



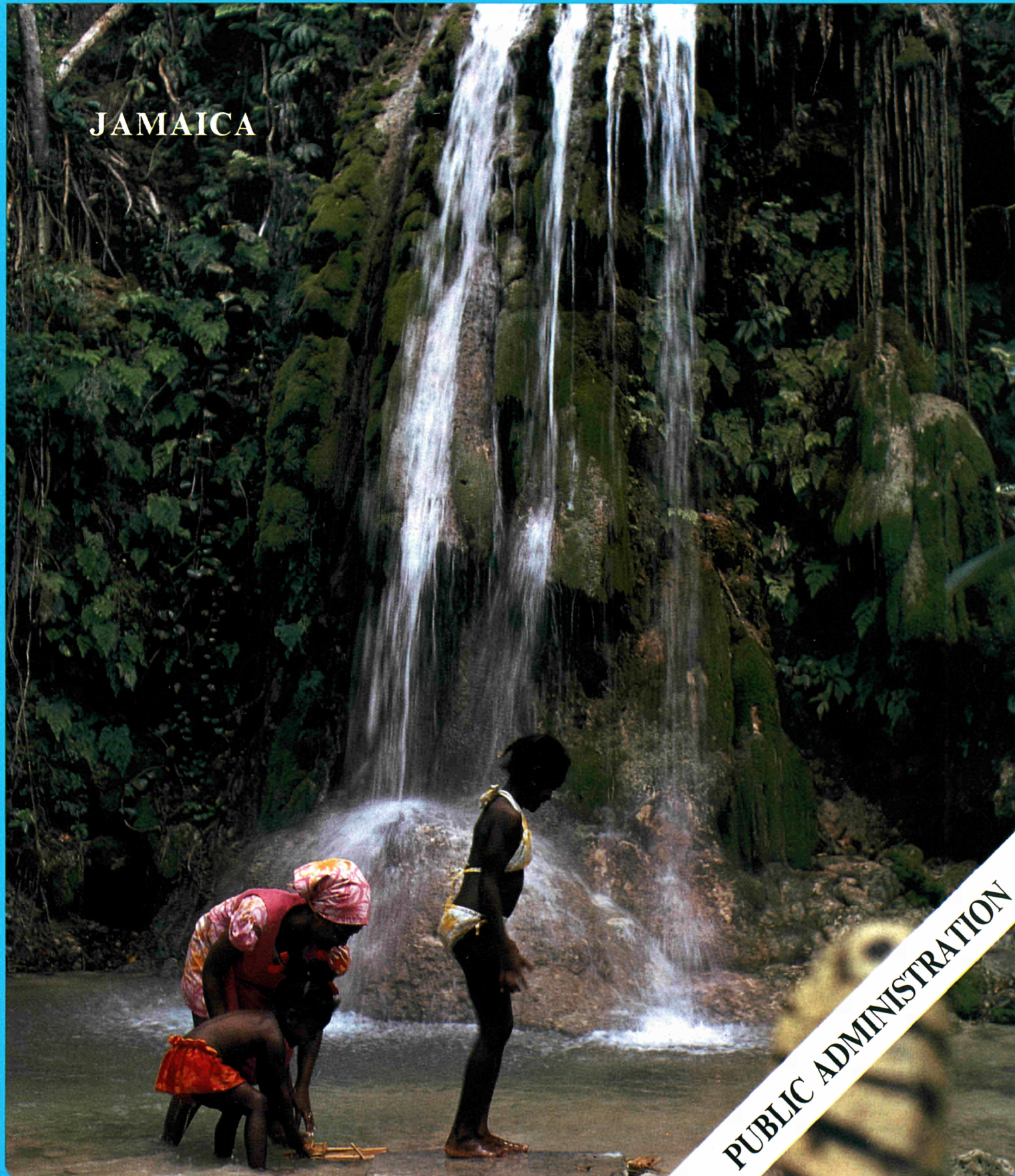
The Courier

AFRICA-CARIBBEAN-PACIFIC - EUROPEAN COMMUNITY

Published every two months

No 109 - MAY-JUNE 1988

JAMAICA



PUBLIC ADMINISTRATION

THE EUROPEAN COMMUNITY

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

General Secretariat
of the ACP Group
of States

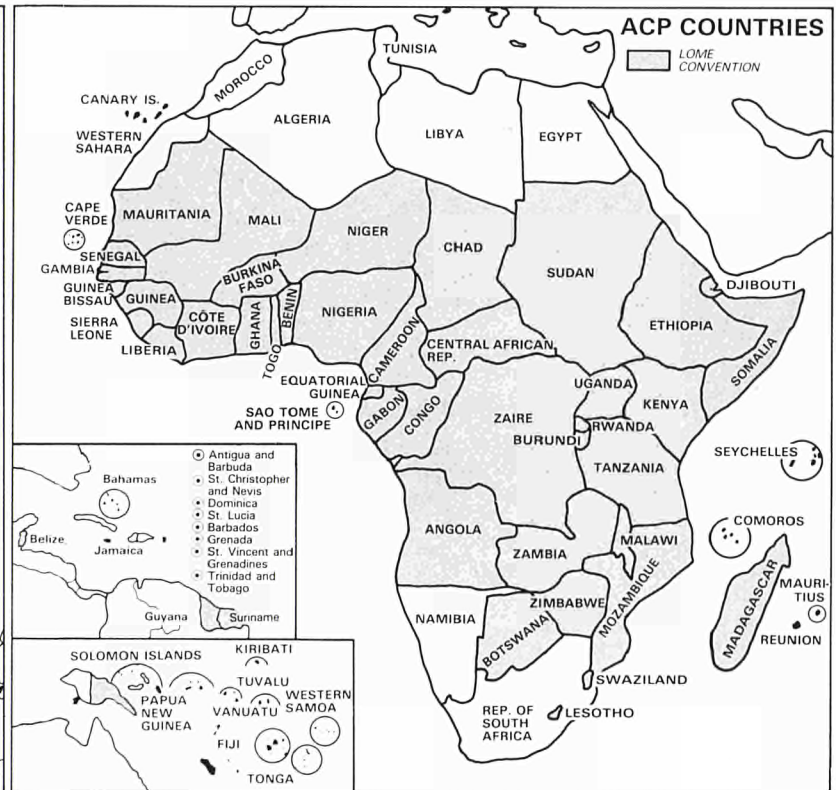
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THE 66 ACP STATES

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ANTIGUA & BARBUDA
BAHAMAS
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BENIN
BOTSWANA
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NIGERIA
PAPUA NEW GUINEA
RWANDA
ST. CHRISTOPHER & NEVIS
ST. LUCIA

ST. VINCENT & THE
GRENADINES
SAO TOME & PRINCIPE
SENEGAL
SEYCHELLES
SIERRA LEONE
SOLOMON ISLANDS
SOMALIA
SUDAN
SURINAME
SWAZILAND
TANZANIA
TOGO
TONGA
TRINIDAD & TOBAGO
TUVALU
UGANDA
WESTERN SAMOA
VANUATU
ZAIRE
ZAMBIA
ZIMBABWE



FRANCE

(Territorial collectivities)

Mayotte
St Pierre and Miquelon

(Overseas territories)

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

NETHERLANDS

(Overseas countries)

Netherlands Antilles
(Bonaire, Curaçao, St Martin, Saba,
St 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.

NEWS ROUND-UP

ACP-EEC Joint Assembly Meeting in Togo:

The ACP-EEC Joint Assembly met in Lomé (Togo) last March to discuss issues it hopes will influence the negotiations due to start in October for a successor Convention to Lomé III. Its demand is for a Convention which reflects the changes that have taken place in the international economic scene. **Pages I to IV**



Towards a new ACP-EEC Convention: the Community's orientations.



Lomé III has only run half its course, but the time has already come to consider the Convention that will succeed it, negotiations for which will begin in October. On 15 March the Community put forward its own orientations for the Convention to the Council of Ministers. Two themes underscore these orientations:

firstly, the consolidation of the approach and fundamental principles of ACP-EEC relations and, secondly, the introduction of a limited number of innovations designed to respond to newly-arisen needs. Not least amongst these innovations is structural adjustment, on which the Commission considers itself capable of adopting a position independent of that of the various Bretton Woods institutions (IMF and World Bank). Lorenzo Natali, the Development Commissioner, elaborated in Brussels and in Lomé on the Commission's proposals. **Pages V to VII**

COUNTRY REPORT

JAMAICA: The third largest island in the Caribbean seems to be climbing out of the economic abyss into which it had fallen in the 1970s. Having achieved recovery based on austerity, with its painful social and economic consequences, Jamaica is back on the track and seems cleared for further economic growth, though the high external debt still constitutes a heavy burden. Prime Minister Edward Seaga reviews the process of economic recovery while Deputy Prime Minister Hugh Shearer draws on his extensive ACP-EEC experience to comment on Lomé and its future. **Pages 19 to 38**



DOSSIER: Public Administration

Throughout the world the role of the State is being called into question. But often the "more State intervention/less State intervention" controversy is linked to another, parallel, controversy: should there be more—or less—in the way of a civil service, or of public or semi-public bodies or public service employees? Those developing countries now undertaking structural adjustment programmes (and there are many of them) know full well that the reply must be "less"—but that reply would be incomplete if its corollary, "better", were not added. And by "better" is understood better trained, better organised, more highly motivated and better managed.

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The Courier

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Thank you!

— How you answered the questionnaire —

Thank you readers. Thank you everyone who took the trouble to reply to the questionnaire in issue No 100 (November-December 1986) and give us a clearer idea of yourselves, your interests and your wishes. What follows is a summary of your replies under three headings: who are you? What do you like about the magazine and what criticisms and suggestions do you have?

Who are The Courier's readers?

As was said in No 100, about 78 000 copies of The Courier are distributed every issue, but there are many more than 78 000 readers and many of you, who cannot have own personal copy because of our limited funds, borrow it from friends (10% of readers who answered question B), from the firm (almost 8%), from the Ministry (5%) or the school or university library (5%), while a further 10% "get it from somewhere". People with subscriptions of their own accounted for 62% of our replies.

Most of you live in, or are nationals of, one of the developing countries. We distribute about 44 000 copies in the ACP countries, more than 1 500 in the Maghreb and 23 000 in the Community and the OCTs. The rest go to non-Community Europe, Latin America, Asia and other countries where there are, say, important development cooperation bodies (the IBRD, the IMF and the UN in the USA, for example, and so on). A large percentage of answers to question K were from Ghana, Rwanda, Cameroon and Nigeria... but some countries provided non at all! Comoros and Liberia, where were you?

Our typical reader is in his/her middle years — 37% of replies came from people in the 30-40 age bracket, 25% from the 20-30s range and 20% from the 40 and 50s. Less than 2% are under 20, and a special greeting to the 5% of our readers who are over 60!

But why are you nearly always a man (94% of our readers)?

Replies to question L (profession) showed that almost a third are civil servants in sectors other than education. Another third are in teaching, more than 10% are experts (branch not specified), more than 6% in industry, almost 5% in trade and 4% in farming. But we were surprised—and pleased—to see that more than half of you have no links with ACP-EEC cooperation (question M) at all, but you read the review, so this cooperation interests you! About a third of you do have some sort of indirect link and 15% a direct link with this cooperation.

And lastly, readers, you are regular readers. Question A shows that 75% of you have been with us for more than two years and 14% for between one and two years while 5% of you are new (two months). Some of you read other magazines (question G), but they are too numerous to list here and we shall simply quote the reader who reads "everything from Time to the Süddeutscher Zeitung".

What interests our readers?

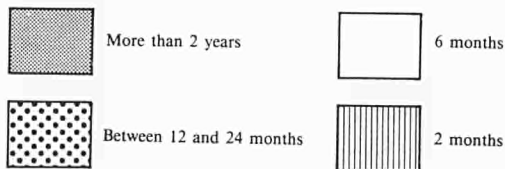
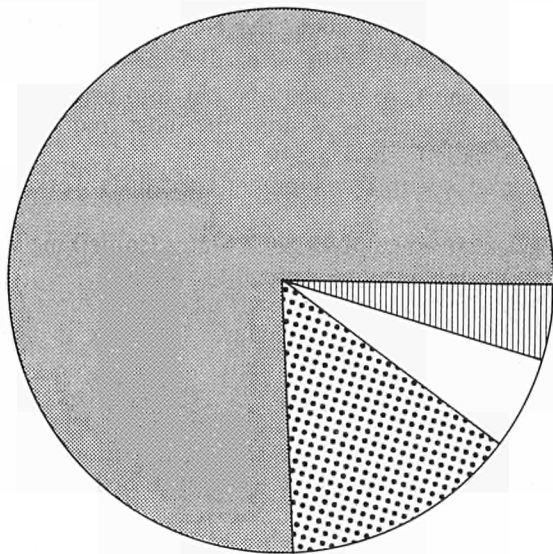
In general they like The Courier, as 87% of replies come from those who read our pages regularly, while the other 13% do so from time to time (question C). What are your favourite columns (question E)? Some of you are unconditional here, as these two replies show: "I read the whole lot, all of it" (Angolan reader) and, "I read The Courier from A to Z" (Malagasy reader). However, for the first time there was a difference between our French- and English-speaking readers. Hitherto, French and English replies have been similar—except for obvious reasons of longstanding distribution influencing such things as availability of subscriptions, which were, for historical reasons, open to French-speakers in 1963 long before the English-speakers who did not become EEC partners until 1975. (We distribute roughly half of our copies in each language.) The figures are as follows (% of replies, each reply covering one or more columns):

	French-speaking (% of total)	English-speaking (% of total)	% of grand total
1. Editorial	49	34	42
2. Interviews (Meeting Point)	66	46	56
3. ACP	67	55	61
4. Country Reports	74	73	73
5. Dossier	82	59	71
6. Developing World	63	62	62
7. The Arts	43	18	30
8. Close-Up	20	11	15
9. News Round-up (yellow pages)	67	47	54
10. Blue pages	41	27	34
11. CDI	34	19	26
12. CTA Bulletin	32	18	25
13. Other (Europe, ACP-EEC, books, etc.)	13	17	10

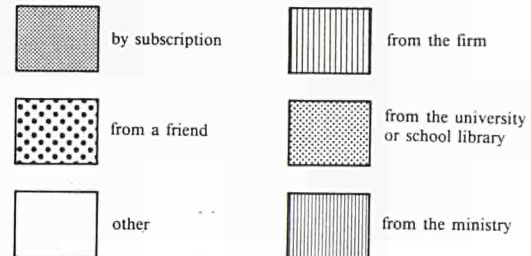
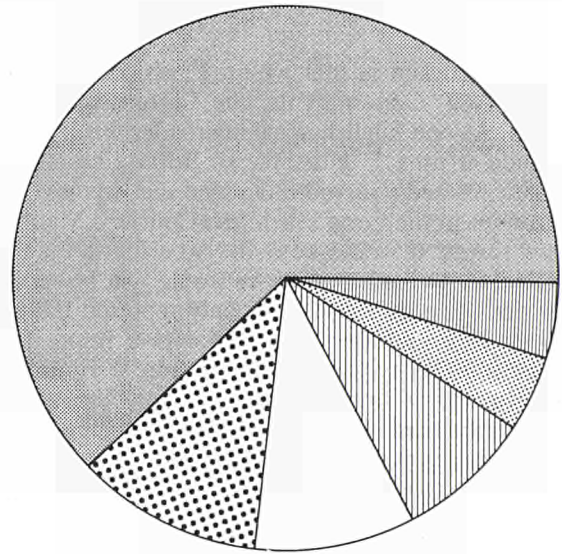
So your opinions differ somewhat, although we do not really know why. The francophones, who tend to be more enthusiastic than the anglophones, go for certain columns—the Dossier, News Round-up, interviews, the ACP section, country reports, Developing World—although the last two are the only ones to come well up the list of preferences of the anglophones, who are frankly lukewarm about The Arts, Close-Up, the CDI, the CTA and the "other" columns. It is the country reports and the dossiers that get the biggest votes overall, with Close-Up and "other" with the smallest following. There is a certain amount of contradiction on the "other" columns, many suggestions reflecting our readers' interest in the Europe section and a desire to see it expanded (see below)

Lastly—and this explains why you are interested in the magazine—almost all of you gave positive replies to ques-

Question A. How long have you been reading The Courier?



Question B. How do you receive it?



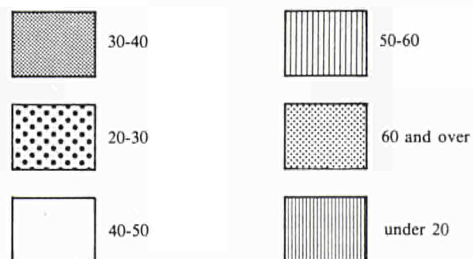
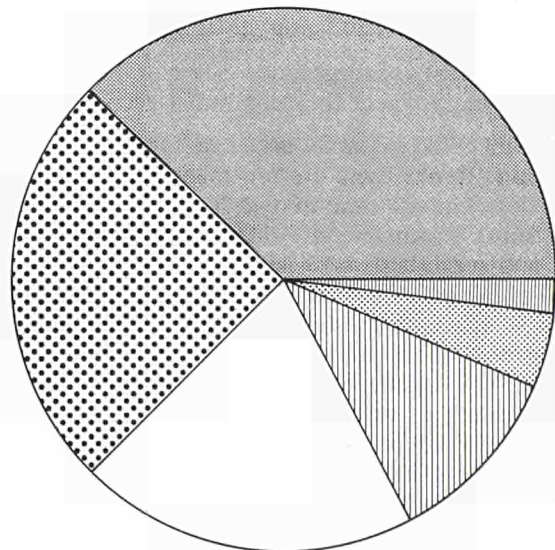
tion F which asked whether you thought The Courier had taught you more about the other ACPs (95% agreed) and about the European Community's policy for the developing countries (93%). So The Courier does seem to be fulfilling its job of providing information. As to its practical use to you personally (question H), the replies were also positive. It is useful, say 70% of you, in that it gives precise details, while 48% of you appreciate the part it can play in everyday work, 39% say it helps their personal life and 27% find it helps shape new professional approaches. More than 20% of you use it to work for diplomas and examinations.

Criticisms...

Thank you, dear readers, for so often declining to fill in the space provided for criticism! Thank you to the reader from Nigeria who said she had no criticism as she thought The Courier was "perfect". And thank you to the reader from the Bahamas who did no more than urge us to "carry on". But this praise is a back-drop for one or two criticisms.

First of all, and this comes as no surprise, you complained about the very long time it can take to distribute The Courier (question D). Some of you got No 100 (which came out in Brussels on 3 November 1986) in November or December of that year. But some of you had to wait until January or February and some even longer. "I wish The Courier came more regularly because I get so impatient", one Ivorian reader told us. This is a big problem and we are currently looking at all the different stages of distribution, from the time the review leaves the printer onwards, to see how things can be speeded up. Obviously, transport is outside our control and the review has to cover thousands of km to get to most of you, but many

Question K. Readers' age



other things come into it too—the frequency of flights, the time it takes to cover distances inside the different countries, and so on.

Another criticism is that we are “too complimentary”, about the ACP Governments, the European Community and so on. As one English-speaking reader put it: “It reads like Pravda at times”. Fine. We shall make an effort to be more critical—and you will have seen that we have already put ourselves in the firing line in the Courier’s Mailbag. But there are limits. It would be wrong to criticise for the sake of it. Objectivity is vital. And we would just be serving the adversaries of cooperation if we only reported failure, corruption and all the negative things. Never mind if, in our drive for objectivity, some people—and it is usually the European readers—find us “anodyne” or “smug”. (Readers, you can be hard! But you are probably being cruel to be kind, so thank you nonetheless!)

Several readers complain that we give too much space to conferences, photos of delegates and ministers, presidential speeches and so on. Development of course is not just meetings and Governments. But is it not important to hear about and report on the important things that some of them do? This is a matter of choice. We cannot report everything and since we are an ACP-EEC “project”, we try to put priority on crucial ACP-EEC issues. This also answers the readers who want reports on non-ACP countries (“Tell us about China and the USA and Russia”), or articles on the UN and other institutions. We try and cover major developing world happenings outside the ACP framework, but our job, once again, is to concentrate on the ACPs. We are practically the only review to do this and we have to do it as fully as possible.

...and suggestions

You have plenty of suggestions. Some of them pose problems, particularly where they contradict each other.

One reader, for example, asked us for more interviews, another one thinks there are too many of them; someone said he didn’t have “time to read it all, so please would we keep it short”, someone else thought we were “too superficial” and suggested we be more insistent and “get to the bottom of things”. The next one complained that we talked about agriculture all the time and then, of course, we were asked to “say more about agriculture, as it’s fundamental to the ACPs”. Another reader criticised the Courier’s Mailbag, suggesting it was pointless, although someone else thought it should be longer (“3 pages”) and yet another wanted to see a half-page for “questions that you could answer”. Our photos are seen to be “bad, boring and far too prolific”, by some, while others congratulated us on them, as “they illustrate what are sometimes difficult articles”. And our style is bureaucratic to some and “very relaxed” to others...

So the conclusion is that you cannot please everybody. And in spite of our good intentions, we cannot take up all your suggestions...

...Maybe not all of them, but we have already used some. Many of you wanted an index: there it is in No 108. You wanted more about Europe: then look at the dossier

on “The future of Europe” in No 107. You wanted a report on Nigeria, a dossier on demography, better blue pages and something about the NGOs. We did all that in 1987. So carry on writing to us. It works.

Space is short, so we shall be (far too) brief on some of your other suggestions. Among the most frequent are:

- more statistics and maps;
- interviews with development specialists working in the field;
- regular coverage of all ACP States (something we do in fact try to do, currently every five years);
- more historical details in articles about the ACPs;
- captions for the cover pictures (they are in fact inside the front and back covers);
- small ads on fellowships⁽¹⁾, jobs etc. (we cannot do this—it would take the whole of our 140 pages...);
- monthly issues;— organising competitions and games (we cannot do this either in a review aimed at information rather than entertainment);
- giving away a calendar or binders (we cannot afford it);
- always giving the meaning of abbreviations and acronyms;
- having a fashion page and a sports column;
- saying more about women and culture;
- interviewing “ordinary” people, peasants, manual workers, students and so on (you say we are “always asking the specialists what they think”);
- giving more information on:
 - livestock;
 - marketing;
 - appropriate technology;
 - science;
 - regional organisations (see our ACP-regional section);
 - land preservation;
 - town planning;
 - anthropology;
 - financial topics.

One other suggestion is worth particular attention and that is stepping up the number of subscriptions. There is nothing we would rather do, but, as you no doubt realise, the review is expensive to produce and distribute. Our list of subscribers is currently full and we can only add a new subscriber if someone else withdraws. So do not hold it against us if you have to wait or if we have to refuse your application

Lastly, some of you want us to go on consulting our readers through questionnaires. This is a costly undertaking (there are so many replies, they have to be sorted by computer) and it takes time. So we shall probably not be printing another one for some time. Meanwhile, as we already said in the Courier’s Mailbag, carry on writing to us. Tell us where you stand on the issues we deal with, and tell us what you think about the various suggestions.

Thank you for all you have done and all you continue to do. ◊

Marie-Hélène BIRINDELLI

(1) The Ministry of Education in each of the countries can give details here, as can the Commission Delegations in the ACP States which have such things as data bases on post-graduate training courses in engineering, informatics and management in the EEC countries.

The Lomé trade arrangements – What do they do for the ACPs? –

People sometimes tend to see Lomé as something that lays down the arrangements for the Community's development aid to 66 countries of Africa, the Caribbean and the Pacific. But if they do this, they are forgetting that it also provides a legal framework for trade between these two groups of nations. And if this second aspect is often lost sight of, it is because it is difficult to put a figure on the advantages that the ACPs get from the customs concessions the EEC makes—while we know exactly what the indicative programmes and Stabex transfers and food aid are worth.

And it is also because ACP exports to the Community have been stagnating for some years now, while those from other developing countries, which may be less advantaged in terms of tariffs, are increasing regularly... so the ACPs are wondering about the value of their tariff preferences.

Yet there is a real advantage for about a third of all ACP exports, primarily agricultural produce and fish. The preferences for the other two thirds, crude mineral and energy products (such as copper, iron and petroleum) are of no particular advantage, because these products come into the Community zero-rated regardless of origin.

The following text is the Commission's first attempt at putting a figure on the preferential advantage. We felt it was a good idea to set out the conclusions of this analysis for our readers, for in spite of the limitations and vagueness that are inevitable in a document of this kind, it is an interesting contribution to the major debate on renewal of the Lomé Convention that is to start this autumn. The ACPs may wish to go further into the matter themselves.

The problem and the purpose of evaluation (1)

When the Community imports ACP products free of duty and quantitative restrictions and these same products are submitted to ordinary duties (of the Common Customs Tariff — CCT) or,

if they come from third countries, to preferential duties (GSP), it is in fact providing an economic advantage for its ACP partners.

But it is a difficult one to quantify and only a very approximate figure can be put on it. It comes, essentially, in two forms.

(a) A price advantage resulting from the fact that the duty or levy that the Community could have collected was not in fact charged. Regardless of the ultimate beneficiary of this exemption, it amounts to a "loss" to the Community budget which can be easily calculated for each product.

But this gives differing results according to whether the ACP advantage is measured alongside the CCT (which applies to developed third countries) or the GSP (which applies to other developing countries).

A price advantage occurs when, in accordance with particular protocols, the Community imports ACP products at a price that is higher than the world market one (as happens with sugar) or lets the ACP country have part of the duty it should have collected (as happens with rice and beef and veal).

It is these price advantages (tariff losses and the sugar differential) which appear in the tables.

(b) A competitive advantage, which appears when the preferential margin is "efficient", i.e. when it helps boost the volume of ACP exports to the detriment of non-ACP competitors. In this case, the advantage should be measured not by the tariff margin but by the total additional exports that the preference has made possible.

This may be large in some cases. It is, alas, unquantifiable. Unless you have a proliferation of hypotheses and product-by-product comparisons between each ACP and each potential competitor it is impossible to find out how many ACP sales would not be made if there were no tariff preferences. All we know is that the tariff preferences the ACPs get are, in relation to the GSP, generally inadequate to direct trade patterns on their own. In some cases, the ACP product is competitive, even without the preference. In

others, the preference is not necessarily enough to ensure competitiveness. And the products the ACPs and their potential competitors export are rarely homogeneous.

Limitations of evaluation

For both technical and conceptual reasons, the results given in the tables should be viewed with caution. They only give very approximate ideas and should be interpreted in the light, in particular, of the following restrictions.

1. The only thing to be measured is the price advantage. The competitive advantage, which is impossible to quantify objectively, is ignored here.
2. Not all ACP exports were included in the statistical analysis. We tried to cover the principal products representing about 95% of ACP-EEC trade.
3. Due to a shortage of proper data, the price advantages accruing from application of the provisions of Regulation 486/85 for beef and veal and rice have not been worked out (part of a levy transferred to the exporting ACP State).
4. Only the effect of the tariff preference has been measured here. But the Lomé preference also has other components (no quantitative restrictions and more liberal rules of origin) which may, in some cases, have a "value" that is far greater than the tariff differences, especially in the case of sensitive products (preserved fruits and textiles).
5. Evaluation of the tariff preference is not a mechanical calculation of the "loss" to the Community budget. It does not show which sums have actually been transferred to the ACPs. Practically speaking, and very variably according to product and market, the preference has been of benefit to the producers, the exporting State and the importers or has been shared between them.
6. The calculations are based on a certain number of simplifications, which tend to lead to under-evaluation of the price advantage accruing from the tariff preferences. The reference for the whole period, for example, was the level of duties applied on 1 January 1985—regardless of the fact that some were higher during the preceding years (gradual application of the tariff concessions of the Tokyo Round and annual revisions of the Community's GSP. And whenever there was any doubt (duties that varied over the year or

(1) A document of the Commission's Directorate-General for Development.

impossibility of determining the exact tariff position), we took the lowest duty.

Conclusions

Without wishing to exaggerate the importance of the figures, we propose the following main conclusions.

1. The ACPs have a real advantage for about a third of their exports to the Community. The bulk of their exports are indeed always crude products which are zero-rated on entry to the Community, regardless of origin (crude oil, ore, copper etc.).

2. If measured in terms of customs preferences or surcharges alone, the overall advantage the ACPs get from the Lomé preferences is nonetheless significant—ECU 420 million p.a. over 1981-85 excluding the sugar protocol and ECU 720 million including it. This gives us tough figure of ECU 3.5 billion for the period of Lomé II—equal to two thirds of the 5th EDF or six times the Stabex allocation.

3. The distribution of this global advantage between the various ACP countries is, obviously, very unequal, as it depends more on the composition of the exports of the individual country than of their volume. The preferential advantage is concentrated on those ACPs exporting protected products (coffee, cocoa, bananas and vegetable oil) and therefore mainly benefits countries such as Senegal, Côte d'Ivoire, Cameroon, Kenya and Zimbabwe. However, the exporters of petroleum, ore and copper—Niger, Nigeria and Zambia, for example—get very little.

Add the sugar advantage and the hierarchy of preferences becomes even more unequal. Mauritius, Swaziland, Belize and Fiji become major beneficiaries of the Lomé system, far ahead of, say, Congo, Gabon and Liberia.

4. Lastly, there is the question of trends in the preferential advantages as time goes by. Because the calculations were made in the light of constant duties over the 1981-85 period, they do

not reflect the reduction in the ACP preferential margin, particularly in relation to the GSP competitors. Nonetheless, the countries which have seen their exports expand a lot have thus had a considerable increase in the size of the preferential advantage they derive from Lomé (Botswana, Burundi, Cameroon, Côte d'Ivoire, Kenya and Somalia). Others, however, Nigeria, Congo, Mali and Sudan, for example, have seen it stagnate or regress due to poor growth or to structure being unfavourable to their exports.

Note, too, that the amount of the preferential advantage is mechanically tied to the value of ACP exports and therefore to the price of the commodities they export. The improvement of the preferential advantage in 1984-85 is largely due to the increase in the price of certain tropical products. Recent commodity price trends are such that a substantial decline in the preferential advantage is to be expected for 1986-87.

Key to the tables

Basis for calculation : *The list of products and the trade figures come from documents VIII/1074 vols I & II. The customs duties are those applied on 1 January 1985. When several rates were applicable to a given product at different times of the year or when several tariff sub-headings were possible, the lowest duty was taken. So the amounts of the advantages tend to represent a minimum. The figures are only for the Community as it was in 1981-85, i.e. the Ten.*

Special case : *Sugar is a very special case, as the advantage derives from the certainty of being able to sell specific quantities of sugar at a guaranteed price on the Community market. The calculations were made in the light of the tonnages and the difference between the price guaranteed to the ACPs and the average world rate (figures supplied by the Sugar Division of DG VI).*

Beef and veal. *Over and above the exemption from duty, the advantage in this case derives from the fact that 90% of the levy is collected in the exporting State for its own benefit. This advantage has not been assessed in view of the complexity attendant on the frequent variation in the levy on each quality of meat.*

Figures from our Delegation in Botswana, the main ACP exporter of beef and veal to the Community, suggest that this country received a transfer of the levy of an amount of Pula 90 774 000 (about ECU 45 million) in 1985.

Rice. *The levy is cut in half and the balance is further reduced by a fixed amount. In this case, too, it was not really possible to give anything like a realistic figure, as the levy had very often varied over the years under scrutiny. Note that the exporting State has to collect the amount of the reduction of the variable levy. An approximate calculation would give a levy transfer of ECU 18 million for Suriname in 1985.*

Bananas. *Although ACP bananas get a 20% reduction in the CCT duty, they would not have many outlets in the Community since they cannot really compete with the Central American product—unless the banana protocol is applied. This in fact enables certain Member States to reserve a large part of their markets for ACP bananas.*

In 1985, the ACPs exported products worth ECU 26 785 000 million to the Community. About ECU 17 230 000 million of this (about 65%) was products which were zero-rated in the CCT. Petroleum (45.5% of total imports to the Community), copper, wood, ore and diamonds were the biggest headings.

About ECU 8 265 000 million-worth of products (about 31%) came in free of duty under a preferential arrangement. They included coffee, cocoa, bananas, fish products and vegetable oil.

The rest, about 4%, is products which only benefit from minimal preference (maize, manioc, etc.) or indeed none at all (lemons, some vegetables, etc.).

The letters in the table stand for the following:

A. Total imports to the Community from the ACP country in question.

B. Total imports from the ACP country concerned benefiting from privileged access.

C. Total amount of duties not collected—obtained by multiplying the value of the imports of each of the products with privileged access by the difference between the CCT rate and the relevant preferential rate (generally completely duty-free entry).

* * *

The ACP preferences, in relation to the GSP, represent extra exoneration resulting from the more favourable access arrangements (mathematically speaking, the difference between the ACP duty and the GSP duty), i.e. the advantage Lomé has over the GSP. These are given in brackets in column eight.

Country		1981	1982	1983	1984	1985	Total preferences	Annual average	Remarks (1)
States of Africa									
Angola (2)	A	301 137	436 731	329 308	542 010	568 754	411	82 (82)	coffee
	B	295	3 380	1 387	1 638	1 539			
	C	14	169	69	82	77			
Benin	A	21 703	20 616	37 653	80 415	123 922	7 472	1 494 (1 269)	palm oil cocoa coffee
	B	12 053	13 584	21 811	51 607	63 813			
	C	764	842	1 166	2 480	2 220			
Botswana	A	41 537	113 893	63 664	61 119	66 942	45 883	9 176 (9 176)	beef & veal & preserved products
	B	24 318	41 299	54 411	50 059	53 382			
	C	5 198	8 531	11 126	10 625	10 403			
Burundi	A	42 362	80 527	77 701	91 560	117 068	14 124	2 821 (2 354)	coffee
	B	20 112	39 345	59 265	69 995	95 707			
	C	960	1 946	2 944	3 494	4 780			
Cameroon	A	1 033 705	955 820	1 306 874	1 787 930	2 156 440	173 975	34 795 (28 266)	bananas coffee, cocoa aluminium fish & preserves
	B	486 204	508 897	567 862	817 520	791 646			
	C	27 636	27 744	31 287	44 030	43 278			
Cape Verde	A	613	2 635	2 847	1 369	1 740	859	171 (131)	
	B	441	667	1 107	864	1 104			
	C	68	96	229	197	269			
Central African Rep.	A	80 507	82 086	93 898	137 762	110 202	8 631	1 727 (1 727)	coffee
	B	25 030	32 031	42 929	44 559	41 389			
	C	1 141	1 484	2 012	2 099	1 903			
Congo	A	502 304	444 212	245 949	328 134	308 928	6 717	1,342 (376)	sugar sugar veneer
	B	28 834	26 385	25 949	31 467	30 564			
	C	1 393	1 306	1 266	1 533	1 219			
Sugar advantage		740	1 384	1 338	1 846	4 815	10 123	2 024	
Côte d'Ivoire	A	1 327 766	1 455 011	1 489 770	1 937 961	2 268 041	419 755	83 951 (74 096)	cocoa coffee bananas pineapples
	B	997 684	1 113 333	1 131 643	1 563 784	1 911 546			
	C	65 942	71 972	74 177	93 525	114 139			
Sugar advantage		—	—	—	—	3 206	3 206		
Djibouti (3)	A	2 171	1 432	9 934	7 775	3 335			tinned tuna
Ethiopia	A	117 608	139 750	180 812	227 308	209 298	32 689	6 537 (5 912)	coffee dried vegetables
	B	75 748	90 721	128 776	164 141	146 327			
	C	4 312	4 964	7 250	8 496	7 667			
Gabon	A	762 779	823 489	763 192	899 212	1 059 813	19 489	3 847 (804)	plywood
	B	44 410	39 397	40 598	46 141	56 256			
	C	3 438	3 132	3 688	4 381	4 850			
Gambia	A	13 042	18 330	33 752	38 201	18 646	5 148	1 029 (905)	groundnut oil
	B	6 176	6 110	10 180	19 311	8 124			
	C	627	624	1 054	1 978	865			
Ghana	A	252 223	337 422	245 142	275 507	346 332	32 643	6 528 (6 270)	cocoa veneer tinned tuna
	B	196 633	292 286	166 758	223 026	245 240			
	C	5 764	8 617	5 336	6 245	6 681			
Guinea	A	137 894	138 799	172 045	277 942	295 526	11 973	2 391 (2 394)	coffee alumina
	B	14 149	31 265	47 133	58 226	60 276			
	C	734	1 771	2 693	3 408	3 368			
Guinea Bissau	A	8 227	3 007	2 581	2 624	4 071	648	129 (42)	crustacea
	B	418	778	993	1 108	2 809			
	C	14	90	105	107	333			
Equatorial Guinea	A	14 767	13 896	15 413	26 203	24 806	1 959	391 (363)	cocoa
	B	12 861	8 328	7 768	14 723	16 099			
	C	389	251	247	549	523			
Burkina Faso	A	40 496	38 999	45 525	49 216	48 393	2 671	534 (491)	vegetables mangoes
	B	1 954	6 080	5 601	4 715	6 804			
	C	203	679	592	494	703			
Kenya	A	401 481	416 955	484 954	713 481	708 995	131 926	26 385 (22 592)	coffee flowers preserved meat vegetables
	B	228 075	237 720	277 745	372 871	423 723			
	C	18 624	21 006	25 736	33 028	33 532			

(1) This column contains the main exports covered by preferences.

(2) As for Mozambique, these are theoretical calculations, as these countries have only had advantages since Lomé III.

(3) The advantages have not been calculated, as there are still doubts as to the actual origin or the exports.

Country		1981	1982	1983	1984	1985	Total preferences	Annual average	Remarks
Lesotho	A	5 038	5 846	2 068	2 636	6 476	788	157 (82)	preserved pineapples
	B	2 768	1 896	785	979	791			preserved vegetables
	C	117	202	116	195	158			clothing
Liberia	A	603 998	439 279	544 577	579 226	607 859	1 578	(1 464)	coffee
	B	24 924	24 107	32 285	38 266	56 185			cocoa
	C	1 087	1 097	1 410	1 737	2 559			
Malawi	A	117 789	143 941	158 104	222 360	267 705	66 218	13 243 (5 741)	tobacco
	B	67 307	91 131	114 141	123 391	167 080			sugar
	C	8 261	10 564	13 497	15 144	18 752			
Sugar advantage		1 877	6 046	4 544	5 429	9 390	27 286		
Mali	A	83 695	72 607	79 020	118 358	72 084	2 338	467 (415)	mangoes
	B	10 137	4 564	4 877	4 468	4 162			vegetables
	C	977	305	376	378	302			
Mauritania	A	189 100	195 801	184 355	239 602	275 257	14 260	2 852 (2 337)	fish &
	B	16 081	32 651	22 888	25 203	32 761			crustacea
	C	1 751	3 651	2 415	2 825	3 618			
Mozambique	A	60 711	67 994	52 130	38 843	21 627	1 908	381 (260)	crustacea
	B	6 848	7 064	3 781	3 039	2 067			citrus fruit
	C	661	569	285	244	149			
Niger	A	234 308	249 730	266 041	247 030	247 966	292	58 (58)	vegetables
	B	758	501	—	333	666			
	C	98	65	—	43	86			
Nigeria	A	5 367 359	6 453 988	7 596 417	9 787 958	9 996 497	39 130	7 826 (6 421)	cocoa
	B	218 864	217 419	292 955	298 714	318 141			palm oil
	C	7 256	7 092	8 400	8 289	8 093			
Uganda	A	105 582	154 655	219 553	296 381	266 110	45 087	9 017 (8 998)	coffee
	B	89 578	145 079	184 952	259 451	238 287			
	C	4 416	7 254	9 145	12 561	11 711			
Rwanda	A	38 525	39 722	57 632	190 939	149 720	15 305	3 061 (3 061)	coffee
	B	15 089	23 059	42 207	104 433	122 664			
	C	741	1 125	2 103	5 216	6 120			
Sao Tomé & Príncipe	A	10 522	7 050	5 541	6 625	5 087	975	195 (195)	cocoa
	B	10 337	6 888	5 177	6 282	4 582			
	C	308	206	136	188	137			
Senegal	A	169 805	290 301	350 485	400 738	299 091	127 918	25 583 (25 056)	fish &
	B	99 538	183 297	217 123	267 377	200 812			preserves
	C	14 872	23 335	28 713	33 086	27 912			groundnut oil
Sierra Leone	A	146 252	99 226	136 647	171 030	164 951	6 974	1 394 (1 320)	vegetables
	B	34 233	16 227	41 865	30 786	42 142			coffee
	C	1 527	717	1 775	1 129	1 826			cocoa
Somalia	A	12 616	29 776	31 622	19 805	35 679	12 970	2 594 (2 576)	crustacea
	B	5 595	14 619	24 697	6 094	18 443			bananas
	C	1 069	2 629	4 494	1 141	3 637			
Sudan	A	177 250	164 923	187 665	254 668	173 032	8 945	1 789 (1 574)	groundnut oil
	B	31 534	22 129	12 880	38 083	12 170			cotton thread
	C	2 962	1 863	634	2 996	490			
Swaziland	A	64 804	88 139	73 152	99 003	105 663	18 537	3 707 (2 457)	citrus fruit
	B	54 086	79 342	57 755	87 402	93 897			preserved fruit
	C	2 798	3 058	3 403	3 838	5 440			sugar
Sugar advantage		10 370	31 151	14 973	35 611	33 572	125 670	25 135	
Tanzania	A	198 209	214 388	254 134	302 412	241 072	46 990	9 398 (7 237)	vegetables
	B	127 624	140 819	147 208	206 056	155 768			coffee
	C	8 087	8 563	9 520	11 500	9 320			tobacco
Sugar advantage		—	2 583	2 101	3 638	3 380	11 710	2 342	sugar
Chad	A	25 939	16 019	30 235	51 942	32 331	326	65 (0)	cotton fabrics (?)
	B	1 132	1 133	621	274	111			
	C	113	113	62	27	11			
Togo	A	159 431	129 838	117 360	159 480	160 806	8 141	1 628 (1 616)	coffee
	B	54 701	47 270	33 736	44 832	38 399			cocoa
	C	2 029	1 864	1 283	1 503	1 466			
Zaire	A	1 257 256	957 420	894 082	1 236 507	1 395 571	54 653	10 930 (9 837)	coffee
	B	148 383	171 960	203 615	264 567	271 272			palm oil &
	C	7 709	8 996	10 634	14 248	13 066			palm nuts

Country		1981	1982	1983	1984	1985	Total preferences	Annual average	Remarks
Zambia	A	400 430	430 984	423 815	399 049	348 306	7 415	1 483 (635)	tobacco
	B	19 170	20 467	5 014	3 657	7 314			
	C	2 665	2 850	690	440	764			
Zimbabwe	A	295 619	365 736	404 618	427 925	538 257	126 158	25 231 (13 855)	tobacco sugar coffee cotton thread & fabric iron alloys
	B	191 383	216 881	243 242	225 399	303 441			
	C	21 090	23 517	26 974	22 986	31 591			
Sugar advantage		—	4 901	5 573	9 240	8 974	27 688	6 922	
Indian Ocean									
Comoros	A	13 673	16 070	23 257	9 816	11 146	6 770	1 354 (1 067)	vanilla cloves perfume oils
	B	13 557	14 644	13 102	9 680	10 764			
	C	1 552	1 629	1 527	983	1 079			
Madagascar	A	106 336	134 538	171 770	242 801	194 506	52 591	10 510 (7 596)	coffee vanilla crustacea cotton fabrics
	B	80 090	104 211	148 277	210 609	163 227			
	C	6 811	8 053	10 528	15 861	11 298			
Mauritius	A	298 529	350 931	353 845	414 027	431 225	59 200	11 840 (1 946)	sugar tinned tuna clothing
	B	276 822	324 936	331 301	365 960	376 905			
	C	9 298	8 994	9 794	12 829	18 285			
Sugar advantage		57 101	128 252	110 873	152 067	112 281	560 574	112 114	
Seychelles	A	2 976	1 370	1 693	8 018	20 846	78	16 (0)	cinnamon
	B	305	288	195	45	458			
	C	19	10	10	3	35			
Caribbean									
Antigua	A			2 729	1 189	2 335			inadequate data
	B								
	C								
Bahamas	A	204 966	403 289	191 347	172 276	290 818	71 203	(3 983)	rum chemical & petroleum products
	B	185 169	363 511	184 109	164 375	264 869			
	C	12 504	20 631	11 479	10 525	16 064			
Barbados	A	24 877	30 933	24 382	41 779	27 137	2 224	444 (321)	sugar rum
	B	19 915	22 948	20 282	37 526	21 954			
	C	743	580	454	298	149			
Sugar advantage		5 878	10 577	8 974	11 513	12 638	49 580	9 916	
Belize	A	29 945	29 765	24 924	34 833	28 965	6 042	1 208 (981)	sugar bananas
	B	27 110	26 215	23 570	32 763	26 454			
	C	1 050	951	1 197	1 471	1 373			
Sugar advantage		6 728	10 831	8 149	17 386	11 513	57 607	10 921	
Dominica	A	17 461	21 113	21 523	25 234	31 962	20 829	4 165 (4 165)	bananas
	B	14 748	17 458	20 254	24 438	30 339			
	C	2 884	3 411	3 910	4 629	5 995			
Grenada	A	20 478	11 995	13 454	13 551	16 714	8 053	1 730 (1 432)	bananas nutmeg cocoa
	B	13 591	11 268	12 412	12 976	16 108			
	C	1 688	1 502	1 704	1 705	2 054			
Guyana	A	140 828	134 937	114 779	152 664	168 962	24 552	4 911 (4 461)	sugar rum chemicals
	B	102 884	101 750	86 713	113 380	111 760			
	C	4 857	4 549	3 911	5 130	6 107			
Sugar advantage		26 895	43 027	36 285	59 356	49 197	214 820	42 964	
Jamaica	A	223 706	178 193	117 814	164 077	187 752	51 206	10 241 (10 020)	sugar bananas rum alumina
	B	214 417	170 479	168 537	154 548	177 972			
	C	11 832	10 715	11 541	7 814	9 304			
Sugar advantage		19 794	29 845	13 924	42 143	38 846	144 552	28 910	
St Lucia	A	24 581	27 859	35 214	49 437	75 174	40 100	8 020 (8 020)	bananas
	B	23 073	26 947	34 044	47 567	72 206			
	C	4 584	5 341	6 371	9 454	14 390			
St Vincent	A	17 937	19 416	24 016	24 754	37 974	20 986	4 197 (4 197)	bananas
	B	16 699	18 443	22 835	23 717	36 519			
	C	3 197	3 545	4 416	4 635	5 193			
Suriname	A	138 588	180 212	216 647	160 206	196 691	48 304	9 660 (9 660)	alumina & aluminium bananas rice
	B	119 136	171 762	200 212	151 958	183 910			
	C	6 961	9 768	11 119	9 337	11 123			

Country		1981	1982	1983	1984	1985	Total preferences	Annual average	Remarks
Trinidad & Tobago	A	484 730	476 374	304 298	392 213	392 838	91 224	18 244 (10 447) 12 245	sugar chemicals
	B	383 434	325 761	181 597	352 849	353 315			
	C	19 432	18 236	11 450	20 153	21 953			
Sugar advantage		9 301	12 653	8 856	14 938	15 477	61 225		rum steel
Pacific									
Fiji	A	97 623	85 474	96 967	120 559	67 172	12 625	2 525 (2 525) 37 554	sugar tinned tuna
	B	91 996	76 872	91 162	109 967	60 986			
	C	2 479	1 547	2 867	3 208	2 523			
Sugar advantage	A	27 109	40 304	40 346	48 153	31 859	187 771		
Kiribati	A	1 154	243	1 914	8 244	1 43			
	B	900	41	9	122	—			
PNG	A	266 608	306 456	309 124	475 977	553 458	46 228	9 245 (7 375)	coprah & palm oil coffee cocoa
	B	108 761	133 944	141 694	276 067	288 223			
	C	5 148	6 499	6 875	13 714	13 992			
Solomon Is.	A	13 574	15 429	17 116	27 812	27 152	7 175	1 435 (1 218)	palm oil
	B	9 843	10 768	13 380	23 705	21 389			
	C	1 128	1 035	1 328	1 916	1 768			
Samoa	A	6 488	1 911	2 245	6 251	1 843	182	36 (36)	cocoa
	B	1 811	707	1 214	1 735	633			
	C	54	21	36	52	19			
Tonga	A	773	633	183	1 078	175			
Tuvalu	A	228	136	162	89	201			
	B								
	C								
Vanuatu	A	15 361	13 656	15 342	34 406	21 066	139	27 (27)	cocoa
	B	1 575	1 235	1 064	486	1 032			
	C	43	30	25	11	26			

Preference situation of the main ACP suppliers
ECU million — annual averages from 1981-1985

10 biggest suppliers	Total EEC imports from these countries	Preferential averages for these countries	
		in relation to the CCT	in relation to the GSP
Nigeria	7 908,02	7,826	6,421
Côte d'Ivoire	1 728,52	83,951	74,096
Cameroon	1 449,15	34,795	28,266
Zaire	1 148,17	10,930	9,837
Gabon	861,70	3,847	0,804
Liberia	554,99	1,578	1,464
Kenya	545,17	26,385	22,592
Angola	435,59	0,082	0,082
Trinidad & Tobago	410,09	18,244	10,447
Zimbabwe	406,43	25,231	13,855

These 10 countries account for 71.65% of total EEC imports from the ACP Group.

Recapitulation
ECU '000

	1981	1982	1983	1984	1985
EEC imports from the ACP States including preferential products (inc. sugar)	17 064	18 662	19 929	25 366	26 785
Advantages derived from the tariff preference:	5 118	5 754	6 009	7 689	8 265
— in relation to third countries;	324	371	397	480	536
— in relation to the GSP	243	284	308	373	420
Advantages derived from the Sugar Protocol	166	321	255	401	335

Financing of mining projects (*)

The Courier N° 94 (November-December 1985) contained a Dossier on mining, but, as space was short, there was one subject that was not covered in detail — the breakdown of financing between Commission- and EIB-managed funds. Now that Lomé III really is being put into practice in the field, and to provide an answer to the many questions the Commission and the EIB have been asked about the financing of mining projects, it seemed a good idea to go back to this. The following article, in which the "mining sector" is taken to mean all the extracting industries (from energy minerals) and the processing industries, through to metal production if integrated with a mine, as in the case of copper in the Copperbelt.

The third Lomé Convention confirms and sets out in detail the guidelines applicable to ACP-EEC cooperation in the sphere of mining development in the ACP States. Substantial financial resources are provided for, both generally (funds which can be used for the mining sector: 6th EDF in the case of the Commission and loans from own or risk capital resources as regards the EIB) and specifically for the mining sector (special financing facility — SYSMIN). These means can be applied to each of the phases leading to the production of ore-prospection, appraisal and groundwork and mining investment.

What kind of projects can be financed and by what methods and how is work distributed between the Commission and the EIB?

Prospection surveys and preparatory work for the exploitation of mineral deposits

Broadly speaking, preparatory work in the mining sector falls into three categories — general prospection, local prospection and feasibility studies for the exploitation of actual deposits. In principle, decisions on the financing of such work by either the Commission or the EIB from the respective resources they administer is determined by the extent to which it serves to identify a specific investment project. However, the breakdown set out in table I should not be taken as rigid and invariable, as some phases may fall sooner or later or even overlap, particularly in the hydrocarbons sector.

General prospection

At the first stage of prospection, the work takes the form of a general assessment of the mineral potential of a given area, chiefly through the collation of existing geological data, photographic land surveys and analysis of

the structures so identified. Should the results appear promising, there follows the second stage, of more systematic prospection aimed at pinpointing surface indications or anomalies by various means — aerial geophysical surveys, seismic studies (e.g. hydrocarbons), demarcation and analysis of outcrops, alluvia etc.

The financing of this kind of survey and/or the technical assistance necessary to undertake it falls to the Commission.

Local prospection

This follows on from the first stage of prospection and should lead to the identification of "targets" (i.e. promising deposits) and give some indication of their mineral content. The work involves carrying out field studies followed by the compilation of detailed geological charts with geological sections and surveys. Also in some cases it may entail detailed geochemical soil analysis and sampling for the compilation of data on rock formations.

The financing of this kind of survey and/or the technical assistance necessary to undertake it falls to the Commission.

Detailed deposit studies

These cover selected targets, their purpose being to determine more precisely the existence of an orebody, to assess it and to decide how it may be exploited. These operations involve the following stages:

Exploration of a selected target

The purpose of this operation is to determine the morphology of the target and produce a rough estimate of the reserves it contains and the mineral content. The work takes the form of topographical and topological surveys, sampling (churn drilling and core samples), trenchcutting etc...

The findings of these surveys indicate the probability of a deposit proving economically exploitable.

The financing of this kind of survey and/or the technical assistance necessary to undertake it falls to the Commission.

Preliminary evaluation of the deposit

At this stage, further work is carried out to establish more precisely the value of the deposit that has been identified, in terms both of volume and of mineral content, and where appropriate to give an early indication of the technical and economic factors that might influence its eventual exploitation. This information is usually intended to provide the basis for pre-feasibility study.

The work normally involves a synthesis of the geological studies previously undertaken and further sampling work or, in the case of hydrocarbons, field delimitation and fault identification operations, plus in some cases more comprehensive sampling for analysis, trial refining and processing of the product under laboratory conditions.

The scope and preciseness of these studies often hinge upon appraisal of the findings of previous field reconnaissance work at the deposit and the degree of probability that the promoter attaches to the eventual exploitation of the deposit.

The financing of this kind of study and/or the technical assistance necessary to undertake it may fall either to the Commission or to the Bank, depending on what conclusions are drawn from the appraisal of the dos-

(*) Article produced by the Commission and the EIB.

Table 1: Preparatory phases in the exploitation of a mineral project

Stage	Purpose	Nature of work	Financing provided by
I. Prospection (Exploration) a) General b) Systematic	Assessment of regional benefits Narrowing of search Pinpointing surface indications and anomalies	Geological data collection, photographic surveys, structural analysis. Aerial geophysical reconnaissance. Identification & examination of outcrops. Geochemical analysis & study of alluvia (strategic prospection).	Commission
II. Local prospection or study of finds	— Definition, selection & classification of targets. — First evaluation of mineral content.	Geological sections & surveys. Detailed geological charting. Surface geophysical analysis of soil & alluvia. Drilling for data on geological strata.	
III. Detailed deposit studies a) Exploration of a selected target	— Determination of morphology. Initial estimate of volume reserves & mineral content.	Topographical & topogeological surveys. Reconnaissance boreholes, churn drilling, core sampling & trench cutting.	
b) Preliminary evaluation	— Preliminary evaluation of reserves. First assessment of economic feasibility.	Synthesis of geological studies. Additional drilling. Multiple method surveys. Limited sampling, Mineralogical studies. Initial laboratory tests and evaluation.	To be determined case by case
c) Evaluation of deposit	Identification of factors for inclusion in feasibility study. Exploitable reserves, methods of extraction & processing. Market research etc. Preparation of final feasibility study.	Close-pattern drilling. Mining operations. Large-scale sampling. Semi-industrial test-processing.	Bank

sier, where close consideration is given not only to the surveys and their purpose but also to questions such as whether or not an operating entity (e.g. a mining syndicate) exists, whether the Commission has financed the earlier survey and whether there is a case for the Bank to finance later stages of the study.

Delineation and methods of working the deposit

The purpose here is to assemble all data pertinent to a decision to proceed with the exploitation of the deposit and to preparing a feasibility study. This work normally presupposes the existence of a provisional corporate structure, pending the formation of an operational company.

The main technical operation at this stage is close-pattern drilling, or deviated boreholes in the case of hydrocarbons, in order to obtain the most reliable assessment possible of the size of the deposit and its mineral content. Also included are mining work and pilot plant operations designed to establish precisely the approach that should be taken to working the depo-

sit. At this stage, or following it, market research is carried out and an initial estimate constructed of the investment cost and of the financial and economic return on the proposed project.

The financing of these operations falls to the EIB.

Mining investments

Responsibility for financing projects in the mining sector — in the ACP States falls first to the EIB. However, the Commission may also participate in financing such projects by means of the resources managed by it, notably SYSMIN (see inset).

The Convention stipulates that:

- the Commission is responsible for managing SYSMIN as regards both establishing eligibility and approval of projects involving the use of the funds so allocated;
- the Bank has primary responsibility for all projects in the mining sector, particularly in the case of countries or minerals not covered by SYSMIN.

The Commission and the Bank exchange information and liaise regular-

ly on all dossiers received and any dossier misdirected to one institution is automatically transmitted to the other. Moreover, there is nothing to preclude the same project from being co-financed by both institutions, while a project which normally falls within the domain of one institution can also attract financing from the resources available to the other.

Mining sector projects in general

All productive projects in the mining sector, particularly new investment or extension of existing installations must, in the first place, be submitted to the Bank either by the Government of the country concerned or by the promoter with the former's consent. In practice, preliminary informal contacts are often useful.

The Bank examines whether projects qualify for one of the forms of aid which it manages, i.e.:

- loans from own resources with interest subsidy (except in the case of projects in the petroleum sector);
- risk capital assistance;
- possible financing on a case-by-case basis for projects of mutual interest to the EEC and the ACP State con-

**Table 2: Financing under Lomé II and III
(situation on 1 October 1987 (ECU '000))**

Country	Research & general studies	Studies of deposits(1)	Investments		
			Commission		EIB
			SYSMIN	Programme funds	
Benin	3 640				18 000 (oil)
Botswana	1 980				
	1 600				
Burkina Faso				4 140 (Au)	7 000 (Au)
Cameroon	255	300* (Fe)			
Congo		480* (bitumen)			
Ethiopia	179	500* (Au)			
Gabon	3 212				15 000 (U)
Ghana		29 (limestone)			6 000 (Mg)
Guinea		600* (Fe)			7 500 (aluminium)
Guyana			3 000 (bauxite)		
Jamaica					4 000 (aluminium)
Kenya	94	60 (fluor)			
Liberia	35	500 (Fe)	49,300 (Fe)		
		300* (Fe)			
Madagascar	300	85 (marble)			
		2 170* (bitumen)			
		150* (chromite)			
		1 980 (Fe)			
Mali	7 358				
Mauritania	1 508				
Niger	65				10 000 (coal)
Nigeria		97 (kaolin)			
		1 220 (Pb-Zn)			
Papua-New Guinea			3 000 (bauxite)		52 000 (Cu, Au)
Rwanda		790 (Sn)	2 840 (Sn)		
CAR		163 (limestone)			
Senegal		100 (Fe)			
		500* (Au)			
Sierra Leone	1 311.5				
Somalia					7 000 (natural gas)
Sudan		200* (chromite)			4 000 (Au)
Tanzania					7 500 (natural gas)
Zaire		500* (methane)	40 000 (Cu, Co)		50 000 (Cu, Co)
			41 000 (Cu, Co)		
Zambia			55 000 (Cu, Co)		25 000 (Cu)
			28 000 (Cu, Co)		
Zimbabwe		500 (coal)			25 000 (Cu)
		400* (coal)			8 000 (Co)
Inter-regional (ECOWAS)				450 (Sch. of mining)	
Regional (Congo/Gabon)		7 000 (Fe)			
		2 500 (Fe)			
Regional (SADCC)	367				
Total	21 907.5	21 124	172 889.3	4 590	246 000

(1) The EIB projects are those marked with a *. The Commission projects are the others.

Symbols: Fe = iron Zn = zinc Co = cobalt
 Au = gold Sn = tin Mg = manganese
 Pb = lead Cu = copper U = uranium

cerned in accordance with Article 83 of the Third Lomé Convention.

In these cases, the Bank appraises the project on the basis of its normal criteria and, where appropriate, takes

the decision to provide financing in accordance with the procedures laid down in its Statute and following delivery of an opinion by a consultative committee of the Member States.

Establishment of entitlement to SYSMIN

The Commission receives applications forwarded to it by the ACP States for recognition of eligibility to

SYSMIN

SYSMIN, a special financing facility for ACP States dependent on the mining sector, was established under the second Lomé Convention and features again in the Third Lomé Convention (Titles II, chapter 3). The amount of funds available — and which are repayable on the same terms and conditions as special loans — has been raised from ECU 282 million under Lomé II to ECU 425 million under Lomé III.

General data

SYSMIN, unlike STABEX (the agricultural commodity export earnings stabilisation facility), does not compensate the ACP States for losses in their mining revenue.

It is non-programmable, non-automatic and covers existing mining operations.

Its characteristics may be summarised as follows:

- (a) The purpose of SYSMIN is to help ACP States heavily dependent on the mining sector to contend with exceptionally adverse circumstances seriously affecting this sector.*
- (b) The main element taken into account when analysing operations is their viability and SYSMIN's prime objective is to assist the ACP States in their efforts to reestablish such viability (even at lower capacity levels by abandoning marginal operations if necessary) in cases where this is compromised. The facility does not entail automatic transfers, but rather contributions to a joint effort (host country and co-financers), itself forming part of a rehabilitation, maintenance or rationalisation programme where a sector's viability has been only temporarily compromised (by unforeseen circumstances beyond the control of the country concerned). Where, however, there is no prospect of restoring viability, SYSMIN support will not seek to maintain uneconomic capacity at any cost. While still representing a contribution towards an investment scheme, it may be used for a project (even outside the mining sector) whose contribution towards a country's development, notably as a source of export revenue, has been established.*
- (c) Hence, SYSMIN does not constitute an automatic system for compensating the losses in export earnings, but without ignoring those, it concentrates on safeguarding their sources, i.e. production and export capacity.*
- (d) As under Lomé II, SYSMIN does not cover managerial errors, although consideration can be given to cases where the viability of a mining operation is unforeseeably affected by major technological or economic developments, serious technical incidents or major political events having an influence on the profitability of production.*
- (e) The system applies to countries whose economies are heavily dependent on one of the six products listed in Article 177.*
- (f) To allow the mining sector to play a full part in the development process, the Third Lomé Convention provides for derogation on a case-by-case basis whereby SYSMIN can benefit countries which are generally dependent on the mining sector and which, following a drop in their mining revenue, are unable to continue implementing other priority development projects already under way. SYSMIN can then be used to avoid the forced and costly interruption of work on such projects, which constitutes an innovation as far as SYSMIN is concerned.*

Procedure

The particular features of SYSMIN (which is neither programmable nor automatic) are such that, if the Community is to be able to take a decision to finance projects or programmes under this facility, it must firstly decide on the entitlement to Community aid from the special financing facility.

Hence, two distinct stages are involved:

- establishment of entitlement to such aid (country's eligibility for SYSMIN support, followed by signature of a joint statement by the Community and the recipient State);*
- the financing decision in respect of the project per se, which requires two decisions by the Commission following delivery of an opinion in each case by the EDF Committee. ○*

SYSMIN aid and examines their validity.

The Commission decides on the validity of such applications and establishes the amount of SYSMIN funds allocated to the applicant State following examination by its staff of compliance with the eligibility criteria laid down in the Third Lomé Convention, the type of project or programme proposed and the scope for co-financing, following delivery of an opinion by the EDF Committee.

Projects financed in conjunction with SYSMIN

Projects or programmes for which financing is sought under the SYSMIN facility are submitted to the Commission by the ACP State concerned — although this does not preclude preliminary informal contact by any party.

As a matter of priority, such projects or programmes must involve rehabilitating, maintaining, rationalising or modernising production or export capacities which have suffered severe disruptions, or which have been undermined by major technological and economic changes, thereby warranting recourse to SYSMIN.

Projects recognised as qualifying for SYSMIN financing are appraised by the Commission which, following delivery of an opinion by the EDF Committee, takes the corresponding financing decisions and establishes the terms and conditions applicable.

Where possible, applications for recognition of entitlement to SYSMIN aid and corresponding projects are appraised in parallel and decided upon simultaneously.

Co-financing

Where a mining project qualifies for financing both from the Commission (SYSMIN and/or indicative programme) and the Bank (as part of the aid detailed earlier), an application is forwarded to each of the two institutions, which examine it together. Decisions are taken in accordance with the procedures specific to each institution, although the latter are, of course, coordinated. Financing provided in conjunction with the indicative programme is generally devoted to infrastructure serving as a back-up for mining installations. ○



Mangroves

Fragile but fruitful(*)

Environmental conservation is becoming an increasingly important consideration for governments and development organisations. A conference on "Environment and development", jointly organised by the Commission of the European Communities and the Senegalese Government was held in Dakar (Senegal) from 12 to 15 January. Chaired by Mr Abdou Diouf, President of Senegal, the conference attracted representatives of 21 West African countries, the Community Member States, Sweden and Switzerland. The discussions focused on three specific themes: desertification, marine environments (coastal areas) and environmental impact assessment. And this was not the only international gathering devoted to the environment held recently—a seminar organised by the IUCN⁽¹⁾ and attended by some 50 African and Western experts met in Nianing, near Dakar in November last year to examine ways of safeguarding wet coastal areas, including mangroves.

These areas are treasure troves of irreplaceable natural riches: they produce not only fish but firewood, they protect coastlines and wildlife, and much more. Major projects such as the creation of irrigated areas

(rice), the development of rivers (Senegal) or road building (the Trans Africa between Dakar and Lagos) threaten their existence, however. It is therefore of paramount importance to make those responsible for projects more aware of their environmental impact.

This is why the Commission decided in 1986 to ask two European consultancies, the CML and SECA, to carry out a study, "Mangroves of Africa and Madagascar", on the conservation and development of these areas.

The aim, since little was known about mangroves in Africa, was to provide basic information that would help African policy-makers take the right political and economic decisions for an appropriate development of mangroves in the best interests of their countries.

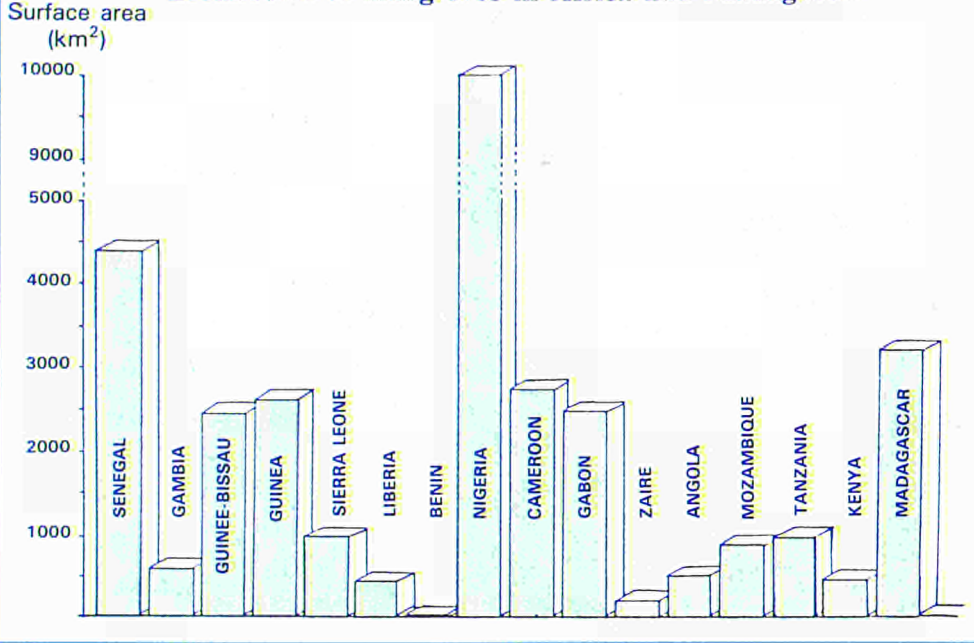
The basic study was supplemented by nine case studies on Gambia, Senegal, Guinea-Bissau, Guinea, Benin, Ghana, Nigeria, Cameroon, Gabon and Madagascar, the mangroves in these countries accounting for 85% of all African mangroves.

Each mangrove ecosystem is highly individual and therefore a case-by-case analysis was carried out to enable national authorities to take the appropriate measures for that particular context. Recommendations on the appropriate management of this important natural resource are also made with reference to the individual country.

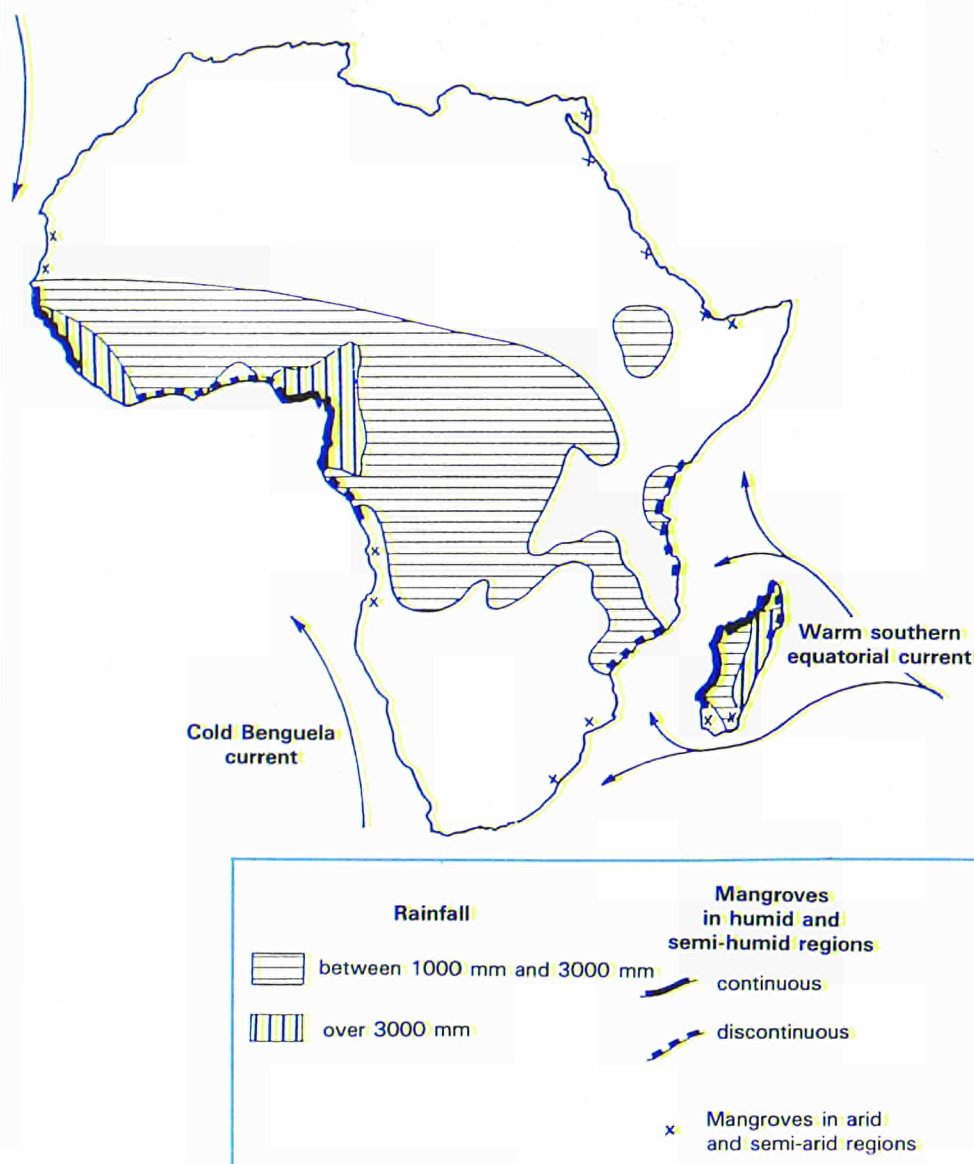
(*) Extract from a study carried out by SECA (Société d'écoaménagement, Marseille, France) and the CML, the Environmental Studies Centre of the University of Leyden, Netherlands.

(1) International Union for the Conservation of Nature and Natural Resources.

Breakdown of mangroves in Africa and Madagascar



Distribution of mangroves in Africa and Madagascar



The African and Malagasy mangroves

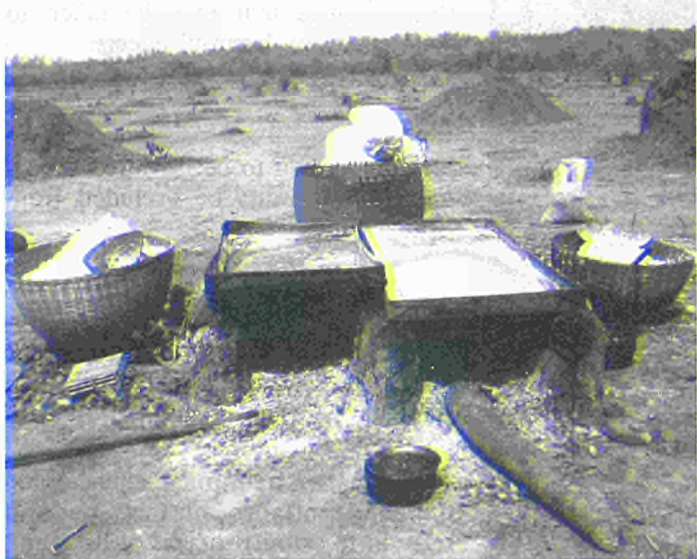
African and Malagasy mangrove forests cover some 32 000 km² (20% of the world total), of which 27 000 km² are in West Africa, 3 000 km² in Madagascar, and 2 000 km² in East Africa. In some countries, Senegal, Benin and Kenya, for instance, the area is fairly well known. Estimates for other countries vary greatly—between 400 km² and 960 km² in Tanzania and 2 100 km² and 4 000 km² in Madagascar. Knowledge of the area of mangroves in countries such as Côte d'Ivoire, Ghana, Equatorial Guinea and Congo is very sketchy.

Climate is a major factor in the distribution of mangroves: they are remarkably well developed in regions with a uniformly hot and humid climate, which more or less correspond to coastal areas receiving more than 1 000 mm annual rainfall. Mangroves also occur in semi-arid climates (Mauritania, Angola, south eastern Madagascar, the Egyptian shore of the Red Sea) and temperate climates (eastern South African coast) but are generally less extensive, less dense and have fewer varieties of flora.

Conditions for the optimal development of mangroves are: gently sloping shores subject to high tides but in a sheltered site; an abundant inflow of fresh water containing high levels of minerals and organic matter; high rainfall that keeps local water salinity below 60 per thousand.

Nearly three quarters of tropical Africa's coastline is fringed with mangrove forests. The best developed mangroves are found in West Africa between the Sine Saloum estuary in Senegal and the Ogooué estuary in Gabon (excluding the Liberian coast, which is rocky with a narrow foreshore, and the coast bordering Ghana, Togo and Benin, which lies on the so-called "drought diagonal"). On the Indian Ocean side, only Madagascar has well-developed mangroves.

Nigeria alone possesses over 35% (9 700 km²) of all West African mangroves owing to the size of the Niger delta. Next comes Senegal (4 400 km²), followed by Guinea-Bissau, Cameroon and Gabon (2 500 km² each). In East Africa mangroves are comparatively small, the largest area



Salt production at Boffa in Guinea; boiling the brine



Rice-growing in mangroves in Casamance (Senegal)

being in Tanzania (some 1 000 km²). Madagascar's 3 000 km² of mangroves are along the west coast (excluding the extreme south-west).

Mangrove vegetation

Mangroves are basically made up of a limited number of mangrove species.

What all these species have in common is their remarkable adaptation to the very special conditions created in tidal reservoirs.

For instance, in response to the various physiological and mechanical constraints to which they are subject, mangroves have developed quite extraordinary roots—aerial and prop roots, horizontal roots and pneumatophores—to procure the oxygen they need and anchor themselves in unstable ground.

In the same way most mangrove fruits and seedlings are equipped with mechanisms that help them to root themselves in soil that is always fairly muddy and regularly flooded by the tide.

Mangrove wildlife

Whereas in the case of vegetation, the mere presence of mangrove trees is practically synonymous with "a mangrove", the abundant wildlife, whether aquatic, terrestrial or aerial, whether sedentary or migratory, is not specific to this environment. Most species

are found in other ecological contexts, although, for many, mangroves offer an ideal environment for reproduction.

The mangrove ecosystem

Standing between low- and high-tide marks, mangrove forests are at the interface of the land and sea and bring original features to the two environments they link. To the sea they add all the variety and complexity of the upright mangrove trees and the amazing biomass formed by their litter. To the forest they bring a constantly replenished resource in the form of aquatic invertebrates in the soil.

From a trophic point of view, the mangrove ecosystem has the capacity to optimise *in situ* production of organic matter.

The combination of productivity and variety of niches makes mangroves a particularly suitable environment for aquatic fauna. This attracts sedentary, nomadic and migratory species so that the importance of mangroves extends far beyond the coasts where they thrive.

Efficient mineral retention and the fact that they serve as protection against storms are other important features of mangroves.

Biomass and productivity

A mangrove forest does not represent any considerable plant biomass.

Measurements carried out in good examples of mangrove forest show an average of 150 tonnes/ha of standing dry matter.

Taking into account net productivity, a mangrove forest produces, under favourable conditions, from 15 to over 20 tonnes/ha/year.

Compared with other plant formations, mangroves are characterised by particularly high organic matter production in spite of a relatively low standing biomass.

Man and mangroves

Uses and strategies for development

Mangroves are very important to most coastal communities because of the resources they provide all the year round—fish, oysters, fuelwood, building materials, and more. In some countries they also provide a base for industrial activities. The main uses of mangroves can be summarised as follows:

— *Fishing*, both industrial and non-industrial, is a widespread activity in all the countries concerned. There is even overexploitation in most countries, excluding non-industrial fishing in Guinea-Bissau.

— *Aquaculture* is at the experimental stage and generally underdeveloped, whereas shrimp and oyster cultivation could be carried out more extensively.



Timber production and transport from mangroves in Guinea

— *Forestry* — the utilisation of mangroves for wood varies. In Senegal and most semi-arid areas mangrove wood is very important. In Nigeria, Cameroon and Gabon, in contrast, it is less so, apart from the specific needs of some isolated communities (smoking fish, tannin), the main reason for this being the abundance of tropical forests, which are easier to exploit. *Charcoal* is found in Senegal, Guinea-Bissau and Côte d'Ivoire but not other countries, although there is potential in Nigeria and elsewhere.

— *Salt pans* are found in most semi-arid areas and are of importance in Senegal, Benin and Mozambique. Any boiling of the brine entails heavy use of firewood, with deleterious effects on mangroves, as in Benin, for instance.

— *Rice growing* in mangroves is mainly confined to West Africa where the coast enjoys heavy rainfall. It is also cultivated on the fringes of mangroves in Madagascar.

— *Mining*: bauxite and iron ore in Côte d'Ivoire, sand in Nigeria and, above all, petroleum wells in Nigeria (over 8 000 ha) and Cameroon, something which seriously affects mangrove ecosystems, sometimes irreversibly, because the pollution caused by this activity destroys some of the links in the characteristic animal and plant chains of mangroves.

Planning and development options

Different countries find different uses for mangrove resources. The dif-

ferences concern the amounts invested, the labour involved and the techniques used or even the nature of the resources exploited, with the exception of the special case of the mining and petroleum industries.

Major influences are the physical features of the environment—climate, tides, the water system, productivity. But the social environment and purely political decisions also determine how resources are used and themselves vary from area to area.

Exploitation of mangrove resources goes hand in hand with human intervention in forms that range from dams/reservoirs and anti-salt barriers to small-scale oyster cultivation. The environmental changes they cause may be irreversible and lead to the destruction of the mangrove.

However, we can conclude by saying that the mangroves of Africa and Madagascar may support, singly or together, the following activities: fishing, aquaculture, forestry and honey production.

In certain conditions salt extraction is possible, providing that there is a long dry period, as is rice growing if there is high rainfall (more than 1 m a year). Lastly, all mangroves provide environmental protection.

These are the main activities on which to base the planned development of mangroves.

Exploitation of mangroves, however, must be kept at levels compatible with maintaining them in their present

state. To this end, we outline some of the measures that may be taken to counteract any harmful effects.

Fishing zones

Areas known to be favoured breeding grounds must be excluded from fishing zones.

Aquaculture

The central mangrove areas must not be touched. In any case, soils with sulphates are not suitable for fishponds.

As regards traditional aquaculture, the choice of sites must be made in relation to salinity, height of tides and quantity of fry.

Forestry

Sites must be identified with precision. Mangroves on creeks should not be felled and provision made for reforestation.

Agriculture

Acid-sulphate soils are not suitable. Mangroves bordering creeks should not be touched and every effort made to avoid affecting water circulation. Developments totally foreign to the ecosystem are best avoided.

Rice growing

If rice fields are abandoned they should be replanted, if possible, or converted to fishponds or salt pans.

Dam construction

The movement of sediment should be kept to a minimum.

Development of human habitation

Large mangrove forests should be left untouched. Domestic refuse should be placed in designated sites.

Dredging

Dredging should be avoided whenever possible and carried out taking into account the current. Dredging of potentially acid-sulphate soils is ill-advised. ○

JAMAICA

Back on the track

**“We Jah people can make it work
Come together and make it work
We can make it work
We can make it work”**

Bob Marley

“What is the name of the country where the Prime Minister quotes reggae lyrics in Parliament?” It may sound like a question from a quiz programme, and obvious as the answer may be to many—Jamaica of course!—it certainly shows how deeply embedded reggae has become in Jamaican culture and society. The use of those lyrics has also to be seen within its particular and obviously more serious context: when, on 13 January 1987, Prime Minister Edward Seaga quoted Jamaica’s national hero Bob Marley, the “King” of reggae, he was informing Parliament of the conclusion, after lengthy and difficult negotiations, of a new agreement with the IMF. This new IMF-Jamaica deal aimed to contribute to further stabilisation, and structural adjustment meant to take the economy from a phase of recovery based on austerity to one based on growth. His appeal to “make it work” referred to the challenge confronting Jamaicans and their economy: “1986 was without doubt better than 1985, and 1987 is poised to be better than 1986. The upward climb is in progress and can continue with growing strength. It is a challenge, I know, but we did not fail to meet the tougher challenges of the past, and we won’t fail to meet what the future demands of us...” As it proved, 1987 was better than 1986, the upward climb out of the economic abyss into which Jamaica had fallen in the 1970s, did continue, and the challenges were met. But however positive last year’s performance showed to be, the “economic” sky above the paradise island isn’t all blue: as Prime Minister Seaga explains in an interview on page 27 the recovery is still fragile and, given the openness of the Jamaican economy, it remains vulnerable. Also, one particularly dark cloud is menacing: the external debt of over US\$ 3.600 million makes Jamaica, in per capita terms, one of the most—if not the most—indebted countries in the world.



The statue of the great reggae musician and folk hero Bob Marley, honoured by the nation's Order of Merit, who died in 1981. Reggae is more than just music in Jamaica, it is also a force for social and political cohesion and national pride



JTB - O'Brien / JTB - O'Brien

Something old, something new... Left, Vale Royal, the official residence of Jamaican Prime Ministers; right, an aerial view of Kingston, the capital

The third largest island in the Caribbean

There are so many lyrical, exuberant descriptions of Jamaica's beauty, it would be difficult to beat them. They range from "the fairest island that eyes have seen"—flowing from the pen of Christopher Columbus' ghost-writer when the famous navigator and discoverer sighted the island on 5 May 1494 during his second New World trip—to "never had I seen a land so beautiful" from the mouth of Errol Flynn, the 1940s film star, to "good news—paradise really exists", born of the imagination of present-day tourism promotion copywriters. The latter have certainly been successful. In 1987, just over one million visitors came to Jamaica, the third largest Caribbean island and the largest English speaking one. Xamayca, "land of forests and water", as it was called by the original Arawak Indians, (though not all agree on the meaning) covers an area of 11 424 sq km, about 235 km long and 80 km wide. Endowed with generally fertile land, tropical forests and lush vegetation, Jamaica, and its thriving tourism sector in particular, boasts a range of fine beaches, mostly along the northern coast, and spectacular rocky coastlines. "So mountainous, the land seems to touch the sky", our medieval ancestors commented, and the main feature of Jamaica is indeed its rugged highlands, the Blue Mountains, rising to the highest point, Blue Mountain Peak (2 256 m), with almost half the country over 300 m above sea level. The tropical climate, usually cooled by pleasant trade winds, constitutes a major asset for tourism and creates generally good conditions for agriculture.

Claimed for Spain by Columbus, Spanish settlers arrived in the island as of 1510 only and made Spanish Town their capital. They enslaved the native Arawaks, virtually wiping them out, and had to start bringing in slaves from Africa. As was the case with the rest of Caribbean, Jamaica, by the end of the 16th century, became the object of extended national rivalries between a score of European nations. The English, in particular, coveted the island and it was finally an expeditionary force sent out by their Lord Protector Oliver Cromwell, which brought Jamaica under British rule as of 10 May 1655. The importing of slaves rose steeply in response to the demand for labour on the cane plantations which, by the 18th century, was becoming a prominent crop, making the fortunes of the owners and the miseries of the workers. The many old plantation houses, scattered throughout the country, some of great beauty and splendour, constitute a remarkable heritage of those days. One obviously also has to recall the active role played by buccanniers, pirates and other early free-style "entrepreneurs", in the history of the West Indies in general and Jamaica in particular.

In their heyday they made Port Royal, now a quiet little harbour, a lively and thriving—and, in the eyes of some,—a very "sinful" market place for their loot. Complete emancipation from slavery was achieved finally in 1838, though the abolition of the slave trade had already been secured in 1807. By 1957, Jamaica was granted internal government; the year after Jamaica became a founding father of the West Indies Federation. In 1961, however, it voted to leave the Federation.

On 6 August 1962, Jamaica gained independence, the first British West Indian Island to do so.

A high degree of political awareness

Independence had been the major target of the two main political parties which were created in the late 1930s and which evolved, particularly as of 1944, when a new Constitution based on universal suffrage was introduced. Since then, the Jamaican Labour Party (JLP) and the People's National Party (PNP), have held the political reins of a country where the degree of political awareness among the average man in the street is very high. Politics are simply in the blood of any Jamaican. At times, it may be "bad blood", when debate and argument are unfortunately replaced by straightforward violence: the 1980 general elections witnessed a climax in the political heat, with a death toll of 500-600, bringing a highly unsavoury image of Jamaica to the forefront of international broadcasting and doing little good to such sensitive sectors of the economy as tourism.

Of course, a lot was at stake in the 1980 elections. Michael Manley's more leftist-oriented PNP had turned Jamaica into a front-runner in Third World affairs and had developed a close relationship with Cuba — to the consternation of the USA. But the PNP had been unable for a number of reasons, both external and internal, to stop, let alone reverse, the steep economic decline the country was experiencing. Edward Seaga's JLP, more free-market oriented, was then perhaps less interested in a major role on

the international scene and rather more interested in getting the country out of the economic slump in which it had tumbled, and in restoring good relations with the USA, still Jamaica's major market place.

On 30 October 1980 the JLP approach produced a landslide victory over the PNP, which had governed for eight years, and Edward Seaga became Prime Minister. The following general elections held in 1983 produced a somewhat unusual result: as Michael Manley's PNP boycotted the ballots, all seats in Parliament were won by the JLP. In July 1986, however, the PNP obtained a clear win in the local government elections, winning no less than 13 of the 14 parish councils. Fortunately, party-political violence had by then become far less extreme. Both party leaders, Seaga and Manley, had publicly agreed and called upon their supporters to keep matters under control, just as they are having consultations now on a code of conduct regulating political behaviour in the run-up to the next general election due sometime before March 1989.

A fierce sense of nationalism

It is widely accepted that both parties have a solid support of roughly just over 40% of voters, the remaining 15-20% determining the power balance. However pronounced the political split may be—some quarters of downtown Kingston, the capital, have almost symbolic demarcation lines signalled by countless party-political graffiti, often competing for space with rastafarian slogans and designs—all Jamaicans share the same fierce sense of nationalism. There are over 2.3 million of them, mostly of African descent but with a wide-ranging diversity and mix of European, East Indian, Chinese and Arabic descent.

The nation's motto "Out of many, one people" is fully borne out in reality and even those few hundreds of thousands of Jamaicans living abroad, generally in Northern America, are proud to be Jamaican. When Jamaica, for instance, in late February of this year, and for the first time in 19 years won the regional cricket championships, politics were clearly set aside for a while, and all indulged in the sweet taste of victory. Downtown Kingston

witnessed scenes of hundreds of happy fans quenching their thirst on Jamaica's famous Red Stripe beer (found nowadays even in some European supermarkets) enjoying the taste of some jerk pork, ackee and saltfish, pepperpot soup and bammie cakes, whilst powerful loudspeakers blared out their reggae rhythms.

Recovery through austerity

Winning that championship—cricket is the single most important sport throughout the English-speaking Caribbean—may take on symbolic meaning: it could indeed be interpreted as a proof of Jamaicans having regained confidence in themselves, having gone through the hardships of economic decline in the 1970s and those of austerity reforms in the 1980s.

"Jamaicans can be both pleased and encouraged that the past few years of austerity and sacrifice have already produced the expected results in some critical areas of the economy, with promising movement in all other areas except the rebuilding of the foreign exchange reserves" declared Prime Minister Seaga—also Minister of Finance and Planning—last year when delivering his 1987/88⁽¹⁾ budget speech. In his view, "the economic out-turn for 1986/87 has been one of the best in

(1) Jamaica's fiscal year runs from 1 April to 31 March of the following year.



Dr Clement Jackson, Director-General of the Jamaican Planning Institute
"We are on the threshold of sustained growth, but like any threshold, that is a fragile situation"

the last 15 years: the fiscal deficit was the lowest in 17 years; growth was the highest in 15 years; investment ratios were the highest in 12 years; unemployment was the lowest in 10 years and inflation was the lowest in 5 years". The considerable contraction of the economy in the second half of the 1970s had indeed necessitated the government to embark, as of 1981, on major programmes of stabilisation and structural adjustment reforms assisted by the IMF and the World Bank as well as by other international donors. A wide-ranging series of measures was developed encompassing monetary, fiscal, tax and trade reforms, public divestment and privatisation, incentives to both local and foreign investors, overall streamlining of public management etc... Tightening the belt was the watchword in order to redress the balance of payments and restore economic growth. It was done, though things weren't always easy. The bauxite/alumina sector, for instance, which had traditionally been the leading export earner, tumbled into an unforeseen decline as world market conditions deteriorated dramatically: in 1981/82 the 12 million tons exported brought in US\$ 670 m, by 1985 both volume and earnings had dropped considerably, with only 6 million tons earning US\$ 280 m. Though the other three mainstays of the economy—agriculture, manufacturing and tourism—were all experiencing growth, the decline in mining constituted a major setback to the Government's efforts at recovery: the early 1980s recorded some modest growth, but 1984 and 1985 turned out negative growth. Few countries seem to have suffered as great an adverse shock, due mostly to reasons beyond their control during the first half of the 1980s, as Jamaica, so the stabilisation exercise was a particularly difficult one. Confidence remained, however, in the recovery approach, which had obviously meanwhile been finely tuned to respond to the setbacks. Thanks to a relative upswing of the bauxite/alumina sector, considerable savings on oil purchase spending, and rapid increases in receipts from non-traditional exports and from a booming tourism sector, 1986 witnessed a real GDP growth rate of close to 4%.

1987 proved even better: GDP grew by 5% and the deficit in the net inter-



The Courier

Hugh Hart, Minister of Mines, Energy and Tourism

On the Alcoa-government joint venture: "This whole operation constitutes both a big success story in the industry as well as a very courageous step on behalf of the government"

national reserves was cut back by US\$ 309 m, a reduction by more than half, to approximately US\$ 200 m only. Under the previous government, net international reserves had fallen from a positive of close to US\$ 180 m in 1972 to a deficit of over US\$ 580 million by the end of the fiscal year 1980/81. (Prime Minister Seaga gives a full account of the 1987 economic performance in the interview which follows).

"... on the threshold of sustained growth..."

The mood is therefore generally optimistic, though cautious. "We are on the threshold of sustained growth", believes Dr Clement Jackson, the Director-General of Jamaica's Planning Institute "but, like any other threshold, that is a fragile situation; it is like walking a tightrope between expansion and contraction". For this year, a 3.5% GDP growth rate is targetted, with a further reduction of the net international reserves gap, which is hoped to be wiped out over the next 3-4 years. A lot, of course, will depend on the different key sectors' performance: the bauxite/alumina outlook seems good now, but remains uncer-

tain; agricultural exports continue to be subject to the vagaries of the market; non-traditional exports, textiles and garments mainly—which have achieved a dramatic increase in export earnings (rising from less than US\$ 20 m four years ago to approximately US\$ 120 m today) will have to try and keep up their momentum, mainly in the difficult US market. Tourism, though it has expanded rapidly over the last two years, remains a volatile sector: in early 1988 there were already signs of the shockwaves caused by the stock exchange crash, of the slow-down in the US economy, of the Haitian situation and, perhaps, of the pre-election year mood in Jamaica, too, with its propensity to violence.

The agreement concluded with the IMF in January 1987 obviously contributed to the positive 1987 economic performance, but was the result of long (10-month) and painstaking negotiations. Discussions turned primarily around the need to again devalue the Jamaican dollar against the US dollar. The Government, and Prime Minister Seaga in particular, argued that the current rate of exchange of J\$ 5.50 to US\$ 1—quasi-fixed through a system of managed twice-weekly auctions—was competitive and that it no longer needed the traditional IMF devaluation approach of the early years of adjustment (until 1977, J\$ 1 was worth US\$ 1). Eventually Government and the IMF found their own "terms of endearment" and worked out a new agreement, not based on a drastic devaluation, yet effective.

In macro-economic terms, one unavoidably comes up against the massive debt problem totalling

US\$ 3 660 m at the end of February 1988; overall debt is likely to increase further over the next few years as, in order to achieve the targetted 3.5% to 4% GDP growth rate, additional financing of about US\$ 180 m per year is required over and beyond the financing that is already committed. A particular feature of the debt is also the fact that much of it (over 40%) is owed to creditors whose payments cannot be rescheduled. In the fiscal year 1986/87 the US\$ 3 500 m total debt represented no less than 135% of GDP and debt service requirements absorbed over 47% of foreign exchange earnings. Cutting down those ratios—which put a heavy burden on the economy—to more sustainable levels (a maximum of 25% of foreign exchange earnings) constitutes a major priority in Jamaica's future economic strategy.

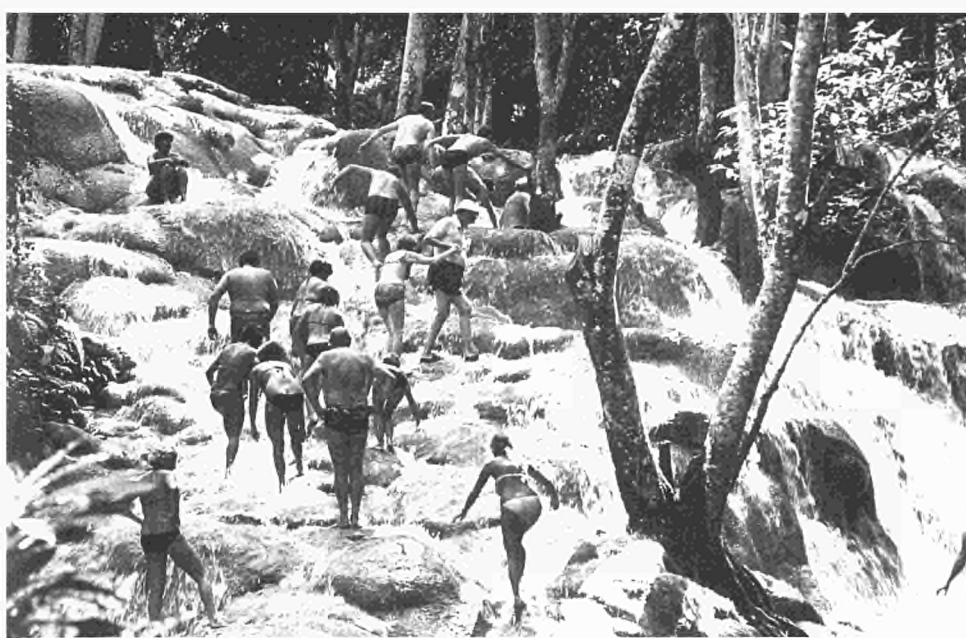
Resurgence in the bauxite sector

The bauxite/alumina sector used to be the main pillar of Jamaica's economy in terms of export earnings. Over the past few years, though, that role has been taken over by tourism: gross foreign exchange earnings from bauxite/alumina amounted to some US\$ 309 m in 1986 while the estimated foreign travel receipts for the same year brought in US\$ 516 m. Those in the bauxite industry, such as Dr Carlton Davis, Executive Director of the Jamaica Bauxite Institute, argue however that their net figures for export earnings (US\$ 175 m in 1986 and US\$ 186 m in 1987) may be more "tangible", however, than those of the tourist sector with its heavy import component...



JTS - Smith

Jamaica is only engaged in the first two stages of the aluminium industry: the mining of bauxite, as shown above, and refining part of it into alumina



JTB - O'Brien / JTB - O'Brien

Two of the countless tourist assets: tourists climbing the lovely Dunn's River Falls while others take a ride through the countryside on the oldest railway of the Commonwealth

Generally speaking the bauxite/alumina sector seems to be fighting its way out of the doldrums into which it had sunk in the first half of the 1980s, when over-capacity at world level was facing weakened overall demand and when rising energy costs had considerably reduced Jamaica's competitiveness. Unlike other major producers, Jamaica is, indeed, 100% dependent on imported oil to fuel the heavily energy-consuming refining of bauxite into alumina. The latter factor is, in fact, the reason why Jamaica, though the third largest bauxite producer after Australia and Guinea, and with reserves allowing production for well over another 100 years at present levels, does not go in for actual aluminium smelting, demanding even more energy inputs, but only produces bauxite and refines part of it into alumina. (It takes roughly 2.5 tonnes of bauxite to refine into one tonne of alumina and 1.95 tonne of alumina to smelt into one tonne of aluminium).

In terms of total bauxite output (exported and processed locally), 1987 saw a 10% increase over the previous year, from 6.96 m tonnes to 7.66 m tonnes (still to be seen against production levels between 11.5 m tonnes and 12 m tonnes during the 1977 to 1981 period). While production (from 2.93 m tonnes to 3.75 m tonnes) and exports (from 2.94 m tonnes to 3.71 m tonnes) of crude bauxite went up considerably, alumina production increased only moderately (from 1.57 m tonnes to 1.6 m tonnes) while alumina exports declined marginally (from 1.59 m tonnes to 1.57 m tonnes, the latter figure representing a bauxite equivalent of 3.95 m tonnes).

This improvement in the overall bauxite sector output is, as Dr Davis explained, due to a combination of factors: a considerable drop in oil prices since the last quarter of 1985 cutting down production costs; a weakening of the US\$—to which the J\$ is linked—against most European currencies, allowing for more aggressive marketing in Europe; strengthening aluminium prices as excess supplies came more in line with demand and increased local efficiency in both production and exports management. Take the energy costs for example: "Before the oil crash the industry spent roughly US\$ 67 to produce one tonne of alumina. Today this has dropped to only US\$ 37. As we produce about 1.6 m tonnes of alumina, that alone represents savings of US\$ 30-35 m, but it also narrows our competitive edge on other world producers, like Australia, which have their own energy sources", declared Dr Davis.

Jamaica's bauxite sector is controlled largely by a handful of major multinational corporations such as Alcoa, Alcan, Kaiser and Reynolds, — which have long had their differences with government over the bauxite levy. When the sector reached the height of its problems in 1984-85 decisions were taken in overseas boardrooms that might be interpreted as fitting in with corporate strategies rather than with the country's own interests. By 1984 one bauxite mining plant had been closed down, followed by a double major setback to the industry and the economy as a whole, as two alumina refineries were also shut down in February and August 1985 respectively. Government felt it had to

intervene to lessen this major blow, and leased the Alcoa refinery, shut down on 15 February—up to then a 94% Alcoa/6% government-owned plant—through a fully government-owned company, Clarendon Alumina Production Ltd (CAP), and, on 1 August 1985, started something which most in the industry would put in a class of its own. Prior to that the refinery had been turning out only about 300 000 tonnes of alumina with 900 employees; Government streamlined operations, cut back on the frills and fancies, capitalised on the low oil prices, reduced the number of expatriate staff (one "expat" represents the cost of about 30 local workers...) and turned out 750 000 tonnes, considered the maximum sustainable capacity, with only 860 employees. The CAP refinery, as it is usually referred to, became in fact one of the most efficient in the world. As the sector started showing signs of resurgence, the Pittsburgh headquarters of Alcoa in October 1987 announced its intention to resume operation on its own account; government felt it had to cash in on its success, and after long and not always smooth negotiations (lawsuits etc) succeeded in signing a joint-venture agreement on a 50-50 basis with Alcoa on 13 March 1988. "This whole operation constitutes both a big success story in the industry as well as a very courageous step on behalf of the government", felt an obviously relieved Minister of Mines, Energy, and Tourism, Hugh Hart, when talking to *The Courier* only a day before the signing of the deal. Government now has an equal say in the plant's production, safeguards em-

ployment, can fulfil its alumina marketing obligations and participate in increasing the capacity to 1 m tonnes, and continue to cash in the full bauxite levy. Moreover, and even with relations with Alcoa back to normal, it shows how a developing country (though Jamaica is in the eyes of many a poor developed country, rather than a rich developing one...) with the necessary determination and skill, can come to terms with distant corporate boardrooms...

In view of Jamaica's heavy dependence on imported oil and the shock-wave its price movements have sent through the economy, much interest is obviously directed towards reduction of that dependence. As Minister Hart explained, "Apart from the almost classical smaller scale approach like solar energy, focus will mainly be on the one hand on hydro-schemes and on the exploitation of two rather large peat deposits". Geologically the country is handicapped from a hydro-electricity point of view, as rivers tend to disappear underground in the limestone soils. Nevertheless, by 1995, 25% of all energy requirements could be covered by a series of small hydro-schemes, which would represent considerable savings as it would replace some 3 m barrels per annum of imported oil. The peat deposits could provide some 90 Megawatt for about 25-30 years, or 35% of the energy requirements, but their exploitation requires heavy capital expenditure as well as posing potential risks to the environment.

Tourism: potential for significant development

Minister Hart who is also in charge of the Tourism portfolio, declared himself to be "a happy man in view of our tourism boom, but I want to be even happier...". Tourism in his view still offers much scope for future development, as the country has so much to offer: "Our tourism potential is perhaps the greatest of the Caribbean, as we have everything the others have, but even more..."

It would take many pages to list all Jamaica's tourist assets. To avoid the risk of "forgetting one", suffice to say that there is virtually something for everybody's taste... and purse. Jamaica has developed a varied marketing ap-



The Courier

Clarence Franklin, Permanent Secretary in the Ministry of Agriculture

"We are seeing an interest displayed in agriculture as never shown before"

proach as there is "every kind of accommodation for every kind of pocket", ranging from simple country cottages to more-than-luxury villas (at dazzling monthly rents!) and from small hotels scattered over the country (like the lovely Inns of Jamaica) to absolutely first-class operations, the so-called all-inclusive hotels (all food, liquor etc... is available in unlimited quantity at a prepaid fixed price!) In 1987, 1 037 634 visitors (954 612 in 1986, as against only 543 988 way back in 1980) came to witness this for themselves, leaving Jamaica with



JIS - McKay

Though many new investors came to agriculture, the traditional farmer still has a head start

gross foreign travel receipts of US\$ 595 m (US\$ 516 in 1986 and only US\$ 242 m in 1980); the more profitable stop-over tourists—as compared to short-stay and lower-spending cruise ship passengers—showed in fact an increase of 11.3% over the previous year. "Tourism has been growing very rapidly, in fact it doubled over the past eight years, but this rapid growth has put a heavy burden on infrastructure—airports, sewage and water supplies, roads, docks etc...—which take more time to plan, design and put in place than the actual tourism growth, so we have set a number of priorities now in those areas. We are, by the way", added Mr Hart "very happy with the EEC's sympathetic attitude and response to our needs in those areas". So Government is clearly determined to keep up the momentum, by providing increased infrastructure, by effective promotion campaigns in the major markets (mainly Northern America, which provides roughly two-thirds of all visitors) and by fostering a continued positive attitude vis-à-vis tourism among Jamaicans. After all, as Minister Hart stressed, "we retain 61 cents on every dollar we spend in the tourist industry, and only 39 cents go to the inputs necessary to sustain the industry, as many local supplies are available in both the required quantities and qualities".

New buoyancy in agriculture

Partly in response to this tourism boom, but mostly because of the government's intensive efforts since 1980/81 to make agriculture a focal point of its structural adjustment effort, Jamaican spokesmen these days tend to evoke a new buoyancy in agriculture. "We are seeing an interest displayed in agriculture as never shown before", stressed Mr Clarence Franklin, Permanent Secretary at the Ministry of Agriculture. "A new breed of entrepreneurs", he continued, "mostly professionals, have shown up in this sector—which some consider as our "sleeping giant" given its still untapped, considerable, potential—and though they haven't got the expertise, they have the money to buy it". It is not surprising, therefore, to find e.g. dentists owning flower farms or civil engineers being financially committed in fish farming. The "real" farmer of

course has a head start and through better pricing policies and the increased competitiveness for his produce on export markets, partly due to the devaluation of the J\$, also gets a higher final outturn for himself.

Virtually every crop has seen its acreage increased: bananas, coffee, spices, citrus, cocoa, vegetables, flowers, rice, not to mention the success story of inland fish farming. A major part of this expansion still has to come on stream, so most of the gains in exports are still to come. Receipts from agricultural exports have already grown rapidly, by 26% between 1982 and 1986 (from US\$ 86.6 m to US\$ 109 m); non-traditional agricultural exports (vegetables like pumpkins, tomatoes etc; tubers like yams, dashees etc...; fruits like melons and avocados; ornamentals like cut flowers and foliages etc...) have performed particularly well as their export volume grew by 127% between 1983 and 1986 while their export value achieved a 60% growth over the same period (from US\$ 9.4 m to US\$ 15.1 m). Government tries to keep a middle-of-the-road policy between self-sufficiency supply programmes, selective exports production and controlled food imports. Domestic food crop production has picked up as it grew by 35% in volume since 1983 to reach over 473 000 tons by 1986. Farmers also try to tie in as much as possible with demand from the tourism sector for quality products such as prime meats, iceberg lettuces, white or Irish potatoes etc... while hotels in return increase the Jamaican touch of their cuisine by promoting the consumption of local specialities such as ackee and saltfish.

Reviving sugar and bananas

Some of the main traditional agricultural export crops have been considerably revitalised, sugar and bananas in particular. Both crops currently depend to a large extent on their access to the EEC market: for sugar, Jamaica has a 125 000 raw tonnes quota under the Lomé Sugar Protocol, while the United Kingdom is the guaranteed market for Jamaican bananas.

To Frank Downie, the Chairman of the Sugar Industry Authority, "the EEC Sugar Protocol is one area of assistance which is of great significance to us", a statement which is easy to understand as the EEC price is at present more than double the world sugar price. In his view, "sugar is clearly the backbone of agriculture, in terms of employment, GDP contribution and foreign exchange earnings". The 1987 crop turned out 188 000 tons of sugar while for this year 207 000 tons are foreseen; by 1991 production is targeted to reach 250 000 tons by raising average crop yields and overall efficiency, particularly in the refineries. While in 1965 Jamaica still produced 1/2 million tons, it has experienced a steady decline since then, and a particularly steep decline since 1976 (from 360 000 down to 290 000 the following year). The reasons for this have included serious cane diseases and the inability to produce at a rewarding price in a depressed market. New outlets for cane and its by-products are also underway or being studied: ethanol production has begun to take advantage of US-CBI provisions; molasses for high quality products will be produced; the rind of cane will be used as charcoal; amorphous or sul-

phur-free sugar will be produced and cane juice will be use for table syrups and beverages. Rum—the most important secondary sugar cane industry—will of course easily continue to attract custom.

The country of the "Banana boat"—the famous song of countryman Harry Belafonte—is also seeming to enjoy a turn-around in its banana exports: 1987 saw a 65% increase over the previous year, up to 34 231 tonnes. Bananas have been very much in the doldrums: whereas annual exports averaged about 150 000 tonnes in the 1960s, by the 1970s the rates were down to 70 000. In the 1980s, a real downturn had set in, with a lower average of only some 20 000 tonnes per year. As Marshall Hall, the Chairman of the Banana Export Company Ltd (BECO) explained, "that downturn was due to a combination of Jamaica's lack of response to the demand for better quality bananas; its lagging behind in the variety changes; the shortage of foreign exchange limiting the industry's capacity to acquire necessary inputs; the non-separation between fruits for exports and those for local consumption as a vegetable; low export prices; and last but not least, Hurricane Allen, which virtually halved production in 1980".

As of 1982 the banana industry has embarked upon a recovery and reorganisation programme, streamlining operations, getting more of the profits in the pockets of actual growers and improving the quality of its product—mostly the "look" of it (scar and stainfree etc...) as European consumers unfortunately often attach more importance to the appearance than to the taste of the fruit!



JIS - Smith / BECO

The two most important of the traditional export crops, sugar and bananas, show signs of improvement

By 1991, production is expected to reach the 100 000 tonnes mark again. BECO's Chairman, Marshall Hall, is obviously also aware of the possible threat posed by the 1992 European single market to Jamaica's guaranteed access to the UK market: "We will lobby, together with the WINBAN⁽¹⁾, Belize and Suriname exporters, to safeguard our preferential ACP access into the UK, but, win or lose, we go strongly ahead to produce competitively a quality fruit, and we certainly intend to be around after 1992!"

Modernisation in manufacturing

Promoting a sound business environment and a welcoming investment climate, those were some of the main objectives of the government when it developed a series of comprehensive trade and tax reforms and started cutting down on institutional red tape while pushing ahead also with a divestment and privatisation campaign. Though it certainly intends to pursue this approach, it is already witnessing its success: between 1981 and 1987 for instance, the JNIP (Jamaican National Investment Promotion) succeeded in attracting over 800 new investments worth over US\$ 300 m, whilst job creation exceed 63 000, particularly in the Montego Bay and Kingston free zone areas. The garment industry is almost a show-piece: under the so-called 807-scheme provided for by the CBI (precut US garments are imported in Jamaica where they are stitched, packed and shipped back to the original supplier), some 70 plants now employ 20 000 Jamaicans as against only four plants employing 3000 people four years ago. Generally speaking, the manufacturing index went from 97.2 in 1980 (1974: 100) to 119 in 1986; the value of manufactured exports of over US\$ 160 m in 1986 was 52% above the 1980 level, while overall employment grew to over 115 000 for the same year, as against only 69 000 in 1980. By and large, Jamaica has been one of the main benefitters of the CBI and is already actively engaged in lobbying with the US administration for the expansion and extension of the

CBI scheme beyond 1995, when it is scheduled to end. It will certainly be supported in this by its Caribbean neighbours as, for the whole of the area, the CBI hasn't really lived up to expectations in terms of stimulating economic growth and investment. Moreover, the considerably reduced US quota for Caribbean sugar constituted a major disappointment, which in the eyes of some undermines even "the economic viability of the very countries which the CBI intended to help".



One of the so-called "higglers" (a contraction of hagglers and gigglers) who play a major role in the informal economy

In Jamaica itself, the business community feels things have moved the right way: "Generally speaking we are quite satisfied with government performance in the past years", says Desmond Blades, 1st Vice-President of the Chamber of Commerce (COC). Their major concerns include the stability of the foreign exchange rate and the fact that so much depends upon earning the necessary foreign exchange to meet the growing import bill. Much of the industry remains dependent upon the import of materials for production and consumption, so the COC feels that the imported content of products has to be reduced to more

sustainable levels. Last year's reduction of the deficit in net international reserves by more than US\$ 300 m, and the government's determination to achieve positive reserves in another 3-4 years' time, is therefore more than enthusiastically welcomed by the business community.

Whereas most infrastructure and utilities (water and power supply, transport and communications) function quite normally again—which certainly wasn't the case in the late 1970s—and whereas labour disputes have considerably declined, the overall business climate still has to cope with problems of larceny (very severe in agriculture) and of crime in general, the latter explaining the boom in all security-related enterprises. Part of the crime is of course drug-related, as Jamaica used to be a number-one growing country of marijuana, known locally as ganja, and though Government spares no effort to eradicate that crop, it still produces considerable revenues that are "recycled" into the informal economy. In fact, the thriving informal sector plays a role in the economy that is not to be underestimated. The so-called "higglers"—supposedly a contraction of 'haggling' and 'giggling'—are literally all over the place and their wheeling and dealing is as much part of Jamaican day-to-day life as reggae or Red Stripe Beer.

How is the mood in the island in this last pre-election year? As Desmond Blades commented, "the results of the next election will have a considerable effect on our economic future. The confidence that has been built up in the business community could dissipate if the other party came in, unless they succeed in replacing it by a new confidence, as their policies as stated so far are not very different from the Government's"

Having walked the chequered road to recovery, Jamaica is now back on the track and seems cleared for further economic growth. There aren't 50 ways to go about it, and in fact the gap in party-political platforms has become even narrower over the years, as has the gap in the opinion polls over the past few months. It will probably be a close race anyhow, but one shouldn't forget the old saying: "The polls don't vote..." o

Roger DE BACKER

(1) WINBAN: Windward Islands Banana Growers' Association (St Lucia, St Vincent and the Grenadines, Dominica and Grenada).

“We have put Jamaica on a new path”

An interview with Prime Minister Edward Seaga

Reversing a pattern of decline set in the 1970s, and putting the country back on the track of positive economic growth: this was the major task Prime Minister Edward Seaga set out for himself and his Government when assuming power on 30 October 1980 thanks to a landslide victory of his Jamaica Labour Party (JLP) over the incumbent People's National Party (PNP). Born in 1930, Prime Minister Seaga also holds the portfolio of Minister of Finance and Planning and is responsible, in addition, for Information and Culture. In 1983, he and the JLP was reelected, unopposed, for a new term of office which expires in March 1989. As he pointed out in a previous interview with The Courier in 1982 (issue n° 72 – March-April), his task was not going to be an easy one, but he was determined to achieve his objective. In the following Courier interview, Mr Seaga explains his approach to both the stabilisation and the structural adjustment policies implemented in Jamaica over the past few years and highlights the resulting economic recovery. He also outlines some of the ways in which he hopes to alleviate the cost of those adjustments to Jamaican society, reflects on broader Caribbean issues, such as CARICOM and the Caribbean Basin Initiative, and illustrates some of his ideas on debt-relief.



The Courier

Economic recovery

► *Prime Minister, what do you consider as being the main achievements since your Government came to power on 30 October 1980? Would you say Jamaica has been set on a new course?*

— When we came to power in October 1980, we found an economy that had been run to the edge of bankruptcy: all the main indicators of economic health were pointed in a negative direction. The fiscal deficit had grown to some 19% of GDP, which is unbearable in any economy, and when I said grown to, I mean from under 4% at the beginning of the 1970s. The foreign exchange reserves had been completely wiped out from a surplus of some US \$ 170 million to a negative balance of over US \$ 570 m; inflation had run during the '70s an average of 22% per annum as against

single digit levels in the 1960s. Investment had been reduced to 15% of GDP as against the 25% level at the beginning of the '70s and growth had been negative for every single year in that eight-year period, from 1972 to 1980.

With all these main indicators pointed in a negative direction, our first task was to reverse this direction and we undertook this by adopting two major economic programmes: a programme of stabilisation, which we carried out with the assistance of the IMF, and a programme of structural adjustment, which we carried out with the assistance of the World Bank. The programme of stabilisation was to restore the deficit to sustainable levels, and to rebuild the foreign exchange finances. The programme of structural adjustment was to spread and diversify the economy, and particularly its foreign exchange earning base, from a

reliance on the mining sector, which previously had provided some three-quarters of our foreign earnings, and a very substantial proportion of our revenue.

The record over the period 1981-1987, shows that we have accomplished these two main objectives. In terms of stabilisation, we have now reduced the deficit down to virtually 0% this year. In other words we've virtually wiped out the fiscal deficit. For a number of years in the course of this seven-year period, we were not able to do more than stop the haemorrhage of foreign exchange, and therefore the deterioration of the international reserves, because during this period, as you will recall, we had the worst international recession for 50 years. That hit us very hard in the bauxite and alumina sector. So all that we could do was to stop the haemorrhage from growing worse. However, in

the year 1987 we made a huge forward movement in the improvement in the net international reserves: from the negative balance of over US \$ 570 m with which we began in 1980, we have improved it by nearly US \$ 300 m and therefore have reduced it by more than one half in 1987 alone.

In terms of structural adjustment, we have also moved considerably towards achieving a target of diversifying the economy. We've rebuilt the tourism sector, which was in a shambles, and it has now become the number one foreign exchange earning sector in the economy. Last year we passed the one million visitors' mark, representing only the second country in this hemisphere, among the tourism destinations of the Caribbean and Latin America, to have reached that level.

Export agriculture is under expansion in every area—in every crop, and export manufacturing which has been the most difficult sector of all to move, has become very positive in some of its sub-sectors; particularly in the garment sub-sector. We are the fastest growing country in the world in new garment manufacturing capacity. We have moved from four plants to 100 plants producing garments for the export market, and from under US \$ 10 m in export earnings to over US \$ 130 m in export earnings. So that, in terms of the two macro-policies of stabilisation and structural adjustment, we have in effect, put Jamaica on a new path by completing the stabilisation programme in so far as the fiscal deficit is concerned, making substantial headway in so far as the foreign exchange reserves position is concerned, and setting the country on a far more diversified and structurally balanced economic base. All of this has led to a restoration of the economy to a path of positive growth.

While it is true that, since 1981, we have had four years of positive growth out of six, nonetheless these were marginal years, until 1986 when the economy grew by 4%, and last year when it grew by 5%. All the major indicators signifying the state of health of the economy have now been turned in a positive direction, with the fiscal deficit under control, with the foreign exchange balance improving, with the restoration of growth, with the reduction of inflation to single digit levels,

with the improvement in investment up again to the level of 25% of GDP. In all respects now the economy can be considered to be well underway in the programme of economic recovery.

The cost of adjustment

► *In view of this positive record, where do you feel your original targets have not been met? Where do you feel that something more could have happened?*

— Well, not that something more could have happened, but we would have liked to have avoided the cost of adjustment. The fact is that it took us longer to achieve this record of success because of what happened as a result of the world recession, which cost us US \$ 2000 m in foreign exchange earnings which were forgone, with the reduction of our bauxite and alumina exports from 12 m tons per annum to 6 m tons. Hence we had to borrow substantially while carrying out a programme of austerity as part of the whole adjustment process to ensure that standards of living did not precipitately fall below what the country could tolerate.

Hence the cost of this adjustment which I have described has been in the social sector which has had to suffer neglect in terms of expenditure while we reduced the deficit to a sustainable level, and in terms of the increase in the debt service ratio which has moved from over 20% of GDP to the present level of a little over 40% of GDP. So in the next phase of our programme, we'll be emphasising these two areas: social adjustment, particularly in the health and education sectors, which will entail not just restoring what was there but reforming the whole programme, as well as rebuilding the sectors to levels that are consistent with the needs of the country; and the reduction of the debt service ratio back to the level of 25% which is internationally considered to be a tolerable level.

Those are our objectives for the future. The programme, therefore, has not been without cost. But the cost has been borne, the fruits are now there, and the second phase is now to take care of those areas in which there was an impact on the country in terms of reduced activities in the social sector

and escalation of the debt service ratio.

► *This dual approach to both debt relief and the social sector, will it be reflected in the next budget exercise?*

— It will begin to be reflected in this budget exercise—for the budget years, which begins on 1 April, and it is the subject of a medium-term plan which has been concluded by the Government, and which has been reviewed by all the major bilateral and multilateral agencies. In a meeting held last December in Kingston, it was given the support of all of these agencies, in terms of closing the financial gap that exists in order for us to be able, in the medium term, to carry out the programme of maintaining sustainable growth at 4%, while embarking upon those two programmes of social adjustment and the reduction of the debt service ratio. All of these are possible at a growth rate of 4% per annum, which we are targeting to achieve.

I would not wish you to think, however, that the recovery that we have achieved so far is one that is solid. It is still fragile—it is fragile because we have not yet reached a stage where we have reversed the negative foreign exchange balances to one of positive balances which would give us a cushion to weather exogenous shocks. We are still vulnerable to developments in the external area, and therefore, much of what we've planned for the future is based upon the world economy continuing to show at least the same levels of performance, if not improved levels. If there is any drastic set-back in the world economy, this could affect our own programme.

“... we are still vulnerable”

► *So you are in a sort of 'handle with care' situation: given on the one hand the world economy, which makes the Jamaican economy very fragile, and on the other hand the level of political awareness and sensitivity of Jamaicans themselves to social adjustment?*

— I wouldn't say the economy is very fragile, but I'd say that it is exposed and has certain fragile areas because of our foreign exchange earning sectors. Tourism, as the number one

foreign exchange earning sector, is an especially delicate sector. And then mining, of course, is based upon primary commodity prices, which is generally still a weak sector.

So for those reasons we are exposed, we are still vulnerable, and we continue to require a certain amount of exceptional financing over the medium term. On the basis of the pledges that have been made for the medium-term plan, if there are no set-backs, we should see a Jamaican economy at the end of that medium term—that is just beyond the decade—fairly solid in terms of its economic strength, having completed the reforms of the health sector, well underway in the reforms of the education sector—these two being the main features of the social adjustment programme—and well underway in reducing our debt service ratio back to 25%. We would then see a Jamaica which is on an all-round basis relatively strong and enjoying a much improved quality of life.

I should have mentioned in all of this the developments insofar as unemployment is concerned, as one of the main economic indicators—in fact the bottomline indicator of success or of failure of our social and economic plans. Unemployment increased by 50% over the period of the 1970s to a level of over 27%, we have now reduced it to 21%, and the indications are that it is on a continued downward movement. We hope and expect that it will be under 20% for the first time in some 20 years when the next figures come out. The fact of the matter is that we must also take into account that these figures are not the same basis on which unemployment is measured in the industrial countries. We measure not only those who are seeking work, but those who are available but not seeking; if we were, like the industrial countries, to measure only those who are seeking work, our unemployment figure at the present level would be 9.4%, and perhaps moving down into somewhat over 8% when the next figures are out.

Divestment and privatisation

► *When assuming power, you declared yourself a keen defender of the spirit of free enterprise and you undertook a programme of divestment of government-owned companies from*



JNIP - McKay

“We are the fastest growing country in the world in new garment manufacturing capacity”

the mid-1980s. How do you evaluate this operation so far?

— Well, we have divested a wide range of assets owned by government, comprised largely in small operations, and last year began the divestment of major operations owned by government, commencing with the country's largest bank, in which we divested 51% and we will be proceeding to complete that divestment this year. In the telecommunications area we have divested 39% of the joint-holding company which owns both the telephone company and the international telecommunications company. We are divesting virtually all our holdings in the hotel sector, which numbered some 14 hotels, and while we started that last year, we hope to considerably advance this year. For the moment, those represent the major areas of divestment which the Government will be undertaking, and all in all I would say that the divestment programme carried out by the Government of Jamaica has been successful.

We have moved the number of persons owning shares in companies quoted on the Stock Exchange from 3000 to over 40 000 in the process of this divestment so far. We have also privatised virtually all the land owned by government which is capable of agricultural production, certainly all the parcels that are required for large-scale commercial production, and we are well underway with not much left to be privatised in relation to the land which is being cut up in smallholdings for small farmers.

Finally we have privatised a number of service areas: the city's collection of garbage has become a model which has been remarked on by virtually every visitor to Jamaica—including Mrs Thatcher, when she visited Jamaica last July. We have now privatised the support services in three of the countries' major hospital: that is the janitorial, the security and we are about to privatise the catering services.

“... adjustment at a more human pace”

► *Your country had to undergo some of the short-term, IMF-prescribed “bitter” medicine for structural adjustment, but then decided to follow more or less its own policies. Would you comment on the relationship with institutions like the IMF, or the World Bank, when faced with developing countries' own pressing needs?*

— The problems which we encountered with the IMF, and the World Bank, had primarily to do with their lacking in insight into the extent to which the adjustment would have an impact on the social sector. This was to a large extent due to the short timetable for adjustment which most institutions, and particularly the IMF, provide. I have been a bitter critic, particularly of the IMF, in relation to this short timetable for adjustment. I've not sought to do so in external fora, but rather in face-to-face meetings with them. But finally, in a sole meeting, I've called on the IMF to ameliorate its programmes so as to secure adjustment at a more human

pace: by allowing for, among other things, longer-term periods of adjustment. I pointed out that the IMF did not in fact have a single success story, and a lot of this was due to the fact of repeated failures to meet IMF-tests, which caused short-term programmes to be rolled over successively until they became medium- and long-term programmes. Why not then start with medium- and long-term programmes with targets set to a more sustainable level? There is now thinking in The Fund and The Bank in this direction—indeed I am advised that a meeting of the Development Committee this month, and the Interim Committee of the Bank and the Fund, will be looking at the many proposals that have been put forward inclusive of those which Jamaica has put forward for both different debt strategies, as well as different approaches to the adjustment process. We, in 1987, concluded an agreement with the IMF, which broke away from the traditional pattern. The IMF has been accustomed to a single formulated approach of adjustment through the devaluation of the exchange rate, depreciation of the currency value. We argued successfully that Jamaica had secured a more than competitive rate of exchange. Therefore, any annual reduction in that level of competitiveness—providing it was not a large reduction, need not be adjusted by the ‘sledgehammer’ approach of devaluation, but could be done on a basis of fine tuning in the specific sector that required further adjustment, since some sectors were able to absorb any deterioration in the level of competitiveness.

At that time we were faced with a 3% deterioration in a position in which the Jamaican dollar was more than 30% more competitive than it had to be, and so we argued successfully that the devaluation of the exchange rate should be avoided because of the extent to which it created all kinds of destabilising effects in the economy, while seeking to make the positive adjustment. We were successful in doing so because we introduced an export tax rebate mechanism which allowed for adjustment in competitiveness in the export manufacturing sector only, since the other sectors were well able to absorb any deterioration in the rate. As it turned out, in this past year, we did not suffer the

anticipated deterioration of 3%, but indeed we showed an appreciation or improvement in the competitiveness of the rate of exchange in the Jamaican dollar by some 9%, so that, in fact, we are in a stronger position today than we were, when the agreement was first signed. But what the stabilisation of the exchange rate has done is to unleash a level of investment from the private sector—which we had said it would, which has not been seen for some 18 years, and on that basis we secured a higher growth rate than targeted by achieving a 5% rate of growth—in fact at one time we were headed for 6% and had to cool down the economy.

So, all in all, the success of our agreement with the IMF has told in the economic performance, and even the Fund has now come to recognise that there is in fact an alternative way of making adjustment other than by the single formulated approach of devaluation.

► *You have also been developing certain ideas on the problems of debt-relief for developing countries. Would you care to outline them briefly?*

— We have developed more than one model. In one model we look at the fact that the multilateral institutions which hold a considerable part of the debt of the developing world—especially in the non-Latin American world—are not able to reschedule that. In our case 42% of our debt is with the multilateral institutions, and because of that, we can only reschedule, like other countries in this position, a part of our debt. Rescheduling has been of great assistance to us in enabling us to be able to deal with the high debt service ratio. On this basis, I proposed that the multilateral institutions create a new lending instrument which would lend the equivalent of the debt to this service, which would be used to discharge the existing debt and set up a new credit, and in that way get around their own inability to reschedule debt which would affect their “triple A” rating. We understand that some of this is being given consideration.

But we have made other proposals such as repayment of debt in local currency, or setting up bonds which would allow for repayment of debt in local currency, at this stage, with redemption at the end of 20 years in for-

eign currency, and setting up a sinking fund in foreign currency to be able to meet the debt obligation at that time. These are all part of the many strategies that have been put forward from various quarters which have been given consideration.

A fast-growing tourism destination

► *A quick sectoral survey: what are the explanations for the present tourist boom? Why is it doing so well?*

— We have used good marketing strategies. The climate that exists in Jamaica today is quite different from what existed in the '70s. There is no hostility towards the market place from which most of our tourists come that existed in the '70s. The country is enjoying a period of peace and stability which has not been experienced for more than 20 years, and we, as I said, have used good marketing strategies to penetrate the market place, and the result is that we are the fastest growing destination in this hemisphere with an average of 12% growth per annum.

► *Can this momentum be sustained, because it's a very fragile industry?*

— We're not programming a continued growth of 12% per annum, but a somewhat lesser figure, which we believe is sustainable.

► *Will the necessary measures be taken, particularly in terms of infrastructure to cope with all these tourists?*

— We're expanding the stock of rooms by nearly 40% at the moment, which will provide for the incrementing growth which we expect to experience. And we are improving the tourism infrastructure, at the ports, at the airport, and in relation to the general infrastructure of the tourism towns, in terms of roads, water supply, electricity services, housing, internal transportation and so on. These are major programmes which are already underway.

The bauxite sector: looking for joint ventures

► *If one looks at the other major sector—the bauxite industry, what is happening there?*

— We have recovered roughly one half of the fall from 12 m tonnes to 6 m tonnes, and all the signs are that the prevailing improved conditions of the market place will continue; unless there is a severe downturn in the world economic situation. We expect to further improve that 9 m tonnes, but we do not expect at this stage to get back to the level of 12 m, which was where we were at in 1980, but hope to climb to as close as possible to that position, with a rise of the stabilisation of certain plants or the commencement of operations at plants which have been closed and with some expansion that has taken place.

► *This is still a sector which is largely in the hands of foreign multinational companies?*

— Except that we are negotiating a fairly substantial ownership on the Jamaican side. However, we are not seeking to have either majority or full ownership, because this would have an impact upon the public sector levels of expenditure. We are quite happy with joint ventures of 50/50 partnerships, or indeed with the ownership of plants in which we have an even lesser shareholding.

But what we are most concerned about is being in a position to ensure that the plants run at full capacity, or at the capacity level that we know can be sustained and that we are not left in the hands of multinationals who make decisions in their corporate boardrooms abroad, which are in their own global interest, but to the detriment of the Jamaican economy. We have proven this already by running the Clarendon Alumina Production plant: this plant was closed by Alcoa, at short notice, so we took it over and—though Alcoa said it was not a profitable plant—we made it into a very profitable plant, in fact the most efficient alumina plant in the entire world, running it as a Government entity. We are now in negotiations with Alcoa⁽¹⁾ about the future of that plant, but we will not accept that this plant, which we had managed to run at full capacity, should now be put in the hands of a company which will not guarantee that it can continue to run

at full capacity, because we can run it at full capacity.

Expansion in agriculture

► *If we look at the major crop in agriculture, sugar—would it be too much to say that “King Sugar” has turned sour over the past few years?*

— Yes that would be too much. What we have done is that we have cut back in the number of areas under sugar production, by reducing the acreage involved in the cultivation of sugar-cane on small inefficient plantations. So by reducing the acreage, we have reduced the total production. But we have made the industry stronger and more efficient by building it on a base of the plantations which are profitable, and I think in this year we are now going to see the turn around that we have been expecting as a result of the improvements in efficiency and a greater strength in management which we have put back into the industry.

Sugar is the only troubled crop, and we hope the troubles are at an end, because of the restructuring which has taken place. All other export crops are under expansion: bananas are under expansion, so is coffee, cocoa, pimento, citrus and ginger. We have also considerable expansion in the production of fish from inland pond fishing, and there is expansion in dairy production and meat production. So it goes for new areas that we have not ventured into before: that is, cut flowers and horticulture in general. All of this combined is the best testimony that the agricultural export sector has been structurally adjusted. The fact of the matter is that most of this, however, is in the ground and the maturity period for bearing fruit will eventually show the results in increased production.

Taking advantage of the CBI

► *Do you share the widespread disillusion in the Caribbean over its so-called new deal, the Caribbean Basin Initiative? How would you compare the CBI with, for instance, the EEC cooperation in this area?*

— Jamaica has been the lead country in terms of taking advantage of the CBI. We've had much more investment activity through the CBI than

any of the other countries. But we were partly involved in the framing of the CBI, and therefore we knew what we were after, and now we have reached a stage where perhaps much more can be achieved, but this has become difficult, not because we have failed to do all the things that we should do. We have devalued our exchange rate, we have set up a one-stop investment shop, we have minimised bureaucracy, we have created the proper incentives, etc. But we find difficulty in penetrating the US market place, which is a very difficult and intricate, complex, market place. We have done so with garments, we are doing so now with furnishings. We're endeavouring to do so with the electronic sub-sector, and we are taking them sub-sector by sub-sector. But it has been most difficult. We are also turning to the EEC, more so than in the past, because with appreciation of the European currencies, Jamaica is now a much more attractive place for production, and for export to the US economy at considerable cost savings because of our competitive labour rates. So we are now marketing Jamaica to Europe, as a means of attracting European investments which is part of the spirit that is involved in the CBI, but of course which was in place even before the CBI under the Lomé arrangements.

The Caribbean regional outlook

► *A number of years ago, you stressed the need for significant changes in the Caribbean economies if long-term growth and improvements in social conditions were to be achieved. To what extent do you feel these changes have been carried out in the Caribbean?*

— Many of the Caribbean economies did not go through the kind of adjustments that we have had to because they have not had to go through devaluation in order to stabilise or restructure their economy. They have been doing more fine tuning, but with a far greater awareness of the need to reduce the public sector to enhance the private sector's role, to create the necessary inducements, to improve their infrastructure etc.

Many of the Caribbean economies are more in need of aid than trade

(1) This interview took place on 2 March 1988; the day after, the Government signed an agreement with Alcoa on the basis of a 50-50% joint venture.

provisions at this stage, to enhance the infrastructure to make them more amenable to the super-structure of private investment, and this I have emphasised in dealing with Washington and other areas. However, there are some countries among the larger Caribbean economies, and I'm speaking principally of the English-speaking group which forms two-thirds of the Caribbean nations, that have run into severe difficulties, which will require the severe adjustment programmes which we have undergone. Guyana and Trinidad and Tobago are two such countries. They are now undertaking these adjustments, perhaps a bit more cautiously than we did, because we recognised that there is a need to get it over as quickly as possible, get it out of the system, and then settle down to achieve growth based upon your new strength. Time will tell whether they are able to make the transition and the adjustment effectively, or not.

So the Caribbean is a mixed bag of countries that do not require severe and austere adjustments—but mild adjustments backed by substantial infrastructure development, and those that do require severe adjustments of which we are the lead country, having already completed our programme and now restoring our economy to a path of growth. The EEC plays a very vital role in all of this, because EEC concessional lending is among the most concessional of funds available, and it plays a vital role in all our economies, in terms of anybody who wants to carry out development programmes. It is not balance of payments support, and it is not policy loaned directed, but it is project-directed and the importance of the projects which we have been carrying out with the EEC has been very well established.

▶ *What is your view on current regional cooperation with Caricom?*

— It's now settling down. After Jamaica took the lead in adjustment, it threw the relative values of our exchange rates among the countries out of balance and Jamaica by virtue of the substantial devaluation that took place was ready to penetrate the other Caribbean markets to an extent that they were unable to compete with. Now that devaluations have been tak-

ing place in countries like Trinidad and Tobago and Guyana—where the Jamaican competitiveness has a special effect—there is now a balanced return to the common market system and therefore the artificial barriers to trade which had been erected as protectionary devices by those economies are now being lowered, and trading is now getting back to a true common market on the basis of equality and open entry. It has not yet reached the stage of a true common market which



The Courier

“... the population is now recognising that our policies are the right ones in terms of having achieved their resurgence of economic strength”

it had before, but it is moving in that direction now.

Drugs: establishing a clean record

▶ *What has been the Government's approach to the considerable illegal production and export of marijuana?*

— According to the DEA—the Drug Enforcement Agency of the United States, which is still being accepted as an authority on this matter—we are the country that has made the single greatest achievement in terms of eradication of cultivation of marijuana. We were once ranking among the top three in production, now we are looking this year at a total wipe-out of the marijuana crop.

There is still marijuana, however, in inventories from previous crops that is

being exported and so now we are turning our attention to dealing with air traffic control, and smuggling through the ports, in order to deal with that problem of a residual inventory.

However, we are also still not yet at the point where we can say we have completely wiped out the drug problem because we are now being used by other countries as a trans-shipment point for some of their supplies. But we are tackling this by setting up an intricate system of radar to detect low-flying aircraft which can be apprehended, and to detect the other measures by which drugs are smuggled in and smuggled out of Jamaica. We feel that in another couple of years, Jamaica will be able to establish a very clean record of having totally overcome the problem of being a producer and trader in drugs.

“We ought to be given the chance of a third term of office...”

▶ *What will 1988 bring for the rest of this year; is it going to be an election year?*

— Whenever the elections are held, and we have until the spring of 1989, it's likely to be a close race. We started from a substantial deficit in comparison with our opponents, because of the political cost which was involved in the adjustment process; the population is now recognising that our policies are the right ones in terms of having achieved their resurgence of economic strength. While they are still unhappy about the deterioration of the social programme, their thinking is that we have been able to restore economic strength to an economy that was virtually bankrupt. So we ought to be given the chance of a third term in office to create the social programmes that are necessary to reform the social sector, and to bring that sector up to the levels of strength that are needed to fulfil the national interest. Hence there has been a closing of the gap in the polls, and we feel that in the time that remains, the gap is going to continually narrow. Therefore the race will be a close one, but one in which we will have the advantage of being the party with the momentum. ◊

Interview by R.D.B.

“There is growing public awareness of the EEC’s contribution and continued commitment to the region” feels Hugh Shearer, Deputy Prime Minister and Minister of Foreign Affairs, Trade and Industry

It would be no exaggeration to describe Hugh Shearer, given his long-standing experience with ACP-EEC relations, as one of the “fins connoisseurs” of the Lomé Conventions and of both ACP and EEC circles. Indeed he has twice been President of the ACP Council of Ministers and, after the end of his second mandate — the first half of 1984, during which he co-presided the famous (at least in Lomé terms) Fiji Council of Ministers — he formed part of the handful of top negotiators who finalised the Lomé III Convention. Absent from Jamaica during the country report, he kindly agreed nevertheless to provide written answers to the questions put to him by the The Courier. He reflects on Lomé, its workings and its future, comments on ACP and Caricom cooperation and highlights the Kingston Declaration on Apartheid which resulted from the ACP Foreign Affairs Ministers’ meeting he hosted in October 1987.



► *What is Jamaica’s current profile internationally?*

— For the past seven years Jamaica has been actively involved in all major economic and political issues of interest to developing countries. Some examples of this would be the question of apartheid in South Africa, external debt, structural adjustment, privatisation of the economy, south-south cooperation. We have supported the effort at peace in Central America. We have helped to maintain the dialogue for reform of the world economic system. In international organisations, Jamaica has been a member of key governing bodies, ECOSOC, UNDP. We have been particularly active in the Uruguay Round of Multilateral Trade Negotiations. Both developed and developing countries have sought our advice and consulted us on our position on key issues.

If what has been said is any guide then it is fair to assume that Jamaica has maintained a high technical profile on the international scene. This is as it should be, since international diplomacy since 1980 has moved away from rhetoric into sound technical analysis and negotiation and consensus building.

“... not much progress
... in eradicating apartheid”

► *Jamaica is known for its strong stand against apartheid and hosted the ACP Foreign Ministers’ special meeting on this issue in October 1987. How would you highlight the importance of the Kingston Declaration?*

— The Kingston Declaration on Human Dignity is an important step in the continuing struggle against apartheid. It will be recalled that both the EEC and the ACP States in the Joint Declaration included in Annex 1 to Lomé III: “reaffirmed this obligation and their commitment under international law to fight for the elimination of all forms of discrimination based on ethnic groups, origin, race, nationality, colour, sex, language or any other situation”. They also proclaimed “their determination to work effectively for the eradication of apartheid which constitutes a violation of human rights and an affront to human dignity”.

The Kingston meeting coming almost three years after the signing of Lomé III clearly indicated that not

much progress had been made in eradicating apartheid, though the international community continues to recognise apartheid as a crime against humanity and a gross violation of human dignity. The Declaration therefore drew the attention of the EEC and the rest of the international community to this lack of progress and made additional suggestions for sanctions—while awaiting agreement on comprehensive mandatory sanctions. Measures considered effective were listed as: no new loans, no rescheduling of existing loans, no new investments and withdrawal of all existing investments.

Particular attention is drawn to the Programme of Action to assist the Frontline States to meet the problems caused by South African aggression and destabilisation as well as the measures to help these States to overcome their dependence on South Africa.

It is considered that the Kingston Declaration on Human Dignity is a useful supplement to Annex 1 and provides a basis for the joint action by the ACP States and the EEC as envisaged in the Annex.

Caricom: full free trade on 1 October 1988

► *Caricom regional cooperation seems to have come under a certain amount of strain over a number of issues in the recent past, be they political — Haiti — or economic — trade developments. How do you see it evolving in future?*

— Admittedly regional cooperation has come under a certain amount of strain. The main reasons would seem to have been: the different attitudes adopted during the process of restoring democracy in Grenada and more recently Haiti; the contraction of intra-regional trade as countries adjusted to internal and external pressures resulting from the world economic slowdown.

The Democratic process was quickly re-established in Grenada following the problems in 1983, and in Haiti and Suriname the conclusion of elections and the installation of new governments have provided a good basis for the strengthening and re-establishment of the democratic process.

Recently Caricom countries have taken steps to restore complete free-trade in the region through agreement on a list of products. It has been agreed that, as from 1 October 1988, products which satisfy the regional origin criteria will be freely traded without trade or foreign exchange restrictions.

This trend should continue, since decisions were also taken allowing for the establishment of regional industries through the Caricom Industrial Programming Scheme (CIPS) and regional business through the Caricom Enterprise Regime.

Many joint projects in the tourism, trade promotion, agricultural and university student housing fields are also being planned or implemented.

► *Do you feel that in an area under heavy Northern American influence, the EEC, through the successive Lomé Conventions, has been able to build up and confirm its presence and image more than before?*

— The link with Europe, through the United Kingdom, is as strong as the link with the United States of America. One link has its roots in history while the other has its roots in geography.

Successive Lomé Conventions have brought with them programmes and projects in the commodity, energy, infrastructure, and training fields, which have helped the economic development of the region.

More could be done in tourism and culture. There is still, for example, not enough foreign language presence in the schools, tourism or public life. However there is growing public awareness of the EEC's contribution and continued commitment to the region through its regional and national programmes, emergency support and training.

“... the Sugar Protocol is one which more developed countries should copy”

► *The Lomé Sugar Protocol has traditionally been a “hot” issue in ACP-EEC relations, yet when compared to other systems of world sugar import quotas — I am thinking of the cut in Jamaica's USA quota in late 1986 — it stands out favourably. Would you not agree?*

— There is no doubt that the Protocol on ACP sugar is a good example of an advantageous arrangement between developed and developing countries. The Protocol guarantees agreed quantities of sugar at prices which are fixed annually and which, so far, have been significantly higher than world free market prices. As the Protocol is for an “indefinite period” this adds certainty to ACP sugar production and helps the proper planning of production.

The problem which you describe as a “hot” issue in ACP-EEC relations refers to the matter of the annual price for sugar. The Protocol envisages that this price should be negotiated “taking into account all relevant economic factors”, but in fact there is very little negotiation each year since the price for ACP sugar is simply derived from the price which is fixed by the EEC for their own domestic sugar.

We would not wish to compare the Protocol arrangement with any other arrangement in force in other sugar markets. Suffice it to say that the ACP-EEC Sugar Protocol is one which more developed countries should copy.

► *Given your long experience of ACP-EEC relations, what is your personal assessment of them so far?*

— Basically the ACP-EEC relationship has grown out of the historical links between the countries. The Convention itself provides the legal basis, the legal framework, for supporting development within the ACP States, while respecting the sovereignty of the individual states themselves.

The arrangement has other interesting features arising from the institutional basis of decision making, viz the ACP Ministerial Council, the ACP-EEC Council, the Joint Assembly etc. The method of joint consultations for agreeing on national and regional programmes funded by the European Development Fund is also to be mentioned.

Naturally certain disagreements have developed in practice. ACP States feel that there is not enough consultation when the EEC takes decisions which affect ACP interests. Generally speaking, however, it can be said that the ACP-EEC relationship is a model arrangement which could well be copied by other developed countries or groups of countries.

► *What real scope and practical developments do you see for increased intra-ACP cooperation?*

— Co-operation among ACP countries presents an enormous challenge and opportunity. It is generally agreed that South-South relations could vastly expand trade in goods, technology and other services. This expansion would come about through private sector involvement as well as through state sector efforts.

At present some ACP countries are negotiating trade concessions with each other within the context of the Global System of Trade Preferences. At the regional level, trade is being liberalised and joint production arrangements are being established. These efforts are minor and only scratch the surface. It would seem that a massive exercise is needed, suitably funded, to unlock the potential of intra-ACP co-operation. Such an exercise might well be the subject of a special Ministerial meeting to deal with all related questions, financing, transport, complementary production, similarity of products, high tariff barriers, credit ar-

rangements, excessive protection of domestic industry, etc.

► *Later this year negotiations for a successor to the Lomé III Convention will start. As a key figure in previous negotiations, what issues will in your view require priority attention?*

— Without doubt a priority issue will continue to be that of access of ACP products to the EEC market. There is need for further improvement in the rules of origin. The community consultation machinery provided for in Annex XXXVIII is committed to maintaining the competitive position of the ACP States on the community market and negotiations will have to ensure that ACP interests are safeguarded in the context of any widespread trade liberalisation. Spain and

Portugal will be parties in the negotiations for the first time. This is an important element to be taken into account.

There is too much delay in implementing projects funded by the European Development Fund. The project cycle seems too long. Feasibility studies done for reputable international bodies are not recognised by the EEC and projects have to be studied from scratch in some cases. There are also disputes over the use of experts and consultants. Priorities set by Governments, either individually or in regional groupings, are debated by the EEC to an extent which delays agreement on overall programmes. All this results in a situation whereby, three years into Lomé III, resources are not yet disbursed for projects.

Priority attention will have to be given to the adequate flow of financial resources for structural adjustment. The external debt problems of the ACP States will also have to be addressed.

The Joint Declaration on Human Dignity continues to maintain its validity. No progress has been made in eradicating apartheid. The reason for this will need to be determined and more effective measures negotiated into the new Convention.

Negotiators will also need to address developments within the Community, the effects of the Uruguay Round of Multilateral Trade Negotiations and the working of the ACP-EEC institutional machinery. ○

Profile of Jamaica

Area: 11 424 km² (4 411 sq. miles)

Population: 2 346 700 (1986)

Growth rate: 0.9% (over 1985)

Density: 205 per km²

Urban population: 51.2% of total population

Main cities: Kingston (approx 800 000 inh.) Montego Bay

Independence: 6 August 1962

Government: Bicameral parliamentary democracy

Head of State: H.M. Queen Elisabeth II

Prime Minister: Edward Seaga (Jamaica Labour Party)

Leader of the opposition: Michael Manley (People's National Party)

Languages: English and local Creole

Gross Domestic Product: (in constant prices): 1986: J\$ 1876.5 m (est. 1987: J\$ 1972.2 m)

GDP growth rate: 1986: 3.7% (1987: 5.1%)

Per capita income (in current prices): US\$ 1030 (1986)

Inflation: 8.7% (1987)

Currency: Jamaican dollar (US\$ 1 = J\$ 5.5; ECU 1 = J\$ 6.72)

Exports: US\$ 637.5 m (1987) — mainly bauxite/alumina, manufactures, sugar and bananas

Imports: US\$ 1216.2 m (1987) — mainly fuels, food products and manufactures

Balance of payments: (in US\$m)	1986	1987
<i>Merchandise</i>	-379.6	-542.7
<i>Services</i>	198	241.2
Goods and services	-181.6	-301.5
<i>Transfers</i>	148.1	179.4
Current account	-33.5	-122.1
<i>Net capital movement</i>	35.4	431.9
Change in reserves (minus = increase)	-1.9	-309.8



EEC – Jamaica cooperation

by Gary QUINCE (*)

The relationship between Jamaica and the European Community began formally in 1976 with the ratification of the first Lomé Convention by the Government of Jamaica. The Delegation of the Commission was also established in Kingston in 1976 as part of the broad expansion of relationships between the European Community and the ACP States.

Development aid

Since 1976, Jamaica has benefitted to the tune of some ECU 136 million under the various Lomé Conventions, as well as from ECU 24 million in assistance from the Community Budget (food aid and NGOs). This assistance has benefitted most of the major economic sectors, with particular concentration on agriculture/rural development, training and infrastructural improvements.

Lomé I and II

The Indicative Programme for Jamaica under Lomé I was ECU 20 million and under Lomé II was ECU 26.4 million. For Lomé I and II together, the *agricultural sector* accounted for 40% of programmed resources. Projects assisted include the strengthening

of Jamaica's veterinary services, credit lines and technical assistance for citrus, coffee and honey production and technical assistance for sheep and goat development.

In the *education/training sector*, which accounted for 20% of the programmes, some 650 scholarships have been awarded, mainly for study at the University of the West Indies. Technical assistance has also been given to strengthen local training institutions and equipment provided to improve early childhood education and promote adult literacy. Four schools were also built under a microproject programme. In December 1987, a project was approved to provide equipment and technical assistance to a new staff training centre for the Jamaica Public Service Company, which is responsible for electricity production.

In the *social sector* (20% of programmable resources) assistance has been given to a programme of rural

electrification; the construction of new public health laboratory, and for equipping the Science Research Council.

Other projects assisted by EDF include a line of credit for small and medium-sized enterprises; computer equipment and technical assistance for tax administration, and a programme of trade promotion to boost non-traditional exports.

Lomé III

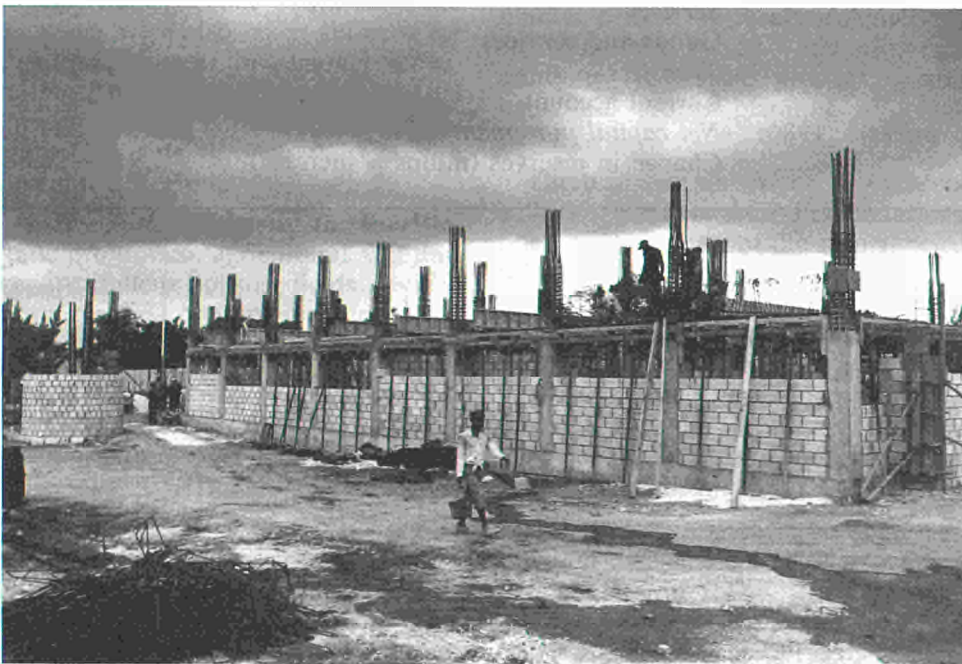
The Lomé III Indicative Programme to Jamaica has been set at ECU 39 million, of which ECU 2 million is in the form of grants, with the remainder as special loans.

It has been agreed that 80% of programmable resources will be concentrated in the rural development sector in support of the Government's effort to improve conditions in the rural areas through the adoption of policies favourable to rural production, together with the provision/upgrading of productive and social infrastructure services and credit.

As at end February 1988, two projects and two studies, totalling ECU 14.65 million, had been approved, representing 38% of programmable resources.

The first project, for ECU 7.28 million covers the rehabilitation of rural roads and bridges which were damaged by torrential rains and flooding in June 1986. After a slow start, owing to the large number of small contractors involved, work is now accelerating. The second project, for ECU 7 million, covers the expansion of the Charter Terminal and related facilities at Montego Bay Airport to enable the airport to cope with the increasing number of tourists. The Airports Authority is presently preparing design and tender documents and construction work should begin during the second half of 1988. The two feasibility studies cover the rehabilitation and development of cocoa production, and the study of a land reform programme under which the Government aims to sell land to private farmers following the strengthening of the land administration system and the provision of the necessary infrastructure. The cocoa development study report is presently being examined by the Govern

(*) Administrator in the Directorate-General for Development; desk-officer for Jamaica.



The construction of a new Public Health Laboratory in Kingston is now well underway



The EEC financed a coffee expansion scheme in the Western Region. Left: Mr Murray, Regional Manager of the Coffee Industry Development Corporation, inspecting the coffee nursery; right, one of the farmers involved in the scheme examining some of his young coffee trees, intercropped with bananas

ment, whilst the land reform study will begin in April 1988.

A further project, to improve rural water supplies, is now under appraisal for an amount of ECU 6.7 million.

Non-programme assistance

SYSMIN

In April 1987 Jamaica was adjudged to be eligible for SYSMIN assistance in respect of its bauxite/alumina industry owing to the fall in production and exports which the industry experienced between 1982 and 1985. A Common Accord was signed in September 1987 between the Government and the Community, and discussions are proceeding regarding specific investment projects.

STABEX

Jamaica has received one STABEX transfer to date, ECU 4.3 million in respect of banana exports in 1980, which was used for the rehabilitation of banana plantations and the improvement of tourism infrastructure.

Emergency aid

Jamaica lies in the hurricane belt and regularly suffers from their effects through flooding and wind damage to crops and property. Since 1979 Jamaica has received five emergency aid al-

locations, totalling ECU 1.84 million. The most recent emergency aid approved was for ECU 180 000 in November 1987 for repairs to roads damaged by exceptionally heavy rains.

Food aid

Jamaica has received "normal" food aid since 1977, together with two allocations of emergency food aid (1979 floods, 1980 hurricane). Although some cereals have been given in the past, the regular programme now consists of milkpowder and butteroil/vegetable oil which is used by the Government to support its various supplementary feeding programmes for schoolchildren, pregnant and nursing women and undernourished children.

NGOs

Since 1977, EEC assistance totalling ECU 880 000 has been provided to 17 NGO projects in Jamaica. The most recent assistance was a grant of ECU 3000 provided in October 1987 to help the aged to support a training programme for two staff members of HELPAGE, Jamaica.

Special programme on AIDS

EEC assistance is being provided to support Jamaica's national AIDS programme, through the provision of an epidemiologist to strengthen the surveillance programme of the Ministry

of Health, together with logistical and research support.

Cooperation on drug abuse

Discussions are underway with the Government concerning EEC assistance to the National Council on Drug Abuse for the establishment of a drug treatment and rehabilitation centre and an agricultural rehabilitation programme.

European Investment Bank

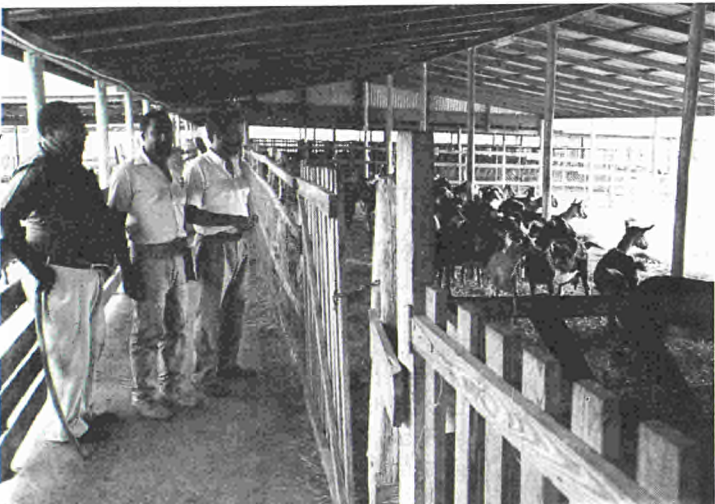
The EIB is very active in Jamaica, and has provided one risk capital loan of ECU 5 million plus four own resource loans totalling ECU 36.25 million. The risk capital loan was provided to the National Development Bank for its initial share capital; while the own resource loans have been provided to Jamaica Bauxite Mining (ECU 4 million) for bauxite/alumina investments; to NDB (ECU 10 million) as a line of credit for industry; and to the Jamaica Port Authority for the construction of a cruise ship terminal at Montego Bay port (ECU 5.25 million) and for the extension of the container port at Kingston (ECU 17 million).

Regional Aid

Jamaica has benefitted from the EEC's programme of regional cooperation with the Caribbean under Lomé I, II and III. In particular, over ECU 13 m has been provided to the Uni-



A new EDF-financed charter terminal at Montego Bay airport is in the offing, since present facilities can barely cope with the tourism boom



Technical assistance is provided to the promising sheep and goat sub-sector. Above, l. to r., Jack Muschette, Director of Small Livestock at the Ministry of Agriculture, David Miller, Manager of the Hounslow Sheep and Goat Development Project and Bernard Chauvet, the EDF-financed technical assistant

The Courier

The Courier

EEC - Jamaica cooperation 1977-88

Programmes	ECU	Total ECU
Lomé I		
Agriculture	10 200 000	
Industry	2 100 000	
Education/training	4 900 000	
Trade Promotion	2 800 000	
		20 000 000
Emergency Aid	1 175 000	1 175 000
Lomé II		
Agriculture	9 000 000	
Social Development, training	13 300 000	
Administration	4 100 000	
		26 400 000
Emergency Aid	85 000	
EIB	9 000 000	
EDF Interest Rate Subsidies	733 000	
STABEX	4 295 000	
SYSMIN (eligibility app. April 1987)	p.m.	
		14 113 000
Lomé III		
Rural Development	31 200 000	
Tourism/Other	7 800 000	
		32 000 000
Emergency Aid	580 000	
EIB	32 250 000	
EDF Interest Rate Subsidies	2 202 000	
		35 032 000
Total Lomé I, II, III		135 720 000
Non-Lomé Assistance		
Food Aid (1977-87)	23 170 000	
NGOs	880 000	
		24 050 000
GRAND TOTAL		159 770 000

iversity of the West Indies which, *inter alia*, has covered the upgrading of the facilities at UWI's Jamaica campus. In addition, Jamaica has benefitted from EDF-financed programmes in regional agricultural research, and regional tourism and trade promotion.

Trade arrangements

Jamaica's economic performance is heavily dependent upon international trade—imports and exports of goods and services have typically represented over 60% of GDP. Consequently the preferential trade arrangements under Lomé for the Community market, together with more recent preferential arrangements for the USA

(Caribbean Basin Initiative) and Canada (CARIBCAN) are of great importance to Jamaica's economic expansion. In 1987, the European Community accounted for 30% of Jamaica's exports and 13% of imports, whilst the USA and Canada together accounted for 52% of both exports and imports.

Of particular importance to Jamaica are the Lomé Protocols on sugar, bananas and rum. Under the sugar protocol, Jamaica has an annual quota of 118 696 tonnes of white sugar which can be exported to the Community at Community prices which are currently over three times higher than world prices. The annual quota covers 63% of Jamaica's current production

(188 000 tonnes in 1987). The EEC sugar quota has become even more important to Jamaica's sugar industry in the past few years owing to the substantial reductions in the US sugar quotas and the highly attractive Community price as a result of the recent decline in the US dollar, to which the Jamaican dollar is pegged.

Under the banana protocol Jamaica, along with the other Caribbean banana producers, presently enjoys preferential access to the United Kingdom market. Following several years of declining production, banana exports to the Community increased from 22 000 tonnes in 1986 to 34 200 tonnes in 1987, with plans for further increases by 1990. ○

G.Q.



To be an ACP Ambassador in Brussels (cont.)

In No 108, readers learned about the work and day-to-day routine of an ACP Ambassador to Brussels when Senegal's Ambassador Sy and Dominica's Ambassador Savarin agreed to explain what they did and outlined the problems they had to cope with. Two more interviews complete the series. One is with Mrs Velho Rodrigues, Ambassador of Mozambique, and the other with Mr Feesago Siaso Fepulea'i, Ambassador of Western Samoa.

Mrs Velho Rodrigues, Ambassador of Mozambique:

“Personal involvement in cooperation”



Ambassador Velho Rodrigues

AFME

que's first representation to both the Kingdom of Belgium and the European Communities. So there were a lot of problems. It would be wrong to say I am already on top of them all, particularly those to do with our relations with the EEC Commission. The Communities, as you know, are a fairly cumbersome piece of bureaucratic machinery. And I sometimes wonder whether my European colleagues themselves are on top of all the problems they have to settle with the Community.

“Everything was new”

But Lomé wasn't entirely unfamiliar to me, as I had been at the negotiations. That doesn't mean to say I didn't have my problems. I had plenty, particularly in the early months when everything was new either for Mozambique or for the Community, for which we were a new partner. The Community was new to us, with its structured cooperation. Before we joined Lomé, we cooperated with the Europeans, but either with the individual Member States, bilaterally that is to say, or with the Community as such, as a “non-associated State”. There was no structured framework to guide our cooperation then... But I can say that, after almost three years here in Belgium, my Embassy is fairly efficient when it comes to the big topics of cooperation with the Community.

▶ When you say “big topics of cooperation”, do you mean financial and technical cooperation, or all the prob-

lems involved in Lomé III — the trade arrangements, say, and the joint institutions — or do you mean the attendant problems, such as cadmium and aircraft noise at the moment?

— I cannot pretend to be able to keep close track of everything, particularly the technical aspects of ACP-EEC cooperation, but when I say big topics, I mainly mean the Indicative Programme which Mozambique and the Commission signed, because this fits into the economic rehabilitation programme my Government adopted recently. So I have to make sure, at my level, that the Lomé III Indicative Programme is advancing at the sort of rate that is compatible with the interests of the economic rehabilitation programme.

▶ So you intend monitoring the various parts of the Indicative Programme yourself?

— It is not just my intention. It is something I actually do, and very carefully too, either with the Commission or in collaboration with it, or with the National Authorising Officer and even with the sectors of our central administration which are dealing with a number of the projects.

▶ Do you ever handle problems outside the National Indicative Programme, those to do with trade arrangements or exports and so on?

— You know Mozambique won national independence 13 years ago, but it has not yet had a minute's peace. It is in a war and this war, like all wars,

▶ Ambassador, you had a dual problem to contend with when you took up your post a couple of years ago — doing a diplomatic job and doing it in the very specific context of ACP-EEC relations, not the ‘usual’ bilateral context for an Ambassador. With two years behind you, do you think you are now on top of all the problems you have to cope with on the ACP-EEC front? And which have been the most difficult ones to handle?

— I arrived in Brussels in April 1985, so I have been here for nearly three years now. When you talk to me about the dual problem, I don't know whether you actually mean triple or even more, because I had in fact been asked to set up and open Mozambi-

interferes with production — and exports. That means that trade problems are not the priority for the moment, although we do follow the ACP Committees that deal with, say, Stabex very regularly. We follow them closely, because there are very direct effects on Mozambique, particularly when it comes to our main export products which are indeed on the Stabex lists. These are cashew nuts and shrimps and cotton and sugar and the output of some of them has slumped, mainly because of the war. As you can see, they are mainly agricultural products because agriculture is one of the things that is hardest hit by the fighting. Bandits in foreign pay are trying to bring my country to its knees. They do barbarous things, they massacre the people and they destroy the fields and the infrastructure and the development projects. So production is declining a lot — and I mean products for export and for home consumption as well.

Financial and technical cooperation a priority

► *So for the moment financial and technical cooperation is your biggest concern?*

— Yes, that is my Government's priority. But that isn't to say that I don't have other problems to cope with. Aircraft noise, for example, is something which Mozambique is very directly concerned about as it has regular flights to Europe.

► *When it comes to implementation of the National Indicative Programme, is it the financial execution that still seems to you to pose problems, perhaps? Or the continuous programming technique, or the need to think about the environment?*

— Our biggest concern at the moment is the nuances, especially with financial cooperation. When you've spent two years negotiating Lomé III, you take the Convention as a guide in all your cooperation relations with the European Community. There are the financial agreements, of course, but my biggest worry is interpretation of the legal instruments because very often we think things are going to work one way, but that isn't always the way the technicians interpret them in the Commission. These are problems that

slow things down and we always hope to get them settled without harming our relations with the Commission.

► *Do you think that means ACP-EEC relations lack texts to comment on the basic legal instruments and clearly explain the rules of the game?*

— When you are involved in the negotiations, you understand what it's all about and you think you can read between the lines. The interpretation sometimes seems to be so obvious that you wonder why the others can't see it too. My first feelings of frustration on the job were those. And lastly, you sometimes manage to solve the problems but they've still held up the projects.

► *After three years here in Brussels, do you feel you have already got results? Is the Community better known in Maputo and do you think Mozambique is better known in the Community? Can you give us any precise examples here?*

— Of course. The most obvious thing is the Indicative Programme the Commission and Mozambique have signed. To my mind, if we are to embark upon a process of cooperation, we have to get to know each other first of all, because without it there could be problems at every step. So there have been a lot of Commission trips out to Mozambique, in particular by Vice-President Natali, another, early on, was led by Dieter Frisch⁽¹⁾ and there has been a very recent one by André Auclert⁽²⁾. These three visits, plus the various technical missions to Mozambique, have made a big contribution to the understanding of the two parties. The Indicative Programme was the first fruit of this common understanding and it was also altered later on to take account of the way the situation in Mozambique developed. All this was possible thanks to the understanding of the two parties. The Community was able to understand Mozambique's priorities and thus agree to the changes that needed to be made to our programme of cooperation.

► *Madam Ambassador, what do you see as the most crucial of the prob-*

(1) Director-General for Development at the EEC Commission.

(2) Deputy Director-General.

lems the ACP Group deals with in the committees you mentioned just now?

— All the problems the Group deals with are important because they all condition development. Mozambique is the ACP Vice-Chairman of the group which deals with agriculture and rural development. So obviously, it is this sub-committee that has our greatest attention. Don't forget that our country is 80% rural, so our basic job is farming. At the same time, our priority is to put a stop to the war. We believe you cannot put a stop to war by leaving development on one side and that we must also fight the war by focusing on the development of our country.

“Apartheid is the cause of our biggest problems”

We also attach a lot of importance to apartheid issues. Mozambique, as you know, is one of the countries of southern Africa to suffer most from it so the elimination of apartheid is fundamental as far as we are concerned because it is the cause of our biggest problems. When I say war, I mean the undeclared war which South Africa is waging against us via the groups it arms and trains and fits out and sends into Mozambique to destabilise it. It is a form of war. By doing this, South Africa is trying to claim there isn't a democratic country on her borders and discourage other countries as well. Don't forget that we had a 10-year war to gain our independence. And if you add the war being forced upon us now, then you can see that Mozambique has been unable to live normally for 22 years. With these destabilisation tactics, not just in Mozambique but in Angola too and in the other independent nations of the region, South Africa is trying to show that the problem isn't apartheid and trying to cast doubt on the democratic path these young nations have taken. She wants to export her problems beyond her own borders. As Mozambique's representative here, I hope that the Communities can make an even bigger effort to do away with apartheid, in the interests of the Community itself, because it has fairly continuous cooperation with all the independent States of southern Africa and has to look to its own interests. We are sure that once apartheid goes, we will be able to devote

ourselves entirely to our economic and social development and to the creation of the Mozambican nation.

One other priority question for us is cooperation within the ACP Group. We in Mozambique and in the region we belong to, southern Africa, believe that we have to find the means of developing this cooperation. We think that we have to use the means that we have at every level, infrastructure for example, to develop them and, above all, capitalise on them through the general development of the region. This is the philosophy that made us set up SADCC, the Southern African Development Co-ordination Conference, which aims to capitalise on and develop the infrastructure that exists and thereby create not just the conditions needed for the harmonious development of the region, but also reduce our dependence on South Africa too. And as far as cooperation in the Group is concerned, we think those regional instruments are very important. But our sub-regional organisations must be made to serve the interests of inter-African cooperation and go even further — to ACP cooperation in general. Of course we are all a long way from one another. But we have to get to know each other. We have to know our potential so we can pool it and develop it in the fields of culture and trade and the economy. Everywhere.

► *When you say cooperation within the ACP Group, do you mean that, for the moment, it should be focused on producing communications infrastructure between the various countries? Or do you feel that you can already be thinking about, says, cooperation on common products?*

— The creation of the infrastructure that will enable us to communicate is fundamental. It is our priority even, in SADCC. The Heads of State of the nine countries of southern Africa made the development of transport and communication their top priority when they signed the Lusaka charter, as without it, the other sectors could scarcely get off the ground. But that doesn't mean we aren't doing anything about the other sectors. We have a very big programme for food security in our region. Every region has its own special features, but agricultural prod-

uction is virtually a common concern for all the ACPs, especially those in Africa.

► *But how do you think you can achieve greater food security through intra-ACP cooperation? Are you thinking of trade in products, say, between Zimbabwe and Zambia and so on...?*

— Yes, I am. Some of the Community's food aid, for example, comes from the region — part of it, that is. Maize comes from Zimbabwe to Mozambique. Another example is storage, which could be improved by cooperation within the Group. And there are more.

“Direct contact with the country”

► *To move on to something different, the logistics of your Embassy. Do you often go home, and do Mozambican leaders often come and visit you here?*

— Yes, I go back to Mozambique fairly often, twice a year, which is enough to maintain direct contact with the country and with the sectors which carry the greatest weight in our cooperation programme and direct contact with the people too. Because representing your country and your Government means being properly informed and there is information you cannot get through diplomatic channels or that has to be completed through personal contact, it is important to keep up the contact, particularly as Mozambique is a young country where things change quickly. I have even had the opportunity to visit projects myself and this is jolly good because it means I then have an answer whenever there is a problem about them in the Commission.

Then, I get fairly regular visits from representatives of the Government here in Brussels. I think this is a good thing because my National Authorising Officer, the Trade Minister, has come whenever there has been a meeting of the ACP and even ACP-EEC Council of Ministers. That means he has the opportunity to contact Commission leaders, when he is here for a meeting. Whenever he is here for the Council, he can also contact his European opposite numbers, those in the Member States. And there are other organisations, SADCC for example,

where we get the opportunity to meet and take stock of our cooperation.

► *Mozambique is a very long way away, isn't it? Do you have problems with telephone calls or with, say, the diplomatic bag not arriving or other material difficulties of that sort?*

— Not really. We have a direct line to Mozambique, so I can talk to members of the Government direct whenever necessary. As to the diplomatic bag — we have air links with Paris and I always send the bag by Mozambican Airlines, every week, on the direct Paris-Maputo flight. Weekly publications and daily papers come by ordinary air mail and take five or six days.

A woman and an Ambassador

► *To take another problem — diplomacy isn't a very feminised profession yet. Do you think you see things differently from your male colleagues? Are you particularly interested in integrating women in development, in general? Is this important to Mozambique? I am asking this because you are familiar with the Convention and Article 123 talks about women's status. Do you, as a woman and an Ambassador, see the problem differently?*

— First if all, I don't think the way you see things depends on what sex you are. It changes with the country you represent. There aren't many women in diplomacy yet, it is true, and the same is true of other professions that used to be “male” preserves. It has to be admitted that the continent of Africa is a very young one. Independence began in the '60s, didn't it? And women were integrated in some sectors very fast in comparison with western Europe — which is much more conservative than we are in this field, I think. I can tell you how many women there are among the ACP Ambassadors, but how many women Ambassadors are there in the Member States of the Community, I ask you? So I think we have already made a big step in the right direction in the Third World, not just in the particular case of diplomacy, but for the integration of women in the different professions that used to be considered as essentially male ones as compared to the lot of women in the developed countries. But there is still a long way to go. Mozambican women, for example,

had a very important part to play in the armed struggle for national liberation. We helped liberate our country and not just on the social front either. Mozambican women took up arms to free their country. So my country and my Government attach a great deal of importance to women's involvement in building the nation. We believe that women bear great responsibility when it comes to shaping the personality of the Mozambican man of tomorrow. You may say that women have this responsibility everywhere, but we are working with a greater eye to achieving proper integration of women in our society. Our great dream, once the war is over (and there will be a lot of problems to solve at that stage), is to have men and women who can progress in the development of the nation and create ever better living conditions for the Mozambican people. I say that because it is something very dear to my heart. At the moment, there are armed bandits in our country, capturing young people and children and they are taking these children

away and teaching them to kill and to massacre. A 12-year old who was freed by the armed bandits a few weeks ago publicly explained how he had been trained. All this child had been taught was the art of war. How can these people be retaught for the good of the Mozambique of tomorrow? It is our children, the men of tomorrow, who have been led into this. To make war, they start by killing their mothers and their fathers, to eliminate the fear of killing, and they become murderers with no conscience. They think that's the way life is, that all this is normal. So we have a huge problem here. Then there is the problem of families too, many of whom have been broken up by the war, through death or separation or loss. Once the war is over, re-educating the people will be a major responsibility. How can we provide support for them in their daily lives? Our National Assembly has just adopted a law on amnesty and a hundred or so people have just reaped the benefit. People who have committed terrible crimes against the Mozam-

bican people are now free men and women. How can they be fitted into society? It is a major source of concern.

► *One last question, if you will. Regardless of when you leave this present post of yours, what are the most important things you would like to have achieved before you go?*

— That's a difficult one. There are so many things I want to do. Generally speaking, I feel my responsibility as Mozambique's first Ambassador to the Communities. There have to be palpable results so the Mozambican Government gets a positive picture of this structured cooperation with the European Community. Once my mission is over I have to be able to feel I have helped improve cooperation with the Community, so that my country and my Government can say that "it was worth joining the instrument called Lomé III". I feel personally involved in attaining this objective. ◊

Interview by
Marie-Hélène BIRINDELLI

“In essence, it's the folks back home” An interview with Feesago Siaso Fepulea'i, Ambassador of Western Samoa

► *Ambassador, over three years now at your post in Brussels, what would you say are the most challenging aspects of your job here?*

— A favourite author of mine, Anthony de Mello, tells the following tale entitled “Look into his eyes”.

“The commander of the occupation troops said to the mayor of the mountain village. ‘We know you are hiding a traitor. Unless you give him back to us, we shall harass you and your people by every means in our power.’ The village was, indeed, hiding a man who seemed good and innocent and was loved by all. But what could the mayor do now that the welfare of the village was at stake? Days of discussions in the Village Council led to no conclusion. So the mayor finally took up the matter with the priest. Priest and mayor spent a whole night search-

ing the scriptures and finally came up with a text that said, ‘It is better that one man die to save the nation.’ So the mayor handed over the innocent man, whose screams echoed through the village as he was tortured and put to death. Twenty years later a prophet came to that village, went right up to the mayor, and said, ‘How could you have done this? That man was sent by God to be the saviour of this country. And you handed him over to be tortured and killed.’ ‘But where did I go wrong?’ pleaded the mayor. ‘The priest and I looked at the scriptures and did what they commanded.’ ‘That's where you went wrong,’ said the prophet. ‘You looked at the scriptures. You should have also *looked into his eyes.*’”

My first exposure to the ACP was at the 1984 Council of Ministers meeting



in Lomé which ended up with the signing of the Lomé III Convention. In spite of the fact that I had spent 26 years of my working life working in Parliament, I must admit that I was somewhat surprised that the discussions of issues at the Council meeting were extraordinarily lengthy, requiring marathon day and night sittings. This is understandable, of course, given that you have 66 countries participating at a conference of this nature. Within a month of that meeting, I arrived in Brussels to open our mission here and found that the meetings at ACP House were not only numerous but were just as or even more drawn out.

I do not point a finger at anyone, for as a party to these proceedings, I accept my share of the blame. Is it possible that these prolonged discussions tended towards form rather than substance and on rhetoric without delivery? I see myself as representing my small country with very limited resources to keep up, what is for us, anyway, quite an expensive mission, within the context of our commitment to the Lomé Convention, and with further responsibilities due to accreditation on a bilateral basis to some of the European countries.

At the end of the long debates and the many speeches which are well documented and filed in the archives, I keep asking myself this very basic question: "is being here and having an expensive mission in Brussels helping to promote the welfare of my kinsfolk back home?" I don't believe I can best answer that, for the only acceptable response must surely come, neither from me nor from my government nor the organisations funded by the European Community, but from the ordinary Samoan struggling to make a living whether in Apia or out in the village, whatever his or her state in life. In my preoccupation of studying the fine print of the massive documents and the agenda and the records of previous meetings, and being engaged in the never-ending discussion of the 4-5 year old saga of the "conditions of service of the ACP Secretariat", and the various activities associated with my official and social life here in Europe, it can be quite difficult to see the eyes of the starving Ethiopian or of the oppressed African under apartheid. Therein lie my difficulties and the challenge.

► *Would you therefore say, from your experience, that you have found the ACP Group the best framework for your country's relationship with the EEC?*

— In spite of what I have just said, there is no doubt in my mind that the answer is "yes". I believe the Lomé Convention allows each of us in the ACP sufficient scope to deal with our European partners in mutual respect on the many issues which form our relationship. Apart from costs alone, a small country like mine, on its own would be literally lost in the complexity and sheer size of the institutions of the Communities.

► *How would you describe your relationship with EEC officials?*

— Extremely good, and I hope that would not be taken just as a diplomatic response. At the working level, we are concerned with the promotion of development cooperation. That requires the exercise of mutual respect and openness at whatever level of consultations we enter into. So when we get down to formulating projects, what is strong in my mind is the impact/output of the resources expended for a particular activity. In other words I do actively promote the co-ordination of resources, realised under our development co-operation, in order to raise standards of living, and the design of projects and programmes must therefore realistically meet our basic needs and aspirations.

Having described our relationship as extremely good, I would be less than honest if I were to say that we have not had misunderstandings, but these have helped towards greater efforts to appreciate our differing viewpoints and have made for a more honest solid relationship. I have found the officials I have had to deal with always courteous and always willing to help.

► *To what extent has this relationship affected the implementation of your Indicative Programme, for example?*

— To the extent that ours is a partnership. When it comes to implementing projects, I am interested in a high delivery rate for the simple reason that there are bound to be cost overruns or other operational problems. Also, my relationship with DG VIII involves

substantial representation. I have on several occasions stated that Western Samoa, as a least developed country, does have unique problems, so that the administration of aid resources should be consciously related to the capacity to absorb aid. You must bear in mind the fact that the local costs of resources from our National Budget put constraints on our resources. I should like to see greater flexibility being exercised in our partnership.

► *The Pacific, seen from Brussels, naturally evokes distance. What difficulties do you face in communications in the day-to-day running of your mission?*

— When it is midday in Brussels, it is midnight in Apia. To fly from my country to Brussels taking the shortest route is to be in the air for something like 26-28 hours. Mail to or from my country takes at least 18-21 days. So to a great extent we rely on telex, on the fax and, in more pressing needs, on the telephone.

Consult the directory on tariffs for these communications to my country and the South Pacific generally and you will find that, in terms of costs, they are quite expensive for us. Operating by remote control therefore is not only difficult but can be quite expensive, in time and financial terms.

► *Yours is a small mission for a small country. Do you, though, have enough staff to deal with the various meetings and issues that arise in ACP-EEC relations?*

— Would you believe it if I were to say that I opened this mission in January 1985 and remained a one-man mission for 2½ years. Our home representation has since increased by 100% and remains that to the present time. We need to be realistic in running a mission as to what we can afford and cost has to be a major consideration. I doubt whether any mission here is in a position to field a full team to cover the whole commitment and the complexities of the issues and numerous meetings that arise out of the Lomé Convention relationship. Given the limitations of staff and budgetary constraints in which our mission operates, it is of the utmost importance that our resources are properly and fully utilised in the most effective way possible. As one in a team of 66 ACP coun-

tries, we do endeavour to carry our share as best we can.

I would be terribly remiss if I did not acknowledge the tremendous generosity of my many other ACP colleagues in making themselves and their own limited resources available to our common task. I am very grateful to them all.

► *What about the decision-making process of the ACPs? It is sometimes, as you have already mentioned, very long and tiresome. How do you cope as a one-man mission?*

— One has to accept that there will always be difficulties when you have 66 countries. But, given the goodwill and the understanding that does exist amongst our colleagues in the Committee of Ambassadors, we generally, at the end of the day (sometimes rather long days), arrive at common positions. I made the point earlier on about some of the issues that have been outstanding, on our agenda. Some of these issues, I believe, need to be disposed of, so that we can focus our minds on issues that are of paramount importance to each of us, to our individual countries, and to the ACP as a whole.

► *How would you characterise the Pacific input into the ACP Group's affairs on the one hand and the ACP-EEC's affairs on the other?*

— As you know the Pacific is represented here in Brussels by only three missions: Fiji, Papua New Guinea and ourselves. In a group of 66 countries of which more than 40 have missions here, our representation numerically is quite minimal. The Pacific input into ACP activities, however, have been quite significant, given its small representation. Our remoteness may give credence to the old saying "out of sight, out of mind". This is just not the case. In the last 6 months for instance, our Minister of Finance was President of the ACP Council of Ministers, the ACP-EEC Joint Assembly Bureau met in Apia, the first time an organ of the Joint Assembly has ever met in our region. The CDI, Centre for the Development of Industry, shortly thereafter held a very successful regional seminar in Apia, as did likewise the CTA, and very shortly the EEC Vice-President Natali is expected

to visit Apia to attend the ACP Pacific Regional Ministers meeting.

In terms of projects, most of the Region's country programmes are well on the way to being implemented, and the Regional programme promises to move this year, if not spectacularly then certainly with a leap. The facts speak for themselves.

► *You do socialise with your ACP colleagues, I assume. Have you found this useful in your ambassadorial duties?*

— No ambassador can operate in isolation, particularly in a multilateral situation as this, and be effective in his or her duties. We have disagreements and differ on issues within the conference room with our ACP colleagues, but this honesty of approach in no way affects or detracts from the happy relationship that we maintain outside the meeting room. I have always found my colleagues very understanding and the opportunities that we share together on the social circuit enhances this relationship and fosters a better working climate which contributes greatly to our ACP solidarity.

► *How did you find the cultural differences at first? You being from the Pacific, and the Africans, and the Caribbeans being of a different cultural background?*

— I found the differences richly rewarding. I believe in the ACP, and I think I can say this of all countries in the Group, that we are people-oriented, and for this reason we relate to people much more readily without any difficulty.

► *You are also accredited to Belgium. What does your relationship with the Belgian authorities entail?*

— Actually, besides Brussels, I am also accredited to Bonn, Paris, Rome, London and Berne. Specifically on Belgium, on which you have asked, we have no historical ties or shared past, as we do for instance, with Germany, who was the colonial power in my country at the beginning of this century.

What dealings we have with Belgium, therefore, are very much in the context of the Community and with other organisations to which Belgium belongs. Of course, as a mission based

here in Brussels, we have to deal with the Belgian authorities—the Ministry of Foreign Affairs, and Protocol, and such like—and they treat us with every consideration.

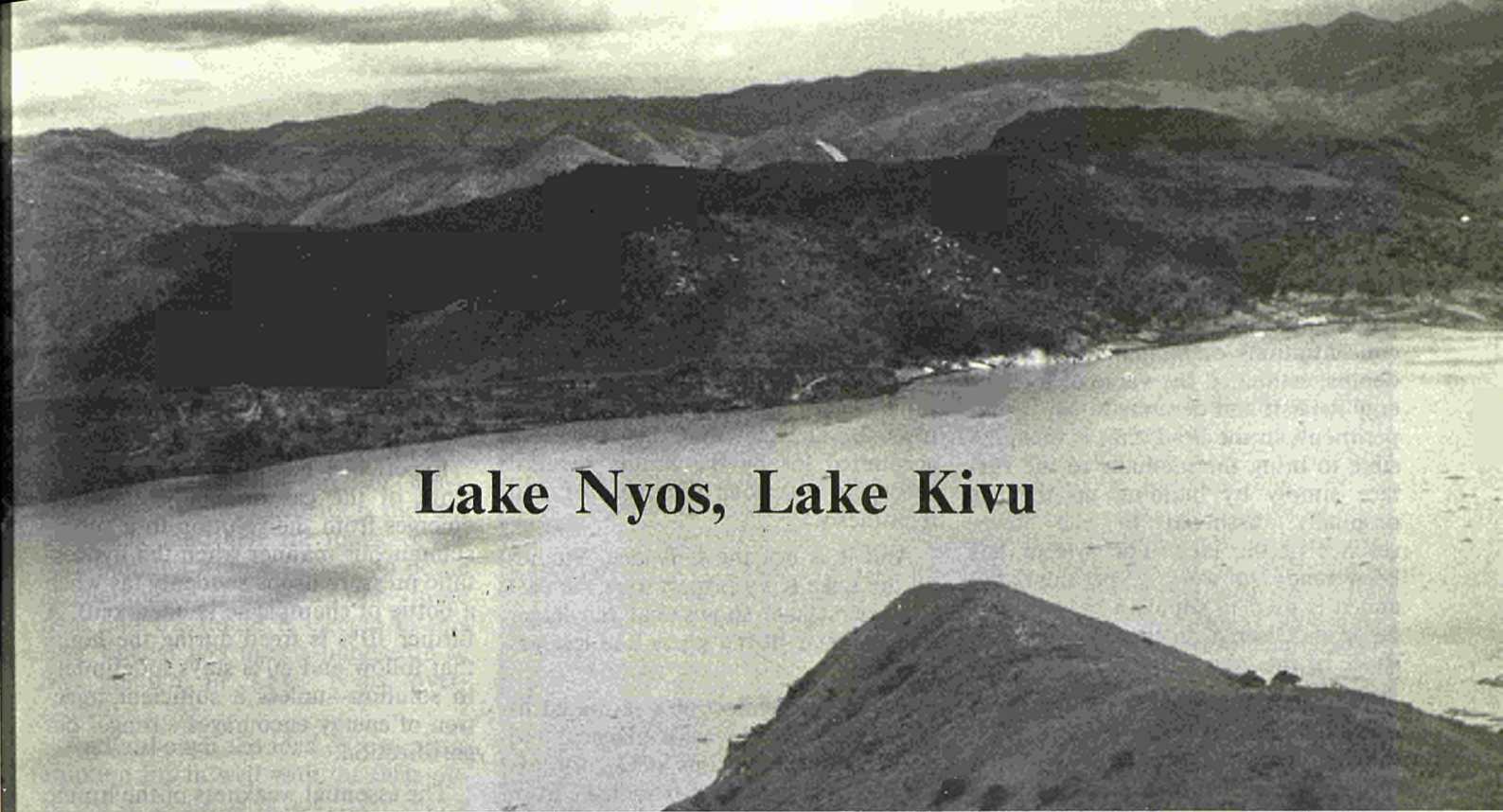
If you want me to give my likes and dislikes of my host country, then I must respond as follows: I dislike the cold and wet weather in Brussels, but then that is no one's fault. On the other side of the coin, I very much like the Belgian people (with the possible exception of a landlord or two), for their warm, generous and courteous manner. Two of my children have attended Belgian schools since our coming here, my wife and I have not the slightest doubt in the wisdom of our decision for our children to be fully exposed to the Belgian people and their culture. We are grateful to our host country for accepting us as they have, and for being so helpful to us.

► *You don't have any kind of economic relationship with Belgium at all?*

— We would like to develop more economic ties with Belgium. We are producers of fine flavoured cocoa and in the past our cocoa exports have found their way to local chocolate manufacturers. We produce perhaps the finest blending cocoa in the world and we will continue to explore further outlets in Belgium. There are pipe-line projects for the Belgian government to consider and the scope for future assistance will be on our agenda. But overall, we are exploring opportunities in the manufacturing sector and tourism which would serve as the basis for our economic relationship.

On tourism, I believe we could offer something entirely different from what the tourists could experience in the Mediterranean area, Hawaii or other stereotype tourist resorts. So we have been talking to tourist operators here but the general orientation unfortunately in the industry, perhaps understandably, seem to preclude tourist promotion to Western Samoa. I think there is much sense in dealing with a tourist operator in such a way so that we could mutually manage the whole exercise. I just do not wish to repeat the experience of other countries which spend millions of dollars to establish a structure for promotion and find it unmanageable. ◊

Interview by Augustine OYOWE



Lake Nyos, Lake Kivu

Lake Nyos a few days after the disaster

Opportunities and risks for exploiting methane

by Haroun TAZIEFF (*)

The disaster which killed 1800 people, thousands of head of cattle and all animal life around Lake Nyos in Cameroon on 21 August 1986 caused great anxiety among the leaders of the project to tap methane from the lower levels of Lake Kivu in Zaire and Rwanda⁽¹⁾. This was all the more understandable as, according to one American theory, the disaster was caused by an "overturning" of Lake Nyos.

In response to a request by the Cameroonian Government, the French Government asked me to report on the causes of the disaster, the threat of similar happenings and ways of preparing for them. The study shows that the Nyos disaster was not limnic in origin, but eruptive, and that reversal on such a frightening scale would be impossible. By "frightening scale" I mean likely to liberate a volume of the order of several hundred million m³ of CO₂ (carbon dioxide) in a short time (10 or 20 minutes).

Lake Kivu and the Virunga Volcanoes

Lake Kivu is the result of a barrier raised by a new volcanic chain some 600 000 years ago in the upper valley of a river which then flowed northwards (and was in fact the source of the Nile). When the water, which gradually built up behind this natural dam, reached the lowest point of the surrounding mountains, it spilled over the pass in the south, forming the River Ruzizi. The Ruzizi flows into Lake Tanganyika, which in turn flows into the Zaïre and the Zaïre flows into the Atlantic. This is a standard pattern whereby a river basin "catches" a river from a neighbouring basin, although in this case, the scale is exceptional, with the Zaïre-Atlantic basin catching a river from the Nile-Mediterranean basin.

This, then, was one of the results of the birth of the great chain of Virunga Volcanoes, with eight main cones, altitudes of between 3 000 and 4 500 m and an area of 80 km from east to west and 40 km from north to south. The northern part of the bottom of Lake Kivu is, therefore, volcanic and eruptive activity must be taken into consideration in this region.

The Virunga chain is still very active, one of the most active in the world, with permanent lakes of lava for decades together and more frequent eruptions than any other volcanoes bar, perhaps, Etna.

This exceptional volcanic activity is mainly confined to Mounts Nyamulagira and Niragongo, which barred the Nile Valley in the prequaternary era, to the extreme east of the chain. This explains the enormous quantities of carbon dioxide—which, with water vapour, makes up more than nine tenths of the volcanic eruption—which is dissolved and continues to dissolve in the waters of Lake Kivu. The laws of physics whereby the solubility of a gas in a fluid increases with pressure mean, obviously, that the deeper layers, where the hydrostatic pressure is the greatest, contain the major part of the dissolved CO₂.

But what interests industry in this lake is not the CO₂ but the CH₄-methane. This is of biological not volcanic origin, being generated by the anaerobic (airless) fermentation of the remains of plants and animals which are so abundant in these warm equatorial waters. Once the organisms die, the remains sink in a slow, continuous

(*) Geologist and volcanologist and former French Secretary of State for the Prevention of Major Risks.

(1) The Courier No 102, March-April 1987, p. 66.

shower to the bottom (–450 m) where they are decomposed by micro-organisms.

In 1953, the Belgian specialists Jean Kufferath and Ivan Elskens measured concentrations of methane at various depths, estimated the value of this energy deposit and demonstrated, by experiments in the field, that it was possible to bring the methane to the surface simply by building up the gas originally dissolved in the lower reaches of the lake. The system has been made to work (experimentally) and it is used to supply a brewery not far from Gisenyi on the north-eastern shore of the lake.

What about the risk of sudden liberation of vast quantities of carbon dioxide generated by the exploitation of the methane? I think I can say there is no such risk.

There is none because it is not possible for a stratified lake, such as Lake Kivu—with deeper layers which are much denser (because of the quantity of dissolved chemicals) than the surface layers—to overturn. Overturning—as observed in the whole world—is a phenomenon confined to non-stratified lakes.

But it is important to see why, of the two opposing hypotheses, we should choose eruption: unlike limnic reversal, this and this alone explains all the phenomena observed in the case of Lake Nyos.

Contrasting explanations for the Lake Nyos disaster

When a number of theories are put forward to account for any given phenomenon, the one which satisfactorily explains all the observed facts (or, if not all, the one which explains most of them) is clearly the most acceptable.

After the Lake Nyos disaster, a certain number of facts were recorded (see inset 1).

The two contrasting scientific hypotheses explain eight of these facts more or less well. But seven others are explained only by the eruption hypothesis—the height (120 m) attained by the lethal CO₂ above the lake, the noise (banging and rumbling) and flashes in the night, the central circle, the “pin-point” clearance of a hectare of the bank up to 80 m above the surface of

the lake, the abnormal heating of the waters, the recurrence of these same phenomena four months later, and the central rings in the neighbouring Lakes Nyos and Njupi which are not connected.

The (phreatic) eruption theory rationally accounts for all these facts (see inset 2). The fact that they were not accounted for by the limnic reversal theory is a serious weakness of that hypothesis.

And it is not the only one. Studies on the Lake Kivu project over the past two years have shown that the larger the diameter of the pipes, the less gas is tapped.

The degasification of a saturated liquid is slowed down for physical and even chemical reasons (CO₂, for example, has to be extracted from H₂CO₃). But the vesiculation of the

gas originally dissolved is encouraged by the manipulation of the liquid-solid interfaces. The example of the abundance and size of the bubbles on the sides of a glass of, say, fizzy lemonade or on a spoon dipped into it whereas there are none (other than a few tiny ones) in the body of the liquid, demonstrates it.

Experience has shown that only a tenth of the gas originally dissolved emerges from the solution in a sub-instantaneous manner when the hydrostatic pressure drops suddenly (as when a bottle of champagne is uncorked). A further 10% is freed during the hours that follow and 80% stays indefinitely in solution—unless a sufficient injection of energy encourages stronger degasification.

The essential weakness of the limnic reversal hypothesis is therefore its ina-

The Nyos disaster — the findings

1. *The apparently lightning death of almost 2000 people, several thousand head of cattle and all the fauna.*

2. *The lethal factor, more than probably a gas, radiated, according to the topography, an area of 14 km round Lake Nyos.*

3. *On the western and sharply sloping shore of the lake, the killer gas wiped out everything up to 120 m above the surface of the water.*

4. *These last two observations were the basis for estimating the volume of killer gas at 8.10^8 to 1.5×10^9 m³.*

5. *Evidence suggests that the phenomenon lasted about five hours in all, with 20 minutes of explosions, some accompanied by flashes.*

6. *The waters of the lake, which were clear blue until 21 August, were murky and red the following day and stayed like that for three weeks, as the density of the products in suspension gradually decreased.*

7. *A circular patch of a deeper rust-red, 150 m wide, stained the middle of the lake. It disappeared gradually in under a fortnight.*

8. *The shores of the lake, apart from traces of a few metres of undertow, were not affected, except to the west where the granite bedrock on a promontory had been stripped over an area of a hectare and an 80 m drop, and to the south where waves had washed away 20 m of topsoil.*

9. *The surrounding vegetation did not suffer at all, although there were one or two traces of violent winds in the southern valley (some banana palms and other trees broken) and leaves which were corroded but not burnt.*

10. *All the eye-witnesses mentioned:*
— red and white flashes;
— a bad-egg smell;
— a gunpowder smell;
— scalding water on the overspill area;
— scalding droplets on the skin.

11. *The survivors and the victims had medium-sized blisters over their bodies.*

12. *At about 8.30 p.m. (after nightfall) on 30 December 1986, a team of scientists camping by the spillway heard three more explosions and saw white lights.*

13. *At dawn the next day, the lake, which had been uniformly green the night before, had a rust-red stain in the same place as the one which had appeared four months previously.*

14. *The little Lake Njupi (several hundred metres from and lower than Lake Nyos), which has chemically completely different waters and was entirely blue-green before the 30 December explosions, had a red stain similar to the one which had just reappeared on Lake Nyos the following day.*

15. *A month later, Lakes Nyos and Njupi were as clear and as blue as they had been before.*

bility to explain the facts observed above. But there are also the physical impossibilities—the delays impeding degasification and preventing it from being sudden and massive and the relative slowness of this sort of overturning of a lake. The fact that at least half the water in the lake did not spill over—which it would have done in the case of sudden vesiculation of several hundred million m³ of gas—shows that such vesiculation did not take place (and here the image of the cork popping from a shaken-up bottle of champagne is a telling one—more than half the liquid is ejected in this case, but far less than a hundredth of the volume of Lake Nyos overspilled).

And although the idea of a phreatic eruption fits in well with the facts observed at Nyos, is it not likely that a similar event could happen, with equally serious consequences, in the northern, volcanic part of Lake Kivu?

And the answer is yes, it could, as it could in any latently volcanic region. But the probability is infinitesimal and has nothing to do with any exploiting of the deposit of dissolved methane there.

Industrial methane exploitation need take no greater notice of this than any other industrial project would in any actively volcanic region of the world, be it Japan or Italy, New Zealand, Greece, Iceland or the USA...

Methane exploitation: no risk at Lake Kivu

I wanted to be clear enough about this for the people in charge of the Kivu methane exploitation project to be able to decide on whether or not to go on with the operation in full knowledge of the facts.

My conclusion is formal: the risk of a disaster of the Nyos type by “overturning” of Lake Kivu is non-existent.

However, there is a risk—although the probability of it is infinitesimal—of high CO₂ phreatic eruption, as at Nyos, localised under the northern, volcanic part of Lake Kivu or in the open air on the northern shore. But this risk has nothing to do with exploitation of the methane dissolved in the

Nyos — the phreatic eruption explanation

Findings

3. *Carbon dioxide is 1½ times heavier than air and could only rise (and kill) 120 m above lake level because of the force of the jet. Ordinary emission from solution in saturated waters would not have sent it even a tenth of this distance.*

5 & 10. *Banging, rumbling, flashes and high temperatures are, as we all know, typical of volcanic eruption.*

7. *The central ring traced the base of the (inverted) cone of projection whose summit was the mouth of the eruption located at the base of the crater underneath the lake.*

8. *The jet projected not just gas but water, sending it high enough to strip the granite of all its cover over a whole hectare when it fell back. This hectare, on the steep shore level with the red ring in the middle, was in the same area as that patch.*

10. *The eruption of hot water vapour, a sine qua non of the phreatic phenomenon, provoked localised heating of the waters of the lake.*

12. *Recurrence of these phenomena is typical of phreatic crises. A recent and particularly well-known example of this is the Soufrière in Guadeloupe, which had a series of eruptions between July 1976 and March 1977, with 30 or so high-speed, high-pressure emissions of water vapour until the thermal energy that had built up in the underground reservoir, at the expense of the heat of the underlying magma, was exhausted. The number of va-*

pour emissions depends on mechanical characteristics and the nature of the rock cover, as do the length (days or weeks) of the periods of rest during which the eruptive energy represented by the volume of vapour and the heat which build up under the cap takes to reform.

14. *The fact that the central rust (ferrous oxide) rings appeared in lakes that are near each other but still more than a km apart—and, as the chemistry of the waters and the geomorphology of the area formally demonstrate, without any kind of hydraulic communication—is explained, geologically and rationally, by the eruptive theory. The eruption, (phreatic or magmatic) which is generated several hundred metres under the lake, spreads through the weakest areas, mechanically, through a crack in the earth's crust (or sometimes two different cracks which cross). According to the structural and mechanical characteristics of the crack, the eruption (always gas and sometimes magma) reaches the surface along a relatively long stretch of the crack (fissure eruptions) in one or sometimes two places. This is what happened at Nyos and Njupi. It was only observed at the time of the recurrence of 30 December 1986 because Rose-Marie Chevalier showed more scientific curiosity than any of the other researchers after the initial eruption on 21 August and went to Lake Njupi. But it seems highly likely that there was also a ring of red water on the surface of this lake at the time of the Nyos disaster too.*

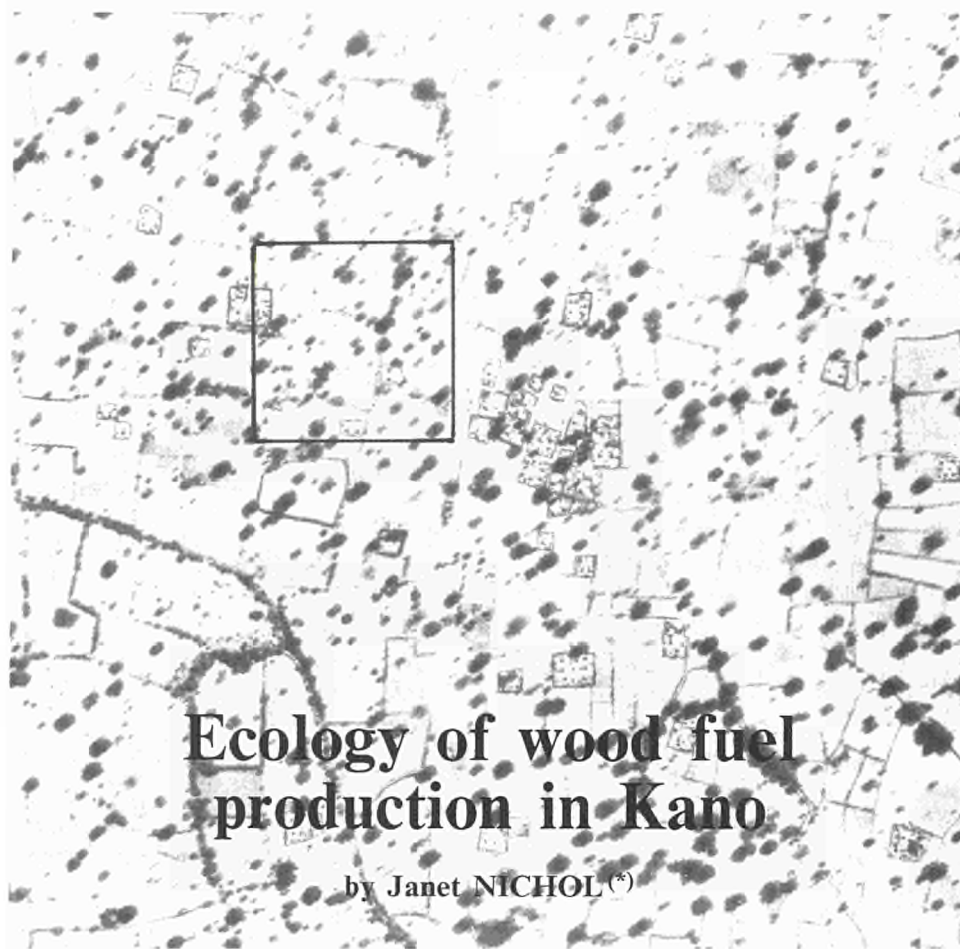
lake. Like the risk of a destructive earthquake—of equally low but not zero probability—this kind of threat should be considered from the point of view of such prevention as is possible and economically justified (by using, say, the rules of parasismic construction) and of what to do if it actually materialises. It is worth noting that the extra cost of incorporating parasismic features is 0.8% of the cost of the construction work of a properly designed building.

The possibility of a phreatic eruption like the one at Nyos (in the air or under the lake) exists around the northern shores of Lake Kivu. But it would certainly not be provoked by exploiting the methane dissolved in the waters.

There is a likelihood of such an event in any volcanic region, including

the most industrialised areas of the world, Japan, the USA, Italy and New Zealand, for example, which have not had any disasters of this kind. The relative rarity of this kind of phenomenon (there are three known cases—Diëng in Indonesia in 1979, Momoun in 1984 and Nyos in 1986 in Cameroon is behind this apparent immunity. But the knowledge that we now have of this latent threat, albeit it one dormant for centuries, in all the active volcanic regions of the world means that the Governments of the nations concerned have to bring in programmes to predict (the only way of minimising the effects) the emission of clouds of carbon dioxide. So leaders in Rwanda, Uganda and Zaïre, the three countries which share the active Virunga Volcano area, should seek the means of getting such a programme going. ○

H.T.



Ecology of wood fuel production in Kano

by Janet NICHOL (*)

Much has been written about the “fuelwood crisis”; much about the disappearance of trees surrounding the major towns and cities of the semi-arid zone. One is easily led to believe that the extension of wood fuel collecting deep into the countryside, and often hundreds of kilometres from cities, as observed in *The Courier* No. 95 (1986) is due to the dearth of timber in the immediate hinterlands of those major settlements; a result of overexploitation for sale in the urban market. However, research on wood fuel production around the great city of Kano, in the Sudan zone of Northern Nigeria, has shown that these generally held assumptions do not always apply, since around Kano, trees are plentiful and have been increasing, even during the period following the major drought of 1969 to 1973.

Whether the Kano case is anomalous, and whether or not barren and desolate landscapes stripped bare of trees do in fact surround other major towns and cities of the savanna zone (as has been claimed for Kano), is still attendant upon rectification of the data on drought, which persistently plagues solution of the fuelwood crisis.

The historic city of Kano has a population of well over one million, and the area surrounding the city itself has long had some of the highest rural population densities in Africa, with

between 140 and 500 persons per square kilometre within a radius of 50 kilometres. Within this densely populated rural hinterland, the agricultural system is highly intensive, and soil fertility is maintained by the application of organic fertilisers from the city and rural compounds. Farmland trees maintained by farmers for a wide variety of purposes form an integral part of this well established and highly traditional farming system, in a landscape which is appropriately known as “farmed parkland”.

Using a combination of fieldwork and aerial photographs taken at different dates, a survey was undertaken of

tree stocks and amounts of timber reserves by volume in three study areas at different distances from Kano city. It was found that the area adjacent to the city itself, with the highest rural population densities, and closest to the urban fuelwood market, had not only the highest tree densities, of 12.3 trees per hectare (see photo), but also recorded an annual increase in tree numbers between 1972 and 1981, of 2.4% annually. This is remarkable, since this period follows the severe drought of 1969 to 1973, when woody vegetation would have been under stress from moisture deficit, as well as from increased use by farmers and graziers.

Tree densities in the two study areas at greater distances from the city are much lower than around the city itself, and tree stocks have declined in both areas, with a very large decrease of 5.7% a year in the Sahel study area, 250 kilometres north-east of Kano.

These regional variations in tree densities, and differences in the nature and rate of change between inner and outer zones of influence of the city, can partly be explained in the context of the contemporary fuelwood trade, which is now commercial, and truck-based. With improvements in road transport, there is now little economic advantage to be gained by deriving wood from areas adjacent to the city. Commercial operators can make economies of scale, to compensate for increased distance travelled, and, moreover, would be likely to find roadside prices of wood lower away from a large urban centre.

Heightened awareness of effects of drought

The surprising increase in tree densities in farmlands surrounding the city in the post-drought years can be explained by the rapid growth rate of many of the farmed parkland tree species, as well as the keen awareness of farmers in intensively cultivated semi-arid regions, of drought and its effects on the farming ecosystem. Losses can be replaced without much additional effort simply by encouraging coppicing from lopped tree stumps, and by protecting seedlings which germinate naturally. In less populated and less intensively cultivated areas more remote from the city, such conservationist

(*) Remote Sensing Unit, Department of Civil Engineering, Aston University, Birmingham.

Fig. 1: Trends in tree density per hectare

Study area	Location	1972	1976	1981	Change per annum
1. Kano	0-20 kms west of Kano city	10.0	—	12.3	+2.4
2. Kiru	50-70 kms south of Kano city	7.4	—	6.8	-0.8
3. Birniwa	250 kms north-east of Kano city	—	9.1	6.5	-5.7

measures may not operate due to differences in land rights (which are insufficiently understood), and the lower importance attached to wood and tree products which have until recently been more or less freely available.

In study area 3, Birniwa, 250 kilometres north-east of Kano city, and within the Sahel zone, the observed 5.7% a year decline in tree stocks is particularly severe. Fieldwork carried out in the 1987 dry season confirmed high rates of exploitation, with the felling of whole trees, compared with a tendency to merely lop branches in the study areas closer to the city.

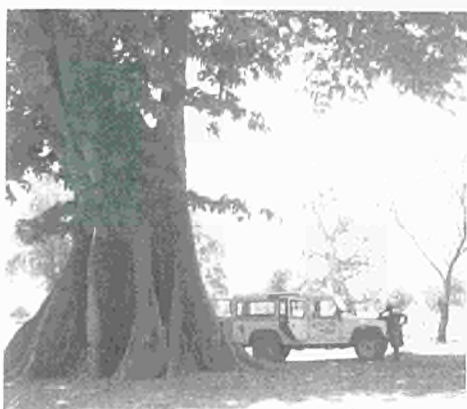
The very marked dominance in this most distant study area of the *baobab* tree, (*Adansonia digitata*), which is not

much larger. Some tree species found in farmlands of the northern Sudan zone of West Africa can reach a very large size indeed, as witness the *kapok* tree seen here below, left.

The silk cotton, or *kapok* tree (*Ceiba pentandra*), the dry zone mahogany (*Khaya senegalensis*), and the *baobab* (*Adansonia digitata*), are examples of farmland tree species of which one single tree may contain as much wood as several hundred of the smaller species with a shrubby growth habit commonly found in shrub or woodland. One tree, *Khaya senegalensis*, in study area 2, for example, contained over 300 cubic metres of wood. This finding goes against the common assumption that the conversion of land from

In this area which has for centuries been both densely populated and intensively cultivated annually, if farmers were not intimately aware of the hazards of over-use combined with periodic drought, the landscape would long ago have been stripped bare of trees and the soils severely degraded. It is likely that traditional agro-forestry systems exhibit a degree of resilience previously unrecognised by officials and organisations intent on encouraging farmers to plant more trees. Surprisingly, the areas of lowest rural population more remote from urban centres may be experiencing the most rapid deforestation. In these areas, land is less intensively managed and land rights may be less rigidly defined, thus providing easier access to unauthorised woodcutters, whether they be pastoralists or landless labourers acting as middlemen for the urban fuelwood trade.

In these remote areas, greater incentives for tree maintenance appear to be required. For example, price support for wood and tree products such as kapok, shea butter and gum arabic,



a wood fuel species, due to the wet and spongy nature of its wood, strongly suggests fuelwood exploitation to be the main factor in the rapid decline of tree stocks.

A second major observation is that much greater reserves of timber, by volume, appear to exist per hectare in farmland than in either shrubland or forest reserves. This, again contrary to some assumptions on the fuelwood crisis, is due to the fact that timber volume per hectare is more closely related to the size of individual trees than to actual numbers of trees. Thus, although there are fewer trees in farmland than in either shrubland or forest reserves, the trees themselves are

Fig. 2: Wood volume per hectare in different land uses (m³)

Study area	Farmland	Shrubland	Forest reserve
1. Kano	12.0 (8.9) (*)	4.8	—
2. Kiru	55.4 (47.6) (*)	13.7	41.0
3. Birniwa	54.5 (3.3) (*)	—	9.4

(*) Excludes *Adansonia digitata* which is not used for fuel due to the wet and spongy nature of its wood.

shrub or woodland to farmland, which is taking place rapidly in many areas, is undesirable in terms of wood fuel production.

Until more is known about patterns and trends in the growth and decline of tree stocks around other towns and cities of the semi-arid zone, the findings for Kano cannot be used as a general model, and general implications cannot be drawn, though some observations can be made.

In the case of Kano, it would seem that farmers in the immediately surrounding fuelwood catchment of the city are well aware of the importance of maintaining trees on farmland: an awareness which allows them to respond effectively to drought and other pressures on tree use.

all of which formerly supplied the export market. The shea butter tree has almost disappeared from around Kano in the post-colonial period. More information about the influence of patterns of land ownership and land rights is necessary and, in particular, observed trends in degradation need to be translated into policy objectives.

The increasing attention being given to farmlands, as opposed to forest reserves and plantations, in attempts by international agencies to increase wood fuel production, seems appropriate in view of both the greater extent of farmlands, and of the ability of farmland trees to grow very rapidly and to attain much larger sizes than those in shrubland and forest reserves.

○ J.N.

“Change the emphasis from food to technology”

Interview with Lord Plumb, President of the European Parliament

Sir Henry Plumb was President of the UK National Farmers' Union, and a farmer in his own right (his son now runs the family farm, though Lord Plumb still 'tinkers with a few acres to keep his hand in'). His lifelong enthusiasm for the European idea led him to stand, in 1979, as a European MP in the Conservative interest. He was elected President of the European Parliament in January 1986 in succession to the veteran Frenchman Pierre Pflimlin. In his maiden speech Lord Plumb remarked on the fact that Pflimlin (Alsatian for 'little plum') was being replaced by another 'plum'. He was raised to the peerage in 1986, but, as this interview with The Courier shows, he has not lost any of his concern for the world of the farmer, North or South, nor his enthusiasm for the ideal of Europe.



► *Parliament is often neglected and frequently overridden both by the Council and by Member States. Do you sometimes despair of ever truly exercising control?*

— The fact that the Council is the ultimate decision-making body and therefore the Member States are dealing with these issues is a position that, frankly, we *have* been in. Naturally in the past we felt we were acting a little bit like a lobby organisation rather than a parliament. That situation has changed quite dramatically over this last year. Three times now in the three summits that have been held during 1987 and the beginning of 1988 I have appeared before the Council and represented the Parliament. The Commission came forward with proposals in March which were radical in the sense of change: refinancing the Community, restructuring of the structural fund and doubling the fund itself (including, of course, assistance to regions by help with increasing employment in the more backward areas) reforming the Common Agricultural Policy, leading towards cohesion in the Community.

And behind all that, or ahead of all that as the case may be, there is the internal market in 1992. Now, we

have seen changes in the sense that we have moved into the operation of the Single European Act. In that sense we have become co-legislators and we have been able, on the proposals that have come forward from the Commission, to respond, to force the Council to come to a conclusion earlier and come to the conclusions that the Parliament wants in a way that had not been the case hitherto. So from that situation of frustration in the past, we are now in the vanguard of progress. We are behaving, as I see it, much more positively than we did hitherto, having to get that 260 majority⁽¹⁾ vote in the Parliament on matters for decision.

There is a further, much more exciting, development from that which is now taking place, and that is what we have been pressing for some time (and each time I have been before the summit, I have pressed for this) which is an inter-institutional agreement on budget discipline. The Council now agrees. That is a matter that we have now got to work out in detail. The Commission are 100% with us on this, so in that sense the Parliament, the

(1) The Parliament, composed of 518 seats, requires a simple majority for decisions. Thus 260 votes secures a decision

Commission, the Council are almost at one in decision-making, on the discipline of the budget, on the use of resources and therefore, effectively, on the change of policies. So in the course of my presidency, not because of my presidency, it is just because I am the victim of circumstances in the situation, it's all changed and we are now in a much stronger position than we were.

► *Parliaments, to win power, must use all their weapons, especially control of the purse. Will the Single European Act stimulate Parliament to exercise its powers more boldly?*

— ... Which it is doing. I think it will continue. I mean, I am not going to say it is all one way on this. If we take, for example, the relationship, financially and politically, with Israel, we have three reports before us at the moment that require a majority under the Single Act. The cooperation procedure under development requires a majority from the Parliament in order to continue with the arrangements with Israel. Because of the current situation in Israel, Parliament says “no”. It can work the opposite way, but Parliament, politically, can be effective in blocking a decision, because

of a particular situation that might arise in any country—it could be apartheid in South Africa. So it is not only pushing ahead, it could be blocking as well. That might be right, it might be wrong. But it puts us in a powerful position.

▶ *That is, the exercise of power, whether for or against.*

— Exactly. Which is not dissimilar from the power of any parliament.

▶ *Democratic government is said to require a mix of personalities and institutions. What is the nature of the mix that Parliament brings to the European process?*

— I think it is a very healthy mix in political terms, since we have eight different political groups representing the political persuasions of different nations, but it means that the Parliament is not working nationally, it is working politically in the interest of those different political parties. And it is remarkable. I mean there is, if you take the balance within the Parliament itself, a majority—only just—in favour of the Centre-Right Grouping. If you take the Christian Democrats, the Liberals and the European Democrats and the Gaullists and the far right together, and then you take the Socialist and the Communist and Ecological and Rainbow groupings, if you take them together, there is a balance, but it is a very divided situation. Take my election as an example. I only had a majority of about 6 which meant that all the Left had voted together and all the Right had voted together. And that gave a very clear line, I think, of the interests: but that is healthy, as I see it.

“Then, every Member came to the Parliament new, like students entering university”

So the mix is about right. It is interesting to be here 10 years on, virtually, from the first directly-elected Parliament. Then, nearly every member came to the Parliament new, like students entering university for the first time. They came into the Parliament very much with a view of their own nation, of their own Parliament and so on. In 10 years time, practically all of them have become Europeans and they are not looking over their should-

er any longer at what is happening in their own country: some are, but the majority are not. They are looking for a European identity and for a European solution to so many of these problems. And if you look back on the mix as a whole, Altiero Spinelli came forward with proposals a few years ago which seemed so far-reaching, so much so that many of us could not support them. Now there are a lot of people who are thinking Spinelli was not all that far ahead. We are now ahead of Spinelli. It is remarkable, in that short time, how that has changed and how the mix is working.

▶ *What means would you advocate for Parliament to appeal more directly to the European electorate over the heads of the major institutional blocks?*

— Firstly we are elected by the people, therefore we are directly responsible to the people.

▶ *But with a smallish turnout.*

— In the past with a smallish turnout. Having said that, I was accused by an American student the other night of having had a smallish turnout. Not accused, but you know what I mean. Unfortunately, I did not, at that particular moment, realise what someone said to me afterwards. The turnout, you realise, for the European elections was greater than the turnout for the presidential elections in America last time. So that puts that a little bit back into perspective.

“An Uncommon Market”

So, yes, the turnout has been poor. If we do not get a bigger turnout next time, I will be extremely disappointed. I believe we will, and I say this though I am not saying at this moment that the European Parliament is a parliament that is either recognised or known or, indeed, respected by all citizens of Europe. But there is going to be, over the next few months, an enormous build-up of knowledge of the benefits in Europe that we will all be enjoying after 1992 when we really have moved towards the achievement of a Common Market.

At the moment we do not have a Common Market: it is a very Uncommon Market because of all those barriers to trade, so that people, goods,

services, and capital are denied that free access. Now all of us are moving towards that, so that if you ask people at this moment what is going to happen in 1992, the majority would say “the Olympic Games”. I’ll guarantee by Christmas in Britain you will get a somewhat different response there, because there are going to be two things happening: one, the information campaign which is going to be presenting European affairs in a much bigger way than hitherto, and two, there will be a programme which Lord Young is pushing which will be launched in mid-April.

▶ *That is Lord Young of Britain’s Department of Trade and Industry?*

— He will be pushing that programme, announcing that programme and then they are going to hold breakfast programmes, breakfast meetings all over the country. Industrialists therefore will be all alerted to this. So 1992 is going to be in the minds of people, that is Europe, so therefore the European Parliament in itself, part of this, is going to seem to be more important to the electorate. That is how I see it.

▶ *So they are going to build up a sort of European ‘big bang’.*

— That is right.

▶ *European parliamentarians have always displayed considerable interest in development. Is it a widespread interest or does it tend to get left to specialists?*

— I think it is widespread. I probably get more letters on this from people who say that ‘well you’ve got all these surpluses in Europe, why don’t you send them out to the developing countries, where they are starving or suffering from malnutrition or whatever and solve the problem?’ So there is a widespread interest from the public, there is concern and a widespread demand that Europe does something about it. When you say to people that what Bob Geldof raised is equal to 14 days of the contribution the EEC makes to the Third World, they are always shattered.

The move now, of course—and I think this is being recognised by more and more people as far as development is concerned—is to change the emphasis from food to technology and to send *real aid* and *real help*.

There is a debt problem in many of those countries that is a major problem. Do we shift the loan to the grant? That is something that is being very seriously considered. Do we shift the food aid to development aid as such? Do we apply technology? Do we send a son to Africa rather than a ton to Africa? That sort of thing is seen to be important.

will send it?" or they will say "How can we afford to produce it, because it is being dumped here at prices way below what we can produce ourselves". It is one of the most serious issues that we have to face. I think we will at least pull people together who know what they are talking about, who will come up with ideas leading towards solutions and those ideas will go



While this African farmer struggles to produce his rice crop, Europe—and America—are stockpiling huge food surpluses

You mentioned the ACP-EEC Joint Assembly and the criticism of it which does arise from time to time, where people see this as a joy ride, as a bit of a jamboree for those people who participate. Each of those members who goes to this type of meeting take the whole thing extremely seriously.

And, to add to that, I have organised, and we are running now, a World Food Conference. That's taking place on 7 and 8 April in Brussels (*). And this is bringing together experts from the world over—North, South, East and West. It is not just dealing with the Third World problem, but it is dealing with the major problem we have in all the developed countries. Don't forget that the stockpile of food in America is five times greater than it is in the EEC. And so people are saying: how can we avoid a situation where "more plus more" equals "less", because that is what happens. We dump our products into the Third World, the developing countries. And they are going to sit back and say, "Well, why should we produce it, they

straight into GATT and to the FAO and all those bodies around the world.

► *Will the World Food Conference enjoy the support of the Commission and Council?*

— Absolutely. The speakers at the opening of a conference will be Dickling, Secretary of State for Agriculture in US, John Kerrin, Minister of Primary Industries in Australia, Mr Andriessen from the Commission, followed by all sorts of people. Other ministers are coming but I have not encouraged ministers to come. What I have been trying to do is encourage people to come who are completely involved in this, either from universities, academic life, or from major companies, and I have got major companies interested all over the world. They have not only subscribed financially to the whole thing to help run it, they are also subscribing with people who are completely involved in this business, who will come with their expert opinion. I did not want a big room full of politicians, I wanted a room full of experts.

► *Will you be getting experts from the deficit countries?*

— Absolutely. From many of the African countries, I've had the Ambassador of Zambia talking about it this morning, the Ambassador of Senegal who is going to be involved in it himself because he has something to contribute. I have got representatives from India, from all the Caribbean countries and so on, and all of them will be making major contributions.

► *Mr Natali, the Commissioner for Development, has spoken of a polycentric cooperation between bodies and corporations representing specific interests between Europe and the ACPs. What sort of cooperation would you like to see between farmers and agricultural bodies of the North and the South?*

— I was leader of the International Federation of Agricultural Producers, which covered 64 countries, for three years. And that represented all the farm organisations, all the cooperatives, worldwide. And there we had very good links. And I think there is a relationship here because all of those bodies are political, with a small 'p'. They have to link to the bodies who are political, with a large 'p'. That means the link from them to the Commission in Europe and to other bodies around the world and particularly into their political organisations. Because, at the end of the day, whatever is decided or determined in policy terms, is determined essentially by politicians.

I'll just go back to my World Food Conference because this is very much related to it. The first item on the agenda is how to get rid of subsidies. Many of these bodies such as the cooperative organisations, the farmers' organisation, would say 'shock horror', but the Cairns group⁽¹⁾ have already said, 'we are going to remove subsidies'. Indeed, in some countries they already have. The Americans have suggested that the world should remove subsidies over a 10-year period. We are not going to remove subsidies, but we have now got to lower the subsidy level and the subsidy rate, and we have got to come in with income support. It is a very good thing, therefore,

(1) The Cairns Group has carried out a study on food policy commissioned by the Commonwealth Secretariat.

(*) see News Round-Up p. XVI.

North-South

One future, a common task

that all these organisations at this stage get together to try to strike a balance because I don't really believe the Americans will reduce all their subsidies. I think the Cairns group, although they have already done this in some cases, are running into all sorts of difficulties and problems. The question, therefore, is of finding the happy medium, somewhere, as well as to try to get a balance between the different areas, in terms of policy, systems and money support.

So in all of this it should not be cooperatives, farm organisations etc. on one side and politicians on the other. It should be the whole lot getting together to try to find common ground and common solutions, ready for the 1990s. The 1990s are totally different from the 1960s and '70s. We have seen that many of the reasons for a food situation during that particular time or the way food production has expanded, has frankly had very little to do with policies. Everybody thinks it has, but in my opinion it hasn't. It is completely linked to technology, the plant breeder, the animal breeder, modern science, modern technology, the application of all this into the land and into the animal. To my mind, producing food today is the easiest thing in the world.

► *How can that technology be got across to the ACP counterparts? What can a British NFU do with, say, an African Farmers' Union or Cooperative Union—without going through the Commission?*

— I think in this there has to be the direct input on to the ground, training young people post-school, and there is a lot going on through agricultural training programmes. I happen to be Chairman of a little group which is involved in this. And it is taking off. At the moment there is a group of my colleagues going to Ethiopia with the aim of setting up a workshop, going around schools where they are thirsting for information on this. It is not high technology, it is very low technology, it is the application of these things that really matters. In all that, I think that if youth or farming organisations can do this by direct links with the farming organisations and be involved in the host country, it would be a splendid step. ○

Interview by Tom GLASER

The First World—the North—has probably never been as aware of the trials and tribulations of the Third World—the South—as in the 1980s. Africa, in particular, has been vastly more in the global limelight than in previous years, and it was at the height of the continent's great and highly public suffering in the mid-1980s that an initiative was launched by the Council of Europe⁽¹⁾ to hold a massive European Campaign on North-South interdependence and solidarity. The aim of the Campaign was threefold: firstly, it sought to heighten public awareness of the complex, structural relationship which affects Europeans and the people of the Third World in their day-to-day life; secondly, it set out to prepare the public for recognition and acceptance of policy requirements regarding North-South relations, and, finally, it was to provide opportunities for contacts between policy-makers of North and South alike on aspects of global interdependence.

The Campaign, strongly backed by the European Community and by non-governmental organisations, was given the go-ahead in 1985, began to be plotted out in detail in 1986 and was formally announced by its president, King Juan Carlos of Spain, at a ceremony in Madrid in November 1987. In January of this year it was officially launched at another star-studded ceremony complete with video clip of "One world", specially written and sung by the rock star, Sting, in the *Palais de l'Europe* in Strasbourg, and the campaign is now in full swing.

It is an immense affair, certainly the biggest of its kind ever to be undertaken. The Council of Europe's programme of scheduled activities—covering events planned at European level, only, without mention of the very considerable number of events being organised by national NGOs—fills a good 40 pages. It features activities as diverse as Round Tables, specific political gatherings (major debates in both the European Parliament and in the Council of Europe's Parliamentary Assembly), rallies, which Third World personalities will be invited to address, cultural activities, youth events, exhibitions, fairs, prayer vigils and a rock concert planned to take place in Dakar.

One of the most imaginative of the projects will be a North-South train, a specially decorated, highly colourful train which, in September this year, will wend its way through a dozen or so European countries, stopping off in a number of towns and cities to show

off an exhibition based on the seven major themes of the campaign—trade, agriculture, environment, debt, employment, aid and social and cultural relations. The intention is that the exhibition should highlight the problems of the Third World in as graphic a manner as possible, actually reproducing, for example, the effects of soil erosion or of desertification on agriculture.

These themes are also the subjects of the Round Tables held—or still to be held—in various cities of the Council of Europe's 21 Member States—from Bergen in Norway to Antalya in Turkey. They are mainstays of the campaign and of prime importance in the effort to raise public awareness of interdependence—an aspect of North-South relations which at best is unknown and at worst met with cynicism.

The common perception: distress and deprivation

Attitudes have certainly changed towards the Third World in the past 20 years. Aid is perceived by the proverbial man in the street as being much less a question of relief of poverty and

(1) Member States: Austria, Belgium, Cyprus, Denmark, France, Federal Republic of Germany, Greece, Iceland, Ireland, Italy, Lichtenstein, Luxembourg, Malta, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom.

misfortune and much more one of helping developing countries to help themselves⁽²⁾. Nevertheless the 1980s image of the Third World, particularly as conveyed by the media, has been overwhelmingly one of distress and deprivation—drought, famine, war, homelessness, all of which has reinforced the perception of a poor and vulnerable South dependent on a rich and powerful North.

Good news, of course, is no news, but the campaign will attempt—also through the medium of the media—to right this perception by putting it in a truer perspective. It will do this partly by portraying (though a number of entertainment programmes, for example) that there is another side to the Third World, a side related to daily life, human happiness and an indigenous cultural identity.

Mutual dependence

It will also stress the mutual dependence of the North and the South. Bob Geldof and Live Aid is part of the picture, but not all of it. The industrialised world needs the Third World both for its raw materials and for its markets. Its car industry, for example, requires huge quantities of iron ores (in the form of steel and cast iron), 80% of which originate in the developing world; it needs bauxite (as aluminium), 25% of which comes from Third World sources; copper (60%);

zinc (26%) and rubber (100%). The same is true of the raw materials which supply the textile industry and of agricultural produce. Tea and coffee are not simply luxuries that the First World could painlessly dispense with. In the European Community alone coffee, for example, represents no less



than 380 000 jobs. Copper provides work for 100 000 Europeans, car sales to the Third World provide work for 150 000.

Short-term sacrifices for long-term benefit

For the South, of course, trade represents the most important means of mobilising the foreign exchange resources needed for economic and social development. But terms of trade have deteriorated over the past decade, and, rather than expanding, the South's capacity to mobilise these resources has contracted. Growth in trade is in the interests of both North and South, though the North must be

persuaded to make the rules of the game fair, perhaps accepting the need for minor sacrifices in the long-term interest.

One of these sacrifices might involve the solution of the Third World's debt problem, which, by absorbing such high proportions of foreign exchange reserves, is making their social and economic development impossible. The debt crisis is not only harming the Third World, though, it is also having a direct negative impact on the economies of the industrialised world.

Promoting the concepts of equity and justice

But there is more to the campaign than trying to redress economic imbalances for mutual gain. It seeks to stress interdependence, but also to promote the concepts of equity and justice in North-South relations, both amongst the peoples of the hemisphere and, particularly, amongst their decision-makers—the politicians, bankers, manufacturers, civil servants, business and farming communities and others who, collectively, determine the international economic order.

In June the campaign will end, as it began, in Madrid, with a European Conference of Parliamentarians and representatives of non-governmental organisations.

For those interested in participating in the final events, either those organised at European level or those taking place within the 21 participating European countries, or elsewhere, information may be obtained on the campaign through the Council of Europe's Information Service⁽³⁾.

Meanwhile the European Organising Committee and the various National Committees, together with the thousands taking part in the campaign in one way or another, will be striving to get across their message of North-South interdependence and solidarity. The campaign slogan puts it succinctly: "North-South, one future, a common task". One might add: a shared responsibility. ○ M.v.d.V.

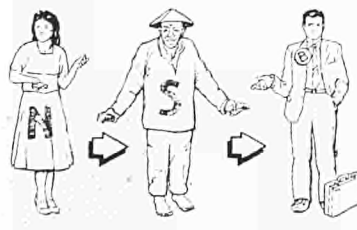
(2) A recent European poll on attitudes on aid for the Third World showed 17% of those questioned as seeing the principal aim of development aid as relief of poverty and misery, while 61% believed that the aim was to help developing countries to become self-sufficient.

Mexico:

Debt repayments = 36 % of its export earnings (1985).

Egypt:

Debt repayments plus the purchase of foodstuffs cost more than the value of its exports (1983).



The vicious spiral of indebtedness:

in 1985 the Third World received \$ 96 billion in gifts and loans and repaid \$ 132 billion

(3) B.P. 431 RG, F-67006 Strasbourg, France (tel. 88 61 49 61).

Capitalising on local energy potential: the example of the European Valoren programme

by Jean-Marie SEYLEN (*)

The EEC's Valoren programme is among those which the European Regional Development Fund, the ERDF, cofinances to help underprivileged parts of the Member States of the Community.

The idea is to help right the main regional imbalances in the Community and ensure that the aims of regional development fit in better with the EEC's other policies. The Commission takes the initiative and the general framework for the operation (aims, area of implementation, type of scheme, arrangements for it and size of the ERDF contribution) is laid down by the Council of Ministers. Detailed programmes of implementation, the "intervention programmes", are then produced by the Member States concerned, with the collaboration of the Commission — which has to approve them and provide cofinancing.

The Valoren programme

The Council regulation which set up the Valoren programme was adopted on 27 October 1986. Implementation began in 1987, after the Commission had approved (26 October) the intervention programmes submitted by the various countries. Valoren lasts five years (1987-91). The regions concerned are Greece (ECU 50 million from the ERDF), Portugal (ECU 65 million), Ireland (ECU 23 million) United Kingdom (Northern Ireland) (ECU 8 million), the Italian Mezzogiorno (ECU 125 million), a large part of Spain (ECU 105 million) and Corsica and some of France's overseas departments—ODs—(ECU 15 million). This brings the total ERDF contribution up to almost ECU 400 million.

Valoren, which is mainly aimed at regional development, sets out to mobilise the energy potential of these areas by measures in three major fields:

1. Exploitation of local energy resources, essentially the replaceable ones (solar power and wind energy, biomass and urban and industrial waste, mini-hydraulic works and geothermal energy), although small deposits of peat and lignite will be used as well.
2. Rational utilisation of the energy by small and medium-sized businesses in industry and the services sector, including the tourist trade, craft and some infrastructure.
3. Local and regional promotion of better use of the energy potential.

The choice of measures the Commission has made is justified by the local and regional impact the schemes are expected to have, in particular bearing in mind:

- local consumption of the bulk of the energy produced;
- the content of the work factor in respect of exploitation of these resources;
- the technological spinoff of this exploitation at local level;
- decentralised involvement of a large number of operators in designing and running the intervention programmes.



The geographical situation of the OCT-ODs is such that they have worthwhile windpower potential, particularly given that the region gets the trade winds — an irregular but inexhaustible supply of windpower

The intervention programmes are relatively varied from the point of view of both the suggested operations and the anticipated socio-economic effect in the light of the individual potential of each region.

The sub-programme for French ODs (FF 78.1 million of Community aid), selected in the light of the specific characteristics of these regions, will now be analysed in detail by way of example.

The French overseas departments situation...

Guadeloupe, Guyane, Martinique and Réunion have a number of things in common over and above their distance and geographical isolation, as far as the conditions of their energy supplies are concerned. They are virtually totally dependent on the outside world and they have special climatic conditions. They are slightly behind the national and Community average as far as development is concerned, a situation which is not without its effects on energy consumption. But on the other hand, there is considerable potential in the replaceable energy sector. The strength, duration and regularity of their sunshine augurs well for the development of heliothermal and photovoltaic energy, their relief and their rainfall are suitable for small HE stations and there are biomass resources in the under-exploited forestry potential (Guyane) and agro-industrial waste (West Indies and Réunion).

The energy situation in all the ODs bar Réunion is, typically, one of virtually total dependence on imported petroleum products, with local energy supplies only accounting for 10% of total consumption in Guadeloupe, 3% in Martinique and almost 0% in Guyane.

This dependence on just one type of imported energy is a factor of vulnerability and insecurity for the ODs and it is a considerable burden on their energy costs and trade balance.

(*) Principal administrator at the Directorate for Regional Policy at the Commission of the European Communities.



There are various ways of transforming the biomass into solid, liquid and gas fuel. The traditional craft methods (small ovens and earth moulds such as these used here in Martinique) have however a very poor output

In spite of a drive to diversify (refining the petroleum locally) and the recent drop in oil prices, the cost of producing and supplying the final power remains high and the full force of it is felt on company operating accounts, with the consumer paying prices that are more or less in line with those in the metropolis.

Electricity production accounts for some of these products. The EDF (France's electricity board), which produces the power, is running an increasing deficit linked to *de facto* subsidisation of the users, who are supplied at two thirds of cost.

The energy situation in Réunion is entirely original in view of the importance of local supplies in overall consumption (50.8%).

The two main local sources of supply are sugar cane waste (essentially used by the sugar factories themselves) and HE power (four stations turning out 508 million kWh) and they represented 110 000 and 106 000 t of oil equivalent respectively in 1982.

There is also a thermal power station generating almost 100 million kWh for peak consumption times, periods of low water and years when hydraulic resources are otherwise low.

So the bulk of Réunion's electricity is produced from local resources.

Total energy consumption in the ODs has expanded faster in recent years than over the decade as a whole and more strongly than in the metropolis.

This increase, which is tied to trends in economic activity, also has something to do with the rising standard of living, particularly as regards housing.

And this is something that will be accentuated in the coming years. So the ODs' energy security has to be

built on strong foundations, with less dependence, diversified energy resources, energy saving and capitalisation on the local potential of the vital aims for their development.

This should mean economic activity can be developed — both in the exploitation of local resources and the creation of local products and services.

The use of conventional fuel is not always the best answer to the energy problems of rural communities which are not all served by the interconnected EDF network. In Guyane, in particular, fuel is brought in by canoe or plane and supplies are always very expensive and often unreliable. Stocks have often run out. And there are many constraints on generators, so people living a long way from the main towns do not usually enjoy the benefits of electricity — for lighting and refrigeration in particular.

Since 1981, energy schemes have been coordinated under the Regional Programmes for Energy Control. Programmes are set up jointly by the regional communities, the AFME (the French Agency for Energy Control) and the Ministry of OCTs and OCDs, with backing from the EDF.

Schemes run as part of the Valoren programme now supplement and improve the schemes run under these regional programmes.

... and Valoren programme schemes

The main schemes to be run as part of the Valoren programme are as follows.

Replaceable resources

(a) Solar power. This is something which all the ODs are concerned with

and the sector accounts for 50% of Valoren aid to the ODs:

— Solar resources.

Both the daily average and the continuity of the sunshine are extremely promising.

Use of these resources, practically nil in 1981, has been developing since the introduction of regional energy programmes (to heat domestic water by solar power, desalinate sea water, dry agricultural products and generate cold).

The idea of the Valoren programme is to exploit local solar resources by installing collective hot water production systems for SME-SMIs. Service firms concerned include, above all, hotels, distilleries, hospitals, restaurants and canteens. In industry, breweries and desalination firms are the main ones to be concerned.

These investments are of course not always competitive in comparison with water heated with fossil energy (7-8 year replacement period), but the economic interest is obvious for communities which have to cope with importing their electricity (sold at a third of its local cost price).

ERDF aid (FF 15.7 million) is going to the four ODs, where it will be covering 20% of the cost of the installations.

— Photovoltaic electricity production.

Developments here are along three lines — supplies to isolated villages, to isolated houses and to isolated industries (night beacons, automatic telephone switches, pumps, TV relays, tourist units etc.).

With Valoren, the idea is to provide photovoltaic electricity for isolated dwellings which would not be linked to the public network because of the cost of extending the power lines.

Each dwelling will get 480 W power and 400 Wh reserve. The equipment will remain the property of the authorities.

Areas will only be equipped if their distance from the network is such (300 m) that the cost of generators cannot compete.

The total ERDF contribution (FF 24 million) is for all the ODs, and will cover about 30% of the cost of the installation.

(b) Hydro-electricity can be generated in Guadeloupe and Réunion. This sector represents 18% of Valoren aid to the ODs.

Since the second oil shock, HE has accounted for an ever-increasing percentage of Réunion's electricity production and the trend should be firmer in the coming years. By 1990, HE should be contributing 680 MWh to the electricity output — a 50% increase over 1983.

In Guadeloupe, the energy potential of the rivers is being neglected at the moment, in spite of the fact that there are sites that would be suitable for HE stations.

The Valoren programme will be helping with the building of three mini-stations:

- two in Guadeloupe at Capesterre in the lower valleys of Grande-Rivière and the River Bananier (ERDF contribution of FF 5.5 million), producing a total of 4 638 MWh p.a. (1 MW power);
- one in Réunion (at Bras-des-Lianes). The ERDF contribution is to be FF 8.9 million.

(c) Geothermal energy can be produced in Martinique. This sector accounts for 8% of Valoren aid to the ODs. Studies have been run to find out about the OD's geothermal potential (particularly in Guadeloupe, Martinique and Réunion).

The Lamentin site in Martinique has been designated a priority. Valoren will help finance low-diameter boreholes with a view to checking on the feasibility of exploiting this site. The ERDF is earmarking FF 6.5 million for this.

(d) Wind power (generators) is produced in the West Indies. Valoren aid will mean that Guadeloupe and Martinique can use wind generators to provide extra supplies for their electricity network as a back-up for the diesel-generated supply. A total amount of FF 1.8 million will be coming from the ERDF for this.

(e) Electricity can be produced from wood from biomass in Guyane. The Valoren programme will help with electricity output on isolated networks by using the abundant local supplies of wood. The (wood-powered gas) generators are between 40 and 100 kWh. Valoren will be providing FF 1.65 mil-

lion as a contribution investments worth FF 6.43 million.

The first two installations are to be at Cacao and Saint Georges and other isolated villages on the network — Maripasoula, Camop, Apatou, Grand Santi etc. — will be brought in later on.

Rational energy usage

Three main OD sectors are concerned.

— Transport

Energy saving schemes here are primarily concerned with road transport (very sharp increase in energy consumption and gradual reduction of the average fuel consumption of new vehi-



Open channel at the micro-power station of the National Forestry Office in Guadeloupe

cles, plus a drive against over-consumption).

— Tertiary residential

Intervention is possible here with heat control and savings on consumption by domestic appliances and the production of domestic hot water.

— Industry and craft

There are possibilities of controlling energy consumption (energy audits) and producing energy from waste (sugar cane waste, wood, oil and town rubbish).

Two types of operation (with 11% of aid to the ODs) are savings in SMEs and some buildings.

The idea here is to optimise the thermal facilities of some public buildings (schools, hotels, hospitals etc.) and buildings occupied by firms in the tertiary sector. The ERDF is contributing FF 5.1 million to the ODs (es-

pecially Guadeloupe, Martinique and Réunion) for this purpose;

— oil substitution in the West Indies.

Sugar cane waste has a high energy potential and it is currently used to meet the energy requirements of the sugar factories. Valoren will be contributing FF 3.9 million to develop electricity production facilities in Guadeloupe and Martinique in industrial concerns which treat sugar cane.

These schemes will be accompanied by promotion and information campaigns as follows.

— Technical assistance for SMEs (FF 0.67 million), in particular those turning out or likely to turn out helio-thermal materials locally. Assistance will be given with the design, manufacture and installation of this equipment.

— Information and publicity (FF 2.1 million) to put the public and the works supervisors in the picture, through the media and formal contact, mainly about using solar heated water, photovoltaic and the rational use of energy.

The Valoren programme is expected not only to bring about a considerable improvement in the energy situation of the regions concerned (less dependence on imported oil), but also to improve the socio-economic situation by, in particular:

- the local development of certain products used (insulation, regulatory devices etc.);
- the direct and indirect use deemed necessary for the installation and maintenance of the equipment (mini-power stations, water heaters etc.);
- capitalising on the raw materials (wood, waste etc.) near the place of consumption and improving certain new systems;
- controlling energy in the home and the tertiary sector (e.g. the ultimate OD energy target is savings of 17 000 toe equivalent p.a.)°
- providing rural electricity supplies, with effects at various levels (social benefit tied to the better standard of living of the economically underprivileged and an interest in developing the countryside by keeping farming families on the land).

In this way, Valoren contributes to the aims of both regional development and energy policy. ◦ J.M.S.

PUBLIC



'A sound system of administration does not grow by itself it needs constant care and attention. The seed must be vigorous and active, the soil must be properly prepared and the weeds must be removed ruthlessly. Continuous vigilance is necessary to nurture its growth.'

Particularly in a developing country, efficient and progressive administration is a fundamental requirement of healthy growth—as essential as other resources such as technology, capital, raw materials, water and power. The national plans and dreams cannot be fulfilled in a complex form of society without the support of an efficient and honest administration'. ○

Kewal L. Panjabi
'The Civil Servant in India'
 Bombay 1965.

'While it is possible for bureaucracy to serve a developmental role in modern capitalist and socialist economies such a role is virtually precluded in a society where pre-capitalist formations prevail or linger on as important social forces. A bureaucracy will pose a limit to any productivity gains as long as the pre-capitalist forces are capable of holding capitalist and socialist penetration at bay'. ○

Goren Hyden
'Beyond Ujamaa in Tanzania'
 London 1980.

'The Cameroonian economy will not be able to take up the challenge without efficient services. Many of them are deplorably slack, lax and lacking in civic spirit and this disorder, which leads to situations of insecurity, prejudicial delays and unacceptable frustration, must be done away with. Our services, both public and private, must help promote the physical, material, intellectual, moral and spiritual wellbeing of the people of Cameroon. Our transport, our communications, our banks, our social insurance services and so on must be ever more safe and reliable and we have to do our utmost to ensure a more humane approach to our public service users—who, alas, often have unjustified aggressiveness to cope with. And our administrative services have to work fast if the economy is to turn over properly and all our managers have to strive to see that the standard of services offered in teaching and health and leisure activities rises and reflects that national integration which alone can generate a genuine economic take-off. This is not yet the case of many of our services, which are providing only a poor response to the needs of the national economy. This does not just mean teaching, which must increasingly adapt to the needs of our development, but banking, for example, and our tourist trade, which is still too concerned with the outside world and paying too little attention to the political scope and economic profitability of mass tourism in Cameroon itself.' ○

Paul Biya, President of Cameroon
 in his book *'Pour le libéralisme communautaire'*

ADMINISTRATION

The subject of public administration and management, particularly in ACP States, is a minefield for the unwary, especially at the present time. Three major factors render it susceptible to misinterpretation and suspicion. The first factor is that of the global economic situation which has obliged a number of countries (30 in Africa alone) to come to an accommodation with the International Monetary Fund, whose recipes for structural adjustment—and thus fiscal respectability—invariably include the reduction of numbers in public administration and the wholesale divestment of a number of publicly-managed corporations. To publish a dossier on public administration at such a time may seem a little bit like kicking a man when he is down. The second factor is that the debate over the role of public administration is not one confined to the ACP States—it is not just their problem. The role of the State and its organs has been questioned in Western Europe, Eastern Europe, in the United States and in China, and the tide of consensus, though not always very swift, seems inexorably to point to a relinquishing of administrative control over economic processes. To publish a dossier on public administration in ACP States may seem unfair in singling out ACP administrations when the role of government is being questioned at least as radically in many places all over the world. The third factor concerns Europe's complicity

in determining the shape, size and role of many ACP administrations. The long colonial legacy ordered the shape of most of them. Twenty five or 30 years of cooperation, of 'expertise', of experimentation, by European technical advisers, has, in most cases, continued to play a significant role in the development of public administration and management in ACP States. If the prescriptions of the IMF demand wholesale disbandment, had not other external 'experts' had a hand in setting them up?

This dossier has attempted to negotiate the minefield. Out of the nine contributions, five are from ACP nationals involved in public administration and management, and one deals with a joint ACP-EEC body which has been set up to address the problems. The dossier was not intended to add to the polemics surrounding public administration, but to contribute to the reassessment that is taking place in many parts of the world. There are exciting developments taking place alongside the often-distressing economic consequences, and from both a different role and shape of public administration and management are likely to emerge. It is to be hoped that this dossier may make its small contribution to this development. ◦

TOM GLASER



The evolution of the public service in Africa

by Professor Adebayo Adedeji
 United Nations Under-Secretary-General
 and Executive Secretary,
 Economic Commission for Africa



Adebayo Adedeji

The evolution of the Public Service in Africa is a very complex subject, as complex as Africa itself. In the first place we would be referring to 50-odd public services with different socio-cultural backgrounds, dissimilar patterns of development and varied responses to contemporary issues. The African countries themselves have bewildering differences in their ethno-cultural backgrounds, colonial legacies, leadership styles as well as ideological and political goals. It is not possible in a paper of such limited magnitude to deal exhaustively with this subject. What follows is therefore a broad, but nonetheless fairly accurate, picture of trends in the evolution of the service, its role and scope over the years as well as an analysis of key problems encountered at various stages and how these are being tackled in the context of Africa's socio-economic development.

The changing role of the public service

On the attainment of independence, the new nations of Africa were confronted with a dual challenge, namely nation building and socio-economic development. No doubt, and indeed as experience has proved, this has been a very daunting task and the public service has been the main instrument in the hands of governments in meeting this challenge.

Within a quarter of a century, African public services have witnessed an unprecedented expansion and have been saddled with responsibilities far beyond the imagination of the former colonial administrators. Whereas the colonial regime was primarily interested in law and order, the post-independence rulers of Africa vigorously pursued a course of modernisation and active state intervention. The First Development Decade (1960s), for instance, witnessed the launching of ambitious development plans in many African countries. While there were gaps between the plans and their implementation — between political intentions and administrative realities — the experiment in development

planning nevertheless did produce some results. First, the administrative structures inherited from the colonial era were redesigned to accord with the new political order and to prepare the public service for its new role. Secondly, entirely new, development-targeted institutions were established. The governments set up statutory corporations, trading companies, banks, insurance companies and myriad financial institutions. In most African countries, the 'parastatal' sector started in a modest way, but grew rapidly, embracing as diverse a field as air, sea and surface transportation, hotels, tourism, ranches and agricultural plantations, merchandising, oil prospecting and marketing, cement manufacturing, radio and television broadcasting, iron smelting, satellite communications, civil engineering and construction, to mention a few. Today parastatals are the main instrument of governments in forging socio-economic development.

Halting the expansion

The expansion of the public service in Africa continued till the end of the Second Development Decade (1970s). The conditions prevailing up to that

period facilitated the expansion. When the situation changed dramatically in the 1980s, the expansionary tendency was halted. The question is, what were the conditions which made it possible for the public service to grow rapidly in the 1960s and 1970s, but not in the 1980s? Among the factors accounting for rapid bureaucratic growth are the political leaders' commitment to modernisation and their faith in government as the most efficient method of bringing this about, (ideological) commitment to state intervention, the relative weakness of the indigenous private sector, the atrophy of co-operative institutions, and the relatively easy access to development finance.

The second factor responsible for the expanding role of the public service is ideological. In many parts of Africa, the struggle against colonial rule was equated with the struggle against class domination — notably the domination of large sections of the society by a few privileged expatriates. The transfer of power at independence afforded the new leaders a long-awaited opportunity to redress social inequalities. In practical terms, such an ideological posture dictated the for-

mulation of radical policies, including, at times, the nationalisation of private firms, and the systematic extension of the now-visible hand of government into private realms.

The relative weakness of the indigenous private sector provided another justification for state intervention in socio-economic life. Without the support of an entrepreneurial and innovative social class (like the middle class in Western Europe and the Samurai in Japan) the leaders of post-colonial Africa felt compelled to fall back on a social institution whose members had been carefully selected and trained to perform specialised and innovative functions. If that social institution happens to be the government bureaucracy, that is just as well. It needs to be stressed that some countries in Africa did look for alternatives to outright nationalisation of private (particularly, foreign-controlled) enterprises. One option that was tried is the enactment of «indigenisation» laws and decrees. However, the fact that indigenous participation in business had to come through legislative enactments or by administrative fiat, clearly indicates that without government prodding, indigenous private enterprise would be inert and totally helpless.

The relative ease of access to development finance worked in favour of the expansion of the public service. Apart from the revenue accruing from the export of primary commodities and mineral products, the optimistic outlook prevailing within the First Development Decade encouraged the flow of development assistance from the advanced to the less-developed societies. Moreover, public and private lending institutions in the developed economies of Western Europe and North America were more than eager to extend credit to African countries in the latter's efforts to implement their development programmes. It has even been argued that a significant percentage of the external debt now crippling the economies of many African countries was contracted at the urging of then-overly-enthusiastic lenders and without the benefit of sound feasibility studies.

Recent developments

Today, the conditions which favoured the rapid expansion of the

African public service have changed radically. First, the recession in the world economy in the early 1980s led to a critical assessment by the creditor nations of their lending policies, and to drastic cuts in official development assistance. Secondly, many African countries realised, perhaps too late, that they were placed at a serious disadvantage in their dealings with their overseas trading partners.

In specific terms, they found that net capital flows to their economies declined sharply not only because of the mounting debt-service obligations, but also because of increasingly adverse terms of trade. It was a matter of time for the hostile international economic environment (characterised by rising interest rates, increasing debt service obligations, and unfavourable terms of trade) to translate into one massive crisis — the crisis of liquidity. Current account deficits abroad were soon accompanied by budget deficits at home. The next logical step was not bureaucratic expansion but gradual shedding of excess weight.

“Unfortunately for the public service in Africa, its critics are not impressed by the gradualist approach to bureaucratic empire reduction”.

Unfortunately for the public service in Africa, its critics are not impressed by the gradualist approach to bureaucratic empire reduction. They argue that drastic and decisive action on the size of the public service was long overdue and that poor peasants and countryfolk were over-taxed to meet the increasing wage obligations of the public service. The opportunity cost of this misallocation of resources was, in their view, very high, especially considering the gross inefficiency of public service institutions.

The Structural Adjustment Programmes which many African governments implement at the instance of the IMF were meant to curb the unbridled expansion of the public service. Apart from placing an embargo on institutional expansion, SAP stipulates the divestiture of government interest in the equity share-holding of a number of enterprises, budget rationalisation (or allocation of resources to

“productive” sectors rather than to “unproductive” social services), and drastic reduction in the public service work-force.

In any case, the success of SAP will be measured by its impact on the socio-economic crises confronting Africa e.g. the balance of payments, external debt, and terms of trade crises, as well as the crises in the housing, health, agriculture and food, and labour employment sectors.

It was in realisation of the gravity of the African situation that the United Nations introduced UN-PAAERD (United Nations Programme of Action for African Economic Recovery and Development). While UN-PAAERD reaffirmed the important role of the public service (acting in collaboration with a virile private sector), it emphasised the need for institutional and policy reforms. In particular, the new concerted effort stresses the need for popular participation. Fortunately, a number of countries in Africa have promulgated decentralisation measures. The underlying theme of the reform programme is grass-roots participation in the formulation and implementation of development programmes. If the tradition of community government can be successfully re-established, this will have fundamental implications for the long-term evolution of the public service.

The relationship between politics and administration

In colonial Africa, the question of how politics should relate to administration did not arise. The organisation and structure of the colonial bureaucracy rendered such a question irrelevant. The colonial secretariat was made up of political (subsequently, redesignated administrative) officers who performed policy-making and implementation functions and exercised judicial or quasi-judicial powers. The professional officers serving in the functional departments also performed political and administrative functions.

With the appointment of African political leaders into ministerial positions, and the integration of the formerly autonomous departments into Ministries, the question of how the professional, career official was to relate to his political master arose. As

DOSSIER

the minister's chief adviser on policy, the Permanent Secretary leads a team of career officials who supply the data upon which policy is based. While the career officials would tend to look at policy issues from professional, "politically neutral" angles, the Minister regards it as his primary duty to keep a political eye on everything that goes on in his department. This is where the civil service's insistence on 'politi-

ing" (and therefore corrupting) the career service, and of flouting administrative regulations, particularly those governing finance, procurement, and staff discipline.

"The relationship between the political class and the career officials has been characterised by mutual suspicion and antagonism".

their new-found power, something happens to interrupt their merry-making and question the basis of their continued stay in office. We must remember that the career officials generally anchor their claim to "security of tenure" on the neutrality principle, the basic elements of which are political impartiality, anonymity and professionalism. However, once the neutrality principle crumbles in the face of a



The First Development Decade (1960s) witnessed the launching of ambitious development plans—which frequently proved difficult to sustain

cal impartiality' clashes with the political leaders' demand for 'loyalty' and 'political commitment'.

The politicians are seldom impressed with the argument that a neutral and professional approach to public policymaking is desirable. They assert that career officials were prone to embed their values and prejudices in their so-called professional submissions, and to present only that body of data which confirmed their long-held views.

The career officials are not without their own grouse against the political class. They accuse them of interfering with the smooth running of the administrative machine, of "politicis-

In general, therefore, the relationship between the political class and the career officials has been characterised by mutual suspicion and antagonism. Unfortunately for both groups, the changes taking place in the external environment do not recognise or respect power boundaries. Sometimes, it is the political class that is the first to go — that is, after a change of government. If the new set of rulers are from the armed services, the public servants are wont to entertain the hope (since the civil bureaucracy shares the same professional ethos with the military) that the two would complement each other. But as soon as the career officials begin to revel in

superior argument, the public servant's claim to security of tenure becomes unsustainable.

This indeed is the dilemma facing the public service in Africa today. The once — confident and professionally — recruited bureaucracy is exposed to threats from within and without. After years of relative stability, the public service is now passing through a stormy phase, and its integrity is endangered by forces beyond its control. The rapid expansion in its scope (referred to earlier) is its undoing. While the expansion saw the star of career officials rise, their newly-acquired powers and the glamour of their role attracted a lot of unfavourable attention. The

public soon began calling for the heads of permanent secretaries and other senior officials.

The recent socio-economic crisis ought to have given them a respite. But the public continues to attack the bureaucracy even when the latter is in retreat and is badly demoralised by the governments' austerity programmes. And in deference to public demands, new sets of rulers have dispensed with the services of large number of senior public servants. This raises the question whether constant purges are an answer to Africa's problems.

No doubt, a selective process of personnel renewal may be necessary in revitalising an otherwise lethargic and unresponsive administrative system. Nonetheless, if the system is subjected to too-frequent and seismic changes, there is very little chance of its developing a time-tested tradition of service, efficiency, probity and accountability.

The public service and society

Perhaps the public service would have succeeded in maintaining 'peaceful co-existence' with the ruling groups if it had attuned itself to exogenous changes. The external environment of public administration in Africa is characterised by conflicts and tension. Ethno-cultural issues, religious groups, regional interests and socio-economic factions make varied and insistent demands on the public service.

Above this clash of interests are super-imposed the dynamic forces of social change. While the rate of economic growth in sub-Saharan Africa has been on the decline between the 1960s and the 1980s (GNP growth per capita fell from 5% in 1966-76 to 0.4% in 1980) the rate of population growth has been on the increase.

This has grim repercussions for the general quality of life including food and agriculture, health care, school enrolment, housing, and employment of labour. If we add the consequences of the persistent drought (especially, within the Sahelian region) and of desert encroachment, the magnitude of the problems facing Africa comes out in bold relief.

Unfortunately for the public service in Africa, all unsolved problems tend to be dumped within its premises on its doorstep. The question is whether its structure and organisation (as well as general management style) are adequate to the challenge before it. Critics of the public service have accused it of not being sufficiently responsive to the needs of the society. They attribute this to the predominantly bureaucratic style of organisation adopted by it. With their functions divided into narrow departmental (and ministerial) compartments, bureaucrats tend to be more concerned about preserving (and extending) their empires than serving the public. The graduation of authority along hierarchical lines has more or less the same effect, except that the tendency to escalate layers of authority has the additional effect of unduly prolonging decisions and delaying action on vital subjects. The emphasis on precedents may be an excuse for inaction or an apologia for lack of initiative.

"Critics of the public service have accused it of not being sufficiently responsive to the needs of the society".

Attempts have been made to rejuvenate the public service in Africa. The Second Development Decade in particular witnessed the appointment by the various governments of a number of administrative reform commissions. Yet, at the end of each reform exercise, the public service tended to carry on business as usual. It was perhaps this institutional rigidity which succeeding generations of rulers (ranging from civilian to military) sought to combat through the mass retirement of "deadwoods" in their public services. It was definitely the long era of resistance to change that the bureaucracy was compelled to pay for in the wake of the introduction of the Structural Adjustment Programmes.

For the public service to overcome the major threats to its survival, it has to develop a proper work ethic, and promote local, community participation in the development process. Above all, it needs to provide an example to the rest of the society in institutionalising the values of patriotism, efficiency, probity, and accountability.

The future of the public service: a summation

On balance, the public service has seen more bad years than good. It has been buffeted by political forces, and this at a time when it was yet to develop an internal resilience. The recent economic measures dealt its corporate self-confidence a fatal blow. As a result of deliberate slicing of its role and the embargo on institutional expansion, the public service now seems to be a shadow of its erstwhile strength. It goes without saying that morale is now at a very low ebb.

Yet, we cannot afford to let the public service go under. As emphasised under the United Nations Programme of Action for African Economic Recovery and Development (UN-PAAERD), the solution to Africa's socio-economic crisis lies in constant structural transformation and the elimination of exogenous and endogenous obstacles to development. This calls for a highly professionalised and strongly-motivated public service. Intensive training is imperative, and the individual public servants should be equipped to raise the level of their professions and enhance professional standards and ethics. On their part governments can strengthen and revitalise their respective public services by adopting the following measures:

- (i) re-structuring, re-staffing, and re-orientation of policy-making units;
- (ii) re-invigoration and monitoring of the policy implementation sub-systems of the public service (the civil service, the public enterprises, "field" administrative and local government units, the "organised" and the "informal" private sector);
- (iii) entrepreneurial development;
- (iv) improvement of economic and financial management (including measures designed to instil budget discipline, promote accountability, and eliminate fraud);
- (v) improved revenue management;
- (vi) improvement of aid co-ordination and management;
- (vii) human resource development, management and utilisation; and
- (viii) dissemination of information about the goals, strategies and tactics of collective self-reliance. ◦

A.A.

Public administration in Africa: a brief overview

by Dr Ibbo MANDAZA (*)

There is no doubt that there is still much to be done in the field of public service training in Africa. Equally, it is unlikely that African countries — like all other developing countries — will, for the foreseeable future, ever have an adequate supply of high quality senior administrators. Even two decades from now, it is likely that, not only Africa but the world as a whole, will still be engaged in discussion about the most appropriate programmes and methodologies in the field of public service training; and how best to develop a corps of senior administrators that will take up the new challenges that history and society will have thrown up in the course of this our development process.

On the other hand, however, the last two decades have seen great strides in public administration in Africa, at least in terms of the attention that member states have paid to the development of public service systems and the institution of training programmes for civil servants. Similarly, the last two decades has seen the emergence of high quality senior administrators in many parts of Africa: persons who have acquired degrees in the leading institutions of higher learning at home and in Europe and North America; have been exposed to many years of experience in their respective public services and in international organisations; and all this in addition to the many years and dollars in the form of training at home and abroad, in either their respective apex institutions or those of the donor countries of Europe, North America, the United Nations or other non-governmental organisations.

Accordingly, some African countries would compare very favourably with many a developed country with regard to the number and quality of senior administrators in the public sector.

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There is reason to believe and accept the possibility that some of these African countries have senior administrators who, on the basis of their academic qualifications, skills and experience, are superior to their counterparts in some of these developed countries.

In short, Africa has had its exposure to the many facets of senior administrative/managerial problems, and is perhaps second to none as a continent which has, through its many regional and inter-governmental organisations, sought to share experiences in this field. Numerous conferences and seminars on the subject of public service training have variously, in the last two decades, brought together the more experienced senior administrators of the older post-colonial states and those who are just beginning to learn about the problems of establishing and developing public service systems.

Individually and jointly, African countries have done their best to give primacy to human resources development and public service training. There are now such regional training institutions as the African Centre for Administrative Training and Research for Development (CAFRAD) established in and based in Tangiers, Morocco. There is also the Eastern and Southern African Management Institute (ESAMI) whose origins go back to the days of the East African Community and is based in Arusha, Tanzania. Most African countries are members of either or both of these institutions whose main task is to coordinate administrative and managerial training and development, research and consultancy. A recent World Bank-sponsored review of ESAMI has concluded that ESAMI is a “centre of excellence”. As such it has over the years provided outstanding training programmes for middle and senior level management personnel of the public services and parastatals of most of the Eastern and Southern African region.

African governments have, in the course of the last two decades, variously instituted review commissions of their public services with a view to enhancing the effectiveness and responsiveness of the service as the

main agency for transformation and progressive social and economic development.

Two decades into the post-independence era, it should be expected that Africa will have enhanced its skills in the field of public administration; *pari passu* with the development in the discipline of an intellectual and practical appreciation that is second to none in the world. Surely, then, whatever the shortcomings and shortfalls of public service training in Africa, there should be at least a level of correlation between such developments on the one hand and a considerable degree of social and economic development. On the contrary, Africa, as we shall briefly outline below, is in an economic, political and social crisis.

There, appears to be the great (and, in some cases, even, growing) disparity between on the one hand the high level of skills in the public services of some of the post-colonial African states and, on the other, the low level (or the lack) of economic development, inefficiency, despondency and, in some cases, even gross mismanagement and corruption of others.

This helps to explain that public service training — like all training — should be viewed and undertaken in the context of the historical, political and socio-economic setting of which the state and the public service itself are part. The tendency to overlook this basic factor can lead to the view that training on its own can be a panacea for all ills, and also to the false hope that only more and more training will bring about economic and social development. Of course, this also raises questions about the assumptions and approaches that have so far influenced and pervaded public service training in Africa for the last two decades.

Other writers have shown how the expansion of public service training has been a significant feature in Africa and the developing world in general. The original impetus for this expansion came from international organisations and large donor agencies.

The politics of “aid” aside, the main philosophy behind all this was

the belief that such assistance, particularly in the field of public service training, would produce structures and personnel that would spur the kind of development that the Marshall Aid programme had triggered off in post-World War II Europe.

No doubt, the new governments (that emerged out of the dissolution of empires in the post-World War II era) saw aid as a vital ingredient for telescoping the development process. In the field of public service development, the developing countries themselves took the matter seriously and embarked on the expansion of training infrastructure and diversification of their institutions and training curricula. Public Service Training was viewed as the panacea for all ills, the basis for all development.

In this respect, diversification took various forms: from the establishment in Africa, Asia and Latin America of five regional and intergovernmental training institutions (three under U.N. auspices) with the specific objective of both supporting the public service training efforts of individual countries and to help develop a network of training institutions. As has already been mentioned, Africa has CAFRAD and ESAMI, to name only the more significant of the regional and intergovernmental training institutions.

There were to be considerable changes in the emphases and curricula of training programmes in the Third World as a whole: from supervisory management in the 1950s to middle management in the 1960s and finally top management in the late 1970s; from a concentration in the 1950s on traditional public administration subjects (e.g. public personnel management, organisation and methods services, government accounting and auditing, principles of organisation, etc.) to such newer ones as policy analysis, organisation development, industrial relations, attitudinal and behavioural change, and information systems. Also, there has developed in the last decade at least the rubric of development administration with a greater emphasis on management training and development and research and consultancy; encompassing such specific programmes and institutions as rural development, health care, state-owned enterprises, family planning, educational institutions, etc.



The Courier

ESAMI, 'a centre of excellence' according to the World Bank

It is against this background that donor funding on project-related training has expanded. For example, the World Bank's spending increased from US \$ 38 million in 1976 to US \$ 187 million in 1981. Increasing investment in the development of training infrastructure has meant an increase in the number of civil servants who have undergone training.

The problem, it would appear to me, is less about the inadequacy of training in the public services of Africa and the developing countries in general than about the incorrect assumptions and approaches upon which this training philosophy has been based and undertaken.

The assumptions and approaches remain quite the same as those we have related in the account of the World Bank: the belief that training

will solve it all and that training itself consists largely of programmes designed to raise the educational and skill levels of the senior administrator. The need to expose the senior administrator to the political economy of the terrain in which he/she has to operate is only implied; and remote are the means whereby the senior administrator can begin to identify the bases of Africa's present predicament and therefore also the avenue out of the crisis. Above all it will be some time yet before we begin to re-examine the terrain so far covered, and thereby realise that the Rostovian dreams of "taking off" and "catching up" are untenable, especially when we are compelled, by the circumstances of our condition, to follow the strategies that are prescribed by those who supervise and control our world. o I.M.

When will they ever learn?

by T.J. BARRINGTON (*)

How do public organisations respond to change? That is, how do they learn? In the private sector the penalty for not learning is clear: one goes to the wall. In the public sector the disciplines are seldom so severe. This is especially true of the inner ranks of public administration, the ministries. In my country, Ireland, the Ministry of Agriculture, after failing over a period of 35 years and an expenditure of some IR £ 1 bn to eradicate bovine tuberculosis, rides almost unscathed through a current and ferocious blood-letting, that mangles and maims some of its subordinate bodies. It is well known that most armies begin their wars using the methods of the last. How does one ensure that bureaucratic ideas and methods keep up with the progress of events?

The conventional wisdom is that the political developments can do this very thing: the ebb and flow of political power sweep away outmoded practices and wash up new, exciting projects in their place. There is *some* truth in this but it is long from the whole story. The priorities of politicians are to use their periods of office to get implemented such policies as they have. Should the administrative machinery buckle down to this its political masters will seldom worry about the methods used, whether they are archaic, wasteful or ultimately self-defeating, or whether existing activities, not on the immediate political agenda, are neglected. Concern for such things can be left until one is in opposition, or out of power altogether! Only in exceptional circumstances and amongst exceptional politicians is there concern for the effectiveness of administrative action, and even then the concern is seldom sustained.

Sometimes a rising tide of public dissatisfaction with the performance of the administrative, as distinct from the political, side of government leads those in power to establish a top level inquiry into the need for administrative reform. Well known and distinguished examples in the English speaking world were the Fulton Inquiry in Great Britain and the Coombs Inquiry in Australia. I have myself

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participated in two of these, one in my own country and one in Ghana. There have been many others. Whether the subsequent reports of these inquiries are intellectually distinguished or vacuous, they tend to produce an initial cosmetic flurry. But in the longer term the actual results tend to be as if the reports had been written on sand. Who can then discern the consequential changes in the rippled sand?

In 1987 we celebrated the centenary of a turning point in the study of public administration – Woodrow Wilson's famous essay that helped to spark off the modern academic study of public administration and the pursuit of greater understanding of how large public bodies behave. This movement led to, or at least facilitated, major reforms in recruitment, democratisation and technology. But what about real understanding and insights into administrative behaviour? Notwithstanding the existence now of many university departments and institutes concerned with this subject are we much the wiser? How effective have been the many educational and training inputs in the task of raising the performance of government, in building in adaptive forces, or, indeed, in counteracting the ill-effects of the growth of administrative size and complexity?

If we measure the size of government by the ratio of public "turnover" to gross domestic product we find that the activities of government add up to half or more of the business of modern societies. Qualitatively, the influence of government on the environment of our lives is probably greater. Government employs, typically in a developed society, some 30% of all those employed, and a high proportion of these are amongst the best educated and most skilled. So the quality of government, that is to say the effectiveness with which those resources, human and material, are used, is crucial to the public well-being.

Government is a partnership of politics and administration. Most forms of government are obliged, to a greater or lesser degree, to keep the system fine-tuned to the wishes and aspirations of the people; but we lack a cor-

respondingly effective system for keeping the administrative system in line. The result is that too often it impedes, not facilitates, the process of government. How is this situation to be improved? The remedies we have been looking at have all been concerned with the attempts from outside to improve the quality of the administrative system as a whole, or at least the quality of performance on its commanding heights. There have been exceptions but on the whole these remedies have not worked. Modern government seems to be too big, too complex, for such frontal assaults. Perhaps operations on a narrower front would give a better return?

There is some evidence for this. When some major public service give serious trouble there is likely to be an outburst of public dissatisfaction, no doubt, and *ad hoc* inquiry, a damning report, and conceivably action. But not inevitably. For example, in Ireland, on the one hand the intolerable failings of the telephone system led to a searching inquiry, a major reform and, after heavy expenditure, a good service; but, on the other hand, a tax revolt led to a deep look into the taxation system that revealed such a can of worms that the response was political and administrative paralysis. The main variable here tends to be the mysterious entity called "political will" which occasionally survives even administrative intransigence however silkily expressed. So, at best attacks on limited fronts are affairs of hit and miss. I have no doubt but that in other countries similar contrast have occurred: administrative "horror stories" are not unique to any governmental system.

Unless public opinion is both alert and militant over the whole range of government – and that is rare indeed – neither the special nor the general form of exogenous approach can be relied upon to improve general governmental performance.

Is the position, therefore, hopeless? Clearly not, because some governmental systems work well and big changes do occur. Partly this is a response to external pressures, but an important contribution can come from the internal dynamics of government. These too often tend to be overlooked. Let us look at some of them.

One of the major dynamics is the

consequence of bigness itself. As the quantity and range of government grow and grow the process of government gets more and more congested. Hence various devices for shedding the load—devolution to reformed territorial bodies; hiving off to public enterprises and other functional state bodies; joint enterprises with the private sector; full-scale privatisation; and, of course, the winding-up of marginally useful (or useless) activities. It is not clear what are the inherent limits to the growth and the size of government; but that they are some way held to exist can be deduced from the behaviour of many European governments in the past two decades or so.

A major contributor to the growth of Big Government since World War II has been the growth of the Welfare State, now, to use the OECD term, “in crisis”. The symptoms of this emerged earliest in the welfare services themselves where the inherent conflict between the emergence of great impersonal and rigid bureaucracies — especially for income support — and the notion of “welfare” on a human scale became more and more evident. Hence, for example, the debureaucratisation of income support — amongst other services — in Denmark. But there is also what has been happening in the evolution of the health services at the prompting of the WHO. Now that, in the developed world, the great communicable diseases have been largely controlled what we die of we have mainly brought upon ourselves. So the emphasis moves from impersonal hospitals to personal lifestyles. There begins a big shift from high technology to community medicine. The consequences are decisive change in the shape and scope of the health services. One can discern, even where educational services have been centrally regimented, some shift towards a more community-oriented approach. Whether small is or is not more beautiful (or efficient) it seems to have an increasing part to play in the modern welfare state.

The welfare services themselves are but a special case of a more general evolution of democratic society. More informed, better educated, more concerned populations, with more leisure and more opportunity for playing a bigger part in public affairs, begin to

emerge, so shifting the emphasis from the paternalist state to the fraternal one.

Another consequence of Big Government is that pointed out almost 30 years ago by Gunnar Myrdal in *Beyond the Welfare State*. It is that the interventions of government in society have been *ad hoc*, the immediate responses to specific problems — or perhaps to symptoms of more underlying problems. The result is that, taken together and as a whole, the interventions of government are riddled with contradictions and cry out for rationalisation. A contributory force in the evolution of the modern democratic state is the attempt to achieve this rationalisation as part of the task of clarifying a coherent role for government in society.

What all this adds up to is that a major task of at least the permanent partner in government, the senior administrator, is to contribute to a greater understanding of the broad outline of the evolution of his society and the choices posed by that evolution for the role of government. That is to say, he will find himself forced to take a much more professional view of his own role in government so as to pose to his political masters — when they are in the mood to listen — the big emerging and structural issues that have not yet reached the forum of politics. In this way he can discharge his duties to his society by helping it to achieve a smoother passage through the coming years.

This partly reduces itself to a reasonably clearcut form of administrative discipline — the setting up of effective methods for the review of progress against objectives and the taking of timely action to remedy the inevitable deviations and shortfalls. But there is more to it than that. There is also the need to make effective use of the transmission centres now available internationally to identify major social trends, to measure comparative rates of performance, and to bring to early attention new policy initiatives and significant structural changes. But these lose much of their usefulness unless they are matched within the national administrations by sophisticated decoding centres so that significant messages can be isolated, related to local conditions, simplified and, where necessary, integrated.

That is to say, that it is implicit in the evolution of modern government that sophisticated learning facilities be part of day-to-day administrative systems.

One reason why pressure from outside, the exogenous approach to changing organisations, is so often unavailing is that the external pressure normally generates a comparable internal counterpressure. When this occurs — and it often does — only remorseless external pressure will effect significant change and this may have political and other costs that may be unacceptable.

Part of this internal counterpressure comes from the inertial force of the organisation itself. Each organisation is founded on an idea — or a related set of ideas. This set may be modified over the years in the light of experience, changes in policy, and so on. The modifications may make it more or less relevant to present-day conditions; but either way the ideas as modified constitute the value system for decision-making in the organisation and are the justification of the existence of the jobholders. As time goes by and as new entrants are indoctrinated with the values of the organisation (which, by now, have become less and less explicit and more and more sacred) a formidable inertial force is generated that in advanced stages brooks of no interference, neither questioning nor dissent. If the organisation's values have, over time, lost touch with a rapidly changing world, the organisation will increasingly drift away from reality, as is shown by the performance of just too many governmental agencies.

I understand that the inertial force of a supertanker is so great that the engines have to be switched off some ten miles away from the berthing place. To turn the tanker is a correspondingly cumbersome manoeuvre. To change the course of a big organisation — and, indeed, one not so big — can be no less difficult.

Building in organisational adaptiveness is a long haul. It depends on whetting professional curiosity, concern and pride. In the absence of these internal dynamics most exogenous pressure is a waste of energy. Where the internal dynamics get reasonable play, external pressure is seldom necessary. ○ T.J.B.

Absorption potential – the problems of ACP authorities

by Bernard NYABURERWA (*)

Let us start by saying what we mean by external aid, since the problem of absorption differs with the type of intervention. We shall use the term in its broadest meaning here, as being official development aid, in the form of grants to the State or its organs or, generally, technical assistance provided for public bodies with no financial counterpart.

Absorption also calls for explanation. The aid absorption potential is taken to mean the beneficiary's ability to use all the aid provided within the stated time and in accordance with the targets laid down in the programme. And it also means the ability to maintain and preserve the results of assistance beyond the period in which it was actually provided, without upsetting the general balance of the recipient country.

The problem of using up all the aid occurs because of a shortage of local resources or poor organisation on the part of the beneficiary departments. The failure to maintain the results of an external aid scheme is often due to the fact that the cost is too high for the beneficiary community to bear. In some cases, even, the assistance has no more than an ephemeral effect on the structures in question. This may be due to the following:

- it is difficult for the conditions of transfer to be compatible with the users' absorption potential;
- inability to absorb the assistance burdens the users in such a way as to affect the impact of the aid.

Problems of loan absorption...

The beneficiary countries find it difficult to use the funds allocated for loans — although this of course depends on the nature of the sectors of intervention.

The rural sector, for example, unlike industry, involves various operators with contradictory interests. It is easier, as we know, to build a dam than to run a rural development project where success depends on the involvement and active support of the peasant farmers. Generally speaking, there are three operators in any process involving external aid — the external institutions, the public authorities (in the broadest sense of the term) and the beneficiary structures. When the external institutions are financial ones, they want protection against financial risk, while the Government wants to pursue its political objectives and the recipient structures want to get enough money from the programme when their participation is required. We shall analyse the part of each of these

operators in slowing down the absorption process.

It goes without saying that if financial institutions give financing, there are very elaborate procedures geared to minimising the risk, either by sharing it with other institutions (cofinancing) or simply transferring it to other partners (obligatory total State guarantee).

The financing agreement generally lays down the reimbursement period, the interest rates and the dates for payment of funds. These may be irrevocable. Unfortunately, and in some sectors generally, the dates sometimes pass without all the financing being used and the project, not having reached maturity, is unable to repay the loan or transform the sector in question along the lines the borrower countries expect.

A survey of rural projects we ran in Burundi in 1985 indeed showed an average delay of a year between the actual paying over of the funds and the period covered by the agreement.

The start of financing dates back to the '70s. It would be as well to wonder about the external bank's responsibili-

ty for slowing down the rate at which the funds it provides are absorbed. This responsibility lies with risk minimisation. Some methods of doing this complicate the credit commitment procedure, and cofinancing is one of them.

This system spreads the financing among several banking institutions and some rapidly negotiated agreements have conditional obligations as a result — i.e. which take effect in the case of a funder as soon as the financier has fulfilled his own obligations. This, ultimately, can be a vicious circle, slowing down the financing process.

But cofinancing also means the borrower has to comply with the rules and standards of the loan institutions. So many financial institutions will only pay up if the situation is presented in accordance with the accounting rules of the lending country or the financial institution — which is a singular complication for many funders, particularly if some of them are private financial institutions, as they will call for the loan to be reduced by the costs of any consultants, communication and translation of the financing agreement. Or decide to pay themselves the amounts for disbursements as in the case of an agreement which provides that, at times when the loan is being paid over, for all or part of what has been disbursed to be allocated by the Bank for repayment on the dates of payment and a tranche of the principal that "the Bank may communicate to the company in writing".

Some agreements provide for compulsory anticipated reimbursements — i.e. before they fall due in the case of bank shareholders — or force the borrower institution to buy supplies in the country in which the bank has its headquarters and maybe even to submit to the legislation of that country in certain fields such as pollution control. Such demands result in over-long delivery times, expensive maintenance and even costly anti-pollution investments

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... and even grant absorption

Apart from this exceptional case, there are certain pointers to the borrower organisations' absorption potential — the time between the date of the credit agreement and the date of the signing of the contract or financing agreement on the one hand and the time between the signing of the credit papers and the date the agreement takes effect — i.e. the date the first amount is paid over — on the other.

These times may be particularly long. The average wait between the date of the agreement and the date of the signing in 28 Burundian projects (all sectors) is two months, although it has been longer in some cases.

The time between signing and entry into effect is an average of five months (two months more than the agreement documents which tend to suggest three). Nevertheless, with an average delay of two months, Burundi tends to be well placed compared to Ethiopia (2.9 months' delay) and Côte d'Ivoire (5.1 months' delay), for example.

The delay is caused by the need to collect the documents needed for the credit release procedure (where the State guarantees a company) or to set up the institution (appoint a director, select the technical bureau, sign a contract for implementation of the investments etc.). These delays then upset the timetable of payments.

Some projects comply with the provisions of the agreement by using up all the funds within the prescribed time. But this aim is sometimes met by abandoning some parts of the project. In this case, a programme that is difficult to run has part of its funds swapped for easier spending — such as the extension of technical assistance.

The public authorities

For understandable reasons, public authorities tend to be over — ambitious — hence the temptation to exaggerate the size of projects financed with external funds.

A 1000-bed hospital is a good thing, of course, but getting it to work can, in some cases, contribute to depriving other services of their vital operating budget when in fact a smaller hospital would have done. So exaggerated size poses a problem of operation to the assisted project as it ultimately de-

mands a great deal of local resources. This is a problem the authorities try and get round by using foreign assistance. But since foreign assistance is temporary, they are only putting off the evil day.

The problem of aid absorption also occurs at the level of the potential conflict between an external bank and the authorities, with the bank insisting on the financial criteria and the authorities on the economic ones.

With technical assistance, although aid should be temporary, the authorities are motivated by the same interests as the assistance staff — i.e. ensuring that things go on as they have been. Technical assistance is in fact a lightening of the burden of operating costs the State has to bear, as it means recruiting less local staff and paying for fewer supplies and therefore making a saving on the operating budget.

In other circumstances, instead of accompanying the staff recruited to replace it, technical assistance results in staff leaving the permanent administrative structures for assistance projects — where they are sometimes better paid.

So the permanent structures are weakened to the benefit of the provisional ones (projects), leading ultimately to paralysis of the former. When the project is complete, the authorities lack the means of taking it over and are forced to negotiate moratoria, as assistance has created a need that now has to be satisfied.

The absorption potential, lastly, is at the level of the investments themselves. Two projects financed by two different external aid sources may have competing or even contradictory aims and maintenance of both inevitably leads to one or other — or in extreme cases, both — seizing up.

Aid reception structures

External aid may be geared to projects initiated by individuals or by the authorities, but in both cases the rate of absorption depends on the perception and expectations of the partners involved.

For, going beyond the official targets, a distinction should generally be made between what the aid contributes and what it brings in. Although this latter point is a less obvious one, it is equally important when it comes

to deciding whether the aid should be continued or not. It is common for local authorities to apply for technical assistance more because of the means it provides in terms of lower running costs (vehicles and supplies) than for the technical staff that is supposed to constitute the bulk of the aid.

The absorption potential is also a dependent upon the partners' viewpoints, including the psychological barriers, which have a considerable part to play, as aid usually aims to bring contrasting situations together — bringing the rich countries closer to the poor ones, or those who are supposed to have the know-how (the experts) closer to the so-called technically under-developed and so on.

Note here the difficulty of dialogue between those who claim a knowledge of the context (the aid beneficiaries) and the providers of technical solutions that are out of touch with the environment. There can be compromises aimed at doing away with the susceptibility of some or reconciling the over-contradictory positions of others.

Using technical assistance is one thing. Making the most of it is another. If the funds granted are used — absorbed therefore — they have to generate a dynamic internal movement that will ensure the project is operationally autonomous without impinging on any other national resources.

In many projects, alas, the period of the aid is one of improvements, with plenty of means and new, sophisticated equipment, but there is a rapid downturn as soon as the aid is over, as there are problems such as how to maintain the equipment inherited from the period of assistance and the counterpart resources such as manpower and so on.

It is difficult to decide between aid as momentary support and aid as a permanent complement to the development drive the developing countries cannot do without.

If one looks at the way different authorities compete for external aid, each forging special links with the donor countries, it is very tempting to go for the latter.

So aid content would seem to need discussing — i.e. more its impact on the environment than its most visible aspects. This is one way of solving the problem of aid absorption. ○ B.N.

Financial management in the Jamaican public service

by Marie L. SLYFIELD (*)

Public Financial Management may be said to be concerned mainly with revenue, expenditure, accounting and audit, in the interest of achieving results. Basically, Jamaica's financial administration process entails:

- Preparation of revenue and expenditure estimates by ministries and departments.
- Approval of expenditure by Parliament.
- Release of funds by Ministry of Finance.
- Recording of expenditures by ministries.
- Auditing of records by the Auditor General.
- Review of the results by Parliament.

Financial control may broadly be described at three levels, namely Parliament, the Executive and the Public (or Civil) Service.

Parliament

The Jamaican Constitution requires parliamentary approval for levying taxes, raising loans and expenditure of public monies. By passing the Appropriation Act, Parliament authorises the utilisation of revenue collection for meeting the expenditure shown in the Budget.

Parliament also reviews the results of the Auditor General's examination of the financial records after the close of each financial year.

The Executive

Responsibility for public financial management lies with the Executive. Authority to impose taxes and spend public funds as approved by Parliament is vested in the Cabinet and the Minister of Finance.

The Cabinet, as Government's instrument of policy, determines the policy and after obtaining the approval of Parliament, is required to carry out the wishes of Parliament, as expressed in the Budget. For this purpose, responsibility is given to Ministers of Government for the specific subjects and services approved in the Budget.

While Ministers exercise general direction and control over the ministries and departments for which they are

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The Ministry of Finance in Kingston

responsible, the Minister of Finance, under the Constitution, has responsibility for control of the country's financial resources. He appoints accounting officers who are accountable to Parliament for the efficient and prudent conduct of the financial affairs of the respective ministries and departments to which they are assigned.

The Civil Service

The accounting officer is usually the person holding the top management position of Permanent Secretary and who supervises the work of a ministry and its departments under the general direction of the Minister concerned.

At the level of the ministry or department the accounting officer, with the assistance of his finance officer, ensures proper financial control by maintenance of a sound organisation, effective accounting system, internal audit and a close watch over the votes entrusted to him. Internal audit carries out an independent examination of the accounts on behalf of management and is expected to see that procedures are correct, effective as a means of control and are followed. It determines the reliability of the accounting data produced, reveals inefficiency and advises and assists management in correcting these deficiencies.

The Ministry of Finance is the focal organisation for financial manage-

ment. The top manager of this Ministry is known as the Financial Secretary and is responsible for providing the Minister of Finance with the necessary technical and operational support. Broadly speaking, the responsibilities for control of the main financial functions are currently distributed among 10 departments or divisions. On the revenue side these are the Land Valuation Division, Inland Revenue Department, Income Tax Department, Customs and Excise Department, the Office of Stamp and Estate Duties, with the functions of these units being coordinated by a Revenue Board. The other main line divisions include the Budget Division, Supply Division, Public Enterprise Division, Controller General's Division and Accountant General's Department or Treasury.

The process of financial administration

Expenditure estimates

The Financial Year runs from the 1st April to 31st March. In October of each year, the Ministry of Finance begins to receive proposals from the various Ministries and departments for the Budget of the ensuing year. After the necessary examination of the proposals and consultation with the ministries concerned, the Minister of Finance presents the draft expenditure budget to the Cabinet for consideration. Further examination and neces-

sary adjustments are then made, following which the Minister of Finance places these estimates before the House.

The Appropriation Act

Approval of expenditure is given in two stages — namely the 'Vote-on-Account' or 'Carrying on Provision' and the Appropriation Act. The Constitution requires that the estimates of revenue and expenditure be laid before the House of Representatives by the end of March of each year. However, this deadline is seldom met. The Financial Administration and Audit Act (FAA Act) provides for the House to authorise expenditure for carrying on Government's business for a period not exceeding four months between the end of the financial year and the coming into force of the appropriation Act. The 'Vote-on-Account' is therefore based on the first four months of capital and recurrent expenditure on previously authorised programmes of each ministry and department.

On presentation of the expenditure estimates to the House, they are referred to the Standing Finance Committee which is a Committee of the Whole House. Any amendments made by the Committee are incorporated into the Appropriation Bill which the Minister of Finance presents to the House along with the revenue estimates. The Minister makes his budget speech which is followed by a general debate, he then closes the debate after which the Appropriation Act is passed. The process of obtaining parliamentary approval may therefore be summarised as follows:

- Presentation of expenditure estimates to House.
- Recommendation by Estimates Committee.
- Approval of expenditure estimates.
- Approval of carrying-on allowance.
- Presentation of revenue estimates.
- Approval of revenue estimates.
- Passing of Appropriation Act.

In addition to the expenditure approved in the Appropriation Act, certain expenditure in the budget is appropriated by a law other than the Appropriation Act. This type of expenditure is known as statutory expenditure, being authorised by the specific

Act or Law which introduced the service concerned, for example, the National Insurance Act.

Consolidated Fund

The Jamaican Constitution provides for a Consolidated Fund into which all the revenues of the country are paid. Three principal receivers of revenue, so named by the Minister of Finance as provided in the FAA Law, channel these revenues into the Consolidated Fund. These principal receivers are the Collector-General — mainly in respect of revenues from duties, taxes and licences; the Postmaster-General — in respect of postal revenues; and the Accountant-General — in respect of miscellaneous revenue and loan receipts.

Apart from revenues and loan receipts there are other types of monies known as Treasury Deposits over which the legislature has no right of appropriation or has given up the right of appropriation. Treasury Deposits include trust funds and monies appropriated or paid for special purposes.

Release of funds

Withdrawals from the Consolidated Fund can be met only under authority of a Warrant addressed to the Accountant-General by the Minister of Finance and only in respect of public services specified by the Appropriation Act for the current financial year. The Minister of Finance authorises allotment of funds to the various ministries and departments through the issue of warrants from time to time. These warrants authorise the Accountant-General to place the amounts specified therein at the disposal of accounting officers who can then make payments in accordance with the financial instructions in force.

The Accountant-General ensures that revenue is put into the Consolidated Fund to meet the requirements for withdrawals from time to time and that accounting officers spend within the limit of the amounts specified by the warrant.

Appropriation statements

Payments by accounting officers are charged out in the accounting records under Heads, Sub-Heads and Objects

as shown in the Budget. After the close of the financial year, as required by the FAA Law, the Appropriation statements are prepared by accounting officers to show:

- (a) the amount provided for each head of estimate as allocated to each subhead and objects;
- (b) the expenditure against these provisions;
- (c) the extent to which such expenditure is more or less than the amount approved in the Budget, and
- (c) an explanation of the reasons for the variations between expenditure and the budgeted amounts.

Where the total expenditure is less than the total budgeted amount for the head of estimates concerned the difference is surrenderable to the Consolidated Fund.

It is illegal for expenditure to be in excess of the amounts provided in the Budget and where the appropriation accounts show that such a state of affairs exist, such excess will be required to be voted in the supplementary estimates for the year concerned.

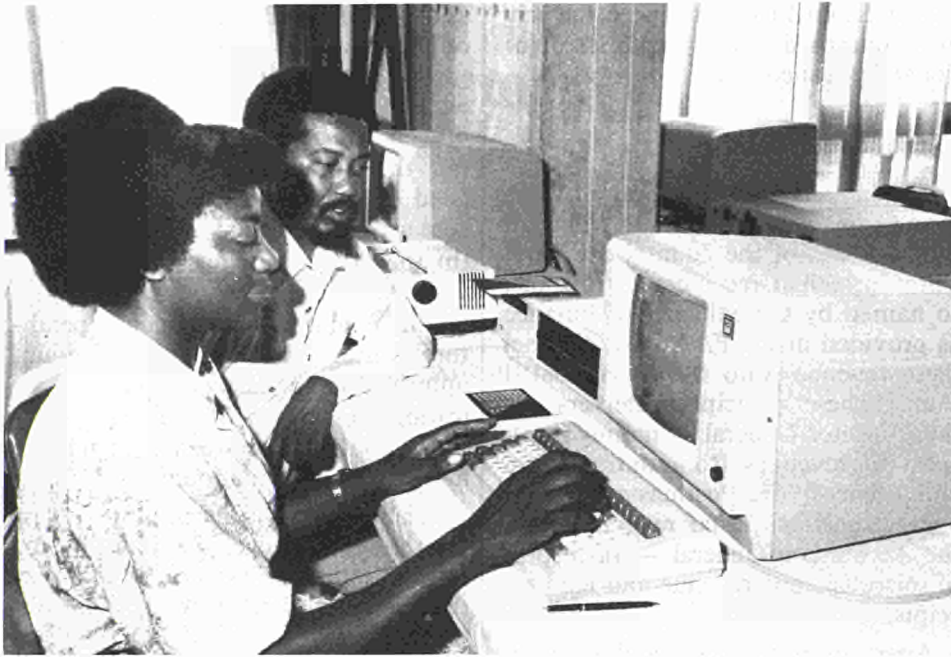
Contingency Fund

The FAA Law however, provides a Contingencies Fund so that emergency expenditure which will cause an excess on the Budget or any expenditure on a new service can be advanced from this Fund by authority of the Minister of Finance. Such expenditures must be voted in the next supplementary estimates and the Fund repaid.

It has been the practice for Parliament to pass Supplementary Estimates three times per year thus approving all necessary adjustments and additional provisions. These adjustments are usually carried out after the Public Accounts Committee has completed its examination of the accounts for a particular year and Parliament has forwarded the recommendations of the Public Accounts Committee to the Ministry of Finance for implementation. At this stage all adjustments in supplementary estimates which require further appropriations are ratified in the final Appropriation Act for the financial year concerned.

Audit process

The Constitution of Jamaica provides for an Auditor-General whose



JIS - Dennis Richardson

Participants on a course in Computing Skills at the Finance and Account College of Training (FACT)

role is that of an external auditor of the Government, acting on behalf of Parliament to ensure that the wishes of the House in respect of Government's financial transactions are duly carried out. He examines all Government accounts and submits reports to the Speaker to be laid before the House of Representatives. The Law requires accounting officers to present appropriation accounts to the Auditor General by the 31 July following the close of the financial year. At the same time, the Accountant-General presents the statements of the Consolidated Fund and other financial statements as required by the FAA Law.

The Auditor-General examines and certifies these statements and the accounts and by 31 December following the close of the financial year, submits a comprehensive report to the House. The House, by resolution, then orders it to be printed and passed to the Public Accounts Committee which is chaired by the Opposition member representing Finance. After the Public Accounts Committee examines the accounting officers on the comments of the Auditor-General concerning the Appropriation Accounts relating to the respective heads of estimates for which they are responsible, the Committee reports the results of its examination and makes recommendations to the House.

These recommendations are then

referred to the Ministry of Finance which, in turn, eventually reports back to the Public Accounts Committee stating what recommended actions have been implemented, and giving reasons why any of the recommendations have not been implemented.

Recent reform initiatives

Following the above overview of the Jamaican system, information on reform initiatives being undertaken against the background of problems experienced in the performance of the system may be of interest. Some highlights of these initiatives are accordingly described below.

Since 1981, improved performance of the Financial Management system has been a central point of focus in Government's programme of public service reform. The strengthening of the Ministry of Finance's organisation, staffing, operational policies and systems have been receiving concentrated attention. In the process the functional areas of Revenue, Budgeting, Accounting, Debt Management and Public Enterprise Control are being addressed.

Problems and remedies

To highlight some specific problems experienced and the remedies implemented or contemplated, some examples should suffice.

Firstly, there existed the general problem of adequately staffing the various organisations and allied to this the more specific problems of inadequate training, inadequate career paths, insufficient emphasis on promotion by merit, inadequate pay levels.

The remedies applied so far have included increase in job-specific training as well as more formal courses offered through the Civil Service centralised training institutions, especially the Finance and Accounts College of Training (F.A.C.T.) and in some cases overseas institutions. In addition, a programme to improve career prospects for financial and revenue service officers is gradually being implemented. Other general problems identified have included:

- inadequate coordination of the functions of financial managers;
- over-centralisation of decision-making;
- inadequate equipment and cumbersome procedures;
- inadequate maintenance of accounting records and delays in submission of financial statements;
- delays in release of funds to ministries and departments, thus hampering their ability to plan and deliver services effectively.

Revenue

As concerns the Revenue function specifically, major problems included the fact that revenue inflow was being adversely affected by fragmented and inadequately coordinated collection and associated compliance activities. Data retrieval capability was inadequate and consistency was lacking in procedures for implementing policy.

Efforts at improvement started with the establishment of the Revenue Board as a statutory body under the Ministry of Finance and the central authority responsible for instituting and maintaining a comprehensive system for effective and efficient implementation of taxation policy. This has resulted in integration of the functions of directing and coordinating assessment and collection of revenue. The current arrangement has also brought about a measure of standardisation and streamlining of procedures, and the collection function has been centralised in the Inland Revenue Department.

Modernisation of taxation policies and organisation as well as operations of the departments administering these policies, including computerisation, continue to be vigorously pursued. Partial improvements have taken place in volume of tax collection, record-keeping, capability for ensuring compliance and more expeditious handling of services to taxpayers.

Budget

Line-item budgeting has been the traditional system pursued by Jamaica. An Institutional Audit of Financial Management in the Government of Jamaica, conducted in 1983, found this system to be ineffective as a management tool, especially in the areas of planning and control. This system was seen as being excessively preoccupied with inputs, and as such does not sufficiently encourage or require a focus on results or performance.

A central feature of the reform effort is therefore the installation of a "Performance Budgeting" system to replace the traditional line-item system. In adopting this process, the government hopes to achieve fundamental change in the way the Public Service performs by focusing greater attention towards outputs. The new system aims at helping managers throughout the Service to increase productivity by more effectively relating expenditures to cost centres and objectives; ordering priorities, setting targets and tracking progress; developing and documenting performance data which can inform decision-makers on allocation of scarce resources. The new Budget system is therefore seen as a powerful tool which will assist in attaining desired productivity goals.

A system of quarterly **Performance Reviews** is being instituted in which cost centre managers report collectively to a Performance Review Committee on activities and performance for the last quarter, progress during the current quarter, and planned activities for the next quarter. The aim is to help each agency achieve its goals by responding to the problems and needs identified by cost centre managers with decisions for corrective action and follow-up. The agenda also includes reports on the financial status of the agency and on the financial and physical out-turns and targets of the

agency's capital projects. A written report on each Performance Review is prepared and distributed to participants, the agency head and to the head of the Budget Division in the Ministry of Finance. A follow-up meeting is held by Committee members to respond to the identified needs of the cost centre managers.

The installation process is supported by structured and on-the-job training in the relevant budgeting techniques. Such technically focused training is supplemented by orientation in the value of performance budgeting as a management tool and training—from a behavioural perspective—in overall organisation performance improvement planning and management of the change process.

The **Budget Division** itself is being strengthened in terms of its scope of responsibilities and staffing. Intensive training is in process to strengthen the Division's analytical and monitoring capabilities. In its operational approach, the Division now places greater emphasis on analytic skills and on optimal 'field orientation' on the part of Budget Analysis to increase understanding of and sensitivity to the resource needs of the sectoral agencies and to foster development of the facilitative aspect of their role.

Cash management

In improving Government's cash management operations under the strengthened Accountant-General's Department, the Ministry of Finance is improving its ability to identify the total cash resources of the Government, as well as ability to prepare accurate forecasts. This will facilitate effective planning for the use of resources and more timely release of funds to the operating Ministries and Departments.

Accounting process

The new Controller-General function has been introduced to ensure that only expenditure approved by Parliament and for which uncommitted funds are available, is made. The organisation of the Controller-General's function includes a resident Controller in each operating agency who reports to the Controller-General in the Ministry of Finance, and provides

for redistribution of control responsibilities.

Before a commitment is permitted, the Controller ensures that the necessary funds will be available at the time when payment becomes due and that transactions are legally authorised and appropriate to the operations of each organisation. The responsibilities of the Controller General encompass approval of vouchers before payments are affected; counter-signing of cheques before they are released for payment and maintenance of accounting records and abstraction of periodic statements, thus providing a system of preemptive auditing of financial transactions. The statements prepared by the Controller will ultimately coordinate information on expenditures, revenues, cash balances and commitments in respect of every ministry and department. The Controller-General compiles data from these statements to produce a summary statement of expenditure by Heads, Subheads, Objects and Cost Centres showing:

- approved budget;
- warrant allocation, expenditure and commitments for the current month;
- total expenditure and commitments;
- uncommitted balance of warrant and uncommitted balance of budget.

An analysis of all expenditure by Objects is also produced.

The changes in the system of financial control include a more articulate management information system which provides appropriate and timely information to all levels of management. These improvements will be assisted by computerisation to the extent that this will be cost effective.

Audit

Over a number of years the Auditor General's Department has been gradually moving into a system of value-for-money auditing and special training in this area has already been conducted. Simultaneously with preparations for computerisation, plans are being developed for training in computer auditing systems and records.

In pursuing the reform processes described above, Jamaica has been assisted by various international agencies, particularly the EEC, USAID and the World Bank. ○ M.L.S.

Public transport and semi-State firms in the ACPs

by Jean-Pierre DIEHL (*)

No transport, no trade. No trade, no life for society and no economic growth. The industrial revolution of the 19th century would have been modest indeed without the steamships and railways that bridged the gap between the place of production and the consumer. But transport alone would not have been enough to keep expansion going. It was a factor of production and a vehicle for distribution, the circulatory apparatus of the emergent industrial capitalism, but not its fuel. Which is why some countries, albeit with modern railways and ports very early on in their career, have stayed on the periphery, with "modern transport" being for them no more than a system to drain off the commodities that fed the industries in the centre. Mexican sisal, Egyptian cotton, Argentinian wool, Senegalese groundnuts and ore from the African interior indeed brightened the lives of the railway and shipping companies of the colonial era.

Historically speaking, the division of labour in the industrial countries gave rise to public firms once it appeared that private capitalists did not have the money to provide the services needed—or could not earn enough from them. Yet in the 19th century, the States did not naturally feel they had to provide the transport

services they needed themselves. In some countries, such as France, the USA and Great Britain, the rule for canals was concessions or renting out and this, quite naturally, was the solution originally used for the railways.

In Belgium and Russia, on the other hand, the State promoted the railways. But with the advent of the car, every-

one agreed that the authorities should be responsible for building and maintaining the roads—both for reasons of strategy and to ensure that the networks covered the whole country, it being already clear that only heavily used stretches would be of interest to private capital.

But the State only obtained vehicles for its own use and haulage tended to be in private hands. The same went for early air transport, where public companies only emerged after World War II.

The role of the State when capitalism founders

Both public and private transport firms felt the full force of the economic crisis of the '30s. The debate broadened to include the notion of public utilities and sometimes even the nature of the State when capitalism failed to cope. One shining example of this is the series of French nationalisations of 1936-37 (the railways) and 1945-46 (the Paris underground, the merchant navy, Renault etc.).

And with the great car expansion came the motorways, with tolls here and free there, concessions in Italy and public ownership in Germany and the exception in France and the rule in the USA. And as to the burgeoning metropolises—some got undergrounds (usually public but private in, for example, Tokyo) and others did not. And look at Los Angeles where not to own a car is a disability.

So it is easy to see how hard it is to fit all these situations into a single theory of public service. Yet no state can agree to see its transport ill-assured for long. From virtue or necessity, they are all involved in this strategic sector, they all devote a substantial part of the national budget to it, they all legislate and regulate it and they all have transport policies of which public companies are the spearhead.

The same things are at stake in the developing world, but alas there are not enough national resources to meet the needs of expanding national activity and gradual integration into the world economy. Traditional modes are inefficient and can no longer be used for any more than local journeys to town or to market. Or portage in mountainous countries such as Burun-

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The sector's appetite for funds—and particularly for foreign exchange—is rarely satisfied



"Africa's railways are practically always single-track"

di and Nepal, caravans in the outbacks of Ethiopia and Niger and cabotage in the Gulf of Aden.

Autarchy is not the answer. Look at the problems of travelling in Burma or Albania. Most high-performance machines, at least, are made in the industrialised world and have to be bought in trade. So the various countries have invested, sometimes with a high degree of enthusiasm, in transport, just like the industrialised nations.

Various fates

The railways, of course, have maintained the status of public or official networks they usually obtained after World War II and roads, ports and airports have been built and maintained with public monies.

The socialist states have added port services, lighterage and sometimes, as in Algeria but not Ethiopia, road transport too.

Airline companies had various fates. What had gone before dictated the rules as far as rights of traffic and involvement in shippers' conferences were concerned and this had a direct effect on the equipment they obtained and the networks they covered. Regional grouping, the introduction of foreign capital and dispersal all happened, leading to such things as the failure of East African Airways in 1977 and the (constantly threatened) success of Air Afrique (in spite of the secession of Cameroon in 1971 and Gabon in 1976) and to the lasting doping-up of inter-state ferrying as with the WISCO project in the Caribbean.

"If indeed failure there is, it comes from a long way back"

A generation after independence (and only half a generation in the case of Portuguese-speaking Africa, Djibouti and some of the island States), there is cause for concern. These very particular public companies have been accused, randomly, of being inefficient, badly managed, exaggeratedly protected and badly overstaffed, the recipients of unwarranted subsidies and so on—i.e. they have been called ineffectual and even useless when it comes to the aim of offering a public service, which, with a boomerang effect, was contested in its turn. But if indeed failure there is, which is by no means clear, then it comes from a long way back.

First of all, transport services cannot be stored. They have to be consumed as soon as they are produced. This means actual demand and the way it is spread in time is particularly important. In the industrialised countries, a system of narrow thresholds is used to adjust supply to demand. But in the developing countries, each new piece of equipment poses a State problem. Adding the wharfs to the port of Cotonou in 1982 was doubling its size. São Tomé and Príncipe has only had its one boat, a 150-tonner, for a short time and it has no deep-water ports at all.

Aggressive competition

And as for Africa's railways—they are practically all single-track systems

and can often only handle modern equipment if extremely expensive improvements are made. So failure to predict traffic properly can spell disaster for the company accounts. The railways are particularly hard hit as they have had to cope with aggressive competition from road hauliers with initiative, who often disregard the rules of amortisation and public rates and offer prices that are close to their costs. There is protection, there is renovation, but nothing works and traffic is stagnating or declining. Some funders have gone so far as to call for some routes, or even whole networks, to be closed... but the cure is often worse than the cause. Sierra Leone regrets the passing of its trains, which were not heavy users of energy, and it does not have enough foreign exchange so it finds it very difficult to keep its truck drivers supplied with fuel. In other words, transport capacity cannot be divided forever. Trains are not multiples of trucks and complementarity seems better than execution—something the industrialised nations, which support their railways without any false modesty, have clearly understood.

Secondly, the transport firms are major consumers of foreign exchange and foreign exchange is rare. One or two lots of external revenue from sea and air freight are not enough to meet the need to purchase sophisticated equipment, expensive spare parts, fuel and so on. And of course there is high-level technical assistance. After all, only a handful of Africans can pilot four-engined jets as yet! The financial terms of loans and buyer credit are not so good as those given in agriculture or public works, to name but two. And the equipment is often broken down before the money used to buy it has been paid back—which makes for alarming deterioration of the financial situation of the firm and the servicing of the external debt, without any counterpart. Fearing this, some shippers and air freighters have gone over to leasing, with worrying results. The suit between Air Tanzania and Caledonian Airlines, for example, has been going on for eight years.

One of the consequences of this forced recourse to external equipment was foreseeable. The first buyers to come forward when a public company (working in, say, haulage) is being pri-

vatised are groups interested in supplying vehicles, trucks, for example, with the support of official cooperation from their country of origin. This unusual recycling of the debt by trading off money owed against holdings in national companies is happening in several ACP countries—Togo, for example, where the hoped-for partners in Togoroute are interested in integrating the road-sea transport system between Europe and Africa.

“Generals are not necessarily the best people to be chairmen of airlines!”

Thirdly, many of these firms have been badly run, through lack of means, any proper accounting or clear objectives and they have sometimes been short on staff motivation and often without any competent cadres. Generals are not necessarily the best people to be chairmen of airlines! And this is not confined to the transport sector either. What *is* peculiar to the sector, to a greater extent, is the structural difference between cost and retail prices—it may be so big that there is no encouragement to be rigorous, all too much effort being required to bring about a small reduction in the deficit. Yet relatively low prices—for urban transport, say—may be socially or even economically justified. In the case of railways that are built to open up parts of the country, the state has to offset total added value against the whole of the production costs, freight included.

Economists know that the returns on heavy transport increase—a consequence of the marked indivisibility of investments in capacity—and managers complain that their traffic does not increase and resign themselves to the dictatorship of fixed costs and financial amortisation. But how can an airline with only one plane improve its situation? Or a railway with only one train a day?

Directors come and go and railway workers stay. And it is distressing to see whole bodies of skilled workers dismantled in the name of company logic when they could have been put back on the job in the name of a proper public service. In other words, rectifying management errors should not just mean proper accounting. It should



“Transport firms are major consumers of foreign exchange... for expensive spare parts, fuel...”

also mean paying a fair price for a transport policy which provides both the necessary public service and a framework for competition in such a way as to safeguard the future—machinery and men.

Singular responses to the crisis

The crisis which has hit the ACP economies affects the national firms first and foremost because their ability to react to the deterioration of their market is small. This rigidity comes from the triple effect of tariffs fixed by decree, incompressible wage costs and paralysing supervision, something which is not particular to either the era or to the developing countries.

A first, classic reaction in the '60s was for individual nations to fall back upon themselves. Several regional railways were split up into separate networks, Dakar-Bamako being shared between Senegal and Mali, for example, East African Railways being dissolved in 1977 in disastrous conditions which have left their mark on the three companies that are its heirs and the RAN being divided between Côte d'Ivoire and Burkina Faso.

Some airlines emerged when regional companies were shared. The CAAC disappeared in 1967, the WAAC in 1958 and the EAAC in 1977. There was dissent in Air Afrique too. And

there is nothing today to say whether the decisions were beneficial or not.

A second reaction, and a contrary one, was to try and create regional units or at least coordinate action by neighbouring countries. In Africa, this process got considerable support from the UN's Transport Decade (1978-88). More road corridors appeared, some traffic rules were standardised and some charter agreements were signed... but there is still a long way to go to the hoped-for but somewhat mythical federalism. It is not natural either to be reticent or to abandon one's sovereignty. And no doubt inter-island ferrying has the best chance of success in the Caribbean, the Indian Ocean and the Pacific in the long run.

A third possibility is to embark upon negotiations with the industrialised world to obtain a share of the international markets—be it *de jure* or *de facto*. The most convincing results is the famous convention on dividing maritime freight between shippers, the 40.40.20, whereby the developing countries can put 40% of their trade under their national flags, with no objections, provided they can actually cope with this. Products being shifted in bulk, hydrocarbons and containers are excluded, but the system has still enabled some national companies to get a lasting foothold in the maritime conferences. Success helped these traffic rights be a decisive element in the privatisation of Cobenam (Senegal) in February 1987 and they are a major asset in the cooperation agreements the different transporters have signed with European companies.

In air transport, things are not so clear, running reduced or possibly ill-assorted fleets only being a profitable proposition on busy routes, primarily to Europe. Hence the popularity of pool agreements, of which UTA and Air Afrique are the prototype. They, of course, restrict national ambitions, but they do help the finances. The Malian and Malagasy lines, for example, are associated with Air France, and the results are good.

The key words: rehabilitation and management

Pragmatism is the by-word in domestic affairs. The temptation to give up is strong, given the pressure from the austerity policies required, in

particular, by the IBRD and the IMF. Gone is the time when this funder financed the production of clearly ambitious multi-mode transport plans. Today the key words are rehabilitation and management. Benin has dropped the idea of a strong national haulage firm and is concentrating on road-rail coordination, boosting the public service vocation of the Benin-Niger railway which is entirely situated on its territory. The Ugandan Government has decided to do all its importing and exporting by train, breaking away from the Kenyan truckers' lobby (which is by no means reliable) and going in for high remuneration and notable political tact. Burundi is boosting its national haulage facilities (Otrabu) and gradually cutting out the big transporters from the neighbouring countries and increasing its routes to the coast. Senegal, with the liberalism of structural adjustment programmes, has taken the safeguard measure of setting up a higher transport committee and signed annually revised contract plans with its main public companies. The airlines are speeding up their training of national pilots and Ethiopian Airways is renovating its fleet with the help of American buyer credits—a sign of good health based on half a century of experience. Everyone is talking about bringing in new accounting plans, reorganising their structural funds and offering training courses. But poor national wages hamper implementation of these praiseworthy measures, as they provide no incentive to take posts of responsibility, and the higher costs that go with repeated devaluation are not made up for by the agreed tariff adjustments. The liberal phrase: "put your prices up"—and this means adjustment—does not easily fit in with a policy aimed at protecting the poorest from the greater rigours of the crisis. And there are few Governments which are happy about doubling the price of urban transport and train travel. This shows just to what extent public services can, provided they are offered on acceptable terms, bring about social justice. But every social policy has its price, something European railway bosses and American big-town mayors, to name but two, are well aware of. There is nothing dishonourable about a properly justified grant if it makes up for the inability to pay of the people forced to use the system.

What can be done?

Down with national companies? It is fashionable, but there is nothing new about it. What is new is that the idea has come in from the sidelines of economic policy to the centre, under pressure of the threat which structural adjustment brings to the grants paid from the ordinary budget and of the extension of the civil service.

Transport companies have special characteristics tied up with the nature of their services and the space they cover. They contain their own market and their product is volatile but lasting. The crisis which has hit them will not, in most cases, be fatal. Long African haulage, cabotage and passenger transport have a rosy future, but, both public and private firms have to make an exceptional effort with their management. It will be suicidal to try and do without proper cadres and an accounting plan—even if only to get the banks to provide the credit that is vital if the installations are to be modernised. It is a *sine qua non*.

Then, the Governments have to introduce transport policies and clear, well-publicised public service standards at home—tariffs, legislation, tax on equipment with derogations to reflect the investment code, road-rail coordination, compensation for offering public services and so on. Contract plans with semi-State companies must become the rule, with leasing where appropriate. External technical assistance should no longer be seen as simple consumption but as a way to lasting training and controlled, rational management of equipment and workers.

Let us say that a public service is justified by the support it gives to an economic and social policy—but only if the private sector cannot loyally and safely ensure it itself. Which militates in favour of a presence in all activities if prices should be controlled other than by decree.

Urban transport— a special case

The particular case of urban transport reflects a large set of considerations, with direct involvement of reference to repeated, daily spending, the productivity of the work force and re-

cuperation of an increase in land value. People should not dream of underground railways. They are extremely expensive and are initially only used by a limited number of citizens. Algiers and Lagos simplified their plans. The answer is to increase the means available, have an urban network which can be extended, covering busy routes at a modest price. The compensation this network receives from the municipal or national budget is no more unjustified than in Paris, New York or London, where the traveller pays, directly, rarely more than a third of the costs of his travel.

At all events, infrastructural improvements should continue unabated. These networks have got bigger, of course, and maintenance is being rationalised, of course, but there are still serious gaps. Much equipment in the industrialised world is redundant—autoroutes duplicate roads, there is too much port machinery and undergrounds live side by side with buses, all of which makes for easier management of the medium-infrastructure systems by increasing the parameters of action. The same is not true of the developing world. There is no decent naval repair yard between Dakar and Cape Town and the one in Douala, scheduled for opening this year, cannot handle more than 10 000-tonne units. There is no surfaced road between northern and southern Benin. The rails on the Tabora-Kigoma section of the international Tanzanian railway date back to 1912! Landlocked countries such as Mali and Rwanda and islands such as Vanuatu and Comoros suffer from this isolation, which weighs heavy on their public finances and this means both freight and their lack of competitiveness on the international markets. And it is only when the big national and regional systems are big enough that the rationalisation of management will work properly.

Lastly, the economic integration on which most of the ACPs have embarked has to lead these nations to encourage greater regional coordination in the transport sector and thereby follow a path which the EEC has, rather successfully, been trying to map out for several decades. The internationalisation of transport systems offers a lasting prospect of greater North-South cooperation here. ○

J.-P.D.

The influence of the socio-cultural milieu on the development of Africa's public services

by François DURAND (*)

The development of public services is, by definition, a socio-cultural matter. But what socio-cultural aspects are affected and what public services do we mean? Not all societies are homogeneous, particularly African societies where tribal and social features both interrelate with and strengthen each other. Public services combine human resources, technical means and financial means and they use various structures (public firms, State firms, mixed firms etc) and methods (direct labour, concessions, sub-contracting etc) of management. So things differ according to country, region and history...

After independence, the main public services (water, electricity, posts and telecommunications, infrastructure, town planning, education, health etc) developed, in the towns to begin with, to meet the needs of the State, industry and a minority of inhabitants. Comparatively speaking, the State was unable to meet the needs of the rural populations and so, for various reasons, including the availability of water, health facilities, schools and electricity, they invaded the towns. The

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authorities were overloaded and today they cannot or do not know how to meet the needs of a population which lives, moves, works and gets along as best it can on the city fringes and is beyond their control.

This very schematic view of trends in relations between town and country and between State and people raises a number of questions. How has the State responded to the various needs? How have the public services been organised? And, ultimately, why has the State been unable to provide for the needs of the majority of the population? Trying to answer these means quickly looking at both theory and history and discussing one or two examples.

Theory — putting public service in its context

“The authorities are the product of history and they relate to their political, social and economic environment in what is always a two-way traffic” (1).

(1) G. Conac (dir.) Les grands services publics dans les Etats francophones d'Afrique Noire — Economica — Paris — 1984 — p. XII.

The withdrawal of the State is apparent in the country, as it is in the towns. In many countries the organisational framework of the rural world is being called into question

Administration, political environment and social and economic environment are the three components of a system. Normally, they adjust constantly, developing at the same rates and in the same proportions—otherwise they would block the system. The African examples show that, although systems may not be blocked, they are ill-adjusted and incoherent in many ways and social or State violence may be the way of dealing with it.

The system is not a closed one. Outside elements (the former metropolis, industrialised States and, to a lesser extent, other States in the region) often have a decisive role to play in the way it operates. The structural adjustment policies the African countries are currently implementing are a good example and have a direct effect on the structure and operation of administration in general and public services in particular.

A country displays a given pattern of the system at a given moment. Characterisation of this specificity means analysing the components that go to make it up—the (executive, legislative and judicial) power, the (central, national) administration (which may be conventional or developing...), the (rural or urban) society, the main social groups and method of representation (chiefs, traditional worthies, organised local collectivities etc). And of course relations have to be investigated too—the formal ones (the constitutional system, the status of the public services, the laws on decentralisation and so on) and the informal ones (corruption, vested interests, hidden power, etc) which exist between the basic components—and a case-by-case assessment made of them all. Generally speaking, the typical African country displays:

- a pre-eminent executive, with a weak legislative and judiciary depending on it;
- osmosis between political power and the administration;
- an all-invading administration, which goes so far as to bring out its



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own laws and regulations and is both cut off from the socio-cultural environment and constantly reinvested by it;

— a privileged minority; a poor society both fascinated by and wary of the State and insufficiently organised to make its voice heard.

It is only by setting public services against their proper background (a state of relations between the administration and the political environment and social and economic environment and international environment) that its meaning, its organisation and its rules of operation can be understood. And this means that the concept of public services and of the motivation, attitudes and behaviour of those who run them and through which both civil servant and user express themselves vary with the politico-administrative and social environment, in spite of the fact that the legal texts behind them, may seem the same. The material and financial means vary in the same way, the one thing they have in common being the weakness of these means as compared to the extent of the demand.

History — after 20 years of expansion, the State takes a step backwards

The African administrations go through two main phases starting from the institutional nucleus left by the colonials. They reflect the political and socio-economic developments of their societies and the international environment and translate differently in the urban and the rural context.

Phase one is the expansion, diversification and specialisation of the administrative structures, a period marked by the arrival of political independence, the constitution of a strong nation-State and a relatively favourable international economic context.

In the towns

Here, ministries get more complex (with more directorates and more departments) and they specialise (the Ministry of Education becomes the Ministry of Vocational and Technical Education and the Ministry of Higher Education). The public sector (mining

and farming) develops and town organisation focuses on the public buildings (ministries, national firms, banks, foreign representations etc). Both quantitatively (input from the rural exodus and natural growth) and qualitatively, the needs generated by independence (education, health and housing and so on) develop rapidly. The new State continues to run the town without really querying the legal, urban, technical or economic procedures of the colonial State. Intervention and the new structures (housing, land, production and urban services) meet the needs of a minority, while the population of the shanty-towns grows fast and the town is more and more a refuge.

Throughout this period, the people tend to have very little representation. The decentralisation hinted at in the towns shortly before independence is pursued on a limited, circumspect basis afterwards. The autonomy of the decentralised communities is curbed and decentralisation, with its disastrous management, politicisation or over-dependence on the State is done away with — on a *de facto* or a *de jure* basis.

In the country

The main central authorities set up external departments (of the interior, finance, health, education etc) in the regions (departments, provinces etc) and locally (cantons and districts). The movement continues, completing the compartmentalisation of the national territory, creating small technical teams around the territorial administrators which control and manage their area, in direct contact with the people and, above all, their natural representatives, the traditional chiefs.

When independence came, the State nationalised the major public services and began controlling the products that were of the greatest importance to the economy — i.e. minerals, which were mined and marketed by official firms in association with foreign firms, and agricultural products, which were produced and distributed under State supervision. In this field, one which affects most of the working population, the public and semi-public economic organisations (public establishments, development companies, offices etc) burgeoned. They tended to

be both legally and financially independent. Best controlled by the funders themselves, they had considerable financial and technical means and became the main development agents, sometimes taking the place of the ministries under which they came. In the field, they proposed or imposed standard, sophisticated technical packages which were distributed by operators who had scant motivation and sketchy training. The most peripheral form of these organisations was the major development project which sometimes duplicated the work of decentralised departments or meant it was of purely symbolic value. Most of these, which were aimed at popularising methods and training the peasant, in fact substituted themselves for him. Once the structure went, his work, not taken up by the environment, stopped. The image of the State was tarnished and, meanwhile, technical and cultural needs had been created but were unable to be satisfied.

Before independence, the rural areas were unconcerned by the decentralisation movement that affected the towns. In most cases, they went on being administered by the territorial authorities — which leaned on the traditional chiefs. On independence, some countries created rural communes and others organised the peasants into cooperatives. But what was more important, and common, was the intermediate decentralisation of the regions. But it did not take long for decentralisation to be abandoned, as in the towns.

The result of this expansion and proliferation was that the State tried to make a better job of controlling, coordinating and articulating the various structures, attempting to put some political coherence back by attaching some structures to the President's office and using the Party to control and organise the authorities. Coordination of the various authorities was in the hands of the executive, — the Ministry of Finance or the Ministry of Planning — which, however, found it very difficult to fit into the existing structure and play its part. Supervision and control of the semi-public organisations was revived. But the movement to regain control had few effects other than to create other structures to coordinate the control.

Phase two — contraction

In the '80s, the movement was reversed. The countries' economies never took off, the international economic crisis undermined the situation and public finances got worse. The funders, who had largely financed the previous movement, became more demanding, suggesting structural adjustment programmes directly affecting the administration and the population. The policy responsible for getting these measures through negotiated and pleaded the cause of population and administration with the funders. The administration was invited to turn over a new leaf, reorganise and manage itself and the country more efficiently. And the public sector was invited, if anxious not to disappear altogether, to balance its books and, if possible, generate some kind of surplus that could be invested.

In the towns

Reduction of the public services' capacity for action, their disorganisation and reduced income and the users' obligation to pay for what had hitherto been free or of only symbolic cost, led to a deterioration in the standard of living of the urban population.

Town production and management became both more adapted (in some places the State used the practices of the population on the fringes when it came to land, housing and equipment and a fresh move towards decentralisation began — timid, controlled but genuine) and more stringent (as regards paying dues, the systematic gathering of taxes involving closer and more efficient coverage of the area and the people). Given this situation, it is difficult to say whether this was a deliberate desire for State withdrawal or just a desire to balance the public books properly.

In the country

State withdrawal was also apparent in the rural areas too. The structures and public organisations operating in the rural world (supplying, producing and marketing) were all held up to question, big projects were put on ice, State boards lost their monopoly and had to compete with the private sector, in some cases transferring some of

their resources to peasant organisations.

But small projects expanded with finance from external NGOs working directly in the villages. The aim of these very localised schemes was to get the local people to take their own development in hand to manage it themselves and, after a period of mutual mistrust, the State and the NGOs gradually began to coordinate their operations.

Here is a practical example of how the public services developed and what the prospects offered by the structural adjustment policy are. The example comes from a town water (public service) project⁽¹⁾.

SODECI in Côte d'Ivoire — a modern company is forced to adapt

What is happening at SODECI, Côte d'Ivoire's water board, is no doubt fairly representative of what is happening in all the other countries of the region.

In 1960, SODECI, which was then a subsidiary of a French company (SAUR, the Urban and Rural Development Company), signed a concession contract for water supplies to Abidjan. In 1967, Côte d'Ivoire became the majority shareholder, with 53% of the capital (49% in private hands and 4% for the State). In 1973, the contract was converted into subcontracting and SODECI had the job of supplying the rest of the country too (both urban centres and villages). It was largely decentralised (with eight regional directorates and 22 bases) and supervised by the Central Hydraulics Directorate. It managed and maintained a wide range of distribution facilities — supply networks, fountains, wells and boreholes. The system worked well overall in these early years, supplying decent water at adequate pressure in the towns and ensuring proper upkeep of the village installations.

But in the towns, SODECI (which only served the better districts) could

(1) The information on SODECI is taken from a CILSS document on "Integrating village water engineering in the life of the rural communities: the conditions for successful projects" by the BURGEAP (OECD, August 1987). See also The Courier No 96 (March-April 1986) Dossier on "Drinking water".

not keep up with the rate of expansion. The informal sector supplies a large part of the town and the re-selling of water means that households which could not pay monthly bills can buy their water on a daily basis. SODECI tries to control this re-selling, officialising the job of re-seller by extracting a guarantee and installing a meter. But clandestine activity continues to flourish and attracts a lot of people, in spite of the fact that the income derived from it would only ever be an extra. Since 1983, SODECI has decided to compete with the informal sector and make its practices more moral a proposition by installing public fountains and conceding their exploitation. So, under pressure from the social and economic environment, SODECI has been forced to come up with new methods of distribution and fit in with the practices of the population.

And there were plenty of examples of this sort. SODECI is a particularly good one because it is otherwise a high-performance society.

More generally, State withdrawal is under way in many countries. But there are two major risks attached — it may be too fast and disorganised and it may be run solely with a view to financial considerations, balancing the public finances and getting out of debt.

For some years now, some countries have seen their health and education facilities decline partly because of reduced expenditure in these sectors. Urban services are deteriorating too. Here again, the question is one of speed and size. Without overlooking State resistance, the process has to be one that the whole system can support and it must not be imported from outside.

Nor should the idea be simply to balance the public finances (pruning the public sector, rationalising management, curtailing monopolies or transferring some activities to the private sector).

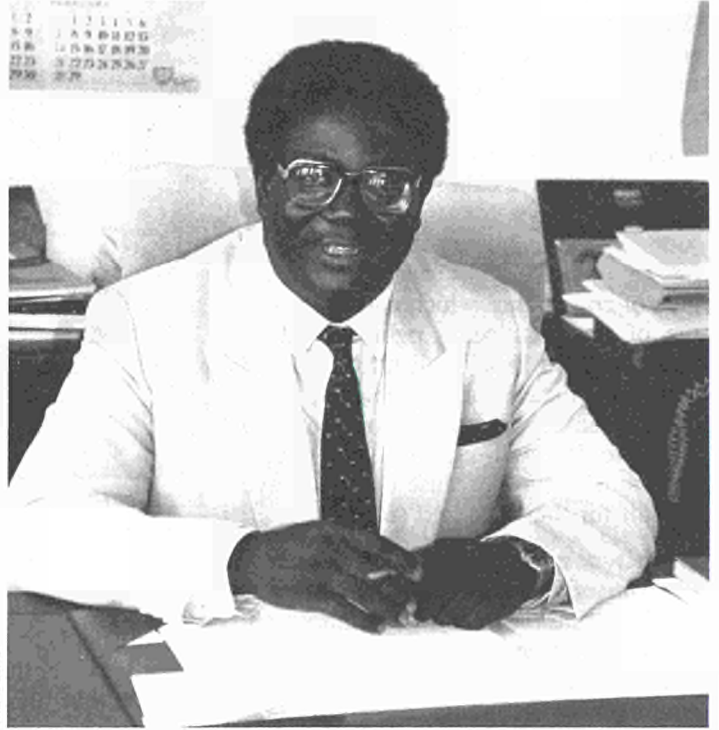
Africa, urban and rural areas alike, has more and more knowledge, know-how, ability and ambition to mobilise and the State's political, legal, technical, economic and cultural choices have to allow for, facilitate, and accompany a drive to mobilise not just finances, but all local resources. ○

F.D.

“African management culture has to evolve”

Interview with Dr K. Mutukwa, Director of the Eastern and Southern African Management Institute

The Eastern and Southern African Management Institute occupies one of the most beautiful natural sites in Africa — on a green spur in the rolling countryside of Arusha in northern Tanzania. From its towering white main block you can see Mount Meru and Mount Kilimanjaro, the latter usually wreathed in cloud. The Institute was built a dozen years ago to serve as the training and research arm of the public services of the now defunct East African Community but it has rapidly found a new role as a provider of training not only for Kenya, Uganda and Tanzania but for the Southern African region as well. Short and long courses, all with a bias towards practical ‘hands-on’ management, form the core of the Institute’s activity, but research and consultancy are beginning to take off. As Dr Mutukwa, the Institute’s Director, puts it: ‘We want no compromise with mediocrity at all.’ Judging from the response from public and parastatal administrations in the region, and from larger private corporations, who send 1500 participants a year, the spectre of mediocrity has been effectively banished. Dr Mutukwa explains how and why in this *Courier* interview.



The Courier

► *Can you give me some statistics? How many ESAMI trainees do you get through a year, and what are the main fields of their specialisation?*

— The numbers have grown over the years. About three years ago, we were talking about 900 participants; right now there is an average of 1500 participants yearly, who go through ESAMI programmes.

The key areas of training that ESAMI provides, are what we call the core areas of management, because we operate to improve the performance of both the individual and of institutions. So you look at the core areas of management such as what is called general management, where the basic principles of management are imparted. We then move on, for example, to look at the operations of an enterprise, a corporation, from production management, to maintenance, all the way through to corporate planning. Other major functions include marketing management, in some instances export promotion, which we have expertise in, and stock-control and warehousing. Plus, of course, some of the bottomline areas, such as financial management and hu-

man resources management. In human resources you have several programmes, like training of trainers. But we also have sectoral programmes, in key sectors which the countries consider to be important; among these is transport management, and health services. We concentrate mainly on the management of supplies of services, especially family planning, logistic supplies, and also management of large-scale health services, particularly hospitals.

► *African administration is characterised by excellence among individuals, but by poor results from the system. How do you explain this paradox?*

— I think it’s the lack of a management structure, basically. Because, no matter how hard an individual works, if he is not part of a team that produces results, very little can be achieved. We certainly have a number of administrators who can be classified as excellent, but what is also critical is the efficiency variable in terms of the operation of the administration. This is what makes the distinction between management and administration: administration cannot do things that are supposed to produce a

certain given result, but management is a qualitative component of how that administration operates. It is that management component, I think, which is now being infused into what used to be called development administration in order to make a manager out of a public servant who was traditionally just a file mover.

► *Imported management theories often fail to answer the problems that crop up. What’s the future for African-designed answers?*

— I think that is really the future, because management has to be home-grown. In fact there has been a distortion in terms of acceptance of the management culture which is important, because people see it as something that is done “out there”, and “here things are different”. What you really need is to have the best concepts blended with the local cultural patterns, and African management culture has to evolve, to determine which culture could be the guiding principle for making things happen within Africa. Any imported management, be it styles or approaches, have got their own shortcomings. Besides, you know it gives the impression that management

is something new, when in fact it's an art of how things have been done effectively, through all time, in any society, and that's how it should evolve within African society. There are a number of things, for example, which are European or American; even between Europe and America you will find that there are some subtle differences, so how much more between Europe, America and Africa?

Our cultures in Africa, for example, determine that the boss's word is final, you don't have too many critical remarks made in terms of looking at how institutions are right. There is some degree of compliance which comes by virtue of the boss being right, or "if in doubt, ask the boss" — isn't that right? This has created some problems; especially when people from Europe come to Africa to deal with us, you'll find everybody's hesitating, because one will have to wait for the boss, and so on.

► *As a subsidiary to that, President Kérékou of Benin once said: "I find it incomprehensible that the Béninois are perfectly prepared to work under a European boss, but instinctively start to criticise and mutter about an even better qualified Beninois put over them".*

— That is correct. It tends to happen, because, I think, of the recent historical pattern where expertise was synonymous with being from outside the culture; although in a traditional setting that was different. In other words, the African traditional system respected expertise. There were professionals and experts within that society. But when we had the society that blended, that was composed of African society and European expertise, then the society that was in charge, in control, took over the image of being the society and the people who can make things work, and that image has not yet been eradicated.

► *But that's what you're creating now, a basic philosophy that it's not necessarily "if it's white it must be effective, if it's black, it can't really work". You're fighting this. How successful do you think you've been up to now?*

— I think we have, with more Africans being exposed to seeing Africans get things done. Especially starting with the high technical skills: aviation for example; there is no hiding under the seat if it's an African who is the pilot, and it makes a difference! The same with the



The weather and the splendid scenery, according to Dr Mutukwa, should help attract top management to the courses ESAMI offers

medical field. Initially, you know, there was a lot of hesitation, but now it's acceptable that these guys can do as well. And this is moving through the sciences, though the arts will probably be farthest removed, except of course, political power which has been accepted. But in between here, which includes the management sector, a lot more still needs to be done, and more proof produced to demonstrate that we have an African management culture, that can produce the desired result.

► *Which is going to be, in the future, quite distinct from European management culture?*

— It should be. Invariably it has to be. I think it's difficult to imagine that a complete transplantation of this can ever come along—not only in Africa—but in society.

► *ESAMI charges very high fees for its courses. When trying to attract, say, the managers of small and medium-sized enterprises, do you sometimes feel your prices are a disincentive?*

— Our prices are not high, but at the same time we don't accept that African professionals should offer cheap labour. We believe that if African professionals are hired, they should be paid salaries commensurate with those paid to people hired from anywhere else to do the job.

But we give concessions. Our pricing structure—our salary structure—is far lower than some of the institutions that are hired to do work in Africa. But when it comes to handling situations in our case, I think there have been some of these cases of overpaying. But I think the international community has accepted our pricing, though definitely the small business person has not been able to match our salaries; hence we have not been able to provide for them. I think somebody else is doing the job, perhaps without the qualities we can offer but we felt that we cannot compromise, you know, with what is essentially required to keep an institution obviously in front.

We have to hire professionals, and either you get the African professional within Africa, or else he migrates. He becomes an economic refugee — a financial refugee. So to be able to keep these African professionals in Africa, there has to be a certain level of premium to it. But so far, I think our catchment area—the clientele—to a large extent has been able to find our pricing competitive compared to going outside. I mean somebody from Tanzania probably pays only 100 shillings on the bus to get to ESAMI, and you've got to pay \$2000 to get to the USA, and several months of adjustment; here there is the same environment.

► *You are in fact struggling to be completely self-financing. Where are you at the moment?*

— Let me answer the question first directly, that we are almost self-financing. We are able to make between 75% and 85% of our budget. We still have a small shortfall in our budget, which to a large extent I attribute to the drain on our resources through paying for housing. The fact that the Institute does not have its own housing has tended to take up to 25% of the budget. If we've got housing it means that we can close that gap, and we also believe that if we fully explored our market potential we would close it. That means widening the scope of ESAMI's operations as far south as possible. Although we cover Eastern and Southern Africa, it's only in the last three or four years that a consistent and persistent effort has been made to market ESAMI's services, and for ESAMI to be fully accepted in Southern Africa. We are now a household name in Southern Africa.

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I personally come from Zambia — which is a Southern African country. Zambia was a founding member of ESAMI. Now Zimbabwe is a member, Malawi, Mozambique, Swaziland participate on our board, and all countries, the 16 countries of Eastern and Southern Africa, are participants at ESAMI. So we believe that if the catchment area grows, the opportunities for getting more participants will grow and the donors will also see that we get the support of the countries and the effective demand is demonstrated.

► *Would you consider price flexibility for small and medium-sized enterprises?*

— We have done some differential pricing: it's amazing that the results have not been as spectacular as we should have thought. We have reduced sometimes, given rebates like in Tanzania, which is our major operation area: we have given a 25% decrease. There is no sign that the market is responding to that. Let me say that we are looking to the EEC in particular for capital support — development support, because if that capital is provided, say, for example, some bits of housing, the expansion of some facilities, it will make this organisation even more attractive for middle and top level managers to come and participate in courses at ESAMI. Which is not possible right now, given that the facility has certain limitations and cannot attract—especially the senior levels—to come to the courses. They will: we've very fantastic weather here, and you only have to look at the views!

► *What's the balance between teaching and research at ESAMI?*

— In terms of staff time, every consultant, which is what we call the experts, the staff here, the professional staff, is expected to put in about 15% of his time to research and another 10% to consultancy; sometimes there is no gap between research and consultancy, because we deal in applied research, where you go into an enterprise assessing its performance in a given area of operations, then produce a report, or you are invited to do so, and we go in for that.

► *Is there a future for consultancy for ESAMI?*

— Very much so. I think that the main drawback is that we have been cautious because with consultancy you want to build your bridges before you cross them. If you blow it you have your prob-



The Courier

"We don't accept that African professionals should offer cheap labour"

lems. You can't really go into it without careful preparation; otherwise you lose a great deal.

► *The World Bank has called ESAMI a centre of excellence. How would you describe that excellence in practical terms? Where do you think you really excel, how do you think you would like ESAMI to be known?*

— One, we excel in providing regionally-based training programmes which bring together participants from all the countries of the region. No one else is in this business: most institutions at the national level are training only for their countries. Now, for African development for the future, it is clear that regional cooperation is the key, and learning from each other is important, so that's one particular area.

Second, we excel in terms of the quality of the product we offer: most of the training programmes we offer are competitive with any in the world and in certain sectors we have quite a lead; for example, in areas like the case of human resources development, we are the only institution doing it. In the area of transport management, nobody else is doing it. So we have certain specialised programmes that are not offered or duplicated by anybody else within the African scene, and among them are those that I've just pinpointed. We also have a programme for public enterprises (which means parastatal organisations) that's not offered elsewhere within the African region.

Third, we have the strength in that we are very close to the cultural base of the training — at least at the regional level, where I think we can claim a higher degree of knowledge than people who live

outside the region; and we have very close relations with clients that work with us throughout the region.

So the central thing is really the regional specialised programmes that are offered by the Institute, by a group of staff who are as qualified as any: many of us here have doctoral degrees from American and British universities. Then others are here who have been in managerial positions in corporations, or persons who have succeeded in what they do, and they are brought into the faculty. I think, as a director—I've just been in this post for the past six months—my objective is very clear: to make this a place where Africa's best trainers and consultants in the area of management will find a home; either as resource people, or as core staff at the Institute. We want no compromise with mediocrity at all.

► *You foresee a system more like the French Ecole Nationale d'Administration, where the whole of the Southern African region is filled with graduates of ESAMI, or people who have passed through ESAMI, who speak the same language and can communicate across national frontiers?*

— That is another important link, I think, which is the by-product of what I said about the regional thrust that ESAMI offers.

► *So there will be an old school tie?*

— Probably. It is already emerging that as we crisis-cross the region, you find: "I've been to ESAMI", and that kind of thing said by managers in the South. ◊

Interview by Tom GLASER

The European Centre for Development Policy Management

A focal point for administrators working together

It is said, bitterly, by a number of senior ACP officials and Ministers that, at independence, each new country received a flag, an anthem and an Institute of Public Administration. The latter have proved marginal in the continuous struggle since then to speed up development. And while both the developed world and the ACPs have spent much time on the expansion of technical training, little thought has been given on how best to administer and manage skills and knowledge acquired. There are signs that this is changing — for example behind the impressive front door of a modest house in the Dutch city of Maastricht, which is home to the European Centre for Development Policy Management.

At first sight, the European Centre for Development Policy Management looks a fragile weapon in the development war. There is no massive, highly-qualified international staff, no access to funds, and no — or at least very little — multinational backing. This does not deter the Director, François van Hoek, until last year a Director in the Commission's Directorate-General for Development, nor his deputy, Joan Corkery, lately of the Irish Institute for Public Administration. They are not in the business of setting things up — they are there to make things work. "There is no lack of policy options" said Miss Corkery. "But there is a gap between policy formulation and policy implementation." That gap often arises from existing administrative structures and processes not originally designed to manage development. Lack of cross-walks between separate policy areas means that conflicts between them only come to light at the implementation stage. It is because of this that the Centre, when issuing invitations to a workshop, stipulates that administrators attending should come from the widest possible



The impressive front door of a modest house in Maastricht

range of Ministries and public bodies. In this way civil servants from the same country, dealing with the same problem but from a different perspective, would have a chance to meet on neutral territory to consider the institutional needs for the management of development policy in the light of their own experience.

"The problems are largely structural", explained Mr van Hoek. "ACP States inherited their administrations from the colonial powers, whose own domestic administrations had no developmental role. Furthermore, the rigid structures inherited from colonial times means that cross-fertilisation is limited — all the agricultural special-

ists go into Agriculture, all the financial specialists go into Finance. But there are times when you need to see the agricultural implications of a policy dreamed up in the Ministry of Finance, or to see the financial implications of a scheme devised by the Ministry of Agriculture. I was recently in one Sahelian country in which a number of anti-desertification schemes were to be undertaken, yet they were severely hampered by the lack of linkages between the government departments concerned”.

This failure of administrations, either to adapt to a developmental role, or to create within themselves the pre-conditions for development, means that economic and social progress in ACP States has slowed down. This process has often been helped along by the imposition of ‘imported’ solutions and the unwise policies adopted by aid donors. The need for a new approach seemed clear, for both donor and recipient countries to combine their experience and to set up cooperative experiments to identify appropriate structures and processes for the management of national and regional development.

Just after the signing of the Third Lomé Convention in December 1984, the Netherlands Government announced its wish to provide funds, over and above its EDF contributions, to help with action in the area of development policy management. With assistance from the Commission, it consulted European and ACP experts and officials, and the European Centre, funded by a trust provided by

the Dutch Government is the result. Although the Centre is not an official EEC or joint ACP-EEC body, a brief glance at the Board of Governors reveals its ‘family’ resemblance: Dieter Frisch, Director-General for Development in the Commission, Edwin Carrington, Secretary-General of the ACP Secretariat, Poseci Bune, former Ambassador of Fiji to the European Communities, and now head of his country’s Civil Service Commission, are just some of the names to be found there.

The objectives of the Centre are to assist ACP States in their efforts to determine the most effective structures and processes for the formulation, implementation and management of development policy, to identify the qualities and qualifications necessary for personnel engaged in activities related to development policy and to fashion, or at least determine, the instruments required to develop these structures, processes and personnel.

How does the Centre plan to do all this? The key word is concentration. The Centre’s staff will, in consultation with ACP policy-makers, many of whom are long-standing acquaintances, select ‘concentration topics’, matters of overriding concern to a number of countries. For example, the first workshop, held in Maastricht from 7-11 December, covered the theme — ‘The interaction of food security and structural adjustment policies’. Participants were senior officials and Ministers from Ghana, Kenya, Mali, Rwanda, Senegal and Zambia,



In the middle, François van Hoek, the Centre’s Director-General

all of whom were involved in implementing either one or other strategy — but not both. The seminar was designed to weld practitioners closer together to ensure that the ‘downstream’ effects of one policy are not counter-productive to another policy.

That was the Centre’s first step. Should the participants wish to follow up the results of this first analysis, the Centre will exist as a resource for organising in-country workshops, training and consultancy support, monitoring and feedback. And all with the aim of helping with the problem of ‘how to do it’ and not ‘what to do’. As Mr van Hoek says “Many ACP administrations complain that they have been studied from all angles but never shown how to do anything. We want to step into that breach and make sure that what is right in theory can really work in practice”.

The person-to-person approach adopted by the Centre is not simply a reflection of its limited size. It is, in the view of Mr van Hoek and Miss Corkery, an essential sociological element of many ACP administrations, especially those in Africa. Traditionally public administration and management has been depersonalised, especially at central level — every case treated on its merits, every personal matter reduced to a code number — which may well be optimal for efficiency. But African administration is not depersonalised and people and personalities are not reduced to problems of grade and function. Thus the Centre’s work as a facilitator or moderator between people, its central concept, is one which is as rich in potential as it must be personally fulfilling.

T.G.



Participants at the first seminar

Grass roots technology transfer in Ghana

by Dr J.W. POWELL(*)

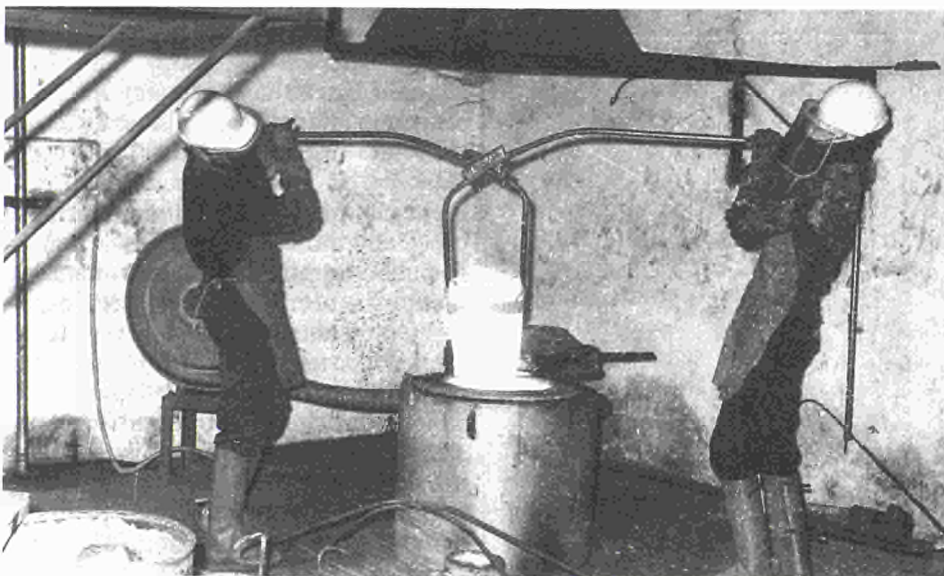
A former vice-president of Ghana once remarked in the presence of the author of this article: "Don't talk about black and white, red and yellow; there are only two sorts of people in this world: those who know, and those who don't". The problem of industrialisation in the Third World resolves itself into finding means whereby those who remain in ignorance of modern scientific methods may learn from those who know. This process has become known as technology transfer.

For a developing country the process of technology transfer appears to have two dimensions. Sources of knowledge exist outside the country and also within it. The internal sources include universities and research institutes as well as large industrial plants operated by the government and multinational corporations. In a sense these establishments are half-way houses for knowledge that came from outside. They are now firmly established in most Third World countries and serve, as it were,

as outposts of industrial civilisation. However, many observers fear that they have become enclaves and that the new knowledge is not reaching the masses of the people. A generation ago development economists spoke of a trickle-down theory. Now we know that technology does not flow downhill like water but must be planted in the soil as seeds are, to grow upwards from the grass roots.

Universities in the Third World must be in the forefront of the search for a solution to this problem if they are to remain relevant to the development of their countries. The production of graduates is now seen by the common man to be at best only part of a solution. At worst it is viewed as a factor perpetuating the division between those who know and those who don't, since the graduates seldom return to their villages. They either emigrate or go into internal exile in one of the established enclaves. Yet the academics of Third World universities often complain that the pressure upon them to produce ever greater numbers of graduates precludes their involvement in the other two traditional areas of activity: research and consultancy.

(*) Dr. Powell is Director of Ghana Regional Appropriate Technology Industrial Service (GRATIS).



Lifting a crucible of molten iron from the furnace at Atanga Foundry, Suame Magazine, Kumasi. This enterprise, occupying rented accommodation at the Suame ITTU, is the first privately-owned small-scale foundry in Ashanti Region

From university to grass roots

At the University of Science and Technology, Kumasi, Ghana, in the late 1960s a group of about 40 academic staff rebelled against this trend and established the Kumasi Technology Group. The aim of the group was to involve itself in the problems of local small-scale industries. At first the authorities frowned upon this initiative and denied the group the use of university facilities. Then in a courageous and far-sighted change of mind it was decided to formalise the activity and the Intermediate Technology Development Group (ITDG) of London was consulted. The outcome was the establishment of the Technology Consultancy Centre (TCC) in January 1972.

The founder of the Technology Consultancy Centre, the then Vice-Chancellor, Dr E. Evans-Anfon, said that the purpose of the centre was to extend the university's third role: that of service to the community. The service was to be rendered, through the influence of Dr Schumacher's group, by an involvement in what soon became known as 'Intermediate' or 'Appropriate' Technology. Thus the search began for an effective mechanism for technology transfer from the university to the grass roots.

The first idea was to establish on the university campus a number of small-scale production units to demonstrate new methods and to provide on-the-job training opportunities for local artisans. By 1974 the first four production units were in full operation producing steel bolts and nuts, soap, handwoven broadcloth and plant and equipment for rural industries and agriculture. The aim was not to earn profit, but the sale of the goods produces offset production costs and, on average, the production units were able to break even. There was a steady, sometimes great, demand for the products and by the end of the 1970s several hundreds of artisans had benefited from training and employment in the units. However as early as 1975 it was realised that there were serious flaws in the system and that a more effective mechanism needed to be devised.

The most successful of the TCC's early production units was the Plant Construction Unit. This made plant

and equipment for small-scale industries such as soap boiling tanks and screw presses for palm oil production. It also produced agricultural implements and became involved later, when minimum tillage farming was introduced, with the manufacture of a rolling injection planter for small farms growing maize and cowpeas. Farmers and rural industrialists came to buy the equipments and in many cases new industries were founded by craftsmen who had been trained in other TCC production units. For example, many soapmakers trained at the centre's Soap Pilot Plant were able to purchase soap boiling tanks and other equipment with which to establish their own enterprises. This particular development succeeded to the extent that it spread to Guinea Bissau, Mali, Sierra Leone, Togo and Mozambique. However, the demand for the equipment needed by rural industries was not matched by supply on the part of the small-scale urban engineering industries. The TCC had expected that informal sector mechanics would come for training and then set up their own manufacturing operations. However the engineering technologies were very slow to transfer as long as the production units remained on the university campus.

Suame Magazine

Kumasi possesses Ghana's largest informal industrial area at Suame, a northern suburb. Suame Magazine, as it is popularly called, is the home of 40 000 artisans engaged mostly in vehicle repair and related mechanical and electrical trades. These craftsmen, it was hoped, would take up the manufacture of the TCC's engineering products and sell them to other industrial entrepreneurs. However these people had no relationship with the university and regarded all 'booklong' people as government agents and tax gatherers. They did not come to the university and so it was decided that the university should go to them. So in August 1980 the TCC moved its on-campus engineering production units across town some 15 km to a building it had acquired in the heart of Suame Magazine. Thus came into being the Suame Intermediate Technology Transfer Unit (ITTU).

The ITTU is a means of promoting the development of small-scale engi-

neering manufacturing industries. It operates at the grass roots amongst the vehicle fitters in their makeshift workshops and their accumulation of dead and rusting cars and trucks in a typical African informal industrial scene. Its aim is to establish the local manufacture of basic components, like bolts and nuts and gearwheels, spare parts for vehicles and industrial machinery, and plant and equipment for small-scale urban and rural industries. In short, its aim is to establish an engineering base to support widespread industrial development.

The ITTU consists of a group of production workshops in continuous operation, manufacturing and selling their products on the local market. At Suame there is a Plant Construction Section, a Metal Machining Section that grew out of the original Steel Bolt Production Unit and a Foundry Section that produces both ferrous (iron) and non-ferrous metal castings. These workshops demonstrate methods of production that are new to the local artisans. They also show new products being made by both established and new methods of manufacture. The aim is to show the artisans how to broaden their range of products, speed up production and improve quality.

When the curiosity of a new client first draws him to the ITTU he is shown all he wants to see and given all



Production of corn milling machines at SIS Engineering Limited, Anloga, Kumasi. The local manufacture of machines for rural industries has created hundreds of new enterprises and thousands of new workplaces

the information he requests. If his interest in acquiring a new technology persists he will be offered a period of on-the-job training for himself or for one or more of his apprentices. Advice, information and training are given free of charge.

After the period of training is completed, if the client is seen to possess the necessary entrepreneurial and technical skill, he may be helped to establish the new technology in his own workshop. At first, the client may be rented time on an ITTU machine to carry out any operation that he cannot do with his own tools. Later he may be sold a machine to instal in his own workshop. The TCC and the Suame ITTU have imported more than one hundred machine tools and most of these have been sold to clients. These machines include centre lathes, milling and shaping machines, drilling machines and electric welding sets. Most of them were imported as used machines as there are obtainable at prices that the informal sector can afford. Also, the older machines are less sophisticated and more ruggedly constructed and they thus represent a more appropriate technology for the local engineering industry. Over the years, the ITTU technicians and their clients have acquired much skill in both operating and maintaining the machines and many spare parts are made to repair them when they break down. Although the first machines reached Ghana in 1973, to date (Dec. 87) no machine has been condemned and all are still in constant service.

The ITTU provides many other services to its clients. Some are leased workshop accommodation. The Suame ITTU has four tenant clients and plans to extend this aspect of its operations. A client setting up a new manufacturing operation may be loaned an ITTU technician on secondment for a few weeks or months. If he lacks initial orders for his products the ITTU may sub-contract to the client from its own order book. If, on the other hand, he is overwhelmed by demand the ITTU may undertake part of the production or arrange subcontracting with another client. When a client or group of clients can supply the market the ITTU switches to other production and passes on any further orders it receives to its clients.

A grass-roots Industrial Revolution

Informal sector industries often have great difficulty in obtaining supplies of raw materials. The ITTU places much emphasis on the recycling of scrap material and it was out of this concern that the Suame ITTU introduced the first iron foundry in the Magazine in 1983. However, not all needs can be met from scrap and the ITTU obtains imported raw materials through governmental and aid agency channels and sells the materials to its clients. In this way the small-scale sector shares one of the benefits enjoyed by large-scale industries.

Through its operations since 1980 the Suame ITTU has assisted its clients to establish about 20 engineering workshops located mostly at Suame Magazine and elsewhere in Kumasi. Five workshops specialise in the manufacture of steel bolts and nuts, especially wheel bolts and suspension bolts for motor vehicles. Together these clients own and operate 12 capstan lathe machines. These machines are all of the same make and model and the ITTU holds stocks of tooling and spare parts to supply any client who is in need.

One client of the Suame ITTU produces gear wheels and chain sprocket wheels. The quality of his products is high enough for him to supply large quantities of both gear wheels and sprocket wheels to a foreign-owned motorcycle assembly plant in Kumasi. Another client has pioneered several vehicle engine repairing techniques and is experimenting with the production of piston rings. Yet another client operates the first and still the only privately owned iron foundry in the Magazine or indeed in Kumasi or in Ashanti Region. This client is earning spectacular profits from the manufacture of cornmill grinding plates produced from cast iron alloyed with chromium from scrap stainless steel to give the hardness and wear resistance of white cast iron.

The client workshops so far mentioned produce items mainly consumed in Suame Magazine by the thousands of vehicle fitters who repair vehicles of all kinds and build wooden bodies on cocoa trucks and mammie-wagons. By this means the ITTU serves the needs of a substantial popu-



A lady client and tenant of the Tema ITTU, Miss Georgina Degbor, is the proprietress of Pyramid Machine Shop

lation of secondary clients. However, a much larger secondary clientele exists in the rural areas and uses the products of other clients workshops of the ITTU. These workshops produce corn milling machines, cassava grating machines, gari roasters, poultry feed mills, palm kernel crackers, machines for palm oil mills, carpenters' saw benches and wood turning lathes. Over the past decade these products have provided the basic equipment for hundreds of new rural enterprises and thousands of workplaces.

The impact of this activity can be illustrated by one development that dates from 1976. In that year a client asked the TCC to show him how to make a carpenter's saw bench using locally available scrap steel. This development was subsequently taken up by another TCC client, SIS Engineering Limited, who have now produced and sold about 150 machines. In the informal woodworking area of Kumasi known as Anloga, before 1976 all the wood was sawn by hand. Mechanical sawing greatly increased the rate of production. It also reduced raw material costs as the carpenters were able to saw their own planks from sawmill off-cuts. The Anloga carpenters now own and operate some 50 sawing machines and many wood-turning lathes also produced for them by SIS Engineering Limited. Some carpenters produce items for other TCC projects including beehives, weaving looms and

equipment for soapmaking. If the carpenters themselves are regarded as secondary clients of the ITTU the rural artisans who use their products represent a tertiary level of beneficiaries. This shows how developments in the small-scale engineering industries can promote developments in other areas of far-reaching effect. In this way the ITTU focusses on the root problem of development. It works closely with a small group of carefully chosen engineering entrepreneurs located nearly in an urban informal industrial area and with them sends out inputs to hundreds of farmers and artisans working far away in the rural areas. The process has been referred to as a grass-roots Industrial Revolution.

It is the task of a university to seek out new knowledge and to develop new concepts. In the Third World new concepts need to be demonstrated in practical terms. The University of Science and Technology, Kumasi, conceived, developed and demonstrated the ITTU at Suame Magazine as an effective mechanism for technology transfer to the small-scale and informal sectors. Recognising this advance the Government of Ghana took the decision to seek to establish an ITTU in each of the ten regions of the country. To this end it has established the Ghana Regional Appropriate Technology Industrial Service (GRATIS) under the Ministry of Industries, Science and Technology. Facilities have been made available for two further ITTUs at Tema in Greater Accra Region and at Tamale in the Northern Region. Over the next three years GRATIS plans to establish three more ITTUs at Sunyani in Brong-Ahafo Region, Ho in the Volta Region and Cape Coast in the Central Region. GRATIS is being supported by the European Development Fund as well as by ITDG of Britain, GATE/GTZ of the Federal Republic of Germany and USAID. It is also expected that the Canadian International Development Agency (CIDA) will extend its support of the Suame ITTU to the new ITTUs now coming into being.

Thus the ITTU concept is now seen by government and the international aid agencies as an idea worthy of support. Soon it will be spread to all regions of Ghana and play a larger part in increasing the numbers of those who know. ○ J.P.

Gambia's fishermen: living better, living longer (*)

Gambians are not, traditionally, much inclined to fishing for a living. Most of those fishing the country's waters are not, in fact, Gambians at all, but Senegalese, who come over in large numbers, particularly in the dry season (May – November).

Yet, with a 35-mile coast, and the River Gambia, fishing — together with agriculture — is one of The Gambia's major resources. The country's waters are among the richest in the world, abundant in both pelagic and demersal species, and shrimps are also commonly found in the estuary of the river. The Gambian government is trying to develop the nation's fisheries sector by encouraging Gambians themselves to diversify into fishing. Part of this policy lay in developing Gunjur, Gambia's main fishing village, where a fisheries project provided for a fish collecting and processing centre, comprising facilities for smoking and drying, storage for processed fish and fishing equipment, a machine workshop and a supply of fresh water. It also included an ice plant and 35 kilometres of access roads to connect all fish-landing sites to the main roads. A revolving loan fund was set up to enable Gambians to buy their own fishing equipment.

More recently the EDF has financed an extension to this project in the form of fishing centres in five other villages, together with additions to the revolving loan fund and the provision of technical assistance and equipment.

How has life changed for Gambian fishermen over the past decade? Who better to judge that than the fishermen themselves. Two of them, Sakou N'Jie, whose father was a fisherman, and Dembo Bojang, with no family connections in the trade, tell their stories.

Sakou N'Jie (born in Gunjur, 1945; three wives, 11 children)

"I became a fisherman because my father was a fisherman. I started when I was about 13, and when I was 17, I had my first canoe. Now I have two canoes — one is with me, the other is used by my brother. Now I employ 21 fishermen — 11 for the first boat and 10 for the second.

Fishing is second nature to me. I wouldn't want to change job now — besides, the money I can earn by fishing is better than I would get if I was in trade or farming.

In the beginning it was not so easy — there was help to enable me to buy equipment, but not enough. In 1977,

(*) Article provided by Mario Angius, Technical Assistant, Fisheries Department, Banjul, The Gambia.

for instance, I received a loan from the Fisheries Department to buy some fishing equipment. I also got a loan from the EEC Revolving Loan Fund to buy outboard motors. It wasn't really difficult to repay the loans — in fact I managed to pay them all back before they were due.

Things have changed quite a lot since I started working on Gunjur beach. For example, when I started there were no outboard motors. We used canoes with sails and oars. We also used cast nets — so we could only fish over very short distances, and it was hard work. Then we had to carry baskets of fish on our heads for long distances, because there were no buses or lorries. Three or four miles was nothing unusual. There was plenty of fish around, and it was very cheap, so we couldn't earn very much. There weren't really any markets, either. We had to leave the fish in our compounds, and the women used to come and buy them there.

Later on, we had traders who came along on bicycles to buy the fish and sell them to neighbouring villages. This attracted other fishmongers or 'banabanas' and the situation began to improve. In 1957 the first smoking oven was built with the help of men from Brikama.

In the 1960s there was a tourist with an outboard engine (5 hp). He sold it to my father before he left, and it be-

came immensely useful and helped us to improve the fishing situation. At the same time some Senegalese fishermen came along with outboard engines, purse seine and surround gill nets. At first there was opposition, but when the villagers realised that the Senegalese were earning higher incomes, they changed their minds and adopted the surround nets and outboard engine themselves. The number of fishermen increased gradually due to the loans given by the Fisheries Department.

Since then, the situation has improved still more, due to the construction of the fishing centre and the improvement of the roads. Today, there are more than a thousand people involved in the fisheries sector in Gunjur.

Dembo Bojang (born in Tanji, 1963)

"I started fishing when I was 20. A fisherman from Tanji taught me, when I'd finished school. I'd looked for other jobs — but there was nothing really suitable. Anyway, I've got to like it now, and the pay is quite reasonable.

But there *are* problems — especially if you want to work for yourself. Now I have to depend on somebody else's canoe, and nets, and engine. I don't have the money to start on my own. I'm applying for a loan — and if it's successful, I'll be able to get my equipment then.

There are a lot of things not working properly in Tanji. One of the main things is the lack of ice — the fish often goes bad because there are no facilities here for preserving fresh fish. The smoking ovens need to be improved, too. The fish is sometimes damaged by the fire or — when it rains — damaged by the water.

If there were more loans, I'm sure many more young men would go into fishing. There are so many without jobs at all. Some used to go fishing with other people's canoes, but because they weren't employed all the time, they got discouraged. The sooner people can get their own equipment, the better it is.

I think I can improve my standard of living by fishing. The hours are not so very long, and I think that, because of that, I might live longer!" ○

Rural cinema in Burundi

by Jean-Claude ALGOET (*)

In a recent dossier on the media (No 105, September-October 1987, p. 8), The Courier mentioned a project aimed at training people to produce educational films on rural development in Burundi. In view of the interest of the scheme and the conclusions that can be drawn from it, we now describe it in detail in the following article. It was run in Burundi from March 1984 to February 1987.

The idea of a rural cinema project was not new in Burundi. As long ago as 1979, with the increasing success of radio broadcasts for the rural population, the Government decided to create a Rural Cinema Department in the Ministry of Information. It was to do the same as rural radio — i.e. to inform and educate the rural population and make it aware of development issues.

The technical apparatus — professional 16 mm cameras, sound equipment, lighting and editing facilities — were bought and a studio fitted for sound. The Government had an option on distribution. A television transmitter would have been too expensive. Since TV sets are beyond the means of the rural population, centres would have had to be set up and this would have involved extra cost. And Burundi's scattered population would have precluded optimum exploitation of this solution. So the leaders went for film shows in the interior of the country, buying and fitting out vans with projection equipment.

The Government hired staff and organised a training session by a foreign team and civil servants were sent on short courses abroad. This culminated in the production of a whole series of documentaries on development problems, geared to the rural world.

Audiences of thousands

Projection began. During the dry season, the cinebuses drove through the hills announcing the programme

and place for the evening's film show over a loudspeaker. They chose the dry season for two reasons — the show could take place in the open air at nightfall and in this season farmers and their families have much less work to do.

Success was immediate. The rural population travelled dozens of miles to watch the shows and audiences of 3000-5000 an evening were quite usual.

The department was encouraged by this reception and produced a film on cholera prevention, as an epidemic was raging in the neighbouring countries, as tireless work by the medical corps, backed up by a campaign of film shows across the country, enabled Burundi to head off disaster.

However, in spite of all the enthusiasm, the willingness and hard work of the civil servants on the rural cinema department staff, production became increasingly difficult. The short-term training courses the staff had followed proved inadequate when it came to handling the huge problems of production. And the equipment was chronically short of maintenance because there were no specialised technicians. Lastly, laboratory work could not be done on the spot and lengthy delays with developing and copying prevented films from being issued. It all led to a slowing down of production, discouraged the department staff and made people wonder about the point of a rural cinema service.

By 1983 new impetus needed

In 1983, the Government of Burundi asked the European Develop-

ment Fund to give fresh impetus to the rural cinema operation. Technical assistance was sent out and work went on at three levels. Extra training had to be provided, the equipment had to be repaired and extension work has to be arranged with production. In March 1984, when the project began, the audio-visual scene in Burundi had changed completely. Television was to be installed and this opened the way for specialised jobs of cameraman, sound recorders, editors, production assistants, producers and so on. Faced with this new situation, the Government insisted on shifting the emphasis of the project to training — without, however, forgetting the equipment overhaul and production back-up. Since there were few human and technical resources available, Burundi's leaders, with the Delegation's agreement, decided that no more than 20 candidates, who would have had to have successfully completed their secondary schooling, would be trained. But the applicants outnumbered the places by a factor of dozens. Shortlisting according to diploma reduced them to 53 and an entrance examination was then run for final selection.

Practical and theoretical training

As the project was for a relatively short period, practical training had to have priority. But as most of the candidates had previously studied in Burundi and had therefore had little or no contact with the visual message (posters, films etc), it was vital to start by getting them used to pictures. The first session of the course was devoted mainly to the elementary image and analyses. Problems soon arose with decoding perspective and sequence and there were weaknesses of visual memory, too. But fortunately all this was soon dealt with by some appropriate exercises.

The bulk of phase two was a series of theory classes. In phase one, the students had been observed and then divided up according to their aptitudes and talents. About two thirds of them were channelled into a technical career based on technical courses on camera-work, sound, editing, colour technology, applied

(*) The author, an expert in audio-visual communications, was the technical assistant in charge of the project.



On-site practical training for a group of students. "Training was completed with a series of productions in the final phase of the project"

optical studies, sensimetrics etc, while the other third concentrated on subjects related to visual communications such as script-writing, cutting, production, etc. The students were given exercises which gradually prepared them to make films. They had to produce photo sequences backed up by a commentary, dealing with both subject and design, in the spirit of rural development.

Training was completed, in accordance with the programme estimate, with a series of productions in the final phase of the project. Alongside this, students had to cope with the problems of film production, each obtaining experience in his or her particular field. So it was vital for them to work alone. Supervision was given only in extreme cases when production would otherwise have been held up by a situation they could not have handled. And the ultimate result was not to be treated just as student work. It had to be of a professional standard, so it

could be offered to the exploitation network. It is easy to see why progress was slow. Pictures were taken, mistakes discussed and corrected and sequences edited, cut etc. The results confirmed the terms of the project evaluation report by Henry Verhasselt, a teacher at the IN-SAS (*), who called them "three rural training documentaries of a professional standard". They dealt with village groupings, child nutrition and reafforestation.

For most students, the final examination was not an insurmountable obstacle and 15 of the 20 were awarded the official diploma of higher cinema technician. All the new graduates were given jobs in the civil service, seven in television and eight in the Rural Cinema Department.

Although the Government of Burundi and the Commission of the European Communities see the pro-

(*) National Institute of Visual Arts and Distribution Techniques (Belgium).

ject as a success, there are some questions... Young people have received only a few years' training in such a complex subject where technology is evolving very fast: shouldn't an effort be made to provide them with appropriate working conditions?

In the so-called developing countries, experienced producers, major film-makers and "super-technicians" have constant back-up from the laboratories of the manufacturers of audio-visual equipment, communications researchers and so on. Nothing of the sort exists in most developing countries. But is there not enough at stake to warrant the very small investment involved in back-up? Is not audio-visual assistance better than an invasion of "made-in-Europe" or "made-in-the-USA" programmes which would only further destroy the cultural identity of the Third World? o

J.-C.A.

Pheromones and kairomones: perfumes and pests

by Heinz REMBOLD (*)

Some of the most voracious pest insects feeding on crops are night-active moths. What makes these insects so successful in their competition with many thousands of other insects species which are also herbivores and which have been ineffective as agricultural pests so far? Why are these moths so well adapted to the prevailing conditions of monocultures?

There are many answers, of course, and most of them are far from being understood. One of them is the fact that these night-active insects are really artists in picking up specific chemical signals in trace amounts. Just as an aeroplane during a night flight is guided by a radio signal, they use specific scents for finding their target, often kilometres away, and by flying in almost complete darkness. What is the function of these chemical signals? The simple answer is that they are connected with the most vital event in the life of each creature — with its reproduction!

The sexually mature female moth releases from a special abdominal scent gland a chemical attractant which lures the male for mating. This sex attractant, also called *pheromone*, is highly specific for the corresponding insect species and makes sure that only the two sexes of the same species are going to come together. The female starts laying its eggs immediately after mating. Here again, a highly specific scent helps the female to find the appropriate host for its offspring. For that purpose, it makes use of the specific bouquet which each plant species releases and which even our feeble olfactory senses can notice. Some components of these volatiles are specifically recognised by the female night moth as an oviposition attractant. Such chemical signals which are released in minute amounts by one species—here the crop plant—and turn out to be harmful to it, but which are beneficial to the other organism—here the egg laying moth—are also called

kairomones. Pheromones and kairomones are promising candidates for integrated pest management (IPM) strategies due to the fact that they influence insect behaviour. They are easy to synthesise and, as such, cheap, and they are active in trace amounts already.

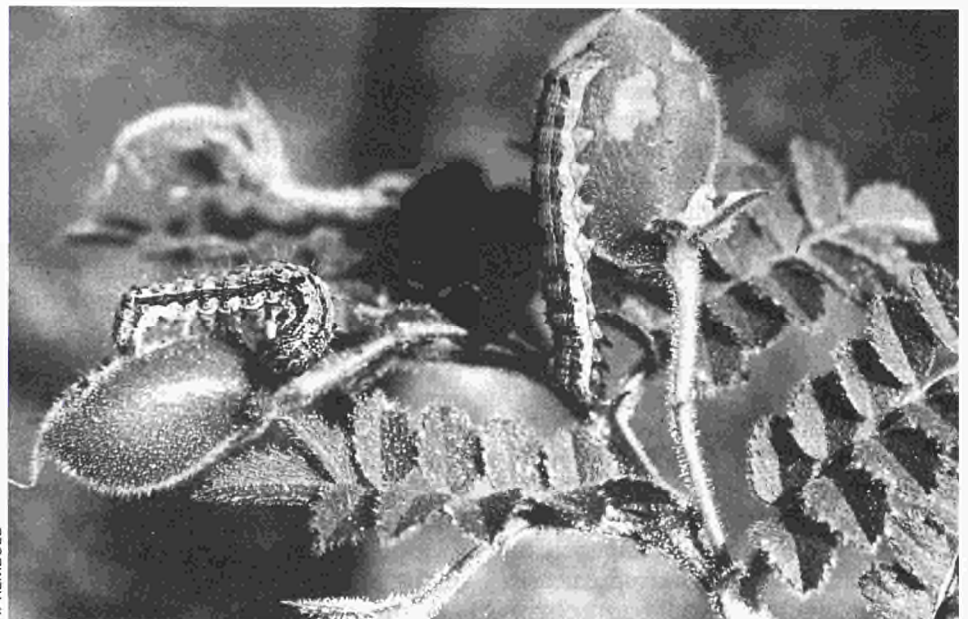
Highly specific signals

Like ourselves, insects are highly programmed in their behaviour. One of the most important signals for the maintenance of a species is the pheromone, which signals the presence of a receptive female to the male. It helps them, under undisturbed natural conditions, primarily in the case of night-active insects, in finding their partners. From the viewpoint of evolution, it is essential for the female insect to release a signal which attracts the male to its mating partner, even over long distances. Due to the presence of many predators which normally keep the population density of each insect species at low levels—and for the same reason their host plants as well—

they have had to develop a highly sensitive search device which, in the case of night-active insects, is based primarily on chemical rather than on visual signals. This survival strategy still exists in agricultural pest insects.

Under natural conditions, the insect kingdom has evolved for 350 million years at least. It has gained a knowledge which is adapted to the competitive situation of an undisturbed ecosystem. With this time-immemorial behavioural programme they were confronted with present agricultural practices only very recently. Our high-yielding crop varieties are completely different from their wild ancestors. They depend on chemical plant protection, including fertilisers, herbicides, insecticides, fungicides, and also on irrigation. And in addition, very few different crop plants are grown in our world food system. Most of them are monocultures, in order to ensure enough yields for a rapidly growing world population.

Only very few insect species could become perfectly adapted to this special ecological situation: whereas pesticide application reduces their natural predators, they build up an ever increasing insecticide tolerance and make use of their extremely sensitive olfactory system. The result of the present plant protection strategy is easily recognised: very few insect species



The gram pod borer, Heliiothis armigera, whose larvae are seen here on a chickpea plant, are amongst most voracious agricultural pests in India and northern Africa. If present in high concentration, they can strip a field of peas, maize, or cotton within a few nights and then migrate to adjacent fields, where they may attack a hitherto less susceptible variety

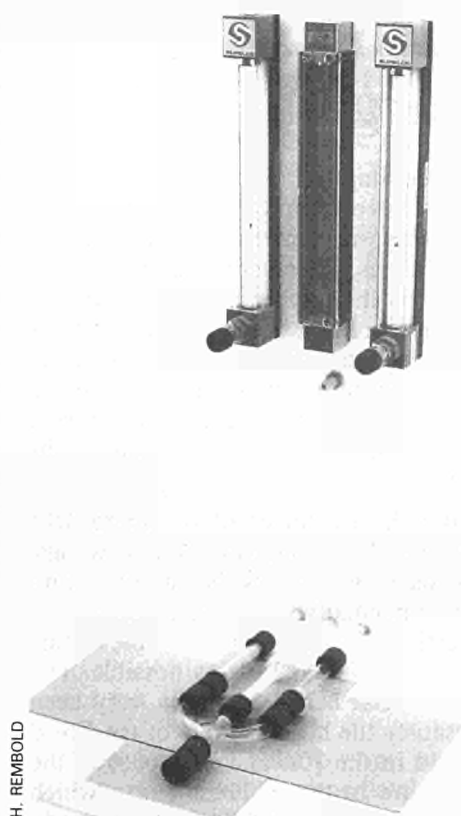
(*) Max Planck Institute for biochemistry, Martinsried, near Munich, Federal Republic of Germany.

have become the most voracious competitors for agricultural crops. Their control is becoming increasingly difficult due to their invasion from cash crop fields like cotton, where they very often have built up insecticide resistance, into the fields of the small farmer. Insecticide resistance can only be overcome by chemically modified insecticides which also are more selective and biodegradable. Such safer insecticides are costly, however. Is, therefore, the use of olfactory signals within the scope of an IPM scheme an alternative to the present single type of plant protection which, for the most part, relies on chemicals? Or in other words, do we envisage alternatives to the present type of plant protection, which at least could complement them?

Basic research precedes new strategies in plant protection

Breeding for increased stability against insect attack is a traditional approach to overcoming the constraints of increasing insect attack. A better knowledge, especially of the chemical basis of plant resistance or susceptibility, would help the plant breeder in tailoring more insect resistant crop varieties. And it would also add to a better understanding as to why highly promising crop plant varieties often break down if transferred into another habitat as a consequence of their not being adapted to the local environmental conditions.

A wide range of secondary plant products are produced in low amounts and to a much higher extent in the wild ancestors of our crop plants. Their specific bouquet repels or attracts insects. Due to this function as chemical signals they are classed under the general term *allelochemicals*. These compounds help the plants in their defence against the egg-laying adult or the feeding larva. Some of these plant allelochemicals affect insect growth, development or reproduction, others are volatile signals which guide the insect to its host plant or repel it. Their fundamental importance for crop resistance comes to our attention only slowly and under the pressure of increasing insecticide resistance. The identification of such chemical resistance factors is one of the most fascinating challenges for basic science. It will also permit and stimulate research



H. REMBOLD

*How does the pod borer larva recognise the chickpea (*Cicer arietinum*) perfume? The picture shows a trident olfactometer: three airstreams, all carefully controlled by the flow metres to be seen in the upper part, are joined in the entrance tube. One of the streams carries the volatiles evaporating from the chickpea meal contained in one of the tubes, or from another absorbent. The other two tubes are empty, serving as controls. Each test is run with 21-day-old *Heliothis armigera* larvae, the behaviour of which is followed during a set period. By use of this bioassay, the main components of the natural chickpea kairomone were elucidated*

in the field of genetic engineering of crop plant resistance.

Use of allelochemicals for trapping the pest insect

Can pheromones and kairomones be used for plant protection directly? When, some 30 years ago, the first insect sex attractant was isolated from the silkworm moth and its structure elucidated by Butenandt and his co-workers, the problem of insect control seemed to have been solved. One only had to lure the male pest insects into traps baited with the respective pheromone, and the females would be without mating partners. Later on,

another idea was to apply aggregation pheromones which bring together both sexes for feeding and reproduction. However, only one strategy turned out to be applicable — monitoring insect populations with pheromone-baited traps. Neither the idea of mating disruption by synthetic pheromones—whereby the pheromone permeates the atmosphere so as to prevent communication among the sexes and hence subsequent mating—nor mass trapping of the males—where large numbers of traps are used to reduce population levels—came out to be generally applicable, except under very limited conditions. Only after reduction of the male population by 80% does one find an effect on the building up of the pest population. However, monitoring has become an extremely useful method for insect control. Whereas before, the first insects which appeared in the field also gave the signal for insecticide spraying, now insect monitoring allows a much more precise plant protection strategy.

What about the other possibility, trapping the female moth? Such an approach would be extremely attractive due to the fact that the female produces the next generation. One female gram pod borer (*Heliothis armigera*) moth, for example, lays about 2000 eggs within just a few days, and out of them at least 50-100 females are starting the next generation! In other words it will be much more effective to take the females off, mainly at low population density, than the males.

Only recently was it made possible to identify the composition of such a kairomone from chickpea (*Cicer arietinum*), which attracts the larva as well as the adult female *Heliothis armigera* moth. Two strategies seem to be possible with this finding. The first is to trap the females as long as the pest insect population is low and consequently to slow down or even prevent the building up of the pest insect to a harmful level. The second possibility is to breed trap plants with high kairomone contents, which attract the pest insect for egg laying and its larvae for feeding. Such trap plants, if grown as intercrops or outside the field could become a cheap and effective plant protectant. It will be an interesting approach for future studies on the chemical basis of insect-plant relationships.

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H.R.

Doubtful debts: the hard bargain

Since the debt crisis of the developing countries broke out in August 1982, forecasts have been extremely pessimistic. The sums in question—almost \$ 1200 billion by the end of 1987—are so large that some people saw the insolvency of the main debtor countries as the first cracks in the collapse of the international financial edifice. Some thought the downfall of banks heavily involved in developing countries would inevitably follow the discontinuation of repayments (Brazil, Argentina and Côte d'Ivoire, for example) or their reduction to a level compatible with social peace and the demands of development financing (Peru and Zaïre).

Confrontation, it seemed, was unavoidable, particularly since concertation and attempts at organisation were well under way in both camps and a cartel of the major debtors was about to be formed to oppose the consortium of major creditors.

These cataclysms, however, have still not materialised, in spite of the deterioration in the economic climate which accompanied the stock exchange crisis of last October. For the principal protagonists have never stopped discussing, negotiating or trying to devise solutions. And it was in their interests to do so. The creditors wanted to recuperate as much of their outlay as possible and the debtors wanted to obtain both a delay and more flexible terms and fresh money to finance their development. Only their creditors could provide this cash. And both sides realised that their fates were tied and that each could harm the other.

To take a comparison by an American banker quoted by "Newsweek", two heavyweight boxers with glass jaws were in the ring, each in a position to knock the other one out at any minute.

But confrontation has been a thing of the past for some months now. People are seeking solutions. There have been conferences, ideas and plans. The Baker Initiative (named after the American Treasury Secretary), for example, is geared to the 15 countries with the biggest debts and uses private and public monies. The Club of Paris has eased the

rescheduling of public debts. Softer terms have been given to some poor countries, in particular longer repayment times, grace periods and lower interest on the rescheduled debts. And so on. In extreme cases, those of the least developed nations, some public loans have been purely and simply converted into grants. So modifications have been made—but all by well-tried techniques.

But the treatment of the trade debt has involved one or two new approaches, the banks being by nature very imaginative as soon as there is a question of earning money—or, in this case, of losing as little as possible. The commercial banks had been very keen to satisfy the huge appetite of the Third World in the 70s, and now 60% of the debts are to them. These sums, which they do not expect fully to recover, appeared on their balance sheets—under revenue—for years.

But one day, in May 1987, City Corps, the American bank, decided to set aside \$ 3 billion from its operating accounts in preparation for the risks attendant on any non-payment of the debts. The big American and European banks rapidly followed suit, like City Corps increasing their provisions for bad debts (currently 25-40% of their commitments in the developing countries).

In the case of a unilateral moratorium or a reduction in repayments by the debtors, the shock will now be cushioned, as they are no longer counting on these amounts at all costs. Yet it is quite wrong that this great sacrifice, which by a book-keeping trick, has transformed what looked like heavy surpluses on their balances into deficits (the last straw for the banks), was seen as wiping out the debts. All the banks were doing, in fact, was abandoning all hope of getting their loans back. For if the debtors one day managed to be solvent again, there is no doubt that they would want their money. But as this is only a somewhat distant prospect—in the most optimistic of cases—increasing their provisions means they can set the debts aside for the moment, enjoy a healthier situation that is less depend-

ent on extremely unlikely payments and improve their image. Which is no without its importance. Action by the banks which have lent the Third World a lot of money has tended to improve one they increase their provision for potentially bad debts—something which by the way, brought them worthwhile tax reductions in that it was done by tapping profits.

The debt market

Thus dealt with, the debts are ready to embark on the secondary debt market where they are sold and exchanged at less than face value, the reduction depending on the risk of non-repayment. This market, which emerged in 1983, works like a veritable debt exchange with its operators, its stocks and its quotations varying to reflect economic trends in the debtor countries. Between March 1986 and December 1987, the value of debts for Argentina went from 65% to 37% of their face value. For Brazil, the figure was 76% down to 47%, while, in March 1986 Ivorian debts were being negotiated at 74.5% of their value although they were down to only 48% in December. Over the same period, Nigeria's debts dwindled by 27%, from 57.5% to 30.5% of face value.

Who buys debts? The banks, first and foremost, which are anxious to group all their debts on a single country together or which want to spread their risks over several countries. So debts are swapped. Philippe Norel and Eric Saint-Alary have produced an instructive little book with the help of the Commission and the French Cooperation Ministry called "L'endettement du Tiers Monde" (Third World debts)⁽¹⁾ which illustrates the machinery of this swapping. *Bank A has a doubtful debt from Brazil and is interested in exchanging it for one from Mexico held by Bank B. The market suggests that, on the date of the agreement, the Brazilian debts are worth 75% of their value, while the Mexican ones are worth an estimated 50%. If the potential losses are to be equal, the amount of the Brazilian debts handed over by A (Ma) multiplied by the reduction in the Brazilian debt. (25% = 0.25) has to be strictly equal to the amount of the Mexican debts sup-*

(1) Editions Syros/Alternatives - 8, rue Montmartre, 76001 Paris.

plied by B (Mb) multiplied by the reduction in the Mexican debts ($50\% = 0.50$). This gives $0.25 Ma = 0.50 Mb$, i.e. $Ma = 2Mb$. So, to get equality of loss, all that needs to be done is swap \$ 2 million of Brazilian debts for \$ 1 million of Mexican debts. The potential loss recovered by each is therefore \$ 500 000.

But there is still a problem. For \$ 2 million-worth of Brazilian debts, relatively sound ones, have been swapped for \$ 1 million-worth of Mexican debts, where the outlook is relatively poor. Which means that, by trying to equalise potential losses, Bank A has been penalised, recuperating debts with a face value of \$ 1 million but having handed over debts worth \$ 2 million. The answer is for Bank B to pay a "balance" of \$ 1 million to Bank A, so that Bank A recuperates \$ 1 million-worth of debts plus \$ 1 million in exchange for handling over debts of \$ 2 million. And Bank B gets debts worth \$ 2 million in exchange for debts of half the amount plus cash sum. Nothing has changed as far as the banks' assets are concerned and no authority can find anything to criticise in the method used. The two banks cannot be forced to provide for albeit it recognisedly doubtful debts since there are no traces of the strategy on the books.

Debts for shares

The clients may also be businessmen seeking to invest in the country whose debts they buy up and then swap for debts in local currency. A debt of \$ 100 million from Mexico can be bought up at half price — \$ 50 million — and exchanged for the peso equivalent of \$ 100 million and then be used to buy up shares in local firms and finance the local costs of some investments. The businessman in question will first have negotiated the possibility of repatriating the return on his investment in foreign exchange with the Mexican State.

Many heavily indebted countries have followed the example of Chile, which set the trend in this field and adopted laws enabling such operations to take place. According to the World Bank, something like \$ 1.6 billion had been dealt with in this way by 1 January 1987 and an extra \$ 1 billion was expected to follow suit during the course of the year. Compare this to the whole Third World debt (it is, as we

know, about \$ 1200 billion) and these swapped debts seem very unimportant, which comes as no surprise. For if these countries can no longer honour their debts, it is precisely because their economic difficulties discourage foreign investments. And converting debts into local currency can have a negative effect on inflation if the volume of transactions is large, since it will foster the expansion of the money supply.

Another limit to the practice is described in the Norel-Saint-Alary work — "The reduction in the value of Peru's debts is 90% at the moment and, if all this country's debts came onto the market, it could entirely rid itself of its debts to the bank (something like \$ 7.5 billion) for an immediate outlay of \$ 800 million. But Peru is currently outlaying about \$ 600 p.a. to these same banks" — which is why the latter will never put all Peru's debts on the market. Not at the same time, at least. Since the debt market is a narrow one, successive purchases would immediately push the rate right up, making the cost of the operation far less of an attraction.

But it is indeed an agreement of this kind that Bolivia negotiated with 131 commercial banks in February 1987. Since 1985, the country had virtually ceased its debt servicing and its debts were being negotiated on the secondary markets at 10% of their face value. The Bolivian debt-buying plan is being run under the auspices of the IMF (which opened a special account fed by voluntary contributions from donors). The same offers will be made to all the creditor banks on the same terms and they can refuse or accept as they see fit.

The American and Mexican authorities devised another kind of plan to lighten Mexico's debt burden and it has just been extended to Brazil. It involves the American Treasury giving Mexico the possibility of subscribing to special bonds worth \$ 2 billion and bringing in \$ 10 billion, with compound interest, in 20 years. Later on, Mexico will be issuing \$ 10 billion-worth of bonds pledged against these American Treasury bonds and they will then be offered to banks in exchange for part of their debts reduced by the discount rate of the Mexican debt, which is something like 50%.

The method Peru used in October 1987 is even more unusual and will no doubt be taken up by other developing



countries. Last year, Peru signed a contract with the Midland Bank whereby it delivered goods worth \$ 22 million to it in exchange for debts worth \$ 8.8 million. The bank will have to market the fishmeal, iron, steel pellets, coffee and copper wire, pay itself and then hand the remaining \$ 13.2 million to Peru. Not only is Peru rid of part of its debts, but it has also got rid of goods that are difficult to market.

The capital drain

In this general quest for a solution, there is one aspect of the debt problem and how to handle it that has received little attention so far and that is the role that could be played by nationals of the debtor countries who have large capital holdings abroad. The question is, of course, a delicate one, for in most cases this money leaves the country illegally. No-one has forgotten the Nigerian Government's problems with Umaru Dikko, the ex-Finance Minister accused of transferring the equivalent of more than \$ 1 billion abroad. And as for Ferdinand Marcos and Jean-Claude Duvalier... there is no need to insist, as they are well enough known. But there are plenty of smaller fish alongside these big ones who have sorted away tax-free hoards. An IMF study suggested that by the end of 1985 Argentinians, Mexicans and Venezuelans had tucked away \$ 35, \$ 37 and \$ 23 billion respectively — 71%, 38% and 66% respectively of their countries' debts — at this stage.

If a tax amnesty or any other incentive, or indeed coercive measures, were such that part of these funds could be used to buy up the Third World's debts and convert them into shares in local firms, the problem of the debt would be radically altered. But the owners of this capital are very powerful people who have their word to say when decisions are taken. And they seem unlikely to want to commit hara-kiri. This is another factor of the Third World debt. ◊

Amadou TRAORÉ

Africa and Asia: agricultural policy and development — a comparison

The continent with the best ground, underground and human resources is, paradoxically, the hungriest and, ultimately, the one with the biggest threat of non-development. Today, Africa is taking a worried look at the causes of its economic and, more particularly, agricultural under-development. This is of course not the first time it has asked the question but it has to find a rapid answer on this occasion — or at least take a more specific approach to isolating one. This includes comparative studies whereby Africa's agricultural output can be compared with identical situations in Asia — which is what a group of researchers under Sylvie Brunel set out to do in an interesting study⁽¹⁾.

Asia with full barns and Africa with empty ones. This is how the two continents look to the authors who analysed the various essential parameters of economic development, i.e. the natural and political data involved. They took the '60s as a basis, with Asia going from "a worrying situation... to self sufficiency and even exported agricultural products". This progress was attributed to the hard-working Asian peasants who both used European growing methods and "innovated on decisive points that contributed to a surge in output, as well as keeping many of their time-honoured swing-plough methods". The success

of the "combination of old and new" is facilitated in Asia by better defined, better applied economic policies and authorities that are better adapted and offer more incentives to production than hold it back with red tape.

There are some exceptions, obviously, in the positive agricultural trends in Asia. But they are minor ones in countries with domestic political problems (the war in Bangladesh and Pakistan, for example). And sometimes, and to a lesser extent, there are demographic difficulties which have prevented the harmonious application of an economic and social development programme. As table⁽¹⁾ below shows, taking 1974-76 as base 100, the countries of Asia have progressed continuously in their per capita output of the main consumer and export products, rice and wheat.

At the same time, these countries, which have technocratic rather than bureaucratic systems, not only opted for an economic and social development strategy which had food crops at the base. They were also coherent enough to provide themselves with the institutional and financial means of implementing their policies and flexible enough to learn by their mistakes and alter their plans if necessary... which the countries of Africa did not do.

A look at what Thailand and Indonesia did shows why Asia has been successful. The first essential factor in the progress of Thai agriculture was the land reallocation policy. It was motivated by the need to improve the water engineering, especially in the Chao Delta and it was an opportunity to bring in new agricultural techniques and boost cereal output to an average of 3 tonnes per hectare in the rainy season and 3.8 tonnes in the dry season. Before land reallocation, the average yield rarely went beyond 2 tonnes per hectare. And mechanisation leapt forward too, as did the use of chemical fertilisers, particularly with high-yield strains of rice. The new growing methods went hand-in-hand with a considerable financial and technical training drive. So, thanks to a policy and judiciously applied means, Thailand became the world's biggest rice exporter, considerably diversifying its agricultural output and implementing an agrarian reform to give the peasants greater security.

Indonesia's food take-off was also due to the leaders' policy and the means provided for the producers. Whereas 20 years ago, no-one would have bet on the country becoming a success, thanks to its leaders, Indonesia "leapt forward on all agricultural and economic fronts", to the point where, contrary to all expectations, in 1985 the FAO invited the President to tell other countries of the Third World about his experience and his "recipes".

(1) Asie-Afrique: Greniers vides, greniers pleins (Asia-Africa: full barns, empty barns), *Economica*, 49 Héricart, 75015 Paris, 1986.

(1) Sources: IBRD 1985 & FAO Yearbook/Monthly Bulletin of Statistics, December 1985.

Trends in the agricultural situation

	Population		Area ('000 km)	Per capita food production index 1974-76 = 100		Paddy rice production				Wheat production			
	1983 (million)	Annual growth rate		1972	1983	Million t		Yield kg per ha		Million t		Yield kg per ha	
						1974/76	1985	1974/76	1985	1974/76	1985	1974/76	1985
China	1019	1.45%	9560	96	128	128	179	3512	5300	45.5	86	1644	2976
India	733	2%	3300	95	114	65	92	1692	2250	25	46	1310	1852
Pakistan	90	2.5%	804	98	107	3.8	5.2	2272	2586	8	11.6	1330	1568
Indonesia	156	2.3%	1919	93	124	23	39	2685	3977	—	—	—	—
Philippines	52	2.5%	300	91	107	6	8.5	1713	2491	—	—	—	—
Thailand	49	2%	514	85	110	14.5	19.6	1834	1997	—	—	—	—

Indonesia, like Thailand and the other countries of Asia, stressed technology, in particular adopting a "system of applied agricultural research" which was more adapted and efficient and geared to improving selection, reproduction and distribution of new resistant strains of seed.

But Indonesia did much more than the other countries of the continent by learning a first-class lesson from the "resounding failure of the idea of associating with the major transnationals in agro-business" in 1970. The Government was able to set up a form of incentive for the producer consisting of spending 15 years providing proper technical back-up and adequate seasonal credit for the rice growers. "These credits are granted to them by the rural network of the Indonesian People's Bank on the basis of deeds to or a lease on property". They are repayable, at very low interest, once the harvest is gathered in. So Indonesia went from the world's biggest importer of rice to an exporter, progress which is "the result of a particularly efficient combination of political, technical, economic, financial, social and institutional factors" — whose interaction in a sustained, long-term policy the Africans have never tried to understand.

Africa has not developed along the same lines as Asia. Both continents set off in similar or identical conditions of development in the '60s, but the Africans, unlike the Asians, were unable to do more than survive a series of factors leading to a disastrous decline in their agricultural output. And while Asia's barns were filled, Africa's were emptied. There are many reasons for the agricultural and economic decline of the countries of Africa, but some of them are more decisive than others, the drought and economic policies among them. Chronologically speaking, it is the policies which mark the beginning of the decline of African agriculture. Indeed at the very time the new African states should have been deciding on the foundations of their economies, they gave in to the international development cooperation theories and practices whereby little stress was laid on the essentials — agricultural and equipment. "Political and administrative weaknesses" also had their part to play.

But the drought which began in 1973-74 further exacerbated the results of the inadequate policies. And the results were all the more serious as the countries were unable to cope, even with international aid. Faced with the oil shocks, the industrialised nations fared better. But it is nonetheless true that international aid to the African countries was more often food than technology aimed at a long-term solution. Aid in kind led to greater food dependence, says the study in a long section on "taking stock of the deterioration", describing the agricultural decline and the surging food imports since the early '70s (see table).

The performance of the African system of farming was poor and then only obtained by damaging the natural environment and compromising the future, says the study. And, far more worrying for the future, it goes on, is

ing years, in particular with the effects of demographic growth.

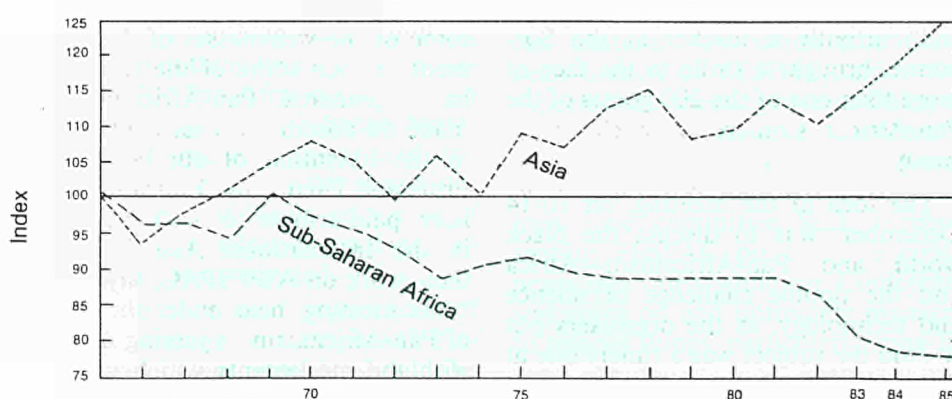
So, as the graph shows, Africa fell behind Asia in 1961-65 and never caught up again, even when the Asian countries saw their yield tumble to the 1966 level.

In her conclusion to these comments on the agricultural situation in sub-Saharan Africa, Sylvie Brunel suggests one or two avenues which could lead to a solution.

1. Scientific research should be improved and concentrate more on better plants. But it should start by ensuring greater harmonisation with the environment and the users, particularly the peasants.
2. A greater capacity for innovation should be attained. Technicians and scientists should be in a privileged position and get greater consideration

	1950	1960	1970	1980	1983-84	1984-85
Food aid (cereals)	0	0.1	0.9	2.2	2.6	3.8

Per capita food production index, 1961-65 to 1983
(Average for 1961-65 = 100)



Sources: FAO & USA.

"what could be called desertification from within... in countries with a Sudano-Sahel climate (600 mm water p.a.) where the land is deteriorating and the agricultural yield is on the wane". More and more people are being affected — "6-7 million rural dwellers" in western Africa, plus the many city-dwellers who depend on rural farming. If nothing changes in the production systems, these focuses of desertification will spread in the com-

from the governments which have always privileged the "administrators".

3. The machinery of the market should be re-established. If crops have dwindled so much, it is because the African peasants have not seen any point in selling for the market.

All in all, what she is saying is that "modernisation is essential to African development". Africa does not have to starve. ○ L. P.

FESPAC: to be or not to be... black

by Anne Jean BART(*)



A emotional moment: a look back at the continent's history. This picture shows a dramatisation of slavery

“Is Pan-Africanism a shameful disease? This outburst from Edem Kodjo, ex-Secretary-General of the OAU and currently a teacher at the Sorbonne, brought a smile to the face of more than one of the 200 guests of the Pan-African Conference in Dakar recently.

The idea of the meeting, on 10-14 December, was to discuss the black world and Pan-Africanism—Africa and the double challenge of science and technology, as the organisers put it. And the subject was a timely one at this end of the 20th century, touching on culture and policies and preparing the intellectual ground for the forthcoming Pan-African Festival of Arts and Culture scheduled for Dakar on 15 December 1988 to 15 January 1989.

Some people have written that “Pan-Africanism is a cloudy idea that vacillates between politics and culture and myth and Utopia”, while others,

including the Senegalese professor Iba Der Thiam, have suggested that “although it would be wrong to mask some of the weaknesses of the movement or hide some of the illusions it has engendered, Pan-Africanism has made an absolutely vital contribution to the liberation of our continent”. Professor Thiam, the Education Minister, paid tribute to his predecessors in the International Association for their work on AIFESPAC, saying that “this meeting, held under the banner of Pan-Africanism, is joining up again with the movements which were behind independence”.

Edward Blyden and his black renaissance in the 19th century and Jamaicans Sylvester Williams and his nephew Padmore popularised the word “Pan-Africanism”. Marcus Garvey, the businessman and theoretician who tied up negro cultures with ancient Egypt, and Dubois, who, with his National Association for the Advancement of Coloured People, started the Pan-African Congress in 1919, 1921, 1923 and 1927, led the fight until the generation of new men came to mark

the Manchester Congress of October 1945 with their status as politicians—Jomo Kenyatta, Kwame Nkrumah, Obafemi Awolowo and Peter Abrahams from Kenya, Ghana, Nigeria and South Africa, where they were later to become leading figures.

Although between the two World Wars, Africans in Africa were less involved in making political claims than Africans and Caribbeans in Paris, the French intellectuals developed their struggle mainly on a cultural level, leading to political commitment and, as an also-ran, to the economy. The literary movements developed around various reviews like “Légitime défense”, “La voix des nègres”, “Le cri des nègres” and “La race nègre” by African and Caribbean students such as Lamine Senghor and Thiémoko Kouyaté. “L’Etudiant noir”, by Léopold Sedar Senghor, Césaire and Damas trod this path and it was followed after the war by the famous “Présence africain” produced by a group of intellectuals led by Alioune Diop and the Society for African Culture (SAC). The review was to crystallise the state of research on Africa and trigger the emergence of writers who later gave black literature its pedigree. “Le discours sur le colonialisme” and “Nations nègres et culture”, by Aimé Césaire and Cheikh Anta Diop, had profound repercussions on the movement of ideas on the eve of independence. Negritude was formed as an ideology which “tries to trace the outline of negro civilisation and culture and define the role of the man of culture in contemporary Africa”, as Jacques Chevrier put it in “Littérature nègre”.

Negritude

The first festival of negro arts, in Dakar in 1966, was born of this movement and heralded by meetings of black writers and artists in Paris and Rome in 1956 and 1959. It was an eminently cultural meeting focused on “the meaning and significance of negro art”. It was the opportunity to proclaim negritude and to admire and rejoice in the negro heritage and its achievements⁽¹⁾. Yet negritude was seriously in doubt at the Pan-African Festival in Algiers three years later and at the second Festival of Arts and

(*) Journalist on the Senegalese daily “Soleil”.

(1) “Wal Fadji”, 11 December 1986.

Culture in Lagos in 1977. This festival stumbled on the twofold problem of Arab participation (and it lost the "negro" from its title) and Nigeria's opposition to negritude as seen by the pragmatic English-speakers as "an apology for servitude". Did Nigeria "betray the spirit that imbued the first fixtures of negritude?" as the Senegalese national daily asked on 31 May 1976. But FESTAC indeed took place—with black civilisation and education as the theme—in early 1977.

The reality today is far removed from what it was 20 years ago. Business involvement had already divided the organisers of FESTAC 77. Leading figures such as Alioune Diop did not at the time like the idea of the festival becoming a commercial affair. The founder of "Présence africaine" even stepped down from FESTAC organisation. But the next festival had sponsors, cultural industries and media coverage.

But one of the biggest changes was this greater presence of descendants of Africans from throughout the world. The preparatory meeting in Dakar in January 1978 gave a glimpse of the will of the blacks of North and South America to make their ideas felt. Although Abdias do Nascimento, the Brazilian economist and sociologist, thinks there is no such thing as Latin America, the American Maulena Karenga, the executive director of the Institute of Pan-African Studies, claims it is "absolutely vital for the black people to define itself... and by black we mean the blacks of the USA, who are Africans, not black Americans. Black is our colour and we accept it. But African is our culture and our history".

This diversity of the black world is by no means recent and the need to look at the terminology under the microscope and to increase research into the presence of black Africans in Mesopotamia, Dravidian India or the islands of Java, Borneo and the Philippines should give us a better grasp of the identity of this black and southern world as opposed to the northern, patriarchal world. This should not prevent us from forging ahead, of looking to action and to the future. "We must put our ideas into practice", said Maulena Karenga, so realistically, in January 1987.

Cultural diversity

Four major topics were discussed by delegates at the December Conference—the political challenge, the economic challenge, the scientific and technical challenge and the cultural challenge. "Women and the future of Africa" was also the subject of a workshop when these "black fighters" discussed a situation which can only be understood as part of an analysis of society as a whole. "Being a woman and black means being the worst exploited and oppressed section of our society", said Lelia Gonzales, the Brazilian anthropologist, followed by Marie Angélique Savané, the Senegalese sociologist, who also hopes that a black feminist movement will lend dynamism to the potential of the heritage of African women.

In echoing cultural diversity, the State has to be pluralist. And this is a long way from the Pan-African Festival of Algiers, in particular, where policies were very firmly pro the nation-state that Edem Kodjo was to undertake to fight. The former OAU Secretary-General felt that the political challenge was one of "being", a matter of "being or not being".

Although Pan-Africanism has many followers and few theoreticians, as Mr Kodjo puts it, the nation-State is undeniably the negation of it.

"Africa is nothing, does nothing and can do nothing because of the Nation-State". Pan-Africanism has to take up this political challenge. States General of Pan-Africanism and the creation of an NGO in the shape of a World Council of Blacks as a kind of framework for reflection on black issues, have been suggested.

Can the economic experiences of black Americans be transposed? Native development models should be encouraged in firms, but the economists still have many questions. How can the debt problem be solved? Or the problem of quality of life in the towns and urban areas? And, lastly, what type of economic development and what type of society should Africa adopt?

Although it is certainly possible to use the traditional technological know-how, there has to be some scientific cooperation between Africa and the black Americas. Can electronics and computers speed up develop-

ment? How can regional consortia be formed and advanced technology introduced? There are so many scientific issues that have a political thread running through them. Technological expansion cannot come about unless economic extraversions stop.

Culture is present in all these sectors, since "mental territory" always has to be conquered. Mr M'Bow, the former Director-General of UNESCO, spoke on African culture and the contemporary world, stressing the all-too-relative importance attached to the development of scientific culture. And it was to culture that the most moving moment of the meeting was devoted. The memorial ceremony at Gorée on the afternoon of 17 December indeed brought artistes from the Daniel Sorano National Theatre, the National Orchestra and the Julien Jouga singers together in a majestic natural setting, under the direction of Jean-Pierre Leurs, to recount to a much-moved audience the various stages of the history of Senegal and Africa, including slavery, of which Gorée, the island off Dakar, is the symbol.

Last-minute delays and changes—such as waiting for Stevie Wonder, who was supposed to attend the ceremony on Gorée where a declaration was made—upset a lot of people. But as Siradou Diallo ("Jeune Afrique"), the Secretary-General of the Pan-African Cultural Association (the European branch of FESPAC), said: "We expected this meeting here in Dakar to take us to a higher level, particularly as regards organisation—with which we weren't very satisfied". The various zone committee leaders representing FESPAC on the five continents met often while the Conference was going on and ultimately managed to refocus things, particularly zone-to-zone communications. Each committee has a programme and must mobilise leading personalities who can represent their regions at the next festival in December. Events will be run in the major cities of the world, starting in April in Europe, May-June in North and South America and July in Africa, in conjunction with the various regional committees, so as to popularise and publicise the festival through art and craft exhibitions, films, shows, fashion parades and lectures. See you in Dakar in December... o

A.J.B.



Sesbania rostrata — an outstanding green fertiliser

by Catherine ALLAIS (*)

Dakar, the capital of Senegal, was the scene of an international conference on a pulse called *Sesbania Rostrata* on 5-8 January earlier this year. The plant, used as a "green" fertiliser, has exceptionally high performance, making the doubling of rice output possible and being a profitable replacement for chemical fertiliser. But agricultural practices will have to be revolutionised if it is to be used in Africa. And will it live up to its promise?

There are many technical and economic problems facing the farming world in the developing countries. In the '60s, some parts of Asia boosted their agricultural output by replacing traditional local cereals by higher-yield varieties. But what was called the Green Revolution is far from having fulfilled all its promise, especially in Africa. The modern strains are very fond of fertiliser and require pesticide and adequate irrigation too, none of which is really compatible with the financial resources of tropical countries. And the situation is made worse by

the desertification of the Sahel areas, the intensification of agriculture and the increasing population growth which are gradually leading to depletion of land resources.

How can the quality of the soil and agricultural output be improved at low cost? After water, nitrogen is of course the most important factor for the plant. The vast majority of cultivated species have to get nitrogen from the soil and in most cases their needs are catered for by chemical fertiliser — although certain rare species are able to do without nitrogen from the ground by fixing it directly from the air. Most of these are pulses, a family which include soya, lucerne, beans, clover and so on, as well as trees, such as elder in the temperate countries and filao in the tropics. An estimated 75 million tonnes of nitrogen worldwide is thought to be fixed by plants in this way — equivalent to 160 million tonnes of chemical fertiliser. Their leaves are buried in the soil, they decompose and nitrogen, accumulated in the form of protein, is liberated. These plants are non-polluting, economical natural fertilisers and they are called "green" fertiliser.

In the countries of Asia, green fertilisers are traditional. Take *Azolla*, a small aquatic fern, considered to be a veritable gift of the gods and used to fertilise the rice paddies for a very long time — it is said a Buddhist monk taught Vietnamese peasants how to use it in the 11th century. But although the use of green fertilisers is a centuries-old tradition in Asia, in Africa it is unknown.

All this may be about to change thanks to a pulse called *Sesbania rostrata*, which grows naturally in the Senegal valley and throughout the Sahel. In 1979, it came to the notice of a group of research workers from ORSTOM (France's Development Cooperation Scientific and Research Centre) when one of them discovered that there were nodules on the stem, a highly unusual characteristic as all known nitrogen-fixing plants only had nodules on the roots. What were they for? Fixing nitrogen, of course! The nodules in fact house micro-organisms, bacteria which live in close association with the plant. This association, or symbiosis, is of benefit to both parties because the bacterium fixes the nitrogen in the air for the plant and the plant feeds the bacterium. So, properly speaking, it is the associated bacteria, not the plant itself, which do the nitrogen fixing.

And what about *Sesbania rostrata*? Well, the nodules on both stem and roots led the researchers to think that the plant might fix nitrogen better than other pulses. And the first tests on small-scale plots in Senegal confirmed the fact, showing that *Sesbania rostrata* fixes 200 kilos of nitrogen per hectare in about 50 days — a world record that is likely to stand for some time to come.

Subsequent experiments on a bigger scale showed that once the plant was cut and dug in, it could push rice output from 2 to 4 tonnes per hectare. This was roughly equivalent to 60-80 kg of chemical fertiliser.

(*) The author, a biologist, writes a column in La Recherche.



The opening session of the seminar, with (left to right) Dr Gillon, representing ORSTOM; Mr Delleré, of the CTA; Dr Dreyfus, the seminar's coordinator; Mr N'Dyaye, head of the Private Office of Senegal's Minister of Rural Development; Dr Touré, Director of ISRA and Professor Montagu of the University of Ghent

These outstanding qualities led a number of African countries to try and bring *Sesbania rostrata* into their growing systems. In Asia, agronomists tried to replace their own pulses with this new, higher-performance one. And at the same time, molecular biology laboratories round the world began looking into its biological properties. These two aspects, theory and practice, were the subject of the international conference on *Sesbania rostrata* in Dakar earlier this year. It was organised jointly by the Technical Centre for Agricultural and Rural Cooperation (CTA) and ORSTOM, the genetics laboratory of the University of Ghent (Belgium) and ISRA (the Senegalese Agricultural Research Institute), with the idea of establishing a dialogue between specialists who did not usually meet to compare the modern biological data of some with the agricultural experience of others. The ultimate aim was to improve existing applications and try and find more.

Plant-bacteria association – understanding the mystery

The biologists' interest in *Sesbania rostrata* led them to isolate a new micro-organism in the nodules of the stem. It had surprising properties. In theory no symbiotic bacterium can live outside the host plant — but this one can. So it behaves like both a symbiotic bacterium and a free bacterium like those in the soil. It is a kind of chimera, part free and part symbiotic, an original property which earned it the new name — *Azorhizobium caulinodans* — it was given in Dakar.

Fundamentally, this bacterium offers researchers their first opportunity of studying a symbiotic organism outside its natural environment, the plant, in far easier conditions than before.

What do the scientists expect these studies to yield? In the short term, an understanding of the mysteries of this strange association between a bacterium and a plant. And things are progressing fast if the results presented to the Dakar conference are anything to go by. The plant genetic laboratory at the University of Ghent has, for the first time, identified a substance (a flavonoid) produced by the plant: its role lies partly in the formation of nodules, but it also sets off the first interaction

between the partners when symbiosis takes place. H. Trinh, for his part researcher at the CNRS Phytotron at Gif-sur-Yvette and currently at the Rockefeller Institute in New York (USA), has managed to produce artificial nodules from one or two *Sesbania* leaf cells infected with the bacterium — a unique model which should speed up the study of interaction between the two partners. ORSTOM researchers' production of *Sesbania rostrata* mutants which are unable to form nodules on the stem is another important result which should make it possible to identify the processes involved in nodulation. In the long term, the scientists hope to transfer the nodule-developing faculty to other plants so that they, too, can have direct access to the inexhaustible supply of nitrogen in the air. Growing cereals without chemical fertiliser is a dream agronomists have had for years... but they still have a long way to go.

Different results in different countries

Alongside this fundamental investigation, agronomical research workers in 20 or so countries of Africa and Asia have started to look into the possibility of exploiting the qualities of *Sesbania rostrata*. Many developing countries from the Philippines to India and China and Nepal through Egypt and Niger are anxious to boost their agricultural output for minimal financial input and have shown a lively interest in this outstanding plant. As well as its high nitrogen-fixing potential, *Sesbania rostrata* has the advantage of growing fast — it takes only seven weeks for peasants to obtain a plant more than two metres high which can be dug into the fields two months prior to sowing. This fertilisation leads, as we have said, to a doubling of the rice yield. But different countries have had different results, mainly because of environmental constraints, which vary considerably from one region to another.

The first constraint is the climate. *S. rostrata* is found in the Sahel, where it grows well during the hot, humid season on temporarily flooded ground. But the uniform length of days on the equator, or their shortening beyond 15° latitude leads to early flowering and dwarfism. This weakness, which

limits the extension to low altitudes, is accompanied by other defects — heavy water requirements, for example, and problematical nodulation in a dry atmosphere.

But, as one of the participants at the conference said, the Achilles' heel of *S. rostrata* is its sensitivity to worms that can seriously impede its growth. On drained land, its roots fall victim to *Meloidogyne*, a threat to the crops that follow. On wet ground, where another species, *Hirschmaniella*, predominates, the situation is very different and *S. rostrata*, paradoxically, acts as a trap and holds onto the worms which invade it. ORSTOM's studies suggest that, in this case, the plant may serve to purge the soil and protect subsequent crops from attack.

The economic and human problems are far from being negligible, either. The economic problems, first of all, stem from the fact that *Sesbania* growing involves a lot of labour to cut, dig in and weed the crop and sometimes fuel, too, to pump the water to irrigate semi-arid soils. Since the plant grows very fast, it needs a great deal of minerals — hence, possibly, the need to fertilise with phosphates. And sometimes bacteria have to be introduced into fields where they do not exist naturally. ADRAO (the Association for the Development of Rice Growing in West Africa) based in Senegal, is currently producing estimates to determine the real cost of using *Sesbania rostrata* in the peasant environment.

Then there are human problems. Green fertiliser is unusual in Africa and using it means overturning farming practices. One of the difficulties most often mentioned by participants was getting a *Sesbania* crop included in the farming calendar at a time when the land was not otherwise occupied and when conditions were conducive to the growth of the pulse. A very revealing study run in Madagascar at the request of the FAO also showed that there is a certain amount of reluctance about an activity primarily aimed at digging the harvest in. But things are very different in Asia where green fertiliser has been used for some time. In Nepal, for example, a local pulse was replaced by the higher performance *Sesbania rostrata*, with impressive results, a national representative told the meeting.



Sesbania rostrata being grown at Fanaye (Senegal)

New outlets

Is there a future for *Sesbania rostrata*? What practical contributions can biology make to farming? By the end of the conference, a number of approaches had been outlined. Initially, it seemed that new outlets should be sought for the plant, so the part it has to play in land improvement can also be used in alley cropping⁽¹⁾. And tests in different countries suggest a range of uses — as fuel, paper pulp, forage, compost, animal feed and even human food.

Basically, the researchers hope to manage to improve the bacteria so they can survive easier in soil in the dry season and in saline soil.

A number of improvements are expected to the plant itself. First of all, it should adapt more to different climatic and hydric conditions, be more resistant to worms and — why not? — be a potentially better nitrogen fixer.

(1) See N° 103, pp. 96-98.

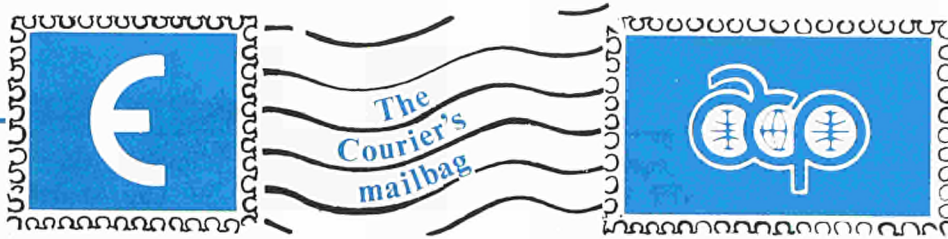
There are two main ways of approaching this. The first is traditional genetics, which consist of crossing varieties or species and transferring interesting characteristics from one to another. The second is genetic engineering, a new technique in which the Ghent laboratory specialises whereby a foreign gene is grafted directly onto a plant in the hopes of conferring on it a new quality. We still need to know what can be improved in this way and at what cost. Both approaches mean collecting different types of *Sesbania* and pulses in general. Only one other *Sesbania* with stem nodules, close to *Sesbania rostrata*, has been found (on Madagascar), although pulses of the *Aeschynomene* variety also have nodules on the stem. Many wild pulses, in Africa especially, still have to be identified. The International Rice Research Institute (IRRI) in the Philippines says it is ready to inventory the various nitrogen-fixing species in the

world and collect plant stocks that will be available to everyone.

But whatever is decided, the scientists have stressed the need to advance our knowledge of the physiology of the whole plant as, in particular, we have no proper idea of how it reproduces.

Is *Sesbania rostrata* ultimately a miracle or a mirage? A lot of ground has been covered, but there is still a long way to go. At all events, nothing can be achieved without further dialogue between the biologists and agronomists and the necessary political will in the countries concerned and in the industrialised world to back up the research.

In conclusion, the conference participants said they hoped to see an international information network for *Sesbania* and all pulses, with information being disseminated by the CTA and coordination of the network by Senegal. ○ C.A.



The EEC and the Third World

After three decades of so-called development as proclaimed by the United Nations, the rich countries in the middle are even richer and those on the outside, in the Third World, are poorer—to the point where they can no longer support the debt. A look at relations between the EEC and the ACP Group (Africa, the Caribbean and the Pacific), which is linked to the Community by the Lomé agreements, shows, Jean-Pierre Cot tells us, “the inadequacy of the Lomé Convention when it comes to ensuring the development of the ACP States”. And indeed the export earnings these countries derive from their agricultural produce, their coffee, cotton and cocoa and so on, have dropped, as has their share of the total volume of EEC imports and the share of industrial products in the ACPs’ total export sales, which is down to 1% or 2%. And the African countries are in an even more catastrophic situation. They have famine, they do not produce enough food, they have galloping overpopulation, they have no industry, they have huge debts that eat up their export earnings and they have growing militarisation too. There are no solutions on the horizon either. The leaders of the EEC countries and elsewhere share the same views about the market economy—which leads to even greater inequality and total neglect of the basic needs of the people...

Meeting the essential needs of all human beings is the aim of the Universal Declaration of Human Rights (Articles 22, 23, 25, 26 etc.). But it is not enshrined in either the practices or the logic of the market economy. Alternatives to the present mode of development have to be sought in relations between the EEC and the Third World. The women in countries on the outside are the hardest hit by this ill-development and those from the EEC do not take part in the negotiations. It is high time we listened to the women of the Third World. They, like women the world over, are above all concerned with the wellbeing of their families. And it is high time we brought both women from the countries in the middle and women from the countries on the outside into the present negotiations. They can do no worse than the men.

Andrée Michel, Paris, France

The dossier on the future of Europe

It is always a pleasure to receive my copy of *The Courier* and I enjoy many articles in it but I am encouraged to write and congratulate you on your really splendid Dossier on *The Future of Europe*. A most valuable and informative contribution which should be given the widest possible distribution. It sets out the objectives, the facts and the history of the EEC in an exemplary way. Well done, indeed.

Michael Mennim, Sutton-on-the-Forest, York, England

Cover grass root activities

The Courier has been, for the most part, publishing profiles of Third World countries and reporting large-scale projects financed by the EEC and the different policies of

the EEC in the ACP countries. This seems the basic objective of the journal. But most *Courier* readers are not ministers and policy-makers.

Many development workers and field experts feel disappointed that grassroots activities are not covered. We request *The Courier* to set aside at least one page in each issue to introduce a new grass root AT idea and two or three pages to family or community-scale rural development ideas or achievements.

Everybody realises that is the bottom-up approach to development that can really bring about a self-sustaining growth.

F. A. Ryan, Madras, India

About Barlow's letter

As we all know, humans are social animals and no matter how we view our differences whether geographical or racial or cultural, we govern this planet, technologically and scientifically. We should not ignore nature's omnipresent reminder of the hold she has over us either, by way of earthquakes, floods, droughts, tornados, etc... But it is the way we react to each other and the multitude of social problems that confront us that determine the extent to which we deserve our humanity.

After reading Mr Barlow's letter in '*The Courier*' no 107 entitled "cease being polite", which I found quite stimulating, to say the least, I could not help but wonder whether Mr Barlow envisages eliminating the divisions within his region by creating large-scale division within the ACP Group. It was, and still is, my belief that the Georgetown Agreement and the subsequent Lomé Conventions were based on the idea of better technical, economic and cultural cooperation between ACP and the EEC states. I grant that the ACPs have problems. I do not know whether Mr Barlow was speaking for himself or for the majority of Caribbeans when he referred to the apparent lack of 'interest' they have in other ACP States but I can, in no way, see how views like those he holds, negative in all aspects, can help solve them!

Any western values that 'black westerners' hold can and should only be interpreted as direct cultural 'borrowing' or influence due to their social environment and nothing else! As it has not yet been scientifically proven that one set of social values is superior or inferior to another, I see no reason why one should not be proud of the social values of one's ancestors.

I think I can safely say that I speak on behalf of all beneficiaries of the *Courier*'s 'moral-blackmail', when I call for unity and solidarity within the ACP Group so that we could get down to the serious business of formulating more positive ideas of "moral-blackmail", since that is what we do best.

Alex A-R Bangura, Brussels, Belgium

Serge MICHAÏLOF — **Les Apprentis sorciers du développement** (The Sorcerer's Apprentices of Development) — Preface by Edgard Pisani — Editions Economica — 2nd edition — February 1988 — Paris

In the wealth of literature on development, this work by Serge Michailof, of which an extended new edition has just appeared, undeniably stands out.

The enthusiasm which the author puts into defending his convictions and the non-conformist nature of his style are those of the true man-in-the-field who has been working in the Third World as a technician and expert, representing the funders, for more than 20 years.

Michailof, a former World Bank adviser, now represents the French CGCE in Africa and has decided to get something off his chest. Rural poverty almost everywhere in the Third World, he maintains, has got worse instead of better. With one or two exceptions, the phenomenon is still with us, even in countries where economic growth has been satisfactory. The economic crisis that has hit much of the Third World since the early '80s is speeding the process up — and doing so regardless of liberal or socialist ideological policies, technological success or the amount of money transferred. The phenomenon transcends ideologies, races and frontiers.

The book is set out in the form of a survey. It starts with the practical realities the author has so often experienced and attacks accepted ideas, pre-cast plans and dogmatic theories. Are the wonders of technology, the possibilities of money, the resources of ideology and the will to act powerless to overcome rural poverty?

Two important findings emerge from Michailof's book. First of all, that technology is inadequate — and here the author compares the African, Indian and Chinese approaches he has had the opportunity to see in the field and attempts to derive general lessons for Africa. And, second-

ly, economic policies are inadequate. Will Africa consist of refugee camps and war lords in the 21st century?

As Michailof sees it, there are three sides to the continent's crisis — financial bankruptcy, economic crisis and agrarian and peasant crisis.

He suggests stemming this movement and getting African development off the ground again with schemes based on one or two simple ideas whereby responsibility would also be placed on the shoulders of the West. Development aid has a special part to play, he maintains, as it can and must help implement new economic policies and new political policies and reform the institutions which will have to implement them.

Here is a work to which no-one interested in the Third World and Africa can remain indifferent. It is provocative on occasion and it runs counter to received ideas. Michailof is a staunch advocate of concerted action to beat rural poverty — and to reflect on the conditions by which our society can strike a fresh balance and survive.

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Dictionary of the European, by François VISINE — Fondation du Mérite Européen, 80 bd de la Pétrusse — L2320 Luxembourg — 1987 — 200 FF

This dictionary, completely revised and brought up to date, is a sure and precise guide to understanding the complexity and nuances of the institutions and the activities of the whole of "the phenomenon", Europe.

With nearly 500 current abbreviations, more than 200 columns, key dates in the construction of Europe, the addresses that a European should have at his disposal, this dictionary is a remarkable tool for work and reference, useful to anyone interested in Europe or directly or indirectly involved in its construction and in its future.

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Gavin CAWTHRA — **Brutal Force — The Apartheid War Machine** — Published by International Defence & Aid Fund for Southern Africa, Canon Collins House, 64 Essex Road, London N1 8LR, GB, £6.00 — 256 pages

Southern Africa has become a battleground. Apartheid, described by the United Nations as a 'threat to peace', has plunged the whole area into war. Over the past quarter of a century the South African regime has built up a huge military machine which has been turned against its own population, the people of Namibia and the independent countries of southern Africa.

The 'police state' of the 1960s has become militarised, with the army now involved in suppressing resistance to apartheid in South Africa's black townships.

In Namibia, the South African Defence Force has for two decades been engaged in war against SWAPO, the liberation movement fighting to end the illegal South African occupation.

Right across southern Africa, from the Indian Ocean in the east to the Atlantic Ocean in the west, the effects of South African aggression have been felt. Every one of South Africa's neighbours has been attacked, either directly by the SADF or indirectly through surrogate forces. Mozambique and Angola have, since their independence, faced constant South African aggression.

This book, for the first time, provides a comprehensive analysis of the apartheid war machine, its deployment in Namibia and independent Africa and its role inside South Africa, from the Sharpeville massacre of 1960 to the State of Emergency in 1985-86. It documents the militarisation of South Africa and its effect on the people of that country, and it assesses the strength of the apartheid military and nuclear force.

Continued on inside back cover

THE CONVENTION AT WORK

ACP-EEC Joint Assembly

For a Convention in tune with the times

For a Joint Assembly whose influence on the Lomé III Convention is clearly visible in such areas as environment, cultural cooperation, women in development, human rights and apartheid, the Togolese capital provided a perfect setting for its meeting last March, months away from the start of negotiations for a successor Convention. For those members of the Assembly who had not had the opportunity of tasting the famous Togolese hospitality, it was there for enjoyment, abundantly offered outside the conference rooms with songs and dances to go along. A return trip is certainly not a bad idea, thank you.

The opening ceremony (a rather musical one at that with Togolese singing damsels extolling the virtues of ACP-EEC cooperation) was addressed successively by Professor Mawupe Vovor, president of Togo's National Assembly, Messrs Giovanni Bersani (PPE, It.) and Ghebray Berhane (Ethiopia) co-presidents of the Joint Assembly and General Gnassingbe Eyadema, the Togolese Head of State. All four set the tone of the conference, which was that despite the improvements of the past Conventions achievements have been disappointing, with a number of ACP countries facing serious problems of economic decline, deterioration of terms of trade, indebtedness, famine and malnutrition and desertification. The general wish was, in the words of President Eyadema, for "a strengthening of international cooperation so that all peoples wherever they live can share in the riches of the earth".

The fanfare of the opening session over, an interim report entitled "Reflections on the future ACP-EEC Convention" presented by Mr Robert Cohen (Soc., NL) commanded early attention in a heavily laden agenda. The report, right from the start, says that the effectiveness of whatever emerges from the next Convention would depend on the global economic and political relations between the industrialised countries and the developing world. The Convention cannot work in isolation. With moves being made in a number of international fora to improve these relationships, however, it behoves the Community to promote better coordinated and longer lasting development strategies.

Looking at the record, the rapporteur notes that the volume of trade between the Community and the ACP States remains disappointingly low. Indeed many

of these countries are becoming increasingly sceptical about the advantages of the Lomé Convention as they "struggle to export their goods to reluctant EC markets". Stabex and Sysmin have been useful instruments. Trade has to be expanded if the objective of self-reliance, which is that of all development policies, is to be achieved.

Although the Lomé Convention has evolved into an "all-embracing" agreement there is still the problem of making it fit "the real needs and demands of the European Community on the one hand and the 66-plus ACP States on the other".

He notes that as food production fails to meet requirements, agriculture and rural development will remain a key priority for the ACP States. However it is recognised that if they have to recover from the present crisis, priority will have to be given equally to other "productive sectors, notably industrial, cooperative and service sectors".

The debt burden has had crippling effects, admits the rapporteur. The Joint Assembly, he said, has made proposals

which will be put in precise terms in the coming months.

On structural adjustment, which a good number of ACP States are already undertaking, he warned against a definition in terms that are "coercive" and "inappropriate" for ACP-EEC cooperation. "We should not seek to follow IMF definitions to the letter, particularly as in the past certain IMF measures have been counter-productive".

The next Convention, which will take ACP and EEC partners into the next decade, must be adaptable to the environment of the 1990s, especially with the coming into force of the Single Market in 1992. The role of the European Investment Bank should be boosted. The Community should consider the establishment of an export credit scheme at Community level. Ways of strengthening regional cooperation and development should be explored and the Community should ensure better coordination of bilateral and multilateral development aid.

In his reply (equally awaited with great interest), Vice-President of the Commission and Commissioner for Development, Lorenzo Natali spoke of the experience gained in a rather long history of cooperation between ACP States and the EEC. Lomé III has seen innovations along three main principles: concentration of aid on limited sectors (in a large number of countries on rural development and food security) to ensure maximum impact, dialogue between the Commission and the ACP States to identify areas of emphasis and measures to be taken to achieve the objectives, and coordination with other main donors to ensure cohesion and complementarity. The results, so far, have proved positive with 41% of the programmable funds already committed by February — two years after the entry into force of the



The Courier

A musical opening session

Togolese damsels singing the virtues of ACP-EEC cooperation (left) while delegates (right) listen with rapt attention

Convention — as against 32% in the corresponding period under Lomé II (see the article which follows). New situations, however, have arisen since the signing of the Convention, like the threat to natural resources and the environment, the dramatic famine of 1984/85 which forced the Commission to launch a revival and rehabilitation plan and the crushing burden of debt on a number of ACP States which has led many to make brave efforts at adjustment with heavy economic and social costs. “We felt”, Mr Natali said, “that even though the Community as such can hardly be said to be at the root of the problem, it could not be ignored because of the pressing demands on us by the ACP partners”. He referred to the Community special programme of ECU 100 million to help the poor and heavily indebted sub-Saharan countries launched last autumn. The question was whether one should remain there with “a one-off operation at the margin of the Convention and in the existing instruments”. Adjustment measures, painful though they may be, he pursued, have to be taken in order to



Robert Cohen presenting his interim report

restore balances and remove constraints, but a fair and accurate assessment must be made to strike a balance “at all times between adjustment and development”.

Recalling the importance he attaches to polycentric cooperation about which he said he has often spoken, Mr Natali felt a wide range of European and ACP groups should be associated in working to achieve objectives, because “everyone’s ideas and energy are needed in development”.

Mr Natali also touched on other subjects such as the constraints to development, the absence or inadequacy of regional cooperation highlighted in the Hambayi’s report of last year to the Joint Assembly and human rights, welcoming the entry into force of the OAU’s Charter on human rights.

The next Convention, in his opinion, should be one of consolidation of the objectives and mechanisms of Lomé III which have proved good, one that evolves, in the light of experience gained with new situations and one that is of unlimited duration for at least a good part of the provisions.

Mr Cohen’s report and Mr Natali’s statement were warmly received by the Assembly. Over 20 delegates chose to speak and in the exchange of views, trade, regional cooperation, famine, debt and structural adjustment emerged clearly as the Assembly’s main concerns — themes that were to come up over and over again when delegates moved on to debate other main issues on the agenda, namely: the food situation in the ACP States; women, population and development; the reports under preparation on health, on commodities, on refugees and displaced persons, and on technology, training and development.

Delegates felt that if the conditions for trade were right, many of the problems facing the ACP States would be solved. Commodity prices have been very low in recent years and access to markets more difficult, climatic disasters and civil wars in Africa have compounded the situation in many countries. Interest rates and the percentage of export receipts which goes into debt servicing are too high, national currencies have been devalued in efforts to ensure a balance of trade (one of the recipes of the Bretton Wood institutions) and there are no solutions in sight to the problems of the social cost of structural adjustment: unemployment, reduction in social services, high infant and maternal deaths, etc.

Mrs Katharina Focke (Soc. FRG) welcomed Mr Cohen’s report’s rejection of the IMF’s prescriptions on structural adjustment which now seems inevitable in most ACP States and upon which many have already embarked. This strategy, she said, must be socially acceptable. The next Convention, she declared, needs a “proper endowment in additional funding”. She advised the ACP States to make their positions clear in GATT negotiations, as far as trade is concerned.

For the Representative of Senegal, Djibril Sene, it is still necessary to maintain rural development as a priority in efforts to increase food production but more stress should be laid on environment, where progress has been slow despite its inclusion in Lomé III. For him, the issue of commodities is a fundamental one, not Stabex or Sysmin (which

should not be reimbursed in the first place). What the ACP States demand are justifiable prices for their goods. He would like to see additional funding like Mrs Focke but his main concern in the area of financial cooperation is the very wide fluctuation of currencies. The European Community should find ways of stabilising ACP currencies and it should shift emphasis on the debt problem onto interest repayment rates which are too high. The rates, in Mr Sene’s opinion, should be reduced in proportion to an individual country’s rate of development.

The Representative of Gabon, Ambassador Marcel Odongui-Bonnard shared Mr Sene’s view on prices. “Trade not aid” is what ACPs require. It should be better organised, with a multiplicity of intervention mechanisms to ensure fairness.

Mr Manuel Fraga Iribarne (ED., Sp) echoed the “trade not aid” theme. Cooperation, in his opinion, should be seen in a broader context, more in the context of private initiative which is the “best system”. Development is possible if the conditions are right.

The Representative of Côte d’Ivoire, Ambassador Charles Vally Tuho felt that the Community, on the issue of prices, should establish minimum guaranteed prices for ACP commodities. He expressed disappointment that Mr Cohen’s report failed to deal adequately with the debt crisis, the GATT negotiations and the Single Market, especially the risk that Community markets could be closed to ACP States in 1992. The report also failed, in his eyes, to scrutinise the role of the EIB to see whether the bank is at all adapted to the development of the ACP States. The Representatives of Gabon, Odongui-Bonnard, and of Guinea, Ambassador Ibrahim Sylla, lamented the inadequacy of the EIB in risk capital situations where the private sector in the ACP States is concerned.

Mr José Barras Moura (Com., Port.) does not believe that the Convention has anything to do with the economic difficulties of the ACP States or the fact that the rich have become richer and the poor poorer, as Mr Cohen’s report put it at one point. External factors are to blame. He called for cooperation between countries that may or may not be neighbours or very near to each other. Such cooperation is possible and essential for development — a point almost all the delegates who spoke on the issue, including Mr Fernando Condesso (Lib. Port.) emphasised. Mr Condesso, like Mr Fraga, also spoke of the crucial

role of the private sector in the development process. This should be encouraged in the ACP States.

The Representative of Nigeria, Ambassador Joshua Iroha, took issue with the Commission's categorisation of the beneficiaries of its measures on debt. He called for instruments within the framework of the Lomé Convention to deal with ACP bilateral loans from Member States. As for the duration of the next Convention, he was sceptical about one that is of unlimited duration, expressing fears of the consequences for the ACP States of the 1992 Single Market.

Mr Guy Guermeur (AED., France) reminded the Assembly of Ambassador Iroha's report last year on debt which he felt was crucial on this issue. He spoke of industrialisation as important as well as agriculture and rural development, the need for an integrated approach which brings ACP and EEC businessmen into joint investment in small and medium-sized enterprises. The next Convention he said, must be based on equality and partnership in all spheres of cooperation, not one of aid donors and aid recipients.

For Marco Pannella (N.A., It.) the point of reference for the next Convention in terms of principles and objectives is contained in the "Manifesto of 18 African Heads of State, against extermination by hunger, for right to life and liberty", copies of which he had distributed to delegates. Not basing development in the past on rights was a fundamental error. "Markets, commodity prices, and other economic mechanisms are governed by rights" he said. And when this principle is not adhered to, he contended, markets, prices and the economy as a whole are turned upside down and ultimately the absolute power of the state is destroyed. He proposed the adoption of "the principles, the objectives, the procedures and methods" contained in the manifesto, urging Mr Cohen and the Commission to use it as the basis for reflection. The Assembly was to adopt the manifesto later in a resolution.

At the end of the debate on his report, Mr Cohen thanked contributors, saying he had gathered enough information to present a final and comprehensive report in September to the Joint Assembly when it meets in Madrid.

The food situation in the ACP States

A general picture of the food situation in the ACP States was given to the Assembly by the Director-General for De-



From left, D. Frisch, Director-General for Development, Vice-President L. Natali and B. Ryelandt (standing)

velopment, Mr Dieter Frisch. He said that although world food production, mainly cereals, fell slightly in 1987/88 and prices remain low, stocks have continued to develop positively. For the developing world as a whole, production was less than the previous year—a shortfall of about 110 million tonnes, 10% of which has been provided as food aid. Africa's food production for the 1987/88 campaign year was considered as normal at 44 million tonnes, with import requirements put at 9 million tonnes. Half of these requirements has already been covered by food aid commitments. Mr Frisch warned against considering the whole of sub-Saharan Africa as in a state of famine. Situations vary: in the majority of the countries, harvests have been good; in the others, climatic conditions or political instability or both have created food shortages, and the Community is responding in every way possible.

Mr Frisch said that it was important in the medium and long term for countries to organise and fix correct priorities to promote production. He recalled, in this respect, the Lomé III Convention under which priority goes to food security and integrated rural development (which embraces agriculture, road construction health, etc) to which many African countries are devoting between 80 to 100% of available funds. He also mentioned the new method of defining the programmes, ie dialogue between the Commission and the ACP States referred to earlier by Mr Natali. He stressed the need for incentives to production, especially price incentives.

Speaking on behalf of the ACPs, the Senegalese Ambassador Seydina Oumar Sy recalled the ravages to agriculture

caused in the Caribbean and in the Pacific by storm and drought and the resultant food shortages. The food situation in Africa, it is true, is more serious, he said. But reducing the problem to that of statistics is risking interpretation in different manners. He gave a breakdown, region by region, of production shortfalls and said that it was on the means of overcoming these that he differed somewhat from the Commission, especially when the Commission talks of paying remunerative prices to farmers. Although he is in agreement that such prices should be paid they go hand in hand with good export receipts. He stressed the problem of protectionism in Europe, the impossibility of selling certain products in the Common Market. While also agreeing with the suggestions for a regional approach, especially the constitution of regional stocks, Mr Sy called for a policy of price support by the Community in the management of such stocks.

Reports under preparation

Discussion on economic matters took delegates through the interim report on health presented by Mr Ali Assani of Benin and on commodities presented on behalf of Dr Kwesi Botchwey by the Ambassador of Ghana, Joseph Laryea. There were then oral statements on progress in the Working Groups on refugees and displaced persons and on technology, training and development. As already mentioned, delegates came across all the problems highlighted in the debate on Mr Cohen's report in the exchange of views on these topics, illustrating once more how important the integrated approach spoken of by Mr Natali was.

Southern Africa

The debate on the situation in southern Africa may have become "ritualistic" in recent years at the Joint Assembly, developments in South Africa, such as the banning of 18 non-violent anti-apartheid organisations, the threat to ban all foreign aid to the organisations and the temporary reprieve from the gallows of the Sharpeville Six, guaranteed that, in Lomé, it would take on a more passionate and angry tone. Indeed it came up early for discussion. There were demands from the vast majority for a realistic application of the sanctions already taken against South Africa, and for more effective sanctions against the apartheid regime. Criticisms were voiced in some quarters of the document provided by the Commission on the follow-up to past resolutions on South and southern Africa. Mrs Barbara Simons (Soc., FRG), for example, felt the fall in the volume of trade between the EEC and South Africa, as shown in the document, was a reflection only of the general fall in world trade and not as a result of sanctions. The usual opponents of sanctions still felt they were counter-productive. Mr Christopher Jackson (ED., UK) believes that the movement towards fascism in South Africa is the direct result of sanctions. He appealed for a "stick and carrot" approach to bring an end to apartheid.

There was, however, widespread anger at South Africa's policy of destabilisation and economic sabotage of the Frontline States as the representatives of Zambia, Angola and Mozambique gave moving accounts of their experiences.

Commission Vice-President Mr Natali forcefully underlined the political aspect of the problem. The tightening of repressive measures has widened the gulf between the apartheid regime and the black community, ruling out the possi-



Ambassador J. Iroha of Nigeria

bility of arriving at any positive solutions. These measures were unacceptable to the Community, Mr Natali said. He told delegates of what the Community was doing in reaction to the deterioration of the situation. The Commission has been making efforts to ensure that those organisations in South Africa which receive Community humanitarian aid continue to do so. The Community on the other hand, remains committed to SADCC.

Question time

About 16 questions were addressed at this session to Commission Vice-President Natali. They ranged from women in development, through health, drug trafficking, South Africa and protection of investments to aircraft noise and Stabex. Of particular note were:

— from Mrs Raymonde Dury (Soc. Bel.) about the air-conditioning of the intensive care unit at the Porto Novo Hospital in Benin. The air-conditioning had broken down and lives were being endangered. She wanted to know from the Commission if it was not possible to find ways, even through the cooperation and development budget, to solve such problems.

Mr Natali replied that as part of the renewal programme for health and public hygiene generally in Benin, the infrastructure and premises of the Porto Novo Hospital are being improved. The list of requirements for the hospital was put forward in July 1987 and work began this year. In view of the serious consequences the breakdown of the air-conditioning system could have, the Commission would examine the situation immediately on his return to Brussels and see if it would be possible to fund it at this stage.

— from Mario Dido (Soc., It.) about the protection of private investments. He wanted to know what measures the Commission had taken or intended to

take to implement the provision of Article 243, title IV of Lomé III.

Mr Natali, in reply, reminded Mr Dido that the provision was intended to be complementary to national systems of investment protection and was also made dependent on Member States. There is a joint ACP-EEC team of experts working out a joint system. Considerable progress has been made, although the experts are encountering technical difficulties. An ACP-EEC system of guarantees would have to be integrated into the present national system and this following Lomé III.

Resolutions

About 17 resolutions were adopted. Of particular note were:

— the resolution on Suriname presented by Henri Saby (Soc., Fr.) and Andrew Pearce (ED., UK) endorsing the conclusion of the report of the fact-finding mission to that country and urging the restoration of aid;

— the resolution on the accession of Haiti and Dominican Republic to the Convention sponsored by Marco Pannella (N.A., It.), Diaz Gutierrez (Com. Sp.) and Christopher Jackson (ED., UK), for the admission of both countries as observers and the opening of negotiations with a view to their eventual admission to a successor Convention;

— a compromise resolution on the situation in South and southern Africa sponsored by ACP and EEC delegates of various political shades calling, among other things, for "unconditional withdrawal of South African military forces from Angola"; for "a special full session of the ACP-EEC Council of Ministers of Foreign Affairs on the deteriorating situation in South and southern Africa and to discuss the Kingston ACP Programme of Action against Apartheid"; and for "additional restrictive measures, notably a ban on the import of coal from South Africa to the European Community, and a termination of all cooperation which could further the development of South Africa's nuclear industry and all cooperation involving advanced technology". The latter was seen by many as a major concession from the Right in the Assembly.

It is hoped that from the suggestions thrown across the floor, here and there, during this session in Lomé, will emerge the ideas that will guide negotiators in the coming months to produce a Convention in tune with the times. ◊

AUGUSTINE OYOWE



Front, Ambassador of Côte d'Ivoire C. Valy Tuho and behind him, G. Guermeur (France)

Change and continuity

Commission policy on the new ACP-EEC Convention

On 15 March, the EEC Commission announced the main policy guidelines it had proposed to the Council of Ministers for the renewal of Lomé III, which runs out on 28 February 1990. Negotiations between the Community and the ACPs start in Luxembourg on 3 October.

A press conference in Brussels on 15 March was the opportunity for European Development Commissioner Lorenzo Natali to comment on these guidelines, stressing the "spirit of Lomé" which has to be maintained and which, he said, involves, typically, mutual recognition of the dignity of the partners, going beyond any differences and any economic disparity. This is why the Commission saw the forthcoming negotiations as having a particularly important political dimension and why it is crucial for the Community to prepare for it by defining a negotiating strategy now to be reflected in the mandate the Commission will receive from the Council of Ministers. It is the Commission which will be leading the negotiations with the ACP representatives on the Community's behalf and it will be doing so in accordance with the mandate received from the Council.

In its communication to the Council—which Lorenzo Natali also commented on in Lomé at the Joint Assembly—the Commission analysed the Lomé experience, identified the problems and suggested solutions.

Also in the yellow pages

- VIII. More emergency aid to Ethiopia
- VIII. Other decisions
- IX. EDF financing
- X. Sysmin
- X. Stabex
- XII. Indian Ocean Commission meeting
- XII. EEC-Kenya
- XII. EEC-Maghreb/Mashrak
- XVI. World Food Conference
- XVI. Nobel Prizewinner Desmond Tutu in Brussels

Analysis of the Lomé experience

The Commission says that ACP-EEC cooperation involves an approach and principles which have proved their worth. On the positive side, it gives "the number of contracting parties, the extent and diversity of the areas of cooperation it covers, the size of the financial resources and the originality of some of the provisions" of Lomé III—the dialogue on policies, for example, Stabex and the instruments of regional cooperation. This is why, Vice-President Natali said, the Lomé Convention "makes an essential contribution to the Community's image in the world, both quantitatively and qualitatively".

The results of Lomé III, the Commission felt, were "promising", although the Convention has only been in effect for two years (since 1 May 1986).

"Programming, in spite of the profound changes it implies in terms of organisation and dialogue, has been accomplished within the prescribed time.

The validity of the approach in terms of support for sectoral policies and its corollaries, the dialogue on policies and the conclusion of reciprocal commitments, has been practically demonstrated in the field. The fears expressed about this during the negotiations have proved to be largely unfounded.

Apprehension about the implications of this new approach for the rate of implementation of Lomé III has also proved to be ill-founded—41% of the indicative programmes have been committed so far, only two years after the new Convention took effect (it was 32% of Lomé II at the same stage) and more than two thirds should be by the end of 1988 (50% for Lomé II) if present forecasts are anything to go by.

Three years after completion of the Lomé III negotiations, just as the 6th EDF programmes are beginning to bear fruit, there is nothing to suggest we should be negotiating any radical changes in the Convention".

It is true, the Commission feels, that "the new methods and new approach of Lomé III need consolidating and rein-

forcing, e.g. more should be done to support sectoral policies, take the dialogue further and reassert the central aim of Lomé—to sustain the drive for lasting, long-term development, particularly as regards food security, anti-desertification and deforestation, training and the development of human resources. And lastly, the methods and instruments of cooperation that make Lomé the pillar of the Community's development policy must be preserved".

The problems

However, the Commission realises that, "since Lomé III was signed, the new and essential factor which has altered the context of ACP-EEC relations (and the context of the forthcoming negotiations) is, clearly, the profound crises of debt and commodity markets.

The majority of the ACP States, which are threatened with financial asphyxia, have reacted energetically and bravely by rationalising their economic policies and embarking on profound structural reforms, and more than 25 countries of sub-Saharan Africa and some countries of the Caribbean are now running structural adjustment programmes.

The Community has to be aware of the fact that overlooking these immediate demands would seriously compromise any medium- or long-term support.

Which is why, as soon as the negotiations start, the Community should confirm its willingness to set up, with the next Convention, the means of broader, faster and more flexible support to help meet short-term ACP needs and implement their reform policies...

There have been other important changes since Lomé III was signed and they, too, have to be taken into account. They have occurred in the Community itself (creation of the large internal market), in GATT (new round of multilateral negotiations) and in the attitude ACP and EEC leaders take to certain issues".

Furthermore, said Lorenzo Natali at Lomé, the implementation of Lomé III is "far from perfect". Over and above

the difficulties of regional cooperation (see below), "there is still a long way to go to ensure proper popular involvement in the projects", and in the field of training. But the Lomé texts do not need changing ("they are already very comprehensive"): it is the way they are implemented, which is why the Commission thinks that the important thing in the negotiations "is to take account of new needs and the actual ways of doing so. As the Community sees it, this involves political as well as economic considerations.

Bolstered by the results of the latest Brussels European summit, the Community has to show that, in spite of its own domestic problems and priorities, it has no intention of being inward-looking and will be reaffirming its solidarity with its partners by stepping up its funding and adapting the arrangements for its assistance so as to face up to new problems".

So the Commission suggests that the Member States of the Community adopt a dual approach, "one that is both dynamic and selective", and invites the ACPs:

- "in the light of experience, to preserve and strengthen the fundamental approaches and principles ensuring the specific nature of ACP-EEC relations;
- to extend its dynamic movement by broadening some fields, methods and instruments, in particular by backing up structural adjustment policies to enable the Community to make an efficient response to the new needs of its ACP partners".

The suggested solutions

Here are the Commission's practical proposals, in the light of this approach, for the new Convention.

1. Preserving and reinforcing the basic approaches and principles

"Duration of the Convention"

The main problems facing the ACP countries are structural, lasting ones—food insecurity, threats to the environment and the dependence on raw materials—and cooperation in these essential fields must be a long-term affair.

Faced with an increasingly unstable external environment, the ACPs have also to find stability, security and the ability to foresee what is to happen in their agreement. The business community, who are particularly attentive to the trade arrangements and the provisions

on investments, also need a reliable, predictable framework.

This sort of framework and permanency could be provided, in terms of duration and structure, by the following system, whereby the Convention is divided into two:

- the body of the agreement, which would be concluded for an indeterminate period with the possibility of revision at the request of one of the parties involved". Mr Natali mentioned the principle of free access to the Community of most ACP products and the Stabex principle as relevant for inclusion in this part of the Convention;

- "a specific part or protocol, lasting five years and dealing with the financial resources and priority policies of cooperation over that period.

The idea of a Convention lasting an unspecified period has already been brought up in the past and it was included in the negotiating mandate for Lomé III, although it did not get enough support from the ACPs at the time. Things have apparently changed since, however, and if such a proposal were reformulated today, it would be a response to the fears some ACPs have of seeing the Lomé advantages diluted or eroded. At the same time, it would give the Community the opportunity to make a political gesture to its partners". Lorenzo Natali also pointed out that funds had always been committed for longer than the period of the Convention in the past.

"Geographical coverage"

The Convention aims to cover all independent States of sub-Saharan Africa and the independent countries of the Commonwealth in the Caribbean and the Pacific.

The Commission is still convinced that any significant change in the geographical coverage of the Convention would run a serious risk of diluting ACP-EEC relations in a unit that was over-sized, less coherent and more difficult to manage". In fact, Mr Natali said, the countries in the area which are currently third (non-ACP) countries have "rather different structures, institutions and problems" to those of the ACPs. Although, as Mr Natali emphasised, the Community has every interest in making its cooperation with some of the third countries—those of central America, for example—more effective, this would perhaps be at ACP expense. This was a political problem of which the Commission was well aware and one it had discussed

with the Member States at a recent meeting in Hamburg (Germany). The problem of Haiti and the Dominican Republic had to be dealt with separately, together with the ACP countries, and it would be discussed "within the relevant institutional framework".

Trade cooperation

"The ACP-EEC trade arrangements are one of the most stable achievements of the Lomé Convention. Their very open nature substantially reduces the possibilities of further liberalisation and one of the main aims of the future negotiations should be to consolidate the existing system by making it last longer.

However, account must be taken of two events whose consequences could affect the content of the ACP-EEC trade arrangements or their actual scope—entry into effect of the Single Act, opening the way for the large internal market, and the launching of the Uruguay Round in September 1986.

The large internal market is a potential booster of ACP exports—on top of the expansion attendant on enlargement of the Community to include Spain and Portugal—and it should not be overlooked.

As far as the Uruguay Round is concerned, the Community has to make sure that its own concessions made in the new round of multilateral trade negotiations go hand-in-hand with greater openness of third markets to ACP products".

Furthermore, Mr Natali said, there are two other factors, and capital ones at that, to take into account and they are the internationalisation of trade and the emergence of competing countries on the world trade scene. So it is vital for the Community to make an express commitment to help the ACPs cope with these changes and create services of a kind that will reduce their dependence on the outside world. "So we should reflect on the services sector, one which is virtually absent from Lomé", Lorenzo Natali said.

Commodities

"The continuing deterioration of the commodity market situation has a lot to do with the financial crisis in most ACP countries. In view of its structural nature, the raw materials crisis demands an effort from the international community to improve the way the markets work and action by the producer countries to adapt production structures. The ACPs

are already finding that Lomé contains the elements of an answer to the problems they have to face with Stabex, the Sysmin facility and the Sugar Protocol”.

2. Extending the dynamics of adjustment to new needs

Lorenzo Natali mentioned his many talks with ACP Heads of State on the debt and the internal financial crisis—both issues which “distort” the economies and could pose a threat to the proper running of any long-term cooperation. So the Convention had to include new instruments in response to two demands—the lightening of the internal constraints and the setting up of a system of reform.

This meant taking account of every bit of experience in this field. In particular, the Commission felt, “everyone now realised that the crisis in the vast majority of the ACP countries was one that would last and if the essential reform and reorganisation were to be supportable and viable, they had to be gradual... The first steps have been made by the Community towards that the aim: through the Convention, with the new fast payment facility, the sectoral import programmes whereby the shortage of foreign exchange and financial means can be palliated and the consequences for the focal sector chosen at the start of the dialogue; and alongside the Convention, there has been the recent initiative taken with the launching of the special programme for the countries of sub-Saharan Africa with the heaviest debts.

Lorenzo Natali also said that support for structural adjustment, “since this is what we are talking about, was in line with Lomé thinking”, for the dialogue on sectoral policies pointed directly to support for macro-economic reforms. But these first steps, the Commissioner said, “were significant, but not sufficient. The Community intends to make more organic progress in supporting ACP countries which undertook structural reform.

Not only is such a trend economically necessary. It would be politically desirable. The Community and its Member States would in this way be making a more active, organised contribution to concertation and the dialogue on general macro-economic reforms, both with their ACP partners and the other funders.

This would certainly not be a threat to the central theme of ACP-EEC coopera-

tion—which is still lasting, long-term development, without diverting to urgent financing the resources that remain absolutely vital to sustain investment and training”.

Lorenzo Natali was asked about the tie-up between the Commission’s projected structural adjustment policy and that of the leading financial institutions—the World Bank and the International Monetary Fund. Community aid, he said, could keep a certain specificity, an “autonomy” that would prevent any “subservience” to the IBRD although there would be coordination and collaboration with it. In particular, the Commission would try to cater for the social



Vice-President Natali explaining the Commission's proposals in Brussels

and political consequences of structural adjustment. The “type of ACP-EEC cooperation”, Mr Natali said, “that we have learnt to establish together should stand us in good stead for assessing very fairly and accurately what balance to strike at all times between adjustment and development”.

Mr Natali pointed to the general and sectoral import programmes (GIPs and SIPs) as instruments of adjustment. He also said that although the Community was sensitive to the ACP debt issue, it could “hardly be said to be at the root of the problem” and could not solve it itself because its own action was very largely financed by grants and the ACP States had practically no debt towards the Community as such. However, the Com-

munity “could not ignore the problem” and whatever it could do to supply the ACPs with foreign exchange via the SIPs and GIPs would of course lighten the foreign exchange burden on these States—particularly since Community support for structural adjustment would be “additional financial support” over and above the updated EDF credits. And, with the same view to lightening the ACP debt burden, the Commission suggested that, in the new Convention, the Member States drop the principle of replenishing Stabex resources as a counterpart for “more structural” use of transfers and do away with the special loans—or, to be precise, change the new amount into grants.

Specific questions

Lorenzo Natali refused to give any figures for the new Convention. However, he did point out that the amounts had always been “updated and substantially increased” from one Convention to the next and that the Commission, which wanted to see an increase in the flow of finance to the ACP countries, had an open mind on this.

The Commissioner also mentioned at Lomé other subjects that might come up for discussion in the negotiations for the new Convention. One of these was better regional cooperation, which was deemed to be essential although “shortcomings still remain”. Mr Natali said that not enough “collective choices are made by the States concerned “to define the real priorities needed for their economic integration”, “regional organisations are often too weak or too numerous (or both) to be effective... and there are difficulties in promoting trade to any significant extent among the ACP countries”.

The negotiations would also cover such fields as the environment and the protection of natural resources, demographic issues and “problems of population movement”, and research in developing countries, ... “polycentric” cooperation adding to the essential role played by the State, a wide range of both European and ACP groups, individuals, firms and bodies, the promotion of private investment, consolidation of the Lomé III approach to human rights, and approaching development in terms of planning “the economic space, where relations would be promoted between the rural world with its various activities, both agricultural and non-agricultural, and the small regional urban centres and the large centres”. ○

FOOD AND EMERGENCY AID

More emergency aid for Ethiopia: ECU 42 million

A press conference on 11 March was the opportunity for Lorenzo Natali, Vice-President of the EEC Commission, to announce more Community aid to Ethiopia—ECU 42 million this time, divided between cereals and other food products (ECU 23 m), plus emergency aid to finance storage (ECU 1 m), enable the airbridge to carry on operating, take in spare parts and pay for domestic transport and distribution of the products and the medico-nutritional programmes, including supplying tools and seeds (18 m).

The airbridge alone accounts for ECU 4 m. The transport problem (and this includes the security side of things) is absolutely crucial, Mr Natali emphasised. So far, aid from the Community, the Member States and other donors, together with the work of humanitarian organisations and the Ethiopian authorities, has kept the albeit precarious situation more or less under control. However, it would be disastrous if fresh measures were not taken at once, as the problem of people moving in search of relief, something that it has so far been possible to avoid, could well occur. The figures speak for themselves. There were a million people needing help in Eritrea and Tigray in November, for example, and 1.6 million in December. And it could well be 3.2 or 3.5 million in the coming months. In other regions, Shoa for example, there is no shortage of food reserves, as the international community has ensured they arrive at the Ethiopian ports and Djibouti regularly. But the real challenge is distribution in the interior. The only solution is to shift the food by road, the only system compatible with the people staying in the villages and avoiding the formation of more camps with their trails of human drama.

The airbridge, initially a minor operation, is now the backbone of distribution and it has to be continued. But it has reached saturation point and must be extended if needs are to be met. Road convoys cannot travel freely as trucks may be destroyed or held up, particularly in Eritrea and Tigray. All the parties involved made official commitments to guarantee an "open road policy", but they were

never respected, as military initiatives were taken and an attempt was made to prove that the situation was under control. Lorenzo Natali therefore made a formal appeal for "immediate measures to be taken by the parties concerned to guarantee that convoys get through unhindered", so the humanitarian relief can be distributed.

Mr Natali said he was also concerned by the mounting insecurity in which the staff of humanitarian organisations—which were doing their job "in an efficient and exemplary manner"—had to work, amidst dangers of every kind, including kidnapping.

"Unless people show reason", Mr Natali continued, "and unless recognition of the tragedy wins over political considerations, disaster is imminent. Millions of lives are at risk".

Other decisions

Guinea Bissau — 600 t cereals, 300 t milk powder, 100 t butteroil — Total value ECU 1.5 million

The idea here is to cover part of the cereal deficit and improve the food situation of the people, particularly those in the towns.

LICROSS — 30 000 t cereals, 1300 t milkpowder, 1500 t vegetable oil, 800 t sugar and ECU 1.5 million-worth of other products — Total value ECU 12.4 million

The aims of the Licross programme are to:— cover the annual programmes of various national Red Cross and Red Crescent societies to help the poorest populations; — take part in an emergency programme for Ethiopia (12 000 t of cereals, 180 t of vegetable oil and about 3300 t of beans) in the Wollo, Sidamo and Northern Shoa regions where the League has 14 distribution points; — continue with the Food for Work programme in the Wollo region of Ethiopia, in liaison with the German Red Cross; — have a reserve for maximum flexibility in cases of natural disaster via triangular schemes or the purchasing

of cereals and pulses locally. This system makes for speed and avoids the need for numerous appeals for emergency food aid.

ICRC — 40 000 t of cereals, 3500 t of vegetable oil, 400 t of sugar, 300 t of milkpowder, ECU 7.5 million-worth of other products — Total value ECU 17.1 million

The ICRC plans to distribute about 114 000 t of food in northern Ethiopia in 1988. This should feed about 800 000 people each month. Half the 40 000 t of cereals, 5000 t of vegetable oil and 10 000 t of beans requested are being provided under this programme. The other major beneficiaries of the ICRC programme are, as usual, the displaced persons and refugees from Central America, South Africa (Angola and Mozambique), Eastern Africa and Central Africa (Uganda and Sudan), Lebanon and the Philippines.

NGOs — 100 000 t of cereals, 22 500 t of milkpowder, 3400 t of butteroil, 4600 t of vegetable oil, 300 t of sugar and ECU 4 million-worth of other products — Total value ECU 76 million

The NGOs have enormous experience of distributing Community food aid. Their 1988 programme gives aid to any part of the world that needs it. In Africa, a big effort will be made in Ethiopia and Sudan.

WFP — 150 000 t of cereals, 22 500 t of milkpowder, 8500 t of butteroil, 200 t of sugar and ECU 3.6 million-worth of other products — Total value ECU 77 million

These are global quantities which the WFP uses as emergency needs arise, for its projects aimed at socio-economic development in the recipient countries and to improve the food situation of needy populations.

The Commission has taken the following decisions on financing from the 6th EDF.

Mauritius: ECU 65 000

Emergency aid (immediate implementation) following a landslide at Port-Louis.

ACP Countries: ECU 650 000

Emergency aid (immediate implementation) to contain epidemics in various ACP countries.

African ACPs: ECU 650 000

Emergency aid (immediate implementation) for locust control in various African countries under attack.

Mauritania: ECU 210 000

This is to buy and deliver pesticide to continue with the locust control campaign.

Chad: ECU 18 000

This is for the immediate sending out of vaccines for a cerebro-spinal meningitis vaccination campaign in N'Djamena.

Central African Republic: ECU 500 000

Since the drought, the output of the HE station at Boali has dwindled and production at the Energa thermal station in Bangui has had to be boosted. This aid, a response to the Central African Government's appeal, is to finance Energa's extra fuel consumption.

Vanuatu: ECU 100 000

Hurricane Annie hit Vanuatu on 10 and 11 January, causing a great deal of damage and leaving 3200 people without food or shelter.

The aid is to buy rice and preserved meat and fish locally and distribute it to the needy population.

Uganda: ECU 540 000

The drought and the constant fighting in north and north-eastern Uganda have displaced millions of people who are now in a parlous food and medical situation. This aid, to be channelled through the Ugandan Red Cross, the AICF and Médecins sans Frontières (Netherlands), will go to finance the purchase and sending out of food, medicines and medical equipment.

EDF

The Commission has just taken a decision to finance the following projects following a favourable opinion from the EDF Committee.

Mali

Project to develop herding in the North-east
Fifth EDF
Grant: ECU 2 200 000

The idea of this project, which is being run in a cattle-rearing area of the Sahel which is badly affected by drought, is to introduce new production and trade systems based on more ecological management of the countryside by the communities who live there.

It is part of the much broader drive to develop herding in Northeastern Mali (7th region), to which the African Development Bank and Italian aid (involved in the Hausa region east of the River Niger) are also contributing. The EDF project covers the Gourma area in the 7th region immediately west of the river in the 20 000 km² loop where some 90 000 people live.

The aims are to be achieved in three ways—consolidating the trade and production systems by better water control and intensification of farming and herding conditions, dividing the territory into different areas and getting the rural communities to be responsible for managing them, and training and organising the herdsmen.

Burkina Faso, Cape Verde, Gambia, Guinea Bissau, Mali, Mauritania, Niger, Senegal & Chad

Regional food security — permanent diagnosis
Sixth EDF
Grant: ECU 7 705 000

The purpose of this regional scheme is to improve the standard of statistical information in the cereals and herding sectors in the nine countries of the CILSS* to make it easier to define national food self-sufficiency policies and coordinate them in the region. The programme is in line with the priorities laid down by the CILSS in 1975 and reaffirmed at the Praia (Cape Verde) meeting on 30-31 October 1986 by the CILSS member countries and the Commission.

Main means to be deployed

Support will be provided for the statistical services of the nine member countries so they can have regular, useful information, as required, on:

- the short-term food situation;
- the conditions of cereal marketing;

(* Permanent Inter-State Committee on Drought Control in the Sahel — Burkina Faso, Cape Verde, Gambia, Guinea Bissau, Mali, Mauritania, Niger, Senegal and Chad.

— the medium- and long-term food situation.

The CILSS Executive Secretariat in Ouagadougou (Burkina Faso) is in charge of running the programme, which will be based on the various national offices centralising the statistical services of each country.

Mali, Mauritania & Senegal

Embankment of the River Senegal
Fifth and sixth EDF
Special loan: ECU 8 800 000
Grant: ECU 1 200 000

The three countries on the Senegal (Mali, Mauritania and Senegal itself) have embarked upon a vast valley development programme as part of the OMVS (the Senegal River Development Organisation).

Construction and rehabilitation of the embankments upstream of the Diama dam are aimed at completing the river regulation facilities currently going on with the building of the Diama dam at the mouth of the river and the Manantali dam in Mali.

This project is to build an embankment 75 km long and 6 m wide at the crest and to put up six bridges on the right bank of the River Senegal. Additional training is included. It will be completed by the simultaneous rehabilitation of the embankment built on the left bank in 1964 (to be financed by other funders).

Guinea

Health infrastructure improvements
Sixth EDF
Grant: ECU 9 400 000

The idea here is to continue and finalise EDF action in Guinea's health sector by:

- completing rehabilitation of the Ignace Deen hospital (Phase One of renovation currently under way);
- continuing and expanding the hospital maintenance assistance scheme.

The general aim is to consolidate the existing health infrastructure and improve maintenance and management.

Aruba

Modernisation of the Queen Beatrix International Airport
Fifth EDF
Special loan: ECU 6 000 000

Aruba has a population of 60 000 and its future is in tourism. Its devel-

opment plans are divided into two (linked, complementary) parts—boosting the reception capacity and improving access by air.

So the project to modernise the international airport infrastructure is a key to the country's future. It is in two parts—partially replacing air navigation and landing equipment for all types of aircraft to ensure safe access to international standards and building a service road round the runway.

Sudan

Aid for refugees

Sixth EDF

Grant: ECU 16 330 000

Sudan is currently sheltering almost one million refugees in accordance with the international conventions to which the Government is party. About 600 000 of them have settled, spontaneously, in the East, Darfur and Equatoria regions and, unlike the refugees being catered for in camps or HCR-financed establishments, these refugees have had very little relief from the external organisations, although they do have access to Sudan's public services and resources. As UN inter-organisational missions run after CIARA II (the international conference on relief for African refugees) noted, economic problems mean that the Sudanese Government is finding it increasingly difficult to provide these services with its own resources.

The EEC programme is aimed at righting the balance, particularly where there is the highest concentration of refugees in the East, by repairing the buildings, health installations, water supplies and power networks of 12 hospitals and supplying medical equipment and drugs to the refugee concentration areas.

Lesotho

Development of labour in the natural resources sector

Sixth EDF

Grant: ECU 7 700 000

The labour training programme, as requested by the Lesotho Government on 2 October, is aimed at boosting means (in terms of technical and supervisory staff) to ensure the success of the Lesotho Highlands Water Project. The idea is to tackle the immediate problem of producing qualified staff and the longer-term one of increasing the number of students with

proper scientific and mathematical knowledge who will constitute the country's future qualified personnel.

The EDF will be financing the Lesotho Polytechnic and Lesotho Institute of Public Management building works. These establishments, the National University of Lesotho and various public and semi-public bodies will be given technical assistance and basic and higher training will be offered both locally and abroad.

New Caledonia

Coconut seed garden

Fifth EDF

Special loan: ECU 350 000

The idea of this garden to produce hybrid coconut seeds involved planting and maintaining (for six years) a 5.5 ha seed field to produce high productivity seed.

The cost is an estimated ECU 420 000, to be covered with Community aid of ECU 350 000 and ECU 70 000 from the OT itself.

New Caledonia

Compost unit installation

Fifth EDF

Special loan: ECU 240 000

The aim here is to instal two compost units on the Bourail and Paita slaughterhouse sites. They will turn out 1300 t compost p.a. for farmers and market gardeners.

The project includes setting up various (mixing, fermenting, maturing and storage) areas and purchasing the appropriate material and equipment.

Sudan

Sectoral import programme

Sixth EDF

Grant: ECU 17 800 000

Irrigated crops are an essential part of the Sudanese economy and they depend to a large extent on imported products. But the country is seriously short of foreign exchange to finance the investment it needs to ensure viable production and adequate exports.

The idea here is to supply some of the fertiliser needed to grow cotton, wheat, sorghum and vegetables in the irrigated crop sub-sector over the next two agricultural seasons. The ultimate users of the programme are the smallholders who grow irrigated crops south of Khartoum, the capital, and

the small pump owners along the main arm of the Nile north of Khartoum.

The system includes a special research and surveillance programme aimed at studying the efficiency of fertiliser on farms.

Mali

Food security programme

Fifth and sixth EDF

Grant: ECU 24 000 000

This programme, designed for the Mopti area which has chronic drought, is intended to help food security. The idea is to consolidate the conditions of rural living by developing water resources and encouraging supplies to the region by rehabilitating the main road link with the south. It is based on initiative by village associations—to which the programme proposes to supply the means of running the sort of water exploitation schemes that are within their reach.

All ACP States

Global commitment authorisation

Sixth EDF

Grant: ECU 35 000 000

This is a global commitment authorisation to finance microprojects. ◊

SYSMIN

Mauritania: ECU 18 000 000 to rehabilitate the SNIM

The iron industry is vital to the Mauritanian economy, contributing an average of 11.5% to GDP in 1981-85. Mining is the second source of foreign exchange, after fishing (56% in 1982 and 41% in 1985), and the nation's biggest employer (6000 in 1985 and 4500 in 1987).

The Commission decided that Mauritania's application for Sysmin assistance was eligible on 28 July 1987.

The Mauritanian Government has submitted a global investment programme for the SNIM (its national industrial and mining company) to make operation profitable.

Continuing SNIM operation is vital to the country, but the company's survival is seriously threatened by problems that are largely outside its, and

the Government's, control. This investment programme seems to be the only opportunity of continuing activity beyond 1995.

The SNIM has already made a big effort to reorganise, the Government has cut taxation and the funders have relaxed the terms of the external trustee fund. The present external investment programme is a vital measure in the drive to make the installations a paying proposition and one which the company is unable to manage itself. The programme includes:

- a series of productivity investments;
- finalisation of the Guelbs enrichment plant.

The total volume of scheduled investments is around US\$ 69 million, US\$ 9 million of which is to be SNIM-financed.

Some of these investments should be covered by Sysmin — an ECU 18 million special loan from the 6th EDF. The Sysmin assistance is as follows:

- repairs to the track: ECU 14 million
- repairs to the wagons: ECU 1.4 million
- modernisation of the workshops: ECU 1 million
- contingency: ECU 1.6 million ◦

STABEX, 1987

The Commission has just decided on Stabex advances (as provided for in Lomé III) for Ethiopia and Equatorial Guinea.

They relate to 1987 and are as follows:

Ethiopia	Coffee	ECU 17.7 million
Eq. Guinea	Cocoa	ECU 1.2 million

EIB

Western Samoa: ECU 2.6 million for hydro scheme

The European Investment Bank (EIB) is granting a loan of ECU 2.6 million under the third Lomé Convention, for the construction of a 4 MW hydro-power plant at the Afulilo Falls on the island of Upolu in Western Samoa in order to satisfy rising electricity demand.

The works, which include construction of a 10 million cubic metre storage reservoir, power plant, transmission network extensions and auxiliary equipment, are costed at ECU 16.3 million and are scheduled for completion by end-1990.

The funds are being advanced in the form of a conditional loan (term: 20 years; interest rate: 2%) from risk capital resources provided for under the Convention and managed by the EIB.

The Afulilo hydropower project is jointly financed by the Asian Development Bank, the International Development Association (IDA, World Bank Group) and the Commission of the European Communities.

In 1981, under the Second Lomé Convention, the EIB provided Western Samoa with a 3 million conditional loan from risk capital resources for the 3.5 MW Sauniatu hydro scheme, also on the island of Upolu. ◦

FISHERIES

EEC-Gabon agreement

The EEC and Gabon have just concluded a fishing agreement. It was initiated in Libreville on 26 February.

It covers a period of three years, starting on 15 April, and provides the following possibilities:

- 15 000 grt for freezer (fish and shrimp) trawlers, with the possibility of an increase, at Community request, of successive amounts of 1000 grt;
- 54 seine tuna fishers;
- 12 surface long-liners.

In return, the Community will be paying Gabon ECU 2 850 000 compensation p.a., plus a ECU 600 000 contribution to the Gabonese scientific programme and several study grants.

The shipowners' dues are to be ECU 20 per tonne tuna caught for tuna vessels and long-liners and ECU 82 per grt for freezer trawlers.

So with the conclusion of the new agreement, the Community now has bilateral fishing relations with the following African countries—Morocco, Mauritania, Senegal, Gambia, Guinea Bissau, Guinea, Equatorial Guinea, Gabon, Saõ Tomé and Príncipe, Angola, Mozambique, Madagascar and Comoros.

EEC-Senegal

The European Community and the Republic of Senegal have just initiated a new protocol under their fishing agreement, laying down fishing rights and their financial counterpart for the period from 29 February 1988 to 28 February 1990.

The fishing rights laid down for Community vessels for the two years of the protocol are:

- freezer trawlers: 22 400 grt;
- fresh fishing vessels: 9 250 grt;
- canning tuna vessels: 18
- tuna seiners: 48
- surface long-liners: 35.

The financial counterpart to be paid by the Community is ECU 24 million for the two years the new protocol covers, including ECU 550 000 for the Senegalese scientific programme and ECU 550 000 for study and training grants. ◦

INDIAN OCEAN

Indian Ocean Commission: 6th ministerial meeting

The meeting took place in Saint Denis (Réunion) with Michel Aurillac, French Cooperation Minister, in the chair, in the presence of Said Kafé, Comorian Foreign Affairs, Cooperation and External Trade Minister, Jacques Hodoul, Seychelles' Minister of National Development, Jean Bemananjara, Madagascar's Foreign Minister, and Beergoonath Ghurburran, Mauritius' Planning and Economic Development Minister.

The Indian Ocean Commission formed five years ago, comprises Comoros, Madagascar, Mauritius and Seychelles, all ACP countries, plus France, which is there on behalf of Réunion, an Overseas Department.

This meeting, a turning point for regional cooperation in the Indian Ocean, was the occasion for approving a series of projects and outlining a work programme with support, in particular, from the Commission of the European Communities.

The work of the Indian Ocean Commission, which was meeting in Saint Denis for the first time, was an opportunity to get the Ministers to approve projects on health education, trade promotion, controlling sexually transmissible diseases and so on. In partic-

ular, they discussed attendance at the Rouen trade fair (EDF financing—regional fairs), processing in international trade (UNDP financing), involving young people in development (UNESCO financing), the AIDS seminar (French financing), the regional atlas (UNESCO) and training and maintenance of biomedical equipment (EDF).

Other projects (fishing, telecommunications, tourism and hurricane alert) are on the drawing board.

The IOC also decided to set up a "light" secretariat in Mauritius, with French technical assistance and the four ACPs (Madagascar, Mauritius, Comoros and Seychelles) and France (a member through Réunion) agreed on a breakdown of the operating costs. The Secretary-General would be appointed at the next meeting of Ministers, scheduled to take place in Seychelles. ◊

KENYA-EEC

Cereals programme

The Minister for Finance, Prof. George Saitoti and Mr Dieter Frisch, Director-General for Development of the Commission of the European Communities signed on 25 January 1988 a Memorandum of Understanding between the Government of Kenya and the European Economic Community concerning a *Cereals Sector Reform Programme* for Kenya.

The objective of the programme is to support the Government of Kenya in maintaining and strengthening food security for its population and to make the cereals marketing system more effective.

The programme aims at involving the private sector to an adequate degree in the cereals marketing while increasing the efficiency of a restructured National Cereals and Produce Board (NCPB) and alleviating the present budget burden.

The cereals market reform is consistent with the policy defined in the 1986 Sessional Paper No. 1 on Economic Management for Renewed Growth. It will be implemented in respect of the Budget Rationalisation Programme (BRP) and the Government recently agreed macro-economic and sectoral adjustment policies.

Food self reliance and food security has been identified as a priority area for Kenya-EEC cooperation in the Lomé III Indicative Programme signed in June 1986. The Government, with EEC support, has indicated its intention:

- to achieve a balanced expansion of food, cash crops and livestock activities;
- to improve the marketing and storage systems for major food crops;
- to reform the organisational, financial and operational efficiency of NCPB;
- to maintain a policy of adequate and sustainable producer incomes;
- to ensure that the pricing policy at both the producer and consumer sides

aims at balancing supply and demand for maize and wheat under a gradually liberalised efficient marketing system.

Following earlier analytical work on grain marketing, EEC assistance to the financing of these reforms was requested by the Government, based on the recommendations of the NCPB Reorganisation Study which was funded under the resources of the European Development Fund and officially accepted on 4 January 1988.

The Government has made a number of crucial decisions regarding cereals marketing. It has agreed that cooperatives and licensed local traders could immediately participate in buying maize on behalf of NCPB. This wider participation will be extended to allowing them to progressively market maize on their own behalf.

The Government has developed a programme of expanding its analytical capability with regard to cereals markets, and will strengthen NCPB by upgrading the level of management and its financial and administrative structure.

In order to undertake this, Government has decided to write off NCPB indebtedness and provide it with a clean balance sheet.

The EEC support will, subject to the relevant agreement procedure, consist of a comprehensive sector support programme. It will take the form of both a balance of payments and sectoral support with the use of the various development cooperation facilities available in the Lomé III Convention and in the EEC budget line for food aid. This is considered to be the most appropriate assistance to Kenya in the present economic situation.

The total amount of the support package from the European Development Fund is estimated at ECU 65 million or approximately 1 365 million Kenya shillings, in the form of a grant. This amount contains provisions for the financing of the following components:

- technical assistance, training, studies for the financial restructuring, and the reorganisation of the NCPB;
- crop purchase fund to be generated by the counterpart funds from the sales of priority imports for the agricultural sector. Imports of selected agricultural inputs as balance of payments support will be financed within the framework of Kenya Agricultural Sector Adjustment Programme;



Prof. G. Saitoti (left) and Director-General D. Frisch signing the agreement

- a capital investment programme for storage depots and rolling stock as part of a new storage and transport plan to be adopted by NCPB;
- financial and technical assistance for building up public and private sector capacity to participate in market development under a gradually liberalised system.

As a general support to the agricultural sector, there will be a programme of imports of agricultural inputs and machinery which will have a major impact on increasing agricultural productivity this coming season. For this the EEC has agreed to provide ECU 25 million as part of this package for which the counterpart funds will be used for the crop procurement. There will be a special Government team to ensure these imports are made without delay.

Subsequent additional agreements will be sought without delay on a three-year detailed implementation timetable, the management of the agricultural sector import programme and a multiannual food aid programme.

The comprehensive sector support to be implemented in Kenya features the most advanced combination of co-operation instruments of its kind to date within the framework of the Lomé III Convention. ◊

EEC-MOROCCO

Fisheries cooperation agreement

Negotiations on a fishing agreement between the EEC and Morocco, which began on 27 July last year, have now been completed. The agreement which has just been initialled lays down the framework and arrangements for lasting, properly balanced fishing relations between the two parties.

It follows on from the previous bilateral agreements between Morocco and Spain and Morocco and Portugal, as provided for in the Treaty on the Accession of the two new Member States.

It is based on respect for the sovereignty of Morocco when it comes to preserving and exploiting maritime resources. It uses the formula of all the Community's previous agreements with third countries and covers waters under Moroccan sovereignty or jurisdiction.

This agreement, which involves a financial commitment of ECU 70 million p.a. from the Community, is, in view of its specific nature, the most important fishing agreement the Community has ever signed with any external partners. It lasts four years and will be applied on a provisional basis from 1 March onwards.

1. Cooperation

The principal feature is support for the development of Morocco's scientific research to encourage a broader understanding of trends in the biological conditions of fish stocks and help set up joint undertakings to develop these resources—either experimentally or on an industrial and commercial basis. It also means more systematic encouragement to expand port facilities and the attendant equipment. It places particular emphasis on vocational training, setting up the right sort of infrastructure and offering crews assistance at sea.

2. Fishing possibilities

Secondly, the agreement lays down the fishing possibilities granted to the Community. Generally speaking, these stay at the same level as on 31 December 1987, although there are extra possibilities for specific activities such as pelagic trawling and demersal species (where there are no particular signs of risks of overfishing).

These possibilities must be flexible so they can take account of the annual fluctuation in stocks and the needs of the Moroccan fleet, so they can be altered every year (within a range of about 5%).

In order to give practical shape to the Community's specific drive to preserve these stocks, the annual fishing possibilities provided under the agreement are, in precise cases, to be restricted by the introduction of biological rest periods for the species in question. These periods may be fixed or spread throughout the fishing season.

This means that the fishing capacities of the Community fleet are closely related to the economic and social structures of the coastal regions (which are particularly dependent on fishing, and the fleet is assured of being able to fish regularly without harming Morocco's drive to preserve and replenish stocks, or being a barrier to the gradual development of the country's fishing industry.

3. Markets

Lastly, the agreement lays down temporary (for the duration of the agreement) changes in the preferential trade arrangements for preserved sardines, thereby giving practical shape to the cooperation drive in the trade sector in accordance with the "access to resources—access to markets" principle. This system limits the volume that can be imported zero-rated and lays down a timetable for imports so as to preserve the traditional patterns of trade and discourage speculation that is harmful to the balance of the Community's sardine industry. ◊

EEC-MAGHREB/ MASHRAK

The Commission has just decided to finance the following projects under its financial protocols with the Maghreb and Mashrak countries.

Tunisia: Development of an agricultural survey system—Grant of ECU 400 000

Tunisia's present system of agricultural statistics was set up back in 1975 and one of the big problems now is automating the treatment of the various surveys. The 7th national development plan involves major investment in the agricultural sector (about 22% for an annual average growth of 4.4% and the project, a response to a request from the Directorate of Planning, Statistics and Economic Analysis at the Tunisian Agriculture Ministry, is aimed at making up for the inadequacies of the system by:

- offering technical support and supplying computer equipment;
- studying new methods and the feasibility of a further study of the structure of agricultural and zootechnic undertakings.

Algeria: Forestry training—Grant of ECU 2 000 000

Algeria's forests cover something like 1.3 million ha and there are 700 000 ha of plantations and 2 million ha of brush. The sector has a problem managing these areas—which are decreasing following exaggerated and ill-controlled exploitation—and it has to both capitalise on and protect

them if it is to stabilise and augment national wood output and cut the imports of timber and its derivatives on which the country is very much dependent.

The project is aimed at a stage-by-stage reform of the country's forestry training system by offering support for four training centres at Telagh, Jijel, Beni-Slimane and Batna. This involves:

- running new training and retraining programmes;
- training regional trainers, mainly in Algeria.

Technical assistance will be provided, teaching materials, documentation and equipment supplied and advanced training courses organised.

Egypt: Boosting storage capacity— Financing of ECU 4 000 000

This is financing of phase two of a project to boost Egypt's agricultural storage facilities.

Agriculture is the main sector of the national economy, since it represents 20% of GNP and almost 40% of total jobs. Although the demand for agricultural products has risen considerably over the past 20 years, largely because of the big population increase (2.8% p.a.), production is lagging for structural reasons. Output increased at an annual 1.4% on average over 1975-83, so Egypt's ability to meet its own food requirements has waned worryingly to the point where it now imports more than \$3 billion-worth of food every year. ○

concerns of the Member States of the EEC and that schemes to help the poor and heavily indebted countries in sub-Saharan Africa could be expected in the near future as part of the special Community programme.

Mr Natali also talked to the Prime Minister and the Deputy Prime Minister and State Commissioner and other members of the Executive Council who are responsible for implementing cooperation with the EEC. In the talks, Mr Natali said he welcomed the way European aid was being used. This cooperation, which covered the country's priority and strategic sectors (mining, farming and roads), was, he said, exemplary.

Mr Natali also went to the Shaba mines, where he met the heads of the SNCZ and Gécamines and visited the Kolwezi mines to see what the Community had done under Sysmin to help these two firms that are vital to the nation. He said he was pleased at the effectiveness of the schemes and with the provisions that had been made to enable Gécamines-Exploitation to have the foreign exchange it needed for operation.

Mr Natali ended up in Kivu, where he was able to see that the Kivu programme had got off to a good start. This rural development programme, costing the Community ECU 40 million, is completely original in that it is primarily designed as support for private local initiative. It is aimed at contributing to self-sufficiency in food in the region, boosting export crops, protecting the environment and supplying energy and drinking water.

GENERAL INFORMATION

VISITS

Pedro de Castro Van Dunem visits Brussels

Angola's Oil and Energy Minister, Pedro de Castro Van Dunem, paid a short visit to Brussels in early March, informing the press about the situation in his country, which is under military pressure from South Africa. The attacks, he said, which were "concentrated in the strategic and economic zones, particularly Cuito", were aimed at destroying the Benguela railway.

However, the Minister confirmed that Angola was anxious for a peaceful solution to the conflict between South Africa and the other countries in the region. The negotiations with the USA were part of this quest for a non-violent answer to southern Africa's problems, he said. But "a major problem" remained—one which the American Government was concerned with, namely the "withdrawal of Cuban troops without taking Angola's security into consideration", Mr Van Dunem added.

On the economic front, the Minister of Oil and Energy said that the Government had taken various measures to liberalise important sectors and had adopted a development programme to get economic activity going again and rehabilitate the infrastructure which South Africa had destroyed.

Lorenzo Natali in Zaïre

Lorenzo Natali, EEC Commission Vice-President and Commissioner for development, spent a week in Zaïre at the invitation of the Executive Council in February.

The idea was to get first hand knowledge of the economic realities of the country, look at Lomé III implementation and discuss prospects for the next Convention, negotiations for which are scheduled to start in the autumn.

The Vice-President had an audience with Founder President Mobutu Sese Seko. They talked about cooperation between Zaïre and the EEC and then moved on to Africa's current problems, particularly a satisfactory solution to the problem of the external debt and how the Twelve should help with this. Mr Natali confirmed that he debt would remain one of the main



UNCTAD's Kenneth Dadzie visits the Commission

UNCTAD Secretary-General, Kenneth Dadzie (Ghana) visited the European Commission early in March. He had interesting talks with the Commission staff in charge of development and particularly Deputy Director-General A.J. Fairclough. On the agenda were the Uruguay Round negotiations and the consequences of GSP (the generalised system of preferences) when it came to completion of the single European market scheduled for 1 January 1993.

The Commission wanted to see better cooperation with UNCTAD with a view to maintaining the advantages the ACP countries had acquired in the Uruguay Round. ○

ACP GROUP

International Day for the Elimination of Racial Discrimination

The proclamation by the United Nations General Assembly of 21st March as the International Day for the Elimination of Racial Discrimination is of great significance in the present context.

First of all it serves to refresh our memories of the March 1960 Sharpeville massacre, the victims of which were peacefully demonstrating against the Pass Law and the oppression of South Africa's apartheid regime.

It provides for a reaffirmation of our conviction that the existence of racial barriers is repugnant to the ideals of any just human society and that apartheid constitutes a negation of human rights and of fundamental freedoms.

And it recalls Article 3 of the International Convention on the Elimination of all forms of Racial Discrimination as adopted by the UN General Assembly in 1965, inviting all parties to condemn racial segregation and apartheid, and to prevent, prohibit and eradicate all practices of this nature in territories under their jurisdiction.

In this spirit, the ACP/EEC signatories of the Third ACP/EEC Convention signed in Lomé on 8 December 1984, also resolved firmly in addition to their obligations and commitments within other international bodies, to combat, with a view to eliminating them, all forms of discrimination based on ethnic group, origin, race, nationality, colour, sex, language, religion or any other situation. They "proclaimed their determination to work effectively for the eradication of apartheid which constitutes a violation of human rights and an affront to human dignity".

In spite of all the moral pressures exerted upon South Africa, never in the modern history of man has a regime flouted with such impunity the most elementary principles of human dignity. After the Sharpeville massacre the Pretoria regime continued to act against the tide of history: Soweto, arrests and imprisonment of children, banning of media coverage, political parties, ban on any external financial assistance for victims of its oppressive system.

Despite this, the solemn Kingston Declaration adopted by the Special Council of ACP Ministers of Foreign Affairs, in October 1987 while calling for firm action, expressed the clear preference for a peaceful transformation of the South African system, in the face of a regime which has so far clearly opted for violence.

The International Community's condemnation has however hardly made a dent in the scale or intensification of the apartheid policy. More than ever the 25 million blacks in South Africa are being oppressed and stifled, more than ever the regime refuses to apply Resolution 435 of the Security Council to permit Namibia to enjoy its independence. More than ever, the systematic destabilisation of the neighbouring countries of Angola, Mozambique, Botswana, Zambia etc. has become a daily part of that regime's policy.

And yet as Desmond Tutu, the Anglican Archbishop of the Cape and head of the Anglican Church of South Africa and the 1984 Nobel Peace Prize winner so aptly wrote "the blacks of South Africa have been most remarkably patient in their claims for human rights, when in fact all indications are that the present Government envisages a military solution".

Despite the condemnation of the entire international community and innumerable efforts to initiate a dialogue for change, it is clear that the Pretoria regime has opted to maintain the main foundations of the status quo.

It is therefore inexplicable that the major trading and industrial partners of the Pretoria regime are still unwilling in this situation to apply the sanctions continuously called for by the international community, by the OAU countries, by the ACP countries and by most Commonwealth countries. ○

EEC-CHINA

Protocol on financing for a Chinese dairy development project

Willy De Clercq, the Member of the Commission in charge of External Relations, and Zheng Tuobin, the Chinese Minister of External Trade Relations, signed this protocol on 1 March earlier this year. The project is one which the Chinese authorities see as

having considerable priority in view of their programme to raise the animal protein content of the Chinese diet. It is also the biggest operation to be launched by the Community in China.

The Community contribution is a grant of food aid of 45 000 tonnes of milkpowder and 15 000 t of butteroil, plus a programme of technical assistance, for 20 towns and the areas around them (120 million inhabitants of whom 50 million urban) for a period of five years starting in 1988. These grants will supplement local output. The sales should make it possible to run a whole series of schemes to back up China's dairy development. The idea is also to help the Chinese leaders lay the foundations of a long-term national dairy development strategy.

The total cost is an estimated ECU 245 million. The financing will come from the Chinese Government (ECU 165 million), the counterpart funds from the sales of reconstituted fresh milk donated by the Community (about ECU 75 million) and direct Community financing to cover the technical assistance (ECU 4.5 million). ○

EEC-DC-LA

Bolivia: Regulation and prevention programme in the basin of TDPS (Lake Titicaca, River Desaguadero, Lake Poopo and Lake Salar)

The Commission has just decided to finance a hydraulic programme worth ECU 6 million in Bolivia.

The regulation and prevention programme helps cater for the disastrous flooding that occurs every year when Lake Titicaca overflows. The problem is one of the whole hydraulic TDPS system (Lake Titicaca, the Desaguadero, Lake Poopo and Lake Salar) which covers parts of both Peru and Bolivia. ○

1988 WORLD FOOD CONFERENCE

"It is both striking and regrettable that while the supply of food constitutes one of man's prime concerns and one of his most ancient productive activities, we have still been unable to

achieve a balance of supply and demand offering consumers a wide range of products, at reasonable prices, and giving producers a just return on their investment and their labour.

As a result, we are confronted with a problem: inflation in the food supplies of the industrialised world coupled with stagnation of supplies in the Third World. While the prices of some foodstuffs are too high for some, for others they are too low. In some countries farmers are paid less for producing more; in others they are paid more for producing less. In yet other countries they are barely paid at all..."

This was the way in which Lord Plumb, the European Parliament's Chairman, summed up the contrast which formed the substance of discussions at the 1988 World Food Conference, held in Brussels on 7 and 8 April: on the one hand hunger and malnutrition, on the other hand enormous food surpluses, depressed prices and heavy subsidies.

A number of personalities took part in the Conference, amongst whom President Kenneth Kaunda of Zambia, the current chairman of the OAU, who made a passionate appeal for higher prices for commodities and for a balance between food aid and aid for food self-sufficiency. Also taking part in the proceedings were Mr John Kerin, Australia's Minister of Primary Industries and Energy, Mr Richard Lyng, the US Secretary of Agriculture, François Guillaume, France's Agriculture Minister, the EEC's Commissioner Andriessen and its Director-General for Development, Dieter Frisch, who spoke of the role of food aid both as an emergency measure in times of disaster and as an instrument of development through the use of counterpart funds.

In his summing-up at the close of the conference, Lord Plumb welcomed the evidence that "many Governments in the industrialised world are beginning to tackle the necessary reform of the agricultural system". "But clearly", he added, "more needs to be done both to correct market imbalances and to shift the emphasis of policies. The changes required vary from country to country depending on their agricultural situation and prospects. But it is clear that they will have to involve a substantial reduction in the support given to agricultural production. Such a reduction will increase overall welfare and allow greater scope

for the exercise of comparative advantage".

"The Conference believed strongly", he continued, "that the domestic adjustments should be carried out with due regard to the interests of other countries. In particular, it stressed that the close interaction of food systems and policies of the industrialised countries with those of the developing countries must be taken fully into account.

The crisis in the Third World is economic and financial as well as agricultural. In spite of all the improvements not less than half a billion people still live in poverty so severe as to assault any ethical standards. The ultimate objective of food security—to ensure access by all people at all times to enough food in order to lead an active and healthy life—is still far from achieved, particularly in Africa. Chronic food insecurity comes not just from shortage of food but from lack of purchasing power. Most of the poor are in agriculture. Thus, priority should be given to promoting a broadly based rural development strategy.

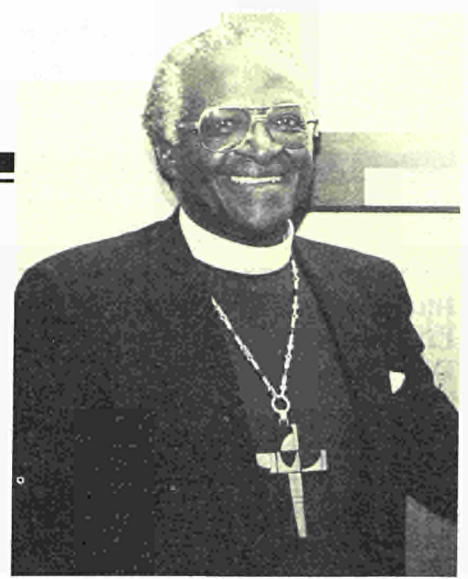
The current GATT Uruguay Round provides a unique opportunity to further many of these objectives. Most of the Contracting Parties have shown a willingness to bring into the negotiations all support measures, whether internal or at the frontier, with an influence on agriculture production and trade". ◊

LAST MINUTE

Archbishop Desmond Tutu in Brussels

The Anglican Archbishop of Cape Town and Nobel Peace Prizewinner, Desmond Tutu accompanied by Dr Beyers Naude, Secretary-General of the South African Council of Churches and Dr Max Coleman, founder of the Committee of Support for Parents of Detainees in South Africa, were among guests of honour at the opening session of the XIVth Annual General Assembly of EEC-Development NGOs which took place in Brussels from 18 to 21 April.

Meeting on the theme, "Development education" against the background of proposed legislation in South Africa to ban all foreign aid to anti-apartheid organisations, the General Assembly's invitation to Desmond Tutu could not



Archbishop Desmond Tutu

have been more appropriate. Several ACP and EEC personalities (including European parliamentarians) were at the Palais des Congrès to hear him.

The Archbishop thanked the NGOs for their assistance to South Africans (legal defence, education, and aid to the South African Council of Churches). He implored them to continue and not to be despondent if they sometimes felt they were not making any impact. "Anything that is done to one child is a tremendous creative job" he said. He expressed the hope that the NGOs would succeed in "educating" the European public to the need for justice in South Africa.

Archbishop Tutu painted a very grim picture of life for blacks in the apartheid republic—the deprivation of human rights and liberty, detention of children, the separation of husbands and wives and killings by security forces—as well as the wanton destruction of property and lives in Mozambique, Angola, Namibia, Zimbabwe, Botswana and Zambia. The apartheid regime could afford to do these because it is confident of being protected from the consequences by Bonn, London and Washington. The Archbishop said he was becoming tired of pleading with the West for pressure on the South African government to seek the path of a peaceful rather than a military solution.

He pointed out that if the South African Government succeeds in passing the legislation on foreign aid, the NGOs would be unable to continue their good work in South Africa. Europe must put pressure on Pretoria to abandon it. He again called for sanctions to be applied. His struggle was for "all South Africans to become South Africans". An end to apartheid would not only uplift the life of white and black South Africans, he said it would make South Africa the launch pad that would "catapult the whole continent of Africa into the 21st century". ◊



INDUSTRIAL OPPORTUNITIES

PUBLISHED EVERY TWO MONTHS

No. 61 : MAY-JUNE 1988

TECHNOLOGIES FOR AGRO-INDUSTRIAL DEVELOPMENT

The target countries for "International Agriculture Week" (held in Brussels from 8-11 February '88), were those developing countries where agricultural development is of primordial importance. The object of the event was to match the needs of these countries with available agricultural and agro-industrial technologies.

The week included a major technology exhibition which was visited by economic operators from developing countries. Conferences and lectures were organized on topics such as the timely processing of tropical food crops and the "appropriateness" of agricultural machinery to the needs of developing countries.

CDI was one of the sponsors of the event, in the hope that it would lead to fruitful partnerships between ACP and European industrialists, in the agro-industrial field. Among the other sponsors were UNIDO, FAO and the Belgian Administration for Development Cooperation (BADC).

The main organizer of "International Agriculture Week" was the Belgian Federation of Agriculture and Horticulture Equipment" (UGEXPO).

BRUSSELS REGION SIGNS AGREEMENT WITH CDI

"Over the years CDI has been making every effort to encourage the industrial development of ACP countries, where it has carved out its own special niche. For our own Brussels enterprises, it has become a key which op-



King Baudouin of Belgium (second from right) visits CDI's stand at "International Agriculture Week", where he is met by (from the left) CDI officials Mr. Jean-Marie Delchambre, Dr. I.A. Akinrele (Director) and Mr. Patrick Keene.

ens the way to ACP countries; in short, it is a dynamic relay body which helps to link industrialists together through partnerships".

This view of CDI was expressed by Mr. Jean-Louis Thys, Secretary of State in the Government of the Brussels Region, at the signing of an agreement between the Region and CDI, on 29 March.

In his reply CDI Director, Dr. Isaac Akinrele, announced that CDI's cooperation with Brussels firms has resulted in over ten industrial projects going into production in ACP countries. (See item about Côte d'Ivoire project on page 2).

"Our current experience in the Brussels Region", he said, "leaves us in no doubt that a fertile industrial base exists here for the promotion of exports in the form of inputs to ACP manufac-

turing industries".

Dr. Akinrele hoped that, through the agreement, ACP countries would be able to gain "more access to industrial finance in the Brussels Region". He stressed that "meaningful industrial development" in ACP countries can be achieved only if European technology and know-how are accompanied by investment finance.

Referring to the financing of a report recently presented to the UN (*), Dr. Akinrele said that between 1980 and 1986 private lending and trade-financing for sub-Saharan Africa had "been halved" and that direct foreign investment
Continued on page 2

(*) "Financing Africa's Recovery": This report was submitted to the UN Secretary-General (Mr. Javier Perez de Cuellar) by an international group of financial experts headed by Sir Douglas Wass, former Permanent Secretary of the UK Treasury. (Article in the *Financial Times* on Thursday 25 February and in *Le Monde* on Thursday 10 March 1988).

DEVELOPMENT ASSISTANCE FROM EUROPEAN REGIONS

The Assembly of European Regions has recommended that the European Institutions should include the Regions in their development cooperation programmes with third world countries. It has also suggested that the Regions should allocate some of their resources to fostering business partnerships aimed at helping the development of these countries.

This position on development aid was stated in a resolution passed unanimously, in Brussels, at the 2nd general session of the Assembly.

Prior to the vote, the assembly listened to the Minister-President of Belgium's Walloon Region describing the agreement between his Region and CDI.

The Assembly considers that, as the Regions constitute the "roots" of Europe, they can "contribute effectively to the development of the third world".

CDI signed an agreement with the Champagne-Ardenne Region of France on 15 April in Châlons-sur-Marne. This will be reported upon in more detail in a future edition of "Industrial Opportunities".

Continued from page 1

ment in the Region had been 'cut by more than two thirds'. It is estimated that an additional two billion Ecus per year will be required to cover the Region's financial shortfall. In order to cope with these conditions, added Dr. Akinrele, many ACP countries "are undergoing structural adjustment programmes, to revive growth and attract foreign investment".

Secretary of State Mr. Jean-Louis Thys said that the agreement with CDI would "comfort" small and medium sized industries (SMLs) in the Brussels Region, by allowing them to better evaluate any operations envisaged for ACP countries, and to limit the risks involved. He added that having CDI involved in one's project "must be a positive point", whenever bankers are evaluating credit risks.

The Brussels Region has allocated a budget of more than Ecu 116,000, for activities under the agreement. This fund is to cover the period up to the end of Lomé III.

The fund may be seen, said the Secretary of State, as a "third source of finance", alongside the funds of CDI



Call Agency

Mr. Jean-Louis Thys, Secretary of State in the Government of the Brussels Region, during the signing of the agreement between the Region and CDI.



Some of the PVC signs recently made by Ivopla in Côte d'Ivoire.



and the contributions of Brussels firms, for activities undertaken in ACP countries, such as feasibility studies, technical or start-up assistance and the transfer of adapted technologies. The fund may also be used for training assistance, project promotion, and diagnostic missions (for the rehabilitation, diversification, or expansion of ACP industries).

The Region has appointed the Fonds Bekaert to provide expertise for making use of the fund established under the new agreement. Fonds Bekaert is a Brussels-based non-governmental organization specialized in the transfer of know-how from private Belgian firms to SMLs in developing countries, and in the creation of business relationships between them. (One of its major activities is its "Journées Euroafricaines" which in April 1987 attracted 200 industrial participants, mainly from twelve African countries and Belgium, with excellent results).

The signing of this agreement means that now all three regional governments in Belgium have signed agree-

ments with CDI. (The Walloon Region signed in June 1986 and the Flemish Region in November 1987).

SIGN PLATES NOW MADE IN COTE D'IVOIRE

"Goodbye to losing one's way in municipalities and towns. Goodbye to unmarked boundaries between regions and municipalities".

It was in such terms of relief that the local newspaper "Fraternité Matin" greeted the establishment in Côte d'Ivoire of a small plant for the manufacture of PVC signs, in mid-1987.

The project was initiated in August 1985 by its promoter, Mr. Kouau Boni, upon reading in this newsletter, "Industrial Opportunities", a profile of the "adapted technology" involved. Mr. Boni already had twelve years of business experience behind him.

The technical partner for the project is the Brussels firm EME (Engineering-Marketing-Expertise). It carried out a feasibility study (1986) and technical and training assistance (1987). These were co-financed by CDI.

The new firm (Ivopla) may employ up to ten people and involves an investment of Ecu 125,000. Initial turnover is expected to be in the region of Ecu 300,000 per year.

TWO NEW BOARD MEMBERS FOR CDI

Belgium and the Central African Region are to be represented on CDI's Joint Governing Board by new faces.

Following the retirement of former Board chairman, Mr. Michel Delefortrie, Belgium is to be represented by Mr. Paul Carlier who is secretary general of Burobel (Committee of Belgian Consulting Firms) and CEBI (European Committee of Consulting Firms). A lawyer by training, Mr. Carlier has also been on the Board of several Belgian companies and is active in the Brussels Chamber of Commerce.

The former Ambassador of Cameroon to Benelux and the European Community, H.E. Mr. Mongo So'o, is to be replaced as Board member for Central Africa by his successor in Brussels, H.E. Ms. Simone Mairie.

Ms. Mairie has previously been her country's Ambassador to the United Nations and to Spain.

REGIONAL INDUSTRIAL COOPERATION MEETING

CARIBBEAN: MANUFACTURING FOR EXPORT

The requirements for the successful manufacture and export of Caribbean products, will be defined and discussed at a major meeting to be held in Castries, St. Lucia, from 13 to 17 June 1988.

The meeting will be the third of six meetings on industrial cooperation themes which CDI is sponsoring in each ACP region, under Lomé III.

Participants at the meeting will include policy makers, manufacturers and experts, from the 13 ACP Caribbean States and the 12 EEC countries, as well as international and regional banking and development institutions.

The main objective will be to pro-

duce recommendations, to improve the policy framework for the successful marketing of the region's manufactures. The meeting will also help to define the orientations for CDI's future assistance to export-oriented projects.

The meeting will cover the following topics:

- the export performance for Caribbean manufactures;
- key sectors for Caribbean manufacturing industries;
- the marketing of manufactured products (constraints, opportunities and effective use of the Lomé Convention);
- special status for export processing companies;

- export financing and the promotion of manufactured products;
- the role of CDI in assisting marketing and in assembling project finance.

Among the attendance will be representatives of CDI's Joint Governing Board, the Caricom Secretariat, the Organization of Eastern Caribbean States, the Caribbean Development Bank, the Caribbean Association of Industry and Commerce, the ACP Secretariat, the Commission of the European Community, the United Nations Conference for Trade and Development, and CDI antennae based in the Caribbean.

Members of the St. Lucian Government and the CDI Director will address the meeting.

OFFERS FROM ACP SPONSORS EEC INDUSTRIAL PARTNERS WANTED



EEC industrialists are invited to contact CDI, quoting the reference number, in response to any offer outlined in this section. However, CDI will reply to enquiries only if EEC industrialists give brief descriptions of their current operations and are prepared to provide the kinds of cooperation requested by the ACP sponsors.

Organizations reprinting these offers in their own publications, are asked ALWAYS to include the corresponding CDI reference numbers.

MANUFACTURE OF TOMATO PUREE

NIGERIA NIA.7212.FO.01

A group of 42 cooperative societies wishes to set up a tomato puree manufacturing industry at Arigidi-Akoko, in the tropical region of Ondo, Nigeria.

About 100 hectares of land is available for the cultivation of tomatoes and the processing capacity required for the plant is estimated to be 10 tons of raw tomatoes per hour i.e. 80 tons per day. The average annual production capacity would be 3,200 tons of tomato puree.

The output is intended for the local market as well as for export. The local development bank supports the project.

The promoters are seeking an EEC partner who will take a share of the equity in addition to providing technical and marketing assistance.

At present, there is no other local production and the promoter supplies an estimated 60% of the local market.

The promoter plans to increase annual output to 460 radiators and 620 exhausts, to capture an estimated 80% of the local market.

He seeks an EEC partner who will be able to supply him with materials and components for the manufacture of corrosion-resistant products, as well as technical assistance under a long term contractual arrangement.

AUTOMOBILE EXHAUSTS AND RADIATORS

St. CHRISTOPHER AND NEVIS STK.8156.MC.02

A private company wishes to improve and expand its production and to manufacture higher quality exhausts and radiators suited to the corrosive maritime environment of St. Christopher and Nevis.

MANUFACTURE OF GATE VALVES

ZIMBABWE ZIM.8070.MC.00

A private company currently producing brass die castings wishes to set up a new company for the manufacture of female-threaded brass gate valves (type TA 51 060), in sizes 0.5", 0.75", 1.0", 1.25".

There is at the moment no local production of these valves in Zimbabwe, so the local market is supplied entirely from imports.

All the raw materials for the product are available locally. The envisaged production capacity is around 100 000 valves per annum, to be destined for the local market as well as for export.

The promoter seeks an EEC joint venture partner who would take a share of the equity and who would be able to offer technical and training assistance.

INDUSTRIAL POTENTIAL SURVEYS OF ACP STATES

For over one year now, "Industrial Opportunities" has been carrying summaries of some of the industrial potential surveys undertaken by CDI

in all ACP States.

The surveys are a form of assistance to the ACP States and include recommendations on how best to

promote industrial development.

In this issue we publish a summary of the survey undertaken in 1986 in the West African State of Senegal.

Senegal: regional bridgehead for high added value products

Senegal has always been an active industrial producer in West Africa. Long before independence industrial policy was aimed at supplying the regional market and exploiting local resources.

This strategy was pursued following independence, and the importance of the industrial sector to the Senegalese economy continued to grow (20.5% of GNP in 1985).

However, a survey of the industrial potential of the country, financed by CDI in 1986, pointed out that this impressive share of GNP was partly due to the fall in agricultural production during the drought years and to increases in the prices of industrial products.

Senegalese industry has also suffered from insufficient integration, limited competitiveness and a high degree of sensitivity to fluctuations on world money markets.

This has been heightened by the country's dependence on external markets both for supplies of raw materials and for market outlets. The mining companies, producing mainly for the export market, predominate over the industries geared to import substitution.

The country's limited natural resources present another challenge. Some of these resources are reaching their physical limits.

The survey notes that "the high density of population in the groundnut basin has caused the soil to be so heavily used that it has almost



reached the limits of workability"; and there is a possibility that growth in fish resources may come to a standstill. The main obstacle to the development of the export-leading phosphate sector is the rising cost of mining.

However, new crops look like being profitable in the medium term: the groundnut, the industrial tomato and cottonseed. The report also considers that Senegal has "considerable advantages in the area of animal breeding, due to its geographical position, its ecological conditions and its technical expertise".

The development of the hydro-electrical potential of the river Senegal should reduce the country's energy costs, which are still very high. The government is also hopeful that ambitious hydro-agricultural pro-

grammes will stem from the development of the river, and that these will help reduce the food shortage. This would have the double advantage of reducing the debt burden and releasing foreign exchange for the purchase of equipment, or raw materials, for industry.

WORKFORCE IS MAIN ADVANTAGE

But the limits to national resources (particularly energy resources) and the high costs of infrastructural factors (water, telecommunication, etc.), lead the authors of the survey to conclude that the country's main advantage lies in its workforce.

In order to develop this workforce, the 7th Plan concentrates on improved productivity and training, with a view to centering industrialization on products with high added value. Changes have already been implemented in order to improve the standard of technical training; and traineeships designed to remedy deficiencies have been agreed with employers.

Managerial freedom in making job appointments and the notion of a productivity element in wage rates, are now being incorporated into labour law.

Senegal's economic and social stability should encourage outside investment and is therefore an important asset.

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The country will have to turn increasingly to external financing for industrial development. (Public funds are so limited that private local commercial funds have been used to finance the public sector deficit).

SOFISEDIT⁽¹⁾, the industrial credit body, already has lines of credit from IBRD⁽²⁾, BOAD⁽³⁾ and KfW⁽⁴⁾, which should enable it to take shares. There is also SONAGA⁽⁵⁾, which finances the purchase of equipment and provides management assistance for small and medium-sized industries.

PANOPLY OF INCENTIVES

The government is offering a range of incentives to encourage recovery and create a climate favourable to private investment.

These measure include the simplification of bureaucratic procedures for investors and the progressive liberalization of channels of distribution and of prices. At the same time, the State intends to clear its bank debts and to set up competition between banks. This should facilitate the granting of loans for restructuring and improve the provision of financial services.

The new Investment Code makes provision for the encouragement of small businesses. This includes exemption from import duties for products essential to industrial development, tax holidays for new industries and preferential interest rates. These advantages will be made available to both Senegalese and non-Senegalese companies willing to invest a minimum of about Ecu 600,000.

Other advantages (including the

(1) SOFISEDIT : la Société sénégalaise pour le développement de l'industrie et du tourisme.

(2) IBRD : International Bank for Reconstruction and Development.

(3) BOAD : La Banque ouest africaine de développement.

(4) KfW : Kreditanstalt für Wiederaufbau (Germany).

(5) SONAGA : la Société nationale de garantie et d'assistance au crédit.

freedom to transfer capital) will be offered to firms setting up in the Dakar Industrial Free Zone, or in locations outside the capital city.

The survey pinpoints five sectors where there is real potential for industrial development:

- the agro-industrial sector (where a decrease in protection should lead to a drop in packaging costs);
- chemical industries (which have "real potential for training and growth" — particularly recommended is the manufacture of irrigation pipes, in view of expected demand following the impending construction of a dam);
- textile industries (especially pre-spinning operations and high added value items—which need to improve their marketing and de-

sign—such as dyeing and hosiery);

- leather and shoe industries, (where external demand is strong);
- metal and mechanical industries (items for the building industry, agricultural tools, spare parts, etc.).

The survey suggests that some points in the New Industrial Policy be clarified, such as the social cost (effects on employment) of decreasing the protection given to national production. The existing incentives to encourage the siting of industries outside Dakar should be reinforced, adds the survey, with a view to obtaining the best economic returns from the natural resources of the various regions.

CDI'S ASSISTANCE TO SENEGAL UNDER LOMÉ III

Below we list some of the projects already assisted under CDI's initial programme for Senegal under Lomé III. Some of these projects were derived from the industrial potential survey undertaken by CDI in Senegal in 1986.

- **Organic fertilizers** — CDI co-financed a feasibility study for a pilot plant for the production of organic fertilizers from rice husks; field and production tests were also carried out.
- **Car batteries** — technical assistance was provided for the start-up of a car battery factory which went into production in 1986.
- **Egg trays** (from waste paper) — technical assistance was provided to enable the company to start producing at full capacity; this is an "adapted technology" project.
- **Metal wire sponges** — CDI provided start-up assistance for a plant which entered production in 1986.
- **Processed fish** — a marketing study was conducted in West Africa and Europe, for processed pelagic fish.
- **Industrial free zone** — CDI provided technical and financial assistance for the printing of a brochure for the Société de Gestion du Domaine Industriel de Dakar (SODIDA), to help its promotional efforts.
- **Fish drying** — CDI financed a feasibility study and provided implementation assistance for this project, which started production in late 1987.
- **Poultry feed** — travel assistance was provided to the promoter to allow him to visit his technical partners in Europe, to discuss the choice of equipment; further assistance, for training, is being considered.



INDUSTRIAL PROPOSALS FROM EEC FIRMS ACP ENTREPRENEURS, PLEASE REPLY

The proposals outlined below have been put forward by EEC firms interested in setting up production in ACP countries, under joint venture, franchising, licencing, sub-contracting, marketing, management or other agreements with local businessmen.

ACP entrepreneurs interested in any proposal are invited to write to CDI quoting the reference number. However, CDI will not be in a position to act upon letters received unless ACP entrepreneurs provide all the information requested at the bottom of page 8.

Where a joint venture is proposed, the EEC companies are willing to consider contributing (depending on the country and the project) some 20% of the equity investment. For other proposals, the companies are committed to entering into long-term agreements for the creation of profitable ventures.

Where second hand equipment is suggested, CDI may sponsor an evaluation by an independent expert of the quality, cost, suitability and condition of such equipment.

All equipment costs are quoted in Ecu (European currency units). The value of the Ecu may easily be ascertained from its relationship to other European currencies. Thus, on 5 April 1988: 1 Ecu = £ 0.66, or FF 7.04, or DM 2.08.

Please ALWAYS mention the CDI reference numbers when reproducing these proposals.

88/31 BELGIUM ORNAMENTAL PLANTS, PRODUCED VIA IN VITRO CULTIVATION (GLASS-HOUSES)	Minimum capacity: 100,000 plants per year, with an investment in equipment of Ecu 700 000. Proposed cooperation: technical assistance, training, export marketing.
88/35 BELGIUM MARIGOLD CULTIVATION, CROPPING AND DRYING	<i>The aim is to obtain a concentrate for use as a poultry feedstuff.</i> Minimum capacity: 1 000 to 1 250 hectares, with an investment of Ecu 124 000, depending on the type of equipment; (existing grain-drying or similar equipment might also be suitable). Proposed cooperation: transfer of know-how and technical assistance, export marketing.
88/15 ITALY TANNERY OILS, OF VEG- ETAL AND ANIMAL ORIGIN	Minimum capacity: 1 000 to 2 000 tonnes per year (for a turnover of Ecu 1.3 to 2.6 million) with an investment in equipment of Ecu 987 000 (new equipment) or Ecu 658 000 (second hand equipment). Proposed cooperation: joint venture, licencing agreement, technical assistance, training.
88/22 PORTUGAL WATERPROOF PRODUCTS (40 TYPES) FOR CONSTRUCTION PURPOSES	<i>Polyster, fibreglass and aluminium products.</i> Minimum capacity: (\pm 1 200 000 m ² per year, with an investment in equipment of Ecu 820 000; second hand equipment available). Proposed cooperation: joint venture, transfer of know-how and technical assistance, supply of raw materials and/or equipment.
88/37 BELGIUM HAND-MADE BRICKS	Minimum capacity: 10 to 15 million units per year, with an investment in second hand equipment of Ecu 580 000 (including kiln). Proposed cooperation: joint venture, technical and management assistance.
88/39 BELGIUM CONCRETE BLOCKS (FOR JOINING WITHOUT CEMENT)	Minimum capacity: 4 000 pieces per day in one eight-hour shift, with an investment in equipment of Ecu 350 000. Proposed cooperation: joint venture, technical and management assistance, training.
88/41 FRANCE CEMENT WITH LATERITE	<i>The use of 30-50% laterite, to replace clinker or cement, can save on foreign exchange and energy costs.</i> Minimum capacity: either 1 tonne, 5 tonnes or 20 tonnes per day, with an investment in equipment of Ecu 157 000, Ecu 228 000, or Ecu 528 000 (depending on the capacity chosen). Proposed cooperation: licencing agreement, technical assistance, training.
88/42 FRANCE CORRUGATED OR FLAT ROOFING MATERIAL (BASED ON VEGETAL FIBRE OR ASPHALT)	Minimum capacity: 360 m ² per hour, with an investment in equipment of Ecu 900 000. Proposed cooperation: joint venture, technical assistance, marketing.
88/45 PORTUGAL 1. PLATE GLASS 2. LAMINATED FIGURE GLASS	Minimum capacity: 40 tonnes per day with an investment in equipment of Ecu 4 100 000 (item 1) and Ecu 5 100 000 (item 2). Proposed cooperation: joint venture, licencing agreement, technical assistance, training, management and marketing assistance.
88/51 PORTUGAL RED CLAY BRICKS	Minimum capacity: 100 tonnes of bricks per day, with an investment in equipment of Ecu 574 000. Proposed cooperation: joint venture, licencing agreement, technical assistance, training.

88/10 <i>PORTUGAL</i> BEER AND SOFT DRINKS	Minimum capacity: 100 000 hl per year, with an investment in equipment of Ecu 7 million. Proposed cooperation: joint venture, licencing agreement, transfer of know-how, technical assistance, supply of equipment and/or raw materials, management and marketing assistance, training.
88/12 <i>ITALY</i> BISCUITS AND GATEAUX	Minimum capacity: up to 4 tonnes per day of biscuits, with investment in equipment of Ecu 650 000. Proposed cooperation: joint venture, licencing agreement, transfer of know-how, technical assistance, supply of raw material and/or equipment.
88/16 <i>ITALY</i> CASHUWNUT PROCESSING	Minimum capacity: 390 tonnes per year, with an investment in equipment of Ecu 384 000. Proposed cooperation: joint venture, technical assistance, marketing, training.
88/24 <i>DENMARK</i> PRODUCTION OF ICE-CREAM AND ALL OTHER DAIRY PRODUCTS	Minimum capacity: processing of a maximum of 20 000 litres of milk per day, with an investment in equipment of Ecu 1 650 000 (for milk and ice-cream) and Ecu 4 450 000 (for yoghurt, cheese and butter). Proposed cooperation: joint venture, licencing agreement, know-how, management and training.
88/26 <i>DENMARK</i> ICE CREAM	Minimum capacity: 400 000 litres per year, with a investment in equipment of Ecu 1 million. Proposed cooperation: joint venture, know-how, management, training, studies.
88/27 <i>DENMARK</i> JAMS, CANNED FRUIT	Minimum capacity: 1 500 kg of jam per hour, with an investment in equipment of Ecu 440 000. Proposed cooperation: joint venture, know-how, management, training.
88/44 <i>BELGIUM</i> FRUIT JUICE, NECTAR AND CONCENTRATES	Minimum capacity: from 500 kg to 4 000 kg of fresh fruit per hour, with an investment in equipment of Ecu 0.6 million to Ecu 3 million. Proposed cooperation: joint venture, technical assistance (for the setting-up phase) and management.
88/54 <i>ITALY</i> DAIRY PRODUCTS	<i>UHT milk, pasteurized milk, cheese, yoghurt.</i> Minimum capacity: variable according to the available milk supply, with an investment in equipment of Ecu 132 000 to Ecu 6 500 000, depending on the quantity of milk to be processed. Proposed cooperation: licencing agreement.
88/11 <i>ITALY</i> DECORATIVE LAMPS (STEEL PARTS)	Minimum capacity: 110 tonnes per year of copper and 350 tonnes per year of iron, with an investment in equipment of Ecu 328 000. Proposed cooperation: licencing agreement, transfer of know-how, supply of equipment and/or raw materials.
88/14 <i>ITALY</i> AGRICULTURAL TOOLS	Minimum capacity: 50 000 items per year (shovels, pickaxes); 100 000 items per year (tongs, hammers); 300 000 items per year (screwdrivers, keys); with an investment in equipment of Ecu 3 835 000 (new equipment) or Ecu 1 530 000 (second hand equipment). Proposed cooperation: joint venture, technical assistance, management assistance, training.
88/23 <i>PORTUGAL</i> BUS PRODUCTION AND REPAIR UNIT	Minimal capacity: 90 buses per year, with an investment in equipment of Ecu 2 800 000. Proposed cooperation: joint venture, licencing agreement, transfer of know-how, technical assistance, supply of raw materials and/or equipment.
88/55 <i>SPAIN</i> SMALL FOUNDRY	Minimum capacity: minimum turnover of Ecu 355 000, with an investment in equipment of Ecu 780 000 (new equipment) or Ecu 355 000 (second hand equipment). Proposed cooperation: joint venture, marketing, transfer of technology.
88/58 <i>SPAIN</i> STAINLESS STEEL CUTLERY	Minimum capacity: 5 000 000 units per year, with an investment in equipment of Ecu 3 800 000. Proposed cooperation: joint venture, technical assistance, training.
88/17 <i>SPAIN</i> FISHING BOATS IN REINFORCED POLYESTER	Minimum capacity: from 12 to 30 boats per year (depending on size), with an investment in equipment of Ecu 1 640 000 (including moulds). Proposed cooperation: joint venture, licencing agreement, technical and management assistance, training, sub-contracting.
88/21 <i>PORTUGAL</i> T-SHIRTS, BLOUSES, TROUSERS, JUMPERS	Minimum capacity: from 250 to 6 000 per day according to item; the equipment required is rather modest and varies according to the degree of automatic processing desired. Proposed cooperation: joint venture, industrial franchising, technical assistance, sub-contracting, training.
88/18 <i>PORTUGAL</i> PLANKS AND PARQUET MOSAIC	Minimum capacity: 10 000 m ³ of planks and 385 000 m ² of parquet mosaic per year, with an investment in equipment of Ecu 5 320 000. Proposed cooperation: joint venture, technical assistance, training.

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88/19 PORTUGAL

PLANKS, BOARDS AND DOORS,
IN EXOTIC WOODS

Minimum capacity: 30 000 m³ of planks and 5 000 000 m² of boards per year with an investment in equipment of Ecu 11 700 000.

Proposed cooperation: joint venture, technical assistance, training.

88/20 PORTUGAL

BOARDS AND PARQUET
MOSAIC

Minimum capacity: 5 000 m³ of boards and 200 000 m² of parquet mosaic per year, with an investment in equipment of Ecu 4 100 000.

Proposed cooperation: joint venture, technical assistance, training.

88/34 BELGIUM

COMBUSTIBLE BRIQUETTES
AND GRANULES

Briquettes made from compacted wood waste, for use as domestic fuel; and granules for industrial fuel.

Minimum capacity: 3 tonnes per year of granules and 1.2 tonnes per hour of briquettes, with equipment which would cost Ecu 1 100 000 if new, but which is available second hand.

Proposed cooperation: reinstatement assistance, start-up, joint venture.

The following proposals relate to smaller investments, or technologies which might be of interest to existing industries.

88/9 ITALY

STABILIZED
EARTH BLOCKS

Minimum capacity: 300 blocks per day with manual equipment and 2 000 blocks per day with semi-automatic equipment, with an investment in equipment of Ecu 65 000 (manual) and Ecu 180 000 (semi-automatic).

Proposed cooperation: licencing agreement, transfer of know-how, supply of raw materials and/or equipment.

88/25 BELGIUM

CLAY BRICKS,
TILES, AND
BLOCKS

Minimum capacity: 800 bricks and 500 tiles per day, with an investment in equipment up to Ecu 160 000.

Proposed cooperation: joint venture, technical and management assistance.

88/40 BELGIUM

FLOORING BLOCKS
(ROUGH AND
UNFINISHED,
NOT PRESTRESSED)

Minimum capacity: 70 000 m² per year, with an investment in equipment of Ecu 140 000 (second hand).

Proposed cooperation: joint venture, franchising agreement, technical assistance.

88/13 ITALY

SOLAR ENERGY
EQUIPMENT,
SOLAR WATER
HEATERS

Minimum capacity: 1 000 units per year, with an investment in equipment varying according to which parts are produced locally.

Proposed cooperation: joint venture, licencing agreement, technical assistance, training.

88/8 PORTUGAL

FISHING BOATS
(AND OTHER
TYPES)

Minimum capacity: 7 fishing boats (of 24 m) per year (or an equivalent output for other types), with an investment in equipment of Ecu 98 000.

Proposed cooperation: joint venture, search for finance, marketing, training, technical assistance.

88/29 IRELAND

SIMPLE DRILLING
EQUIPMENT
(TRACTOR
MOUNTED)

Minimum capacity: 10 units per year, with an investment in equipment of Ecu 38 000 (second hand).

Proposed cooperation: licencing agreement, know-how, training.

88/33 BELGIUM

ROLLING
SHUTTERS AND
GRILLES
(MECHANICALLY
OPERATED)

Minimum capacity: 150 000 m² of shutters per year, with an investment in equipment that would be marginal for an existing engineering firm.

Proposed cooperation: technical assistance, transfer of know-how, with possibility of moving to a joint venture with equity participation.

88/48 PORTUGAL

URBAN WASTE
COLLECTING
LORRIES,
ELEVATOR-
EQUIPPED
VEHICLES

Minimum capacity: 20 lorries and 1 000 containers per year, with an investment in equipment of Ecu 140 000.

Proposed cooperation: licencing agreement, technical assistance, training.

88/52 PORTUGAL

VALVE ASSEMBLY
(From 2" to 24")

Minimum capacity: variable according to local requirements, up to 7 000 per year, with an investment in equipment of Ecu 70 000.

Proposed cooperation: joint venture, technical assistance, training.

88/57 PORTUGAL

NAVAL AND
GENERAL
HARDWARE

Turnbuckles, metallic cables, shackles, hooks and pulleys.

Minimum capacity: varies according to type of product, with an investment in equipment of Ecu 200 000.

Proposed cooperation: joint venture, technical assistance, training.

88/30 GERMANY

UNDERWEAR,
BATHING SUITS

Minimum capacity: 1 000 items per day (one 8-hour shift), with an investment in equipment of Ecu 121 000.

Proposed cooperation: licencing agreement, training, technical assistance.

Information required of ACP entrepreneurs when replying

- Show why it would be worth-while to manufacture the products in question in your country, e.g. give market data, indicate that raw materials are available locally, etc.
- Describe your present activities plus your industrial and/or commercial experience, enclosing any available information such as your latest balance sheet.
- State how much capital you yourself could contribute.
- State the maximum portion of the equity your country legally allows to an EEC partner.
- Can you obtain finance and if so from where?
- If you need a foreign loan or supplier's credit, can you obtain a local guarantee?
- Is your project a national priority?
- Outline the incentives your country offers to foreign investors.

OPERATIONAL SUMMARY

No. 45 — May 1988

(position as at 25th April 1988)



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.25/1/1)
200, rue de la Loi
B-1049 Brussels

Please cover only one subject at a time.

DESCRIPTION SECTOR CODE

A1	Planning and public administration	A5B	Industrial development banks
A1A	Administrative buildings	A5C	Tourism, hotels and other tourist facilities
A1B	Economic planning and policy	A5D	Export promotion
A1C	Assistance to the normal operations of government not falling under a different category	A5E	Trade, commerce and distribution
A1D	Police and fire protection	A5F	Co-operatives (except agriculture and housing)
A1E	Collection and publication of statistics of all kinds, information and documentation	A5G	Publishing, journalism, cinema, photography
A1F	Economic surveys, pre-investment studies	A5H	Other insurance and banking
A1G	Cartography, mapping, aerial photography	A5I	Archaeological conservation, game reserves
A1H	Demography and manpower studies		
A2	Development of public utilities	A6	Education
A2A	Power production and distribution	A6A	Primary and secondary education
A2Ai	Electricity	A6B	University and higher technical institutes
A2B	Water supply	A6Bi	Medical
A2C	Communications	A6C	Teacher training
A2D	Transport and navigation	A6Ci	Agricultural training
A2E	Meteorology	A6D	Vocational and technical training
A2F	Peaceful uses of atomic energy (non-power)	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.
A3	Agriculture, fishing and forestry	A7	Health
A3A	Agricultural production	A7A	Hospitals and clinics
A3B	Service to agriculture	A7B	Maternal and child care
A3C	Forestry	A7C	Family planning and population-related research
A3D	Fishing and hunting	A7D	Other medical and dental services
A3E	Conservation and extension	A7E	Public health administration
A3F	Agricultural storage	A7F	Medical insurance programmes
A3G	Agricultural construction		
A3H	Home economics and nutrition	A8	Social infrastructure and social welfare
A3I	Land and soil surveys	A8A	Housing, urban and rural
A4	Industry, mining and construction	A8B	Community development and facilities
A4A	Extractive industries	A8C	Environmental sanitation
A4Ai	Petroleum and natural gas	A8D	Labour
A4B	Manufacturing	A8E	Social welfare, social security and other social schemes
A4C	Engineering and construction	A8F	Environmental protection
A4D	Cottage industry and handicraft	A8G	Flood control
A4E	Productivity, including management, automation, accountancy, business, finance and investment	A8H	Land settlement
A4F	Non-agricultural storage and warehousing	A8I	Cultural activities
A4G	Research in industrial technology	A9	Multisector
A5	Trade, banking, tourism and other services	A9A	River development
A5A	Agricultural development banks	A9B	Regional development projects
		A10	Unspecified



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To obtain any information concerning PABLI please write, specifying the option chosen (terminal or telex) to:

ECHO Customer Service
117, Route d'Esch
L-1471 LUXEMBOURG
Tél.: 352/48.80.41
Télex: 2181

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

Sectoral Import Programme. Resp. Auth.: Ministère du Plan. 35 mECU. Supply of seeds (maize, potatoes, for market garden crops) fertilizers, tools, vehicles, raw materials, rural equipment. T.A. and evaluation. **★ Project in execution.** 6th EDF. EDF ANG 6005 A3a

Somar plant rehabilitation in Namibie. Resp. Auth.: Ministère de la pêche. Estimated cost ± 2 mECU. Rehabilitation works. Project on appraisal. 6th EDF. EDF ANG 6003 A3d

BAHAMAS

Rural economic infrastructure (Family Islands Energy). Resp. Auth.: Bahamas Electricity Corporation. 2.5 mECU. Works, installation, supply of generators, cables, renewable energy systems. **Int. tender for supplies launched in March 88. Project in execution.** 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. Project on appraisal. 6th EDF. EDF BEL 6002 A6b

BENIN

Upgrading of health service infrastructure. Resp. Auth.: Ministère de la Santé Publique. Estimated cost 14.3 mECU: renovation and construction of the hospital building and equipment. **Project in execution.** 5th and 6th EDF. EDF BEN 5010 A7a

Mono rural development programme. Development of the rural production. Cofinancing with BAD. Estimated total cost 51.8 mECU. EDF 32,5 mECU, BAD 14.4 mECU, local 4.9 mECU. **Project on appraisal. Date foreseen for financing June 88.** 6th EDF. EDF BEN 6003 A3a

BOTSWANA

Kasane airport. Resp. Auth.: Ministry of Works and Communications. Estimated total cost 10.6 mECU. EDF 6 mECU, Italy 1.5 mECU, local 3.1 mECU. Construction of 2 000 m runway, bush clearance of 170 ha,

buildings, two main apron stands, air traffic control equipment, telecommunication network, crash fire and rescue equipment, car park. Works supervision. Date financing **★ April 88.** 6th EDF. EDF BT 6002 A2d

Support programme for dry land agriculture. Resp. Auth.: Ministry of Agriculture and Ministry of Lands. 3.5 mECU. Masterplan for Pandamatenga, soil laboratory, Pandamatenga Research Farm, price study. Works, supply of laboratory equipment, agricultural machinery, studies and T.A. Studies: Pandamatenga masterplan. Price study: short-lists already drawn up. Project in execution. 6th EDF. EDF BT 6005 A3a

Manpower development for sustainable resource utilisation. Resp. Auth.: Ministry of Finance and University of Botswana. 4.4 mECU. T.A. and training for basic science, ground water exploration and management, environmental resource and sustainable agriculture. **Project in execution.** 6th EDF. EDF BT 6003 A6

BURKINA FASO

Rural water supply. Comoé, 3rd phase. Resp. Auth.: Ministère des Ressources Financières. 3.1 mECU. 210 bore-holes and rehabilitation of 30 water-points. Supply of handpumps and equipment. Project in execution. 4th EDF. EDF BK 4023 A2b

Rural integrated development programme in the provinces of Sourou, Yatenga and Passoré. Resp. Auth.: Ministère de l'eau, Ministère de l'Agriculture et Elevage, Ministère de la Santé, Ministère de l'Education Nationale. 44 mECU. Development and security of rural production, land capital protection, drinking water supply, rural health improvement, training and monitoring, planning and coordination at regional level. Works for water control, training, T.A., supplies, coordination and follow-up. **★ Project in execution.** 6th EDF. EDF BK 6001 A3a

BURUNDI

Roads and bridges in Bujumbura. 15.6 mECU. Road and bridge construction. Supervision of works. Study of the execution and preparation of the int. tender dossier for roads: short-list done. **Works: int. tender launched in March 88.** Date financing March 88. 5th and 6th 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. 34.815 mECU. Improvement of the feeder roads and secondary roads, rural hydraulics, rural stock-farming and reafforestation development. Support to cooperatives. Feasibility study for second-

ary roads and hydraulics: short-list done. Project in execution. 6th EDF. EDF BU 6001 A3a

Rehabilitation of the R.N. 1-Bujumbura-Rwanda border. Resp. Auth.: Ministère des Travaux Publics. Estimated cost 22 mECU. Rehabilitation works plus the town section up the port of Bujumbura. Study to be done: technical study for the execution and int. tender dossier preparation. Short-list already drawn up. Project on appraisal. 6th EDF. EDF BU-REG 6305 A2d

Rehabilitation of the R.N. 2 (Bugarama-Giteca). Resp. Auth.: Ministère des T.P. 6.3 mECU. Works and supervision. 68 km. Project on appraisal. Int. tender (conditional) **★ launched end of January 88. Date foreseen for financing May 88.** 6th EDF. EDF BU 6006 A2d

Support to the Mugamba tea communities. Resp. Auth.: Ministère de l'Agriculture et de l'Elevage and Office du Thé OTB). Estimated total cost ± 21 mECU. EDF 18 mECU, EIB 3 mECU. Works, supplies, T.A. and training. Project on appraisal. 6th EDF. EDF BU 6008 A3a

CAMEROON

Rural development programme in the Bénoué basin. Resp. Auth.: Mission d'études pour l'aménagement de la vallée supérieure de la Bénoué (MEAVSB). Total estimated cost 30 mECU, EDF part 25 mECU. Roads network, schools, health centres, rural water supply. Support to crop production and fishery. Irrigated agricultural areas, fight against soil and surface vegetation degradation. Works, supplies, T.A. and training. Study to be done: sectoral studies to implement different sectors of the programme. Short-list already drawn up. Project in execution. 6th EDF. EDF CM 6002 A3a

CAPE VERDE

Groundwater research. Resp. Auth.: Ministère du Développement Rural. EDF part 2.2 mECU. Cofinancing with France 0.5 mECU, Kowait 1.3 mECU. Construction of a gallery in Bota Rama, supply of drilling equipment. T.A. **Project in execution.** 5th EDF. EDF CV 5001 A2b

Town development of Praia. Estimated cost 19.8 mECU. Works and supply of equipment, T.A. and supervision of works. Project on appraisal. Date foreseen for financing April 88. 6th EDF. EDF CV 6001 A2d

CENTRAL AFRICAN REPUBLIC

National Livestock Programme. Supply of agricultural inputs, monitoring training, T.A. Feeder roads. EDF part 10 mECU. Cofinancing with France, EIB, local, IFAD. Proj-

- ect in execution. 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. EDF 25 mECU. Project in execution. 6th EDF.
EDF CA 6002 A3a
- Development programme of the Central and Southern region.** Resp. Auth.: Ministère du Dév. Rural. 20.3 mECU. To strengthen coffee plantations in the villages and the infrastructure, diversifications in cotton zones; rural health and human hydraulics, T.A., studies, following and evaluation. Studies to be done: hydro-geological study and health expertise; studies to reconvert cotton zones and on producers cooperatives; if necessary, expertise on agriculture and reforestation. Short-lists already drawn up. Project on appraisal. Date foreseen for financing **1st half 88**. 6th EDF.
EDF CA 6005 A3a
- CHAD**
- Rural development priority programme in the concentration zone.** Resp. Auth.: Office National de Dév. Rural (ONDR). 15 mECU. Hydro-agricultural works, infrastructure, education, health. Works, supplies and T.A. Project in execution. 6th EDF.
EDF CD 6002 A3e
- Support programme to strengthen primary education.** Resp. Auth.: Ministère de l'Éducation Nationale. 1.275 mECU. Supply of teaching equipment and training and integration scholarships. Project in execution. 5th EDF.
EDF CD 5022 A6a
- Strengthening of the health sector in the Sahelian prefectures.** Resp. Auth.: Ministère de la Santé Publique. 12 mECU. Supply of essential medicines, training programme and T.A. Project in execution. 6th EDF.
EDF CD 6003 A7e
- COMOROS**
- Artisanal fishery.** Resp. Auth.: Ministère de la Production et des Industries Agricoles et de l'Artisanat. 1.092 mECU. Supply of equipment, boats, engines, T.A. and training. Project in execution. 5th EDF.
EDF COM 5017 A3d
- CONGO**
- FEDAR (EDF regional action for the Pool and Cuvette).** Resp. Auth.: Ministère du Plan. Estimated cost 36 mECU. Roads, wells, rural infrastructure, supervision of works, line of credit, monitoring. Project on appraisal. **Date foreseen for financing June 88**. 6th EDF.
EDF COB 6002 A3a
- COTE D'IVOIRE**
- Rural oil palm plantations for the 2nd palm plan.** Resp. Auth.: Ministère de l'Agric-
- ulture. EDF 20.850 mECU. 22,945 ha in rural areas. Project in execution. 6th EDF.
EDF IVC 6001 A3a
- Collection and grouping centres.** Building of 3 centres in Kotobi (vegetables), Sine-matali (mangoes) and Meadji (plantain bananas). Works by acc. tender. Supplies by restr. tender. T.A., animation, promotion, training, follow up and evaluation. 2.150 mECU. Project on appraisal. Date foreseen for financing June 88. 4th and 5th EDF.
EDF IVC 5027 A3a
- DJIBOUTI**
- Rural development programme.** Resp. Auth.: Ministère de l'Agriculture. EDF part estimated at 4.9 mECU. Improvement of the rural development, farm and livestock monitoring, rural hydraulics, palm-tree plantations, pump-station maintenance. Studies to be done: evaluation of the rural development programme; study on possibilities to improve rural development. Short-lists, already drawn up. Project stage: identification. 6th EDF.
EDF DI 6001 A3a
- Urban development programme.** Resp. Auth.: Ministère des Travaux Publics, de l'Urbanisme et du Logement et Ministère de l'Intérieur. 4 mECU. Rehabilitation, construction of waste water controlled network, works and supplies, road assessments to improve rain waters. Studies for rehabilitation and to prepare int. tender dossiers (drainage, roads, drinking water, fire protection): short-lists already drawn up. **Project in execution**. 6th EDF.
EDF DI 6002 A2d
- Health programme.** Resp. Auth.: Ministère de la Santé Publique. Estimated total cost 1.016 mECU. EDF 0.855 mECU, France 0.116 mECU, local 0.045 mECU. Building of the training centre for health care staff, and of Rural Health Centres. Supply of mobile health care equipment, T.A. to the Health and Epidemiological service. **Project in execution**. 4th and 6th EDF.
EDF DI 6003 A7a
- EQUATORIAL GUINEA**
- Rehabilitation of the cacao-tree plantation in the Bioko Island.** Resp. Auth.: Ministère de l'Agriculture, de l'Élevage et du Développement Rural. 0.900 mECU. 2nd phase. Supply of agricultural inputs. Project in execution. 5th EDF.
EDF EG 5008 A3a
- ETHIOPIA**
- North Shewa rural reclamation and development programme.** Resp. Auth.: Ministry of Agriculture. Total cost 28.5 mECU. EDF 24 mECU, local 4.5 mECU. Soil and water conservation, reforestation, rural infrastructure development and feeder roads. Works, supply of equipment, vehicles, T.A. and line of credit. Project in execution. 6th EDF.
EDF ET 6001 A3a
- Central Shewa peasant agriculture development programme.** Resp. Auth.: Ministry of Agriculture. Estimated cost 53.5 mECU. Buildings, roads, rural infrastructure, agricultural inputs, consumer goods, equipments, T.A., studies, credit line. Project on appraisal. 6th EDF.
EDF ET 6002 A3a
- South Shewa conservation-based rural development.** Resp. Auth.: Ministry of Agriculture. Estimated cost 26.5 mECU. Buildings, roads, rural infrastructure, agricultural inputs, consumer goods, training, T.A., micro-projects, credit line. Project on appraisal. 6th EDF.
EDF ET 6005 A3a
- GABON**
- Experimental rural rubber tree cultivation programme Mitzi/Bitam.** Resp. Auth.: Ministère de l'Agriculture et du Développement Rural. 2.3 mECU. Special loan to support development of rural rubber tree cultivations in the concentration area assisted by the EEC. Works, supplies and T.A. **Project in execution**. 6th EDF.
EDF GA 6004 A3a
- Audit and diagnosis of the public and semi-public sector.** Resp. Auth.: Haut Commissariat au Plan, au Développement et à l'Économie. 2 mECU. T.A. **Prequalification launched in February 88**. 5th and 6th EDF. Date financing March 88.
EDF GA 6006 A1f
- 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 88. Project in execution. 4th EDF.
EDF GM 4005 A6b
- Development of the non-industrial fisheries.** 3 mECU. Works and supplies. Project in execution. 6th EDF.
EDF GM 6003 A3d
- Fuel import programme.** Resp. Auth.: Ministry of Finance and Trade. Estimated cost 5 mECU. Supply of petrol (15 million litres, ron 93-95) and gasoil (25 million litres). Supply by int. tender. Date financing March 88. 6th EDF.
EDF GM 6008 A4f
- Development support for the "Upper River Division".** Resp. Auth.: Ministry of Economic Planning. 7 mECU. Rehabilitation and improvement of feeder roads, rebuilding and equipment of 6 health centres, rehabilitation of 18 primary schools and 2 vocational training craft centres, rehabilitation of 20 new wells. Credit lines. Works by acc. tenders, supplies by int. tenders. T.A. Project on appraisal. **Date foreseen for financing June 88**. 6th EDF.
EDF GM 6004 A3a
- GHANA**
- Programme for the improvement of the transport infrastructure in the South**

Western part. First actions. 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 in execution. 6th EDF.
EDF GH 6001 A2d

Support to Ghana Regional Appropriate Technology Industrial Service (GRATIS). Resp. Auth.: Ministry of Industries, Science and Technology. EDF part estimated at 1.200 mECU. Supply of equipments, vehicles, T.A. and training. Project in execution. 6th EDF.
EDF GH 6004 A4g

Rehabilitation of Dawhenya smallholder rice irrigation scheme. 2,4 mECU. Rehabilitation works over 244 ha. Provision of agricultural equipment and other inputs. Project in execution. 6th EDF.
EDF GH 6005 A3a

Accra Plains Livestock Development Project (APLDP). Estimated total cost 4 mECU. EDF part 3 mECU, local 1 mECU. Provision of veterinary and animal husbandry extension services, including construction of cattle treatment centres, water points and other inputs. Project on appraisal. 6th EDF.
EDF GH 6006 A3a

Transport infrastructure programme. Phase II. Resp. Auth.: Ghana Highway Authority. 5 mECU. Rehabilitation of drainage structures and minor bridges of first priority on trunk and feeder roads. T.A. and supervision of works. Technical study: short-list already drawn up. Project in execution. 5th EDF.
EDF GH 5030 A2d

Twifo oil palm development. Maintenance aid 1988-1991. Resp. Auth.: Ministry of Finance and Economic Planning (M.F.E.P.). Total estimated cost 12.6 mECU. EDF 5 mECU, local 7.6 mECU. Works, supply of equipment and T.A. Study to be done: financial reappraisal of the Twifo oil palm plantation. Short-list already drawn up. Project on appraisal. 6th EDF.
EDF GH 6007 A3a

GUINEA

Rural development programme in Upper-Guinea. Resp. Auth.: Coordination team composed by representation from: Ministère du Plan et de la Coopération internationale, Ministère du Finances, Secrétariat d'Etat à la Décentralisation, Ministère du Développement Rural, 30 mECU. To modernise agricultural systems and to improve the way of living. Development of the crop production, infrastructure (roads, social, rural hydraulics), micro-projects, lines of credit, T.A. and training. **Supplies: int. tender launched in February 88.** Project in execution. 6th EDF.
EDF GUI 6002 A3a

Rural development programme in Maritime-Guinea. Resp. Auth.: Coordination team (see EDF GUI 6002). 40 mECU. Crop production and fishery, road network, social

infrastructure, rural hydraulics, micro-projects, lines of credit, research actions, vulgarisation, T.A. and training. **Supplies: 2 int. tenders launched in March 88.** Project in execution. 6th EDF.
FED GUI 6001 A3a

Strengthening of health infrastructure. Resp. Auth.: Ministère de la Santé. Estimated cost 9.4 mECU. Continuation and achievement of the Ignace Deen hospital rehabilitation. T.A. and training. Date financing February 88. 6th EDF.
EDF GUI 6005 A7a, e

GUINEA BISSAU

Minor bridges. Resp. Auth.: Ministère de l'Équipement Social. Estimated total cost 3.7 mECU. Construction of 4 bridges to open four agricultural regions. Works and supervision. Project on appraisal. 5th EDF.
EDF GUB 5011 A2d

Rural development programme. 23.8 mECU. Improvement of the food and fishery production, line of credit, micro-projects, T.A. and training. **Project in execution.** 6th EDF.
EDF GUB 6001 A3a

GUYANA

Economic infrastructure sector support programme. Resp. Auth.: Ministry of Finance. 15 mECU. Rehabilitation of sea defences, quarries, transport, water supplies. Supply of equipment, training. First int. tender for supplies foreseen in the 2nd quarter 88. Project on appraisal. **Date foreseen for financing May 88.** 6th EDF.
EDF GUA 6003 A2b, d

JAMAICA

Jamaica Public Service Company (JPSCO). Training centre. Resp. Auth.: JPSCO. Estimated total cost: 2.710 mECU. EDF part 0.540 mECU, Italy 1,350 mECU, local 0.730 mECU, JPSCO 0.090 mECU. EDF part: supply of laboratory equipment, pedagogical equipment and T.A. **Project in execution.** 5th EDF.
EDF JM 5014 A6d

Rural water supplies. Phase I. Resp. Auth.: National Water Commission. 5.750 mECU. Extension, upgrading of five existing water supply schemes: South Manchester, Lionel Town/Kempshill, Elderslie/Niagara, Castleton, South Chapelton. Works and supplies. Project on appraisal. 6th EDF.
EDF JM 6003 A2b

Montego Bay airport. Charter terminal. Resp. Auth.: Airports Authority of Jamaica. 7.1 mECU. Works and supply of equipments. Works by acc. tender. Supplies by int. tender. Supervision. **Project in execution.** 6th EDF.
EDF JM 6004 A2d

Cocoa rehabilitation and expansion. Resp. Auth.: Cocoa Industry Board. Estimated cost 4 mECU. Supply of farm and processing plant, research, management, T.A., marketing. Project on appraisal. 6th EDF.
EDF JM 6007 A3a

Boundbrook wharf reconstruction: Port Antonio. Resp. Auth.: Jamaica Port Authority. Estimated total cost 2.630 mECU. EDF 1.5 mECU, local 1.130 mECU. Demolition of the existing wharf, construction of 100 m pier, crane rail, storage facilities, navigation aids, provision of services, paving of storage yard. Project on appraisal. 4th EDF.
EDF JM 4010 A2d

KENYA

Minor roads rehabilitation and maintenance programme. Estimated cost 5 mECU. Works by direct labour. Project stage: identification. 6th EDF.
EDF KE 6002 A2d

Agricultural research programme. 20 mECU. Soil and water management research. Soil fertility and plant nutrition. Civil works and libraries. Project in execution. 6th EDF.
EDF KE 6003 A3e

Development of commerce and industry. Estimated cost 5 mECU. Export promotion and marketing, trade development promotion and support to informal sector and small scale industries. Studies, short-lists already drawn up. Project stage: identification. 6th EDF.
EDF KE 6004 A5de

Cereal sector reform programme. Resp. Auth.: Ministry of Finance, Agriculture and Supplies and Marketing and NCPB. National Cereals and Produce Board. 65 mECU. T.A., studies, training. Storage and rolling stock, sectoral import programme purchase of agricultural inputs, short and longterm T.A., cooperatives and reserve funds. Studies, T.A. and training: short-lists not yet drawn-up. Works by int. tender and acc. tender. Supplies by int. tender. Project on appraisal. Date foreseen for financing April 88. 6th EDF.
EDF KE 6008 A3a

LESOTHO

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

Asparagus expansion programme. Resp. Auth.: Ministry of Trade and Industry. 4.75 mECU. The project aims to increase within 10 years smallholders asparagus growing areas from present 80 to 670 ha. Works: wells, tracks, houses and other infrastructures. Supplies: vehicles, tractors and farm equipments, T.A. and training. Project in execution. 6th EDF.
EDF LSO 6003 A3a

Manpower development project to support Lesotho's natural resources sector. Resp. Auth.: National Manpower Development Secretariat (NMDS). Ministry of Planning Economic and Manpower Development. 7.7 mECU. Construction of schools, class-rooms, laboratories, supply of T.A., scholar-ships and training. Date financing February 88. 6th EDF.
EDF LSO 6007 A6b

Mekaling-Quthing road. Resp. Auth.: Ministry of Works. Estimated total cost 11.450 mECU. Reconstruction to bituminous surfaced standard of 26.5 km. Works, T.A., training and supervision. Date financing March 88. 6th EDF. A2d
EDF LSO 6008

LIBERIA

Rural health training centre. Estimated cost 2 mECU. Provision of services, supplies and equipment (including drugs), T.A. for management and training. Project in execution. 5th EDF. A7a
EDF LBR 5020

Bong Mining Company. Rehabilitation project. Resp. Auth.: Government and BMC. 49.3 mECU. Supply of specialized equipment, shovels, conveyor belts, dumpers, locomotives, spare parts. Project in execution. 5th EDF. A4a
EDF LBR/SYS 0000

South-East development programme. Estimated cost 27 mECU. Works, supplies and T.A. Project in execution. 6th EDF. A3a
EDF LBR 6002

MADAGASCAR

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. Project in execution. 6th EDF. A2b
EDF MAG 6001

Soalala iron: prefeasibility study. Resp. Auth.: Ministère de l'Industrie. Estimated total cost 6.1 mECU. EDF 1.9 mECU, Italy 4 mECU, local 0.2 mECU. EDF part: soil prospection by int. tender and supply of vehicles. **Soil prospection: int. tender launched in April 88.** Project in execution. 5th EDF. A4a
EDF MAG 5032

Water supply in the South (phase III). Improvement of water supply conditions for population and livestock. EDF part 5.1 mECU, local 0.700 mECU. Wells, boreholes, supply of specialised equipment, T.A. and evaluation. Project in execution. Supplies: Int. tender launched in December 87. 6th EDF. A2b
EDF MAG 6003

Rehabilitation of the R.N. 4 road (PK 58 to PK 177). Resp. Auth.: Ministère des Travaux Publics. 10 mECU. Int. tender for rehabilitation works. 119 km. Supervision. Project in execution. 6th EDF. A2d
EDF MAG 6005

Small irrigated areas in the North: rehabilitation and support programme for rice-growing in the region of Antsohihy. Resp. Auth.: For rural part: Ministère de la Production Agricole et de la Réforme Agraire (MPARA) for feeder roads: Ministère des Travaux Publics. 12.8 mECU.

Works by acc. tender. Supplies by int. tender. Feeder roads by int. tender. Supervision of works: restr. tender. T.A. and training. **Project in execution.** 6th EDF. A3a
EDF MAG 6007

Maize development programme in the Middle West. Resp. Auth.: Ministère de la Production Agricole. EDF part 11.3 mECU, local 1.717 mECU. Building of a nursery and farmers training. Works, supplies, T.A. evaluation and training. Project on appraisal. 6th EDF. A3a
EDF MAG 6006

MALAWI

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. A2a
EDF MAI 5020

Small Enterprise Development Organization of Malawi (SEDOM) — Phase III. Resp. Auth.: Sedom secretariat. EDF 2.2 mECU. T.A.: GITEC (D). **Project in execution.** 6th EDF. A4e
EDF MAI 6008

Smallholder agricultural input support programme. Resp. Auth.: Ministry of Agriculture. 28.2 mECU. Establishment of fertiliser buffer stock of 70 000 tons, building of 3 warehouses + auxiliary facilities, T.A. **Int. tender for fertilizers launched in February 88.** Project in execution. 6th EDF. A3a
EDF MAI 6005

Rural health programme. Resp. Auth.: Ministry of Health and Ministry of Community Services (MOH and MOCS). 9.3 mECU. Construction of an hospital, two health centres supply of equipments, T.A. Works by acc. tender. Supplies by int. tender. T.A.: short-list drawn up. **Project in execution.** 6th EDF. A7a, e
EDF MAI 6009

Programme for industrial products imports. Estimated cost 12.5 mECU. Supply of industrial equipment, raw materials and spare parts. Project on appraisal. 6th EDF. A1c
EDF MAI 6019

MALI

Support programme to the food strategy. 19.5 mECU. Project in execution. 6th EDF. A3a
EDF MLI 6001

Strengthening of the health infrastructure in the district of Bamako. Resp. Auth.: Ministère de la Santé Publique. 1.3 mECU. Extension of 2 health centres and construction of a new Blood Transfusion Centre. Supply of equipment by int. tender. **Works by acc. tender. Int. tender launched in March 88.** Project in execution. 5th EDF. A7a
EDF MLI 5026

Stock-farming in North-East Mali. Resp. Auth.: Ministère des Ressources Naturelles et Elevage. 2.2 mECU. Improvement of water points, building construction for coopera-

tives, supplies, training, follow-up, logistics. Date financing February 88. 5th EDF. A3a
EDF MLI 5006

Rice-growing intensification programme in the large irrigated areas. Resp. Auth.: Ministère de l'Agriculture. 66 mECU. Improvement of the irrigated areas, roads. Supply of equipment for maintenance and for agriculture, study, T.A., training and experimentation. Study: short-list done. Project on appraisal. 5th and 6th EDF. A3a
EDF MLI 6004

Food security programme in the 5th region. Resp. Auth.: Gouverneur de la région. 24 mECU. Soil and ground water resources, rehabilitation of Bamako. Mopti road. Works, supplies, supervision, study, T.A. **training.** Date financing **March 88.** 5th and 6th EDF. A2b, d
EDF MLI 6005

MAURITANIA

Aioun El Atrouss hospital. Resp. Auth.: Ministère de l'Équipement. 1.050 mECU. Renovation and supply of equipment for 3 buildings. Works by acc. tender. Supplies by int. tender. Project on appraisal. 5th EDF. A7a
EDF MAU 5012

Rehabilitation of Nouakchott National Hospital. Resp. Auth.: Ministère de l'Équipement. 4 mECU. Renovation and upgrading for building, supply of medical-technical and surgical equipment. Project on appraisal. Date foreseen for financing 1st **half 88.** 6th EDF. A7a
EDF MAU 6003

Road maintenance programme. Resp. Auth.: Direction des Travaux Publics. 15 mECU. Upgrading strengthening of the road Nouakchott-Rosso (93,5 km) and 78 km of the road Boutilimit-Aleg. Supply of equipment for a road maintenance brigade. Supervision, T.A. and training. Works and supplies by int. tender. Project in execution. 6th EDF. A2d
EDF MAU 6004

Rehabilitation programme for the "SNIM". Resp. Auth.: Société Nationale Industrielle et Minière (SNIM). 18 mECU. Renovation of railway track equipment and wagons. Modernization of the repair-shops. Supply of equipments and spare parts by **int. tenders.** Date financing **March 88.** 6th EDF. A4a
EDF SYS MAU

Support programme for the development of the Gorgol region (PDRG). Estimated cost 35 mECU. Improvement of the irrigated areas, support to the traditional crop, regeneration of the natural habitats, rural infrastructure, sanitation of Kaedi. Project on appraisal. 6th EDF. A3a
EDF MAU 6007

MAURITIUS

Development of Ile Rodrigues — Phase II. Resp. Auth.: Ministry of Agriculture. 3.250 mECU. Development centred on agricultural production. Works and supplies. Project in execution. 5th EDF. A3a
EDF MAS 6003

Programme to diversify productive sectors to improve, employment prospects (1st part : industry). 10 mECU. Actions to strengthen export and industry promotion institutions, actions to incite development of small enterprises. Project in execution. 6th EDF.
EDF MAS 6002 A5e

Craft industry development. Resp. Auth. : Ministère de l'Emploi et du Tourisme. Estimated cost 1.9 mECU. To set up workshops: training and products promotion. Project on appraisal. 6th EDF.
EDF MAS 6005 A4d

MOZAMBIQUE

Import support programme for rural development. Resp. Auth. : Ministry of Commerce. 40 mECU. Direct support to the agricultural production and consumer foods production, development of the rural marketing and infrastructure. Importation of seeds, fertilisers, pesticides, raw materials for light industry : textiles, food, tobacco, shoes, soap. Purchase of vehicles and trucks, cranes, loading platforms (containers), importation of raw materials for manufacture of tyres, building materials. T.A. and valuation. Supplies by int. tender. Project in execution. 6th EDF.
EDF MOZ 6008 A1c

Eduardo Mondlane University. Basic science courses. Resp. Auth. : Universidade Ed. Mond. (UEM). 2.3 mECU. Construction works, supply of furnitures and pedagogical equipment. T.A. Works by acc. tender. Supplies by int. tender. T.A. by restr. tender. *Project in execution.* 6th EDF.
EDF MOZ 6015 A6b

NIGER

Rice-growing 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 already drawn up. Project on appraisal. 6th EDF.
EDR NIR 6001 A3a

Small irrigation programme. Resp. Auth. : Ministère de l'Agriculture. 21.560 mECU. Rehabilitation of the Tarka down valley, irrigation, boreholes and wells. Feeder roads, environmental protection, T.A. Works and supplies. Studies : short-lists already drawn up. Project in execution. 6th EDF.
EDF NIR 6002 A3a

Road maintenance on R.N. 1. Resp. Auth. : Ministère des Travaux Publics. 15 mECU. Maintenance works for 160 km and supervision. Project in execution. 6th EDF.
EDF NIR 6003 A2d

Rehabilitation project for the medical district of Mainé-Soroa. 0.779 mECU. Supplies and T.A. Project in execution. 4th EDF.
EDF NIR 4021 A7e

NIGERIA

Kaduna afforestation project. Resp. Auth. : Federal Department of Forestry. 9.4 mECU. Works, supplies and T.A. Project in execution. T.A. : Hedeselkabet (DK). 5th EDF.
EDF UNI 5001 A3c

Rural electrification project. Resp. Auth. : National Electric Power Authority (NEPA). 7.5 mECU. Supply and installation of transformers, conductors, poles and cables and ancillary equipment for connections totalling 300 km. Supervision and evaluation. Project on appraisal. Date foreseen for financing June 88. 5th EDF.
EDF UNI 5017 A2ai

Oil Palm Belt Rural Development Programme (OPBP). Resp. Auth. : Ministry of Agriculture, Water Resources and Rural Development. 68.840 mECU. Flood protection and drainage works in the Niger Delta. ±29 000 ha. Rural infrastructures, micro-projects, T.A., training, research, supervision of works, management. Project on appraisal. Date foreseen for financing June 88. 6th EDF.
EDF UNI 6001 A3a

North East Arid Zone development programme. Resp. Auth. : Ministry of Agriculture. Estimated cost 40 mECU. Increase of rural production, livestock development, afforestation and environment control, rural infrastructure development (health, education), commercial services (inputs, credit and marketing system), manpower development, training and research. Works: irrigation, drainage, buildings, supply of seeds, chemicals, fertilizers, dozers, drilling rigs, T.A., training, research. Project on appraisal. 6th EDF.
EDF UNI 6002 A3a

PAPUA NEW GUINEA

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

RWANDA

Food strategy support programme. Resp. Auth. : Ministère du Plan. 51 mECU. Development of the rural activity, monitoring, training, maintaining of natural environment stability. Infrastructures, supply of agricultural inputs, vehicles, T.A. studies and training. *Project in execution.* 6th EDF.
EDF RW 6001 A3a

ST. LUCIA

Roseau agricultural resettlement and diversification project. Phase II. 1.4 mECU. Works, supply of equipment and T.A. Project in execution. 6th EDF.
EDF SLU 6001 A3a

Mabouya valley development project. Resp. Auth. : Central Planning Unit. Estimated cost 2.6 mECU. Works and supply of equipment and T.A. Project on appraisal. 6th EDF.
EDF SLU 6002 A3a

ST. VINCENT & THE GRENADINES

Orange Hill development. Resp. Auth. : Rabacca Farms Ltd (RFL). Estimated total cost 8.350 mECU. EDF 3.080 mECU, UK 1.118 mECU, Caribbean Dev. Bank 1.258 mECU, local 2.854 mECU. Land surveys, settlers housing sites, feeder roads, marketing and trade. EDF part: construction of farm roads, building rehabilitation and refurbishment, monitoring and evaluation. Roads by acc. tender. Building by direct labour. Supplies by Caribbean Dev. Bank. T.A. by UK. Date financing March 88. 5th and 6th EDF.
EDF SVG 6001 A3a

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. Project in execution. 6th EDF.
EDF STP 6001 A3a

Strengthening of the electricity production capability. Supply and installation and works for electricity production of ±2 000 KVA. Estimated cost 0.950 mECU. Project on appraisal. Date foreseen for financing 1st quarter 88. 6th EDF.
EDF STP 6002 A2ai

Improvement of the Port of São Tomé. Resp. Auth. : National Authorizing Officer of STP. 1 mECU. Supply of fixed equipment and off-shore equipment. T.A. 6th EDF. Project partly regional. Date financing March 88. EDF STP-REG 6102 A2d

SENEGAL

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

Support programme to the development of the Podor region. Estimated cost 97 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. Int. tender for works launched in July 87 and int. tender for supplies launched in September 87. *Int. tender for pumps launched in March 88.* Project in execution. 6th EDF.
EDF SE 6002 A3a

Building, development and management of two regional vocational training centres. Resp. Auth. : Ministère de l'Éducation Nationale. 2.3 mECU. Works by acc.

tender, or direct labour. Equipments: furnitures, pedagogical equipment, workshop equipments, vehicles. T.A. to follow works, equipments and training actions. Project on appraisal. Date foreseen for financing April 88. 5th EDF.
EDF SE 5041 A6d

SIERRA LEONE

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

Creation of regional centres for small enterprises. Estimated cost 1.25 mECU. Project stage: identification. 5th EDF.
EDF SL 5017 A4d

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

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. Project in execution. 6th EDF.
EDF SOL 6002 A7a

Development of human resources in the rural sector. Resp. Auth.: Ministry of Economic Planning. 4 mECU. Supply of equipment, T.A. and training. Project in execution. 6th EDF.
EDF SOL 6003 A3a

Small holder development project. Resp. Auth.: Ministry of Agriculture. 3.32 mECU. EDF 3 mECU, local 0.320 mECU. Works, supplies, T.A. and training. Date financing **April 88.** 6th EDF.
EDF SOL 6006 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 1988. Equipment: powerhouse main equipment and auxiliary equipment, int. tenders in 1988. Gates, valves, intake equipment, int.

tender in 1989. Int. tender with prequalification launched in February 86 for hydraulic tests. Project in execution. 5th EDF.
EDF SO 5003 A2a

Upgrading of the road Afgoi-Shalambot-Goluen. Resp. Auth.: Ministry of Public Works. Works by int. tender in 88. Supervision of works. Studies: AIC. PROGETTI (I). Project on appraisal. 5th EDF.
EDF SO 5017 A2d

Animal feed by agricultural sub-products. Resp. Auth.: Ministry of Livestock, Forestry and Range. 1.9 mECU. Rehabilitation of a part of a dairy farm, supply of equipment and vehicles, T.A. **Project in execution.** 5th EDF.
EDF SO 5027 A3a

Mogadishu dairy. Phase II. Resp. Auth.: Ministry of Industry. 1.570 mECU. T.A., training and supply of equipment. Project in execution. 6th EDF.
EDF SO 6004 A3a

Drought preparedness programme. Resp. Auth.: Water Development Agency. 2.6 mECU. Supply of generators (± 25 KVA diesel), submersible pumps (10 m³/h, 100-300 m), pipes, water tankers (6 tons), spare parts. T.A. Supplies by int. tender. Project on appraisal. **Int. tender (conditional) launched in March 88.** Date foreseen for financing April 88. 5th EDF.
EDF SO 5028 A3a

SUDAN

Programme of assistance to spontaneously settled refugees in Sudan. Resp. Auth.: Commission of Refugees (COR). 16.33 mECU. Rehabilitation of 12 hospitals, 48 schools and construction of one school. Supply of equipment, T.A. and training. Date financing **March 88.** 6th EDF.
EDF SU 6104 A8a, b, c

Sectoral import programme for the sub-sector: irrigation. Resp. Auth.: Sudan Gezira Board (SGB). 17.8 mECU. Supply by int. tender of $\pm 100 000$ T of urea. T.A. **Int. tender launched in January 88.** Date financing **March 88.** 6th EDF.
EDF SU 6010 A3a

SURINAME

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

Artisanal fishing centre Nickerie. Estimated total cost 1.3 mECU. Works for offices, repair shop, jetty, cold stores. Supply of ice making unit, vehicles, fishing gears, spare parts for engines. Training and evaluation. Project in execution. 5th EDF.
EDF SUR 5013 A3d

Sectoral import programme. Estimated cost 5 mECU. Creation of a revolving funds for imports of inputs (fertilizers and chemicals for the rice sector). Project on appraisal. 6th EDF.
EDF SUR 6001 A3a

New Nickerie Secondary School. Estimated cost 1 mECU. Construction and supply of equipment. Project on appraisal. 5th EDF.
EDF SUR 5014 A6a

SWAZILAND

In-service maths and science teaching improvement programme. Resp. Auth.: University of Swaziland. Ministry of Education. 2.3 mECU. Supply of teaching equipment, T.A. and training. **Int. tender launched in February 88.** Project in execution. 6th EDF.
EDF SW 6003 A6a

Rural water supplies programme. Ministry of Natural Resources. 2.6 mECU. Works and supply of equipment for village drinking water supply scheme. Project on appraisal. **Date foreseen for financing May 88.** 6th EDF.
EDF SW 6008 A3a

Human resources development programme. Resp. Auth.: Ministry of Education. 8 mECU. Works and supply of educational equipment, T.A. and training. Project on appraisal. Date foreseen for financing April 88. 6th EDF.
EDF SW 6010 A6a, b

Rural dam rehabilitation programme. Resp. Auth.: Ministry of Agriculture. 2.5 mECU. Works and supervision. Project on appraisal. 6th EDF.
EDF SW 6012 A3a

TANZANIA

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. Project in execution. 6th EDF.
EDF TA 6001 A3a

Incentive goods production programme. 6 mECU. Provision of imported raw materials and other inputs, spare parts, bicycles. Project on appraisal. **Date foreseen for financing May 88.** 6th EDF.
EDF TA 6003 A4b

TOGO

Support to the draught animals cultivation. Resp. Auth.: Ministère du Développement Rural. EDF 5.47 mECU. Extension of the Adélé ranch, introduction of new techniques, line of credit. Works: feeder roads, bridges, wells, housing. Supply of vehicles, equipments, veterinary products, T.A. and training, research. **Project in execution.** 6th EDF.
EDF TO 6005 A3a

Rural development programme in the Savannah region. Resp. Auth.: Ministère du Développement Rural. 6.784 mECU. T.A. for training, research, vulgarization and

farmers responsabilization. Works by direct labour, supplies by direct agreement. **Project in execution.** 6th EDF. EDF TO 6003 A3a

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

St. Patrick water supply. Resp. Auth.: WASA (Water and Sewerage Authority). 5.5 mECU. Construction of 9 tanks by acc. tender. Supply of pipes for 63 km by int. tender. Project on appraisal. Date foreseen for financing April 88. 4th EDF. EDF TR 4003 A2b

UGANDA

Forestry rehabilitation programme. Resp. Auth.: Government of Uganda. Estimated total cost 32 mECU. EDF part 9 mECU. Natural forest protection and management; reforestation; improved charcoal production, fuel wood plantation preparation. Works, supplies, T.A. and training. Project in execution. 6th EDF. EDF UG 6003 A3c

Tea rehabilitation programme. Resp. Auth.: Government of Uganda. Estimated total cost 97 mECU. EDF part 8 mECU. Project will rehabilitate tea factories, estates outgrower tea areas, repair roads, improve fuelwood supplies and assure inputs to the tea sub-sector. Works, supplies and T.A. **Int. tender (conditional) launched in March 88.** Date financing March 88. 6th EDF. EDF UG 6002 A3a

Uganda sectoral import programme. Resp. Auth.: Ministry of Commerce. 15 mECU. Acquisition of agricultural machinery and inputs, repair of trunk and of feeder roads, acquisition of lorries and railway rolling stock, raw materials and packaging for soap production, yarn and dyestuffs for textile manufacture, chemicals and other raw materials for lead battery manufacture, steel flats and auxiliary materials for hoe production. T.A. and evaluation; supplies by int. tender. Project in execution. 6th EDF. EDF UG 6005 A1c

Makarere university renovation. Resp. Auth.: University and National Authorising Officer. 8 mECU. Renovation of 9 faculties, staff housing, supply of printing and library equipment, supervision. **Int. tender for supplies launched end of March 88. Project in execution.** 6th EDF. EDF UG 6006 A6b

VANUATU

Coconut development project. Phase II. Resp. Auth.: Ministry of Agriculture. 1.8 mECU. Works, supplies and T.A. Project on appraisal. 6th EDF. EDF VA 6004 A3a

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

Goma-Beni high-voltage transmission line. Technical study to be done. Short-list already drawn up Project on appraisal. 6th EDF. EDF ZR 0000 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. Project in execution. 5th EDF. EDF ZR-SYS 5001 A4a

Kivu programme. 40 mECU. Action for crops (coffee, corn, palm-tree, rice) environment (Parc de la Virunga), lines of credit. Project in execution. 6th EDF. EDF ZR 6002 A3a

Kinshasa hinterland programme. Estimated cost 35 mECU. To improve crop production. Project on appraisal. 6th EDF. EDF ZR 6003 A3a

Matadi-Kinshasa-Kenge road. Resp. Auth.: DG Travaux Publics et Adm. Territoriale. 22.5 mECU. Road rehabilitation and training for the staff of "Office des routes". **Project in execution.** 6th EDF. EDF ZR 6006 A2d

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

Rehabilitation of 3 grain silos. Resp. Auth.: Ministry of Agriculture. NAMBOARD. 9.6 mECU. Works, supplies and work supervision. Project on appraisal. Date foreseen for financing decision **1st half 88.** 6th EDF. EDF ZA 6007 A3f

ZAMSTEP. Zambia Mathematics and Science Education Project. 3.5 mECU. Supplies, training and management. T.A.: Short-list done for restr. tender. Project in execution. 6th EDF. EDF ZA 6002 A6a

Agricultural inputs import support programme. Resp. Auth.: Ministry of Finance

and Nitrogen Chemicals of Zambia. 40 mECU. Procurement after int. tender of raw materials, catalysts and other chemicals required for the production of fertiliser by NCZ. Supply of agric. inputs, equipments and spare parts. 2 int. tenders for fertilizers launched in July 87. Project in execution. 5th and 6th EDF. EDF ZA 6003 A3a

Smallholder development in copper belt province. Resp. Auth.: Ministry of Agriculture and water development. 12 mECU. Basic infrastructure by acc. tender. Supply of vehicles and materials by int. tender. T.A. Project in execution. 6th EDF. EDF ZA 6004 A3a

Smallholder development in central province. Resp. Auth.: Ministry of Agriculture and water development. 8 mECU. Basic infrastructure and social facilities. Works, supplies and T.A. Project stage identification. 6th EDF. EDF ZA 6005 A3a

Batoka cross-breeding ranch. Phase II. Resp. Auth.: Ministry of Agricultural and water department. Veterinary Dept. 1 mECU. Provision of further equipment and refurbishment and continued T.A. **Project on appraisal. Date foreseen for financing May 88.** 6th EDF. EDF ZA 6006 A3a

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 7.010 mECU. Works by acc. tender. Supply of T.A. and training. **Supply of electrical equipment: int. tender launched in March 88.** Project in execution. 5th EDF. EDF ZIM 5017 A3a

Land Use Project for Kanyati and Gatshe-Gatshe Communal Lands. 3 mECU. Cultivation and development and proper utilisation of wildlife potential. Works, supply of vehicles and rural equipment and T.A. Project in execution. 6th EDF.
EDF ZIM 6004 A3a

Assistance to the Agricultural Finance Corporation (AFC). Resp. Auth.: A.F.C. Estimated cost 23.5 mECU. Line of credit (10 mECU), T.A. training supply of vehicles, motor-bikes and computer by int. tender. Project on appraisal. Date foreseen for financing April 88. 6th EDF.
EDF ZIM 6005 A3a

Overseas Countries and Territories (OCT)

NETHERLANDS ANTILLES

Line of credit to the Aruba Dev. Bank to improve agriculture, livestock and fishery. Resp. Auth.: Departement voor ontwikkelingsamenwerking. Estimated cost 0.3 mECU. Project on appraisal. 4th EDF.
EDF NEA 4003 A5a

Tourism improvement. Curaçao. Phase I. Otrobanda sewerage. Resp. Auth.: Ministry of Public Works. 6 mECU. EDF. Sewage, road works, piping, supervision. *Int. tender (conditional) launched in April 88.* Project on appraisal. 5th EDF.
EDF NEA 5013 A5c

ARUBA

Aruba Airport Extension. Resp. Auth.: Airport Authority 6 mECU. Supply of navigational aids, equipment and construction of a service road. Int. tender (conditional) launched in August 87. T.A. Date financing February 88. 5th EDF.
EDF ARU 5014 A2d

Investment and export incentive programme. Resp. Auth.: Ministry of Economic Affairs. Estimated cost 0.690 mECU. Pilot scheme to help the industries to develop their exports. Studies, training. Project on appraisal. 6th EDF.
EDF ARU 6001 A5d

NEW CALEDONIA

Creation of a coconut seedling nursery unit. Resp. Auth.: Direction du Développement de l'Economie Rural (DIDER). 0.350 mECU. Date financing February 88. 5th EDF.
EDF NC 5010 A3a

Installation of compost units. Resp. Auth.: Direction du Développement de l'Economie Rurale (DIDER) 0.240 mECU. Works: acc. tender. Supplies: direct agreement. Date financing February 88. 5th EDF.
EDF NC 5011 A3a

Inventory of the mineral resources. Resp. Auth.: Direction des Mines et de l'Energie du Territoire. Estimated total cost 1 mECU. EDF 0.800 mECU, France 0.200

mECU. T.A. by restr. tender. Project on appraisal. Date foreseen for financing April 88. 6th EDF.
EDF (SYS) NC 12 A4a

WALLIS AND FUTUNA

Electrification of Futuna. Resp. Auth.: Administration Supérieure de Wallis et Futuna. 1 mECU. Supply of cables and pylons for L.T. and M.T. Project on appraisal. 6th EDF.
EDF WF 6001 A2a

CAYMAN ISLANDS

Community college. Works and supply of equipment and T.A. Project on appraisal. 6th EDF.
EDF CI 6001 A6d

TURKS AND CAICOS ISLANDS

Replacement of Grand Turk Dock. Resp. Auth.: Ministry of Works. 2.290 mECU. Works and T.A. Project on appraisal. 4th, 5th and 6th EDF.
EDF TC 6001 A2d

Regional Projects

NIGER BASIN AUTHORITY

Protection and reforestation in the "Haut Bassin Versant du fleuve Niger en Guinée". Works, supplies and T.A. Estimated total cost 1.5 mECU. Project stage: identification. 5th EDF.
EDF REG 5112 A8f

BURKINA — NIGER

Timber development in the future reservoir of the Komienga Dam. Resp. Auth.: Ministère de l'Environnement du Burkina. EDF 5.9 mECU. Timber trees recuperation and processing to obtain building and service timber, fuel-wood, charcoal for their commercialisation. Works, supply of equipment and T.A. Project in execution. 6th EDF.
EDF REG 6102 A3c

ZAIRE — CONGO — GABON — SAO TOME AND PRINCIPE — EQUATORIAL GUINEA — CAMEROON

Fishery development in the Gulf of Guinea. 6.7 mECU. T.A. to prepare these projects: Short-list done. Project in execution. 5th EDF.
EDF REG 5206 A3d

SENEGAL — MAURITANIA — MALI — O.M.V.S.

Dam construction in the right bank of the river Senegal delta. Resp. Auth.: O.M.V.S. Estimated total cost 15 mECU. EDF 10 mECU, France 5 mECU. Works: int.

tender (conditional) launched in July 87. *★* Date financing **March 88.** 5th EDF.
EDF REG 5157 A2a

PACIFIC ACP COUNTRIES

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

PIACC — Pacific Islands Association of Chambers of Commerce. Stage 2. Resp. Auth.: PIACC, Suva, Fiji. 1 mECU. T.A. and training. Date financing **March 88.** 6th EDF.
EDF REG 6021 A5e, g

Regional agriculture development programme. 6.8 mECU. Ten pilot project. T.A. works and supplies. Date financing March 88. 6th EDF.
EDF REG 6704 A3a

Regional telecommunications. Resp. Auth.: SPEC. 5.550 mECU. Coastal radio stations, earth satellite stations, T.A., training. Equipments by int. tender. Works by int. tender and direct agreement. Date financing March 88. 6th EDF.
EDF REG 6705 A2c

Regional tourism development programme. Phase II. Resp. Auth.: SPEC and TCSP. Development of tourism and tourism related sectors of the Pacific ACP States and OCTs. Estimated total cost 8.4 mECU. Works: implementation of programme components, supply of films, promotion and teaching materials, T.A., support for TCSP and project. Project on appraisal. 6th EDF.
EDF REG A5c

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

Improvement of permanent diagnostic instruments for regional food security. Resp. Auth.: Secrétariat Exécutif Ouagadougou. EDF and Italy cofinancing. EDF 7.705 mECU, Italy 2.795 mECU. Supplies, T.A. and running costs. Date financing February 88. 6th EDF.
EDF REG 6110 A3a

Programme to utilize photovoltaic solar energy. Resp. Auth.: CILSS. Total estimated cost 30 mECU. Supply of 1 500 units for pump, refrigeration and light. Supply by restr. tender after prequalification. *★* **Prequalification launched in March 88.** Project on appraisal. 6th EDF.
EDF REG 6116 A2ai

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 organisations of I, UK, F and D. Project stage: identification. 5th EDF. EDF REG 5307 A2c

INDIAN OCEAN ACP COUNTRIES

Aircraft maintenance centre for Indian Ocean countries. EDF 3.2 mECU. Strengthening of the existing centre in Ivato (Madagascar). Works, supplies and training. Project in execution. 5th EDF. EDF REG 5508 A2d

Inventory and study of medicinal and aromatic plants. 2.2 mECU. T.A., training and evaluation. T.A. and training already in place. **Project in execution.** 6th EDF. EDF REG 6501 A3a

Regional assistance to the handicraft. 3.5 mECU. T.A. training, supply of equipment. **Project in execution.** 6th EDF. EDF REG 6502 A4d

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

Migrant pest control in Eastern Africa. Phase II. Resp. Auth.: Desert Locust Control Organisation for Eastern Africa (DLCO-EA). Estimated total cost 6 mECU. EDF 4 mECU, DLCO-EA 2 mECU. Research rapid survey, control and spraying of insects. Project in execution. 5th EDF. EDF REG 5348 A3a

BURUNDI — RWANDA — TANZANIA — UGANDA — ZAIRE — KENYA

T.A. to the Central Corridor. Estimated cost 13 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. Works: int. tender (conditional) launched in November 87. Supplies of a crane: int. tender launched in November 87. Date financing **March 88.** 5th EDF. EDF REG 5341 A2d

Northern Corridor: Masaka-Mbarare-Kabale Road Rehabilitation. 48.5 mECU Reconstruction of 277 km of road including drainage work lime stabilised base course and double surface dressing. Supervision. Project in execution. 6th EDF. EDF REG 6304, (UG 0000) A2d

Northern corridor transport programme, Kenya. Resp. Auth.: Ministry of Transport and Communications, Kenya. 37 mECU. Works (rehabilitation) of 105 km. Supervision. Project in execution. First int. tender launched in February 88. 6th EDF. EDF REG 6303 (KE...) A2d

Central corridor (emergency programme for T.R.C.). Resp. Auth.: Tanzania Railway Corporation. T.R.C. 13 mECU. Supply of railway equipment. Wagons, locomotives, spare parts, T.A. Project in execution. 6th EDF. EDF REG 6306 (TA 0000) A2d

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

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

KENYA — SUDAN — ZAMBIA

Field oriented research on the control of tse-tse and livestock ticks. Resp. Auth.: ICIPE (International Centre of Insect Physiology and Ecology). 2 mECU. Support to the ICIPE for the research on two parasites. Project on appraisal. 6th EDF. EDF REG 6022 A3a

KENYA — TANZANIA — UGANDA

Victoria Lake. Fishery research. Resp. Auth.: Committee composed by Directors of Nationals Research Institutes and/or by National Directors for fishery. 1.5 mECU. Supply of equipment and fishing gears, vessel, laboratory equipment, T.A. training and evaluation. Project in execution. 5th EDF. EDF REG 5316 A3d

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

CARIBBEAN ACP COUNTRIES

Regional trade development programme. Resp. Auth.: CARICOM Secretariat. Estimated total cost 10 mECU. EDF 6.1 mECU, CARICOM 3.9 mECU. Short and long term experts, seminars, training, market promotion activities, evaluation. Project on appraisal. **Date foreseen for financing June 88.** 5th EDF. EDF REG 5681 A5de

MEDITERRANEAN COUNTRIES

ALGERIA

Scientific cooperation programme with "Ministère de l'Enseignement Supérieur" (MES). Resp. Auth.: MES. EEC contribution 2.5 mECU. Supply of technical and scientific equipment, training and T.A. Project in execution. SEM AL A4g

Export training programme and assistance to the potentially exporting enterprises. Resp. Auth.: INC (Institut National du Commerce, ONAFEX (Office National des Foires et Expositions et Centre National du Commerce Extérieure). EEC contribution 2.2 mECU. T.A. and training. Project in execution. Int. tender with pre-qualification launched in December 87. SEM AL A5d

Technical and scientific programme with HCR "Haut Commissariat à la Recherche". Resp. Auth.: H.C.R. EEC contribution 12.1 mECU. T.A., training and evaluation. Supply of equipment by int. tender: test micro steam power plant, pilot plant for desalination, solid waste treatment, biomass, wind energy, computers, solar and nuclear laboratory. Project in execution. SEM AL A4g

Integrated training programme on forestry. Resp. Auth.: Ministère de l'Hydraulique, de l'Environnement et des Forêts. 2.5 mECU. T.A. long-term and short-term, equipments, scholar-ships. Date financing February 88. SEM AL A3a

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

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 88. 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 in execution. SEM EGT A3e

Agricultural storage Daqahlia. Phase II. Resp. Auth.: Principal Bank for Development and Agricultural Credit (PBDAC). 4 mECU. Construction of 31 warehouses, repair of existing warehouses, supply of equipment. Works by acc. tender. Supervision by NOOR (Egypt). Date financing February 88.
SEM EGT A3a

LEBANON

Lebanese University, Faculty of Medicine. Resp. Auth.: Université du Liban. 0.500 mECU. Purchase of specialized equipment for the faculty by int. tender launched in January 88. *Project in execution.*
SEM LE 0000 A6b

Printing plant for school books. Resp. Auth.: Council for Development and Reconstruction and Centre de Recherches et de Développement Pédagogiques (C.R.D.P.). 28 mECU. Procurement of machinery and consumables for a printing plant. All by int. tender. *Int. tender launched in April 88.* Date financing February 88.
SEM LE A6i

JORDAN

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

Upgrading Primary Health Care Services in Kerak Governorate. Resp. Auth.: Ministry of Health (MOH). EEC Contribution 1 mECU. Project in execution.
SEM JO A7b

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. Project in execution.
SEM SYR 2002 A6b

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

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

Improvement of rural enquiries system. Resp. Auth.: Ministère de l'Agriculture. Direction de la Planification, des Statistiques et des Analyses Economiques (DPSAE). 0.400 mECU. Purchase of micro-computers by direct agreement. T.A. by the CESD with the responsibility of the OSCE. Date financing February 88.
SEM TUN 3001 A1b

TURKEY

Geothermal energy in Western Anatolia. Resp. Auth.: MTA — Institut de Prospection et Recherches Minérales. EEC contribution 8 mECU. Supply by int. tender of specialized equipment for wells, boreholes and for laboratory analyses. T.A. and training. Project in execution.
SEM TU A4a

WEST BANK AND GAZA OCCUPIED TERRITORIES

Assistance to the Palestinian population in the occupied territories. EEC contribution 2.971 mECU. Various projects, lines of credit, supply of equipment, T.A. and training. Project in execution. First int. tender for supplies launched in October 87.
SEM OT A8a, b, e

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

Marine fisheries resources assessment. Resp. Auth.: South-East Asian Fisheries Development Centre (SEAFDEC). EEC contribution 0.652 mECU. Supply of equipments and T.A. Project in execution.
ALA ASN 8618 A3d

BANGLADESH

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 A3e

Flood control and drainage. IV. Resp. Auth.: Ministry of Irrigation, Water Development and Flood Control (MOI) and Bangladesh Water Development Board (BWDB). EEC contribution 2.080 mECU for T.A. and studies. Project in execution.
ALA BD 8702 A8g

Cyclones protection project. Phase II. 1.5 mECU. Project in execution.
ALA BD 8705 A8g

Rehabilitation after floods. 6.5 mECU. Repairing of health centres, schools reconstructions, road repair, supply of "bailey" bridges, trucks, ambulances four wheels drive, follow up and supervision. Supply by int. tender. *Project in execution.*
ala BD 8720 A3a, A8g

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. Project in execution.
ALA BO 8701 A3a

Regulation-prevention programme of the TDPS basin. Resp. Auth.: CORDEOR for urgent works. 5 mECU. T.A. by EEC expert for 2 years for works and T.A. by a multidiscipline team for TDPS study. Purchase by int. tender of 2 dredgers, equipments and specialized equipment for study. Works by direct labour. T.A. direct agreement after restr. tender. Date financing February 88.
ALA BO 8723 A3a

BURMA

Foot-and-mouth disease fight project. Resp. Auth.: Ministry of Agriculture. Animal Husbandry Dept. EEC contribution 3.45 mECU. Purchase of equipment, vaccins, vehicles, T.A. training and evaluation. *Project in execution.*
ALA BA 8718 A3a

CHINA (PEOPLE'S REP.)

Pilot project for fruit processing in the Hunan Province. Resp. Auth.: Agricultural Research Institute of Hunan. EEC contribution 1.550 mECU. Supply of a laboratory and pilot processing plant 1.5 ton/hour capacity. T.A. and training. Project in execution.

ALA CHN 8610 A3a

Pilot project to develop irrigated sector in the Gansu Province. Resp. Auth.: Water Resources Bureau of the Gansu Province. EEC contribution 3 mECU. Supply of equipment, T.A. training, evaluation. Supplies by int. tender. Project in execution.

ALA CHN 8631 A3a

Assistance to the EEC food aid dairy development project. Resp. Auth.: Ministry of Agriculture, Animal Husbandry and Fisheries. Bureau of Animal Husbandry. EEC contribution 4.5 mECU. T.A. by restr. tender after short-list. Specialized equipments and semendoses ±30 000 by int. tender. Evaluation. *Project in execution.*

ALA CHN 8711 A3a

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

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 in execution.

ALA EC 8701 A3a

EL SALVADOR

Programme for the Development of Handicrafts in deprived areas. Resp. Auth.: Interministry Committee with the leadership of the Ministry of Culture and Communication. EEC 6 mECU. T.A., studies and supply of equipment and vehicles. *Project in execution.*

ALA ES 8710 A4d

Construction of a hospital in Zacamil. Construction and equipping of a 200 beds hospital. 12 mECU. Works and supplies by int. tender. T.A. for supervision and management. *Project in execution.*

ALA ES 8712 A7a

GUATEMALA

Support to smallholder farmers. 12 mECU. Supply of equipment, line of credit and T.A. Project in execution. Int. tender for supplies launched in November 87.

ALA GU 8612 A3a

Support to the rural diversification in the Pacific Region (Montellano and San Carlos Malaga. EEC 5.5 mECU. Supply of equipment, infrastructural works, lines of credit. T.A. and training. Project in execution.

ALA GU 8707 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. Int. tender for supplies launched in December 87.

ALA HO 8524 A3a

Water supply, health in the rural sector. Resp. Auth.: Consejo Directivo de Saneamiento (CODISA), and Ministerio de Salud Publica. EEC contribution 14.5 mECU. Supply of equipment, materials, vehicles, T.A. and training. Project in execution.

ALA HO 8620 A8bc

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

Stock-farming development in Tamil-Nadu. Resp. Auth.: Animal Husbandry Dept. of the Government of Tamil Nadu. EEC contribution 6.1 mECU. Works and supplies, T.A. and evaluation. Supplies by int. tender. Project in execution.

ALA IN 8704 A3a

Coconut development, Kerala. Resp. Auth.: Kerala Kera Karshaka Cooperative Federation (Kerafed). EEC 45 mECU. Supply of equipments, oil plants, T.A. and evaluation. *Project in execution.*

ALA IN 8709 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

Seed production and marketing. EEC contribution 9.7 mECU. *Project in execution.*

ALA IND 8621 A3a

Evaluation of the pelagic fishery in the Java Sea. Resp. Auth.: Agricultural Agency for Research and Development (AARD) and RIF. Cofinancing with France. EEC contribution 2.20 mECU, France 1.20 mECU, local 0.45 mECU. Supply of equipment, T.A. and training. *Project in execution.*

ALA IND 8717 A3a

Rural electrification project (hydroelectric micro-power stations). Resp. Auth.: Ministry of Energy and Mines. Electricity and new energy Dept. EEC contribution 18.9 mECU. Works, supply of turbines, generators, adjusters of 10 KW, 25 KW and 100 KW, vehicles and other equipment, T.A. and training. *Project in execution.*

ALA IND 8719 A2a

LAOS

Rural micro-projects programme in the Luang Prabang Province. Resp. Auth.: Administrative Committee of the Luang Prabang Province. EEC contribution 6 mECU. Infrastructure work, supply of equipment, vehicles, Bailey bridges, T.A. and training. Project in execution.

ALA LA 2623 A3a

NAM NGUM water, pumping irrigation. Resp. Auth.: Ministère de l'Agriculture, Forêts, Irrigation and Coopératives Nationales (MAFIC). EEC 5.5 mECU. Building of 4 irrigation networks and drainage. Studies, construction of 4 pumping stations, supply of equipments and T.A. *Project on appraisal.*

ALA LA 8802 A3a

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

Rural Development in Gulmi. Resp. Auth.: Ministry of Panchayat and Local Development (MPLD). EEC 2.710 mECU. Works, supplies and T.A. *Project in execution.*

ALA NEP 8706 A3a

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

Crop production development in the La Meseta region. EEC contribution 5.6 mECU. Works, supplies, T.A. and training.
★ *Project in execution.*
ALA NI 8630 A3a

PACTO ANDINO MEMBER COUNTRIES

Regional programme for technical co-operation: 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 co-operation: 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

Talli irrigation project. Dam construction and infrastructure. Supply of equipment and T.A. EEC contribution 7.8 mECU. Project in execution.
ALA PK 8615 A3a, A9a

Buner development project. EEC contribution 10.6 mECU. Works, supplies and T.A. Supplies by int. tender. *Project in execution.*
★ ALA PK 8715 A3a

Primary education in rural areas. Cofinancing with CIDA and IDA. EEC contribution 15 mECU for works, T.A. and scholarships. *Project in execution.*
★ ALA PK 8716 A6a

PANAMA — COSTA RICA — NICARAGUA — HONDURAS — EL SALVADOR — GUATEMALA

Regional programme of technical cooperation for food security. Resp. Auth.: CADESCA (Comité de acción para el desarrollo económico 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

Regional programme to strengthen cooperatives. Cofinancing with Spain. EEC contribution 22 mECU. Spain 2.5 mECU, local 15.5 mECU. Supply of T.A., lines of credit, training. *Project in execution.*
★ ALA REG 8714 A5f

EL SALVADOR — GUATEMALA — HONDURAS — NICARAGUA

Regional programme to eliminate rabies in Central America. Resp. Auth.: Pan-American Health Organisation (PAHO). EEC contribution 2.9 mECU. Supply of equipment and materials and T.A. Project in execution.
ALA REG 8625 A8c

PERU

Lake Titicaca. Reconstruction-prevention programme. Resp. Auth.: Corporación de Desarrollo de Puno (CORPUNO). EEC contribution 5 mECU. Studies, works and supplies. Project in execution.
ALA PE 8603 A3a

PERU — ECUADOR — COLOMBIA (PEC)

Regional programme: fishing technical cooperation EEC/PEC. Estimated EEC contribution 6 mECU. T.A., supply of equipments and training. *Project on appraisal.*
★ ALA REG 8721 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, reforestation, 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 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 in execution.
ALA PHI 8616 A3a

SRI LANKA

Integrated rural development of the Mahaweli right bank region. System B. EEC contribution 25 mECU. Works and supplies. Prequalification for works foreseen in the *1st half 88.* Project in execution.
★ ALA CE 8703 A3a

THAILAND

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. 5.6 mECU. Works and supplies. Project in execution.
ALA TH 8613 A3a

Mae Kok water resource study. Resp. Auth.: Electricity Generating Authority of Thailand. EGAT and Royal Irrigation Dept. (RID). EEC contribution 2.8 mECU, local 0.45 mECU. T.A. and training, supply of equipment. *Project in execution.*
★ ALA TH 8708 A3a, A9a

YEMEN — ARAB REPUBLIC

Rehabilitation and maintenance of Al Mahwit road network. Supply of equipment and materials by int. tender. T.A. and training. EEC contribution 7.5 mECU. Project in execution.
ALA YAR 8611 A2d

YEMEN — PEOPLE'S DEMOCRATIC REPUBLIC

Rural development of Al Mahwir. Estimated cost 6.5 mECU. Project on appraisal. Date foreseen for financing decision 1st half 88.
ALA YDR A3a

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. For "TED" contact ECHO (see box page II).

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Thierry de MONTBRIAL (Under the direction of) — **Ramses 87/88** (Annual international report on the economic system and strategies) — Institut français des relations internationales — Atlas Economica, 87 rue de la Boétie, 75008 Paris — 378 pages — 1987

No, Egyptologists have not made a fresh discovery. Ramses 87/88 is the 6th edition of the Annual international report on the economic system and strategy (it gets its name from the initials of the title in French) produced by the French Institute of International Relations under the direction of Thierry de Montbrial, who teaches at the Ecole polytechnique. This edition, on "Worlds in motion", is being distributed widely, as there is a German version in addition to the French one.

The late '80s are, typically, years of interlarded and spectacular instability and fundamental change which are getting both larger and faster. The four parts of the report are a fine illustration of this. Two of them deal with the international political and economic scene ("An atomised world? Era of crisis and internal constraint", and "Economic disorders and company behaviour") and two others go into subjects of particular poignancy today — "The weight of demography", and "Islam today — religion or ideology?". The discussion of international politics stresses all the signs of political breakdown, in particular the crisis of American democracy and the Gorbachev experiment.

Ramses pursues its discussion of changes in the economic situation, looking at both industrial strategy and the financial markets. It was written last summer and appeared in the autumn — before USSR and America agreed on the double zero option, before the war in the Gulf was stepped up to international level and before the stock exchange crisis in October. But its data is nonetheless food for some very up-to-the-minute thinking.

The thematic developments are perhaps the most interesting part of this work, particularly the fascinating fourth section on Islam. Obviously one of the outstanding phenomena of the past 10 years is the awakening of Islam, which started out on its 15th century in 1980. "Islam is more than a religion. It is a social, legal, philosophical and economic way of life". The religion has always been keenly practised, but what is new now is that "Islam, having gradually

been relegated to the private sphere over the past two hundred years, is now about to invade the temporal sphere, take over and run the daily political, social and legal lives of the Moslems. This is the contemporary Islam which has fascinated and frightened since its triumph in Iran".

Ramses does not just cover the situation in Iran. It deals with Turkey, Afghanistan, Pakistan, Indonesia, Malaysia, the Philippines, Xanjiang, black Africa and France and the USSR as well. In the Soviet Union, the Moslem question should be seen in relation to the demographic question, as one Soviet citizen in four will be a Moslem by the end of the century. Anyone who has been to Uzbekistan will have seen the force of their individuality and of the Moslem religion.

This is a well-produced book containing very clear maps and charts and a statistical annex. Specialists and ordinary readers wishing to understand the world of today and tomorrow will be fascinated. ○ ALAIN LACROIX

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Anne-Marie HOCHET — **Afrique de l'Ouest: les paysans, ces "ignorants" efficaces** (West Africa — the efficiency of the "ignorant" peasants) — Collection Alternatives paysannes — l'Harmattan, 5-7 rue de l'Ecole Polytechnique, 75005 Paris — 1985

This is a timeless work which will not go out of fashion. The author, who began in 1959 as a teacher in what was then Upper Volta, went on to apply sociology to rural development in Mauritania, Senegal, Guinea Bissau and Mali and has produced a book which is both a cry from the heart, so strong is her love of these countries and their peoples, and the fruit of 25 years of professional experience in the field. She is sorry that we do not take more notice of the peasants who have so much to say and she hopes that the book will put across some of their wisdom and their message. She wants it to "get across all the life that never gets into the bloody reports... everything that you are not supposed to say too loudly". There are things, she thinks, "which cannot be transmitted without recounting true facts". And this is what she does in 150 pages of anecdotes, not without their sometimes acerbic humour. She does not much like experts, pretentious new graduates, regional officers or civil servants — which is perhaps rather a lot... The style flows easily and the choice of words is often felicitous. But, in her compassion for her African sisters, Anne-Marie Hochet has a pessimistic (and maybe excessive) vision of society. Human warmth radiates from the book, with its fair comments of 25 years in the field and what is sometimes bitter irony. ○

A.L.

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