconut oil, copra and palm oil are included."

With a view to boosting that trade, the report states that the country's Small Industries Department is investigating the possibility of developing, with the help of foreign investors, the following product lines:

- leather-work and sandals
- slip-cast ceramics
- roofing and flooring tiles
- brick-making

Cocoa bean processing is also under consideration.

The CDI survey also points to the conclusions of a 1984 Government White Paper on industrial development. This considered that the best prospects for manufacturing industry seemed to lie in activities which are based on the country's natural resources—agriculture, forestry, fisheries and minerals.

But is maintained that "their development needs large amounts of capital, highly developed technical skills, entrepreneurship and management and also adequate marketing arrangements for the manufactured goods. PNG does not have these resources and will need direct foreign investment—a package of capital, enterprise, management and technical skills, as well as access to international markets—for the development of processing industries."

INITIAL COUNTRY PROGRAMMES FOR LOMÉ III

Here we list some of the projects already assisted (or about to be assisted) under CDI's initial programmes for the Bahamas, Fiji, Papua New Guinea and Trinidad and Tobago, under Lomé III.

The projects were mainly derived from the industrial potential surveys undertaken for CDI in all four countries.

BAHAMAS

- **Batiked fabric and garments.** CDI will have the products assessed for the European market and will cover transportation costs for samples. CDI is also searching for an export marketing partner and is considering giving technical assistance to the project.
- **Doll manufacturing.** CDI is to bring samples to the European market, arrange market tests and search for an EEC marketing partner. Technical assistance may also be provided.
- **Blown-glass giftware.** CDI is trying to identity Italian companies interested in cooperating with a Bahamian firm, for the expansion of production, especially with a view to exporting. Training may shortly be provided in Italy for a Bahamian operative.
- **Battery cells (manufactured from scrap batteries).** CDI is to follow-up contacts with several potential EEC partners which it has identified. Assistance will be given for business trips to allow discussions between likely partners.
- **Milk and dairy products.** CDI is to search for additional EEC joint venture partners and may subsequently co-sponsor a feasibility study.

FIJI

- **Honey processing.** CDI identified an EEC joint venture partner, co-sponsored the feasibility study and provided expert assistance for start-up and training. This enterprise involves beekeeping and breeding, honey production and packaging.
- **Vegetable production (by hydroponic methods).** CDI sponsored training in the UK for this project and will also provide a travel incentive to the EEC joint venture partner to enable him to carry out a feasibility study in Fiji.
- **Lubrication oil blending.** CDI provided travel assistance to the Fijian sponsor for negotiations with a prospective EEC technical partner. (However, the sponsor subsequently opted for an alternative Far Eastern technology).
- **Garment manufacturing.** CDI is sending an expert to Fiji to carry out a 4-week training programme.
- **Papain production.** CDI identified a potential EEC joint venture partner who advised that the project needs to be restructured for the integrated production of papaya and papain. Further developments are awaited.
- **Leather footwear.** Some time back, CDI co-sponsored a feasibility study undertaken by a partner who already exports shoes to the Pacific. CDI will now assist with the up-dating of the study and with the conclusion of a joint venture agreement.

TRINIDAD AND TOBAGO

- **Household appliances.** CDI provided training assistance in Europe for a technician from an existing company.
- **Ceramic tiles.** CDI provided travel assistance to enable the sponsor to meet potential EEC partners and machinery suppliers. CDI has also evaluated joint venture proposals and technologies and will assist with negotiations.
- **Logging, sawmilling, joinery products, building elements.** CDI is sponsoring a study into the rehabilitation and expansion of an existing teak operation. CDI will also provide marketing assistance and may also search for a joint venture partner.
- **Pork and beef products.** CDI is sponsoring a diagnostic study into current operational problems. The study will also make recommendations with a view to expansion.
- **Nails and re-bars.** CDI is giving assistance to an existing company to start-up a nail production line. A diagnostic study is also being provided into the improvement of re-bar production and the diversification of the plant.

PAPUA NEW GUINEA

- **Vitrified clay bricks.** CDI identified an EEC joint venture partner for this project. However, CDI's local antenna now has to identify a new local sponsor. It is expected that the project will progress to the feasibility study stage in 1987.
- **Snail processing for export.** Due to the marketing prospects for snail meat in Europe, CDI was able to identify an EEC joint venture and marketing partner. A feasibility study for the processing and marketing of snail meat may be conducted in 1987.
- **Timber processing.** This project has now developed into a CDI regional assistance programme for the Pacific. CDI will provide direct assistance to assess regional resources and existing processing capabilities. Recommendations will also be presented for the improvement of production and marketing.
- **Laundry soap manufacturing.** CDI will provide start-up assistance in 1987 (having co-sponsored the feasibility study in 1984).
- **Cocoa processing.** CDI co-sponsored a feasibility study but this revealed that the proposed plant would be too small to interest the EEC partner. Another potential EEC partner is now interested in altering the project to process cocoa residue and substandard beans. Arrangements are being made for sending samples to Europe for trial production tests.
- **Coir fibre.** This CDI-assisted project began to produce for export in 1986. CDI will provide a travel incentive in 1987 to the EEC partner, to enable him to make recommendations for additional products (including turf carpets for export).

OPERATIONAL SUMMARY

No. 38 — March 1987

(position as at 16 February 1987)

EEC-MEDITERRANEAN
EEC-ACP
EEC-ALA DEVELOPING COUNTRIES

EEC-financed development schemes

The following information is aimed at showing the state of progress of EEC development schemes prior to their implementation. It is set out as follows:

Geographical breakdown

The summary is divided into three groups of countries, corresponding to the main aspects of Community development policy:

— the ACP countries (Africa, the Caribbean and the Pacific), which signed the multilateral conventions of Lomé I (28 February 1975), Lomé II (31 October 1979) and Lomé III (8 December 1984), plus the OCT (overseas countries and territories) of certain member states of the EEC, which get the same type of aid as the ACP countries;

— the Mediterranean countries (Maghreb and Mashraq), which signed cooperation agreements with the EEC in 1976 and 1977;

— the ALA developing countries of Asia and Latin America, beneficiaries since 1976 of annual aid programmes.

The information within each of these groups is given by recipient country (in alphabetical order).

Note

As the information provided is subject to modification in line with the development aims and priorities of the beneficiary country, or with the conditions laid down by the authorities empowered to take financial decisions, the EEC is in no way bound by this summary, which is for information only.

Information given

The following details will usually be given for each development scheme:

— the title of the project;

— the administrative body responsible for it;

— the estimated sum involved (prior to financing decision) or the amount actually provided (post financing decision);

— a brief description of projects envisaged (construction work, supplies of equipment, technical assistance, etc.);

— any methods of implementation (international invitations to tender, for example);

— the stage the project has reached (identification, appraisal, submission for financing, financing decision, ready for implementation).

Main abbreviations

Resp. Auth.: Responsible Authority
Int. tender: International invitation to tender
Acc. tender: Invitation to tender (accelerated procedure)
Restr. tender: Restricted invitation to tender
TA: Technical assistance
EDF: European Development Fund
mECU: Million European currency units

Correspondence about this operational summary can be sent directly to:

Mr. Franco Cupini
Directorate-General for Development
Commission of the European Communities
(ARCH.25/1-2)
200, rue de la Loi
B-1049 Brussels

Please cover only one subject at a time.

DESCRIPTION SECTOR CODE

A1 Planning and public administration

A1A Administrative buildings
A1B Economic planning and policy
A1C Assistance to the normal operations of government not falling under a different category
A1D Police and fire protection
A1E Collection and publication of statistics of all kinds, information and documentation
A1F Economic surveys, pre-investment studies
A1G Cartography, mapping, aerial photography
A1H Demography and manpower studies

A2 Development of public utilities

A2A Power production and distribution
A2Ai Electricity
A2B Water supply
A2C Communications
A2D Transport and navigation
A2E Meteorology
A2F Peaceful uses of atomic energy (non-power)

A3 Agriculture, fishing and forestry

A3A Agricultural production
A3B Service to agriculture
A3C Forestry
A3D Fishing and hunting
A3E Conservation and extension
A3F Agricultural storage
A3G Agricultural construction
A3H Home economics and nutrition
A3I Land and soil surveys

A4 Industry, mining and construction

A4A Extractive industries
A4Ai Petroleum and natural gas
A4B Manufacturing
A4C Engineering and construction
A4D Cottage industry and handicraft
A4E Productivity, including management, automation, accountancy, business, finance and investment
A4F Non-agricultural storage and warehousing
A4G Research in industrial technology

A5 Trade, banking, tourism and other services

A5A Agricultural development banks
A5B Industrial development banks
A5C Tourism, hotels and other tourist facilities
A5D Export promotion
A5E Trade, commerce and distribution
A5F Co-operatives (except agriculture and housing)
A5G Publishing, journalism, cinema, photography
A5H Other insurance and banking
A5I Archaeological conservation, game reserves

A6 Education

A6A Primary and secondary education
A6B University and higher technical institutes
A6Bi Medical
A6C Teacher training
A6Ci Agricultural training
A6D Vocational and technical training
A6E Educational administration
A6F Pure or general research
A6G Scientific documentation
A6H Research in the field of education or training
A6I Subsidiary services
A6J Colloquia, seminars, lectures, etc.

A7 Health

A7A Hospitals and clinics
A7B Maternal and child care
A7C Family planning and population-related research
A7D Other medical and dental services
A7E Public health administration
A7F Medical insurance programmes

A8 Social infrastructure and social welfare

A8A Housing, urban and rural
A8B Community development and facilities
A8C Environmental sanitation
A8D Labour
A8E Social welfare, social security and other social schemes
A8F Environmental protection
A8G Flood control
A8H Land settlement
A8I Cultural activities

A9 Multisector

A9A River development
A9B Regional development projects

A10 Unspecified

PABLI — Blue page informatics

Direct access to the blue pages via on-line terminal or telex

The blue pages are on computer and available either directly via a terminal or micro-computer.

Selected extracts of the blue pages may be obtained.

The cost of these two services has been fixed and will be applied from 1987.

To obtain any information concerning PABLI please write, specifying the option chosen (terminal or telex) to:

Mr A. BOLDRIN
"Data base Section" — B9/69
Directorate-General for Development
Commission of the European Communities
200, rue de la Loi
1049 Brussels
Belgium

ACP STATES

New projects are printed in italics and offset by a bar in margin at left

Projects under way are marked with an asterisk and with words or phrases in italics

ANGOLA

Rural Water supply. Resp. Auth.: Ministère de l'Industrie et des Ressources Naturelles. HYDROMINA. Parallel cofinancing with UNICEF. EEC contribution 2.250 mECU. Study, T.A. and supply of hand-pumps, tubes, drilling equipment, vehicles. Project in execution.
ALA ANG 8425 A2b

ANTIGUA AND BARBUDA

★ **Livestock development — Phase I.** Resp. Auth.: Ministry of Agriculture. 1.9 mECU. Works, supplies, T.A. T.A.: Short-list done. ***Project in execution.*** 4th and 5th EDF.
EDF AB 5003 A3a

BAHAMAS

Rural economic infrastructure (Family Islands Energy). Resp. Auth.: Bahamas Electricity Corporation. Estimated cost 2.4 mECU. Works, installation, supply of generators, cables, renewable energy systems. Project on appraisal. 6th EDF.
EDF BM 6001 A2a

BELIZE

Belize City Hospital. Phase I. Estimated cost 7.494 mECU. Work constructions and supply of equipment. 4th and 5th EDF. Project stage: identification.
EDF BEL 4007, 5002 A7a

★ **Hummingbird Highway.** Estimated cost 5.6 mECU. Road reconstruction. Study to be done: design plan and bridge and int. tender dossier. Short-list *already* drawn up. Project stage: identification. 6th EDF.
EDF BEL 6001 A2d

Community Development Programme. Resp. Auth.: Ministry for Social Services. 0.150 mECU. Project preparation study. Short-list done. 6th EDF.
EDF BEL 6002 A8b

BENIN

★ **Upgrading of health service infrastructure in Porto Novo Hospital.** Resp. Auth.: Ministère de la Santé Publique. Estimated cost ***9 mECU***: renovation and construction of the hospital building and equipment. Project on appraisal. 4th and 5th EDF.
EDF BEN 5010 A7a

★ **Bohicon-Dassa road.** ***Resp. Auth.: Ministère des Travaux Publics. Resurfacing on 76 km. Supervision of works and geotechnical control. Int. tender (conditional) for works launched in December 86. Date of financing February 87. 6th EDF.***
EDF BEN 6001 A2d

BOTSWANA

★ **Palapye water supply.** Resp. Auth.: Ministry for Mineral Resources and Water Affairs. 2.3 mECU. ***New water supply network. Supply of pipes and accessories. Supervision of works. Works by acc. tender. Supplies by int. tender in February or March 87. Date of financing December 86.*** 4th and 5th EDF.
EDF BT 5017 A2b

Services to livestock owners in communal areas (SLOCA). Phase II. Resp. Auth.: Ministry of Agriculture. 4.100 mECU. Works by acc. tender, supply of vehicles and equipment by int. tender. T.A. T.A.: B.M.B. (NL). Project in execution. 5th EDF.
EDF BT 5003 A3a

★ **Geophysical exploration of the Ncojane and Nosop sedimentary basins.** Resp. Auth.: Ministry of Mineral Resources and Water Affairs. 1.6 mECU. ***Int. tender with prequalification launched in February 87.*** Project in execution. 5th EDF.
EDF BT 5020 A2b

Initial measures for the conservation of the Kalahari ecosystem. T.A. and supply of equipment. Monitoring and protection of the natural reserves. 2 mECU. Project in execution. 6th EDF.
EDF BT 6001 A8f

BURKINA FASO

Drinking water supply in the Yatenga region. Phase II. Resp. Auth.: Ministère de l'Eau. 5 mECU. Boreholes and wells. Supplies. All by int. tenders. T.A.: BURGEAP (F). Project in execution. 5th EDF.
EDF BK 5016 A2b

Improvement of halieutic production in Burkina Faso. Resp. Auth.: Ministère de l'Environnement et du Tourisme. Estimated total cost 3.850 mECU. EDF 2.850 mECU, local 1 mECU. Infrastructural works, buildings, supply of equipment and vehicles, T.A. and training. Works by direct labour, supplies by int. tender, T.A.: M. Baijot (F). Project in execution. 5th EDF.
EDF BK 5018 A3a

Ouagadougou-Kaya railway. Resp. Auth.: Ministère Promotion Economique. 5.5 mECU. Supply of rails, equipment and ballast. Project on appraisal. 5th EDF.
EDF BK 5019 A2d

BURUNDI

Institut Universitaire de Sciences de l'Education (IUSE). Resp. Auth.: Ministère de l'Education Nationale — 0.7 mECU. Construction and equipping of educational buildings (general teaching classes, laboratories, workshops). Int. tender dossier: TETRA Consultants (Lux). Project on appraisal. 4th EDF.
EDF BU 4124 A6b

Social-economic development of the Kirundo Province. Resp. Auth.: Ministère de l'Agriculture et de l'Elevage. 15.5 mECU. Works: spring wells catchment, well boring, buildings, feeder road. Supply of agricultural inputs, equipment, vehicles, T.A. and training. Works by acc. tender, supplies by int. tender or direct agreement. T.A. and training by restr. tender. Short-list done. Project in execution. 5th EDF.
EDF BU 5005 A3a

Support to "Département des Eaux et Forêts". Resp. Auth.: Département des Eaux et Forêts. Estimated cost 3.350 mECU. Reafforestation works, supply of equipment, T.A. and training. Project in execution. 5th EDF.
EDF BU 5020 A3c

Roads and bridges in Bujumbura. Estimated cost 8 or 9 mECU. Road and bridge construction. Supervision of works. Study of the execution and preparation of the int.tender dossier for roads: short-list not yet done. Project stage: identification. 5th EDF.
EDF BU 5023 A2d

Rural development in the Mosso Buyogoma. Resp. Auth.: Ministère de l'Agriculture et de l'Elevage and Département des Eaux et Forêts. Estimated cost 40 mECU. Improvement of the feeder roads and secondary roads, rural hydraulics, rural stock-farming and reafforestation development. Support to cooperatives. Feasibility study for secondary roads and hydraulics: short-list not yet done. Project stage identification. 6th EDF.
EDF BU 6001 A3a

CAMEROON

Yaoundé — Ayos Road — Technical study. Resp. Auth.: Ministère des Transports. Estimated cost 0.860 mECU. Technical study for the execution and preparation of the tender dossier. DOXIADIS (GR). Project in execution. 5th EDF.
EDF CM 5019 A2d

Community rural development in the Bafut region. Phase II. Resp. Auth.: Gouverneur de la Province du Nord-Ouest. 1.5 mECU. Rural inputs, draught-farming, hydro-agricultural rehabilitation. Works by acc. tender. Supplies by direct agreement. T.A.: A.F.V.P. (F). Project in execution. 5th EDF.
EDF CM 5020 A3a

CENTRAL AFRICAN REPUBLIC

National Livestock Programme. Supply of agricultural inputs, monitoring training, T.A. Feeder roads. EDF part estimated 5.543 mECU. Cofinancing with France, EIB, local, IFAD. Project on appraisal. 6th EDF.
EDF CA 6001 A3a

Conservation programme for the ecosystem in the North. National game and natural reserves. Supervision for protected areas. Monitoring, management. Supply of infrastructures. Estimated total cost 16.9 mECU. EDF 15.6 mECU. Project stage: identification. 6th EDF.
EDF CA 6002 A3a

CHAD

Priority actions programme in the educational field. Resp. Auth.: Ministère du Plan et de la Reconstruction. Estimated cost 5.2 mECU. Works, supplies, scholarships and T.A. T.A.: ADITEC (Lux). Project in execution. 5th EDF.
EDF CD 5003 A6a

Agricultural programme in the Sudan zone. Estimated cost 5.5 mECU. Various actions for: organising the peasantry, stocking and marketing, utilisation of improved seeds and production techniques. T.A.: AGRER (B). Project on appraisal. Date foreseen for financing decision 1st half 87. 5th EDF.
EDF CD 5010 A3b

Rehabilitation of hospital and health sector. Resp. Auth.: Ministère du Travaux Publics, de la Santé et Médecins sans Frontières (MSF-B). Estimated total cost 5.590 mECU. EDF 4.560 mECU, MSF(B) 0.505 mECU, Aviation sans Frontière (F) 0.100 mECU, local 0.425 mECU. Works by direct agreement or direct labour. Supply of medical equipment, supplies, medicines by int. ★ tender ***launched in December 86.*** Project in execution. 5th EDF.
EDF CD 5011 A7a

Renovation and equipment of "Lycée Technique Commercial" in N'Djamena. Resp. Auth.: Ministère du Plan et de la Reconstruction. ★ ***Works: by acc. tender. Supplies: int. tender launched in December 86.*** Project in execution. 5th EDF.
EDF CD 5015 A6d

★ **Road maintenance brigades.** ***Resp. Auth.: Ministère de Travaux Publics, de l'Habitat et de l'Urbanisme. Estimated cost 19.5 mECU. For Sarh-N'Djamena: supply of road equipment, logistics and T.A. For Sarh-Lere: works by int. tender and supply of T.A., training and supervision on works. Project on appraisal. Date foreseen for financing April 87.*** 6th EDF.
EDF CD 6001 A2d

Support programme for cotton producers. EDF part estimated 5 mECU. Revolving fund for purchase of seeds. 5th EDF. Project in execution.
EDF CD 5017 A3a

Rural development priority programme in the concentration zone. Resp. Auth.: Office National de Dév. Rural (ONDR). 10 mECU. Hydro-agricultural works, infrastructures, education, health. Works, supplies and T.A. Project on appraisal. 6th EDF.
EDF CD 6002 A3e

Support programme to strengthen primary education. *Resp. Auth.: Ministère de l'Education Nationale. Estimated cost 1.275 mECU. Supply of pedagogical equipment and training and integration scholarships. Project on appraisal. 5th EDF.*
EDF CD 5022 *A6a*

Strengthening of the health sector in the sahelian prefectures. *Resp. Auth.: Ministère de la Santé Publique. Estimated cost 10 mECU. Supply of essential medicines, training programme and T.A. Project stage identification. 6th EDF.*
EDF CD 6003 *A7e*

COMOROS

Artisanal fishery. Supply of equipment, boats, engines, T.A. and training. Project on appraisal. 5th EDF.
EDF COM 5017 A3d

COTE D'IVOIRE

Rural development of the central region. Resp. Auth.: Ministère de l'Agriculture. 10.5 mECU. Development of irrigated rice-growing. Works, supplies and T.A. Project in execution. 5th EDF.
EDF IVC 5021 A3a

Rural oil palm plantations for the 2nd palm plan. Resp. Auth.: Ministère de l'Agri- ★ culture. Rural. EDF 20.850 mECU. 22,945 ha in rural areas. ***Date financing decision January 87.*** 6th EDF.
EDF IVC 6001 A3a

Agroforestry research and experimentation in intensive afforestation in the northern savannas. Resp. Auth.: Centre Technique Forestier Tropical de Côte d'Ivoire (CTFT-CI). 0.475 mECU. Research station, supply of equipment and T.A. Works by direct agreement. Supplies int. ★ tender in 87. ***Date financing decision February 87.*** 5th EDF.
EDF IVC 5020 A3e

DJIBOUTI

Ranch construction. Resp. Auth.: Ministère de l'Agriculture. Studies and Works. Works by int. tender. 1.030 mECU. Int. tender dossier prepared by Dubois (ACP). Project in execution. 5th EDF.
EDF DI 5005 A3a

Djibouti water supply. Estimated cost 0.800 mECU. Watermain in the region of Damerjog Atar. Int tender launched in October 86. Project in execution. 5th EDF.
EDF DI 5001 A2b

DOMINICA

Tourism development and marketing programme. 0.620 mECU. Improvement of different tourist sites and their access. Launching of a marketing campaign in Eu- ★ rope and USA: Short-list ***already*** drawn up. 6th EDF.
EDF DOM 6002 A5c

EQUATORIAL GUINEA

Rural interventions. Project stage: identification. 5th EDF.
EDF EG A3a

Rural development in the Bata district. Resp. Auth.: Ministère de l'Agriculture, de l'Elevage et du Dév. Rural, Ministère de la Santé. 1.350 mECU. T.A.: B.D.P.A. (F). 5th EDF. Project in execution.
EDF EG 5004 A3a

Malabo electrification (Phase II). 2.7 mECU. Purchase of generator sets, repairing of the power station and town mains extension. 2 int. tender launched in June 85. Project on appraisal. Supervision of works: ★ S.G.I. (Lux). Date foreseen for financing decision ***1st half 87.*** 5th EDF.
EDF EG 5003 A2ai

Assistance to the road maintenance service in Rio Muni. 2nd phase. Resp. Auth.: Ministère des Travaux Publics. 1.1 mECU. T.A., training and purchase of road equipment. Project in execution. 5th EDF.
EDF EG 5009 A2d

ETHIOPIA

Construction and equipment of one agricultural research station in Bale-Arsi. Resp. Auth.: Institute of Agricultural Research (I.A.R.). Special hunger programme. 1.5 mECU. Project in execution.
958-ET 5015 A3c

Rural Water Supply. Resp. Auth.: Ethiopian Water Works Construction Authority. 1.9 mECU. Supply of equipment. T.A.: J. Taylor and Son (UK) and GITEC (D). Project in execution. 5th EDF.
EDF ET 5016 A2b

GABON

Continuation of the Fernan Vaz project (II). Estimated total cost 6 mECU. EDF 5 mECU. Improvement and diversification of agricultural production, social action and feeder road construction. Project stage: identification. 6th EDF.
EDF GA 6001 A3a

Support to the S.M.E. Resp. Auth.: Fonds d'Aide et Garantie. 2.1 mECU. Line ★ of credit and T.A. ***Date financing decision January 87.*** 6th EDF.
EDF GA 6003 A4e

Bokué reafforestation — Phase II. Continuation of the existing project and agroforestry experimentation. Supply of equipment ★ and T.A. ***Date financing decision February 87.*** 6th EDF.
EDF GA 6002 A3e

GAMBIA

Brikama College, phase II. Resp. Auth.: Ministry of Works and Communications. 1.925 mECU. Construction and equipment of academic and residential buildings. Works by mutual agreement. Equipment for ★ phase II: ***int. tender, 1st half 87.*** 4th EDF.
EDF GM 4005 A6b

Second highway maintenance project. Resp. Auth.: Ministry of Works and Communications. EDF part estimated at 1.2 mECU. Supply of road construction-maintenance equipment. Bulldozer, motor grader, truck, water tanker. Project stage identification. 6th EDF.
EDF GM 6001 *A2d*

GHANA

Second Line of Credit to the National Investment Bank (NIB). Resp. Auth.: Development Service Institute of NIB. 2.9 mECU. T.A. and supply of equipment. T.A.: P.E. Int. (UK). Project in execution. 5th EDF.
EDF GH 5013 B3a

Line of Credit to the Agricultural Development Bank. Resp. Auth.: Agric. Dev. Bank (ADB) 6mECU. Purchase of marine diesel engines, spare parts, fishing nets, and ★ T.A. Int. tender for ***fishing nets launched in February 87.*** T.A.: Mac. Allister Elliot (UK). Project in execution. 5th EDF.
EDF GH 5009 A5a

Agricultural Rehabilitation through the Rural Banks Scheme. Phase II. Supply of equipment to small scale farmers and fisher-★ men ***launched in January 87.*** T.A. 8.760 mECU. T.A.: ALLIX (GR). Project in execution. 5th EDF.
EDF GH 5004 A5a

Supplementary finance for Twifo Oil Palm Development. Resp. Auth.: Twifo Oil Palm Plantation Ltd. (TOPP). 5.043 mECU. Infrastructure, housing construction by direct labour. Supply of crop inputs, vehicles, tractors and T.A. T.A.: Harrison Fleming (UK). Project in execution. 5th EDF.
EDF GH 5003 A3a

Twifo smallholder Oil Palm Project. Resp. Auth.: TOPP. 3,715 m ECU. Works, supplies and T.A. Int. tender for supplies ★ ***and vehicles*** launched in ***January 87.*** T.A.: Harrison Fleming (UK). 5th EDF.
EDF GH 5021 — STA A3a

Takoradi harbour rehabilitation. Resp. ★ Auth.: Ghana Ports Authority. EDF ***6.9*** mECU. Works and supply of equipment. Tender for works in execution. ***Date financing decision February 87.*** 5th EDF.
EDF GH 5028 A2d

Programme for the improvement of the transport infrastructure in the South-Western part. First actions. Estimated to-★ tal cost ***21*** mECU. Rehabilitation of the Axim-Axim junction road, construction of a road link (including bridge) to Enchi and studies. Feasibility and design study for Wiawso-Awaso-Mim corridor, short-list drawn up. Project on appraisal. Date foreseen for financing decision ***April*** 1987. 6th EDF.
EDF GH 6001 A2d

Support to Ghana Regional Appropriate Technology Industrial Service (GRATIS). *Resp. Auth.: Ministry of Industries, Sciences and Technology. EDF part estimated at 0.900 mECU. Supply of equipments, vehicles, T.A. and training. Project on appraisal. 6th EDF.*
EDF GH 6004 *A4g*

GRENADA

Eastern Main Road. Phase III. Resp. Auth.: Ministry of Communications and Works. EDF 3.5 mECU. Strengthening the road base by coal mix surface course and improving drainage structures. Works by direct labour. Supply of equipment by int. tender. Project in execution. 6th EDF.
EDF GRD 6001 A2d

GUINEA

Assistance to the « Ecole Nationale des Arts et Métiers-ENAM-Conakry ». 2.265 mECU. Building renovation and supply of ★ equipment. T.A.: O.R.T. (U.K). ***Int. tender for supplies launched in January 87.*** Project in execution. 5th EDF.
EDF GUI 5028 A6d

Semi-industrial fishery project "SOGUIPECHE". Resp. Auth.: Ministère du Plan et de la Coopération Internationale. Secrétariat d'Etat à la Pêche. Estimated cost 8 mECU. Rehabilitation and renovation of the existing plant and buildings. Supply of specialised equipment. Int. tender for works and supplies launched in September 86. Project on appraisal. Date foreseen for financing de-★ cision ***1st half 87.*** 5th EDF.
EDF GUI A3d

GUINEA BISSAU

T.A. to the "Direction Générale du Plan". Resp. Auth.: Direction générale du Plan. 0.910 mECU. To prepare and to implement the national development plan. Training. Project in execution. 5th EDF.
EDF GUB 5010 A3a

★ **T.A. for trade reform measures.** ***3 mECU. Short-list done for restr. tender. Date financing decision January 87.*** 6th EDF.
EDF GUB 6001 A4e

GUYANA

Rehabilitation of river ferries. Resp. Auth.: Transports & Harbours Dept. Estimated total cost 3.100 mECU. EDF 2 mECU, local 1.1 mECU. Provision of spare parts, materials, equipment and T.A. ★ ***Int. tender supplies (conditional) launched in February 87.*** Project on appraisal. 6th EDF.
EDF GUA 6001 A2d

JAMAICA

Citrus fruit production improvement. Resp. Auth.: Ministère de l'Agriculture. Estimated cost 3.5 mECU. Equipment, training and T.A. Credit line. T.A.: VAKAKIS (GR). Project in execution. 5th EDF.
EDF JM 5004 A3a

Coffee development. Resp. Auth.: Ministry of Agriculture. Estimated total cost 3.7 mECU. EDF 3.5 mECU. Local 0.2 mECU. Supply of equipment, T.A. and credit line. T.A.: Short-list already drawn up for restr. tender. Int. tender for supplies launched in March 86. Project in execution. 5th EDF.
EDF JM 5005 A3a

Bee-keeping Development Project. Resp. Auth.: Ministry of Agriculture. 1.270 mECU. Supply of vehicles, T.A. and line of credit. T.A.: Short-list done for restr. tender. Project in execution. 4th and 5th EDF.
EDF JM 5013 A3a

Rural road and bridge reconstruction. Resp. Auth.: Ministry of Construction. Estimated cost 7.3 mECU. Rural roads and bridges damaged during heavy flooding dur-★ ing May-June 86. ***Project in execution.*** 6th EDF.
EDF JM 6001 A2d

KENYA

Reinforcement of the medical infrastructure in the district of Machakos. ★ 1.100 mECU. Works and supplies. ***Project in execution.*** 5th EDF.
EDF KE 5022 A7a

Rehabilitation of Kigano-Namyuki Road. Resp. Auth.: Minister of Transport and Communication. 14 mECU. Works and supervision. Project on appraisal. 5th EDF.
EDF KE 5027 A2d

LESOTHO

"Highlands Water Scheme" Project. Resp. Auth.: Ministry of Water, Energy and Mining. Estimated EDF contribution 9.5 mECU. Final planning study on hydraulics and T.A. to the Lesotho Highlands Develop-★ ment Authority. ***Two short-lists already drawn-up.*** Project in execution. 6th EDF.
EDF LSO 6001 A2b

Mphaki area development. Phase II. Resp. Auth.: Ministry of Agriculture. 3.7 mECU. Feeder roads, livestock, veterinary and marketing installations, supplies and T.A. Project in execution. 6th EDF.
EDF LSO 6002 A3a

LIBERIA

Monrovia Port. Resp. Auth.: National Port Authority. 1.9 mECU. Management assistance. Project in execution. 5th EDF.
EDF LBR 5019 A2d

Rural health training centre. Estimated cost 2 mECU. Provision of services, supplies and equipment (including drugs), T.A. for management and training. Project on appraisal. Date foreseen for financing decision ★ ***1st half 87.*** 5th EDF.
EDF LBR 5020 A7a

MADAGASCAR

Assistance to the Malagasy handicrafts industry. Resp. Auth.: Ministère de l'Industrie. Estimated cost 1 mECU. Supply of raw materials for handicrafts by int. tender. T.A.: APRODI (F). Project in execution. 5th EDF.
EDF MAG 5017 A4d

Microhydraulic programme in the village sector: consolidation and extension. Programme to improve the management of water in the village sector on 21 000 ha of small enclosed irrigated rice fields. Works by direct labour. Acquisition of equipment and supplies by int. tender and tech. assistance by restr. tender. ★ ***8.35 mECU. T.A. Short-list done. Date of financing December 86.*** 6th EDF.
EDF MAG 6001 A2b

MALAWI

Salima Lakeshore Agricultural Development Division (SLADD) Phase IV. Resp. Auth.: Ministry of Agriculture. Estimated cost: 19.1 mECU. EDF 9.5 mECU. Local ★ 9.6 mECU. Works, Supplies and T.A. T.A.: Hunting Technical Services (UK). Int. tender for the supply of 6 steel bridges launched in June 86. ***Int. tender for supplies launched in December 86.*** Project in execution. 5th EDF.
EDF MAI 5001 A3a

Central and northern region fish farming development, training and research. Resp. Auth.: Ministry of Agriculture. Estimated cost: 3 mECU. Works, supplies, T.A. Project on appraisal. Date foreseen for financing decision 1st half 87. 5th EDF.
EDF MAI 5019 A3a

Strategic fuel reserve. Resp. Auth.: Office of the President and Cabinet. Contingency Planning Unit. 4.2 mECU. Construction of tanks for diesel, petrol, ethanol. Associated infrastructure and equipment. T.A. Project on appraisal. 5th EDF.
EDF MAI 5020 A2a

Small Enterprise Development Organization of Malawi (SEDOM) — Phase II. Resp. Auth.: Sedom secretariat. EDF 4.8 mECU. Works by direct labour. Supply of vehicles and equipment by int. tender in ★ *87.* T.A.: GITEC (D). Project in execution. 5th EDF.
EDF MAI 5021 A4e

Mwansambo Rural Growth Centre. Resp. Auth.: OPC, Rural Development Division. 0.900 mECU. Works, supplies and T.A. Project in execution. 5th EDF.
EDF MAI 5028 A3a

Mpherembe Smallholder Tobacco Project. Resp. Auth.: Ministry of Agriculture. ★ EDF 4.680 mECU. Works and supplies. ***Int. tender for supplies launched in December 86.*** Project in execution. 6th EDF.
EDF MAI 6002 A3a

Smallholder coffee project. Phase II. Resp. Auth.: Ministry of Finance/Smallholder Coffee Authority (S.C.A.). Total cost 9.59 mECU. EDF 4.62 mECU, local 4.97 mECU. T.A. in restr. tender, supplies by int. tender ***Project in execution.*** and civil works by loc. tender. ***T.A.: Short-list done. Financing decision December 86.*** 6th EDF.
EDF MAI 6003 A3a

MALI

Strengthening of sanitary infrastructure in the Nioro region. Resp. Auth.: Ministère de la Santé et des Affaires Sociales et Ministère des Transports et T.P. 2.570 mECU. Buildings, equipment, training. ★ ***Architectural and technical studies and T.A.: Dominic Michaelis Associates (UK).*** 4th EDF.
EDF MLI 4016 A7a

Support to establish businesses and to employ young graduates. EDF 2.8 mECU. Supply of T.A. training and line of credit. Project in execution.
5th EDF.
EDF MLI 5021 A4e

Pharmaceutical sector restructuring. ★ 0.880 mECU. Supply of equipment. ***Project in execution.*** 5th EDF.
EDF MLI 5022 A7a

MAURITANIA

Extension of Kaëdi regional hospital. Resp. Auth.: Ministère de l'Equipement. ★ ***1.450 mECU.*** Construction, equipment and TA for Kaëdi hospital (100 beds). Works under way. Medical-technical equipment int. tender, foreseen in the ***1st half 87.*** 3rd, 4th and 5th EDF.
EDF MAU 5018 A7a

Aioun El Atrouss hospital. Resp. Auth.: Ministère de l'Equipement. 1.050 mECU. Renovation and supply of equipment for 3 buildings. Works by acc. tender. Supplies by int. tender. Project on appraisal. 5th EDF.
EDF MAU 5012 A7a

"Centre de Formation Professionnelle Maritime de Nouadhibou (C.F.P.M.). Resp. Auth.: Ministère de l'Equipement. 2.5 ★ mECU. ***Construction, supply of equipment, T.A.*** Project in execution. 5th EDF.
EDF MAU 5014 A6d

MAURITIUS

Development of Ile Rodrigues. Resp. Auth.: Ministry of Agriculture. 3 mECU. Development centred on agricultural production. Economic and technical study under way. T.A.: Luxconsult (Lux.). 5th EDF.
EDF IM 5001 A3a

MOZAMBIQUE

Rural development in the Moamba District. Resp. Auth.: Ministerio da Agricultura. Estimated total cost 9.15 mECU. EEC 7.5 mECU. Supply of equipment, rural inputs ★ and T.A. ***Supplies: int. tender launched in January 87.*** Project in execution.
ALA MOZ 8333 A3a

Fishery development and rehabilitation. Resp. Auth.: Secrétariat d'état pour la pêche. Total estimated cost 8.885 mECU. EEC 7.4 mECU. Supply of equipment and T.A. Project in execution.
ALA MOZ 8507 A3d

Nacala Railway Rehabilitation. Resp. Auth.: Government of Mozambique. EDF part 25 mECU. Cofinancing with France, ★ Portugal, Italy, Canada and Finland. ***Int. tender foreseen in March 87. Date financing decision January 87.*** 6th EDF.
EDF MOZ 6001 A2d

Rehabilitation of the Port of Beira. Reconstruction of parts of berths 2 to 5. National and regional project with Zimbabwe, Malawi and Zambia. Estimated total cost 40 mECU. Resp. Auth.: Beira Corridor Authority. Reconstruction of about 390 m of quay including the construction of the associated container-multi purpose terminal area. ★ Int. tender (conditional) ***launched in December 86.*** Project on appraisal. 6th EDF.
MOZ 6003, REG 6401 A2d

NIGER

Air Valley development. Resp. Auth.: Ministère du Dév. Rural. Estimated cost 2.052 mECU. Hydro-agricultural works. Construction and equipping of wells. Equipping and operation of nurseries. T.A. and training. Works and equipment: int. tender. T.A.: VAKAKIS (GR). Project in execution. 5th EDF.
EDF NIR 5002 A3a

Training for Cooperatives. Resp. Auth.: Ministère du Dév. Rural. Estimated cost 2.8 mECU. T.A. and supply of equipment. T.A. by restr. Tender short-list done. Supplies by int. tender or direct agreement. 5th EDF.
EDF NIR 5004 A3b

Repair of traditional wells in the Ouallam Region. Resp. Auth.: Ministère de l'Hydraulique. 3.1 mECU. 100 wells. Works, supervision and training. Supervision of works: M. Botz (F) and M. Motte (B). Project in execution. 5th EDF.
EDF NIR 5010 A2b

Ricegrowing in the river valley. Resp. Auth.: Ministère de l'Agriculture. Cultivation of 1,800 ha, electrification, feeder roads, T.A. for management. Project preparation study: short-list not yet drawn up. Project on appraisal. 6th EDF.
EDR NIR 6001 A3a

Small irrigation programme. Resp. Auth.: Ministère de l'Agriculture. Rehabilitation of the Tarka down valley, irrigation, boreholes and wells. Feeder roads, environmental protection, T.A. Works and supplies. Studies: short-lists not yet drawn up. ★ Project on appraisal. ***Date foreseen for financing decision April 87.*** 6th EDF.
EDF NIR 6002 A3a

Road maintenance. Resp. Auth.: Ministère des Travaux Publics. Estimated cost ★ ***15 mECU.*** Maintenance works for 160 km and supervision. Project on appraisal. ***Date foreseen for financing decision April 87.*** 6th EDF.
EDF NIR 6003 A2d

NIGERIA

Kaduna afforestation project. Resp. Auth.: Federal Department of Forestry. 9.4 mECU. Works, supplies and T.A. Project in execution. T.A.: Hedeselkabetdor. 5th EDF.
EDF UNI 5001 A3c

Abakaliki Zinc Feasibility Study. Resp. Auth.: NMC (Nigerian Mining Corporation). 1.220 mECU. T.A. by restr. tender after short-list. Supply of equipment by int. tender. Project in execution. 5th EDF.
EDF UNI 5007 A2b

PAPUA NEW GUINEA

Magi highway. Resp. Auth.: Department of Transport. 3.5 mECU. Upgrading and sealing of a road section. Works: int. tender ★ foreseen *2nd* half '87. 5th EDF.
EDF PNG 5006 A2d

Diesel Power Replacement Programme. Resp. Auth.: Electricity Commission (ELCOM). Estimated cost 4.850 mECU. 4 small hydroelectric power plants with transmission line extensions from existing grids. 1st int. tender (conditional) launched in October 85. Project in execution. 5th EDF.
EDF PNG 5011a A2a

Kimbe-Talasea Road. Resp. Auth.: Departments of Works and Transport. Estimated total cost 9.5 mECU. EDF 7 mECU, local 2.5 mECU. Upgrading of ±35 km of ★ the road. Works and supervision. ***Int. tender for works launched in January 87.*** Project in execution. 5th EDF.
EDF PNG 5013 A2d

RWANDA

Development of the small-scale tin industry. Resp. Auth.: Ministère de l'Industrie, des Mines et de l'Artisanat. 2.840 mECU. Sysmin. Works, supplies, training and T.A. T.A.: Short-list done. Project in execution. 5th EDF.
EDF RW 5016 A4a

Support to the "Centrale Comptable et Organisation". Resp. Auth.: Présidence de la République. 3.1 mECU. T.A. and training. Project in execution. 5th EDF.
EDF RW 5014 A1b

ST. LUCIA

Roseau agricultural resettlement and diversification project. Phase II. 1.4 mECU. Works, supply of equipment and ★ T.A. ***Project in execution.*** Date financing decision December 86. 6th EDF.
EDF SLU 6001 A3a

ST. VINCENT AND THE GRENADINES

Kingstown hospital redevelopment (phase II). 1.7 mECU. Works and supplies. Project on appraisal. 6th EDF.
EDF SVG 6002 A7a

SAO TOMÉ & PRINCIPE

Riberia Peixe rural development. Resp. auth.: Ministère de la Coopération. Development of agricultural output (palm oil) and industrial exploitation. Estimated total cost: 6.79 mECU as follows: EDF 4.00 mECU, EIB 2.00 mECU and local 0.791 mECU. T.A., ★ works, training and supplies. ***T.A.: Short-list done. Date financing December 1986.*** 6th EDF.
EDF STP 6001 A3a

SENEGAL

New energy research and testing in rural regions. Resp. Auth.: Secrétariat d'Etat à la Recherche Scientifique. 1.5 mECU. Creation of pilot unit for solar energy, biomass and wind energy. Studies, T.A. and equipment. Studies: AGIP-AFOR (I). Equipment: int. tender in 87. Project on appraisal. 5th EDF.
EDF SE 5005 A2a

Consolidation of the livestock development programme. Resp. Auth.: SODESP. Estimated cost 1.6 mECU. Study under way by Bessel Ass. (UK). Project on appraisal. 5th EDF.
EDF SE A3a

Artisanal fishery development in the Casamance Region. Resp. Auth.: Secrétariat d'Etat à la Pêche Maritime. EDF 1.6 mECU. Works, supplies and training. Project in execution. 5th EDF.
EDF SE 5024 A3a

***Support programme to the development of the Podor region.** Estimated cost 80 mECU. Rural hydraulics, support to promote S.M.E., micro-irrigation, road and urban infrastructures, telecommunications, electrification, health, training, promotion of women, fight against desertification. Project stage identification. 6th EDF.*
EDF SE 6002 A3a

SIERRA LEONE

Kambia Fishery Development. Resp. Auth.: Ministry of Agriculture and Forestry. 0.650 mECU. Construction of 2 buildings and a boatyard, supply of boats, motors, vehicles and T.A. T.A.: MacAlister, Elliot and Partners (UK). Project in execution. July 86. 5th EDF.
EDF SL 5019 A3d

Rehabilitation of the Telecommunications Network. Resp. Auth.: Post and Telecommunications Dept. Estimated cost ★ ***±1.4 mECU.*** Study to prepare technical specifications and int. tender dossier: ***British Telconsult (UK). 2 int. tenders (conditional) launched in January 87.*** Project on appraisal. 5th EDF.
EDF SL 5024 A2c

Port Loko rural development programme. 6 mECU. Infrastructures, T.A., training and supplies. T.A.: Short-list done for restr. tender. Project in execution. 5th EDF.
EDF SL 5006 A3a

Support to the Geological Surveys Department. 1.30 mECU. T.A. and training, ★ supply of equipment. ***Int. tender for supplies launched in December 86.*** Project in execution. 5th EDF.
EDF SL 5016 A4a

Creation of regional centres for small enterprises. Estimated cost 1.25 mECU. Project stage: identification. 5th EDF.
EDF SL 5017 A4d

Rural health development programme. Estimated cost 1.5 mECU. Buildings, equipment and training. Works by acc. tender already launched. Project in execution. 5th EDF.
EDF SL 5025 A7a

Tourism development project. Estimated cost 0.850 mECU. T.A. for Ministry of Tourism and supply of equipment. Project stage: identification. 5th EDF.
EDF SL 5026 A5c

Bennimix baby food production programme. Estimated total cost 3.6 mECU. EDF 2.8 mECU. Improvement of the nutrition and health status of children by producing from local raw materials low cost, high quality weaning food, which can be afforded by the low-income groups. Project stage: identification. 5th EDF.
EDF SL 5028 A7a

***Construction of the road Fadugu-Kabala.** Resp. Auth.: Ministry of Public Works. Estimated cost 12 mECU. Bituminised road, 40 km. Project stage: identification. 6th EDF.*
EDF SL 6001 A2d

SOLOMON ISLANDS

Coconut industry development project. Resp. Auth.: Ministry of Land and Natural Resources. Study under way by Agrar und Hydrotechnik (D). Project stage: identification. 5th EDF.
EDF SOL 5009 A3a

Rehabilitation programme after cyclone Namu. Resp. Auth.: Ministry of Economic Planning. 1.722 mECU. Works and supply ★ of equipment. ***Date financing decision January 87.*** 6th EDF.
EDF SOL 6002 A7a

***Development of human resources in the rural sector.** Resp. Auth.: Ministry of Economic Planning. Estimated cost 4.745 mECU. Supply of equipment, T.A. and training. Project stage: identification. 6th EDF.*
EDF SOL 6003 A3a

SOMALIA

Bardheera Dam. Resp. Auth.: Bardheera Dam Authority (BDA). 600 mECU. (Estimated) Dam Project 500 mECU. Powerline to Mogadishu 100 mECU. Funding: EDF, Italy, Germany, France, Saudi Arabia, Abu-Dhabi, Kuwait Funds, FADES, Isl. Dev. Bank. Local. Power and river regulation for agricultural development. Construction of a concrete gravity dam with hydro-power station, associated infrastructure and electrical transmission lines. The dam will provide water, flood protection and power for up to 223 000 ha of irrigated agriculture in the Juba Valley, and energy to Mogadishu. Civil works: first int. tender launched in 1984. Transmission lines int. tender in 1986. Equipment: powerhouse main equipment and auxiliary equipment, int. tenders in 1987. Gates, valves, intake equipment, int tender in 1988. Int. tender with prequalification launched in February 86 for hydraulic tests. Project in execution. 5th EDF.
EDF SO 5003 A2a

"Aula Magna" Mogadishu National University. Resp. Auth.: Ministry of Public Works. ±2.5 mECU. Project on appraisal. 4th EDF.
EDF SO 4015 A6b

Upgrading of the road Afgoi-Shalambot-Goluen. Resp. Auth.: Ministry of Public Works. Works by int. tender in 87. Supervision of works. Studies: AIC. PROGETTI (I). Project on appraisal. 5th EDF.
EDF SO 5017 A2d

Grapefruit Development Project. Resp. Auth.: Ministry of Agriculture. 3.8 mECU. Works supply of vehicles, equipment and rural inputs. T.A.: Agriconsulting (I) and Istituto Sperimentale per l'Agricoltura (I). Int. tender for vehicles launched in March 86. Project in execution. 5th EDF.
EDF SO 5009 A3a

Food Early Warning System. Resp. Auth.: Ministry of Agriculture. Estimated total cost 4 mECU. EDF ±3.1 mECU. Supply of meteorological and office equipment and T.A.: Transtec (B). Project in execution. 5th EDF.
EDF SO 5015 A8f

North-West agricultural development project. Estimated total cost 36 mECU. EDF: 7.6 mECU, World Bank 14.9 mECU, IFAD 9.9 mECU, local 3.6 mECU. Infrastructural work and supply of equipment and T.A. T.A.: DARUDEC (DK). Project in execution. 5th EDF.
EDF SO 5016 A3a

T.A. to the Ministry of Finance, the Central Bank and the Commercial and Savings Bank. Resp. Auth.: Ministry of Finance. 1.875 mECU. ***Short-list done.*** Project in execution. 5th EDF.
EDF SO 5019 A1b

Construction of Juba and Shebelli bridges. Resp. Auth.: Ministry of Public Works. ***5 mECU.*** Construction of bridges across the Shebelli and Juba rivers to improve communications. Design and construction by int. tender. ***T.A.: Consulint. (I). Int. tender launched in January 87.*** Date financing decision December 86. 5th EDF.
EDF SO 5006 A2d

Development of inshore fisheries in the Mogadishu region. Resp. Auth.: Ministry of Fisheries. EDF 3.0 mECU, local 0.3 mECU. Upgrading of fisheries infrastructure. Civil works local restr. tender, materials by int. tender/restr. tender or direct agreement. ***Date financing December 86.*** 5th EDF.
EDF SO 5024 A3d

Supply of road maintenance equipment and materials for Afgoi-Gelib road. Resp. Auth.: Ministry of Public Works. Supply of road maintenance equipment and materials by int. tender. 3.00 mECU. ***Date of financing December 86.*** 5th EDF.
EDF SO 5023 A2d

Line of credit for farmers and fishermen. Resp. Auth.: Somali Development Bank (SDB) 1.650 mECU. Line of credit and T.A. ***T.A.: Short-list done. Date financing decision January 87.*** 5th EDF.
EDF SO 5025 A3a

Rehabilitation of Mogadishu General Hospital. *Resp. Auth.: Ministry of Health and Ministry of National Planning. Estimated cost 3.6 mECU. Works and supplies. Works: int. tender (conditional) in February or March 87. Supplies by direct agreement. Project on appraisal. 5th EDF.*
EDF SO 5021 A7a

SUDAN

Jebel Marra Rural Development Project — Phase II. Resp. Auth.: Ministry of Agriculture. ***15.8 mECU.*** Civil works, supply of vehicles and equipment by international tender (conditional) ***launched in November 86.*** and T.A. by restricted tender. ***Date financing decision February 1987.*** 6th EDF.
EDF SU 6001 A3a

SURINAME

Rice project at Coronie. Resp. Auth.: Ministerie van Landbouw, Veeteelt, Visserij en Bosbouw. 7.650 mECU. Rice production developments. T.A.: EUROCONSULT (NL). Project in execution. 3rd and 5th EDF.
EDF SUR 5002 A3a

Biomass energy project at Wageningen. Resp. Auth.: Government. Installation of an energy generator on the basis of rice husks. Project stage: identification. 5th EDF.
EDF SUR 5009 A2a

Artificial Insemination Project. Resp. Auth.: Ministry of Agriculture, Fisheries. 0.72 mECU. Building of a new station and provision of equipment and material. Project in execution. 5th EDF.
EDF SUR 5010 A3a

Rehabilitation of the road Burnside-Wageningen. Resp. Auth.: Ministry of Finance and Planning. Estimated total cost 5.5 mECU. Study to be done: technical methods for the implementation of the project: Delft Universteit (NL). Project on appraisal. 4th and 5th EDF.
EDF SUR 5011 A2d

SWAZILAND

Rural hydraulics. Resp. Auth.: Rural Water Supply Board. Estimated cost 2.456 m ECU. Study, construction, works supervision. 12 villages. Supply of equipment and material. Study and works supervision: Carl Bro (DK). Project in execution. 5th EDF.
EDF SW 5001 A2b

Smallholders Support Project, Credit and Marketing. Resp. Auth.: Ministry of Agriculture. 3.550 mECU. Works, line of credit, T.A. and training. T.A.: Coopers Lybrand (ACP branch). Project in execution. 5th EDF.
EDF SW 5005 A4e

In-service maths and science teaching improvement programme. *Resp. Auth.: University of Swaziland, Ministry of Education. Estimated cost 3 mECU. Supply of pedagogical equipment, T.A. and training. Project on appraisal. 6th EDF.*
EDF SW 6003 A6a

TANZANIA

Mtwara water supply. Resp. Auth.: Ministry of Water, Energy and Minerals. 5 mECU. Works: drilling of new wells, and construction. Supply of equipment and T.A. Drilling activities and power supply connections by direct labour. Supplies: int. tender in ***87.*** Supervision of works: G.W.E. (D). Project in execution. 5th EDF.
EDF TA 5003 A2b

Banana improvement and pest control (Phase 1). Resp. Auth.: Ministry of Agriculture. Estimated total cost 3.740 mECU. EDF 3 mECU, local 0.740 mECU. Supply of pesticides, vehicles, equipment by int. tender ***launched in December 86.*** T.A.: AGRISTUDIO (I). Project in execution. 5th EDF.
EDF TA 5008 A3a

Ports of Zanzibar and Pemba. Estimated cost 10.17 mECU. T.A. for management, organisation, pricing and financial systems, training. Restoration of infrastructure. T.A.: NEDECO (NL). Project stage: identification. 5th EDF.
EDF TA 5024 A2d

Cooperative Rural Development Bank (CRDB) Project. 3.15 mECU. Provision of equipment, training and T.A. Project in execution. 5th EDF.
EDF TA 5026 A3a

Rehabilitation of Zanzibar Hospitals. Phase II. Resp. Auth.: Ministry of Health, Zanzibar. EDF 2.705 mECU. Cofinancing with Italy. Works, supply of equipment and training. ***Works by acc. tender.*** Project on appraisal. ***Date foreseen for financing April 87.*** 5th EDF.
EDF TA 5017 A7a

Agricultural sector support programme. Resp. Auth.: Ministry of Finance and Planning. ***94 mECU.*** Measures to improve food security, support for coffee production and processing, assistance to co-operative unions, repair and maintenance of vehicles and tractors, feeder road maintenance and assistance to institutions implementing the programme. Supplies by int. tender/restr. tender or direct agreement. ***T.A.: Short-list done for restr. tenders.*** Date financing decision ***January 87.*** cember 86. 6th EDF.
EDF TA 6001 A3a

TOGO

Enquiry into consumer expenditure. Resp. Auth.: Ministère du Plan, de l'Industrie et de la Réforme Administrative. Estimated total cost 1.3 mECU. EDF 1 mECU, Local 0.3 mECU, T.A. to produce, collect and treat statistical data, training and supply of equipment. T.A.: short-list done. Project in execution. 5th EDF.
EDF TO 5011 A1e

Rural reafforestation. Estimated cost ±0.575 mECU. 1.500 ha plantations and 1.500 ha land protection. Project in execution.
5th EDF.
EDF TO 5014 A3c

Lomé hotel training centre (CFH). National and regional project (French-speaking

countries of the sub-region). 3.450 mECU. Works, training and T.A. Project in execution. 5th Reg. 6th EDF.
EDF TO 6001. REG 5147 A6d

TONGA

Vava'u Airport Development Project. Resp. Auth.: Ministry of Civil Aviation. 2.130 mECU. Works, supply of equipment ★ and training. ***Works by direct labour, supplies by int. tender.*** Project on appraisal. 5th and 6th EDF.
EDF TG 5003-6001 A2d

Integrated regional development study for Vava'u. *Short-list done. Project stage identification.*
EDF TG A3a

TRINIDAD AND TOBAGO

Training programme, health sector. Resp. Auth.: Ministry of Health and Environment. 1.2 mECU. Training awards, laboratory equipment (sound-meters, chemical chromatographs, spectrometers) by int. tender. Short-term T.A. to coordinate and establish new laboratory. Project in execution. 5th EDF.
EDF TR 5003 A8c

Goat development project. Resp. Auth.: Ministry of Agriculture. 0,750 mECU. Works and supply of equipment. Project in execution. 5th EDF.
EDF TR 5005 A3a

UGANDA

Karamoja Development Programme. Phase II. Resp. Auth.: Government of Uganda. EDF 6 mECU. Works and supplies. Project in execution. 5th EDF.
EDF UG 5001 A3a

Support to emergency relief and rehabilitation programme. Resp. Auth.: Government of Uganda. EDF 5 mECU. Project on appraisal. 5th EDF.
EDF UG 5020 B2

Hima cement power supply project (Kilembe hydroelectric power scheme). *Resp. Auth.: Ministry of Water and Mineral Development. Kilembe Mines L (KML) and Uganda Electricity Board (UEB). Estimated cost 3.1 mECU. Rehabilitation works for the existing power station, supply of equipment and T.A. Project on appraisal. Date foreseen for financing April 87. 5th EDF.*
EDF UG 5024 A2ai

Sleeping sickness and trypanosomiasis control project. *Resp. Auth.: Ministry of Health, Ministry of Animal Industry and Fisheries. 2 mECU. Supply of drugs, chemicals, equipment, tools, vehicles and T.A. Project on appraisal. 5th EDF.*
EDF UG A3a, A7e

WESTERN SAMOA

Afulilo hydro power project. Estimated total cost 18 mECU. EDF part 7.5 mECU. Construction of a dam, reservoir, penstock, 4 MW power station, 40 km transmission lines, T.A. and training. Cofinancing under discussion with EIB, IDA and Asian Dev. Bank. Project stage: identification. 6th EDF.
EDF WSO 6001 A2a

ZAIRE

Kalemie port rehabilitation. Resp. Auth.: Département des Transports et Com- ★ munications. ***5 mECU. Prequalification for int. tender foreseen in February or March 87.*** Works and supplies. Project on appraisal. Date foreseen for financing decision 1st half 87. Regional project. 5th EDF.
EDF REG 5215 A2d

Butembo-Beni hydro-electrical development. Preliminary study done by Tractionnel (B) on local funds. Detailed economic and technical studies: WLPU (UK). Project on appraisal. 5th EDF.
EDF ZR 5006 A2a

2nd intervention Sysmin. Gécamines Working and SNCZ. EDF part 41 mECU. Supply of mining equipment, machine-tools, ★ engines. ***Int. tender for SNCZ launched in January 87.*** 5th EDF.
EDF ZR-SYS 5001 A4a

Reafforestation of the Bateke plateau. Resp. Auth.: Département de l'environnement, conservation de la nature et affaires foncières. 6,000 ha of plantings. Int. tender with pre-qualification launched in November 86 (conditional). Project on appraisal. 6th EDF.
EDF ZR 6001 A3a

Kivu programme. *Estimated cost 40 mECU. Action for crops (coffee, corn, palm-tree, rice) environment (Parc de la Virunga), lines of credit. Project stage identification. 6th EDF.*
EDF ZR 6002 A3a

Kinshasa hinterland programme. *Estimated cost 35 mECU. To improve crop production. Project stage identification. 6th EDF.*
EDF ZR 6003 A3a

ZAMBIA

Animal vaccine unit production. Laboratory construction. Supply of equipment and T.A. Estimated cost 3.79 mECU. EDF 3 mECU, local 0.79 mECU. T.A.: Central Diergeneeskundig (NL). 5th EDF.
EDF ZA 5018 A3a

Mkushi electrification. Estimated cost 6.07 mECU. EDF 3.07 mECU. Cofinancing needed. Study on hand: MERTZ-McLENNAN (UK). Project stage: identification. 5th EDF.
EDF ZA 5007 A2a

Rehabilitation of the Zambian Copper & Cobalt Mining Industry. II. Resp. Auth.: Z.C.C.M. Sysmin. 28 mECU, Italy 4.5 mECU. Local 4.9 mECU. EDF part supply of equipment by int. tender. 31 int. tenders launched in 86. Project in execution. 5th EDF.
EDF ZA/SYS/5024 A4a

EEC vehicle repair and transport support programme. Resp. Auth.: ZIMCO. 15 mECU. Part supply for trucks and related transport equipment, T.A. control and maintenance services. Project on appraisal. Date ★ foreseen for financing decision ***1st half 87.*** 5th EDF.
EDF ZA 5025 A2d

Rehabilitation of 3 grain silos. Resp. Auth.: Ministry of Agriculture. NAMBOARD. EDF 7 mECU, Germany F.R. 7 mECU. EDF part works, supplies and work supervision. Project on appraisal. Date foreseen for fi- ★ nancing decision ***1st half 87.*** 5th EDF.
EDF ZA 5026 A3f

Zambia Centre for accountancy studies. 3.8 mECU. Training and management. ★ Project on appraisal. ***Date foreseen for financing April 87.*** 6th EDF.
EDF ZA 6001 A6a

ZAMSTEP. Zambia Mathematics and Science Education Project. 3.5 mECU. ★ Supplies, training and management. ***T.A.: Short-list done for restr. tender. Date financing decision December 86.*** 6th EDF.
EDF ZA 6002 A6a

ZIMBABWE

Small-holder Coffee and Fruit Development Programme. Resp. Auth.: Ministry of Lands, Resettlement and Rural Development. EDF 4.2 mECU, local 1.65 mECU. T.A.: I.R.F.A. (F). Project in execution. 5th EDF.
EDF ZIM 5006 A3a

Mashonaland East Smallholder Fruit and Vegetable Programme. Resp. Auth.: Agricultural and Rural Development Authority (ARDA). 2.9 mECU. Works, supply of equipment and materials, T.A. and credit line. T.A.: Short-list done for restr. tender. Project in execution. 5th EDF.
EDF ZIM 5012 A3a

Rural water supply in South Matabeleland. Resp. Auth.: Ministry of Energy, Water Resources and Development (MEWRD). Boring wells, supply of hand pumps. 4.1 mECU. Project in execution. 5th EDF.
EDF ZIM 5005 A2b

Zimbabwe export development programme. Resp. Auth.: Ministry of Trade and Commerce, Export Promotion Dept. Estimated total cost 6.3 mECU. EDF 4.4 mECU. Sector and market development, human resource development and institutional development and T.A. Project in execution. 6th EDF.
EDF ZIM 6001 A4a

Construction of Bulawayo grain silo complex. *Resp. Auth.: Grain Marketing Board (GMB). EDF part estimated at 6 mECU. Works by acc. tender. Supply of T.A. and training. Project on appraisal. 5th EDF.*
EDF ZIM 5017 A3a

Overseas Countries and Territories (OCT)

FRENCH POLYNESIA

Hanavave electric line. Supply and installation of 8 km of electric lines. M.T. Estimated total cost 0.319 mECU. EDF ★ 0.267 mECU. Project on appraisal. *Date foreseen for financing April 87.* 4th EDF.
EDF POF 4004 A2ai

Tahiti hydro-electric rehabilitation. Estimated total cost 13.7 mECU. EDF 1.8 mECU, France 2.6 mECU, EIB 4 mECU, local 3.1 mECU, SODEP 2.2 mECU. EDF part: supply of pylons, cables and materials. Project on appraisal. 5th EDF.
EDF POF 5005 A2ai

NETHERLANDS ANTILLES

Line of credit to the Aruba Dev. Bank to improve agriculture, livestock and fishery. Resp. Auth.: Departement voor ontwikkelingssamenwerking. Estimated cost 0.3 mECU. Project on appraisal. 4th EDF.
EDF NEA 4003 A5a

Tourism improvement . Curaçao. Phase I. Otrobanda sewerage. Resp. Auth.: Ministry of Public Works. Estimated total cost 5 mECU. EDF 3 mECU, Netherlands 2 mECU. EDF part: sewage, road works, piping. Project on appraisal. 5th EDF.
EDF NEA 5013 A5c

MONTSERRAT

Water Supply Project. Resp. Auth.: Montserrat Water Authority and Ministry of Public Works. 1 mECU. Project planning: SCET Int. (F). Project on appraisal. Date foreseen for financing decision 1st half 87. 4th and 5th EDF.
EDF MON 5001 A2b

PACIFIC OCT

Regional programme rural photovoltaic electrification. Resp. Auth.: SPEC. Estimated total cost 4.365 mECU. EDF 3.184 mECU. T.A.: short-list done for restr. tender. Supplies by int. tender in 85, 86 and 87. Project in execution. 5th EDF.
EDF REG 5715 A2a

Regional Projects

MEMBER COUNTRIES OF CEAO

ESITEX Ségou (Mali). Resp. Auth.: CEAO Secretariat. Management training for textile industry. Complex construction in Ségou. Supply of equipment. Project stage: identification. 5th EDF.
EDF REG 5118 A6d

GUYANA — SURINAME

Guyana — ferry-link. Resp. Auth.: Ministry of Public Works and Ministerie van Openbare Werken. Link ferry on Corentine ★ river. 12.1 mECU. ***T.A. for Phase II: Short-list done for restr. tender.*** Project in execution. 4th and 5th EDF.
EDF REG 5602 - 4084 A2d

NIGER BASIN AUTHORITY

Protection and reafforestation in the "Haut Bassin Versant du fleuve Niger en Guinea". Works, supplies and T.A. Estimated total cost 1.5 mECU. Project stage: identification. 5th EDF.
EDF REG 5112 A8f

EQUATORIAL GUINEA — SAO TOME AND PRINCIPE

Improvement of port facilities to develop trade in the Guinea Gulf. Estimated total cost 2.04 mECU. EDF 0.690 mECU, F.R.G. 1.350 mECU. Works in the port of Bata, T.A. and supply of handling facilities equipment in the port of Sao Tome. Project in execution. 5th EDF.
EDF REG 5222 A2d

ZAIRE — CONGO — GABON — SAO TOME AND PRINCIPE — EQUATORIAL GUINEA — CAMEROON

Fishery development in the Gulf of Guinea. Estimated cost ±5 mECU. T.A. to prepare these projects: Short-list done. Project on appraisal. 5th EDF.
EDF REG 5206 A3d

SENEGAL — MAURITANIA

Establishment of cultivated areas in the Senegal River Valley. Special hunger programme. 2.380 mECU. Project in execution.
958-REG 5140 A3a

MEMBER COUNTRIES OF UDEAC

Sub-Regional Institute for Applied Technology and Planned Economy (ISTA). Resp. Auth.: ISTA Secretariat in Libreville-Gabon. Estimated cost ±6 mECU. Building centre construction and T.A. for 3 actions. Project on appraisal. 5th EDF.
EDF REG 5210 A6b

PACIFIC ACP COUNTRIES

Pacific Regional Tourism Programme. Resp. Auth.: Tourism Council of the South Pacific (TCSP) and SPEC. 3.2 mECU. Study to be done: data base, organisation and strategy. Short-list already drawn up. for restr. tender. Project in execution. 5th EDF.
EDF REG 5714 A5c

Pacific Regional Aircommunications. Stage I. Resp. Auth.: SPEC. 4.6 mECU. Buildings, runways and supply of navigational aids. Project in execution. 5th EDF.
EDF REG 5717 A2d

MEMBER COUNTRIES OF CILSS

Provisional survey of natural renewable resources in the Sahel. Resp. Auth.: CILSS Secretariat. Setting up of an observation unit to forecast crop production. Remote sensing by satellite, air survey and ground control. Project in execution. T.A.: Sodeteg - (F). 5th EDF.
EDF REG 5116 A8f

Millet, maize, sorghum and niébé project. Resp. Auth.: CILSS Secretariat. Estimated cost 2 mECU. To provide improved varieties for farmers. Local tests. Purchase of vehicles and equipment and to take charge of local test control staff. Project stage: identification. 5th EDF.
EDF REG 5116 A3a

MEMBER COUNTRIES OF U.A.P.T.

Satellite telecommunications project. Resp. Auth.: U.A.P.T. Secretariat in Brazzaville, R.P.C. Parametric study under way by national organizations of I, UK, F and D. Project stage: identification. 5th EDF.
EDF REG 5307 A2c

INDIAN OCEAN ACP COUNTRIES

Tuna fishing in the Indian Ocean. EDF 6.3 mECU. Determination of different methods of tuna fishing. Evaluation of resources and T.A. to the countries: Madagascar, Comoros and Mauritius to select models for ★ development. ***Date financing decision December 86.*** 5th EDF.
EDF REG 5504 A3d

Aircraft maintenance centre for indian ★ ocean countries. EDF 3.2 mECU. Strengthening of the existing centre in Ivato (Madagascar). Works, supplies and training. ***Date financing decision December 86.*** 5th EDF.
EDF REG 5508 A2d

TANZANIA — ZAMBIA

Tazara Ten Year Development Plan (phase I). Resp. Auth.: Tanzania-Zambia Railway Authority. EDF part 13 mECU. Programme to improve maintenance of track and rolling stock, supply of equipment and ★ T.A. ***Date financing decision January 87.*** 5th EDF.
EDF REG 5026 A2d

EAST AFRICAN COUNTRIES

Statistical training centre for Eastern Africa in Tanzania. Resp. Auth.: Secretariat of the centre. 2.0 mECU. Widening of the

capacity. Construction of class-rooms, offices and housing. Project stage: identification. 5th EDF.
EDF REG 5311 A6b

CAMEROON — COTE D'IVOIRE — GHANA — MAURITIUS — SENEGAL — ZAIRE

Strengthening of scientific and technical capacities in the field of food and nutrition in Africa. Resp. Auth.: Association des Universités africaines. AUA. 1.5 mECU. T.A., training, supply of equipment, production and diffusion of scientific information. Project in execution. 5th EDF.
EDF REG 5054 A3a

BURUNDI — RWANDA — TANZANIA — UGANDA — ZAIRE

T.A. to the Central Corridor. Estimated cost 10 mECU. Building of a rail-road terminal in Isaka, improve the traffic on the TRC and facilitate transit through the Kigoma, Kalemie and Bujumbura ports. Project on appraisal. 5th EDF.
EDF REG 5341 A2d

AFRICAN COUNTRIES

Campaign against rinderpest in African. Resp. Auth.: OUA and IBAR. Estimated total cost for 2 years 50 mECU. Supply of equipment T.A. vaccines and research. T.A.: Dr. Cheneau (F). Project in execution. 4th and 5th EDF.
EDF REG 5007 - 4085 A3a

★ **Fight against onchocercosis in Western Africa.** EDF part 6 mECU. ***Project in execution.*** 5th EDF.
EDF REG 5148 A3a

SADCC

Maseru Container Terminal. Resp. Auth.: Government of Lesotho and SADCC. 1.350 mECU. Construction of container terminal and supply of containers, handling equipment. Study required: detailed design of works. Short-list already drawn up. Project on appraisal. 5th EDF.
EDF REG 5421 A2d

★ **Karonga-Ibanda-Uyole Road.** Total estimated cost 30 mECU. EDF 25 mECU, Netherlands ±5-8 mECU. Works and supervision by EDF. ***Int. tender (conditional) launched in October 86.*** Project on appraisal. ***Date foreseen for financing April 87.*** 5th and 6th Reg.
EDF REG 5423-6402 A2d

BOTSWANA — SWAZILAND — ZIMBABWE

Regional Railway Training. Phase II. Estimated cost 2 mECU. T.A.: Sofrerail (F). Project in execution. 5th EDF.
EDF REG 5410 A2d

MALAWI — ZAMBIA — ZIMBABWE

Regional Tsetse and Trypanosomiasis Control Programme. Resp. Auth.: Technical and financing responsibility: Zimbabwe national authorising officer. 19.150 mECU. Works by direct labour. Vehicles, veterinary products, aerial spraying and equipment by int. tender. T.A. by direct agreement. Project in execution. 5th EDF.
EDF REG 5420 A3a

CARIBBEAN AND ACP COCOA PRODUCERS

★ **Cocoa Research Unit (CRU). Phase II.** Resp. Auth.: CRU in Trinidad. 2.624 mECU. Works, supply of equipment and agricultural inputs, T.A. and training. ***Study: I.R.C.C. (F).*** Project in execution. 5th EDF.
EDF REG 5043 A3a

MEDITERRANEAN COUNTRIES

ALGERIA

Training for heavy industry. Resp. Auth.: Ministère de l'Industrie Lourde(MILD). 3.9 mECU. T.A., training, supply of pedagogical equipment. T.A.: C.R.G.I. (B). Project in execution.
SEM AL 2003 A6d

Training for Ministry of Public Works. Resp. Auth.: Ministère des Travaux Publics. Direction de la Formation. EEC contribution 2.75 mECU. T.A., training, scholarships and supply of pedagogical equipment. Project in execution.
SEM AL 2002 A6d

Support to the «Ministère de l'Enseignement supérieur et de la recherche scientifique'' (MESRS). Resp. Auth.: MESRS. 2.2 mECU. Training and supply of scientific equipment and T.A. Project on appraisal.
SEM AL 2004 A4g

CYPRUS

Sanitation in Nicosia. Phase II. Resp. Auth.: Sewage Board of Nicosia and the Department for Water, Geology and Mining. EEC part 2.4 mECU. Increase in capacity of the treatment plant. By local tender and by int. tender. Project in execution.
SEM CY A2b

EGYPT

Soil improvement programme in Kafre-el-Sheikh Governorate. Resp. Auth.: Executive Authority for Land Improvement Projects (EALIP). Provisional amount 8 mECU. To reclaim an area of 65 000 acres of saline soil, located in Hamoul district of the Kafre-el-Sheikh Governorate. Short-list already drawn up. Project in execution.
SEM EGT 1001 A3a

Egyptian Renewable Energy Development Organization. EREDO. Resp. Auth.: Egyptian Government. EEC contribution 7.7 mECU. Construction and equipment for the centre. Works and supplies: int. tender with prequalification foreseen in 1st half 87. T.A.: GET/KFA (D). Int. tender dossier: Phoebus (I).
SEM EGT 1002 A2a

Training Institute for Egyptian Labour Representatives. "Workers University". EEC contribution 1.970 mECU. T.A. and supply of kitchen, cafeteria and laundry equipment by int. tender. Project in execution.
SEM EGT A6d

Sinai water resources Study — Phase II. EEC contribution 3 mECU. Project on appraisal.
SEM EGT A3e

JORDAN

Faculty of Engineering and Technology, University of Jordan, Phase II. 2 mECU. Supply of equipment, A.T. and training. Int. tender for supplies launched in June 86. Project in execution.
SEM JO 2002 A6a

Sheep improvement project: breeding unit. Estimated total cost 4.018 mECU. EEC 2.1 mECU. Establishment of a breeding unit to provide improved species of the local breed, Awassi, to farmers. Project on appraisal.
SEM JO 2004 A3a

A.T. to the Royal Scientific Society-Phase II. 2 mECU. Supply of equipment, training, scholarships and seminars. Project on appraisal.
SEM JO 2006 A6a

SYRIA

ISSAT. Institut Supérieur des Sciences Appliquées et de Technologie. Resp. Auth.: State Planning Commission. Estimated total cost 70.3 mECU. EEC part: supply of teaching and training equipment for the institute and T.A.: 8.250 mECU.Date financing decision: July 86.
SEM SYR 2002 A6b

Euphrates drainage and irrigation. Resp. Auth.: Ministry of Irrigation. General Organization for land development (GOLD). Estimated total cost 134.9 mECU. EEC 10 mECU, EIB 20 mECU, local 104.9 mECU. Works, supplies and T.A. 2 int. tenders for supplies and works launched in March 86. Project in execution.
SEM SYR 2003 A3a

Rural Water Supply Suweida Region. Resp. Auth.: Ministry of Local Administration and Ministry of Housing and Utilities. EEC 3.8 mECU. Project in execution.
SEM SYR 2001 A2b

TUNISIA

Date-palm plantations study project in Régime Maatoug. Resp. Auth.: Banque Nationale de Dév. Agricole (B.N.D.A.). 1.9 mECU. Feasibility study, drillings and access roads. Works by direct labour. Study: Short-list done. Project in execution.
SEM TUN 2001 A3a

Water resources research and training study. Resp. Auth.: Ministère de l'Agriculture. 1.0 mECU. Supply of soil equipment and data system. T.A. and training. T.A.: Short-list done for restr. tender. Project in execution.
SEM TUN 2004 A2b

Evaluation of soil resources and their liability to desertification in Southern Tunisia. Resp. Auth.: Ministère de l'Agriculture. Estimated cost 1.2 mECU. EEC 0.400 mECU, local 0.800 mECU. T.A. and training. Supply of specialised equipment. T.A.: Short-list done for restr. tender. Project in execution.
SEM TUN 2005 A3c

Management improvement in the public irrigated areas in Tunisia. Resp. Auth.: Ministère de l'Agriculture. EEC contribution 2.5 mECU. Rehabilitation of hydro-electric equipment, training and T.A. Project in execution.
SEM TUN 2006 A3A

T.A. to the "Unités Coopératives de Production Agricole (U.C.P.A.). Resp. Auth.: B.N.D.A. 1.800 mECU. T.A., training and supply of equipment. Project in execution.
SEM TUN 2007 A3a

A.L.A. developing countries ASIA and LATIN AMERICA

ASEAN

Aquaculture development and coordination programme. 6.77 mECU. *Project in execution.* ★
ALA ASN 8604 A3d

Industrial standards and quality control programme. 5 mECU. *Project in execution.* ★
ALA ASN 8609 A4a

BANGLADESH

Small-scale irrigation sector project. Resp. Auth.: Bangladesh Water Development Board (BWDB). Estimated total cost 82 mECU. EEC contribution 12 mECU. Cofinancing with ADB (Asian Dev. Bank). Works, supply of equipment and vehicles, T.A. and supervision. Works: acc. tender. Supplies: int. tender, 1st half 87.
ALA BD 8112 A3a

Building of storage for fertilisers. Resp. Auth.: Bangladesh Agricultural Development Corporation (BADC). Cofinancing: EEC and Netherlands. Total cost 4 mECU. EEC 2 mECU Netherlands 2 mECU. EEC part: Works by int. tender. Netherlands part: buildings and T.A.
ALA BD 8201 A3f

Rangpur. Rural Development Programme. Resp. Auth.: Central Coordination Committee. (CCC). Total cost 40 mECU. EEC 25.5 mECU, NL 7 mECU, local 6 mECU. Works by acc. tender. Supplies by int. tender or direct agreement. Project in execution.
ALA BD A3a

Cotton Development. Phase II. Resp. Auth.: Central Coordination Committee (CCC) and Cotton Development Board (CDB). EEC 4.9 mECU. Supply of T.A. training and equipment. Int. tender for supplies launched in May 86. Project in execution.
ALA BD 8504 A3a

BHUTAN

Water supply. Resp. Auth.: Inter dep. Commission on water and sanitation. Works by direct labour. 4.5 mECU. Supplies int. tender or direct agreement. T.A.: UNICEF. Project in execution.
ALA BHU A2b

T.A. programme to the Department of Agriculture. Resp. Auth.: Ministry of Agriculture and Forests. 1.1 mECU. Two experts during 3 years. 1 Rural Development Engineer and 1 agro-economist. Short-list already drawn up for restr. tender. Project in execution.
ALA BHU 8513 A3a

BOLIVIA

Flood protection programme. Santa Cruz. EEC 9 mECU, NL 1 mECU. Works, supply of equipment. T.A. for NL. Project in execution.
ALA BO 8510 A8g

Rural self-development programme. Resp. Auth.: CORDEPO-CORDEOR. 20 mECU. Supply of equipment, materials, line of credit, T.A. *Date financing decision January 87.* ★
ALA BO 8701 A3a

CHINA (PEOPLE'S REP.)

Fruit Cultivating and Preservation Techniques. Estimated total cost 4.350 mECU. EEC 1.600 mECU. Cofinancing with Italy. T.A. and transfer of technology. T.A.: Apples: B.D.P.A. (F). Citrus: Media Coop (I). *Int. tender for supplies launched in January 87.* Project in execution. ★
ALA CHN 8337 A3a

Flood forecasting and management of Beijing River. Estimated total cost 5.5 mECU. EEC 1.7 mECU T.A. and transfer of technology. Project in execution. TRACTIONNEL (B).
ALA CHN 8338 A8g

Prawn farming development. Estimated cost 0.700 mECU. Supplies and T.A. T.A.: Fish Farming Int. (UK). Project in execution.
ALA CHN 8341 A3d

Hainan Cashew Development. Resp. Auth.: Prefecture of the Autonomous Department of Li and Miao National Minorities. Estimated total cost 2.350 mECU. EEC 0.800 mECU. Supply of equipment and T.A. T.A.: K.I.T. (NL). Project in execution.
ALA CHN 8340 A3a

Gansu Sugar Beet Development. Resp. Auth.: Gansu Province Department of Agriculture. EEC contribution 1 mECU. T.A., training and supply of equipment. Project in execution.
ALA CHN 8517 A3a

Strengthening of soil and water conservation measures in Sichuan Province. 1.5 mECU. Supply of equipment, training and T.A. Project in execution.
ALA CHN 8526 A3a

Improvement of the rubber quality. 0.900 mECU. Supply of equipment, training and T.A. Project in execution.
ALA CHN 8527 A3a

Pilot project to improve production from fish farming. 2.1 mECU. *Project in execution.* ★
ALA CHIN 8528 A3d

Study of rural water supply and technical strenghthening of institutions. Estimated total cost 3,080 mECU, EEC 1.1 mECU and 1,980 mECU locally. Study, T.A. and training in Europe. *Date financing December 86.* ★
ALA CHN 8515 A2b

COLOMBIA

Reconstruction Programme. Resp. Auth.: Corporation de Reconstruction de Cauca. Total cost 5.9 mECU. EEC 3.9 mECU. EEC part: supply of materials and T.A. Project in execution.
ALA CO 8403 A8a

Microprojects programme in the pacific coastal. Line of credit, T.A. and training. EEC contribution 4 mECU and supply of equipment. Project in execution.
ALA CO 8516 A3a

COSTA RICA

Productive projects programme for refugees in Costa Rica. T.A. and line of credit. 3.6 mECU. Project in execution.
ALA CR 8501 A8b

Integrated rural development of the region of OSA/GOLFITO. Total cost 21.635 mECU. EEC 9.95 mECU. Supply of equipment, infrastructural works, maintenance, lines of credit and T.A. Project in execution.
ALA CR 8506 A3a

COSTA RICA — HONDURAS — NICARAGUA — PANAMA — DOMINICAN REPUBLIC

Latin American qualified nationals reinstatement in 5 Central American countries. Resp. Auth.: CIM (Comité Intergouvernemental pour les migrations). 1.4 mECU. Reinstatement of 75 qualified nationals via CIM. Date foreseen for financing decision 1st half 87.
ALA CIM 8302 A8b

DOMINICAN REPUBLIC

Integrated rural development pilot project in Western Cibao. 6 mECU. Special ★ hunger programme. ***Int. tender for supplies launched in January 87.*** Project in execution.
958-DO 8402 A3a

ECUADOR

Rural development in the region of the Chambo river. Resp. Auth.: Institut Equatorien des Ressources Hydrauliques (INERHI). EEC 9 mECU. T.A. and training, irrigation works, line of credit, supply of equipment. ★ ***Project on appraisal. Date foreseen for financing April 87.***
ALA EC ***8701*** A3a

EL SALVADOR

Rehabilitation Programme. University of El Salvador. Resp. Auth.: U.E.S. Total estimated cost 5 mECU. EEC 3.3 mECU. Italy 1.7 mECU. EEC part: supply of equipment, T.A. and training for Agronomics and partly for Electrotechnology. Italian part: supplies for Electrotechnology, Physics and Mechanics, T.A. and training. Project in execution.
ALA ES 8519 A6c

GUATEMALA

Support to smallholder farmers. 12 mECU. Supply of equipment, line of credit and T.A. ★ ***Date financing decision January 87.***
ALA GU 8612 A3a

HONDURAS

Rehabilitation and Maintenance of Feeder Roads in Coffee Producing Areas. Resp. Auth.: Instituto Hondureno de Café (IHCAFE). EEC 2.750 mECU. Supply of T.A. and work construction equipment. Project in execution.
ALA HO 8524 A3a

INDIA

Development of Water Control Systems for diversification of crops in Maharashtra. Resp. Auth.: Irrigation Department of the Government of Maharashtra. EEC contribution 15 mECU. Works, supplies, T.A. and training. Project in execution.
ALA IN 8418 A3a

★ **Co-operative rural storage, Bihar.** ***21.19 mECU. Project in execution.***
ALA IN 8607 A3f

Integrated watershed management in ★ **U.P.** ***0,980 mECU. Project on appraisal. Date foreseen for financing April 87.***
ALA IN A3a

INDONESIA

Bali Irrigation Sector Project. Resp. Auth.: Ministry of Public Works. DG for Water Resources Development. EEC 12 mECU. ADB ±37 mECU. Local ±55 mECU. Rehabilitation and expansion of 50 village-level irrigation schemes, establishment of a water-management training centre, and establishment of climatological stations. T.A. Works: acc. tender. Project in execution.
ALA IND 8114 A3a

MEXICO

Hospital construction. EEC 5.2 mECU. 144 bed hospital. Works, supplies and su- ★ pervision. Int. tender launched in December 86. Project in execution.
ALA ***ME*** 8602 A7a

NEPAL

Nepal Administrative Staff College. NASC. Resp. Auth. NASC Secretariat. Estimated total cost 6.5 mECU. EEC 5 mECU, U.K. 1.5 mECU. Renovation and construction works, supply of equipment and training. Project in execution.
ALA NEP 8407 A6b

Soil and water conservation in Bagmati Watershed. Special hunger programme. 5.5 mECU. T.A.: I.D.C. (D). Project in execution.
958-NEP 8401 A3a

Arjun Kuhola Irrigation Project. 1.536 mECU. Project in execution.
ALA NEP 8521 A3e

NICARAGUA

Rural integrated development in San Dionisio and La Meseta. *Estimated cost 8.5 mECU for the EEC contribution. Supply of equipment, vehicles, T.A. and training. Project on appraisal.*
ALA NI 8614 *A3a*

NORTH YEMEN

Rural development of Al Mahwir. Estimated cost 6.5 mECU. Project on appraisal. Date foreseen for financing decision 1st half 87.
ALA YDR A3a

PACTO ANDINO MEMBER COUNTRIES

Technical cooperation (industry and economic planning). Resp. Auth.: Junta del Acuerdo de Cartagena, Lima, Peru. Estimated total Cost: 1.7 mECU. EEC 1.1 mECU. To place experts, equipment and T.A. and training at Junta's disposal. Contracts, T.A. and experts by the Junta and the EEC.
ALA JUN 8107 A4a

Andean Programme for technological development (Rural PADT). Resp. Auth.: Junta del Acuerdo de Cartagena, Lima-Peru. Estimated total Cost: 7.560 mECU. EEC 3.927 mECU. Supply of equipment, training and T.A. Vehicles purchase: int. tender. T.A.: Short-lists to be drawn up by the EEC and decision by the Junta.
ALA JUN 8108 A3a

Regional programme for technical cooperation: food strategy. Resp. Auth.: JUNAC. EEC contribution 7 mECU for European T.A. and supply of data-computerised equipment by int. tender. Project in execution.
ALA JUN 8406 B1a

Regional programme for technical cooperation: industry and sub-regional exchanges. Resp. Auth.: JUNAC. EEC Contribution 7 mECU. T.A. and supply of equipment. Project in execution.
ALA JUN 8503 A4a

PAKISTAN

Karachi fishing port. Resp. Auth.: Fishery department of Sind Province. Estimated cost 12 mECU. New facilities: quay, boat repair yard, fish-shed, dredging. Rehabilitation of existing facilities, equipment and T.A. TA: Prof. Dr. Lockner & Partners (D). Works and supplies by int. tender launched in June 86. Prequalification.
ALA PAK 8101 A3d

Irrigation project in Palli and Lehri. Resp. Auth.: Department of Irrigation and Agriculture, Baluchistan Provincial Govemment. Estimate ±10 mECU. Works and infrastructure. Studies for the execution and supervision of works. Project in execution.
ALA PAK 8422 A3a

Rural Electrification. 10 mECU. Project in execution.
ALA PAK 8522 A2ai

Vocational training. 16 mECU. Project in execution.
ALA PAK 8518 A6d

PANAMA — COSTA RICA — NICARAGUA — HONDURAS — EL SALVADOR — GUATEMALA

Regional programme of technical cooperation for food security. Resp. Auth.: CADESCA (Comité de accion para el desarrollo economico y social de centroamerica — Panama). Total cost 9.07 mECU. EEC 4.82 mECU, France 0.350 mECU, local 3.9 mECU. T.A. training and supply of equipment. Project in execution.
ALA REG 8505 A3a

Regional programme for child survival in Central America. EEC 16.5 mECU, Italy 16 mECU. Supply of T.A., training, equipment, medical equipment and medicines. Project in execution.
ALA REG 8520 A7a

PERU

Support programme to the agro-pastoral microprojects PAMPA-PUNO. EEC 16 mECU. Supply of T.A., equipment and recurrent expenditure. Int. tender launched in July 86. Project in execution.
ALA PE 8601 A3a

PHILIPPINES

Integrated development project of the Aurora region. Resp. Auth.: NACIAD. Total estimated cost 12.6 mECU. EEC 10.8 mECU. Irrigation works, feeder roads, reafforestation, supply of equipment and T.A. Project in execution.
ALA PHI 8525 A3a

★ ***Cordillera development programme.*** *Resp. Auth.: Ministry of Agriculture and Food (MAF). EEC part estimated at 18.5 mECU. Rural micro-projects in the Northern Luzon. Irrigation, roads, bridges, water supplies, rural credit. Supply of equipment, T.A. and training. Project on appraisal. Date foreseen for financing April 87.*
ALA PHI 8616 A3a

THAILAND

Oilseed crop development programme. Resp. Auth.: Ministry of Agriculture — Oilseed Project Steering Committee. Total estimated cost 4.2 mECU. EEC 3.3 mECU. T.A. and supply of equipment. T.A.: Crown Agents (UK).
ALA TH 8203 A3a

Mae Nam Chi River Basin. Water Management Development. Resp. Auth.: Ministry of Agriculture and Cooperatives. Royal Irrigation Department. Estimated total cost 5 mECU. EEC 4 mECU. Supply of equipment, T.A. and training. Int. tender for supplies launched in July 86. Project in execution.
ALA TH 8412 A3a

Strengthening of planning capacities for diversification and rural development. Resp. Auth.: Ministry of Agriculture and Cooperatives. 2 mECU. T.A. for coordination, management, training needs, project identification and planning. T.A. for central and peripheral computer system for rural areas. Training and supply of computerised equipment. Short-list done. Project in execution.
ALA TH 8420 A3a

Rural credit and rubber planting. Resp. Auth.: Ministry of Agriculture and Cooperatives. 35 mECU. Supply of lines of credit, T.A., training, rural inputs, equipment. Project in execution.
ALA TH 8509 A3a

Huai-Mong. Phase II. 7 mECU. Project on appraisal. Date foreseen for financing decision 1st half 87.
ALA TH A3a

YEMEN

Seed production centre. Estimated cost 5.8 mECU. Project in execution.
ALA YAR A3a

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INTERNATIONAL CALLS FOR TENDER

All international calls for tender (int. tenders) referred to in this Operational Summary are notified in due time in the Official Journal (O.J.) of the European Communities' «S» supplement. This information is also available by computer link via the "TED" data base.

Subscriptions to the O.J. «S» supplement should be addressed to the «Office for Official Publications of the European Communities», L-2985 Luxembourg, Tel.: 49 00 81, or contact Mr A. Boldrin (see box page II).

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René DUMONT — **Pour l'Afrique, j'accuse** (For Africa, I accuse...) — Plon, Terre Humaine, Paris — 1986 — FF 150

"As Guinea was excommunicated for saying NO in 1958, Charles Bettelheim, Jacques Charrière and I decided to offer our services... to the Guinea Government... We met Sékou Touré in Conakry in July 1959... After having spent three quarters of an hour telling Bettelheim what a planned economy meant... Sékou Touré turned to me and said: "That leaves agriculture, but it's not very important..." You could feel the future... So here I am, doomed to playing the part of Cassandra".

In those few words, René Dumont sums up both his destiny and his understanding of the way Africa has developed over the past 40 years.

For reasons that have to do with both the attitude of the countries of the West and the élites in power in the countries of Africa, that continent would regress for want of basing its development on the African peasantry, while, alongside this, as Jacques Giri (*) says, "the failure of African agriculture is first and foremost the failure of the agricultural policies". And it was this that was behind Edgard Pisani's attempt at getting Lomé III focused on support for the development of agriculture in the countries of Africa, the Caribbean and the Pacific.

As René Dumont sees it, this finding, which he himself made in "L'Afrique noire est mal partie" back in 1962, is somewhat late in coming, for, in the meantime, a series of profound changes have given Africa its present complexion, a swelling population, food dependence, breakneck urbanisation without the industrialisation to back it up, oppression of the peasant classes and women especially, the rapid destruction of a fragile environment through desertification, as the result of the combined assaults of man and nature, the pauperisation of the poorest, the silting up of the power structures, pointless projects and doubtful policies.

What makes Dumont say that Africa is a continent in danger is the support the African Governments have always sought from external aid that favours the town rather than the country and the fact of constantly overlooking the peasant world as the driving force of development. "The biggest factor of exploitation was the fact that cereal prices were too low. They were ruinous for the peasants, being fixed for the benefit of the privileged urban minorities." Dumont says this trend has been largely confirmed by the construction of large, expensive engineering works (such as the Diama and the Manantali dams) the profitability of which has yet to be proved.

Dumont uses his long experience as grounds for accusing both funders and African leaders of being responsible for taking a wrong turning that could, he maintains, get Sahelian Africa wiped off of the map in another 20 years.

It might seem surprising that he makes such a serious diagnosis yet offers no specific solutions, but it is not, because the point of this work is that it does not provide exhaustive coverage. What it does give is a personal picture, conveying the experience of the whole lifetime of a libertarian socialist who has refused all compromises and chosen to speak out for what he believes is right.

Anyone who is put off by Dumont's tone and his habit of providing his facts piecemeal, should read this book as the profoundly honest experience of someone who has spent his life tackling development problems, from his youth as a "colonial" agronomist in Indochina and Morocco to his latest missions to Africa and Latin America.

Forget the occasionally irritating tone. His analyses are in any case largely corroborated by other actors on the African stage, particularly those explaining the exploitation of the peasants, the need for functional literacy, the causes of desertification and the criticism of large-scale engineering works.

Michel Rocard's afterword brings out the question underlying the whole of Dumont's work—what type of society or development model could Africa adopt, without necessarily realising it, over the next 50 years? What political and social values do they need? After 30 years of independence and development aid, we still do not know. The rapid, violent and alarming changes which René Dumont so rightly emphasises, in which Africa, for its survival, is actor and stage, still tell us nothing. ○

J-P. Dubois

(*) "L'Afrique en panne" — Karthala — 1986. Reviewed in *The Courier* No 99, September-October 1986.

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Agriculture, training and R+D. CIFACE, GRET, IRAM Ateliers du Développement series, 213 rue La Fayette — 75010 Paris — April 1986 — 50 FF

Getting agronomy curricula extended beyond strict, scholastic curricula and getting students and teachers into the field form a needful but difficult challenge for rural development in the Third World. "Recherche-développement" is, among other things, a methodology likely to promote such an undertaking. Describing experiences in Rwanda, Cameroon and Ethiopia, this books presents alternatives to orient training practices towards more relevant effects on development. It summarises the debates of a seminar held in 1985 by CIFACE, GRET and IRAM.

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Back cover: ***Above, a view of Honiara, the capital of the Solomon Islands (Photo: The Courier); below, traditional granaries in Chad (Photo: Vivant Univers)***

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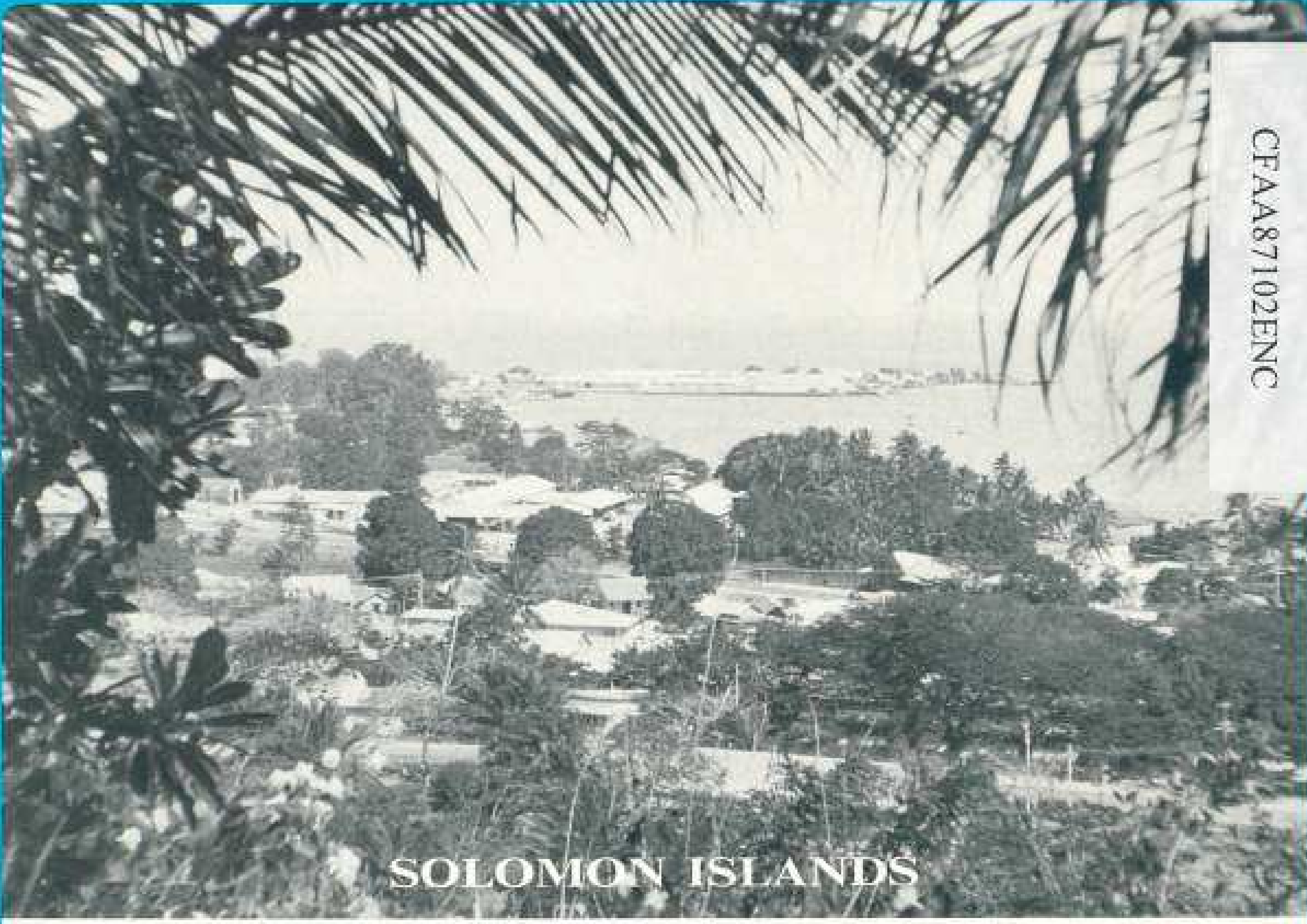

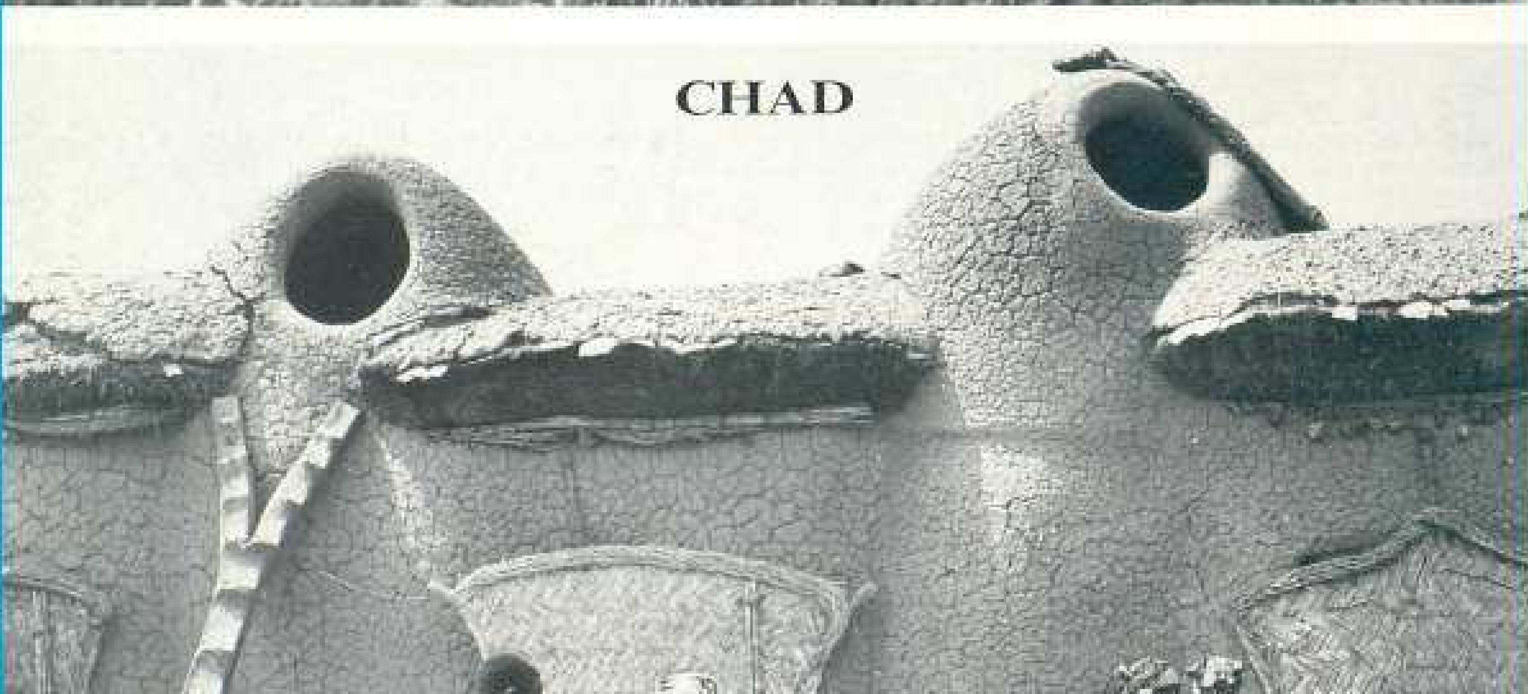

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