



The Courier

AFRICA-CARIBBEAN-PACIFIC - EUROPEAN COMMUNITY

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**REGIONAL
COOPERATION**

THE EUROPEAN COMMUNITY

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(Federal Rep.)
GREECE
IRELAND
ITALY
LUXEMBOURG
NETHERLANDS
PORTUGAL
SPAIN
UNITED KINGDOM

General Secretariat
of the ACP Group
of States

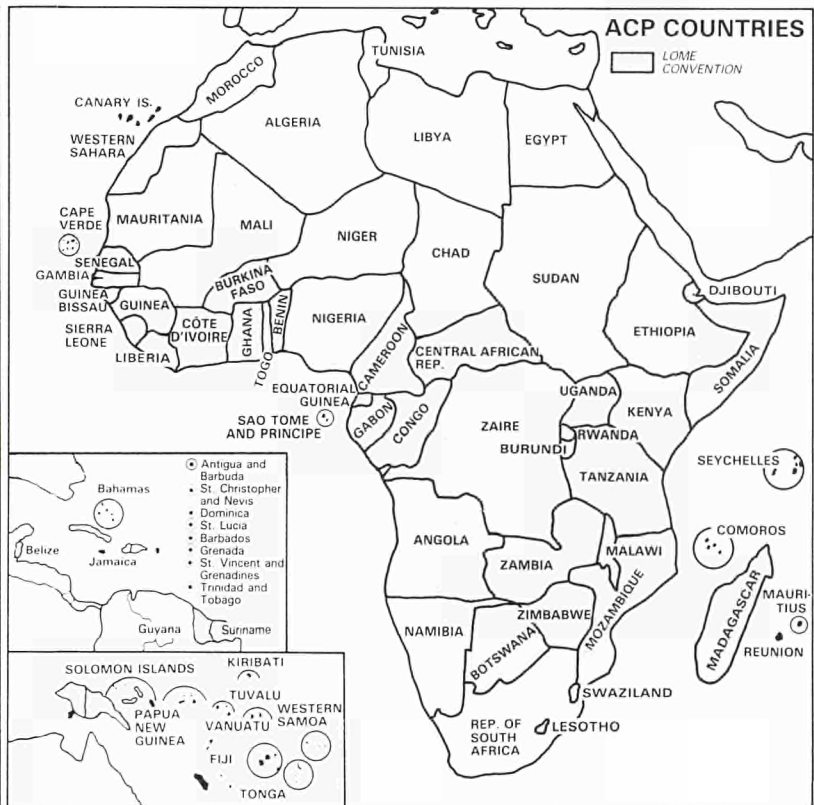
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THE 66 ACP STATES

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PAPUA NEW GUINEA
RWANDA
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ST. LUCIA

ST. VINCENT & THE
GRENADINES
SAO TOME & PRINCIPE
SENEGAL
SEYCHELLES
SIERRA LEONE
SOLOMON ISLANDS
SOMALIA
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SWAZILAND
TANZANIA
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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

Opening of ACP-EEC negotiations for a Lomé Convention



Almost half the countries of the globe were represented at a meeting in the Grand Duchy of Luxembourg on 12 and 13 October. The 66 ACP and 12 EEC Member States solemnly opened negotiations at governmental level to draw up a Convention, which will succeed, in prescribed fashion, the current Lomé III Convention on 1 March 1990.

Pages I to V



Joint Assembly:

Held only a few weeks before the negotiations for the new Convention opened, it was inevitable that, at the Joint Assembly in Madrid, all eyes would be on "Lomé IV".

Pages VI to IX

COUNTRY REPORTS

SEYCHELLES: Far from traditional trade and tourist paths, Seychelles has undergone a transformation in the last 20 years, and it isn't over yet. Dubbed a "tourist paradise" (luxury tourism, of course), thanks to their beauty, their climate and their beaches, the islands



are now seeking to broaden their economic base. Problems still exist, however, in particular foreign debt, a balance of payments deficit and an unemployment rate of 15%. Pages 14 to 26



ARUBA: On 1 January 1986, Aruba finally achieved its *Status Aparte* or political separation from the five other islands which today continue to form the Netherlands Antilles, and became an autonomous, self-governing region within the Kingdom of the Netherlands. Though

Status Aparte coincided with a major economic setback, Aruba is now coming out of the slump thanks to a carefully planned and monitored tourism boom. Pages 27 to 41

DOSSIER: Regional Cooperation

Even though the ACP countries today show themselves to be convinced of the wisdom, indeed the necessity, of cooperating with their neighbours, and even though a number of organisations to promote this cooperation have sprung into being, the concrete results obtained to date have, with a few exceptions, proved to be far from the exalted aims proclaimed at the outset. Pages 47 to 85



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**Malian film director
SOULEYMANE CISSÉ:**

**“Creation must
be possible,
whatever the financial
difficulties”**



Cissé, one of the judges at the Cannes Festival in 1983, honoured by the Festival four years later for his latest film “Yeelen” (Light) and before that by many other film festivals and one-day sessions for his previous work, is one of the greatest of Africa’s film directors today. Yet international recognition has not spared him the fate of all the continent’s artists and he, too, finds it difficult to finance and distribute his films.

Most of his time nowadays is spent marketing “Yeelen”, which traces the journey of initiation during which a young man acquires the knowledge that

will enable him to control the forces around him. Cissé was determined to produce the film in spite of all the mishaps—the sudden death of the star after five weeks’ filming, the defective film and the sandstorms which called work to a halt for three months and caused debts to rocket.

With “Yeelen”, Souleymane Cissé, like the hero of the film, is completing his voyage of initiation. At 48, and with more than 20 years of filming behind him—his first film dates from 1965—he is now a master of script-writing. The Courier met him in Bamako in August.

▶ “Yeelen” won the Cannes prize more than a year ago now. Has it helped distribution at all?

— Yes it has—witness the fact that in Europe almost all the western countries have distributed it. So it was an opening. And distribution in the USA is taking off now, too—the film came out in Los Angeles last week—and from all I hear, it seems to be making it. As to Africa... things are rather slow, but it has done well wherever it’s been distributed. People like it and we are making money.

▶ How many language versions have been made?

— “Yeelen” has been subtitled in English, French, Spanish, Italian, Por-

tuguese, German, Japanese and Dutch. All the countries which have shown it, ultimately, have put it into their own language.

▶ Is it the first time one of your films has been translated into so many languages?

— Yes, it is. Which is why I said that the Cannes award brought a much bigger market with it. I might go so far as to say that it made even those who didn’t usually bother to go to the cinema want to go and see it.

▶ Where has it done best?

— So far in France and Côte-d’Ivoire, I think.

▶ How many people have seen it in France, say?

— In France... that’s good, because I’ve just had the figures. Almost 300 000, I think.

▶ Your previous films were also hailed by the critics, weren’t they, but they weren’t much of a commercial success. Will “Yeelen” be any different?

— Yes, it will, because it will last. It’s not something for immediate consumption, which is then forgotten. It can return to the screen periodically—which is indeed why many European distributors have taken it. They bring it out once, say, and then, in a year or a year and a half’s time, they

bring it out again. You can do a lot with it.

► *So it will enable Souleymane Cissé to produce another one?*

— I hope so. But distribution was difficult to begin with because, regardless of the awards African films get, people are always a bit disparaging about them. But with "Yeelen", that's beginning to stop. When the film came out in Montreal, a well-known Canadian critic said that it was true, that "Yeelen" hadn't had the funds of the big spectacles of the kind they usually make in Hollywood. But it's still one which has a lot of sense, a lot of depth, and of course the people who go and see it won't be the same as those who go to, say, "Star Wars". But obviously, for me personally—and this is something I'm pleased about—there's an opening there. I know there's a long way to go, but I now know how to hang in there.

► *Why do you think the public likes the film? Is it because it underlines the deep-seated beliefs of eternal Africa—unlike your previous films?*

— I think Africa has remained an unknown continent. Not just unknown to the foreigners, but even to a lot of Africans, I think. I believe that anything that goes deep to the roots of man attracts a lot of people. It makes them curious about the origins of our knowledge and our beliefs.

► *In Africa and elsewhere?*

— Everywhere. The States, for example, where I did think the reaction would be very different. But I've never seen so much pleasure in a cinema—and racial feelings have nothing to do with it because there were far more whites than blacks. And it was in Chicago too, just a couple of weeks ago.

"Our crisis is a quality crisis"

► *You hear a lot about the crisis in the film industry all over the world. Don't you think that the African cinema's great problem is that there aren't enough top-quality films?*

— I think that's something I've always said. When I completed "Finnyè", they asked me the same thing and I said that what we were aiming at, first and foremost, was to make high-quality films which would compare with films made elsewhere in the world. It would be wrong to say that because we are poor we can't make films of a decent quality. That's not true. If all you've got is a camera and a desire for self-expression, then the result still has to be good. So our crisis is a quality crisis.

Titles

Full length

1975

"Den Muso" (The Girl)

1978-79

"Baara"

— *Grand prix*, FESPACO (Pan-African Film Festival) 1979, Ouagadougou, Haute Volta

— *Grand prix*, Festival des Trois Continents 1978, Nantes, France

— *Tanit d'argent*, Journées Cinématographiques de Carthage, Tunisia

— *Prix de la critique internationale*, FIFE (French-speaking film and discussion festival) 1978, Namur, Belgium

1982

"Finnyè" (Wind)

— Official selection, Cannes 1982

"Un certain regard"

— *Tanit d'or*, Journées cinématographiques de Carthage, Tunisia

— *Grand prix de la Critique Arabe*, JCC 82, Carthage, Tunisia

— *Grand prix Yennenga*, FESPACO 83, Ouagadougou

1987

"Yeelen" (Light)

Short films

1965

"L'Homme et les Idoles"

1966

"Sources d'inspiration"

1968

"L'Aspirant"

1970-71

30 current affairs films and five documentaries for Scinfoma (Mali)

1972

"Cinq jours d'une vie"

Tanit de bronze, JCC, Carthage, Tunisia

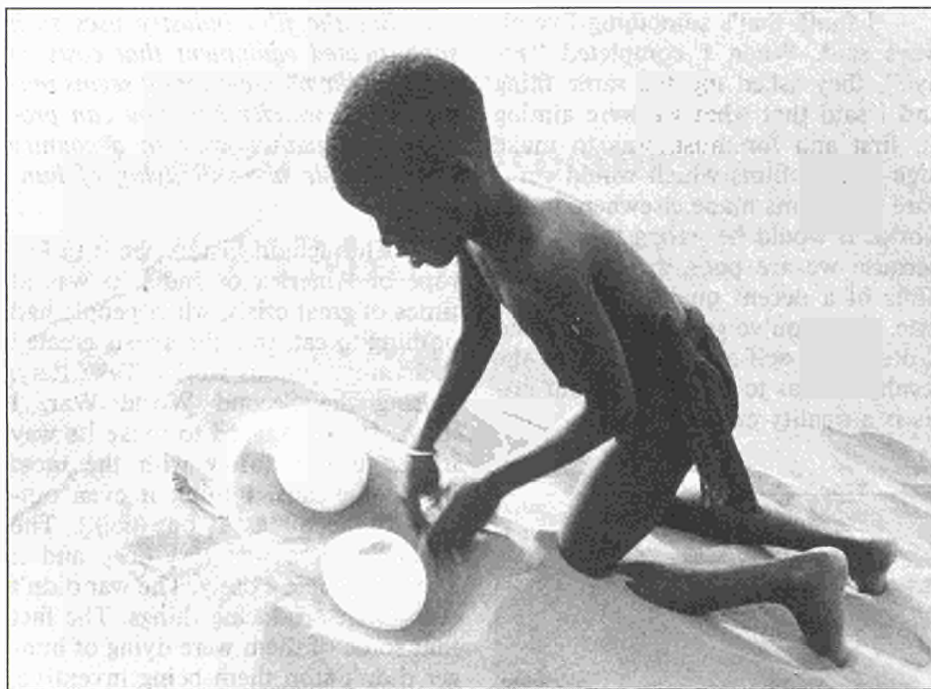
► *But the film industry uses such sophisticated equipment that costs so much at the moment that it seems reasonable to wonder how you can produce high-quality work in a country where people are still dying of hunger...*

— Throughout history, be it in Europe or America or India, it was at times of great crisis, when people had nothing to eat, that the artists created their most famous works. Take Italy. During the Second World War, I think, Italy managed to make its way in the film industry with the most basic of means. I think it even outclassed the States at one point. The Italian cinema was very deep and it affected people closely. The war didn't stop them producing things. The fact that some of them were dying of hunger didn't stop them being inventive. People have even tried to give me a complex by saying "Listen, people are dying in Mali, 400 or 1000 km from Bamako and you have the cheek to ask for millions to make films with". My answer to that is that these people need to protect themselves. They need to defend themselves and to defend themselves they need a little bit of culture. If you take that away from them, too, how do you expect them not to go on dying of hunger? There must always be creation whatever the difficulties. You have to be able to create—it can only help people.

"We cannot control the invasion of the video-cassettes"

► *For some years now, the cinema, particularly the African cinema, has had a fearsome competitor—video cassettes. How can African producers protect themselves against the invasion?*

— Listen—it's entirely out of our control. Let me give you an example. One of my early films, "Baara", went on to the small screen and friends from Morocco and Algeria and Kenya, phoned me up to say they had the cassettes. I said that with "Finnyè" (Wind), I was going to try and do it differently. But one thing is certain and that is that we cannot control the invasion. We don't have the means of doing so.



A closing scene from "Yeelen"

The big production companies can, on the other hand, one way or another, because they know that, however much pirating there is, they always get their money back. But we always lose out. It really is a big problem for us at the moment and, as things stand, I don't see an answer to it.

► *That wasn't what I meant... At the moment, more and more people are getting video recorders and cassettes and so they aren't going out to the cinema any more.*

— That's the truth and we can't deny it because we have done studies on it ourselves, even in Mali.

It turned out that very few people in Africa have videos, compared to the number who go to the cinema. The ones with the video-players are the well-off, the civil servants, the big businessmen and so on. Contrary to what we thought, videos aren't part of the scene yet. So there's still a large population out there that doesn't have these things and still wants to go to the cinema. And that is why, whatever problems videos give us, the cinema can still keep going and keep going well in Africa—provided the proper structures are laid on.

► *But was the experiment with "Finyé" that you mentioned just now conclusive?*

— Yes, very much so as far as Mali was concerned, because as soon as the video of "Finyé" came out, we had sales I had never dreamt of. Every family with a video in Mali bought it, I should think. It was fantastic.

► *There's a bit of an effort being made in Africa at the moment to get the film-makers to get together and promote the development of the film industry—but apparently with few results so far. Is this because people who make films are individualists at heart, all sitting in their corners and thinking about their next film?*

— That is part of it. Obviously when there are problems and I, for example, am in the middle of preparing my filming, I don't really see what else I can do.

But the trail has been blazed, I should say, and we can get things moving. Our organisation, the Pan-African Film Federation, is a kind of political structure whereby we can get together and get organised. We see each other every two years to see what has been done and what is still to do. I've always been a member and I can see what the organisation can do for us, morally speaking.

In a continent such as Africa, where there is so much going on and people are calling on you from all sides, you need something like FEPACI to unite

you and help you get your work known and distributed. We are fighting in FEPACI to try and make more of some of the results we've already got. There are OAU resolutions on the free movement of films over the continent. That's a step in the right direction, but we need more than that. We don't just need free movement, we need tax exemption for all African productions, for everything Africans do in any country of Africa, so as to encourage the production and distribution of African cultural goods.

► *Your cinema is currently a personal thing. You do it all yourself, the scenario, the screenplay and the directing. Why haven't you ever tried to adapt a novel for the cinema, using other people's scenario and screenplay and just doing what you've learnt to do, the actual directing, yourself?*

— When I left film school and went back to Mali, without any experience, I had to start by learning the job, making films myself and looking at the results. That's something I obviously had to do.

Although I've never actually decided not to adapt a novel, I've always wondered whether I was up to it. I had to be sure that I could transmit what I wanted to say myself. It was a sort of complex I had. I'd thought I wasn't able to adapt them and pass on what the writers had said. I think that if I can't do something for a book, then there's really no point in putting it on the screen. That's how I see it. But one thing is sure and that is that, now I've got a certain amount of experience, there are things I can do. There are things I think I can try out in this field.

***"There isn't anyone
I can ask to sell
my film in Africa"***

► *But once the film is finished, it's back to you again for the promotion. Why do you have to do it all? Isn't it counter-productive in the end?*

— Not with us, no it's not. It's not counter-productive. It would be in a country that actually had the appropriate means. But here, if I say it's not

counter-productive, it's because I know there isn't anyone I can ask to sell my film in Africa, for example. For the French distribution I selected a seller and we signed contracts. He does the distribution in Europe and Asia and elsewhere. He does the negotiating, he does it locally and I don't have to worry about it. I should have liked to have an agent like that in Africa, but the organisation isn't there, alas. So I have to do it myself.

► *But there are systems that order and distribute films in Africa, aren't there?*

— No. It's all split up nationally. In Côte d'Ivoire there are hundreds of distributors, each with his own business. Senegal has the CIDEC—with which I can't reach agreement on the conditions of distribution. I accepted their terms for "Baara" and "Finyé", but when they wanted the same for "Yeelen" I said no, because it's not what I want. I don't want to produce films and only get 15-20% of the take any more. I can't have that. In Niger, I have to send someone to distribute the film locally. Every country's different. Negotiations have already been

going on for a year with the Maghreb, but there's nothing to be done about it there. It doesn't work.

► *In spite of FEPACI and the contacts you've already got in the film world?*

— Oh no. Here's an example. The Carthage Festival has been going on for years—indeed I owe my fame to it because it was at Carthage that it took off, in 1972. I've won all sorts of awards, but none of my films has ever been distributed in Tunisia. I've tried talking about it and I've tried to understand. In Africa itself, people have to be open, and frontiers, too.

► *But they've been talking about the distribution problem for such a long time now. You'd have thought something would have been done about it by now.*

— We tried to get the Inter-African Film Distribution Consortium set up. It was the States themselves, the Governments who banged that one on the head, I think. It involved 14 countries of French-speaking Africa and we thought that, with that, the English-speakers and the Portuguese-speakers could have got organised, too, so that

African films would get onto all the circuits and be distributed right across the continent.

We divided the continent up into five regions and all you had to do was sell a film to a particular region to get it distributed in all the countries there. For example, there was just one company in West Africa... and it covered Nigeria, Mali, Guinea, Senegal, Niger and so on. Just the one. It was terrific. But unfortunately, I don't know why, all of a sudden the countries stopped paying their subscriptions and the whole thing disappeared.

► *You are also a member of the Haut Conseil de la Francophonie, aren't you? Isn't anything possible through them?*

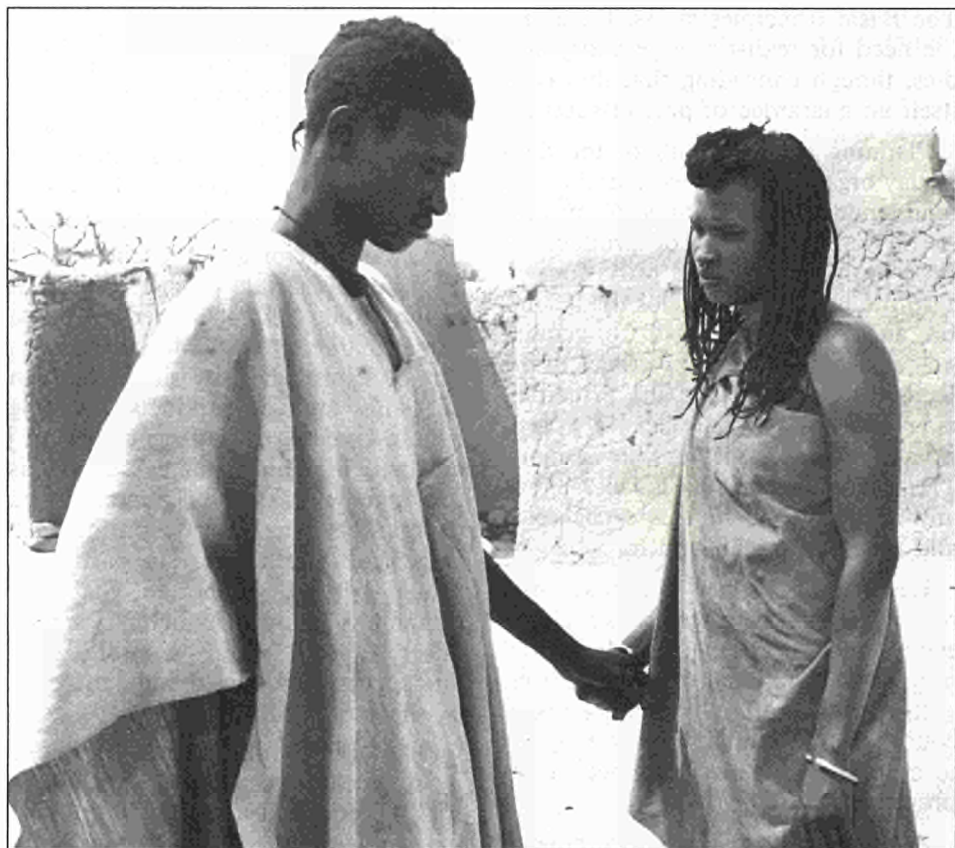
— The Council has discussed it. It thinks about it a lot and now it is looking for ways of helping organisations which can look after it, particularly in the French-speaking countries, because that is where we think it ought to start.

► *You still haven't got your film distribution properly sorted out, I see...*

— No, but I am pleased because, in any case, I know that the films I produce are in demand in some countries and people are interested in them. All I need to do is work at it—even if it takes time. I should have liked to have told you today that I'd finished my new scenario and that I was starting production in three months. I'd really have liked that. But alas, I can't, because the financial commitment for this film turned out to be far greater than I originally thought, because of all the difficulties we came up against. This film cost as much as three of my usual films and the debts piled up and I still have to pay back the loans before I can start on another venture.

► *What about this new venture? Aren't you thinking about that yet?*

— Listen, we create as we go. Of course I've got one or two ideas, but they haven't really taken shape yet. I'm working on them. ◊



The Star of "Yeelen", Nianankoro, with his young partner, in the film

Interview by A.T.

“Basic Principles” adopted in four project areas

Regular *Courier* readers will be familiar with the work of the Article 193 Committee, the joint ACP-EEC body whose task it is to look at ways of improving financial and technical cooperation in the ACP States, especially by seeking ways to speed up and simplify procedures. This year, 1988, was a good year for the Committee—a year in which substantial progress was made in a number of its most important tasks. In the first place guidelines (known as Basic Principles) were adopted on development projects and programmes in four major fields of cooperation (agro-industrial projects, crop development, rural development and education and training).^(*) In the second place, a resolution was adopted on a weighty report on 10 years of cooperation under the first two Lomé Conventions (covering the years 1976-85). In it, reappraisal and action are called for in the preparation, implementation and evaluation of projects financed through the European Development Fund, and the Resolution's recommendations, if implemented, should do much to improve the impact of EEC development assistance (see Box on the next page).

Jointly agreed Basic Principles on projects in the fields of road infrastructure, livestock production, technical cooperation and trade promotion were adopted in 1986 (see *Courier* n° 102, March-April 1987). A second set of texts covering public health, water supply and agricultural irrigation projects and programmes was adopted in 1987 (See *Courier* n° 106, Nov.-Dec. 1987), and in May this year, during the ACP-EEC Council in

Mauritius, a further set of Basic Principles was adopted. The texts in question are not, thankfully, entirely new creations: with the exception of the Principles relating to agro-industrial projects, they are all revised and updated versions of earlier texts covering the fields in question. The following is a summary of the main conclusions and recommendations in each field.

Agro-industrial projects

First among the conclusions on agro-industrial projects is that they are often not well enough integrated into their regional context (i.e. local transportation may be difficult, or the right kind of labour may be scarce) or into their sectoral context (i.e. not forming part of a well-conceived, long-term sectoral policy). In addition, preparatory studies tend to be over-optimistic—crop yields are often over-estimated, and capacities planned for processing units tend to be over-sized. The Basic Principles stress, therefore, the need for realistic preparatory studies, though conceding that this is of itself no guarantee of project success.

Planning is vital, both of the day-to-day organisation of work and of the maintenance of machinery, to minimise lay-offs and loss of production. Frequently there is no provision, in agro-industrial projects, for the technical and managerial staff to acquire practical professional experience in the sector in question, and the Principles note an equally clear lack of appropriate extension services to farmers. Training is therefore a vital element of any such project—both for technical and managerial staff and for workers.

Research also has a fundamental role to play, and a close link should be established between agro-industrial projects and national research centres, with particular attention being paid, of course, to the adaptation of technology to crop and industrial production appropriate to the project.

A common finding when completed projects were evaluated was that too

much attention was given to production objectives, with marketing aspects neglected and too little attention paid to compensation for land expropriation or to the welfare of workers. “The quality of life and work” the Basic Principles state, “of those that have to give up their land to make the establishment of agro-industrial complexes possible and of those who work on them should be systematically considered and improved, taking full account of the socio-cultural realities of the individuals and communities concerned.” As if recognising that this may sound idealistic, however, it adds: “It should be ensured, however, that the importance of activities in these fields remain compatible with the financial strength of the agro-industrial complexes that have to support them”.

Further areas that required attention were the role and status of women (who often made up a large part of the workforce) and the repercussions of agro-industrial operations on the environment. The latter referred not only to the very serious problem of effluents from industrial plants, but also to the dangers of undermining land productivity by reducing soil stability (erosion) or by overcropping.

A major factor affecting the success of agro-industrial projects was, of course, their direct dependence on world market prices. Marketing risks can be diminished by diversification of crops and of products resulting from a given crop, and, wherever natural and human resources allow, this was to be encouraged. Diversification of markets was also recommended, and South-South trade, in particular, should be fully supported. Stabilisation funds could also help to spread the risk, and, where possible, such funds should be owned and controlled by the producers themselves.

A final recommendation—and one by no means peculiar to agro-industrial projects, but applicable to almost the whole gamut of aid projects and programmes—was to better adapt aid

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

procedures to the needs of their beneficiaries. Such procedures often represent a great burden on national administrations, and their nature and their practical application, the Basic Principles conclude, have sometimes proved a source of irritation and friction.

Crop development

Crop development (achieving more and better quality crops) has gained in significance with the increased rate of population growth, but crop development policies have often failed to take increased demand into account and shortfalls have been compounded by post-harvest losses, inadequate supplies of inputs, poor marketing or inappropriate subsidy policies. Land tenure is a major problem, often acting as a brake on land development

and the use of improved technology. Project funding should address the issue of tenure, but gradually and with great caution, say the guidelines.

Pricing policies are vital to crop development, but all too often farmers have not been paid enough, or not paid enough continuously to persuade them to continue to cultivate. Overvalued exchange rates have also tended to discourage crop production and efforts need to be made to stabilise farmers' real incomes.

On technology policy the Basic Principles have the following to say: "Technology policies should lay emphasis on cost effective, ecologically sustainable, economically profitable and socially compatible technologies built on existing indigenous technologies, rather than on replacing them with imported and often irrelevant

ones". Donors were often doing more harm than good by promoting the sale of their own technology.

Other areas that need attention were access to agricultural credit (particularly for the principal food crop producers, women) and to agricultural inputs, which were often too expensive for farmers to buy, or available only at times which did not suit them.

Inefficient agricultural marketing, the Basic Principles state, has in many cases diminished the desired impact on crop development. "Government marketing institutions" it is recommended, "should operate both in competition and in cooperation with other marketing organisations, rather than as monopolies". Research, it recommends, should concentrate less heavily on cash crops, and should liaise better with extension services,

Joint Resolution on "Ten Years of Lomé"

In 1985 the Article 193 Committee () decided that the annual report on the implementation of financial and technical cooperation would, by way of exception, take the form of a report on the 10 years of financial and technical cooperation under the first two Lomé Conventions (1976-85). The report was duly produced by the Commission, examined, and commented upon by the ACP States, and the Committee subsequently drafted a resolution calling for improvements in a number of areas of ACP-EEC development cooperation. This was recently adopted by the Committee of Ambassadors in the name of the ACP-EEC Council.*

The Resolution calls on the ACP States and the Community to maintain the momentum of EDF aid which, it says, is "particularly necessary in view of the growing and intolerable burden of debt with which many ACP States are confronted." It notes the overall nominal increase in EDF resources over the period, but notes that, due to sharp population increases, real per capita aid had decreased. Attention is also drawn to

the speed of both commitments and disbursements of aid funds which, under both Lomé I and Lomé II, had been disappointing. Efforts needed to be made in streamlining procedures if the impact of aid was to be made greater.

The Resolution recognises, however, the special attention given to least-developed, landlocked and island states, particularly in the favourable treatment they received in the allocation of aid. It reaffirms the importance of regional cooperation and of regional institutions, calling for encouragement of the development of regional economic integration.

The main economic sectors are examined, and weaknesses are pointed out and recommendations for improvement made for projects or programmes in each field. As regards public health, for example, the Resolution affirms that a special place should be accorded to primary health care, recommending that particular attention be paid to the training and use of local managerial staff and to assistance for research and in widening access to health care services. A number of recommendations are made in respect of technical assis-

tance, including the need to encourage, wherever possible, the use of ACP technical assistants and experts.

Finally, the Resolution makes a number of general statements about the factors which can make or break projects or programmes, amongst which the need to take greater account of the social and economic background (and especially the role of women in this background) and the usefulness of involving project beneficiaries at all stages of project preparation and implementation. Specific recommendations are made with regard to project preparation, implementation, evaluation and feedback, including the preparation of a practical evaluation manual for use by National Authorising Officers and their staff.

* * *

The Article 193 Committee was directed to examine the extent to which the various recommendations contained in the Resolution have been or are being implemented and to report to this effect to the next ACP-EEC Council of Ministers. o

(*) Known at the time as the Article 108 Committee.

ensuring that the benefits of research findings were actually put in practice in the field.

One practice that received inadequate attention was the use of animal traction. The optimal choice of appropriate traction should be an essential consideration, the Basic Principles state, in the design of every crop development project, and comparative cost analyses between animal and mechanical traction should be more systematically undertaken.

Finally, one particular sub-sector worthy of greater attention was the horticultural sector, whose potential in contributing to food security was as yet far from achieved. The Basic Principles recommend that greater attention be paid to urban gardening, especially, because of its role in contributing to balanced nutrition.

Rural Development

Conclusions and recommendations were adopted in a third, major area, that of Rural Development, which is defined as "any multi-component operation which aims at improving living conditions in rural areas, with special emphasis on agricultural production and economic and social infrastructure".

"The success of rural development projects," the Basic Principles indicate, "is heavily dependent upon their being planned in the context of coherent national policies governing the socio-economic climate. Where inappropriate or inefficient macro-policies have been pursued, these have constituted such an inhospitable economic environment that even well-designed rural development projects have sometimes failed". Amongst a long list of macro-policy aspects judged to be vital to the success of such projects figure: avoidance of over-valued exchange rates; adequate attention to social and cultural constraints; product prices that give adequate incentives to farmers and a comprehensive food security/food strategy policy.

Project viability, the Basic Principles state, is the acid test of successful development assistance. A project or programme cannot be deemed to be a success if it fails or falters when aid is withdrawn, and provisions must be built into rural development projects—as into other development proj-

ects—to ensure that relapse is avoided.

Certain types of rural development project seem to work well, others are notoriously difficult to manage. Small rural businesses, for example, are frequently successful, mainly because they operate at grassroots levels, with the active participation of the beneficiaries. Land settlement programmes, on the other hand, are particularly prone to problems, due to conflicts of interest between settlers and the indigenous population, or to inadequate data on which to plan for unfamiliar locations. The Basic Principles indicate a number of measures which could reduce the difficulties and increase the chances of such projects succeeding.

Administrative practices and procedures are again identified as constituting "a major source of frustration and delay, leading to important losses and misallocation of resources, greatly amplified costs and wasteful use of staff time". The Basic Principles plead for political commitment on the part of the ACP/EEC Council to have such policies and procedures evaluated and reviewed, "with a view to modifying any practice or procedure found to be inconsistent with the attainment of the objectives of the projects or programmes".

Education and Training

Finally, Basic Principles were agreed upon for projects in the fields of education and training, a vital element in development assistance since "a well educated and trained population is the most valuable resource base any country can have".

Problems encountered in both the primary and secondary education sub-sectors included the shortage of teachers, particularly in the fields of mathematics, science and technology, and to their status, salaries and motivation. The Basic Principles recommend support in the form of teacher training; the supply of teaching materials; equipment and books and the provision of housing for teaching staff. Universities, often criticised for their ignorance of employers' requirements, need to cut their costs and seek ways (e.g. through consultancy or advisory services) of raising funds. Technical and vocational educational institu-

tions were also criticised for "inadequate linkages with future employment". A series of improvements is recommended, including adapting training programmes to the needs of the working world; reducing unit costs by avoiding the under-utilisation of plant and equipment; providing sandwich courses and trying to interest private business in assuming greater responsibility for their own training needs.

An area which has received inadequate attention is non-formal training. Projects such as literacy and adult education should be encouraged, and greater emphasis should be given to in-field and on-the-job training.

Women, the Basic Principles conclude, have not enjoyed equal opportunities in education and training. Yet they are the first teachers of children, and act as a bridge between the home, school and work. "Women's education", the Basic Principles say, "contributes positively to efforts at controlling population growth and improves the social and economic climate for development." Education and training, therefore, should be geared to improving the participation of women in economic and social activities as in other areas, especially those of child care, health and nutrition.

With regard to school building projects, past mistakes are frequently repeated. Where possible, the Principles recommend, multi-purpose and standardised designs should be used. Buildings and equipment should be chosen bearing in mind the need and cost of maintenance and, where possible, existing buildings should be restored and local contractors and materials used.

Finally, the Principles point to a lack of expert advisers in the field of education and training in the Commission's own headquarters and within its delegations in the ACP States, issuing the following caveat: "If it is not possible to increase the number of professional advisers in this sector, care should be taken to ensure that the selection of projects and programmes reflects this shortage. The EEC's staffing may have to be strengthened to enable it to appraise and supervise projects more effectively". ◊

M.v.d.V.



Locust control must respect the environment

by Olivier RETOUT (*)

In spite of international aid and the spectacular fight in the Maghreb in the spring, the locusts are winning on every front. The continent-wide invasion of Africa is off to a dramatic start.

Nature accelerates dangerously

Of the 10 000 species of acridian in the tropics, a dozen are likely to ravage crops. The dangerous ones, because of their tendency to live together in swarms, are the locusts.

Once the density of locusts (*Schistocerca gregaria*) goes beyond 500 per hectare following good weather conditions (plentiful rain after prolonged drought), the creature undergoes a psychophysiological change, taking only three or four generations to become gregarious and collect in swarms, with heightened resistance, darker colouring, faster reproductive capacities and a larger appetite (it eats its own 2 g weight in food per day) for all kinds of plants.

They go on the move in swarms billions-strong, devouring more than 100 tonnes of vegetable matter in a day, leaving their natural habitat, the desert, and, unless conditions are exceptional, able to stay in this state for 10 years before reverting to the isolated state.

In May 1987, unknown to plant protection organisations, locusts began to swarm in Eritrea. From there, they went to Chad where, between June and September, there was a monsoon to encourage breeding. They moved on westwards, reaching Niger and Mali in October and Mauritania and Morocco in November.

In March 1988, a second generation born in the Western Sahara took over and moved into the Maghreb, with the strongest locusts getting as far as Sicily and Rome by April. Carried by the inter-tropical front in swarms of several square kilometres in area, flying 3000 m high, the locusts returned back to the Sahel in June, where the first rains were bringing green back to the savannah, and

spilled over to the crops to the south, even spreading as far as the Cape Verde islands 700 km off the coast. They travelled 20 000 km in a year, returning to their starting point in Ethiopia and moving off again to reinfest the Sahel and the Atlas Mountains. A fresh cycle started again in September, but this time, thanks to scattered swarms and above all the eggs buried in the sand (8 cm down and therefore invisible and indestructible), the insect population will be 100 times greater. If the weather is not on our side and chemical warfare fails to speed up their return to the solitary phase, the locusts will make a full-scale invasion of an area that could be 31 million km² in size, stretching from the Atlantic to South East Asia and from the Mediterranean to the southernmost reaches of the Sahel. If this happens, there will be so many of the creatures that the damage to crops, normally very limited, would cause a dramatic increase in agricultural shortfalls.

Man gets organised

Since the previous locust invasion — it lasted from 1947 to 1963 — control specialists have known where the locusts undergo their transformation. At national level, it is the plant protection departments which work on the early detection of local swarms, control these centres (which can still be destroyed) and predict the process of invasion. Most of them are in touch with the Sahel locust surveillance unit, which is financed by CI-RAD (the Centre for International Cooperation in Agronomical Research and Development), the EDF, the FAO and the French Cooperation Ministry, and which, with its 1500 correspondents and 5000 readers of its 18 annual bulletins, is a remarkable means of prevention and information.

This network teaches the various local leaders how to recognise the different



FAO - Tortoli

types of acridian and make the wisest choice of insecticide (type, dosage and method of application).

Once informed, the states can use their own means of control — stocks of insecticide, planes, trucks fitted with sprays and, if necessary, the army.

The locust control campaign is a fine example of international cooperation. There are five inter-State bodies which between them serve almost all the 52 countries under threat of locust invasion. West Africa has OCLALAV (a joint locust and bird control organisation) and, at its 23rd meeting in Bamako in March 1988, the 10 members decided that, in spite of financial and structural problems, they would maintain a regional coordination, research and training structure in the four countries of the "front line"—Mali, Mauritania, Niger and Chad—where the locust reproduction areas are situated.

East Africa has the ELCO in Rome to coordinate the campaign and international aid thanks to the Emergency Locust Control Service. This organisation was in charge of the Locust Control Project, a series of research, surveillance, control and spraying schemes, financed under the 5th EDF (Phase II, September 1987, ECU 6 million).

In July 1987, a similar project was assessed with a view to 6th EDF financing (ECU 6.4 m).

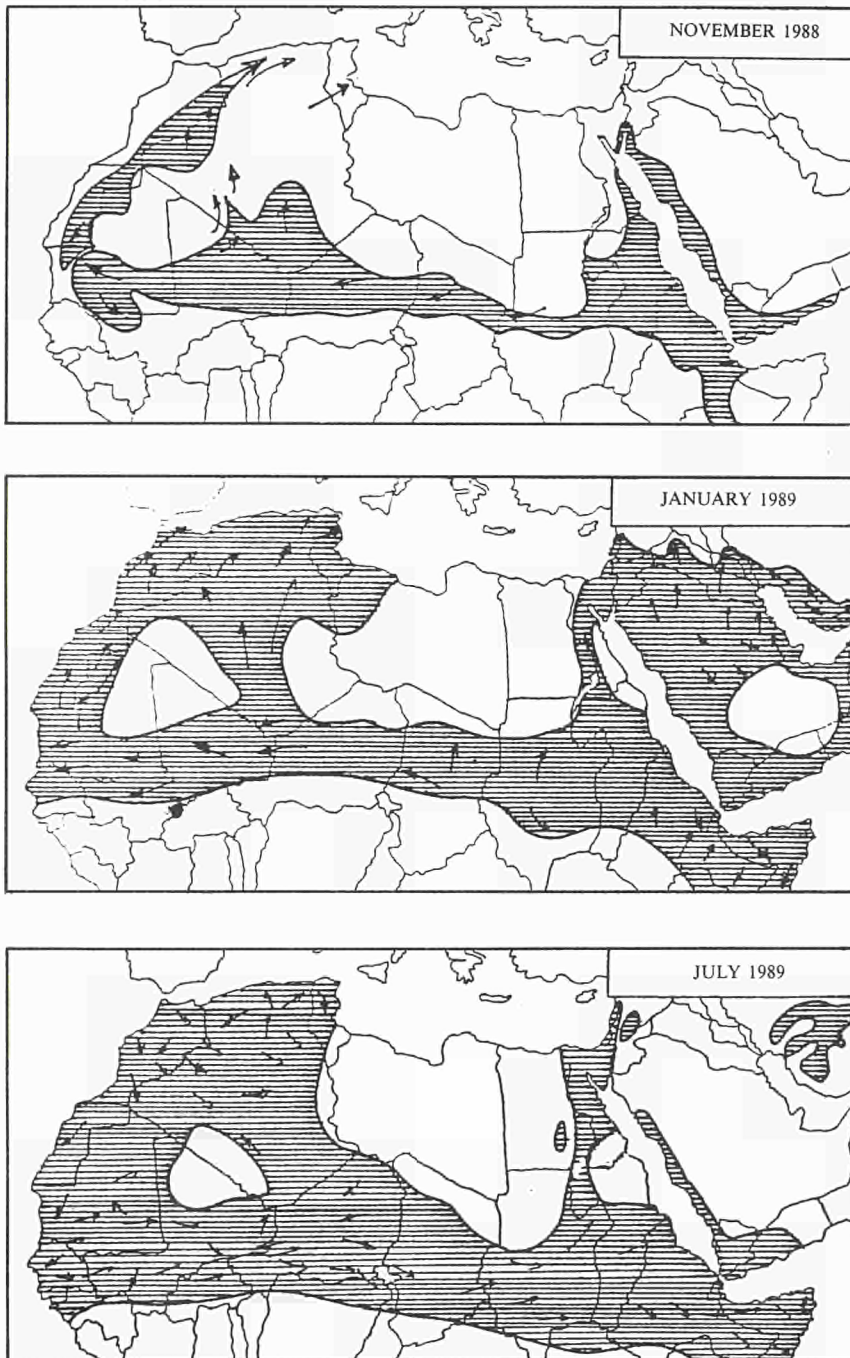
The World Meteorological Organisation (WMO) is helping by supplying satellite data predicting wind—and therefore swarm—movement and measuring the photosynthesis index (growing plant life) so as to detect the areas where eggs are being laid and larvae will appear a fortnight later.

It is reasonable to ask how it is that, with all this international activity, locusts can still threaten crops.

No one denies that armed conflict (in

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Locust invasion predictions



Source: Prifas

Eritrea, Chad and Western Sahara) masked the incipient danger of the slowly forming herding instinct of the locust, which began in 1986. As they could not observe the areas where this was happening, the plant protection organisations were unable to sound the alarm in time.

That was the year that the international community notched up a victory over another pest—the non-swarming Sene-

galese hopper—to which the Commission of the European Communities contributed ECU 9 200 000. It was also the year in which the International Organisation for African Locust Control (which had 17 member states) was dissolved. Before OCLALAV, which has the support of CILSS, could take over, locusts had made the most of human disarray. For the national leaders, the lesson was obvious — periods of remission must be

used to prepare for subsequent swarms by permanent surveillance of the desert zones.

Specialists divided on insecticide

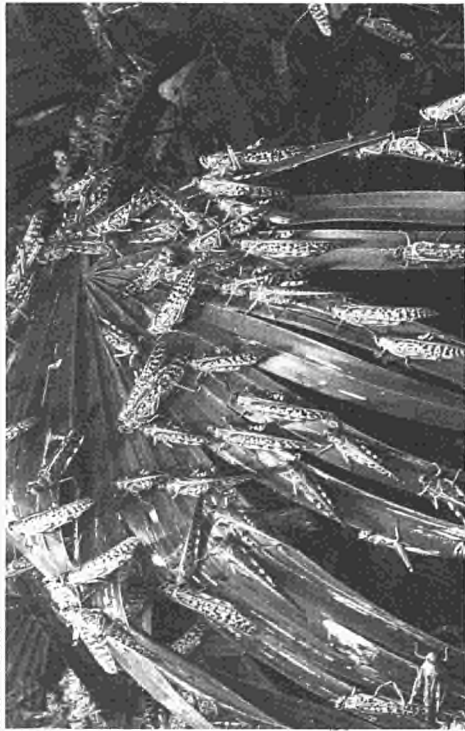
French locust specialists in CIRAD's Acridologie Opérationnelle — Ecoforce internationale (the former French interdisciplinary programme of research into acridians in the Sahel — PRIFAS) suggest that a failure to use Dieldrin has lost us the opportunity of wiping out the scourge in time.

This insecticide, one of the organochloride family (like the famous DDT), is so powerful that it is dangerous to handle and highly toxic to both mammals and birds. It is only slightly biodegradable (it takes almost 40 years for half of it to disappear) and cannot be used without risk to crops and inhabited areas. But its direct remanence (time during which it keeps its destructive powers) is such (45 days) that the larvae, which move about "on foot" have little chance of survival. It is so toxic to the larvae that only small doses (10-35 gr of active material per hectare), diluted in diesel oil, are required.

Lastly, since once the soil has been treated it takes a good month to kill the larvae, partial spraying (20% of the total surface, in barriers 500-100 m apart) is adequate. So it is possible for the ecosystem to get over the damage.

But since Dieldrin, like many a synthetic molecule, pollutes, it has been banned in the industrialised nations since 1972 and its production and sale is banned.

USAID representatives point to the fact that we cannot finance the spread of pollutants whose manufacture is prohibited, and they have put moral and economic pressure on African governments to prevent them using their stocks of Dieldrin. They would prefer them to use FAO-authorized substances, including organo-phosphorates such as Malathion and Fenitrothion, which have the advantage of limited remanence (only a few days in hot countries), so the crops can be treated without danger to man. But as these products call for total cover, the biological impact is greater. They are far less powerful and so higher doses (of 500-1000 gr of active material per ha) have to be used and the same area has to be sprayed several times to kill the bil-



Each insect eats its own weight in food every day

lions of locusts. Lastly, whole fleets of huge planes, which the affected countries simply do not possess, have to be used, so this treatment costs 10 times more than Dieldrin.

Organo-phosphorates were used in Morocco, Algeria and Tunisia last spring, when 5 million hectares of land was treated with a fleet of 100 aircraft (planes and helicopters). At the time of this vast operation, the EEC contacted the Danish firm Cheminova, the only company able to supply the requisite 800 tonnes of Malathion quickly. By the end of April, an estimated less than 5% of the harvests had been lost overall. The danger had been temporarily avoided and Mr Saouma, Head of the FAO, could thank the international community for its \$ 40 000 000 — to which the EEC contributed ECU 3 665 000 in emergency aid (ECU 4 700 000 for 1987).

The EEC's emergency aid service (in DG VIII) will have spent a total of ECU 4.5 million for the 1988 campaign under Article 203 of the Lomé Convention and Article 950 of the budget for non-associated third countries. And today it is trying to give the States the means of coping with what we know to be unavoidable invasions next spring. It can do this in two ways:

— through funds for one-off schemes to finance the hire of vehicles, land spraying equipment and the payment of flying

time. 90% of insecticide purchases are made through the FAO, a system thought to be too slow today;

— through action under the direct responsibility of the EEC's national delegations, which should organise the collection of the requisite equipment on the spot. On the insecticide front, the Commission has set up a renewable stock of 90 000 litres of Fenitrothion, the French firm Caliop having undertaken to supply 7 500 litres per day. Two stores are to be up in Niger, one in Sudan and one in Chad.

The EEC, which had already been alerted by the European Parliament to the ecological dangers of massive spraying of insecticide in inhabited areas, did not finance any Dieldrin treatment and is planning to use small planes. But it is aware of the scientific worth of the arguments put forward by PRIFAS locust specialists—who think it is possible to use the 150 000 litres of Dieldrin stored at various places in the Sahel, provided this is done by experienced operators and only aimed at larvae in desert zones—and so it attended the FAO's coordination meeting in Rome on 14 October 1988, when this draconian solution was again discussed. The experts are not arguing about it—they all recognise the properties of the different products—as the idea is not to choose between a dangerous, radical but prohibited product (Dieldrin) and other risk-free, efficient but expensive products. It is the strategies and the estimated risks that differ, as there is no dedicated acricide that just kills locusts.

Because of its dangerous potency, Dieldrin is offensive. Once the contaminated areas have been located—only in desert areas—they are combed to stop the herding process at the larva stage.

Organo-phosphorates and other more recent products are used defensively. When a swarm of (winged) adult locusts is gathering, the crops are sprayed and anyone going near them must take care. This is shock treatment — which sometimes give the impression of avoiding the worst without doing anything about the basic process of invasion.

Since they decided that the crops had not been badly affected in spite of the impressive number of locusts, the donor countries and the Governments mobilised on the front — and there was no subsidising of Dieldrin spraying.

Neither donors nor governments



Spraying with Dieldrin. The choice of insecticide is causing a split among experts.

should forget that the idea is not to eradicate the locust. This would seriously upset the ecosystems by breaking the food chain. Locusts pose a threat in numbers, but by themselves they are useful, as they eat grasses that are harmful to cattle and can be used as fertiliser and as an addition to the human diet. And they are eaten by many game birds and mammals, too. The existing stocks of Dieldrin have to be got rid of one day, but carefully. If it is spread over vast areas by large aircraft, as USAID suggests, Malathion, too, could seriously affect the natural balance.

Since the cure should not be worse than the disease, ecological considerations have to be taken into account when the means to be used in the locust control campaign are defined.

Such considerations force us to gear our action to the long term and ensure that it respects nature and the people who live in it. And they go hand in hand with the creation of structures that will prevent the scourge, inform the peasant farmers and train locust specialists.

But they should not be held up as hard and fast theoretical principles when an emergency arises. The international community has to look at the most effective control methods which respect the environment, and do so on a case-by-case basis, when locusts are threatening half a billion people with famine. O.R.

Drugs and drug addiction in Africa

by Dr Christian BRULÉ (*)

The situation in Africa is far different from that in Europe. But it is developing all the time. Any description given of it today will differ from the description of six months ago and things are likely to be very different again by the spring of 1989.

Drugs were long reserved for traditional ceremonies and medical treatment, but over the past 10 years, they have been diverted from their sacred, magic use — especially by young people who abuse them. More recently, people have started to use hitherto unknown drugs, and the habit is spreading dangerously. The heroin and cocaine traffic goes right through Africa. International drug runners are diversifying their supply routes and Interpol experts say that no country on the continent is safe.

All African nations now realise how important the problem is and how urgent it is to come up with a strategy for controlling it. Some of them have already set up their National Coordinating Committees under the Prime Minister, the Health Minister or the Minister of the Interior, but very few have defined their policies with any precision. However, top officials in education, health and vocational training are very much in the picture and proposing to implement the necessary measures now.

The international organisations have been alerted so as to back up the African nations' action in drug information, training and prevention and suppression.

What drugs are used in Africa?

The distinction between "hard" and "soft" drugs currently in use in Europe and America does not hold good in Africa, as the range of drugs and their effects have nothing in common.

The commonest drugs are cannabis, alcohol and psychotropic medicines

and, of course, hallucinogens such as *Datura* and various solvents. Heroin and cocaine—they transit through Africa in vast quantities and runners sell small amounts on the way—are much more recent arrivals.

Cannabis

This drug, which causes euphoria and stimulates the brain, has always been in the traditional pharmacopoeia — although in small doses. Repeated, heavy doses cause serious psycho-sensory derangement and hallucinations and in some cases lasting schizoid psychosis. Cannabis grows wild, but to meet demand it is now cultivated, both for local consumption and export, in many countries of Africa, where it is a major source of income for the farmer. So it would be wrong to imagine it can be wiped out—particularly since cannabis plants are usually hidden amongst other crops. Large quantities of chopped, dried leaves are exported to Europe from Africa—the origin of 10% of all the cannabis seized in France in 1987.

The amount of the active principle, tetra-hydrocannabinol (THC), varies with geographical origin. African hemp, for example, is 4% THC, which is 40 times the figure for American hemp — hence the extent of intoxication and the serious forms observed.

Alcohol

The consumption of alcohol, alone or together with psychotropic drugs, is fast increasing, particularly among young people. All classes of society are concerned and consume both locally-made beverages (beer and palm wine, for example) and imported ones (gin and whisky). Chronic alcoholism, usually linked to psychological and social factors, may be further complicated by *delirium tremens* and violence, particularly since the diet may be inadequate too.

Psychotropic drugs

These are for therapeutic purposes but they are often misused by drug addicts. They are sometimes prescribed by doctors or purchased in local pharmacies, but they are currently

sold mainly, and more or less openly, on markets, at bus stations and in other public places. Most of these drugs are made in Eastern and Western Europe and most are imported illegally and packaged in Africa. There is a lot of adulteration, mixing and substitution. Two main sections of the population are involved in this kind of drug abuse — individuals wanting to improve their intellectual, physical or even sexual performance (usually students, farmers, seasonal workers and drivers of buses, taxis and other road vehicles) and people who are bored (youngsters away from the family environment, the jobless etc.).

There are two types of psychotropic drugs:

- amphetamines (anorexigens and amphetaminised aspirin), which suppress tiredness, generate physical and intellectual stimulation but cause serious psychiatric complications in the longer term;
- tranquilisers (benzodiazepin) and narcotics (barbiturates), whose anxiety-depressing, sedative and hypnotic effects induce somnolence, stupor and euphoria — as well as apathy, lethargy and indifference.

The traffic in these drugs is particularly strong in Africa — where they are behind behavioural problems that are all the more serious for being caused, often, by combinations of amphetamines, barbiturates and alcohol.

In most cases, the extent of this type of drug taking has been ill assessed or not assessed at all. However, one or two examples show the size of the problem and how it is developing:

- *Mali* — 5000 amphetamine tablets seized in 1974, 24 000 in 1982 and 564 00 in 1983. The same goes for barbiturates. But the amount of hashish seized stayed the same, at 65 kg.
- *Côte d'Ivoire* — first cocaine and heroin seized at the airport in 1987, bringing an expanding trade to light. Niger has made a similar discovery.

There is considerable drug addiction among children. In Benin, for example, 10% of 675 delinquent youngsters have been found to be addicts, while 27 out of 37 2nd-year secondary pupils (12-13 year olds) in Burkina Faso have already taken drugs and 90% of children in the street said they took amphetamines or sniffed glue.

(*) Head of the Francophone Institute for the Prevention of Drug Abuse.

Why is there drug abuse in Africa?

The reasons are not specific to the continent. The consumer society and the habits and frustrations it brings in its wake are world-wide phenomena. The wave of young people leaving rural and suburban areas, attracted by the apparently easy life of the city and the real or imaginary possibility of making a fortune there, is perhaps a bigger factor in the increase in drug addiction than it is in the developed countries. The unemployment situation means that the likelihood of getting a properly paid job is very limited — hence the profusion of “little temporary jobs”, which only provide irregular work (although they are better paid at the time). But the needs generated by periods of inactivity are much greater, and failure to satisfy them leads to frustration, so that some youngsters compensate by going in for drug-taking or delinquency.

Much more specific to Africa is the fact that young people anxious to set themselves apart from the traditional society are taking substances used in ritual ceremonies. This may be seen as provocation, demystification or even desacralisation, as psychotherapists have had the opportunity to find out.

The use of drugs, especially cannabis, by many African singers, whose influence over their public is well known, amounts to cultural motivation for youngsters anxious to identify themselves with their idol. Modern music and drugs have all too often been associated and new cultural activities should aim to reverse this trend.

Another factor which encourages the use of drugs in Africa is, of course, the traffic itself, and more particularly some African peoples' aptitude for bargaining and bartering.

How can it be combatted?

An anti-drug addiction policy is simple to lay down but complicated to implement.

Every country must bring in an action programme based on reliable evaluations and involving both prevention and suppression and it must do so soon.

A firm, permanent policy of prevention aimed at every section of soci-

ety must be applied at both local and national level.

The drug issue is one that affects the State as a whole and not just one or two Ministries individually. So a polyvalent, inter-ministerial organisation, preferably attached to the Office of the President or the Prime Minister, has to be set up. It may be a coordinating or a decision-making body and it should employ the experts needed and have a direct view of State spending on drug control. A national plan, regularly reviewed in the light of the way the situation is developing, should be produced, so the means of evaluating both the needs and the responses must also be supplied.

Both public authorities and voluntary organisations must be involved. The highest State authorities must manifest their concern and every citizen should feel personally and professionally concerned. The arms used to combat supply (production, the international traffic, processing and local sales) should match those used to combat demand (prevention, treatment and rehabilitation).

In Africa more than anywhere else, the structure of the family has remained firm. It is the key to the fight against drug abuse. Some people would even go so far as to say that, if tribal and family structures were today what they were 50 years ago, or even 10 years ago, there would be no drug addicts.

But they are not. They are no longer. Africa's traditional family structures are being changed by the consumer society, urban habits and modern housing which lends itself less to gatherings of the clan. These are blows in face of which parents and children alike have to alter their relationships. Sometimes both parents have jobs and consequently less time for their children—who are left on the streets. The decline of the family has been blamed by many for drug addiction, but we believe it is a factor of encouragement which should be the subject of some profound reflection. We have to insist on the need for a proper policy of prevention, particularly since the evolution of the family structure is also being blamed for minor urban delinquency—whose rapid increase in the major cities of Africa we cannot overlook.

The families themselves have to tackle the problem and try and find solutions involving children and their relatives (father, mother and grandparents and brothers, sisters, uncles, aunts and substitute parents as well) communicating with, and having confidence in, each other. Hence the importance of the information component in any prevention policy.

The educational, social and religious structures of the community also have a valuable contribution to make. They have to be put in the picture, informed and mobilised to integrate their activity into the national or regional prevention policy.

The international organisations have been alerted to help the countries of Africa. At virtually every meeting of the UN Drug Committee, a resolution is adopted stressing the size of the phenomenon in Africa and calling on the international community and the UN in particular to take greater account of the African problem. Has it had as much attention as the problem on other continents?

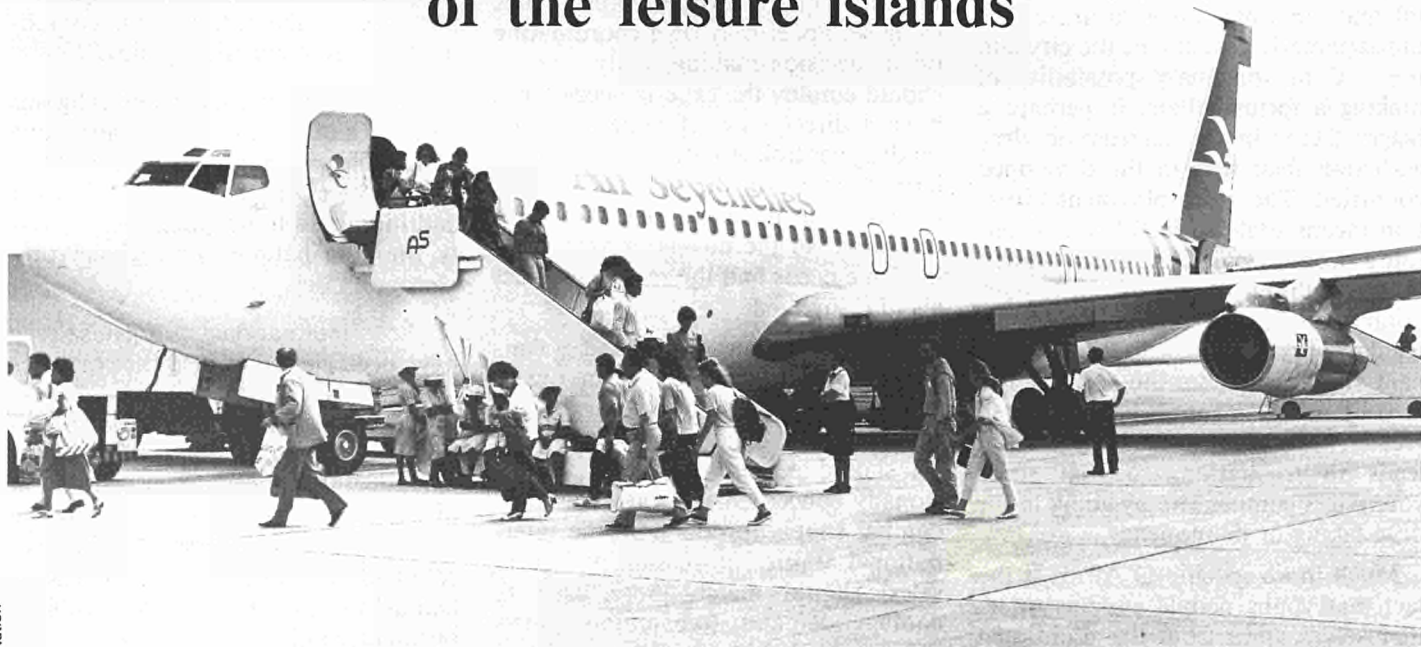
UNFDAC, the UN Fund for Drug Abuse Control, is financing a number of national and regional assistance schemes. UNESCO has been running assistance programmes in Africa, particularly Senegal, for some time, and the same goes for the WHO, Interpol and the ILO. The Commission of the European Communities is financing the IFLD, the Francophone Institute for Drug Control, for its two-year all-Africa assistance programme. The following are being run:

- an epidemiological survey of the extent of drug abuse problems, with an evaluation of the means of handling them, in Senegal, Mali, Kenya and Tanzania;
- regional training seminars for staff responsible for drug control policy. The first of these, for the western region, was held in Dakar from 17-28 October 1988;
- the production of written and audio-visual teaching materials reflecting the specific nature of the African situation, in collaboration with African specialists, to be made available to the national prevention services.

If the drive is continued, then Africa will be armed to stand up to, fight and beat this new scourge. ○ C.B.

SEYCHELLES

Broadening the economic base of the leisure islands



Nation

— “I am going to Seychelles”, said I.
— “Can I come with you?”, asked the secretary.

Of all the countries *The Courier* has covered, so far none has given the secretary an instant desire to accompany the reporter as to Seychelles. It is a measure of the hold these tiny islands in the Indian Ocean now have on the minds of many Europeans as a holiday resort of the highest class or, as they are often referred to, “a tourist paradise”. Not bad for a country which less than two decades ago was visited only by a few and was hardly known in the outside world. “Is it really what they say it is?” is not an uncommon question to anyone who has the distinction of having been there.

An archipelago of some 105 scattered islands situated 1800 km east of Mombasa, Seychelles would indeed correspond to many people’s idea of paradise. Its 42 or so granitic islands are of tremendous scenic beauty, some rising gently from the sea and then steeply to great heights with the lower levels covered with lush vegetation. Temperatures are pleasant, from an average of 24°C in the cool months (June to November) to an average of no more than 29°C in the hotter

months (December to May). With a combined area of 453 km² and 68 000 inhabitants the population density is low, even on the biggest island, Mahé, where 86% of the people live. Lying outside the normal path of cyclones, which have wrought so much havoc in the islands down in the South, and outside the normal international shipping lanes, Seychelles remains largely undisturbed. This has encouraged a flourishing wildlife: a variety of trees (of which the most notable is the sea coconut) and flowers, numerous bird species and giant tortoises. A racial mixture of Europeans, Africans and Asians adds an amazing colour and beauty to this relatively peaceful part of the Indian Ocean.

Visitors arriving on Mahé from the heavily polluted cities of the industrialised world with their hustle-bustle would almost certainly have the impression of time having slowed down considerably, creating an infectious holiday atmosphere. He would see thousands of tourists engaged in lazy pursuit of leisure and recreation: sipping drinks for hours on end at pool-sides, sunbathing on the numerous fine beaches, swimming, kayaking and criss-crossing the island in buggies.

With the pace of life so slow and a large number of the people engaged in one way or another in the tourist industry one may be forgiven for thinking that the islanders themselves are also on holiday.

Over 70 000 tourists choose to go to Seychelles every year, bringing with them between 250 million and 350 million Seychelles rupees⁽¹⁾ — incomes which have enabled the country to acquire one of the highest standards of living in the ACP Group⁽²⁾ and create a social services and security system that is rare in the developing world: electricity and water supply to almost every home, free education, free medical care, pensions, etc. The capital, Victoria, with its neatly swept streets and neatly dressed and happy-looking population, gives Seychelles the impression of a middle-income or developed country. That impression, however, is easily dispelled with a walk across Mahé to the homes of the natives (many of which are set deep in the vegetation) where the features of underdevelopment are evident.

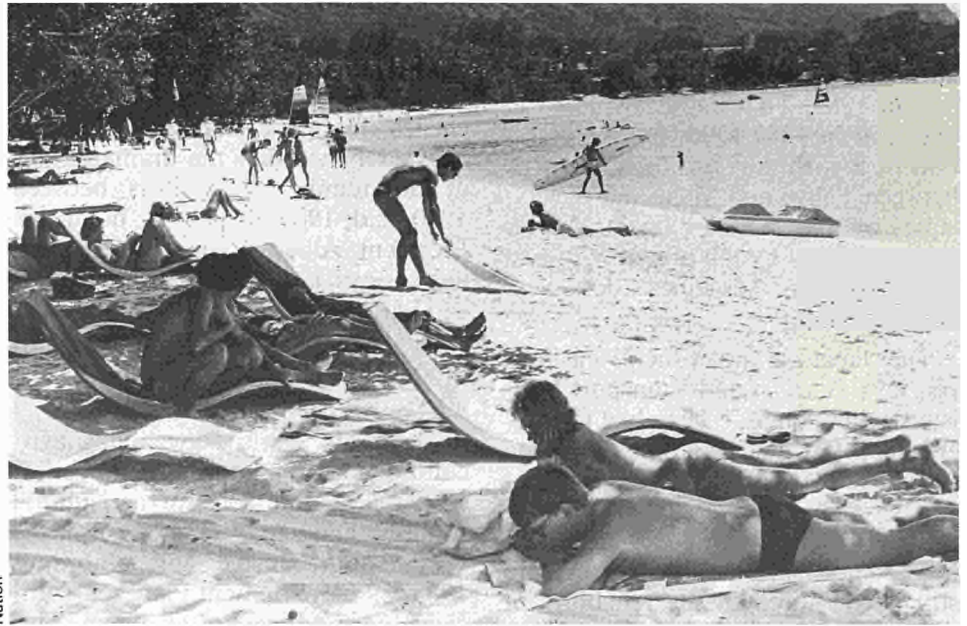
(1) Seychelles rupees (SR) pegged to IMF’s SDR. ISDR = SR 7.3; ISR = US\$ 5.

(2) Income per capita is \$ 2429.

Moving to the top end of the tourist market

All in all, tourism has been a good thing for Seychelles and its future looks good. Not only is Seychelles becoming more popular in the industrialised world, it is moving with increasing success to the top end of the market, an astonishing feat in so short a time. Before 1971 the islands were only accessible by sea and no more than 3000 people visited them annually. The opening of the Mahé International Airport in 1971 changed that. It saw the number of visitors jump in just 8 years from 3175 in 1971 to 78 852 by 1979, the highest so far recorded. The figures dropped to 71 762 in 1980, 60 425 in 1981 to a low 47 280 in 1982 as a result of a combination of factors: world recession, the high value of the Seychelles rupee, the South African-backed invasion of November 1981 and the cessation of flights by a number of airlines, including British Airways and Lufthansa. Prompt action by the Seychelles authorities saved the day: they went into the air transport business (leasing an aircraft to provide services to London). That measure, among others, saw tourism revive to 65 000 visitors in 1984 and to 72 542 in 1985, falling back to 66 782 in 1986 before recovering to 71 626 in 1987. Provisional figures for the first half of 1988 indicate Seychelles well on course to equalling or even surpassing last year's figure. Indeed it was 1% up in the first half of this year on the figure for the same period in 1987.

Although arrivals remain overall well short of targets, the authorities still believe Seychelles capable of achieving the projected figure of 100 000 tourists by 1990. All the infrastructures for doing that are in place. Air links with Europe have never been better: Air France operates three flights per week from Paris to Seychelles; British Airways has, since April 1986, resumed its weekly service from London; Air Seychelles has now bought two Boeing 707 Super aircraft to maintain its services to Europe; Air Tanzania and Air Lesotho also operate flights to Mahé. From the point of view of hotels, standards of the existing ones (about nine of them) including those of the numerous chalets are regularly improved. Two or three



Sunbathing on one of the numerous fine beaches

more major hotels are planned. For a country as small as Seychelles, the number of hotels would appear too many but the Minister of Tourism and Transport Ralph Adam is sure it will be just right for the tourist industry. "We have just taken a decision not to have more than 4 000 beds on the three main islands (3). Taking into consideration the big hotel being built in the South—the Plantation Club—and another fairly big one on which work will start towards the end of the year, plus two privately-owned establishments, we will have nearly the number of beds we need. All we need to do, is to improve the product; refurbish and

rehabilitate our hotels, train the staff from the bottom to the middle management and reach the high standard we have set for ourselves, because we are also aiming at the wealthy class of tourists", he said.

The Seychelles are indeed moving gradually towards achieving that goal. At the height of the 1980-82 depression, the authorities had resorted to mass tourism, looking especially towards West Germany and Switzerland as the greatest sources of such visitors. There were then charter flight operations from the two countries linked to a hotel, but as Mr Adam says, "the tourists did not fit into the category we really wanted. They bought a whole package and hardly spent any money in the country".

Seychelles are today a very expensive destination, visited mainly by high and middle-income tourists. A large number of low-income people also go there to have what they see as "a holiday of a lifetime". Some go there for secret and exotic marriages. The 71 626 arrivals recorded last year show that the country is indeed attracting the kind of visitors it requires. Promotional campaigns in the United Kingdom and Italy have been successful, but not so much in France where Seychelles is facing stiff competition from Mauritius.

Over-dependence on Europe, however, is something the Government is keen to avoid and it has been attempting to attract tourists from Asia, espe-

(3) Mahé, Praslin and La Digue.



Ralph Adam
Minister of Tourism and Transport

cially from Japan. The Government seemed at one point to be succeeding, attracting up to 4 000 Japanese visitors in 1985. That figure dwindled to only 350 in 1987 following the cessation of British Airways direct air link between Tokyo and Mahé and the collapse of the not-so-reliable charter flight operated by the privately-owned LAS (Lignes Aériennes des Seychelles).

The Japanese are difficult customers, says Tourism and Transport Minister Ralph Adam. "They like to travel in comfort, like reliability and hate to change planes. Despite the fact that Air Seychelles took over the Japanese route after the collapse of LAS, Japanese tourists and tour operators are still unconvinced of the reliability of the Air Seychelles flight", he said. A lot therefore needs to be done in that direction.

The drive to have more wealthy visitors would first of all have one positive effect for Seychelles. It would enable the country to avoid as much as possible the negative effects associated with mass tourism—drugs, prostitution, etc. "The mere fact that Seychelles is a very expensive destination will discourage the arrival of undesirable elements", says Mr Adam. Secondly, it explains the increase in revenue from tourism despite lower-than-projected arrivals and shorter stay. In 1987, for example, the average length of stay was 11.4 nights as against 11.7 nights in 1986, yet earnings rose from SR 346.8 million in 1986 to SR 379.6 million in 1987.

Reducing dependence on tourism

Tourism accounts for 90% of Seychelles' foreign exchange earnings—a heavy reliance that the dramatic falls in the number of visitors between 1980 and 1983 helped to point up. President Albert René's government has always seen the development of agriculture and fishing not only as of equal importance to the economy as tourism but as a way of reducing the heavy dependence on the latter.

The odds against developing agriculture remain, as always, immense: scarcity of land, lack of agricultural tradition and expertise, etc. Yet in the very comprehensive and ambitious 1985-'89 Development Plan, self-sufficiency in food was set as a goal. This meant shifting emphasis away from the traditional export crops of copra and cinnamon which were beginning anyway to do badly. The reduction of the food import bill which represented about 26% of all imports was seen as being more advantageous.

There are seven large farms in Seychelles, four of which are run by the state-owned Seychelles Agricultural Development Co (SADECO), 650 or so small farms and thousands of smallholdings, many of which are run on a part-time basis. Together they have successfully increased fruit and vegetable output but Seychelles is still far from achieving self-sufficiency. Food imports still represent 20% of all imports.

One major constraint that has come



The Courier

Jacques Hodoul
Minister of National Development

to light in recent years is the weather problem. Agriculture thrives noticeably during the south-west monsoon, from June to November, and does badly during the north-west monsoon, December to May. Research is therefore being carried out into crops that can adapt to the latter so that farming can be a useful year-round activity, but prospects of a breakthrough are not good; countries with similar climatic and soil conditions and which have a long agricultural tradition are nowhere near solving the problem. The abolition of price controls on food and the ending of the Seychelles Marketing Board's trade monopoly on fruits and vegetables are nevertheless expected to act as incentives to farmers to make the most of the south-west monsoon⁽⁴⁾.

If Seychelles has made little headway in the production of fruits and vegetables, it has by contrast made significant progress in livestock production. Cattle slaughters have so far risen this year alone by 3.3% and those of chickens by 6.3% and the country is near self-sufficiency. Plans are afoot, with funds provided by the African Development Bank, to establish new pig and calf breeding centres. Encouragement is meanwhile being given to households to keep cattle, both for compost and for milk, according to Mr Robert Adelaïde, Principal Secretary in the Department of Agriculture. Evidence of this can in

(4) 70% of the ECU 6.2 million allocated to Seychelles for its indicative programme under the Lomé III Convention will be spent on agriculture.



The Courier

One of Seychelles' small farms

fact be seen throughout Mahé where many households keep one or two cows, a much better strategy in the absence of space for cattle ranching or herding.

Import substitution and jobs above all

As for the traditional crops, copra and cinnamon, low world prices and high costs of production have adversely affected their production and exports. The plan now, according to Mr Adelaïde, is to use them locally in the manufacture of oil, soap and essences as part of the country's import substitution drive — a policy which has led not only to the cultivation of such crops as tea and coffee but also to the setting up of a range of small industries: clothing, paint, brewing, plastic goods, salt, boat-building, furniture-making, ice-making, etc.

Seychelles may lack raw materials and may not have a large domestic market, but the authorities have taken the political decision that in some cases, they may have to establish industries locally even if it costs more to do so than to import the articles. This may sound like economic nonsense, but for a country which has accepted that it cannot compete with countries where labour charges are 40 to 50% lower than its own minimum wage, it is better to produce locally and create jobs at home than buy cheap imports to maintain jobs abroad.

Most Seychellois industries are either parastatals or joint ventures between the government and foreign investors. While the latter are welcome



The Courier

Export of copra has declined so much that more domestic use is to be made of production

there are no plans, contrary to speculation, to produce an investment code aimed at attracting them. Foreign investments are usually dealt with case by case. "In this country," says Minister of National Development Jacques Hodoul, "we are straightforward, there is no double-dealing. When a foreigner brings in money he gets certain guarantees which are justified and there is no going back on these guarantees". What is being prepared, however, is an "industrial policy and strategy document in which we will set out clearly what sectors we would like foreign investors to come into", he said.

The problem for Seychelles at the moment is not so much investment money as identifying viable projects in

a country that lacks terribly both raw materials and skilled manpower. There is money available for small-scale enterprises at the National Development Bank which, at the moment of *The Courier's* visit⁽⁵⁾, was hopeful of obtaining an ECU 3 million credit line from the European Investment Bank. The NDB planned to get a "credit guarantee scheme" off the ground by September for small businesses and plans in addition to set up a research production unit to give guidance to local businessmen on the setting up and financial management of projects, according to the Bank's director, Mrs Georgette Thomas.

Conserverie de l'Océan indien: a tremendous economic future

One project (by no means a small one) which has worked, is the tuna canning operation of the Conserverie de l'Océan Indien, one which the authorities see as holding a tremendous economic future for Seychelles, particularly in steering the country away from its over-dependence on tourism.

Seychelles' territorial waters are rich in fish, especially in tuna. For a long time the country was just a dispenser of fishing licences to foreign vessels. Although earning considerable sums from them—SR 22 m in 1987 for ex-



Land reclaimed from the sea

The Courier

(5) 11 July 1988.

ample—mastering this resource has always been a fundamental objective. The tuna canning factory was conceived to do just that. Owned jointly by the Seychelles Government (70%) and by the French company, Armelement Coopératif Finistérien (30%), it went into operation in June 1987 and is already exporting canned tuna to France. When its present capacity of 9 000 tons is fully reached, the country could earn as much as SR 175 m annually. The plant so far depends on fish landed by foreign vessels, so Seychelles is not altogether out of its raw material import quandary, but as President France-Albert René pointed out in his interview (see page 21): “the next step, of course, is for us to go into fishing the tuna ourselves. We are now on the point of ordering the necessary boats to do that”.

The sea does indeed hold a good future for Seychelles. In addition to the canning factory, the expansion and modernisation of the fishing port, which is part of the Mahé East Coast Development Project, is aimed at firmly establishing the archipelago as a major shipping centre for tuna transshipment and eventually for dry docking when the facilities have been installed. Large tracts of land are being reclaimed from the sea for these as well as a variety of other industrial and housing schemes. The Seychelles maritime ambition in the Indian Ocean though is bound to be coun-



The Courier

Danielle de St Jorre
Secretary of State, Ministry of Planning and External Affairs

tered by other countries, particularly in fisheries. Tuna canning plants similar to that of the Conserverie de l’Océan Indien are, for example, planned in Mauritius and Madagascar.

More to gain from regional cooperation

But if Seychelles expects competition in fisheries it also expects greater and more beneficial cooperation in many other areas, thanks to the newly established Indian Ocean Commission (IOC) which comprises Mauritius,

Madagascar, Seychelles, Comoros and the French Department of Réunion. Never has the capital, Victoria, received so many official visits from neighbouring countries for talks on regional cooperation as in recent months. Already the talks are yielding positive results for Seychelles. An agreement was concluded recently with Réunion which will enable the French firm, Bourbon Bois, to assemble prefabricated homes in the archipelago. The possibility of reducing air fares between Victoria and St Denis and the export of certain kinds of fish from the Seychelles to Réunion are, meanwhile, being examined.

Ready for a more realistic approach

These achievements are considerable but minimal set against the targets of the 1985-89 Development Plan which projected, among other things, a total investment of SR 28 263 million of which only SR 300 were to have come from domestic sources, a 7% GDP growth rate, the creation of well over 11 000 new jobs and improvements in foreign exchange earnings and on the balance of payment through a vibrant tourism industry, fisheries and export of cash crops. It is now admitted that the Plan was over-ambitious. External financial contributions have fallen short of expectation. Unemployment still hovers around 15%, despite the creation of new jobs in manufacturing. Tourism has fared well. Commercial fishing has only just got off the ground but exports of copra and cinnamon, as seen, have virtually ceased and there are no hopes at the moment of any other crops replacing them. The balance of payments was consistently in deficit until 1987 when a SR 143 million surplus was recorded, but this was due more to recourse by the government to domestic borrowing to finance part of the budget deficit and to the tuna canning plant which went into production in the middle of 1987, bringing in much-needed revenue.

Overall 40 to 50% of the Plan has been achieved and the reason for this low rate is not far to seek. Seychelles lacked not only raw materials, it had a serious shortage of human resources to execute the Plan. “If you do not have the people, the professionals that can



Nation

Inside the Conserverie de l’Océan Indien, the most significant development in Seychelles’ economy

actually set up a project, get it approved and ready for implementation, you have got a real problem," remarked National Development Minister Jacques Hodoul. Seychelles has had to bring in many foreign experts in the past five years and now the "machinery" is in place for the execution of the next Plan which will also emphasise the productive sectors⁽⁶⁾.

Observers of the Seychelles economic scene feel that while it will be possible to reduce gradually (though not to a significant degree in the near future) the number of foreign experts as qualified Seychellois become available, it might be necessary for the country to import unskilled labour in its attempt to broaden the economic base, especially if projects are to be on the scale that is being planned for the *Conserverie de l'Océan Indien*. This plant currently employs 200 people and apparently has difficulty finding workers for some menial tasks. In a country where the population is only 68 000, the standard of living is rising and education is free for all, it will not be long before certain tasks are abandoned to foreigners. The authorities, though, do not think Seychelles will ever come to the point of inviting unskilled foreign labour.

Assistance from many friends

Seychelles relies considerably on external assistance, in cash and kind, for most of its development projects. The World Bank, the African Development Bank and the European Investment Bank have all made major contributions. Most of its bilateral assistance used to come from the United Kingdom, but recently the country has attracted aid from a variety of sources: France, Canada, the USSR, China, India, the United States, Australia, Sweden, Greece, and Japan. It is therefore no surprise that Seychelles conducts (and increasingly successfully) a foreign policy that is non-aligned. Sometimes, though, it is suspected of allowing economic considerations to affect this, but Secretary of State in the Ministry of Planning and External Relations Mrs Danielle de St. Jorre has discounted this, saying "there can be a certain degree of give and take so long

(6) Emphasis during the period 1977-85 was on social infrastructure.



A street in the capital, Victoria
The impression is one of a middle-income country

as they do not affect fundamentally the basic principles on which our foreign policy is based". Seychelles has a cooperation agreement with the Soviet Union from which it has received gifts of cement and fuel. The United States, on the other hand, maintains a satellite tracking station on the archipelago for which it pays an annual fee of \$ 2.5 million.

The state of the economy at present can be described as fairly good. Socially, the people are well catered for. The Government prides itself on having considerably reduced the gap between the lower and higher scales of salaries. The average wage in 1987 rose by 7.2%, more than double the rate of inflation which rose to 2.5%. Personal income tax was abolished in the 1988 budget. National Development Minister Jacques Hodoul explains: "We have abolished business tax. We have not abolished contributions to social security (which are 5% of salary). Why we have been successful is that we have been able to put in place a fairly efficient system of collecting whatever taxes and dues are owed to the Government. I'm not saying that the system is perfect, but I'm sure you have been told that import duty, as it exists in many countries, does not exist here. There is a trade tax which is paid at the moment merchandise reaches the country, a mechanism which permits the importer, the wholesaler and the retailer to pass on the tax. So what was formerly import duty collected at cus-

toms and what was a turn-over tax have been amalgamated into one single tax from which nobody can escape".

Still the problem remains that the government has continued to run overall budget deficits (SR 142 million in 1988). The amount of official external loans dropped in 1987 to SR 20.9 million from SR 159 in 1986, while interest payments went up from SR 29 m in 1986 to SR 45.4 m in 1987, a reflection no doubt of the country's increasing indebtedness. The government had sought, and obtained in the past, debt reschedulings and cancellations. It is seeking more but to obtain them it will need the blessing of the International Monetary Fund.

The IMF has been "sniffing" around the country recently. Though it routinely visits Seychelles as it does many developing countries, recent visits to Victoria have been suspect. The Fund reportedly wants such adjustments as the Government has made of its own accord, particularly in 1986, to be intensified. Action is required mostly on parastatals and devaluation of the rupee which has, since 1981, been pegged to the IMF's Special Drawing Right (SDR). The Government has said it has no intention of toeing the IMF line on these issues. There are unmistakable signs of confidence among officials in the course the economy has taken. o

Augustine OYOWE

Seychelles in brief

An archipelago of about 105 islands.

Total area: 453 km².

Population: 68 000 (1988 estimate).

Main islands: Mahé (86% of total population), Praslin and La Digue (11% of total population).

Capital: Victoria

Languages: Creole, English and French.

Brief history: The French under Viscount Mahé de La Bourdonnais first explored the islands round about 1741 but only took possession of them in 1756, naming them after the financial controller of Louis XV, Jean Moreau de Seychelles. The biggest island in the group was named after its founder Mahé de La Bourdonnais, but it was not until 1770 that it was settled on a spot that was to be named Victoria. The British captured the archipelago in 1794 and it was recognised, along with Mauritius, as their possession by the 1814 Treaty of Paris. The two were administered as one colony until 1872 when they were separated, a separation that was not final until 1903 when Seychelles became a Crown Colony.

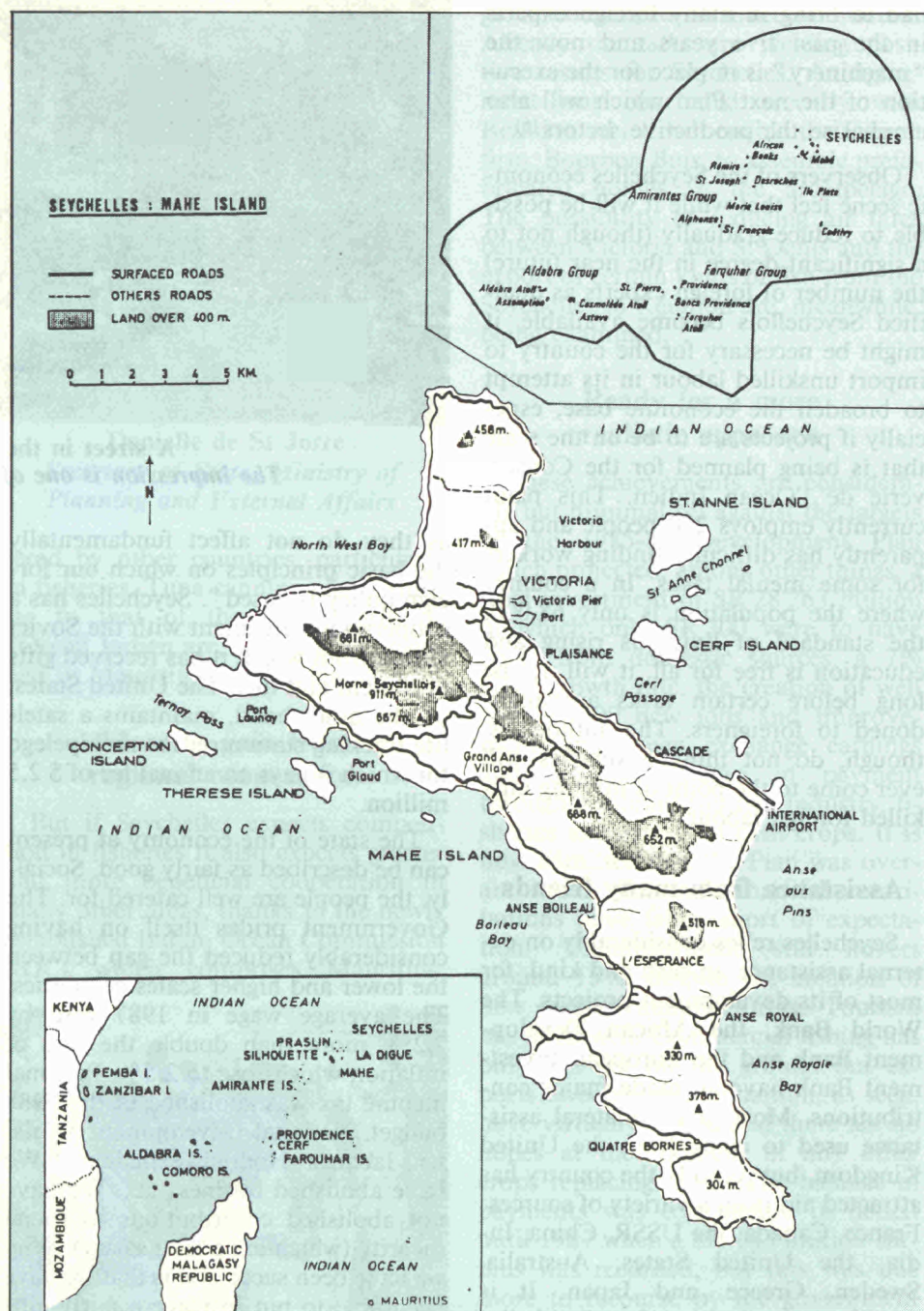
Independence was granted in June 1976. The first government was led by James Mancham who became President at independence. He was overthrown in a *coup d'état* the following year by supporters of Seychelles People's United Party (SPUP) led by France-Albert René who was Prime Minister. Mr René was elected President in 1979.

Political party: Seychelles People's Progressive Front (SPPF), the only legal political party in the country.

President: France-Albert René, re-elected in June 1984.

Media: The *Seychelles Nation* (government-owned daily). *The People* (SPPF-owned monthly). There is a radio station and television service.

Agriculture: Less than 10% of the land is cultivable. Agriculture contributes about 10% of GDP. Cash crops are copra and cinnamon. Food crops grown for local consumption are: cas-



sava, yams, sweet potatoes, sugarcane, banana, tea and vanilla.

Industry: Fish canning and tourism, small-scale manufacturing of soft drinks, beer, cigarettes, bread, etc.

Main trading partners: Réunion and metropolitan France, United Kingdom, South Africa, Japan, Pakistan.

Currency: Seychelles Rupee, pegged to IMF's SDR since 1981. 1 SDR = 7.2345 SRs; 1 SR = US\$ 5 (July 1988); 6.1 SR = 1 ECU.

GDP per capita: \$ 2 429 (1987 estimate).

Source: Africa South of the Sahara.

“We are on the right track”

An interview with President France-Albert RENÉ

Although Seychelles gained independence from Britain in 1976, most Seychellois believe they never really became free until 1977 when President France-Albert René came to power following the ousting of James Mancham in a *coup d'état* carried out by supporters of the then Seychelles People's United Party (SPUP).

The Candidate of the country's sole political party, the Seychelles People's Progressive Front (SPPF), Mr René was re-elected for five years in 1984 with 92.6% of the vote and he is expected to be returned to office in next year's scheduled presidential election.

In this interview with *The Courier*, he takes pride in his government's achievements and exudes confidence in his control of Seychelles' economic destiny.



► *President René, how you would describe your country's economic situation today compared with five years ago? Would you say you have established the bases for a steady growth?*

— Our economic situation today is much better than a few years ago. We have, as you know, two main industries. One is tourism, which has improved considerably. We are now on the point of improving the quality of the product; we are spending quite a bit of money improving the hotels and increasing the facilities available for tourists. On the other hand, we have the fishing industry, which has started quite well. We are now manufacturing our tuna here, and exporting them to Europe and other countries. The next stage, of course, is for us to go into fishing the tuna ourselves. We are now on the point of ordering the necessary boats to do that. So generally speaking we are on the right track, so to speak.

► *So there are no imbalances, there will be no such thing as IMF-backed reform, no devaluation, no adjustment as they call it?*

— We've had adjustments ourselves. We have managed to stay outside the grip of the IMF, making reforms as we feel best. There is certainly no intention on our part in the near future to devalue our currency. We value or devalue depending on what effect it has on our people. And as long as our tourism industry is doing well and is competitive, we see no reason to devalue just to please anybody.

We are importing a lot into this country and we don't think devaluation will help us in any way. So there is no question of us following a specific programme. As and when needed, we will do whatever we think is best. With regard, for example, to parastatals, on which I know in other countries the IMF have always put a lot of stress, the rule for us is simple. A parastatal must be viable, and if it is not, we close it down. It is as simple as this. We don't need anybody to come and tell us when we have to close something down. We just do it.

Debt under control

► *How much of a burden on your economy is debt servicing?*

— We have debt of course. It's a problem to us. We are a small country, and we have to pay a considerable amount of our budget towards debt servicing. But we feel that it is manageable, and we have never failed to pay anything. But, of course, like in any other developing country, we feel the burden of having to repay debt at high interest, it but we feel in a smaller way. We have studied very carefully our debt profile and we don't think it's going to cause us much problem.

► *Your Government has succeeded in creating a social services and security system that must be the envy of so many countries in the developing world. But can the Seychelles economy sustain it for long?*

— Our social services are very healthy. We have no problem, we have no

cash flow problem. From the very beginning we asked our people to make a lot of sacrifices. It was much higher than what we needed. People who are not working benefit from our system only if they are unable to work. If they are able to work, we require them to work and produce something in return for a certain amount of money which helps them in their hour of need. People who can't work for one reason or another (old age or young people) we consider it our duty to share with them. The same goes for our health service. We think health is a requirement for the development of a country. We think it's a basic requirement and therefore we provide it to the people. But we do not think this is going to create problems for us in any way. We have to control it of course, which we do. We have to make sure it doesn't get out of hand.

► *What was the rationale behind the abolition of the personal income tax in the 1988 Budget?*

— Basically, it is simply that we didn't think it was necessary to have a system which was not required. So we abolished it. We maintain it only in the case of individual social security payment and in the case of businesses—business tax. All other taxes are indirect. So we prefer the people to pay as they consume rather than pay from what they earn. It was a matter of choice. It has no greater economic benefit except that we do not need perhaps as many people as we had to collect tax. We do not have that headache any longer.

“Fish is a big thing”

► *Depending on visitors to make a living is, to say the least, risky. For this reason you have tried to diversify. You've looked towards the sea and you have fish. But what else has the sea to yield?*

— Well, fish is a big thing. Not only can the fishing industry become very big in Seychelles, it can in fact overtake the tourism industry, perhaps fairly soon. But we also consider that we have done a lot in import substitution by producing quite a lot of our own things. We are now self-sufficient in meat, eggs, milk, etc. So it has not only been a question of waiting for the tourists to come. We appreciate very much that tourism is a dicey industry and we have taken quite a lot of steps in order to reduce our dependence on it and I think fairly successfully. But we still have a lot more to do. We hope to come to a point where tourism is our jam and not our bread and butter, so that if tourism were to go for one reason or another we will still be able to get by.

► *I see that a lot of work is going on around Mahé island to reclaim land from the sea. What will this newly acquired land be used for?*

— It is a complex project. First of all, because of our mountainous terrain, we need more areas for industrial development, we need more areas for port facilities, we need more areas for the construction of homes and schools. We do not have enough flat land to do all these. So when we needed to enlarge the port because of the increase in traffic, we thought, if you dig the port up why not use the sand in filling somewhere else? And from this came the projects that you now see. There will be an industrial area; there will be a housing area, there will be areas for storage; port facilities. We will, in due course, be building a dry dock. There is an area reserved for that because we feel that with so many vessels fishing in this area there should be no need for them to travel two or three thousand miles to do some dry docking and repairs. So we hope to provide all this and make the Seychelles a central area for shipping in the Indian Ocean.

► *But will all this reclamation work not affect these very fine beaches you*

have around here, which are one of the greatest assets of the tourist industry?

— A strange feature on Mahé is that there were no beaches on the east coast. All the beaches are on the west, north and the south but in fact, since the addition of this new land, bringing it nearer to the reefs, beaches are being formed on the east coast. It used to be more a muddy type of coastline. We've moved the land much closer to the reefs and the sand that used to form between the reefs and the coast now reaches the shore. So, as a matter of fact, the opposite is happening.

Involving the people

► *Human and material resources are a very serious problem for Seychelles. From whatever angle you look at it, whether from the import substitution angle or from the export angle, it looks as though Seychelles will end up importing both for a long time. Can the country live with this? Or will it be possible to tailor growth to the population of these islands?*

— That is a most difficult problem. But we think that we can. In our development plans, we are very much concerned with manpower development. So basically every project that we have in this country is measured not necessarily in terms of cost or in terms of the expected profit, but how it will involve the people; how many people it will absorb and what training will be required for them. Everything in our development plan is geared to manpower development and sometimes people ask us why we do this. We think this is what development is about. This is part of our philosophy. We do not think that development is just setting up a big factory without measuring it in terms of human resources.

► *But already, with the Conserverie de l'Océan Indien, I understand there is a feeling that its expansion will lead to the import of unskilled labour. I am not talking of middle and higher management which you already import in considerable numbers.*

— We are not importing unskilled labour.

► *But if you are going to expand the Conserverie?*

— I doubt whether we will ever come to the point when we will have to import unskilled labour.

► *Is regional cooperation developing to your expectations?*

— The answer is no. We would like to see it develop much more. And until the Indian Ocean Commission sets up a proper secretariat, everything will go very slowly, because everybody is busy in their own government and so on. But we have the presidency this year and we wanted to make sure that there is a secretariat. Now one is being set up, which will help us to really look at projects on a regional basis. There are a lot of things we can do together and I hope that we will be able to do them.

► *Are you not a little worried that cooperation would bring greater competition for a country as small as yours in almost every domain; in tourism, in industrial production, etc.?*

— We are not at all worried about competition. In fact, we feel that within the Indian Ocean Commission we can find ways and means of not competing negatively against each other. There are lots of things we can cooperate on and do together. And this is really where we need to do a lot of work, to find out what we need to do and what we can do for the region. Take factories, for example. There is no reason why in every country in the Indian Ocean there should be a factory for, say, nails. The market in almost every one of our countries is too small. But the lot of us, together, is worthwhile putting up something good. And if we put a nail factory—a good one in, say, Mauritius,—maybe we can put a match factory in Comoros. We need to look at all these development projects. Not only on what we can do on a regional basis, but on what is being done on a national basis. The Commission will only work if all the governments have got this mental attitude. They have to see that there are benefits to be gained from allocation of certain industrial development.

Need more freedom under Lomé

► *The Lomé Convention has always had greater impact on smaller coun-*

tries. Would you say that has been the case for Seychelles?

— I think so. The Lomé Convention has benefited Seychelles quite a bit. Being a small country, however, we would like to have more freedom in what we do. They tend to say; "This year we will give you this amount of money for agricultural development", and the next thing we know, we are running around trying to find agricultural projects which may not necessarily be what we want or be our priority. We think that once an allocation is made to assist a country, it should be allocated and the country should be able to decide on what to do with it. This does not mean that we should not seek expert advice or that we should not consult or that we should not discuss the projects together. But I don't think they should confine us within a certain sphere of development, because in a small country, in particular, we need to have the possibility or the flexibility of moving into more important projects.

► *The negotiations for a new Convention start shortly. You've just mentioned one area in which you would like to see improvements. Are there others?*

— I would like to have more money. On the regional level I think there is a tendency to put too much importance on cooperation without setting up the proper infrastructures. It's no use telling us: "We'll give you ECU 50 million to have regional cooperation", when we haven't got the means of putting together projects to that effect. I think there is a need to help us create the infrastructures for making use of funds.

► *What about the duration of the Convention itself?*

— To be honest with you, I have never understood what difference it would make; whether it should be every five years or for a longer period. But I do think that if we have an opportunity to discuss any contract—any agreement—any convention—once in a while, it is a good thing. It helps to bring out the points that we feel need improvement. I would be in favour of retaining renewal every five years. ○

Interview by A.O.

Seychelles imports 1983-87⁽¹⁾

(R million)

Description	1983	1984	1985	1986	1987
Food & Live Animals	92.5	108.1	104.0	99.2	105.8
Beverages & Tobacco	13.1	11.5	14.3	21.9	12.6
Crude Materials	8.2	7.0	6.6	7.8	5.6
Mineral Fuels etc.	148.5	186.4	184.4	114.7	100.5
Animal & Vegetable Oils	7.2	8.2	7.7	6.5	4.0
Chemicals	33.5	36.0	41.2	37.3	39.9
Manufactured Goods	88.3	88.6	94.7	121.3	111.3
Machinery & Transport Equipment	135.8	115.2	179.4	179.0	145.6
Misc. Manufactured Articles	64.8	54.8	68.8	66.1	66.6
Other Commodities	2.2	2.9	3.6	1.8	2.1
Total	594.1	618.7	704.7	655.6	594.1

Trends in tourism 1986-1987⁽¹⁾

	Arrivals	Seasonally adjusted Arrivals	Tourism income (R million)	Average length of stay (nights)	Average expenditure per day per visitor (SR)
1986					
Jan.	5 367	5 780	30.2	11.4	494
Feb.	5 825	5 904	28.8	11.4	434
March	6 950	6 535	29.2	11.2	375
April	6 397	6 346	34.8	11.0	495
May	5 497	6 077	29.5	11.9	451
June	4 283	4 879	28.1	13.7	479
July	4 491	4 219	27.0	12.2	493
Aug.	6 296	5 557	28.5	12.0	377
Sept.	4 999	5 602	27.8	12.2	456
Oct.	5 475	5 473	28.2	11.6	444
Nov.	5 654	5 681	24.5	11.2	387
Dec.	5 548	4 729	30.2	10.5	518
	66 782	66 782	346.8	11.7	444
1987					
Jan.	6 029	6 442	27.2	11.3	399
Feb.	6 836	6 915	31.3	10.0	458
March	6 883	6 468	37.8	10.4	528
April	6 771	6 719	31.5	11.0	423
May	5 175	5 756	28.3	12.1	452
June	4 839	5 436	26.3	11.9	457
July	5 440	5 167	33.5	13.0	474
Aug.	6 125	5 386	29.5	12.7	379
Sept.	5 990	6 592	31.9	12.1	440
Oct.	5 903	5 901	33.2	11.5	489
Nov.	5 931	5 958	33.0	10.9	510
Dec.	5 704	4 886	36.1	10.5	603
	71 626	71 626	379.6	11.4	465

(1) Source: Central Bank of Seychelles.

EEC-Seychelles cooperation *

Direct impact on the people

Seychelles, as one of the United Kingdom's OCTs when Lomé I was signed on 28 February 1975, was automatically associated to the European Community. After independence in July 1976, it became a member of the ACP Group and joined the Convention (4th EDF) directly in August 1977.

The first programming mission, in May 1977, was the occasion for an indicative programme worth ECU 2.5 million (Sey. Rs 23 million) and there was a considerable increase under Lomé II, to ECU 3.6 m (Sey. Rs. 31.7 m). A large percentage of these relatively small amounts (which were, however, in line with the limited and very scattered population) was earmarked for food, water, road development and rural market microprojects— which have a direct effect on the people—and there were two larger projects too. The first of these, run under Lomé I, involved developing 250 housing plots and houses. The second, a Lomé II project, was to build and fit out a new wing of the capital's Victoria Hospital and this, together with a further amount of external financing approved simultaneously, gave the population a functional health structure able to meet present demands. Lomé III (6th EDF) brought an indicative programme worth ECU 5.2 m (Sey. Rs. 28.8 m) in October 1985 — ECU 6.2 m (Sey. Rs. 37.2 m) today.

Unlike what happened under Lomé I and II, when between 60% and 75% of the indicative programme went on social infrastructure, under Lomé III, 70% is being spent on agricultural development and at least 96% of the programme is expected to be committed by the end of this year. Grants make up ECU 10.8 m of the ECU 11.3 m of the three Conventions combined and ECU 0.5 m (6th EDF) is in the form of risk capital.

Aid outside the Convention

The EEC has provided three kinds of aid in addition to EDF financing.

* Article based on data provided by the Commission Delegation in Seychelles.

Food aid

Seychelles received 335 tonnes of vitamin-enriched milkpowder in 1978 and 58 tonnes in 1983. The total cost was ECU 493 350 (Sey. Rs 4.6 m).

Emergency aid

Following flooding in 1981, the attack by mercenaries the same year and torrential rains in 1985, which caused a great deal of damage, the Community sent out emergency aid of a total value of ECU 289 500 (Sey. Rs. 2.1 million).

Fisheries agreements (tuna)

The first agreement, signed in 1984, gave fishing authorisations to 27 of the Community's freezer tuna vessels (only 18 of them working the zone at any one time) in Seychelles' territorial waters for a period of three years. It was renewed for a further three years in 1987, although this time there was an important change — 40 of the Community's freezer tuna vessels now received authorisations. The Community has granted financial compensation totalling ECU 10 m (including ECU 1 m for research programmes) to Seychelles for these agreements.

European Investment Bank (EIB)

This is a risk capital operation in the form of a line of credit (ECU

25.05 m — Sey. Rs. 30.55 m) to the Development Bank.

Centre for the Development of Industry

Seychelles has had CDI help with a number of studies (coconut, salt, lime, water bottling, consignments of chicks etc.).

Cofinancing with NGOs

In addition, the EEC has channelled something like ECU 94 704 (Sey. Rs. 6.7 m) into NGO water supply, crèche etc. projects.

Regional and cooperation

Seychelles attaches a great deal of importance to regional cooperation and is actively involved in project identification. Under Lomé I, ECU 8.5 m was devoted to this, with Seychelles benefiting above all from an aerial navigation communications scheme, a tuna fishing development study and a cooperation seminar. Such schemes were continued under Lomé II (ECU 19.7 m was earmarked for regional cooperation during this Convention); they included a mission on new energy sources and a regional tourist study.

The Indian Ocean is to get ECU 26 m under Lomé III. Two projects are of interest to Seychelles — the inventory and study of medicinal plants in the countries of the Indian Ocean and assistance for arts and crafts, both being run at the moment at a cost of ECU 5.7 m (Sey. Rs. 37.6 m)



Agriculture in Seychelles

Seventy per cent of the Lomé III indicative programme is aimed at agricultural development

Details of projects and programmes

Lomé I (4th EDF)

	ECU	
1. Social infrastructure		
— Programme of public services, site development & financing (via mortgages for hire purchase) of 248 houses — built, allocated and occupied	1 580 000	
Completed in mid-1982		
(Income below 1 800 Sey. Rs. = 54%)	(14 536 000 Sey. Rs.)	
(Income above 2 500 Sey. Rs. = 29%)		
(2 500 Sey. Rs. = 17%)		
The reimbursements are now being made, at 2%, over 25 years		
2. Economic infrastructure		
— Meteorology Station	147 000	
New building with various offices, a library, archives, a workshop and a store	(1 352 000 Sey. Rs.)	
Completed in October 1979		
3. Rural development		
3.1. Water supply network at La Louise & La Gogue. Reservoirs of 200, 100 and 50 m ³ , a catchment basin with a dam, supply network for 120 and 150 families respectively and pumping and filtering stations. State contribution = ECU 61 600 (Sey. Rs. 566 720)	255 000	(2 346 000 Sey. Rs.)
Completed at end 1982		
3.2. Microprojects	102 700	
— 1st programme	(945 000 Sey. Rs.)	
1) Construction of five rural markets on Mahé		
Completed in March 1981		
ECU 41 800		
(384 560 Sey. Rs.)		
2) Rehabilitation of the airport-Grande Anse road (Praslin)		
Completed in September 1981		
ECU 60 900		
(560 280 Sey. Rs.)		
Local contribution: ECU 114 300		
(1 051 560 Sey. Rs.)		
— 2nd programme: road building		
1) Praslin: Baie Ste Anne, Anse Madge, Consolation & Anse Marie-Louise	(1 467 000 Sey. Rs.)	
Completed in November 1982 & June 1982 respectively		
2) La Digue: Anse Fourmi, Anse Coco & Belle Vue		
Completed in early 1983		
Local contribution: ECU 167 600		
(1 541 920 Sey. Rs.)		
— 3rd programme	71 900	
Improvements to Chateau de Feuille road	(662 000 Sey. Rs.)	
Completed in October 1982		
Local contribution: ECU 44 000		
(404 800 Sey. Rs.)		
— 4th programme	41 000	
1) Construction of Bel Air social centre at Victoria (Mahé)	(248 000 Sey. Rs.)	
Completed in December 1983		
2) Construction of a road and a water supply system at Anse Boileau (Mahé) for 24 plots		
Completed in early 1984		
Local contribution: ECU 61 000		
(369 050 Sey. Rs.)		
— 5th programme	5 500	
Praslin: Pilot drainage network repairs operation	(30 000 Sey. Rs.)	
Completed in early 1986		
Local contribution: ECU 5 190		
(28 026 Sey. Rs.)		
3.3. Technical assistance with fisheries		
FIDECO (National fisheries company)		
1 May-31 December 1983	14 000	
	(82 000 Sey. Rs.)	
1 May-30 June 1986	6 000	
(5th EDF extension)	(35 000 Sey. Rs.)	
3.4. Animal feed feasibility study (experimental support) for the production of cattle feed based on local raw materials		
Completed in early 1986		
(NB: A plant, built as a joint venture with a Belgian firm has gone up and production started in late 1986)	26 000	(140 000 Sey. Rs.)
TOTAL LOME I	2 408 500	(21 843 000 Sey. Rs.)

Lomé II (5th EDF)

	ECU	
1. Social infrastructure		
— Victoria Hospital: construction of a medical-psychiatric centre (the four medical blocks constituting the development of the hospital and the other three blocks financed by the ADB, the Nigerian Trust Fund and Seychelles)	2 400 000	(13 900 000 Sey. Rs.)
construction: ECU 2 153 000		
(12 300 000 Sey. Rs.)		
Equipment ECU 247 000		
& supplies (1 600 000 Sey. Rs.)		
2. Microprojects		
— 1st programme	164 000	
1) Water supplies for the Morne Blanc	(995 000 Sey. Rs.)	
2) Improvements to the Quatre Bornes water supplies (150 families)		
Completed in early 1986		
Local contribution: ECU 97 000		
(630 000 Sey. Rs.)		
— 2nd programme	163 000	
1) Construction & fitting out of the Clinique des Mamelles	(846 000 Sey. Rs.)	
2) Improvements to artisanal fishing techniques & development of new methods		
3) Completion of Belle Vue-La Digue road (begun under 4th EDF - 2nd programme)		
Completed in February 1985		
Project 2) extended under Lomé III		
Local contribution: ECU 169 000		
(879 000 Sey. Rs.)		
— 3rd programme	255 000	
1) Support for the Bel Ombre cooperative (infrastructure, agricultural equipment & purchase of cattle & pigs)	(1 329 000 Sey. Rs.)	
Completed in mid-1987		
2) Raw materials storage infrastructure for craftsmen — being studied (project to be incorporated in national & regional programmes)		
Local contribution: ECU 263 000		
(1 370 230 Sey. Rs.)		
3. Training		
— Multiannual training programme	361 000	
1) Study grants for training abroad	(2 000 000 Sey. Rs.)	
(ECU 167 000 = 926 000 Sey. Rs.)		
2) Craft training — exchange of Seychelles students and European craftsman-teachers, small items of equipment & technical assistance		
(ECU 194 000 = 1 074 000 Sey. Rs.)		
Being implemented (end 1987: ECU 318 000 = 1 762 000 Sey. Rs.)		
— Technical assistance for craft	66 000	
Completed in late December 1987	(371 000 Sey. Rs.)	
4. Rural development		
— 1) Technical assistance for fisheries:	95 000	
1 January 1985 to 30 April 1986	(498 000 Sey. Rs.)	
2) Evaluation of the agricultural sector with a view to preparation of the 6th EDF. Completed	19 000	(105 000 Sey. Rs.)
5. Trade & tourism		
— 1) Tourist study	25 000	
	(157 000 Sey. Rs.)	
2) Trade fairs	50 000	
(attendance at tourist fairs):	(268 000 Sey. Rs.)	
Milan (1984), Stuttgart (1985), Deauville (1985), Mauritius (Festival de la Mer, 1987), Berlin (1987), London (1987)		
TOTAL LOME II	3 598 000	(20 469 000 Sey. Rs.)

SEYCHELLES

Lomé III (6th EDF)		ECU
1. Focal area of cooperation — the agricultural sector (support for research departments & schemes to help small farmers, improve drainage etc)		70%
2. Other projects & programmes		30%
1) Artisanal fishing — continuation of Lomé II		
2) Craft development: • continuation of Lomé II • stepping up of regional action		
3) Other (in conjunction with regional schemes)		
Grants	4.7 m (30,5 m Sey. Rs.)	
Risk capital	0,5 m (3,2 m Sey. Rs.)	
	5,2 m (33,8 m Sey. Rs.)	
Already financed:		
1) Agricultural sector		
• agricultural sector programme production study	50 000 (325 000 Sey. Rs.)	
• drainage project study	28 000 (182 000 Sey. Rs.)	
• technical assistance for fisheries (biostatistician), 1 August 1986-1 August 1988	61 000 (387 000 Sey. Rs.)	
2) Microprojects (Port of Bel Ombre, technical assistance for fisheries 1 August 1986-1 August 1987 with new fishing techniques)	171 000 (974 700 Sey. Rs.)	
3) Craft (Technical assistance, development of some craft centres on Mahé & Praslin, training for three years)	1 200 000 (7 735 400 Sey. Rs.)	
	1 510 000 (9.8 m Sey. Rs.)	
Additional programme (possible construction of a new national library) from remainder of Lomé I	1.5 m (9.7 m Sey. Rs.)	
TOTAL LOME III	6.7 m (43.5 m Sey. Rs.)	

Regional cooperation

4th EDF

Share of a total contribution of ECU 8.493 million (Sey. Rs. 78.2 million).

Seychelles was the regional authorising officer for ECU 8.330 million (Sey. Rs. 76.7 million).

5th EDF

Share of a total contribution of ECU 20 783 million (Sey. Rs. 120.5 million).

Seychelles was the regional authorising officer for ECU 5.799 million (Sey. Rs. 33.6 million).

6th EDF

Amount provided for the Indian Ocean = ECU 26 million (Sey. Rs. 171.6 million).

Two projects, for ECU 5.7 million (Sey. Rs. 37.6 million) are being implemented at the moment. ○

Regional cooperation projects		
	Regional authorising officer (*)	Amount (ECU '000)
Lomé I (4th EDF)		
— Study of maritime navigation company	Mauritius	141
— Aerial navigation telecommunications	Seychelles	7 960
— Tuna fishing development study	Seychelles	282
— Expert advice for school of hotel studies	Madagascar	20
— Cooperation seminar	Seychelles	90
		8 493
Lomé II (5th EDF)		
— National school of maritime studies (ENEM)	Madagascar	2 113
— Air safety (ASECNA)	Senegal	1 050
— Telecommunications to assist aerial navigation in the Indian Ocean	Seychelles	3 300
— Computerisation of statistics	Madagascar	34
— Tuna fishing study	Seychelles	95
— Mission — new sources of energy	Seychelles	15
— Development of new and renewable sources of energy	Seychelles	1 850
— Technical assistance for craft	Mauritius	382
— Beef & veal study	Madagascar	30
— Regional tourist study	Seychelles	250
— Aircraft maintenance centre at Ivato	Madagascar	3 300
— Tuna fishing in the Indian Ocean	Madagascar	6 300
— Outline programme (seminars, advanced training, exhibitions, assistance etc)	Mauritius	1 000
— Stabex seminar	Commission	17
		19 736
Lomé III (6th EDF)		
— Inventory & study of medicinal & aromatic plants in the Indian Ocean	Madagascar	2 200
— Assistance with craft in the countries of the Indian Ocean	Mauritius	3 500
— Assistance for the Indian Ocean Commission Secretariat	Mauritius	80
— To be defined	—	20 220
		26 000
(*) The regional authorising officer is an authority of one of the countries concerned. This officer is responsible for the overall management of the project, although implementation in each of the individual countries is in the hands of the national authorising officer.		

ARUBA

The Natural Bridge, the largest and widest of the Caribbean

The Courier

ARUBA ARRIBA

Aruba what? It simply means that Aruba is coming up, and saying it in Spanish—just because it sounds good—isn't really a problem for any Aruban. The vast majority of them are multilingual. Spanish—given the proximity of the Latin American mainland—is as familiar to them as English—which is used by almost all visitors to this tourists' paradise—while the official language is Dutch. Amongst themselves Arubans will use another language still, Papiamentu, which in itself is a cocktail of them all, with an added dash of Portuguese, French and a touch of some African languages.

Aruba is coming up, and strongly. Yet when on 1 January 1986 it finally achieved the dream it had cherished for decades, everything pointed to its being in the doldrums for quite some time.

Imagine a biggish family, with six children, say. One of the children dreams of having its own car and driving it its own way, in the direction it chooses. The parents at first don't really mind, but some of the other children—those who feel more important because of...—want to stifle their sense of independence for the sake of family unity. After a good deal of bickering and heated debate in family gatherings, the children who want their independence are given permission to go ahead alone. Then, when the car deal is finally on paper, two major setbacks occur, and it looks as if the child won't be able to afford paying for its own petrol and setting off down its own road. Most others would have given up, using the car whenever the parents felt like paying for some fuel, but not this one: this child has both the determination and the stamina to set the car in motion and to use both the vehicle and the driver to earn whatever is needed to go its own way and beyond!

This image, if somewhat irreverent, is nevertheless a fair representation of Aruba today. At the outset, the "family" was

the Kingdom of the Netherlands, comprising what is commonly referred to as Holland ("the parents") and six island territories ("the children") grouped into the Netherlands Antilles. The dream of one child in particular (Aruba) was to achieve Status Aparte ("the engine of the car"), political separation from the five other islands (Curaçao, Bonaire, St. Maarten, St. Eustatius and Saba) which today continue to form the Netherlands Antilles⁽¹⁾ and to become an autonomous, self-governing region within the Kingdom of the Netherlands. The bickering was mostly with Curaçao, the biggest island in terms of both land and population. The family gatherings were Round Table Conferences bringing together representatives of the Netherlands, of each of the six islands and of the Central Government of the Netherlands Antilles.

In 1983 such a Conference finally recognised each island's right to self-determination, and Aruba chose, as of 1 January 1986, to go its own way. The two major setbacks were, firstly, the 1983 devaluation of the Bolivar, the national currency of nearby Venezuela, which drastically cut back revenue from previously big-spending Venezuelan tourists; the second and even more dramatic setback was the unexpected closure in 1985 of the Lago oil refinery which had hitherto been the mainstay of the economy. The combined effects of those blows left the new Government, which was to set in motion the Status Aparte, somewhat groggy, as government revenue and foreign exchange ("the fuel") had fallen sharply. To get the car running and gaining speed, Government fine-tuned the engine, using all possibilities the Status Aparte offered in terms of fast and flexible decision-making; it analysed the situation and concluded that only tourism offered prospects for rapid and considerable economic growth. No sooner said than done, and less than three years later, Aruba is proving every day that it was right to try and make its dream come true.

(1) A country report on the Netherlands Antilles will appear in our next issue.

Proud to be "Indian"

Although the last Amer-Indian is said to have died in 1862, Aruba was the only Caribbean island on which the Amer-Indian population was not exterminated, and Arubans are clearly proud of their Indian ancestry. Aruba's recorded history starts with its discovery in 1499, traditionally attributed to the Spaniard Alonso de Ojeda. However, it is now widely assumed that de Ojeda probably never set foot on Aruba but discovered Curaçao and its other neighbouring island, Bonaire. But archaeological investigations have found proof of human beings inhabiting the island several thousands of years before Christ, and the customs and habits of these people show many similarities with those of Latin American Indians. The first Spanish occupants, who arrived around 1500 AD, met primitive Caiquetios, belonging to the peaceful Arawak Indian tribe. From an ethnic point of view they were closely related to the Indians inhabiting the Venezuelan peninsula of Paraguana. Paraguana's main chief or *cacique* was also the supreme authority for Aruba, only 30 km away, as well as for Curaçao and Bonaire; though contacts with the mainland were intensive, strong sea currents limited those between the islands themselves. Today clay pottery, artefacts and colourful, though mysterious, hieroglyphics painted on the walls and ceilings of caves and rocks are all that remain of Indian presence on the island.

The Spanish saw little use for Aruba, or for that matter for Bonaire and Curaçao, which they collectively dubbed the "Islas Inútiles" (useless is-

lands). So in 1513 they shipped out all Indians from Aruba to work in Santo Domingo's copper mines, leaving the island unguarded, and open for other Indians to move in from the mainland. In 1527 the Spanish brought back some of the original inhabitants using them for livestock raising and horse breeding while the newly arrived Indians moved inland. When Spain decided to stop trading salt with the Dutch, who needed it for their herring trade, the latter decided to look for new sources of supply, which they found in the Caribbean. Having lost St. Maarten to the Spanish in 1633 (in the famous Dutch-Spanish 80 Year War from 1586 to 1648), they looked out for another stronghold in the area and concentrated on Curaçao, where the Spanish had only a limited presence. The Dutch West Indies Company launched an expedition force and seized Curaçao in 1634; to avoid attacks from Bonaire and Aruba they also captured them, two years later. Both smaller islands were "developed" to supply the main one: maize and salt were brought in from Bonaire, while on Aruba horse breeding and livestock production—goats in particular—were promoted.

Very few Dutch lived on Aruba, and in contrast with Curaçao and Bonaire, no African slaves were brought in. The Dutch West Indies Company traded horses from Aruba with other Caribbean islands, where they were often used on the sugar cane plantations. The Company also controlled establishment on the island, and the first real white settler was granted permission to enter the country in 1754 only.

The Napoleonic Wars witnessed a British interregnum on Aruba lasting only from 1805 to 1816, when the Dutch returned to stay.

Today's still strong Spanish influence isn't the result of early Spanish occupation, but rather because Aruba had served as a refuge for many Venezuelan freedom fighters—like Simon Bolivar. Trade with Venezuela has also been more intensive here always than on Curaçao or Bonaire. Today's vernacular, Papiamentu, is the end-product of the blending of races throughout the 18th and 19th centuries, and has more of a Spanish touch than on the neighbouring islands, although it is also understood there.

Following the discovery of gold in 1824, Aruba developed its first industry: gold mining. For years its fortunes wavered, but by 1916 it was considered no longer profitable. In 92 years close to 1340 kilos of gold had been mined. Interest has never completely died out, however, and in 1987 a 3-year exploration permit was granted to a group of Canadian investors.

The coming and going of "black gold"

Phosphates were mined and exported from Aruba between the late 19th century to the first World War, but perhaps the most important event in Aruba's modern economic and industrial history was the coming of oil. In 1924 the Lago Oil and Transport Company Ltd chose to establish a major oil refinery in Aruba. They were obviously attracted by the island's strategic position—nowadays usually called its hub-function—between Latin and North America. Venezuela's Maracaibo oil fields were to supply the crude which, at first was simply transhipped to North American ports via a deep sea port which Lago constructed at San Nicolas. On 29 January 1929 refining began on Aruba itself.

In 1932 the whole operation became a subsidiary of the Standard Oil Company of New Jersey, now better known as Exxon. The coming of oil had a tremendous social and economic impact on what until 1924 was an island inhabited by only 8 000 or 9 000 people, living by subsistence farming. Infrastructure had to be built in the San



Aruba Tourism Authority

Aruba is a melting-pot, but very proud of its own culture

Nicolas area; local staff had to be trained and management and labour were brought in from the United States as well as from other, mostly English-speaking Caribbean islands. The population increased rapidly, as did overall business and trade activities on the island and the standard of living rose sharply. Culturally speaking, English became more and more important and the no-nonsense style of management and decision-making introduced by Exxon's "corporate culture" is still omnipresent.

During World War II the Aruban refinery played a major role in supplying fuel to the Allied Forces. Direct employment at Lago peaked in 1949 when it provided 8 300 jobs, but increasingly automated production processes and the practice of subcontracting certain tasks to smaller specialised firms, brought employment down to only 1 300-1 400 people in the early 1980s.

But the consequences of Lago were not merely socio-economic, they also had a major impact on Aruba's political life. As of the 1930s Arubans began to resent the extent to which their new-found oil prosperity went to the other islands and wanted more of a hand in guiding its own boom. Over the years, the separation movement gained momentum: political parties such as the AVP—the Aruban People's Party, founded in 1948 by the current Prime Minister's grandfather Henny Eman—and the MEP—the People's Electoral Movement, founded by Bético Croes in early 1970—spearheaded the trend towards greater independence from Curaçao, the seat of the Netherlands Antilles' Central Government. It took years of political wrangling, but finally in 1986 Aruba attained *Status Aparte*.

Before that, however, Lago had caused another dramatic reverse in Aruba's history. The outdated refinery was making heavy losses, given the drop in oil prices and changing world oil trade patterns. So Exxon, the parent company, decided to cut its losses and close the refinery. As Don Mansur, Minister of Economic Affairs explained, this was totally unexpected: "Only in August of 1984, Exxon's Vice-President for Central America had declared Exxon was here to stay for several more decades. Barely two

months later they announced the closure of their operations! Nobody on Aruba had expected or could imagine anything like that: in fact when the bad news came through, renovation works worth hundreds of thousands of dollars were going on at their General Office; two new distribution boilers had been installed at the refinery and served less than 6 months..." The final closure, in March 1985, was a severe blow and sent shockwaves through Aruba's society. After the original disbelief, came a genuine sadness, followed by the need to face the harsh truth. About 1 600 people, of some 960 were directly employed, the remainder working for sub-contractors, lost good jobs. (Though representing less than 6% of the working population, they earned almost a quarter of all wages). The loss of their spending power, combined with the ceasing of the company's local purchases and overall contribution to the economy, caused additional unemployment affecting well over 6 000 people, putting heavy pressure on the social security system and raising the total unemployment rate to around 30%.

Having contributed a quarter of GDP in the early 1980s, Lago's shutdown is estimated to have caused a drop of 17% in the country's GDP between 1984 and 1986. Direct Government revenues from Lago, which in 1984 still amounted to AFL 92 million, were wiped out; the foreign exchange flow derived from refining activities, still representing AFL 140 million in 1984 (and as much as AFL 282 million in 1982) also ceased—and this in an economy 90% dependent on imports from abroad. In a word: Aruba's whole future was at stake!

Getting its act together

The need to overcome this major challenge coincided with the coming about of the long-desired *Status Aparte*: as of 1 January 1986 Aruba could look after its own affairs, with only defence and foreign affairs remaining the responsibility of the Government of the Kingdom of the Netherlands. The Government was left with two major options, either to adopt the IMF approach by severely cutting government expenditure and raising taxes, or to come up with its own



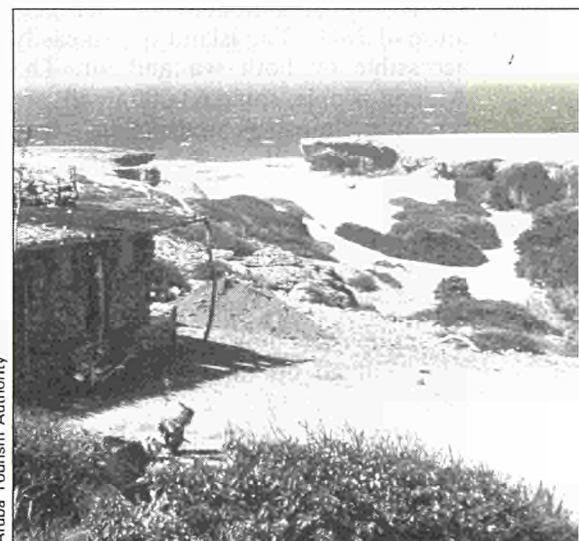
Aruba Tourism Authority

... The arid countryside...



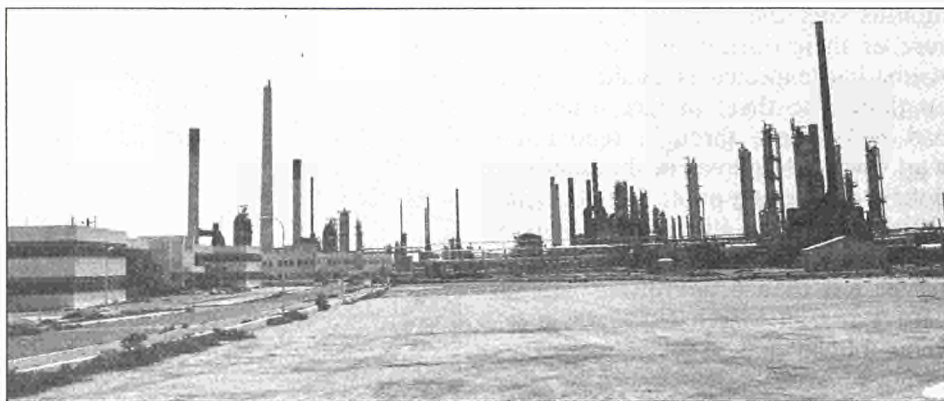
Aruba Tourism Authority

... the excellent beaches...



Aruba Tourism Authority

... and the spectacular bocas



The shutdown of the Lago refinery in March 1985 was a severe blow and sent shockwaves through Aruba's society

alternative. Though poorly endowed with natural resources, it chose the latter, and decided to build on the country's only real assets: its land and its people.

The land, 193 sq km in surface—31 km long and 8 km wide—is made for a sun-sea-sand type of tourism. The west and south coasts are fringed with excellent beaches and crystal clear waters while the rougher north and east coast feature some spectacular bocas, small bays carved in the coral rock by thundering waves, as well as the famous Natural Bridge, the highest and largest of the Caribbean. Inland there is the typical arid Aruban landscape covered with cacti and with the characteristic Watanapa trees, usually called *divi divi*, all bending in the same direction under the impact of the ever-blowing trade winds. There are many places of beauty as well as many a reminder of the island's rich history.

Lying as it does outside the hurricane belt, Aruba's climate is dry and sunny, with an annual average temperature of 28 °C. The island is also easily accessible by both sea and air. The Aruban people, some 64 000 in all, are not only almost all multilingual, they are also generally well educated and highly trained. As well as having a sense of initiative and "going after what they want", they share a characteristic: it is their genuine friendliness. This is not just a slogan embellishing the numerous tourism leaflets: Arubans will go out of their way to be helpful to anybody asking for help, and service is no idle word here.

Going for tourism

Combine all those elements, and you have an almost ideal basis on

which to build a strong service-oriented industry like tourism. Now obviously tourism wasn't a new venture for Aruba, it was there before the recent crisis. It really got off the ground in 1959, in fact, and has grown smoothly and steadily since then. But careful study and planning convinced the Government that it was the key sector, with the potential to get Aruba out of the slump quickly since it could not only provide a wide-ranging variety of job opportunities but also boost the foreign exchange influx and increase government revenues. So Government decided to increase promotional activities dramatically and to try and attract tourism investments as much as it could. An ambitious target was put forward: doubling the hotel room capacity over 1986-1991. This is easier said than done: aiming for the



Don Mansur, Minister of Economic Affairs. On the Lago closure: "Nobody had expected or could imagine anything like this..."

up-market type of tourist, you have to provide hotel rooms to his taste, i.e. in the 4-5 star bracket; experts will tell you that, without accounting for the land, you are talking about an investment per room of 100 000-120 000 US\$!

So far it looks as if the ambitious target will be met, and in fact exceeded: between January 1986 and December 1987 the number of hotel rooms rose from 2041 to 2830; when all projects now in the pipeline are completed (by 1990) no less than 6182 rooms will be available.

It is not, of course, sufficient to put rooms on the market, you still have to fill them. And it's not without a certain amount of pride that Rory Arends, the Managing Director of the Aruba Tourism Authority will give you the figures: "In 1987 we achieved a 27.8% growth in arrivals over the previous year, bringing in 231 852 tourists. According to the Caribbean Tourism Research and Development Centre, with 29.1% we were also the fastest growing destination during the first 4 months of this year, as compared to the same period of 1987".

What were the reasons for such a success? According to Mr Arends, "Government really put its money where its mouth is: both in terms of staff and budget considerable efforts were made to push the marketing of Aruba as a holiday resort. Our advertising budget for the US market, still supplying 70% of our tourists, rose from US\$ 883 000 in 1986 to US\$ 2 million in 1987 and 1988 and will be US\$ 2.5 million in 1989; whereas prior to this year we only participated in a few tourism fairs in Europe, we now have for this year AFL 0.5 million to work that market. In terms of staff, we not only raised and geographically spread the number of our representatives in the USA, but equally in Europe—a market which has picked up nicely given the low rate of the dollar to which our Florin is tied—as well as Latin America".

The latter is clearly part of the Government's strategy to diversify its tourism markets, and lessen dependence on one major market. They are obviously bearing in mind the 1983 devaluation of the Bolivar, which hit this sector badly, reducing drastically the influx of Venezuelan tourists who had



The Courier

Aruba stresses the importance of very close cooperation between Government and private operators to sustain and monitor its tourism boom. From l. to r.: Rory Arends, Managing Director of the Aruba Tourism Authority, Adwina Arends, Managing Director of the Aruba Hotel and Tourism Association (AHATA) and Harold Malmberg, Vice-President of AHATA

previously constituted a major source of income. The Tourism Authority is now itself undergoing a screening and will be reorganised, raising its staff from the present 30 to 50 or so at a later date.

“Our very aggressive market approach was clearly supported by continuity in the Government’s approach, but also by the very solid cooperation with the private sector operators”, underlined Mr Arends. Representatives of AHATA, the Aruba Hotel and Tourism Association, such as its Vice-President Mr Harold Malmberg and its Managing Director Mrs Adwina Arends, couldn’t agree more: “The kind of cooperation we have developed for Aruba’s tourism between the private sector and government has an exemplary reputation throughout the Caribbean”, stressed Mr Malmberg. “Relations here are on a one-to-one basis, as the refinery had brought about an equally-spread high standard of living for all, so there were no vast disparities between the private and public sectors”, added Mrs Arends. All parties concerned will always underline the value of the human asset, the basic friendliness of the Aruban and his propensity for service. Nobody will also ever fail to refer to the role played by the refinery and the consequences of its shutdown: “This was inconceivable in anybody’s mind, so when it happened, it caused a general feeling of depression; the tourism boom we are witnessing is also bringing about an upswing in overall morale. *Status Aparte* couldn’t have come at a better time because when

the crisis hit us we needed fast decisions in the interest of the island, which has always come first. An additional layer of bureaucracy, like in the old days, could only have hampered us considerably”, explained Mr Malmberg. Much of the response came from local investors—only this year 200 local companies were established—often (again!) as a result of Lago’s presence: over 96% of its top executives were Aruban, and those who stayed seized the opportunity offered by the tourism boom.

According to Mr Malmberg, “The success in attracting investors was beyond expectation”. To cope with it, the sector has to be carefully monitored and therefore cooperation and consultation with Government is very intensive. On 30 July, for instance, all those concerned with tourism met to analyse the needs and prospects of the industry. How to supply, for instance, the necessary trained staff in order to cope with the expansion of room capacity? Where do you find 500 cooks, to quote but one category of hotel and restaurant staff? The debate revealed that there will be a gap in a few years’ time, after the return of Arubans living abroad and reinsertion of building workers, of some 2 800 jobs to be filled, so a great deal of attention is going into training, notably at the Bushiri Hotel School, an EDF-financed project.

The tourism product has also been considerably widened and varied: “Quality assurance and product improvement are top priorities and our many return-tourists are proof that we

are on the right track”, felt Tourism Director Rory Arends.

Tourism can of course have unwelcome repercussions on culture and society: drugs, prostitution and crime often come in the wake of large numbers of foreigners. “We are aware of this, and do everything in our power to contain them”, stressed Mr Arends. The Colombian drug baron who was arrested at Aruba’s airport and turned over to US justice earlier this year, clearly didn’t expect as much...

Keeping infrastructure in tune

Even if all agree on pointing out the Aruban himself as the most important asset, infrastructure obviously has to follow to cope with the ever-increasing flow of tourists (already four times the island’s own population). Access to hotels as well as to the country’s beauty spots has to be improved, but most attention is directed at Beatrix International Airport, the main gateway for the vast majority of visitors, those who do not arrive via the cruise ships.

“Over the past few years Aruba’s airport has undergone significant changes to adapt to the increased traffic; our airport is the key to our economy”, maintained Airport Manager Michael Nicolaas. Adaptation of the airport infrastructure has been financed partly from Aruba’s own budget, partly from development funds from both the Netherlands and from the EEC, with the bulk of the latter’s aid concentrated here. “Our airport is



Aruba Tourism Authority

The ambitious target of doubling hotel room capacity between 1986-1991 will in fact be exceeded

almost an EEC project, and cooperation with the EEC in this field has been a major support to our tourism policy”, Minister Mansur acknowledged. To cope with peaks and bottlenecks, in both passengers and freight, major reorganisation has been undertaken.

An important innovation, given the importance of the US tourism market, has been the establishment since October 1987 of US Immigration Services; the US Customs may follow at a later stage, but this in turn would require substantial alterations to the airport building. “Up to now we have expanded, through a sort of emergency type of operation, our infrastructure to its maximum capacity until about 1991-92. Now, we need careful planning for beyond; by 1995 we really ought to have another terminal build-

ing for instance. To respond to the hotel expansion we need more airlift, not only to the USA and Latin America but also to Europe. Some American carriers”, Mr Nicolaas added, “want to position themselves here, also with a view to Europe’s enlarged market by 1992”. The runway may pose a problem, as its length (2.7 km) is not enough to allow B 747s to take off for Europe with a full load of passengers, fuel and cargo. The EEC is now preparing studies to examine its extension by 300 metres. “Further EEC investments in our airport safety and efficiency could be vital for our future” stressed Mr Nicolaas.

Meanwhile Aruba’s own airline has taken off: indeed, as of mid-August of this year, Air Aruba’s colours are emblazoned on two leased Japanese YS-11 60-seater turbo-prop aircraft. At

first, after *Status Aparte*, the Aruban Government took over the ground handling from the Netherlands Antilles’ ALM. Then Air Aruba was privatised and recently entered into the actual business of air transport itself. Air Aruba is now a private venture with 80% of its capital in local hands, the remainder being detailed by Air Holland, a Dutch charter company. “After careful study, we have now started the actual flying operation with a dual aim: assuring regional air links and serving as a feeder airline for major airlines flying in particular to nearby Caracas”, explained ‘Tawa’ Yrausquin, Air Aruba’s Managing Director. “At a later stage we might step into long-haul connections, to Europe, Latin America and the USA, but this could not only be done in close cooperation with other airlines, for example, by calling upon Air Holland’s existing air fleet”, he added. Of course, it all fits into the diversification of the tourist markets and Aruba is now actively involved in working out its own air traffic policy and has already concluded a number of international agreements to this end. “On the route to Europe, three attempts have been made to conclude an air traffic agreement with KLM, which has a monopoly, but all foundered on questions relating to charter flights and possible differences in rates”, Mr Yrausquin commented.

Spreading the risks and consolidating

However predominant the tourism sector may be in Aruba’s economy at present, Government has clearly decided not to put all its eggs in one basket. Spreading the risks and further diversification is not only the by-word in tourism but for the economy as a whole. In fact, as far as hotel expansion is concerned, Government has already decreed that in the traditional tourist area, no permission will be given in future for hotel building that has not already started or is not in the pipeline. Only in Seroe Colorado, the magnificent residential area for Lago Staff which now gives a desolate and virtually abandoned impression (just as the once booming town of San Nicolas now seems to have fallen into a ghost-town lethargy) will further tourism development be encouraged.



Air Aruba

Aruba’s air links are vital to sustain its tourism growth; since mid-August, Air Aruba spreads its own wings

While the dismantling of the refinery proper will provide a number of jobs for a while yet, the whole matter of the winding up of the Exxon operation is not over yet. "There is an agreement on the dismantling and while we have had talks already with them about the development of Seroe Colorado, which has great potential for tourism, there is still the environmental pollution caused by the oil-related activities that has to be dealt with", Minister Mansur explained. In August, a decision was also pending on re-starting oil trans-shipment activities.

Further diversification of the economy will be service-oriented. The primary sector is handicapped by the arid climate and the cost of having to use desalinated water, so that only fisheries and aquaculture seem to offer real scope for development. The aloe plant, which provides a much sought-after ingredient for cosmetics and is also used in certain pharmaceutical products, constitutes a noted exception and Aruba has become a successful exporter of aloe-based products to the USA and Europe. Building on its service mentality and excellent infrastructure—not only the airport but also the port facilities and ultra-modern telecommunications equipment—further incentives are given to offshore activities and businesses establishing themselves in the free trade and processing zone (a new one is to be built). In the offshore sector, Aruba is aggressively sounding out the market and trying to take advantage of changing situations in, for example, Panama and Hong Kong. It has passed competitive legislation on a new type of company with a zero-tax option, which would pay only an annual registration fee. The development of capital-intensive export-oriented industries is also a top priority and to enlarge its industrial base, the Aruba Foreign Investment Agency is actively looking for potential investors. Plant Location International, a Belgian consultancy firm, has, after careful study, come up with some 20 areas such as fish-canning, the making of medical instruments, of certain chemicals etc... that offer genuine scope.

In the view of Mrs Migdid Croes, Acting Director at the Department of Economic Affairs, Trade and Industry, "the Aruban Investment Bank may



Aruba Aloe Balm N.V.

The aloe plant provides a much sought-after ingredient for cosmetics and is also used in certain pharmaceutical products

become a key factor in the success of our goal of productive diversification". The AIB was created in October 1987 and became operational in January this year; its shareholders include a number of private banks, insurance companies, pension funds, and private companies. Exxon may become a shareholder later on. The Government put HFL 20 million at its disposal to be used for productive investments; this represents 1/5 of the HFL 100 million Aruba received as exceptional budgetary aid (on top of its usual project aid) from the Dutch Central Government to help it to overcome the economic crisis which hit it at the time of achieving *Status Aparte*. In September this year, the EIB also lent ECU 1 million to the AIB.

A new bonanza?

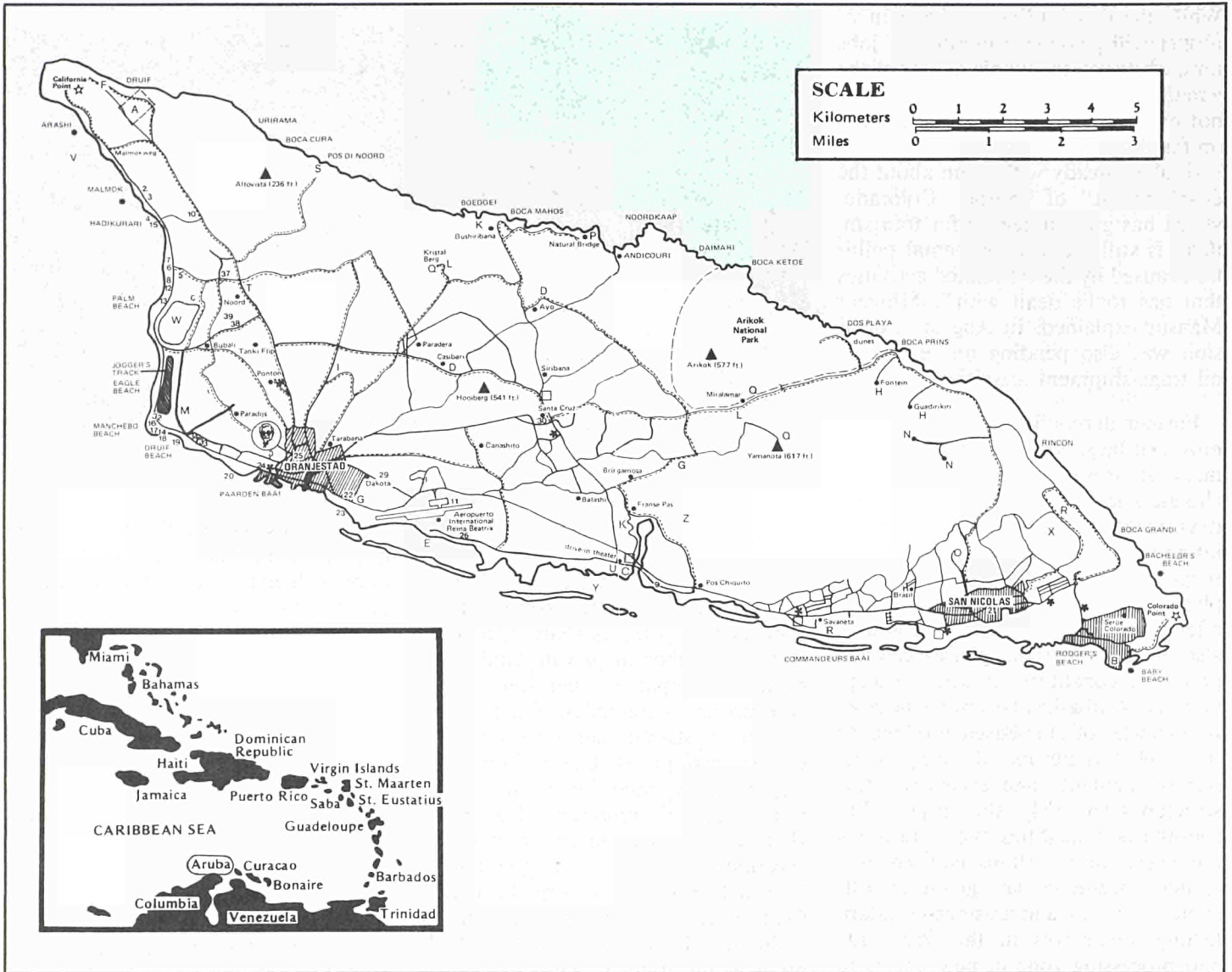
So far it seems as if Aruba is going to achieve its structural adjustment. Many of the unpopular tax measures that Government was forced to take are progressively being softened and the country's financial health is improving rapidly. Foreign exchange reserves rose from AFL 40 m in 1986 to AFL 189.2 m in February this year. The Aruba Central Bank estimates that GDP grew last year by over 17% as compared to 1986. Government is convinced that Aruba will be able—though it won't be easy—to overcome and control its present liquidity problems. Unemployment has fallen considerably and if present trends continue Aruba may even face a shortage of labour.

Some loose ends still have to be tied up: on the one hand there are the relations with Exxon to be settled; on the other hand there is the 'divorce' settlement with the Central Government of the Netherlands Antilles to be finalised by the end of 1990. It is noticeable, however, how much relations with Curaçao in particular have improved since *Status Aparte* came into force. With Community assistance, for instance, a tourism programme called Discover ABC (Aruba, Bonaire and Curaçao) is in the offing.

Tourism has proved so far to be a successful emergency solution to pull Aruba out of the crisis, a commitment shared by all Arubans. While confidence in the future has been regained, it may well receive another major boost if Aruba's new venture comes off: offshore oil and gas exploration.

Preliminary seismic and aeromagnetic research has singled out offshore Aruba as a positively "prospective area", a fact which has raised a lot of interest with many an international oil company. Legislation has been passed on oil exploration and on the eventual production sharing agreements. This September, Government was to put three exploration areas out to tender to oil companies; before the end of the year the tenders should have been examined and areas allotted so that actual exploration drilling could start next year.

Aruba is already the envy of the Caribbean in terms of its growth in tourism; should she strike oil, she will be the envy of the Caribbean *tout court*. ○ Roger DE BACKER



Aruba profile

Area: 193 km²

Capital: Oranjestad

Population: 64 418 (1987)

Density: 334 per km²

Languages: Dutch (official), Papiamentu, English, Spanish

Currency: Aruban Florin (AFL) comprising 100 cents

Exchange rate: US\$ 1.00 = AFL 1.79; ECU 1: AFL 1.99

Political system: since 1 January 1986 a separate entity (Status Aparte) within the Kingdom of the Netherlands which is responsible for defence and foreign affairs; political autonomy with an elected Parliament (21 members) and a Government headed by "Henny" Eman

Recent developments in GDP, population and per capita GDP: (IMF — Central Bank estimates)

	1982	1983	1984	1985	1986	1987
a) GDP (millions AFL)	1 063	1 037	982	753	669	786
b) Population	66 502	67 726	68 141	65 821	64 801	64 418
c) GDP per capita (AFL)	15 984	15 312	14 411	11 440	10 324	12 202

Note: 1985/1984 drop caused by closure of the Lago refinery.

Main data on tourism (principal sector of the economy):

— **Total number of stay-over visitors:** 231 582 in 1987; 181 207 in 1986; growth 1987/86: +27.8%; growth January-April 1988 compared to same period 1987: +29.1%

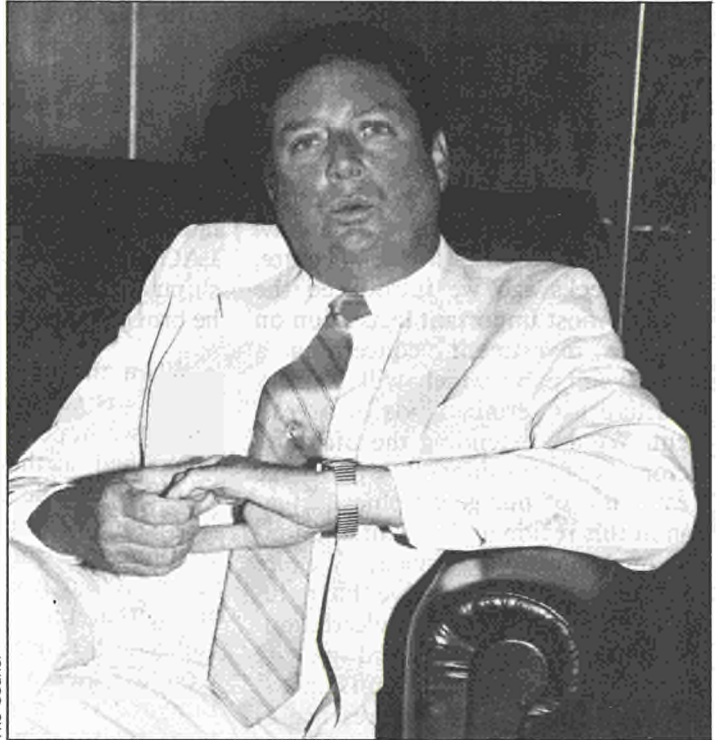
— **Main tourism markets 1987:** USA — 69.5%; Venezuela — 7.1%; Netherlands Antilles — 5.5%; Netherlands — 4.1%; Colombia — 3.9%

— **Projected growth in hotel room capacity:** (source: DEACI): 1987 — 2767; 1988 — 3097; 1989 — 3778; 1990 — 6586.

“The *Status Aparte* has proved itself beyond doubt”

An interview with Prime Minister “Henny” Eman

The economic prospects were far from bright when Aruba's first self-governing administration came to power under *Status Aparte* or separate status, i.e. when Aruba was separated, within the Kingdom of the Netherlands, from the other five islands which now form the Netherlands Antilles. The government wasted no time in devising a strategy to get Aruba out of its difficulties. The strategy was successful, as emerges from the following interview which the Prime Minister, Mr “Henny” Eman, gave “The Courier” at the end of July. Mr Eman, in his forties, is officially called Jan Henrik, but is generally known as “Henny”. When he became Aruba's first Prime Minister, he was following a family tradition, as his grandfather, who bore the same name, was the founder—back in 1948—of the *Arubaanse Volkspartij* (AVP — Aruban People's Party), and separation from the other islands was high on its list of priorities. Since his election victory on 22 November 1985, Prime Minister Eman has led a small but dynamic cabinet, made up of politicians, businessmen and technocrats, and they are setting Aruba on a new course.



The Courier

► Aruba has suffered a number of blows in recent years: first of all the depression in Venezuela in 1983; then the closure of the LAGO refinery in 1985. On top of that came the *Status Aparte* or separate status at the beginning of 1986. How did Aruba adjust to these far-reaching changes?

— We were indeed affected by two or three difficult situations when we began on 1 January 1986, namely the sharp fall in the Bolivar⁽¹⁾, which meant that Aruba lost a considerable amount of resources, and the closure of the LAGO refinery, which caused not only a major loss of income, but also large-scale unemployment, and at the same time we had a completely new political structure. The *Status Aparte* has, I believe, proved itself beyond doubt—the Arubans have clearly shown that the struggle to obtain *Status Aparte* within the Kingdom of the Netherlands was justified; in two years and seven months we have shown that we can stand on our own two feet, as part of the Kingdom of the Netherlands of course. We are very

(1) The Bolivar is the currency of Venezuela, a close neighbour.

pleased to have a single administrative tier, in contrast to the previous two-tier system, because our speedy recovery would not have been possible without the present structure. We have had to work very hard, we have had to plan carefully and we have had to implement properly the plans we had on paper, and involve the appropriate people to be sure of success, and now we have the result.

What have we actually done? Well, first of all we decided to attract twice as much tourist trade. All the studies revealed a large demand for Aruba, more of a demand than we could cope with in the past because then there was not the same need, as we had virtually no unemployment. We not only wanted to increase our tourist trade, but to prepare for the future, which means geographical and economic diversification. Geographical diversification involves regarding the whole world as our tourist market, not just the north-eastern corner of the United States south of New York, but the United States as a whole, Argentina, Brazil, the rest of Latin America, and also Japan, Europe, and Canada.

We are very extensively engaged in this task and our efforts are being reinforced and monitored by Pannell, Kerr and Forster⁽²⁾, who specialise in the marketing side of tourism. Preparing for the future also means aiming at the better class of tourist, a better category than we have had hitherto. This requires not only an effort on our part—an effort already being made—and the government is deeply involved in putting the plans into effect; flights must also be guaranteed and agreements on air links are now being concluded with various countries.

There should now be enough flights a day to fill the hotels. In addition to upgrading the existing hotels, we have ensured that the hotels which are coming to Aruba belong to the world's top category—hotel chains such as Hyatt, Ramada, Omni, Sonesta—and consequently that the bulk of the new customers belong to the five-star category. All this is in hand.

At the same time we began in January 1986 to diversify the economy as a whole. Although the tourist industry

(2) Editor's note: a firm of consultants.

will remain important in the future, its importance in our economy must be restored to normal proportions, namely about 50%, and must not stay at the level recorded until recently—approximately 80%—although it is now going down. We have therefore opted mainly for service industries, because if you have no commodities, services are the obvious choice, particularly in a country like ours with a high level of training. We have set to work on financial services, and have changed certain laws and structures so that we can now offer our services as a financial centre. A few weeks ago we introduced the first and most important legislation on off-shore investment, concerning a type of company which will be very attractive for certain kinds of investment. We are extending the off-shore sector very considerably to make greater use of our geographical situation in this region and our international communications services. We are hard at work on this: we have invested a great deal in new telecommunications infrastructure, and we are still in the process of optimising the harbour and airport. The presence of the US Immigration Service and also—at a future date—US Customs will help to make Aruba's airport a nerve centre for the region's companies and airline companies which want to fly to the United States from Latin America.

All is going well as regards services and I should also add that we have invested huge amounts in education: we believe that in doing so we are laying the foundations for Aruba's future. By way of comparison, in 1985 some 45 students were sent abroad to study; in the two years and seven months we have been in power, we have managed to send over 820 abroad! We are therefore investing hugely in our young people, who represent our greatest potential for safeguarding the future of the services sector.

We believe that there are possibilities on the industrial front: we called in a Belgian company called Plant Location International to determine what exactly Aruba should aim at, rather than just stabbing in the dark. They explored a number of possibilities and worked out company profiles; we have set up a special division within the Department of Economic Affairs to act on this information, in conjunction

with Plant Location International, and this work is now in progress. We firmly believe that we shall have a number of industries in the foreseeable future. There will not be very many companies, nor will they be very large, because our own market is inevitably small, with the highest wages in the region, and hence high production costs. We shall therefore go for capital-intensive, non-labour-intensive industries. Work is being done on this now, and we have made a start by launching some activities on the LAGO land; we hope that the transshipment facilities for petroleum will also be brought back into service there soon.

When the package we are working on now is complete—in two or three years, we hope—our economy will be diversified so that we shall no longer be as vulnerable as we were when the LAGO refinery closed. Tourism will continue to form a major part of our economy but it will be so evenly balanced that the whole sector will not collapse because of a crisis in the United States or a further fall in the Bolivar. As regards tourism, in addition to extending our infrastructure, we are also extending the leisure facilities, and particularly water sports, with the organisation of wind surfing and a generally more professional approach to water sports, and there is also more diversification on land; a golf course is being built, for example. We want to bring every possible factor into play in order to be sure of lasting success.

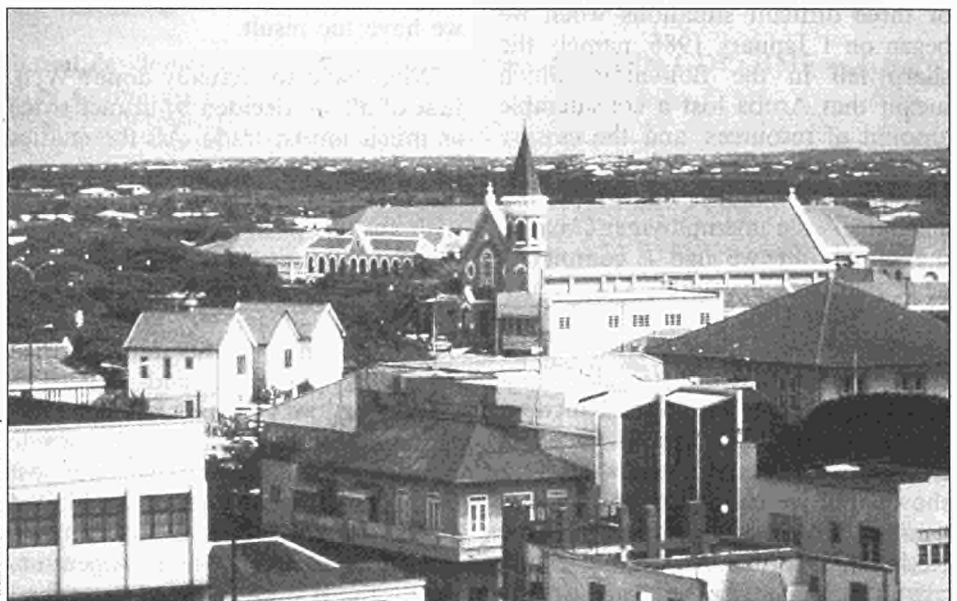
We are now rapidly approaching a situation of little or no unemployment, and we are engaged in efforts to get our people back from the Netherlands to work in hotels and in the building trade. I think this is essential.

We must not forget, of course, our trump card: we have completed all the preparations for oil prospecting; according to the experts there is a very good chance that we do have oil, and in August⁽¹⁾ we are going to issue the open invitations to tender. We hope therefore that a number of contracts will soon be concluded.

► *In a crisis Aruba took a gamble on tourism and that has proved an immense success, as according to the latest figures your country currently has the fastest-growing tourist trade throughout the Caribbean. How do you explain this?*

— We do not actually use the term “gamble”. It has all been examined very carefully, because we could have just said, “We are going to channel all our resources into prospecting for oil and we shall set up drilling rigs within six months, or we are going to try and attract, for example, the diamond trade”. On the contrary, a very thorough study was carried out by the various political parties and the Department of Economic Affairs, to deter-

(1) This interview took place on 29 July.



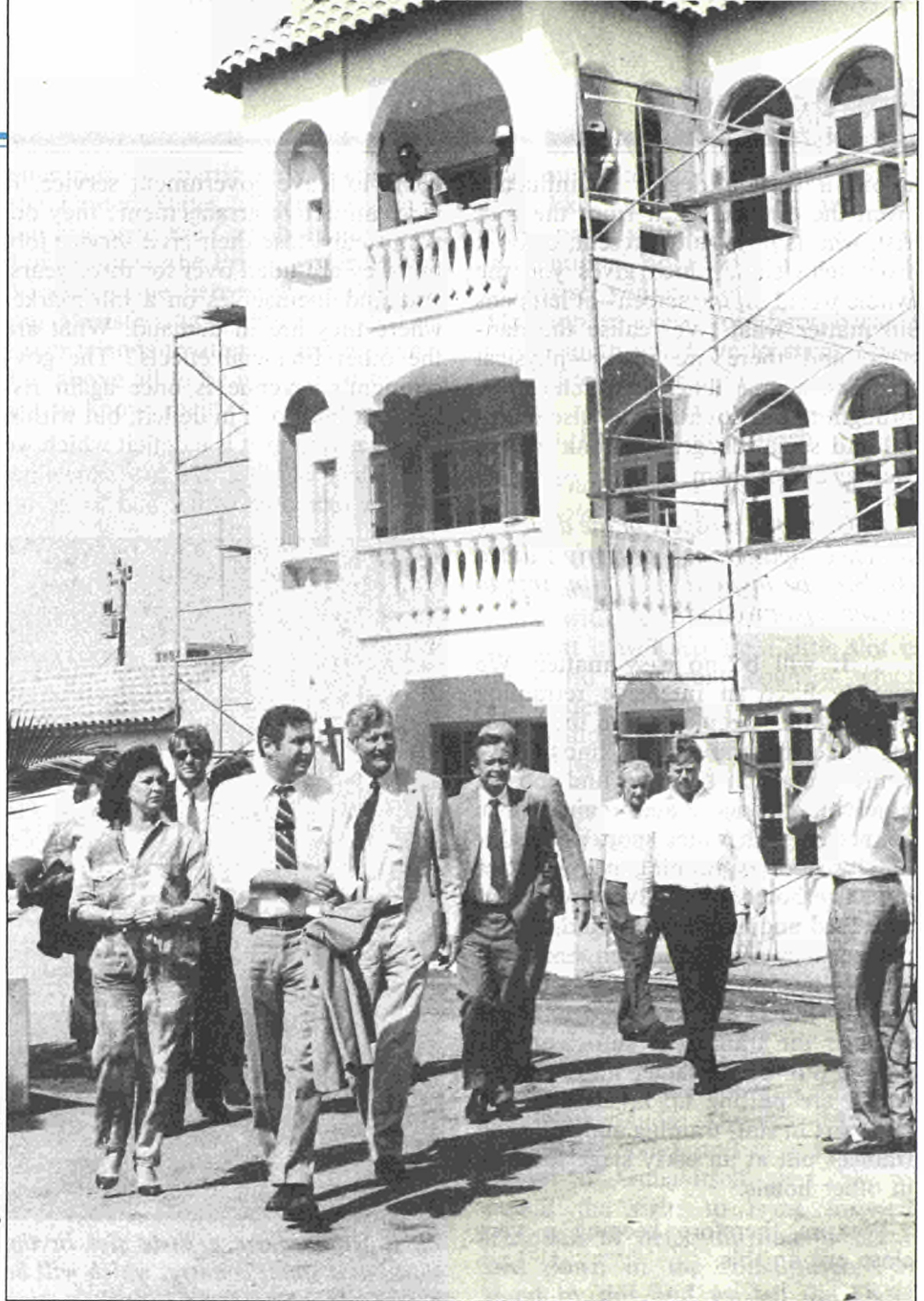
Aruba Tourism Authority

“The Aruban loves his island and is prepared to make sacrifices for it”

mine the quickest way of extricating Aruba from the crisis—and the most labour-intensive way and the one which would provide the most varied work. Many people do not realise this, but tourism generates a wide variety of work, involving every kind of job from gardener, barman and chambermaid to the highest levels of management in administration, marketing and travel. It is therefore a very labour-intensive and very varied branch of the economy. It also appeared to be the one where we could get the quickest results, since conducting feasibility studies, opening a factory, launching the products, and so on, takes time.

With the help of Plan Location International, we have now done all the preparation in the field of industrial development, so we are in a position to shop around. It has taken a little time, but in this time we have provided work for thousands of workers in the building industry, now engaged in building hotels.

Why is tourism such a success in Aruba now? I think we are very aggressive—we do not sit and wait for things to happen, we take the initiative. We have always done so—the LAGO refinery did not appear just like that, because then, too, we went out and attracted the business here. We have therefore gone out very aggressively into the world to point out Aruba's potential to investors. Then there is of course the character of the population: the Aruban loves his island and is prepared to make sacrifices for it. Naturally part of the population left when the crisis struck, but the majority endured the bad times and proved willing to work very hard. The Aruban is also a very independent being: I always give as an example what up to now has been a hallowed tradition here, namely the fact that a man does not marry until he has a house of his own. It is as a result of a combination of character traits in the Aruban that we did not just give up when we encountered all those problems, but instead set out and showed that our government and our local businessmen could tackle the problems expertly. We involved our own best people and managed to bring in the best people, companies, consultants and experts from outside.



Voorlichtingsdienst Aruba

Prime Minister Eman (rolling up his sleeve) visiting one of the numerous hotel construction sites with (to his left) Dutch Minister Jan De Koning, who is in charge, within the Government of the Kingdom of the Netherlands, of the Cabinet of Netherlands Antillian and Aruban Affairs

► *On the one hand we can congratulate you on the success of tourism, and on attracting investment in tourism, but to what extent are you aware of the negative aspects of tourism, such as the effects on the Aruban's own cultural identity?*

— This is why we decided to double our hotel capacity and then stop. For many years Aruba's tourist trade had been growing very slowly. We are now making one big leap and then stopping. We have announced an end to hotel-building, because we want to keep the relationship between our own people and the tourists on our island healthy at all times, and it must be our own culture and our own people who

support and underpin the tourist industry by providing the services involved, otherwise we shall be dependent on people from outside.

It is bound to have a certain amount of influence on your own culture, because you absorb something from those thousands of tourists a year. We believe that our society is so closely knit that the fundamental values will remain unscathed. That is a very noticeable feature of our society. You see how, from childhood, the Aruban belongs to highly structured organisations. Scouts, choirs, sea scouts, etc., are groups which are very active in Aruba and further the Arubans' sense of unity and belonging. You cannot

avoid a certain degree of influence from the outside, be it from the tourist, who is physically present, or be it from television, which gives you the whole world on the screen—it happens no matter what. We realise the dangers, and there are many—physical dangers, such as illnesses which can be brought to our country, and also cultural and social dangers. I think we are well aware of them.

► *Given the prospect of the doubling of hotel capacity, can properly trained Arubans be made available in time to do the jobs involved?*

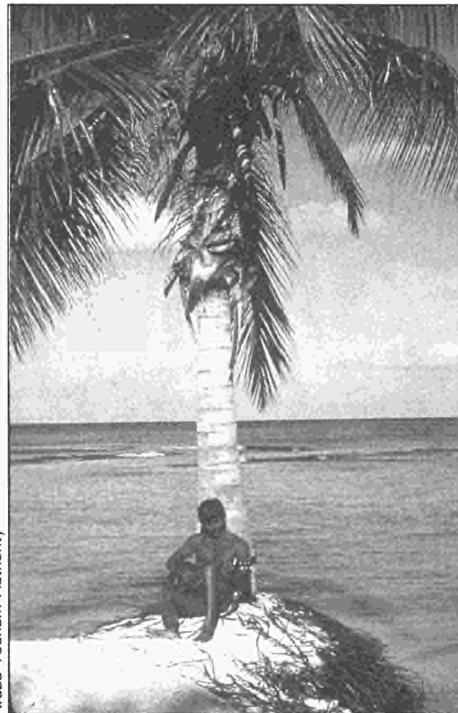
— It will be no easy matter. We already have an intensive retraining programme—people now in the building trade are following all kinds of evening courses in order to find jobs in hotel maintenance, and maintenance connected with water sports, etc. Our hotel school is training people extra fast. The hotels themselves are all approached and asked what kind of employees they need and when, and what kind of training they should be given, and the hotels are requested to check whether the training is sufficient. We have a number of larger hotel chains, which are putting up hotels and will take part in staff training and will send trainees out at an early stage to work in other hotels.

We are therefore keeping a very close eye on this.

► *What have been the financial repercussions for the government of this fast growth and the relatively fast recovery after the 1985 crisis?*

— We have given really serious thought to the IMF's idea of making major cuts in government expenditure, which would have involved making large numbers of civil servants redundant and would also have given rise to a drastic increase in taxation. We opted for another method—we decided to delay these measures for a while and make sure that the economy improved, so that revenue was at the right level, and so that unemployment would be sufficiently low for people laid off from the civil service to find work in the private sector. We are approaching that point now. We have just managed to get a bill through Parliament on voluntary departures from the civil service and now people are

going to leave government service. It is an attractive arrangement: they do, admittedly, lose their civil service job, but they are tidied over for three years, and find themselves on a job market where they are in demand. What are the other financial effects? The government's revenue is once again rising: our budget is in deficit, but within our own system it is a deficit which we can easily handle. We are cancelling the tax increases which had to be in-



Aruba Tourism Authority

“... it will acquire a little slot in the world as a small country, which will be described as democratic, with a high standard of living and a high level of development”

troduced in the past, as in the case of the solidarity tax, which was brought down from 8.2% last year to 4.1%, and by 1 January 1989 will have been abolished completely.

► *To what extent must you have recourse to official assistance from the Netherlands or support from the European Community?*

— We informed the Netherlands last year that we were going to work on phasing out development assistance. We are going to try and channel development assistance over the next few years into the production sector and for this purpose we have, amongst other things, set up an Aruban Investment Bank. A total of Hfl 100 million was pledged to us by way of budget

support because of the crisis. Of this 100 million we have been able to allocate 20 million to the Investment Bank. We got this cash injection from outside, and at the time it was thought that it should have been much larger, but we have managed very well on it.

We have therefore announced that we are going to phase out this assistance. As part of the Kingdom of the Netherlands we are entitled to a specific amount per year and this is just what we want to phase out—we do not want it any more, as it only makes us more dependent. If you know that you can count on a certain sum, you come to rely on it. I believe that development assistance must be aimed at making itself superfluous. There must be a time when you say that the assistance is superfluous. That is why I have already said that we do not want any more development assistance for cultural cooperation, sports facilities and that type of thing. Over a specified period we want to strengthen our production sector, and above all our Investment Bank and our entire financial organisation in the widest possible sense, and then in a few years we want to do without development assistance.

► *What do you intend to do about aid from the Community?*

— The nature of this aid is different, but I believe that there comes a time when cooperation—including with the Netherlands and the United States—must be geared more to the exchange of technical know-how, in other words our people should be given training in different places, should be given facilities for access to universities abroad. We are currently working on getting a number of places in the States for our students, and these places would be subsidised in that the students would be helped to pay the large fees that they could not otherwise afford. We should like to do something similar with the Community in spheres where our people can learn something, and where we can improve our level of competence, instead of just receiving money for specific projects. I believe, however, that cooperation with the Community is already moving much more in that direction, away from the form of development cooperation we have always

had with the Netherlands. Community aid is very much geared to projects, such as the hotel school, to setting up something that you then have to get on with yourself.

► *What previously was almost inconceivable in view of the political problems, namely cooperation with the other islands, the present Netherlands Antilles, seems feasible in the future. I am thinking for example of the Discover ABC Programme. How would you describe relations between Aruba and the rest of the Netherlands Antilles now?*

— Excellent. After the clashes of a few years ago, relations have changed beyond recognition. When we decided to cooperate, freely and voluntarily and in the interests of the State, we always believed in cooperating very intensively. We belong together, we share a common history going back hundreds of years, we speak the same language, have the same religion. Aruba has always felt that it should have room to reveal its own personality. We have this room now. If you see how much interchange there now is between all sorts of departments and people in the Netherlands Antilles and Aruba, and the good relations which exist because everyone now realises that we are doing this because we ourselves want to and because it is better for the two sides, it is hard to imagine that it is the same people who a few years ago were *fighting* each other ... It was just that Aruba wanted room to do what it felt it could do better for itself. That is what we are now doing, and this leaves full scope for cooperating with others.

► *In a wider perspective, do you now feel more involved in what is happening in the Caribbean?*

— We have always been a bit isolated in the Caribbean basin. On the one hand because of the language, and on the other, from a geographical point of view, because of the large distances which separate us from the rest of the Caribbean. For many years we have been a good centre for many people from the Caribbean who came during the oil boom; we trained some important politicians here. Since we acquired *Status Aparte*, we have been devoting more attention to establishing direct relations with a number of

countries — particularly Venezuela, the United States, Argentina, Brazil, but also with the Caribbean countries. For example, the Prime Minister of St Vincent came here and a number of our Ministers have already visited the other islands to attend various events, but above all to be introduced to, and get to know, their counterparts.



On the date of 1 January 1996, when Status Aparte is supposed to be transformed, eventually, into full independence:

“Arubans reserved the right to bring forward, maintain or defer the date...”

► *Are you making approaches to Caricom?*

— Not directly, we are not very active on that front.

► *You mentioned language: Aruba is introducing Papiamentu, and it is written differently in Aruba from in the Netherlands Antilles. On the one hand it is part of your cultural identity, but on the other does it not contribute to your isolation within the Caribbean? I mean, with Papiamentu you don't get that far.*

— Nor with Dutch. We are consequently doubly handicapped, with Dutch and with Papiamentu.

► *But English is being used more and more as the language of communication in Aruba ...*

— That is a problem, so we add other languages very quickly at school, particularly English and Spanish. You must remain international in outlook,

but you see this too in “small” countries like the Netherlands and Belgium, namely that you must adopt an international approach to languages, otherwise you cannot communicate. This applies even more here, because to the south you have to speak Spanish and to the north English, and within the region there is a mixture of French, English and Spanish.

► *What does the short and medium term hold for Aruba?*

— I think Aruba will have a balanced and stronger economy in a few years, with very low unemployment, and that it will acquire a little slot in the world as a small country, which will be described as democratic, with a high standard of living and a high level of development.

► *Status Aparte is supposed to give way to another stage after 10 years on 1 January 1996. What will happen then? Is Aruba really intent on independence from the Kingdom of the Netherlands or is that going too far?*

— No, the situation is not quite like that. The Arubans made it very clear in the resolution passed in the Second Chamber, in the resolution passed in the Netherlands Antilles’ “Staten” (legislative body), and in a resolution passed in Aruba itself, that they reserved the right to bring forward, maintain or defer the date which is laid down in the constitution. We stand by this and we tell the Dutch that we do. We might bring it forward, because it could be that the new form of cooperation with the Netherlands will prove better for us and will give us a bit more space; but it could also happen that in a few years we say—because we want first of all to see that the economy is set to rights, and only then shall we talk—that it should stay like that for the time being and we shall let a few more years go by and see how we progress. We do not feel bound by that date—in the Netherlands they do—but we are convinced that when the time comes we can show that when a date is reached you cannot suddenly be thrown out against your will if you really have no wish to leave. It will depend on the situation and on developments within the region and in Aruba itself. ◦

Interview by
Roger DE BACKER

EEC-Aruba cooperation

by Marc WOLFF (*)

Relations between the EEC and Aruba began with the Treaty of Rome back in 1957.

At this stage, Aruba was part of the Netherlands Antilles, themselves part of the Kingdom of The Netherlands, and, very naturally, the Treaty of Rome and the subsequent Association Agreement provided a framework for relations between the EEC and the Overseas Countries and Territories (OCTs) of the countries which belonged to it.

So it was within the Netherlands Antilles and through their Central Government that the EEC and Aruba got to know and to cooperate with each other. Since the Netherlands had decentralised and the job of administering cooperation had gone to the Netherlands Antilles' Government, conditions were right for direct relations with the EEC.

In 1967, an EDF controller's office was opened in Curaçao for all six islands, but later on both its name and duties were changed, following the pattern of the ACP countries, and it became the only Delegation in an OCT.

The tools of cooperation were defined by analogy with the successive Conventions with the ACPs and today they are virtually the same as those of Lomé III.

The EDF, the main instrument of cooperation, has made it possible to

(*) The Commisison Delegate to Aruba and the Netherlands Antilles.

finance a series of schemes aimed mainly at creating a network of infrastructure for the island of Aruba, which with its population of around 60 000, got almost a quarter of the resources which the Netherlands Antilles received under the first five EDFs.

The main investments were in the port, the airport and the education infrastructure. These EDF contributions are obviously modest compared to the island's own efforts, which are backed up by large contributions from the metropolis. The Netherlands in fact channels 5% of its development aid into the Netherlands Antilles and Aruba always got a quarter of it.

The various Association Agreements also gave Aruba the chance to benefit from a package to boost trade with the EEC. But, at the time, the two pillars of the economy were the tourist trade, with an influx of visitors from Venezuela, and the oil refinery which exported to the USA, so rum was the only thing covered and the quantities of that were very small.

In the '80s, some important events left their mark on Aruba. In 1983, the Bolivar was devalued and there was a substantial drop in the number of tourists from Venezuela. In March 1985, the oil refinery closed down, taking away one of the pillars of the economy and forcing the authorities to take action. Then, in January 1986, Aruba separated from the Netherlands Antilles.

These economic and political events marked a new beginning, both in general and in relations with the EEC.

First of all, with a Government responsible for what happened on the island, Aruba now had more room for manoeuvre. Decisions speeded up and were easier to put into practice.

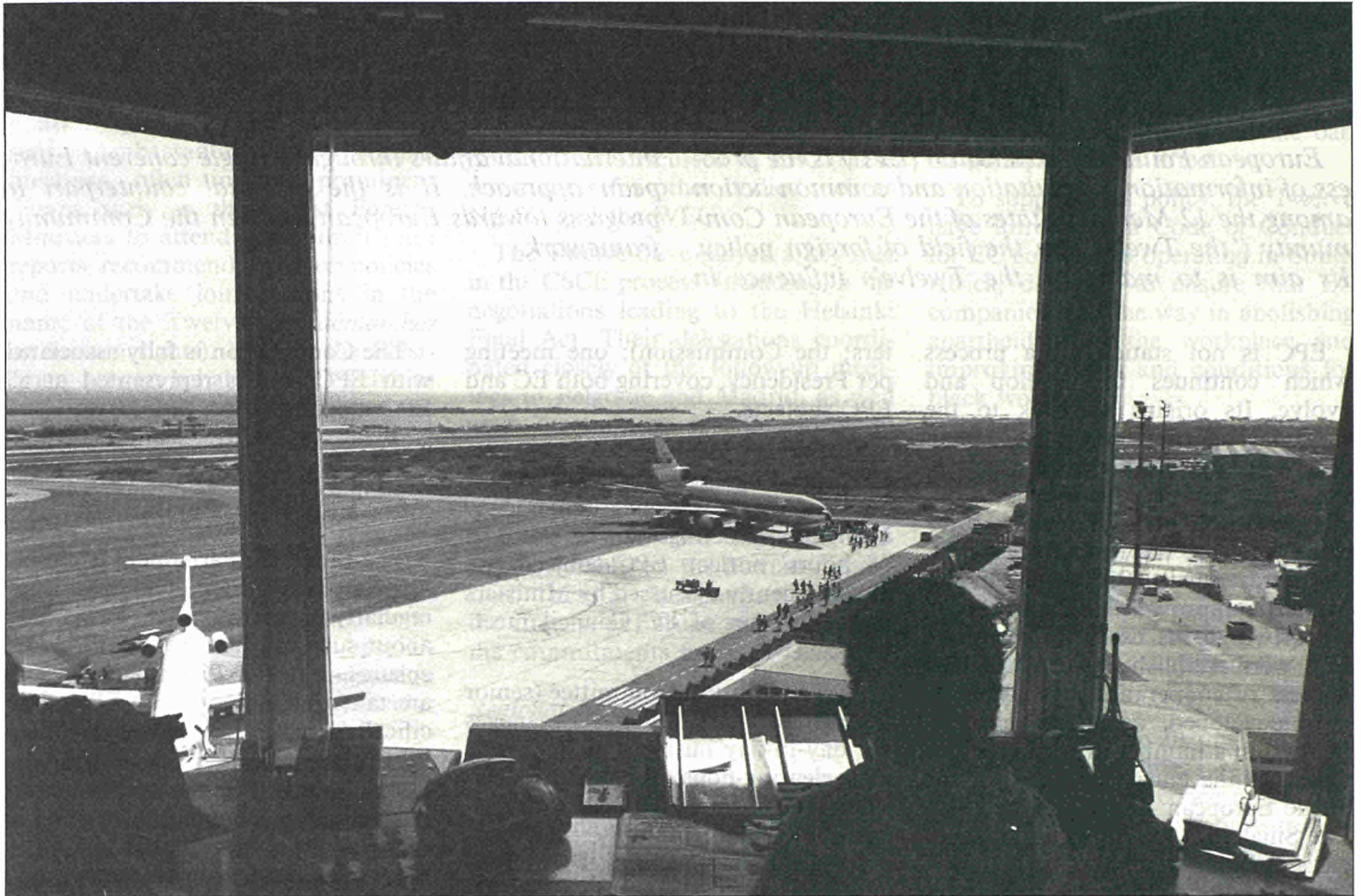
On this new basis the dialogue with the EEC began and, in March 1987, the new Government of Aruba signed an indicative programme, for the 6th EDF, with the Commission for the very first time. Tourism, the only sector able to ensure the island's resources in the near future, naturally got 90% of the funds and the other 10% is to go to export promotion and diversification schemes.

The aims of the programme are modest, reflecting the financial means available—ECU 6.9 million in all. But the aims of both Government and private investors are considerable.

Although the outlook as regards working some of the oil and gold deposits is good, the country cannot count on any of its natural resources



The Hotel School financed by the EDF



The bulk of Community aid has been concentrated on the tourism sector, in particular on works and equipment at the airport

in the short term, so it has to make the best of its human resources and tourist potential.

Hotel investments proceed apace. The capacity is expected to double, to around 6000 rooms, between 1987 and 1991—which means 3.5 million nights' lodging with hotels 75% full.

The nation's hotels are not just being promoted in the USA. Europe is in their sights too. And the Commission is backing up the drive with financing from the regional funds, so every year, Aruba is able to advertise its tourist attractions at trade fairs in London (WTM), Berlin (ITB) and Utrecht.

The EDF schemes will probably involve improving the airport (90%) and running studies to check on the feasibility of setting up export revenue generating industries (10%).

This diversification via the promotion of industrial and commercial investments will be backed up by the EIB, which has just granted Aruba an ECU 1 million loan for the Aruba Investment Bank.

Since it separated, Aruba has agreed to run a regional sub-programme with the Netherlands Antilles. The 6th EDF indicative programme takes this into account, allocating ECU 4.1 million for it. A number of schemes of joint interest are being looked at here—a programme of maritime links between

the islands of Aruba, Bonaire and Curaçao and Venezuela, a joint tourist promotion campaign and various studies on inter-island air links.

Lastly, the Commission opened an office at Oranjestad in 1987 to represent Europe on the island and make for greater efficiency. ○ M.W.

Main projects financed by the EDF

	(million ECU)
1st EDF: Airport buildings and control tower (1972)	3.362
Schools (1971):	2.300
2nd EDF: Road & bridge (1970)	1.140
3rd EDF: Middle school of technical studies (1978)	1.711
Hotel School study	0.600
4th EDF: Hotel School (1982)	3.500
Tourism study	0.970
5th EDF: Navigational aids and service road (under construction) at the airport)	6.000
Industrialisation study	0.040

Forthcoming 6th EDF programme schemes

— Export promotion feasibility studies	0.690
— Support for the tourist sector (air transport — airport)	6.210

Note: Start-up dates in brackets.

European Political Cooperation⁽¹⁾

European Political Cooperation (EPC) is the process of information, consultation and common action among the 12 Member States of the European Community ('the Twelve') in the field of foreign policy. Its aim is to maximise the Twelve's influence in

international affairs through a single coherent European approach. It is the essential counterpart to progress towards European unity in the Community framework.

EPC is not static, but a process which continues to develop and evolve. Its origins go back to the 1950s, when cooperation on foreign policy was seen as an integral part of building a new Europe after the war, a Europe which could speak with a single voice to the rest of the world. But it was only in 1970, when Foreign Ministers approved the 'Luxembourg Report', that the basic procedures of EPC were established. Since then the process of cooperation has gradually been developed, expanded and formalised in a number of stages, culminating in the entry into force of the Single European Act on 1 July 1987. The Single Act puts EPC on a Treaty basis for the first time, although it remains quite distinct from the structures and procedures of the Community.

The key features of EPC

- a commitment to consult and cooperate on foreign policy issues and to work towards coordinated positions and joint actions;
- a commitment to consult before adopting national positions on foreign policy issues of general interest;
- decision-making by consensus among governments;
- the confidentiality of consultations;
- direct contacts between Foreign Ministries, allowing speed and flexibility;
- only two working languages (English and French) at meetings below Ministerial level.

Structure and organisation

- European Council (Heads of State or Government; foreign Minis-

ters; the Commission): one meeting per Presidency, covering both EC and EPC subjects.

— Foreign Ministers: At least two EPC meetings per Presidency, plus one informal weekend (emergency Ministerial meetings can be called at 48 hours' notice). EPC subjects are also frequently discussed by Ministers in the margin of EC Council meetings.

— The Political Committee (senior Foreign Ministry officials): manages the day-to-day business of EPC, acts as a clearing-house for routine decisions and prepares Ministers' discussions. Regular monthly meetings, plus emergency meetings if required.

— The Group of European Correspondents (one official from each country's Foreign Ministry): monitors the smooth functioning of EPC.

— Working Groups (15-20 groups in all): regular meetings at expert level — on average each Group meets two or three times per Presidency.

EPC also involves cooperation among representatives of the Twelve in third countries and to international organisations.

Relations with the European Communities

EPC is not based on the Treaties establishing the European Communities and it has a quite separate institutional structure. However, EPC and the Communities together form an integral part of the European identity projected to the outside world. It is clearly essential that the policies developed in EPC and the external policies of the Communities should be consistent and therefore mutually supportive. EPC and Communities' policies are thus placed within a coherent political vision.

The Commission is fully associated with EPC and is represented at all EPC meetings.

Relations with the European Parliament

The European Parliament is closely associated with EPC. The Presidency regularly informs the Parliament about subjects discussed in EPC and ensures that the Parliament's views are taken into account by EPC. Specifically:

— the Presidency Foreign Minister makes a speech in the Parliament at the beginning and end of his period in office;

the Presidency attends a monthly Question Time in Strasbourg and coordinates joint answers to questions from Members of the European Parliament;

each Presidency takes part in two 'colloquies' (informal and confidential discussions) with the Parliament's Political Affairs Committee.

Cooperation in international fora

Cooperation in international fora is an important aspect of EPC. This is particularly true of cooperation in the CSCE framework and the United Nations, which includes:

— regular consultations between the Twelve's missions in New York, Geneva and Vienna, including at expert level;

— an annual speech by the Foreign Minister of the Presidency in the name of the Twelve and the Community at the UN General Assembly;

— endeavours to secure common voting on Resolutions;

— joint statements and common explanations of voting.

(1) Excerpts from a DGX (Information) document — CEC.

Cooperation in third countries

The Twelve's missions in third countries cooperate closely both on political questions and on other issues. Ambassadors have regular meetings, often inviting prominent figures such as their host Foreign Ministers to attend. They draft joint reports, recommend common policies and undertake joint actions in the name of the Twelve (e.g. *démarches* on human rights). Usually the Presidency acts on behalf of the Twelve in such cases, but sometimes the so-called Troika — involving the preceding, present and succeeding Presidencies, plus the Commission — is used in order to emphasise the Twelve's common approach.

In many capitals, regular meetings take place between consular, commercial and administrative specialists. Areas of practical cooperation include health, schooling, consular and legal assistance. In certain countries cooperation on emergency communications and emergency evacuation plans helps ensure that dangers to EC citizens living or travelling in third countries are kept to a minimum. Operation on the evacuation of EC citizens from Aden (South Yemen) in 1986 was a good example of this.

Overall, the Twelve's missions put across to foreign governments and to the media in third countries the reality of European cooperation on a day-to-day basis.

What subjects does EPC cover?

All foreign policy issues of general interest are discussed in EPC, particularly those of direct concern to Europe. Issues under discussion include:

East/West relations and the CSCE⁽¹⁾ process

These central questions, of vital importance to all Europeans, are almost permanently on the EPC agenda. The Twelve are committed to strengthening stability and security in Europe at lower levels of armaments

and to enhancing mutual trust and understanding. The Twelve discuss every aspect of East/West relations, including the wider issues of security policy, but military and defence questions are not discussed in EPC (these are matters for other bodies such as NATO and the WEU).

The Twelve have played a key role in the CSCE process, including in the negotiations leading to the Helsinki Final Act. Their delegations coordinated closely at the follow-up meetings in Belgrade and Madrid, as well as in meetings on specific aspects of the CSCE process. At the CSCE follow-up meeting in Vienna, the Twelve, with other Western countries, have submitted important proposals notably on the human dimension. These are designed to allow all the citizens of Europe to benefit from the commitments made at Helsinki.

Regional issues

— Middle East

The Twelve have for many years followed developments in the Middle East closely and in particular the Arab/Israeli dispute. They have consistently supported a peaceful solution to this dispute based on two fundamental principles, which were outlined in the 1980 Venice Declaration and subsequent statements: the right of all States in the region, including Israel, to exist within secure frontiers; and the right of the Palestinian people to self-determination, with all that this implies. The Twelve believe an international peace conference on the Middle East would provide the suitable framework for negotiations between those directly concerned.

The European Community provides aid and economic assistance to the territories occupied by Israel since 1967. The Twelve have developed their relations with the Arab countries through the Euro-Arab Dialogue.

— South Africa

The Twelve are committed to contributing actively to the total dismantling of apartheid by peaceful means and its replacement by a genuinely democratic, non-racial system of government in South Africa. The Twelve have outlined the steps which the

South African Government should take to allow the necessary national dialogue to start: in particular the state of emergency must be lifted, all political prisoners freed and the ban on political parties lifted.

To support this policy, the Twelve have introduced a Code of Conduct for EC companies operating in South Africa, designed to ensure that EC companies lead the way in abolishing apartheid from the workplace and improving wages and conditions for black workers.

Member States and the Community provide considerable aid to those who suffer as a result of apartheid, both inside and outside South Africa. This aid is designed to strengthen the economic independence and self-sufficiency of South Africa's neighbours and to help South Africa's majority community, particularly in the field of education.

The Twelve have also introduced a series of restrictive measures designed to underline their concern, to help maintain international pressure on the South African Government and to bring home to the white community the fact that fundamental change is inevitable and that delay will only make this process more difficult.

— Central America

The Twelve support efforts to achieve a peaceful resolution of the region's conflicts on the basis of the Contadora Group's objectives. They believe that a solution must emerge from the region itself and must guarantee peace, democracy and respect for human rights, along the lines proposed in the agreement reached in Guatemala on 7 August 1987. To support the process of negotiation and reconciliation, the Twelve have established a political dialogue with the countries of Central America and the Contadora Group, which takes place annually, in principle at ministerial level. In parallel, the European Community is providing economic assistance designed to encourage regional cooperation and integration.

— Afghanistan

The Twelve have repeatedly condemned the Soviet occupation of

(1) Conference on Security and Cooperation in Europe.

Afghanistan. They have called for the rapid and unconditional withdrawal of all Soviet troops to allow the Afghan people to decide freely their own future. They supported the UN Secretary-General's efforts to bring about an early negotiated settlement. They welcomed the conclusion of the April 1988 Geneva agreements, which represent an important step towards a solution of the Afghanistan crisis.

Other regional issues

- Asia (e.g. developments in Cambodia, Sri Lanka, the Philippines);
- Africa (e.g. the Horn of Africa, the Front-line States, Sudan);
- Cyprus;
- South America (e.g. developments in Chile).

Other issues

- Human rights

Respect for human rights is one of the key elements in the Twelve's relations with third countries. The Twelve make every effort to promote and protect human rights and fundamental freedoms: when abuses occur, they often intervene with other governments to underline European concerns and press for full respect for human rights.

- Terrorism

The Twelve have adopted an active policy in the fight against international terrorism. They have consistently made clear their total abhorrence of this scourge and their unwillingness to maintain normal relations with countries which are involved in supporting terrorism. They have agreed not to make any concessions under duress to terrorists or their sponsors. They have taken measures, both jointly and individually, to back up this policy and to bring home to those who use terrorism that such acts can only damage the causes which they purport to support. In their efforts to combat international terrorism, the Twelve cooperate closely both among themselves and with like-minded third countries.

- Non-proliferation

The Twelve attach importance to preventing the proliferation of nuclear weapons and work closely together to this end. They strongly support both the activities of the International Atomic Energy Agency (IAEA) in this field and the international agreements in force designed to ensure that the trade in nuclear materials and equipment is used exclusively for peaceful purposes.

What does EPC achieve?

(i) Impact on national policy

The commitment to consult and coordinate lies at the heart of EPC. The officials responsible for developing foreign policy nationally are in close and regular contact. Consultation and cooperation with colleagues at all levels from the Twelve are now natural and instinctive. Before making decisions, individual countries take full account of the policies and interests of their European partners.

(ii) At expert level

Regular meetings of expert groups and of the Political Committee not only ensure close personal relations between members of the Foreign Ministries, but also allow the Twelve to reach a common assessment of international issues as a basis for developing joint policies. There is a similar process in third countries, where the Twelve's Embassies regularly exchange information and views on the country to which they are accredited.

(iii) Public diplomacy

The Twelve have publicly established a joint position on most major international issues. These common positions are designed to bring out the key elements of any question and, if possible, to offer the parties to a dispute a potential area of middle ground. For example, the Venice Declaration on the Middle East, made in June 1980, established two of the principles on which any solution of the Arab/Israeli conflict must be based and those principles remain entirely valid.

The Twelve's Declaration on Human Rights of July 1986 has pro-

vided a touchstone for European policy on this issue which is increasingly in the public eye and to which the Twelve pay particular attention when considering their relations with third countries.

(iv) Quiet diplomacy

The Twelve also use their numerous contacts with third countries to pursue, on a confidential basis, the policies agreed by EPC. The most important area for such quiet diplomacy is human rights: the Twelve frequently intervene confidentially with foreign governments on humanitarian issues on occasions when public declarations are judged counterproductive.

(v) Joint action

The Twelve may also take joint action in situations where this is appropriate and realistic, and where other means have not had the desired results. In 1985 and again in 1986 the Twelve introduced measures *vis-à-vis* South Africa, both positive (aid to the victims of apartheid) and restrictive economic measures; following terrorist incidents measures were taken in April 1986 against Libya and in November 1986 against Syria; the Twelve's political commitment to encouraging peace and regional cooperation in Central America is reinforced by Community support for economic integration amongst the countries of the region.

(vi) Links with third countries and regional groupings

The Twelve have close links, whether informal or institutionalised, with many third countries and groups of countries. These contacts are normally the responsibility of the Presidency or, in some cases, the Troika. They cover not only other European and Western countries but also regional groupings such as ASEAN, the countries of Central America, the Gulf Cooperation Council and the Arab League. The Twelve are increasingly seen as a coherent entity with which third countries want to discuss foreign policy issues: this allows the Twelve's views to be heard widely and at a high level, thus maximising the Twelve's impact on world affairs.

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Better statistics in Mali with the SOEC^(*)

Why Mali? Because Mali is a Sahel country which has had severe food problems over the periods of drought which have struck the region in the past few years and the EEC has supplied it with a large amount of aid—ECU 84.9 million between 1970 and 1987. And because Mali has expressed a political desire to improve its decision-making by monitoring and scientifically evaluating its agricultural performance and by seeking a coherent approach (in the shape of food strategies and the cereal market reorganisation programme) to its food problems.

A diagnosis of the information situation produced before Eurostat stepped in showed considerable compartmentalisation of the various suppliers of data. And coordination was lacking so that there was fairly frequent duplication of statistical surveys yet no picture of the situation as a whole.

The most flagrant example of this was the estimated agricultural output figures, where two information systems—one run by the National Directorate of Statistics and Information (DNSI) and the other by the National Directorate of Agriculture (DNA)—existed side by side. For more than 15 years, two sets of figures were published and there were two teams of investigators and the discrepancy in the estimated millet/sorghum production figures, for example, was as much as 70%.

But these are the data which have to be used to gauge the nation's food requirements, with all their human, political, economic and social ramifications.

What are Eurostat's aims in Mali?

It is trying to do four things:

- (i) foster coordination and harmonisation of the various producers of data;
- (ii) make for the establishment of simple survey systems and the production of statistics geared more to support for decision-making;
- (iii) encourage the dissemination of information;
- (iv) supply target supports to provide

^(*) Article by Stephan Frowein and Gilles Hervio, who are in charge of the Mali programme within the Statistics Office of the European Community (SOEC), and by Daniel Byk, Head of the SOEC's Specialised Service "Analyses and Development".

additional, marginal but decisive backing for the data production services.

What has been done?

Eurostat started work in Mali in March 1985 with the arrival of a Statistical Office Representative at the Delegation of the Commission of the European Communities. He has his own office, two young Malian assistants (graduates of the National School of Administration) and a secretary and his budget, although fairly small, is quick and easy to mobilise.

1. Methodological support

This is provided for the design of the Early Warning System and harvest forecasting. One-off support has been and will continue to be given to a number of schemes, particularly EDF-financed ones.

2. Material support

The idea here is to encourage data processing and dissemination and facilitate the harmonisation of Mali's suppliers of information on food and agriculture (farming, statistics, livestock, agro-meteorology, hydrology, Mali's Farm Produce Board etc.) by installing computer and printing facilities. This of course goes hand in hand with training for the users and maintenance of the equipment provided.

3. Financial support

Eurostat's financial support is often in the form of intervention in other projects, covering things not in fact already catered for (financing extra hours to process survey data, co-financing seminars and financing secretarial work and survey supervisory missions).

4. Data distribution

A data base had to be created to ensure that the targets were reached. Publications are produced and distributed regularly to national and international departments dealing with food and agriculture.

Results

Eurostat has made a substantial contribution to improving the whole system of forecasting, planning and monitoring of the food situation in Mali.

Some of the most outstanding changes since it stepped in are:

1. Improvements in harvest forecasting and the production of provisional cereal figures

Support from the SOEC—and from the UNDP and the CILSS—has enabled the Malian authorities to run a joint DNA-DNSI survey over the past nearly two years, using a stringent method of investigation to predict harvest output.

Before this survey started, it is thought, and particularly during the last years of drought, forecasts underestimated the level of cereal production by about 400 000 tonnes—so food aid requests were overestimated by more than 300 000 t.

Better cereal figures have been achieved by perfecting the methods of forecasting and harmonising the departments of agriculture and statistics—and by setting up a permanent consultation unit (the National Emergency and Rehabilitation Centre—CNAUR) combining all the national partners and the donors. Eurostat made an active contribution to setting up this unit—which has come up with cereal prediction figures which no one has disagreed with for three consecutive years now.

2. Permanent monitoring of food risk areas

The cereal situation figures give an estimate of the nation's shortfalls and surpluses, but they do not pinpoint the



Farmers in Mali. The SOEC aims at forecasting, following up and planning ahead for the food supply situation in the country

time or place of the required intervention. And even during a year of surpluses, some populations may fall victim to famine.

Eurostat was actively involved in defining the terms of reference and monitoring the start-up of the Early Warning System launched with EDF financing and the European Association for Health Development. The System's monthly bulletin is a permanent source of rapidly-transmitted information on the food situation and the availability of cereals—which has led the various donors to suggest that this project be financed as part of the cereal market reorganisation programme.

3. Improving the processing of agro-meteorological data

The agro-meteorological service has had support with improving the moni-

toring of the agricultural year. Equipment for faster data processing has been provided for a particularly interesting experiment, being run with Swiss financing, to advise the peasants of the best time of the year to carry out the various agricultural tasks in the light of an analysis of the different agricultural and climatological parameters. The experiment has produced a substantial increase in yield.

Conclusions

Eurostat intervention is one of the tools of Community cooperation in Mali and it is particularly useful when it comes to increasing the efficiency of external aid, with a good cost-benefit ratio.

Community food aid is worth an average ECU 4 700 000 every year and reducing errors of calculation of food

aid by as little as 10% can, in theory, save an annual ECU 470 000. Compare this to the average annual cost of Eurostat intervention, which is ECU 150 000. It is less than a third. The positive effect of keeping food aid spending under control is felt not just on food aid but on Community schemes as a whole.

Eurostat has an important part to play as a catalyst, a provider of support and sometimes an initiator, but it has to be admitted that, without the political will of the Malian authorities and the standard of the Malian technicians responsible for producing the data, it would have had little success. Important, too, is the decisive role of the UNDP, USAID and most of the cooperation agencies (including the non-governmental ones) with which the Statistical Office is involved in close and constant collaboration. ◊



Regional cooperation

Photo: EDF

This EDF-financed road in Malawi will be part of the international highway linking Mozambique with Zimbabwe and the other states of Southern Africa

As those ACP treaties, the Georgetown Agreement (1975) and the Suva Declaration (1977) make clear from the word go, the Group, stressing its political will to increase cooperation between the members with a view to both individual and collective advantages, is determined to promote and pursue effective regional cooperation. This profession of faith is indeed the basic reason for the creation of the ACP Group as a unit strong enough to stand opposite the Community at negotiations with it.

But the beginnings of regional cooperation in the ACP countries go back further than Georgetown. Before independence, most of them, at the instigation of the metropolises, had built up solid relations and then developed them, either under the influence of integrationist political philosophies in Africa (Pan-Africanism) and the Caribbean or in face of a need to take up common challenges. Today, every ACP State belongs to a whole string of regional and sub-regional organisations and institutions born of this desire to cooperate. And it is in Africa that the largest number of them has been created over the past 30 years, with West Africa, which at one stage had upwards of 30 of them, in the lead.

Although the situation in the Caribbean and the Pacific is fairly simple, each region having just one big general cooperation organisation combining all its States (CARICOM and SPEC), backed up by a number of more specialised bodies (although the OECS—Organisation of Eastern Caribbean States—also deals specifically with some of the smaller countries), things are a little more complicated in Africa.

General cooperation bodies such as ECOWAS (*), ECCAS, SADCC and the PTA sometimes share members. The PTA contains, for example, members of ECCAS and SADCC and some of these organisations, such as ECOWAS and ECCAS, contain smaller, older economic cooperation bodies such as the ECWA, UDEAC and the GLEC, which cannot possibly be expected to merge into the bigger ones until the latter's programmes have reached the same level of development as theirs.

This is not the only duplication either. There are hosts of bodies with more limited aims and geographical coverage—the Senegal Valley and Kagera Basin development organisations, for example, whose programmes do not necessarily coincide with those of

the groupings, CILSS and IGADD say, which may well be equally specialised but also have broader scope and more members. And above the big institutions of the various sub-regions, there are other, still bigger ones such as the OAU (increasingly concerned with economic issues) and the ADB. Then there are all the UN institutions covering the continent with their regional offices—the ECA, WHO, UNESCO, UNEP and the UNDP, to name but a few. And let us not forget the Arab League, the Islamic Bank or the Group of 77 either.

Duplication is therefore bound to occur. The programmes are very difficult to coordinate and, with the declining economic situation of the member countries, merely paying contributions to the running costs of all these bodies is an increasingly difficult undertaking, let alone financing ambitious integration schemes.

In this Dossier, *The Courier* looks at regional cooperation and its prospects in the three main regions of the ACP Group.

There are examples of general organisations, starting with the defunct East African Community, undeniably the most advanced regional cooperation body in the ACP Group and one which those who speak of integration would do well to consider. We also take stock of regional achievements under the successive Lomé Conventions and suggest one or two avenues of thought for the future. ○ A.T.

(*) ECOWAS: Economic Community of West African States.
 ECWA : Economic Community of West Africa.
 SADCC : Southern Africa Development Coordination Conference.
 ECCAS : Economic Community of Central African States.
 PTA : Preferential Trade Area.
 GLEC : Great Lakes Economic Community.
 ECA : Economic Commission for Africa.
 CILSS : Inter-State Committee against Drought in the Sahel.
 IGADD : Inter-Governmental Authority on Drought and Development.
 UDEAC : Union Douanière et Economique de l'Afrique Centrale.

The East African Community – A tragedy in regional cooperation

by C.M. TIBAZARWA (*)

Annex V of the Lomé I Convention and Annex XVI of the Lomé II Convention stipulate that the East African Community (EAC) and the Caribbean Community may be represented at the Council of Ministers and Committee of Ambassadors as observers. These two annexes testify to the importance which used to be attached to the EAC as a regional arrangement. However the easy collapse of the common market in 1977 shocked many, including those who used to believe that the regional cooperation in East Africa had become an excellent example of what less developed countries can do in cooperating among themselves. This paper attempts to outline the major features of the EAC as well as the nature of the significant events which led to its collapse.

Historical context

Both the strength and weakness of the EAC can be best understood if placed in the historical perspective. The free trade character of the common market, for example, had its origins in the Congo Basin Treaties of 1880s by which trade among the colonial possessions was to be conducted on a non-discriminatory basis. Thus, even when under different colonial powers, the non-discriminating clause in the trade treaties among the colonial territories, had to be observed as stipulated in the Berlin Act of 1885 which constituted one of the Congo Basin Treaties. In the case of East Africa, closer commercial and economic ties were further enhanced when Britain undertook the administration of the territories of Uganda, Kenya and Tanganyika at the end of World War I.

During the interwar years, intra-territorial trade continued to grow and its momentum increased when blockades on the high seas made Kenya an invaluable source of supply of goods which previously used to be obtained from

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overseas. By then, co-ordination of the activities among the three territories was ensured by regular *de facto* meetings of the respective Governors. It was not until 1948 that a *de jure* regional arrangement was attempted when the East African High Commission Administration (EAHC) was established with the backing of civil servants drawn from constituent territories. The apex of the Commission was the Governors' Council but there was also a legislative body comprising official and non-official members from each territory. The jurisdiction of the EAHC extended over public services, finance, defence, industrial promotion and research.

The period under British rule also witnessed changes in the intensity of cooperation relating to such measures as the introduction of a single currency, joint administration of the public services, mainly posts and telecommunications, customs administration, and railways. Besides, institutions of higher learning and research were established and these comprised Makerere College and various other institutions and centres.

As independence approached, a stronger administrative structure was contemplated and this led to the formation in 1961 of the East African Common Services Organisation Administration (EACSO). In form, it resembled the EAHC but in essence it derived its legal existence from the consent of three independent East African states which had superseded the colonial administrations. Therefore, the chairmanship of the Heads of States

rotated among the member countries. As an important innovation, EACSO instituted the "Distributable Pool", financed from customs, excise and corporate profit taxes. The pool was intended to finance joint administrative services as well as to be distributed among the partner states so as to mitigate the complaints arising from the trade imbalance. Unfortunately the Distributable Pool did not provide an immediate cure and soon after its establishment, crises ensued which culminated in the Kampala Agreement of 1964 whereby some manufacturing industries were allocated among the member countries. But the hurriedly contrived Agreement brought about many problems even before it got off the ground.

Amidst the tussle among the member states during the 1960s a number of developments occurred to undermine the viability of the cooperation. Among the serious setbacks was the abandoning of the common currency which had hitherto facilitated the movement of goods and people across the borders. Also, a wave of mutiny that began in Zanzibar and swept across the region in 1964 created a sense of insecurity within the governments and might have encouraged inward-looking policies. In addition, the adoption of different ideological paths for the young nations might have encouraged conflicting approaches towards the Community.

Consequent upon several decades of evolution, the EAC was already functioning efficiently at the time of the signing of the Treaty. Thus by 1967 the jointly-run railway system was celebrating its 65th year of inter-territorial collaboration. Similarly, the East African Airways had then become a smooth-running, profit-making venture capable of competing with any world airline. Such efficiency could also be

Here in the Animal Health and Industry Training Institute in Nairobi, students from Kenya, Uganda and Tanzania were trained together





By 1967 the jointly-run East African Railways was celebrating its 65th anniversary

found in other service corporations of the Community.

As for intra-regional trade flows, their steady growth constituted clear evidence of the healthy results of the Community. The significant manufactured-goods component in the intra-trade was a demonstration of trade-creation effects in a south-south regional arrangement contrary to many theories which tend to suggest that trade complementarities are not readily obtainable in regional groupings among less developed countries. However, and as expected, the balance of intra-trade existed and tended to remain in favour of Kenya. Unfortunately, politicians capitalised on the trade balance as if it were a negative element in cooperation rather than a product of the positive growth in the regional trade. The impact of the Community on the intra-trade can be illustrated by the volume of trade (exports plus imports) of Tanzania; whereas in 1970 Common Market trade constituted about 9% of the external volume of trade, the percentage had fallen below 1% in 1982.

Overall, the EACM had become an efficient regional arrangement from which the partners were deriving substantial benefits in the form of a wider market and the economies of scale in running the public corporations. The Community was becoming more and more self-sufficient with respect to a number of manufactured products. Also, as a market, it was in an advantageous position to attract foreign investment. Even from the political angle, the Common Market enabled governments to consult one another on various issues including those outside the Treaty.

Mechanism of cooperation

During the colonial phase, coordination in the EAC was ensured by the British Government, while in the post-

independence era whatever system was instituted had to be based on the consensus of three autonomous partner governments. Each phase, however, was characterised by many changes and developments which cannot be detailed.

Under the Treaty for the East African Community, the mechanism of coordination was effected through measures relating mainly to three variables, that is the economic, institutional and public service sectors. Under the Common Market Treaty, economic harmonisation was assured by a common external tariff for all member countries and free access for goods produced within the Common Market with the exception of those liable to the transfer tax applicable to specified items. Besides, East African goods were not to be subject to internal tariffs or quotas and excise duties were to be harmonised.

To facilitate the industrialisation process in the Common Market as well as to contribute to regional balance, the Treaty established the East African Development Bank (EADB) whose main objective was to further the aims of the East African Community by financing projects designed to make the economies of the partner states increasingly complementary in the industrial field. The Bank, therefore, was an important instrument of regional cooperation and both its efficiency and its independent structure enabled it to survive the death of the Community which it was established to enhance.

Other economic measures intended to foster the growth of the Community included a joint agreement to adopt a common scheme of fiscal incentives for industrial development. The Treaty also provided for the continuation, at least for some period, of the industrial licencing system whereby the manufacture of certain articles was to be gov-

erned by the granting of industrial licences with a view to promoting complementarity and avoiding duplication in the industrial sector. In a way, licencing was complemented by the transfer tax measures which aimed to offset the imbalances in manufactured products being traded among the partner countries.

In the sector of currency and banking, the Treaty abolished any exchange commission on the currencies of the partners and stipulated that both the exchange and the remittance of currencies should face no undue delay. Current account balances on internal trade also had to be expeditiously remitted and central banks had to open accounts to facilitate the related transactions. In addition, partner states had agreed to harmonise their monetary policies as well as to ensure confidence in their currencies. To this effect Governors of the Central Banks were to meet four times a year for consultations at which occasion they would undertake to support each other in replenishing IMF balances in case a partner happened to be in exceptional balance of payment difficulties.

In the field of planning, the partner states had agreed to consult with one another on policy issues relating to taxation measures, commercial laws, surface transport and national planning.

The second category of coordinating mechanism related to the institutions of the Community. At the apex was the Authority comprising the three presidents of the partner states, and constituting the supreme power over the affairs of the Community. In order to assist the performance of the Authority, each partner designated a full-time cabinet minister to handle Community affairs. Also with a view to fostering the links between Community affairs and national issues, there were established five councils, each of which

comprised the three East African Ministers plus the national ministers in the related sectors. The five bodies were Common Market, Communications, Economic Consultative and Planning, Finance, and Research and Social Councils.

A Legislative Assembly had also been established comprising 27 appointed members together with the officials. Its major function was to enact the laws of the Community.

Central to the life of the Community, was the General Secretariat, headed by a Secretary-General and including a Counsel to the Community and a Auditor-General. Alongside, was a special body known as the Community Service Commission which had been established to make appointments and exercise control and which had powers of dismissal over the civil servants of the Community.

For matters of a judicial nature, the Common Market Tribunal had been established to ensure the observance of the provisions of the Treaty. There was also the Industrial Court to handle trade disputes. The Court of Appeal had jurisdiction over the appeals from the courts of the partner states.

The collapse of the Community

Considered in isolation, the Community's integration mechanisms were quite strong, though, unluckily, they had not duly integrated the national and political elements. The EAC had evolved in the non-political atmosphere of the single colonial administration, and was ill-equipped to deal with political whims and crises. In this respect, the EAC contrasted with the EEC, which tends to derive strength from the process of emerging from one crisis only to face another.

Both the root cause and the events which led to the closing down of the EAC were closely interrelated. The collapse was all the more tragic given that the regional arrangement had been a success story with efficient institutions and corporations as well as growing intra-Common Market trade. In the circumstances it was likely that the fatal elements to the EAC emanated from the political arena during the period when partner states were still in the process of emerging from colonial

status to autonomous self-reliant economies.

Among the deadly blows in the conflict was the breakdown of the Authority, the statutory meeting of the Heads of State, and this led to the paralysing of the overall Common Market machinery. Personality clashes among the political leaders were blamed for putting the Authority out of gear. At the root of the political conflict, however, was the inexperience of the young states in handling regional affairs. At the time when the Common Market activities were increasingly being felt in the everyday life of an East African, inward-looking nationalistic politics were experiencing some competition and therefore an attempt was made to reduce the influence of the Common Market. Apparently, nationalism then tended to overestimate the strength of the Community and this led to frequent defiance of the obligations under the Treaty though few would have imagined such a quick collapse of co-operation. Unfortunately, the Treaty did not have a strong and clear-cut system of sanctions against non-compliance by a member.

Another fundamental cause of the collapse was foreign influence, mainly through the media which tended to magnify the political conflicts as well as to distort simple, rhetorical and political differences among the leaders of that time. As for the multinationals, they were ill at ease with a strong Community for fear of losing their monopolistic privileges once cooperation grew stronger and became more competitive.

The events which led to the collapse can be traced to the various problems that were experienced in the earlier years. Shortly after independence, for example, cooperation was shaken by a crisis which led to the conclusion of the Kampala Agreement of 1964 by which each members state was allocated certain manufacturing industries. Subsequent problems led to the creation of the Kjeld Philip Commission whose work led to the signing of the East African Common Market Treaty that came into effect in 1967.

Consequent upon the paralysis of the Authority and the jamming of the operations of the corporations, an independent Commission was set up in 1975 under William Demas, President

of the Caribbean Development Bank. On failing to get the political will, the Commission abandoned its task without results. This was followed by conflicts in the various sections of the Community including the events which culminated in the disbanding of the East African Airways Corporation (EAC). When the earnings of the Corporation were blocked by partner countries, the airline was declared liquidated and a few days later Kenya declared the formation of Kenya Airlines Corporation, in June 1977.

The decade following the collapse was filled with burial rites without any hopes for the resurrection of the EAC. Indeed inter-country relations hit rock bottom when, for the first time in six decades, two partners, that is Uganda and Tanzania, were engaged in an open war.

On 14 May 1984, the East African Community Mediation Agreement was signed by the three countries. The agreement, which was derived from the report of a Mediator completed in October 1981, laid down the modalities by which the EAC structures would be liquidated and the assets and liabilities distributed among the three countries. The agreement also established an Arbitration Tribunal whose Registry was to be located in Kampala, and whose objective was to settle liquidation disputes among the ex-partners.

Since its collapse, the major joint preoccupation of the three countries has been the liquidation and the distribution of assets and liabilities and very likely the exercise will last many years. In the meantime it is unlikely that initiatives will be forthcoming in the near future to resuscitate the Common Market because of the recent traumatic memories experienced when the exceptionally strong regional arrangement of the EAC collapsed so easily. In any case the need to reconstitute the Common Market has been significantly reduced by the recently established regional arrangements, mainly the PTA and SADCC, which will assume the role previously attributed to EAC. While no doubt the liberal and hopeful days of the East African Community are gone for ever, its collapse should provide an invaluable lesson for successor regional cooperation arrangements in East Africa and elsewhere. ○

C.M.T.

Regional cooperation in perspective – some experiences in sub-Saharan Africa

by Wolfgang ZEHENDER (*)

The history of regional cooperation between countries of the Third World is barely 20 years old, and the notion has been widely accepted. No other region of the South has seen the establishment of so many regional communities as sub-Saharan Africa. By setting up these communities, politicians and economic planners likewise hoped to overcome more quickly the causes of underdevelopment, to help create a basis for resolving conflicts between neighbouring countries and—last but not least—to reduce the commercial, industrial, technical and financial dependency of most Third World countries on the industrialised nations in the North.

There are two basic concepts underlying the formation of cooperation communities:

- the customs union approach, centering around cooperation in trade and industry;
- the functional approach, focussing on cooperation in joint projects and programmes.

Both concepts—albeit overlapping—are represented in the African context.

The customs union approach

The most important motive for establishing economic communities is the desire to create a larger market. This is based on the customs union theory, according to which the gains accruing to an economy from the generation of trade following the abolition of intra-regional tariffs are, under certain conditions, greater than the losses incurred by that economy owing to the diversion of trade in the event of discrimination against third-country suppliers. The additional trade potential will, it is claimed, create industrialisation opportunities since the larger market will enable economies of scale to be exploited and so increase the scope for investment decisions when import substitution reaches the limits imposed by national markets.

This thinking has also led to the es-

tablishment of a number of economic communities in sub-Saharan Africa. They are to merge to form a pan-African customs union by 1990 and then a single economic community—at least, that is what the Lagos Plan of Action adopted by the Organisation of African Unity (OAU) in 1980 postulates.

Although the number of existing regional organisations is high—the UN Economic Commission for Africa once counted over 30 communities in West Africa alone—there are four economic communities in sub-Saharan Africa which are eventually to merge in the pan-African union and are, therefore, of significance in this context.

1. ECOWAS (Economic Community of West African States): This community was established in 1975 and it now comprises 16 countries with a total population of about 150 million and a gross domestic product (GDP) of some US\$ 125 000 m. In purely numerical terms, it is dominated by Nigeria, which accounts for 55% of the population and 60% of GDP. Nigeria was also the driving force behind the community's establishment. After years of stagnation when cooperation produced only minimal results, the community is gaining momentum again, not least, because Nigeria has taken up the leading role again.

2. CEAO (Communauté Economique de l'Afrique de l'Ouest): The treaties establishing this community were put into effect by six francophone countries in 1974. All members have joined ECOWAS, too; in fact, its founding has been attributed to a certain degree to the disappointment over the negotiations to form ECOWAS, and specifically Nigeria's role in this process. Including the seventh member (Benin), which joined in 1984, the community has a total population of 40 m and a GDP of about US\$ 18 000 m. In general, the CEAO has done rather better in all areas of cooperation than ECOWAS. This is particularly due to the long tradition of regional cooperation among the francophone countries in Africa.

3. CEEAC (Communauté Economique des Etats de l'Afrique Centrale): As the treaty establishing the CEEAC was not signed until 1983, it is only just beginning to take its first collaborative steps. The 10 member countries (55 m inhabitants and a total GDP of around US\$ 20 000 m) have, however, had the experience of cooperating in two other communities: the Central African customs union UDEAC and the CEPGL. The CEEAC's future prospects will depend on the willingness of the oil-rich countries (Gabon, Cameroon and Congo) to cooperate with the other partners, some of which are among the very poorest of LLDCs, and on the extent to which Zaïre is willing to take its place in a pattern of cooperation shaped by countries with a French system.

4. PTA (Preferential Trade Authority for Eastern and Southern Africa): This community comprising 15 countries in eastern and southern Africa was established in 1981. The region unites a population of about 165 m and a GDP of some US\$ 40 000 m. The history of the PTA is too short to render a judgement on the probability of success. It will not be easy, however, to harmonise the interests of such a great number of countries stretching alongside the whole eastern part of the continent, all the more so as there is no dominant country in the role of driving force as Nigeria in ECOWAS or Côte-d'Ivoire in CEAO. (See interview with Secretary-General Bax Nomvete).

Regional trade cooperation

The most important aspect of the agreements on which all four communities are based is the regulation of regional trade.

In ECOWAS, none of the member countries has come anywhere near meeting the tariff reduction deadlines, which have already been revised and put back several times. Consequently, there is no preferential trade yet. In addition to a rule on the origin of value added, the agreement includes an ownership rule of origin, which stipulates

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that, to enjoy preferential treatment, a product must be manufactured in a plant a specified proportion of whose equity (1989: 57%) is owned by nationals of the member state concerned. The ownership rule of origin is a serious obstacle to cooperation in ECOWAS, particularly since some CEAO members have different views on the participation of foreign capital in their industrial development. The treaty provides for a compensation mechanism and a clearing house.

The scale of statistically-recorded regional trade is small, fluctuating around 4% of the partner countries' total exports. A large proportion of this trade consists of oil and oil products (from Nigeria) and foodstuffs.

Trade within the CEAO is double that among the ECOWAS countries in percentage terms. The centrepiece of CEAO trade liberalisation is a regional cooperation tax (taxe de coopération régionale), which is eventually to replace tariffs on all manufactures traded in the region. This system already governs some 50% of goods traded. There is no ownership rule of origin. The community has also installed mechanisms for compensation. The obstacle of different currencies does not exist since all members belong to the franc zone. Despite the general elimination of all formal barriers, regional trade is clearly still hampered by certain national administrations, i.e. by import licences and the like.

In the CEEAC internal trade is very limited, but it does not yet enjoy preferential treatment. The agreement provides for an early reduction in tariffs and the lowering of non-tariff barriers. It also contains rules on both the origin of value added and the ownership of manufacturing plants, although the latter is less stringent than its equivalent in ECOWAS. All the arrangements are to be handled flexibly and exemptions permitted in individual cases.

The timetable for eliminating tariff barriers in PTA is in the final stages of negotiation. Like the ECOWAS the PTA has established a clearing house to facilitate payment in different currencies; in addition the establishment of a compensation mechanism is envisaged. Differing opinions on the formulation of an ownership rule of origin were resolved in 1986 by a technically rather complex compromise.

Final Act of Lagos

We, the Heads of State and Government of the Organisation of African Unity, meeting in Lagos, Nigeria, in the Second Extraordinary Session of the OAU Assembly of Heads of State and Government, devoted exclusively to economic problems of Africa, ...

AGREE on the following:

I. Plan of Action

Confirm our full adherence to the Plan of Action, adopted at the present Extraordinary Session of the Assembly of Heads of State and Government for implementing the Monrovia Strategy for the Economic, Social and Cultural Development of Africa and to adopting, among other measures, those relating to the setting up of regional structures and the strengthening of those already existing for an eventual establishment of an African Common Market as a first step towards the creation of an African Economic Community.

II. Implementation of the Plan of Action

A. African Economic Community

We reaffirm our commitment to set up, by the year 2000, on the basis of a treaty to be concluded, an African Economic Community, so as to ensure the economic, social and cultural integration of our continent. The aim of this community shall be to promote collective, accelerated, self-reliant and self-sustaining development of Member States; co-operation among these States; and their integration in the economic, social and cultural fields.

We are, consequently, authorising the Secretary General of the OAU:

- (i) to appoint, as quickly as possible, a Drafting Committee, at ministerial level, to prepare the draft of the treaty establishing the African Economic Community;*
- (ii) to submit this draft for the consider-*

ation of the Assembly of Heads of State and Government scheduled for 1981.

B. Stages of implementation

To achieve this ultimate objective, We commit ourselves:

- 1. During the decade of the 1980s to:*
 - (a) strengthen the existing regional economic communities and establish other economic groupings in the other regions of Africa, so as to cover the continent as a whole (Central Africa, Eastern Africa, Southern Africa, Northern Africa);*
 - (b) strengthen, effectively, sectoral integration at the continental level, and particularly in the fields of agriculture, food, transport and communications, industry, and energy;*
 - (c) promote co-ordination and harmonisation among the existing and future economic groupings for a gradual establishment of an African Common Market.*
- 2. During the decade of the 1990s to:*
 - (a) take steps for further sectoral integration through: harmonisation of our strategies, policies and economic development plans; promotion of joint projects, particularly in the above-mentioned economic fields; harmonisation of our financial and monetary policies;*
 - (b) take measures to effect the establishment of an African Common Market and other measures that would lead to the attainment of the aims and objectives of the African Economic Community.*

To implement the Plan of Action at the various stages, we direct the Secretary-General of the OAU, in co-operation with the Executive Secretary of the United Nations Economic Commission for Africa, to take all the appropriate measures, in accordance with Part II, paragraph 7, of the Monrovia Strategy and to submit a progress report to the 1982 Session of our Assembly.

Done at Lagos, Nigeria, April 1980.

Industrial cooperation

The second overriding objective of the establishment of economic communities is the stimulation of regional industrial development. It is quite clear that it will be some considerable time before a regional industrialisation pattern emerges, seeing that the first steps towards the liberalisation of trade have yet to be taken or have yet to result in appreciable rates of growth in regional trade.

In ECOWAS, while some member states have attained a considerable level of industrial development, satisfactory results in regional industrial cooperation have yet to be achieved. The decisive steps down this road, i.e.:

- the harmonisation of national promotional instruments,

- the establishment of common rules on the treatment of foreign commitments (with and without equity participation), and
- the treatment and promotion of community-wide joint ventures have still to be taken by the partners.

Although the CEAO agreement refers to two areas in which common rules are to be laid down, i.e.:

- the treatment of foreign investors, and
- the harmonisation of financial investment incentives,

No real progress has been made in either. Joint action is being attempted, however. The partner countries have embarked upon their first joint enterprise, a factory producing railway wagons.

CEEAC and PTA have also plans for regional industrial cooperation. The spill-over from an enhanced trade between member countries, giving impulses to investment in manufacturing industries producing for the regional market, will take some time.

On the whole, the goals of the economic communities from the customs union type have not yet been achieved to a satisfactory degree. The obstacles include technical factors such as the planning and installation of an infrastructure that is conducive to cooperation, the building of a complementary regional production structure and the introduction of appropriate instruments and institutions to compensate for polarisation.

The crucial factor, however, is the political will of the governments concerned to press ahead with cooperation. Much can be learnt here from the West African example where 16 countries grouped in numerous regional communities, try more or less hard to achieve the aims of the Lagos Plan of Action.

The apprehension felt by economically weak partners about the advantages which stronger countries derive from the location of industry, the apprehension felt by the economically strong partners about the free movement of persons and the apprehension felt by the partners with liberal economic systems about the countries with more "socialist" leanings would seem to argue against the existence of this will: the political consensus is not broad enough to overcome differences in economic and social conditions and the disappointment that is bound to follow if cooperation proves unsuccessful at times. The more ambitious the goals set for cooperation and the less time allowed for their achievement, the greater this disappointment will be.

This not very optimistic appraisal should not be taken to mean that regional cooperation cannot after all be used as an instrument of economic development in sub-Saharan Africa. Trade among the countries showing the first signs of a differentiated industrial structure and thus of regional complementarity—i.e. primarily Nigeria, Cameroon and Côte d'Ivoire—is, for example, quite capable of expansion. However, this trade will take place whether or not customs unions, economic communities, etc. are established.

The functional approach

In addition, a cooperation model which—despite all the differences between the countries concerned—looks promising for regional communities in the Third World appears to be finding favour: agreement on realistic, attainable goals and restriction to feasible projects and programmes. This pattern of cooperation has been followed by SADCC (Southern African Development Coordination Conference).

Economic cooperation between the nine SADCC countries is the continuation of successful cooperation in the foreign policy arena, based on the consensus among the political leaders rather than solely on the will of administrations.

Most of the projects planned to date in the areas of transport, energy, research, education, and food security are aimed at increasing independence from South Africa. At the same time, they are oriented toward mobilising and developing countries' own resources. Such a step-by-step approach in regional cooperation, i.e. forfeiting an initial grand design for integration, opens up chances for visible results in realising projects and prevents or reduces the unavoidable disappointments of other groups in the politically difficult negotiations in distributing costs, prior to the time when first gains from cooperation and integration have even been realised. These limitations throw light on the principle of leaving the priorities with national policies and of concentrating on cooperation as a supplement in those areas which will bring benefit to several partners.

SADCC has made remarkable progress in two areas. On the one hand it has contributed toward the improvement of regional transport and communication infrastructures, where numerous projects are under way with mas-

sive financial support from bi- and multilateral donors. On the other hand, its efforts have been felt in the area of food security.

At least to date regional trade and industrial cooperation has not played a dominant role in the reflections of realistic cooperation planners in southern Africa. A programme for regional industrial development has been designed for implementation in the future.

Lessons

In West and Central Africa, too, this form of cooperation is beginning to attract attention, principally for infrastructural projects in the transport and telecommunication sectors. But there are also promising projects, or ideas for projects, in basic and advanced training, in research and, above all, in agriculture, especially in the area of food security. This more limited model is clearly based on the principle that national policies should continue to take priority, while cooperation should be concentrated, as a complement, on areas of mutual gain.

One more lesson can be learnt from the SADCC experience, particularly from the outcome of the annual SADCC conferences: the international donor community is only too willing to support regional projects with development aid. 500 regional projects have been conceived by SADCC demanding an investment sum of some US\$ 6 500 m; donors have pledged one third of this amount.

With Lomé IV in the making and the repeatedly, stated readiness of the EEC to support regional cooperation efforts among ACP countries, it is up to the member countries of African communities to present suitable projects and programmes. ○ W.Z.

Transportation is a priority area for regional cooperation. Here, the railway line between Côte d'Ivoire and Burkina Faso, the joint operation of which recently into ran difficulties



Regional cooperation in crisis or crisis in regional groupings ?

by Dr. Rolf HOFMEIER (*)

Despite constantly repeated statements by almost all politicians, businessmen and academics of the need for increased political and economic cooperation in Africa, regional cooperation in practice has for years quite clearly been suffering a serious crisis. There is now considerable experience of many different forms of regional cooperation, some of which reach back historically into the colonial period. Even specialists almost lose track of the number and variety of regional organisations, especially in West Africa.

The general view, however, is that the practical results have, with a few exceptions, been worse than disappointing. There has been hardly any really worthwhile progress towards increasing trade within Africa. In the individual subregions of the continent, cross-border transport of goods and people is now considerably more difficult than in the colonial period; every general declaration of intent to change this regrettable situation falls foul of all kinds of apparently immovable obstacles. Indeed, two once-important regional organisations have collapsed completely: the East African Community, which had a long tradition and was at one time regarded as a particularly successful model, broke up in 1977/78 as a result of irreconcilable differences between its member states, while the African and Mauritian Common Organisation (OCAM) was, in a highly unusual move, voluntarily dissolved by its members in 1985 because there was no longer a role for an organisation bringing together francophone countries spread all over Africa.

Despite all the undeniable practical disappointments, however, Africans and outsiders continue to insist on the basic aim and principle of regional cooperation, since, especially in Africa, with its large number of very

small states, cooperation is clearly a basic medium- to long-term requirement for overcoming underdevelopment. An emphasis on regional cooperation was central to the OAU's famous Lagos Action Programme in 1980, and was confirmed at the ECA's Abuja Conference in June 1987. The three Lomé Conventions between the EEC and the ACP States have also laid particular stress on supporting regional cooperation. This striking contradiction between general emphasis on the need for regional cooperation in Africa and the scant evidence of practical success suggests that the disappointments to date do not invalidate the basic principle, but are mainly connected with the actual existing forms of cooperation and the functioning of the existing regional organisations.

Various types of cooperation

A wide range of types of cooperation exist, with great variations as re-

gards the number of countries involved, the size of the region covered, the degree of historical and linguistic homogeneity of the countries involved, organisational structure, aims and instruments. It is often difficult to distinguish between formal, set objectives and informal, practical aims. It may therefore be impossible to draw firm distinctions between political, economic, technical, scientific and cultural objectives and forms of cooperation. In addition to multi-purpose, more or less comprehensive cooperation initiatives, there are also organisations which exist for one specific purpose only.

The following basic types of economic cooperation can be identified from the main features of the schemes and instruments put into effect:

- promotion of market integration within formally-constituted economic communities based on the principle of free trade and the union concept (examples are ECOWAS and CEAO in West Africa, CEEAC and UDEAC in Central Africa and the PTA in Eastern and Southern Africa);
- integrated joint planning of particular areas of economic and sectoral policy (as yet no successful example; the former EAC made a start, without particular success);



Cattle at a well in Burkina Faso

There is generally little complementarity between the economies of the regional groupings' member countries

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The Manantali dam (now completed); one of the main projects of the Organisation for the Development of the Senegal River Basin

— flexible coordinating bodies and organisations to carry out joint programmes and projects, in which individual states can cooperate selectively at a functional level, varying their involvement from case to case (examples are CILSS in West Africa, SADCC in Southern Africa and IOC in the Indian Ocean);

— organisations set up to carry out specific, limited objectives or individual projects (for example, developing river basins or inland lakes with several riparian states, managing educational and research institutions, combatting disease and natural disasters, running airlines etc.);

— pragmatic, *ad hoc* cooperation without any fixed institutional form to promote specific objectives (for example, agreements on transport corridors affecting several countries).

Experience with various forms of cooperation

Given the large number of different organisations with their own spe-

cific characteristics, it is difficult to make a general judgment of the success of the various types of cooperation. However, it is possible to make some tentative general statements about the relative advantages and disadvantages of different types of cooperation on the basis of practical experience and results in recent years. The large, politically and geographically diverse economic communities aimed mainly at increasing trade and market integration are generally felt to have achieved hardly any worthwhile successes. A realistic assessment of the starting conditions, however, makes this appear unsurprising since, with few exceptions, there is still little complementarity between the economies involved, and large distances and inadequate transport facilities hinder any increase in trade between the more distant members of each regional grouping. What mutually advantageous trade can there be between, for example, Liberia and Niger in ECOWAS or Ethiopia and Zambia in the PTA? The objectives and timetables laid down

in the treaties have proved quite unrealistic in every respect.

At a time of general economic crisis it has become especially clear that individual states' immediate interests quite understandably come before the possible long-term positive effects of encouraging regional trade. The planned mechanisms to dismantle tariffs and other barriers to trade were therefore implemented extremely hesitantly. Generally, the requirements of national economic policy have priority, since potential advantages resulting from the existence of large regional economic communities appear very abstract and cannot immediately be put into concrete form. The situation is basically the same as in Europe, but it is considerably less likely that African states in structural crisis will be ready to give up short-term protective measures for their economies or provide extremely scarce financial resources for measures which will only take effect over a much longer period. The abstract goal of market integration inevitably leads to polarisation, and the various

forms of compensation mechanism are mostly quite unsatisfactory in countering this problem, with the result that the structurally weaker members of regional economic communities, in their desperate economic position, see little reason to push for integration. In the final analysis the political will is lacking, because, as has become increasingly clear in the EEC over the last few years, real steps towards integration mean loss of national control over economic policy and the government's sources of income. At the present stage of national development, governments of African states are not in practice ready to accept such a loss of tax income for the sake of an abstract, theoretically embraced goal of integration.

Serious attempts at integrated economic planning by regional organisations would meet even stronger resistance, because the loss of national authority would be much more visible. In fact this approach has to date not been followed on a large scale. In the early, optimistic phase of the EAC there were agreements of this sort covering specific branches of the modern industrial sector which, to be viable, need sizeable markets and economies of scale, but mutual mistrust and narrow national interests quickly proved too strong. It seems especially difficult to achieve binding intergovernmental agreements on the development of supposedly attractive modern industries, precisely because of the hopes for the future which are placed on it.

On the other hand, the much more flexible organisations designed mainly for the international coordination of various specific measures can, though their aims are much more modest, be considered comparatively successful. This is particularly true of the SADCC, which most observers regard as clearly the most successful of the wider-ranging regional organisations in Africa. However, its comparative success should not be exaggerated, since the SADCC's practical achievements to date are limited to a few specific sectors. The flexible and pragmatic way in which individual member states participate selectively in individual measures constitutes no general limitation on, or threat to,



Where will this carpet in Burkina Faso find customers? In West Africa or outside the continent?

national economic policy. On the contrary, each country can decide case by case, according to its tangible, easily identifiable interests, whether or not to take part in a particular project. This formula is an important requirement for relatively smooth cooperation between several states whose political and economic aims are otherwise very different. All the advantages of this approach should not, however, hide the fact that this relatively decentralised form of cooperation can also entail cumbersome decision-making procedures and a lot of coordination work.

A general judgment on the record of smaller specialised organisations with specific functional aims is impossible because of the large number and extraordinary variety of such institutions. In individual cases they can carry out specific tasks better than national action alone, efficiently and, on the whole, cheaply. Often, however, they eke out a marginal existence with insufficient resources and limited powers, and without the support of strong political will in the member states. Given the economic and financial problems and administrative bottlenecks in individual

countries, the relative neglect of most of the inter-state organisations which have grown up over the years is not surprising. A critical examination and pruning of the tangle of these institutions might lead to more determined support and greater efficiency for the remaining organisations recognised as necessary.

At the same time, practical progress in regional cooperation is not necessarily dependent upon the existence of fixed institutional structures. Looking at trade, it is clear that this in fact develops mainly on the basis of actual, existing economic factors, provided it offers both sides advantages which the possible alternatives do not. The relative export success of countries like Côte d'Ivoire, Cameroon, Kenya, Nigeria and Zimbabwe in their respective regions has less to do with the regional "economic community" machinery (which at best has a strengthening role) than with the historical structure of their industrial sectors. The same applies to the success of Brazil and India, for example in intercontinental South-South trade on African markets. Practical solutions for the extension of transport corridors and the arrangements for transit traffic between several East African states are further proof that it is not always necessary to have a permanent inter-state organisation, but that practical, visible advantages for all sides are much more important.

General problems of African regional organisations

In general, the secretariats of all existing regional organisations suffer from a lack of real decision-making powers, and their finances and resources are totally inadequate for independent, practical regional activities. Their development is blocked by the marked dominance of nation-state interests, allowing genuinely supranational regional development policies only within a narrow framework. Apart from pan-Africanist rhetoric and the lip service paid by representatives of most governments in regional, African and international fora, there is unfortunately no credible and genuinely effective regional

lobby in the individual countries (for example in parliament, the media, academic circles or public opinion). In a historical phase of compensatory nation-building, and given the immediate importance for the economic survival of national elites of keeping as close a control as possible over the machinery of the state, this should however come as no surprise at all. Even in Europe, where public opinion is formed in quite different ways, the gradual shift of decision-making power to the European Community level is turning out to be extremely difficult and protracted, and conflicts with the determination to hang on to national interests. Each experience of practical cooperation in specific fields gradually leads to familiarity, which can then pave the way for more extensive kinds of cooperation. The effectiveness of this familiarisation against the forces of stubborn material self-interest, however, must not be exaggerated, as the collapse of the EAC, despite close historical ties, makes clear.

Without a doubt the most promising medium-term approach lies in practical, functional forms of cooperation in geographically manageable subregional areas. On the whole, mutual advantage for groups of several participants is easiest to identify in areas like transport and telecommunications, energy supply, special training and research institutes and the use of natural resources such as river basin systems. On the other hand, the prospects for a significant increase in intra-regional trade within the various economic communities, at least in the short to medium-term, are more doubtful, although this is not to deny the usefulness of individual practical measures to facilitate trade. A central obstacle to rapid progress is monetary, since the general shortage of foreign currency and the non-convertibility of individual national currencies constitute a barrier to trade which is difficult to overcome. A quick solution is not to be expected, despite the possibility of regional clearing-house systems being set up, or better use being made of existing systems. The current requirements of structural adjustment programmes in individual countries are often, indeed, a barrier to the development of intra-regional trade.

In the abstract, it is hardly possible to say what would be the correct number of necessary, functional regional organisations and how the role of each should be defined. Certainly, however, reservations must be expressed about the proliferation in Africa of excessive numbers of regional organisations which, taken as a whole, are expensive and most of which are inefficient. In many areas, however, there definitely is a need for specialised organisations. Concentrating the whole range of activities in a few large organisations would not necessarily bring better results either. In the end, the usefulness of existing organisations and possible duplication of effort can only be determined case by case. There are demarcation problems in some border areas between sub regions of the African continent (for example, in the case of Burundi and Rwanda, between Eastern and Central Africa); this applies mainly to membership in free trade-based economic communities, though hardly to the selective, functional type of cooperation.

Overall outlook

Overall, a considerable strengthening of regional cooperation in Africa is necessary in the medium to long-term; African states' future prospects demand that cooperation be intensified. But great patience and a pragmatic approach based on the actual realities of the present political and economic structures of individual states are needed to achieve this overall aim. Visible progress in the immediate future is most likely to come from concentrating on forms and areas of cooperation where all involved can see practical advantages. This could lead on gradually to initiatives for more complex and indirect cooperation. At all times the regional organisations must gradually and painstakingly promote their supranational viewpoint as against the continuing of national interests. The situation in the EEC was, and is, basically no different. It is clear that non-cooperation means higher total costs for everyone, but unfortunately this is not concretely measurable, while specific groups gain strong material advantage from persistent defence of the status quo. ○ R.H.

Whither Caribbean integration?

by Byron BLAKE^(*)

In July 1988, the English-speaking Caribbean celebrated 20 years of economic co-operation and 15 years of integration within the framework of CARICOM. As the leaders emerged from their ninth Summit on July 8, 1988 in Antigua and Barbuda, marking the 20th anniversary, there was definite optimism. The statements at the opening of the conference all pointed to the importance of cooperation in the current international economic environment. In the words of the veteran integrationist Vere C. Bird, Prime Minister of Antigua and Barbuda, who chaired the conference "it remains right for this generation to maintain as a desirable goal, the prospect of a vibrant Caribbean nation in the future".

Yet, the process has not been smooth. Statements such as "CARICOM dead" and "CARI-GONE" have been heard at times. One can in fact identify five sub-periods within the 20 years of economic co-operation. These would be 1968-1976 as a period of building and growth, 1977-1982 as a period of stagnation; 1983-1985 as a period of decline; 1986-1987 as a period of consolidation; and 1988-?—what will the present period be and where will Caribbean integration go? The past might give some guide to the immediate future. 1968 to 1975 marked the period of greatest dynamism in Caribbean integration. Intra-CARICOM trade grew by 77% per annum compared with 49% for total trade, both in current dollar terms. An edifice of institutional arrangements was built to promote and facilitate economic integration and functional co-operation. Ministerial policy-making committees, the Caribbean Development Bank, the Caribbean Investment Corporation, the Caribbean Multilateral Clearing Facility, the Interim Balance of Payments Facility (Stabilisation Fund), the Caribbean Food Corporation, the West Indies Shipping Corporation and Leeward Islands Air Transport (1984) Ltd. were among the institutions established to support integration. The foreign policy

dimension of the movement also took root. Cooperation with Africa and the Pacific to establish the ACP Group and to negotiate with the EEC, in the Non-Aligned Movement, in the United Nations and in seeking to establish a New International Economic Order were all seen as positive.

Yet the process peaked in 1975 and stagnated between 1976 and 1982. Growth in trade continued in nominal terms but stagnated in real terms, the Interim Balance of Payments Facility was converted rather into the permanent Balance of Payments Stabilisation Fund even as balance of payments problems emerged in some of the Member States. The Heads of Government failed to meet to provide any leadership to the movement. The causes of the problem were economic. The oil crises of 1973-74 and 1978-79 weakened significantly the purchasing power of all the members except Trinidad and Tobago; the balance of payments crises in Jamaica and Guyana which emerged in 1976/77 led to overt restrictions on intra-regional trade to the search for cheaper goods on more favourable purchasing terms; the multilateral clearing facility became over-

extended and with the prolonged international economic crisis of 1980-82 the purchasing and financing capacity of all the members, including Trinidad and Tobago, weakened significantly.

1983 was the watershed year for Caribbean economic integration. Three economic factors added to the already perilous economic circumstances. Firstly, the rapidly declining foreign exchange earnings from oil exports led Trinidad and Tobago, which at the time accounted for approximately one half of intra-regional exports and imports, to call for a planning of its non-petroleum trade. Secondly, the introduction of a dual exchange rate by Jamaica in January 1983 with imports from other CARICOM countries bearing the higher rate not only reduced trade but destroyed the trading environment between that country and the rest of CARICOM. The creation of a special exchange rate for CARICOM in May and the unification of the exchange rate later in the year were too late, as the other countries took steps to counter exports from Jamaica. The third factor was the suspension of the CMCF, and hence trade credit in the region, as a result of the build-up of debt which Guyana was unable to reduce. The suspension of credit at a time when foreign exchange was a problem for all Member States was perhaps the final



Containers belonging to the West Indies Shipping Company being unloaded in Bridgetown, Barbados

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This cocoa research project in Trinidad initiated under Lomé I was of interest to both the Caribbean and a number of African countries such as Côte d'Ivoire, Ghana and Zaïre

nail in the coffin of intra-regional trade. Intra-regional trade entered a period of absolute and real decline.

As if the economic factors were not sufficient to derail Caribbean integration three major political factors intruded. First, political differences which had been simmering as a result of ideological differences which had emerged in the late 1970s, erupted with the Grenada crisis in October 1983. It spilled over immediately into the economic and trade relations between Trinidad and Tobago on the one hand and Barbados and the members of the Organisation of Eastern Caribbean States (OECS) on the other. Efforts at restoring the CMCF was one casualty.

The second political factor with some links to the first, was the policy of the Reagan Administration towards the Caribbean. In the late 1970s the Carter Administration had adopted a policy which was supportive of regional integration, and had demonstrated a definite will to work with, and strengthen, regional institutions. The Reagan Administration reversed this and introduced a policy based on selective bilateral cooperation. Regional programmes were phased out and some new programmes could not be operated as they sought to exclude certain Member States. The "Reagan effect" spilled over to other bilateral and multilateral donors to the Region. Canada and even the EEC also became much more bilateral in their ap-

proach. The EEC's regional programme under Lomé II and later under Lomé III became more difficult to implement as delegations were more concerned with looking for, and responding to, national and sub-regional projects and initiatives. Regional institutions were seen as instruments for attack rather than as part of the institutional development infrastructures for the countries of the Region.

The third political factor was the push for structural adjustment pioneered by the World Bank and the IMF. In this programme adopted by Jamaica in 1983 intra-regional trade was given very low priority in relation to extra-regional exports. Devaluation of the Jamaican currency vis-a-vis the other currencies in the Common Market and liberalisation of the Jamaica market for extra-regional imports and pressures for similar liberalisation in the rest of the Region were integral parts of the strategy. They weakened further intra-regional trade relations.

The net effect of these combined economic and political factors was the systematic decline in intra-regional trade in every year after 1982 until 1987. The underlying forces were sufficiently strong for the decline to continue in the face of positive policy actions since 1984 to reverse the trend. The period 1986 to 1987 witnessed a number of decisions and institution-building to reactivate integration and cooperation. At the Seventh Conference in 1986, the Heads of Govern-

ment took two decisions to stimulate resource movement and industrial development within the Common Market. The decisions to implement the long-delayed CARICOM Enterprise Regimes and to create a Protocol for Industrial Development were viewed, particularly by the private sector, as positive signs. By the beginning of July 1988, 11 of the 12 Common Market Members had signed and two had ratified the CARICOM Enterprise Regime while three states had signed the Protocol on CARICOM Industrial Programming. It is now distinctly possible that these two instruments could be in operation before the end of 1988. The main area of disappointment in 1988 has been the inability of the Common Market Countries to launch the Export Credit Bank as was confidently expected in 1987. The major explanation has been the steadfast refusal of the multilateral and bilateral agencies, including the EEC, to provide any assistance to the Bank. The Caribbean ACP States had allocated ECU 10 million from their Lomé III regional resources towards the capital of the Export Bank but the Commission has insisted that such a project was not fundable under the Lomé III Convention.

In July 1987 at their Eighth Conference, the Heads of Government also agreed on a target of the return to full free trade in the Common Market within the meaning of the Treaty of Chaguaramas by October 1, 1988. The process towards this end was through a reducing list of items which could be restricted from free trade. In their recently concluded Ninth Conference, the Heads of Government "reiterated their commitment to a return to free and unrestricted trade within the Common Market ... with effect from 1 October 1988". They did recognise that certain products might require special considerations.

One effect of the more positive approach by all the Governments towards integration in the Caribbean since 1986 has been growth in intra-regional trade in nominal and real terms in 1987. A second effect has been a strong movement by the members of the OECS sub-group towards a political union, a movement which has been given at least moral support by all the other members of the Community. A third effect has been a

growing willingness to admit other countries within the Caribbean to observer status and to participate in the work of the Institutions of the Community. In 1984, observer status was granted to the Dominican Republic, Haiti and Suriname in the Standing Committees Conference of Ministers responsible for Health, Education, Agriculture and Labour. A Joint Trade and Economic Committee was also established with each of these countries to negotiate possible areas of economic and trade co-operation. At its Ninth Conference in 1988 observer status was also granted to the Netherlands Antilles in the Conference of Ministers responsible for Health and the Standing Committees of Ministers responsible for Agriculture, Education, Labour, Science and Technology and Transportation and to Suriname in the Standing Committee of Ministers responsible for Transportation. In the period between 1987 and 1988 observer status was granted to the Dominican Republic, Haiti and Suriname in the Standing Committee of Ministers responsible for Science and Technology. Conference also agreed in 1988 that discussions commence with the Turks and Caicos Islands on possible links with the Community. The basis for a reactivation of integration would seem to have been laid by 1988. The question now, is, whither CARICOM? Have the lessons of the reversals in integration and the cost borne by every Member State of the integration grouping in the post-1983 period been sufficiently well internalised as to over-ride short-term nationalistic actions? Have the limited benefits from the US-sponsored Caribbean Basin Initiative (CBI) and the continuing hostility of the international market to exports from small producers in small countries reduced sufficiently the growth in the international market as the strategy rather than a part of the strategy for development? Will the movement towards closer economic integration in Europe, in North America and in parts of Africa reinforce the economic, social and political logic of closer integration in the Caribbean? The answers to these questions will significantly determine the pace of economic integration in the Caribbean in the next five years. For the time being the mood seems to be good. ○

B.B.

Caribbean regional programme under Lomé III

In June 1988, almost three and a half years after the Lomé III Convention came into force, the first project under the Caribbean Regional Programme was approved by the EDF Committee. It is expected that disbursements on this project will commence by the end of 1988. The Commission has also advised that some other projects might be approved before the end of 1988. The time lapse in getting the Caribbean Regional Programme moving has been a cause for concern. In the circumstances attempts have been made to ascribe responsibility for this. In this article we wish to put the pertinent facts on the record so that they might speak for themselves.

The Caribbean ACP Group consists of thirteen (13) states, 12 of which are Members of the Caribbean Community (CARICOM) plus Suriname. Ten of the Caribbean ACP States are islands and only two, Guyana and Suriname, are contiguous. While the Caribbean ACP States, especially the islands, are all small and have a number of common problems, for example weak communication and transportation (internally and externally) and tertiary educational infrastructure, they also have significant differences, for example some are agriculture-based while others are service-based. Partly because of their small size, their national programmes under the Lomé Convention have been small and the Regional Programme complements the national programmes. In fact the Caribbean Programmes under all three Lomé Conventions have been developed on the basis that the programme will favour the smaller countries. The EEC reinforced the expectation of the Regional Programme complementing or "adding to" the National Programmes in the programming process for Lomé III by asking the states which areas they would wish to see given priority in the Regional Programme. Naturally projects in areas identified for regional priority which had a regional component were omitted by the countries from their national programmes.

In addition to individual national concerns, the Caribbean ACP region being essentially an integration grouping has a range of regional institutions undertaking activities in support of Member States and the objectives of regional cooperation. Several of these regional organisations were identified and officially notified to the EEC since Lomé I as eligible for support or to implement regional projects.

Relatively limited resources

Taking into account the relatively small amount of resources available for the regional programme and the volume of projects which tend to emerge from national and regional initiatives, the Caribbean ACP States have evolved a process of programme prioritisation, project identification and negotiation which takes account of the various interests while ensuring commitment to the programme once this has been agreed. Experience under Lomé I and Lomé II suggests that this process normally takes about 12 months.

The Caribbean was advised of its regional allocation under Lomé III. This consisted of ECU 72 million from Lomé III programmable resources and ECU 12 million carried over from Lomé II (as a result of the dispute between the Region and the Commission over the choice of aircraft and consequent withdrawal by the Caribbean of the project to re-equip LIAT). The programming process in the Region was put in train. Given the sectoral emphasis in Lomé III, the programming process also involved the preparation of sector justification in addition to project justification and the establishment of sector priorities.

The basic orientation and approach to the Caribbean Regional Programme was approved by the Common Market Council and Suriname (described later in the Memorandum of Understanding as the Caribbean Forum) and endorsed by the CARICOM Heads of

Government in mid-1985. The sectoral priorities, the sector programmes and the projects in the various sector programmes were negotiated in a series of technical level and ministerial level meetings over the next 12 months. This process culminated in a Caribbean Regional Programme built around three prime sectors and three support sectors in priority ordering and with resource allocation based on the priority ordering. The programme, approved at the level of Heads of Government in July 1986, amounted to ECU 100 million taking into account possible support from the non-programmable resources under Article 100 of the Lomé III Convention. The programme, with the sectoral justification and priorities was submitted to the EEC, July 30, 1986.

The Commission began the process towards the preparation of the Memorandum of Understanding. The Commission was, however, concerned that the programme did not conform to its view of sectoral concentration and sectoral priority and did not conform to its view of a two-stage programming process as it brought together both the negotiation on sectoral priorities and on projects. The Commission took the view that the sectoral priorities and sectoral allocation of resources should be agreed in advance of any discussions or projects. This approach was unworkable in the Caribbean — the sectors and the programmes had to be negotiated in a manner which would

allow each ACP State to make an assessment of benefits and sacrifices. In any event the notion of the programme being targeted to achieve specific results to complement and be coordinated with the national programmes was not consistent with *ad hoc* submission of projects over time and by any one or two ACP States.

A change in priorities

The fundamental differences in perception and approach between Caribbean ACP States and the Commission resulted in the Memorandum of Understanding not being concluded until May 1987. Conclusion of the Memorandum in fact only became possible when the Caribbean ACP States agreed to a shift in the sectoral priorities as defined by them (agriculture which was given the highest priority and allocation of resources was relegated) and to a reallocation of the resources.

The signing of the Memorandum of Understanding opened the way for the EEC to begin to receive projects. While project outlines — in cases with significant details — were submitted since July 1986 the Commission maintained that, procedurally, these could not be looked at. Detailed project dossiers, have been submitted for 17 projects for a sum of ECU 53.75 million by June 1988; of the projects submitted one has been approved for a sum of ECU 6.1 million

representing 11.3% of the value of projects submitted and 7.3% of the programme.

In terms of the projects which have not been submitted, two bear explanation. The regional tourism programme, comprising projects valued at ECU 11.2 million, has not been submitted because the Commission has maintained that this programme cannot be considered even preliminary until an evaluation has been undertaken of the programmes under Lomé I and Lomé II so that the Commission can determine its priority for Caribbean tourism. The Caribbean agreed to the evaluation but has insisted that this evaluation cannot determine priorities for the tourism sector. The priorities for the sector have been determined by the Region. Having both agreed on the need to conduct the evaluation, the Caribbean and the Commission took approximately 15 months to agree on the consultants to undertake the study. The Caribbean proposed to the Commission in March 1987 that the evaluation be undertaken by a two-man team one from Europe and one from the Caribbean. The European should be specifically knowledgeable about tourism marketing in Europe and familiar with the Caribbean while the one from the Caribbean should be specifically knowledgeable about tourism development in the Caribbean. The Commission rejected the proposal, opting for a particular European consultant. After a number of attempted compromises failed, the Commission resorted in May 1988 to the original Caribbean proposal.

Lesson for Lomé IV

The second project is the proposal by the Caribbean to use ECU 10 million to assist in the creation of an export credit bank. The Commission insisted from the beginning that this project was not fundable under the Lomé III Convention. The uncertainty created by this reaction, buttressed by similar positions by other bilateral and multilateral donors, reduced the project to the point where it was only marginally financially viable.

The experience of the Caribbean Regional Programme under Lomé III has been instructive. It holds lessons for the new Convention. ○ B.B.



Regional cooperation in the Pacific

by Richard ARNDELL(*)

The Pacific Island countries covered by the development cooperation programmes of the European Development Fund comprise eight ACP States and three overseas territories (OCTs).

The vast ocean zones around each country contrast starkly with their tiny land areas—save in the case of Papua New Guinea (PNG), which contains 84% of the total land area and 66% of the population. The 750 km² land area of Kiribati, for example, compares with an ocean zone of more than 3 million km². To travel across the country, from the Northern Gilberts group to the Southern Line islands is a journey of over 4 000 kilometres. The flight from Kiribati to Fiji takes nine hours; like flying from London to Nairobi or from Brussels to New Delhi.

Although these distances have to some extent operated as a barrier to the outside world, helping the Pacific islands to maintain their strong local cultures, they constitute a serious constraint to economic development. Transport costs assume proportions which are daunting for these small economies.

Yet the position is by no means discouraging. Agriculture and the rural sector dominate in all countries. Exports are essentially copra and tuna—with the addition of minerals (gold, copper) from PNG and sugar from Fiji. With the possible exception of the small atoll states, Kiribati and Tuvalu, all the countries have sufficient natural resources to make self-sufficiency a realistic goal. And with the development of ocean technology and the depletion of land sources for certain minerals in the first quarter of the next century, even the poorer countries can look fairly optimistically to the future.

The size and relative isolation of the region with the constraints this imposes means that regional cooperation is an essential condition for the development of these countries. This is true not only for the creation of an effective

communications network, but for the pooling of resources, particularly in research and training, and as regards management and protection of the marine resources, so as to attain a scale of operations which maximises efficiency and permits the islands to defend their interests properly in the face of strong outside influences.

The regional structures

There are two general regional organisations in the Pacific: the South Pacific Forum, with its secretariat the South Pacific Bureau for Economic Cooperation (SPEC) in Suva, Fiji; and the South Pacific Commission (SPC) based in Nouméa, New Caledonia. The SPC was set up in 1947 by Britain, France, The Netherlands, Australia, New Zealand and the USA. The South Pacific island states joined as they became independent in the 1970s and the Pacific OCTs are also members in their own right. The South Pacific Forum and the SPEC were founded in 1971, by South Pacific countries only: Australia and New

Zealand and the island states, including all eight Pacific ACPs, but not the Pacific OCTs. Following signature of the Compacts of Free Association with the USA and the termination of their status as Trust Territories, the Federated States of Micronesia and the Marshall Islands became full members of the Forum in 1987.

Whereas the role of the SPC is to provide technical assistance, training and information to its members, the SPEC is essentially the secretariat of a political organisation, the Forum.

During the process of programming Lomé III, all eight Pacific ACP States mandated the SPEC to coordinate their requests for funding under the regional programme. However, the SPEC is really geared to serve the needs of all its members in the region, not just the eight ACP States, and its staff were not entirely familiar with the criteria for defining and implementing Lomé development programmes.

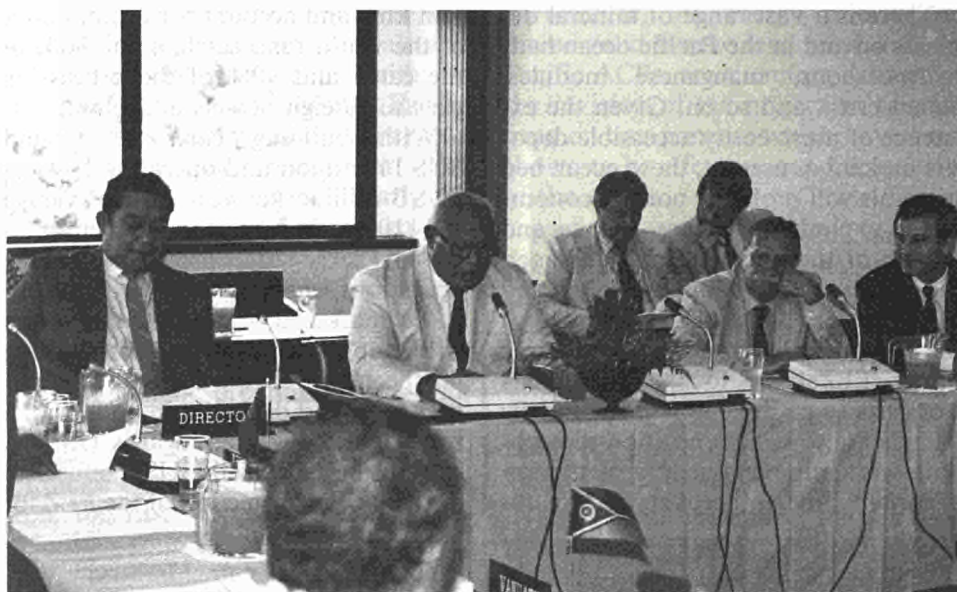
The Pacific ACP-EEC Ministerial Group

In order to reinforce cooperation the Commission worked out with the Pacific ACPs the basis for a support structure to facilitate implementation of the regional programme. This consists of an ACP-EEC Unit, with an



A Pacific Forum Line container ship in Apia, Western Samoa

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The Pacific regional meeting in Apia (April 1988). From left to right: Henry Naisali, director of SPEC, Samoan Prime Minister Tofilau Eti Alesana and Vice-President Lorenzo Natali

economist and a project officer, attached to SPEC but responsible to the Pacific ACP Ministerial Group in the Forum, and ultimately to an annual high-level meeting between that Ministerial Group and the EEC Commission. The unit will follow an agreed work programme, for a period of three years.

The first joint meeting was held in Apia, Western Samoa in April 1988, attended by Vice-President Natali and staff from the Commission, Ministers and representatives from all eight Pacific ACPs and the SPEC, as well as from other organisations, particularly the SPC.

The meeting reviewed all aspects of the regional programme, launched the support programme and was the occasion of the signature of the first three financing agreements in the Lomé III regional programme (agriculture, telecoms and chambers of commerce) and an agreement for smallholder development in the Solomon Islands.

Regional sectoral agencies

In addition to the general regional organisations, a number of sectoral agencies exist in the region. The most prominent of these is the Forum Fisheries Agency (FFA), located in Honiara, Solomon Islands, which maintains a fishing vessels register and assists the surveillance of the members' fishing zones, as well as providing a range of information on matters such

as fishing patterns, economic analysis and tuna fishing development. The University of the South Pacific (USP), centred in Fiji but whose agricultural institute, IRETA, in Western Samoa and Institute of Rural Development in Tonga have both received Lomé funding, concentrates training resources in the region. Other agencies include the Pacific Islands Association of Chambers of Commerce (PIACC) and the Tourism Council of the South Pacific

(TCSP), which have been materially strengthened by Lomé funding.

The emergence of these agencies for the management of regional cooperation in specific sectors seems to be a growing trend in the South Pacific.

The regional programmes

The programmes have been conceived in three broad sectors of communications, natural resources and trade and tourism (see table). The communications sector dominated Lomé I and II, which is normal in the light of the constraints caused by distances and the gaps in the communications infrastructure. However, because of the major projects in marine resources and agriculture, the natural resources sector will probably prove to be the largest under Lomé III.

These sectors were adopted in the Lomé III regional programme, being mentioned in the Agreed Minute on this programme signed by the EEC Commission and SPEC in March 1986.

Agriculture, natural resources

This programme, for ECU 6.8 m was approved in March 1988. Previous aid in this sector went to the

Pacific regional programmes, by sector (mECU)

Sector	Lomé I	Lomé II	Lomé III
Communications			
Telecommunications	6.0	8.86	5.55
Maritime transport (PFL)	0.4	8.78	N.A.
Air transport	0.69	4.87	N.A.
Natural resources			
Agriculture	1.15	0.41	6.85
Marine resources	1.27	0.82	10.6
Rural Development	1.08	0.38	N.A.
Energy ACP	—	6.31	N.A.
OCT		3.2	
Trade and tourism			
Tourism	—	3.27	7.4
Trade promotion (ACP + OCT)	—	0.31	1.0 ACP+OCT
Structural support			
Stabex seminar	—	—	0.05
OCT regional (balance)	—	(energy)	3.9 (*)
Total (incl. trade and tourism)	10.59	37.21	46.3 (**)
% committed	100%	100%	46.6%

(*) (Nov. 1988) ECU 0.2 mOCTs in trade promotion and ECU 1 m in tourism (Total: ECU 4.1 m).

(**) Base figure: ECU 34 m + OCTs (4.1) Art 100 (8.2) = ECU 46.3 m.

DOSSIER

Institute for Research Extension and Training in Agriculture (IRETA) in Western Samoa. By the beginning of Lomé III, it was felt that attention should be drawn to the practical application of this research, leading to the dissemination of crops and agricultural techniques which would increase the agricultural self-sufficiency of the ACP States.

So the Lomé III programme was designed as a bridge between research and full-scale development, which would take place at national level. The ten project components were selected after careful consultation with the Departments of Agriculture of the eight ACP States, from January to October 1987, to ensure that the components covered the needs of the recipient states. The components were finally discussed and selected at a meeting of the Regional Advisory Board (RAB) of Directors of Agriculture in Western Samoa, in October 1987.

The central component is the making of practical trials throughout the countries on the integrated growth of certain crops, particularly grain, legumes, root and tree crops on a self-sustainable basis. IRETA had already done some small-scale research on this in Western Samoa.

Other components include improved coconut cultivars; vegetables, grain crops and pulses; the sweet potato. Trials on the biological control of the taro beetle, a serious pest in the region, will be made in the Solomon Islands. A plant tissue culture service will be set up for the purpose of cleaning and screening plant material to be transferred between countries, and a statistical analysis service will be provided. Finally, the RAB will have a permanent office for the first time; an agronomist will be appointed as project coordinator, operating from a small RAB secretariat in Western Samoa.

Marine resources

The marine resources programme was in the final stages of appraisal at the time of writing.

The ocean is of course the dominant factor and major resource of the region. The project covers both the mineral resources of the ocean bed and fisheries.

There is a vast range of mineral deposits on and in the Pacific ocean bed: hydrocarbons, manganese nodules, cobalt crust, and so on. Given the existence of more easily accessible deposits on land at present, these ocean bed minerals will probably not be economically exploitable before the second decade of the next century. However, the process of mapping the seabed and gaining a clear idea of the potential of the countries' Exclusive Economic Zones (EEZs) is a long one, and this work has to be done now if the Pacific Islands are to be in a position to negotiate with mining consortia at the appropriate time. Moreover, certain re-

lion km² and account for around 30% of the world tuna catch, some 80% of the catch and 90% of the processing goes to foreign vessels and plant.

With building costs of around \$US 11 million and operating costs of \$US 3 million per year for an average US 1100 tonne purse seiner, embarking on large-scale profitable fishing operations, enabling locally caught fish to be marketed at prices competitive with imported produce, is a daunting prospect. Moreover, the Forum countries have had difficulty in policing the zone—particularly as regards US vessels, in the light of the US's refusal to recognise the protection of the EEZ for



The regional Institute of rural development based in Tonga

sources like construction materials and precious corals could be exploited immediately.

The regional organisation which coordinates this work is the Committee for Co-ordination of Joint Prospecting for Mineral Resources in South Pacific Offshore Areas (CCOP/SOPAC). The project would fund prospecting activity by CCOP/SOPAC for nearshore and offshore minerals and hydrocarbons, plus mapping, training and data management over a five-year period.

At present fisheries (along with tourism) are seen as the Pacific Islands' main money earner. But exploitation of the resource is not without difficulty. Although the total EEZs of the South Pacific amount to some 30 mil-

migratory species such as tuna, backed by legislation providing compensation for owners of US vessels which are caught fishing illegally and an embargo on the fishery products of a country which arrests a US vessel for doing this.

However the importance of the resource is so great to the Forum island countries that they are persisting in their efforts to exploit and develop it. The situation was also eased by the signature early in 1987 of a Treaty between the USA and the Forum countries under which the US will give the Forum countries \$US 12 million per year for five years for access to their tuna resources.

At regional level, the Forum Fisheries Agency is working to improve re-

gional surveillance capabilities as well as pursuing the other activities already mentioned, in conjunction with its member states. The South Pacific Commission has for many years run a tuna and billfish assessment programme, to ascertain more clearly the extent of the resource and movements and other characteristics. The USP Institute of Marine Resources is continuing its programme of research on many aspects of fisheries.

These are the programmes that are considered for funding under the Lomé III Regional Programme. Through reinforcing regional cooperation, the EEC hopes to offer the Pacific ACP countries material assistance in the profitable development of their resources in this crucial sector.

Rural Development

Funding was given to the Institute of Rural Development (IRD) in Tonga under the Lomé I and II regional programmes, for its training programmes which are open to people from throughout the region. The programme being examined for Lomé III includes subjects such as the implementation of small rural development projects, training and research for women in development in appropriate technology, and in food and nutrition. The importance of the rural sector in the Pacific ACP States gives this Institute a significant role for the future.

Renewable energy

The development of renewable energy sources in the South Pacific was seen as a priority for reducing fuel costs and increasing the self-sufficiency of the Pacific ACPs when the Lomé II regional energy project was devised in the early 1980s and approved in January 1984 (ECU 6.2 m). However the project design, which included 24 components in all eight ACPs, in 10 different technologies (gasifiers, steam power systems, photovoltaics, biogas etc.) was over-ambitious and too widely drawn. Moreover, the fall in oil prices since project definition has made renewable energy a lesser economic priority for the Pacific ACPs. Great difficulty has thus been experienced in the implementation of this project.

However, the energy priority remains valid for the long term, and the Pacific ACPs, are therefore examining the revision of the project to concentrate on components which have been shown to be effective, cancelling some of the others.

An interesting modification has been the cancellation of the proposed gasifier in Western Samoa, and its replacement with an energy conservation project designed to examine how to gain maximum efficiency from existing diesel generation plant and to train operators from throughout the Pacific ACP States in this.

There is an indication that as soon as the Lomé II project has been satisfactorily put into shape, a request will be made for another project in this sector under Lomé III.

Another renewable energy project which is being implemented under the 5th EDF (Lomé II) is a ECU 3.2 m project for the installation of photovoltaic appliances in the three French Overseas Territories in the Pacific. This project, which concentrates on the single, photovoltaic sector, is being implemented quite satisfactorily, with technical assistance from the South Pacific Institute for Renewable Energy (SPIRE), located in French Polynesia, and under the supervision of the South Pacific Commission as Regional Authorising Officer. The project consists of installing photovoltaic kits in communal buildings such as town halls and churches and also in private dwellings, particularly in isolated environments.

The project is an effective practical demonstration of these appliances in one of the more promising renewable energy technologies, and should certainly be of interest to all the countries of the region.

Communications

Helping to overcome the communications constraints of the region was the dominant factor in the Lomé I and II Pacific regional programmes (67% of Lomé I and 60% of Lomé II).

Under Lomé III, the Commission would expect to continue assistance in the fields of telecommunications, air and maritime transport.

The **telecommunications** project (ECU 5.55 m) was approved in March

1988. It involves the construction of two earth stations, in Western Samoa and on Kiritimati (Christmas Island), Kiribati and the construction of two maritime radio stations, for ship-to-shore communication, in Tonga and the Solomon Islands. These components come within the ambit of the South Pacific Telecommunications Development Programme (SPTFDP), a rolling programme for the region which was established by the Forum meeting in August 1983 and is managed from SPEC.

To date no requests for assistance in air or maritime transport have been made. In **maritime transport**, the EEC gave assistance to the Pacific Forum Line (PFL) under Lomé I and II. The PFL is a regional shipping line in which all the Pacific ACPs except Vanuatu, the Cook Islands, Nauru and New Zealand are shareholders. The line began shipping operations in May 1978, and provides a regular cargo service to the Pacific Islands, Australia and New Zealand with three cargo vessels owned by Tonga, W. Samoa and New Zealand. This service did not exist before; cargo traffic was infrequent and irregular, consisting of occasional space on ships passing through the region from other continents. It is clear that no effective plans for economic development or export promotion could be made by these island states in the absence of such a permanent cargo service.

Assistance under Lomé I and II consisted of the provision of fully integrated and other containers. The PFL runs this container fleet on a highly efficient, computerised basis and has established a solid reputation in the region.

Despite initial budgetary problems, the line reaches its ten years of service with an optimistic view of the future. As regards possible further needs, a feasibility study has just been completed on the feeder service between Fiji, Tuvalu, Kiribati and Micronesia.

Air transport

Support under Lomé I and II was related essentially to airport infrastructure. Runway upgrading and improvement of navigational and safety equipment at five airports is the object

of the Lomé II regional project, implementation of which is just beginning.

The Pacific island countries have had great difficulty in operating a viable air network. The basic problem is that the long distances require larger planes and raise costs above what can be justified by or recouped in receipts from the relatively low passenger volumes.

The regional air networks were the object of a study made in 1988, under Lomé II regional tourism development programme. The object of this study was to take a practical look at the most cost-effective ways of providing air transport on all the routes between the Pacific ACPs and to the regional gateways. The information provided should help the Pacific ACP States to define measures and projects for improving the air transport network in their region, on a basis best suited to their needs and dimensions and in accordance with their aspirations to manage the network on an autonomous basis.

The issue was discussed at the Pacific ACP-EEC Ministerial meeting in Apia in April 1988. Vice-President Natali stressed the importance of the principle of Lomé that projects should meet the required technical and economic standards of viability, and that the Commission would not allow these standards to be eroded. It was agreed that the study being done under the tourism project had to be completed and the results analysed before any air transport project under Lomé III could be appraised.

Tourism and Trade Promotion

The Lomé II Regional Tourism Development Programme (ECU 3.3 m), which ran from August 1986 to October 1988 is an integrated programme in which tourism market research and promotion are linked to cultural awareness, economic impact assessment and linkages pilot projects, designed to maximise returns from tourism to the host States.

The project was implemented in four divisions. The first was to set up a computerised data base in the secretariat of the Tourism Council of the South Pacific (TCSP) in Suva, Fiji, and to collect data on arrivals, plant etc. on a standardised basis. Economic

impact surveys were begun, on the methods of calculating the return to the host state.

The marketing and promotion division produced documentary films, brochures and posters and developed a promotion strategy. Training courses were held on tour operations, hotel and catering and tourism statistics. Under the research, planning and pilot projects, feasibility studies were made on links to and the stimulation of agriculture, traditional construction and handicrafts.

The first phase of this programme under Lomé II put in place the basic structure of the TCSP and the tourism programme. A second phase is under Lomé III, for three years (ECU 7.4 m), and was approved in September 1988. Under this phase, the Pacific ACP States and TCSP will proceed to intensify the promotion of tourism to the region, with the materials created under phase one. The cultural awareness, linkages projects and economic impact surveys will be maintained, so as to minimise cultural damage and maximise the returns to the host States.

Trade promotion

The first joint project involving both ACP States and OCTs was approved in March 1988; phase two of the support programme of the Pacific Islands Association of Chambers of Commerce (PIACC). This two-year programme involves dissemination of trade information and company profiles; training, awareness and liaison between chambers; support for building up the national chambers; trade promotion and export development and management and review meetings.

The chambers of commerce are generally rather weak. The chambers in the two French OCTs—particularly the one in Nouméa—are certainly stronger than those in the ACPs, receiving a measure of public funding and offering a more structured service to their members. They could therefore give a lot of help to the other chambers in the course of this joint programme.

The efforts of the Pacific island countries in trade promotion and export development have not really taken off. For example, the South Pacific

Regional Trade and Economic Cooperation Agreement (SPARTECA), which gives the Pacific ACPs preferential access to Australian and New Zealand markets, has had virtually no impact; the ACPs have been unable really to take advantage of it. The extension of trade promotion, including market research, product identification, marketing and promotion methods could usefully be the subject of a feasibility study leading to a further marshalling of the efforts of the island countries.

Programme implementation

With the adoption of the programmes in agriculture, telecoms, tourism and for PIACC, together with the Pacific ACP-EEC unit, the Lomé III Regional Programme is now almost 50% committed. The programmes in marine resources and rural development should come through shortly, to bringing the rate up to around 75%.

Because of the mandate given to it on programming, the Regional Authorising Officer for most of the Lomé III ACP Regional Programme is the SPEC. However, the South Pacific Commission acts as implementing agency for the tuna and billfish assessment component in the marine resources programme and the plant protection project in the agriculture programme, as well as acting as RAO for the regional OCT programme; amounting to almost 20% of the overall Lomé III regional programme. The regional sectoral agencies, such as the Forum Fisheries Agency, TCSP, PIACC and the Regional Advisory Board for Agriculture also play dominant roles in the implementation of the programmes in their sectors.

The dialogue between the Commission and the Pacific ACP Partners has not always been easy. In the process of arriving at viable programmes in accordance with the principles of the Lomé Conventions, concessions have been made by both sides. But as the Agreed Minutes of the Joint Ministerial meeting in Western Samoa last April concluded:

“The spirit of discussions has been open and frank, rather like the relationship between brothers. The outlook for future progress of the Pacific Regional Programme is bright”. ○

R.A.

Regional cooperation in the face of structural adjustment

by Jean-Claude BOIDIN (*)

One of the main aims of Lomé, and of the ACP countries, is to improve regional cooperation and gradually create larger integrated economic areas. One overriding fact in the ACPs today is the national pursuit of macro-economic adjustment policies, and the big question—although one rarely posed so far—is that of the relations between the structural adjustment policies and the prospects of regional integration by the ACP countries. In other words, do structural adjustment programmes help or hinder regional cooperation?

Structural adjustment — a national concern

The effect of putting priority on macro-economic adjustment policies today is to increase the weight of the national authorities in relation to other (regional or local) levels of power—which are traditionally weak in the ACP countries. Structural adjustment policies have of course to be designed and implemented at national level, for obvious reasons.

The aims are macro-economic and can only be measured correctly at national economic level. Balancing payments, rationalising public finances, controlling inflation and regulating investment are at the heart of the structural adjustment programmes. They have to be measured and monitored in the light of national accounting and they must therefore be pursued at this level.

The main instruments of the adjustment policy—monetary policy and budget policy—are essentially matters of national scope affecting all areas of the economy and having their direct impact, in principle, inside the country concerned. Devaluation, the lifting of price controls, tax reforms and changes to the customs tariffs are typical of measures affecting all, and initially only, the nation's operators. So the structural adjustment programme has to be constructed within the national framework.

Implementation of these instruments of economic policy is generally up to the

central State authorities—which therefore hold the keys to adjustment. The State is the funders' natural partner in the dialogue on the content of the reforms and the prime mover when it comes to applying them. The power of adjustment in the State apparatus is in fact in the hands of just one or two key Ministers (of Finance and Planning/Economic Affairs) and their authority over the sectoral ministers is even stronger during a period of macro-economic reform.

A logical consequence of all this is that, in both dialogue and support, the IMF and the IBRD have privileged a small number of people with extensive powers at national level (the Finance Minister, the Head of the Government and/or State), getting them to have decisions applied at the other levels of power. This, albeit logical, approach has led to a paradox and structural adjustment, which is intended to reduce the weight of the State in the economic life of the nation, in fact increases its role, centralising power within it, for a while.

The same approach has led people to overlook the existence of potentially important partners, such as the regional organisations and local communities, which also have a part to play during a period of adjustment. But neither the IMF nor the IBRD were familiar with these bodies—although the IBRD is discovering them now—and the structural weakness of the regional and local organisations in most of the ACP countries meant they were not really credible partners.

However, there are several big exceptions in the ACP Group. In monetary matters, first of all, the 14 countries in the Franc Zone are bound by a system which puts sovereignty over exchange rates and the total volume of credit at regional level (with WAMU and the Bank of Central African States), while in trade too, the existence of customs unions (UDEAC) and preferential trade areas (CARICOM, PTA) prevents questions such as the reform of customs tariffs and import procedures being dealt with at strictly national level.

Structural adjustment — a plus for regional integration

The problems and failures encountered by the ACPs in their regional integration have traditionally been put down to two things—their lack of political will and the imbalance between the various national economies which forces the weakest States to protect themselves from their neighbours.

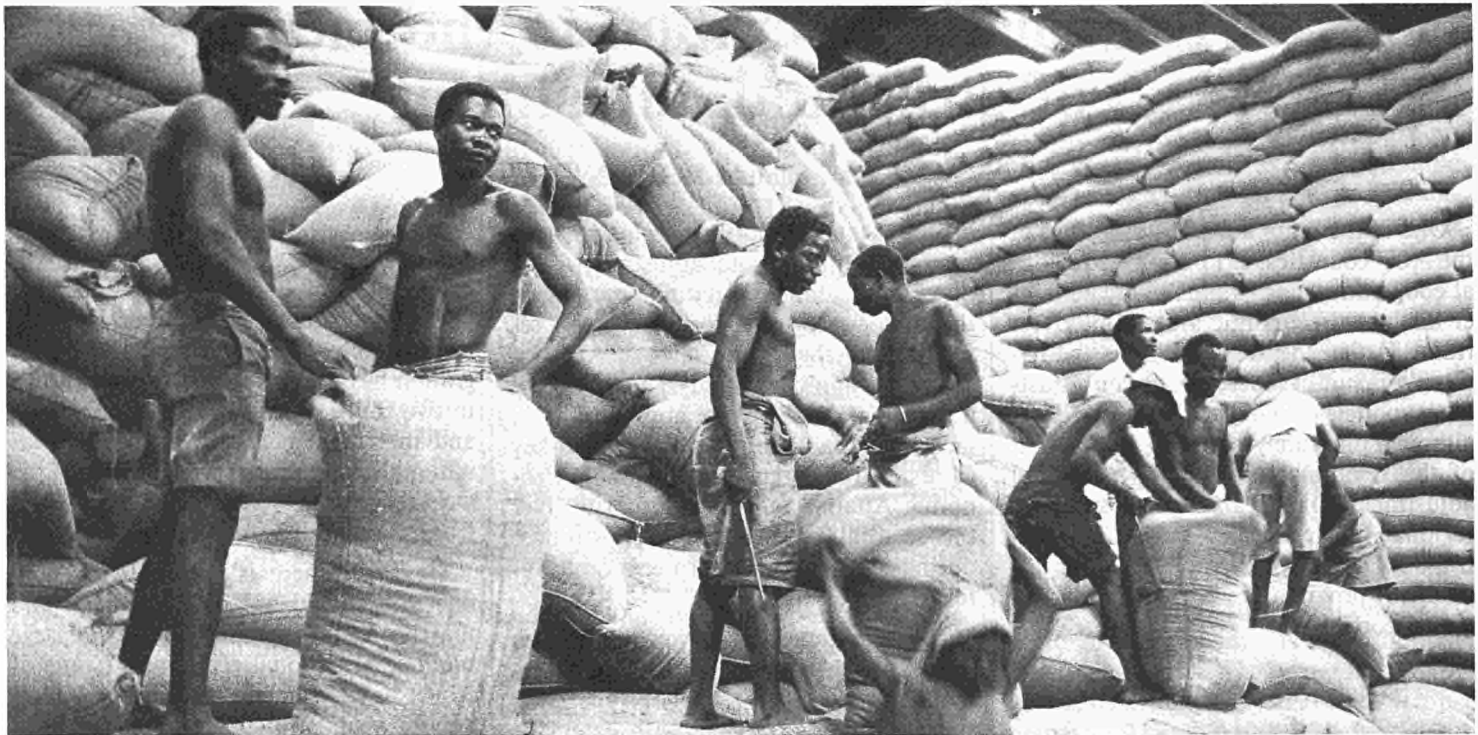
However, there is a third cause and one that should not be overlooked and that is the disorganised state of a large number of national economies (some of which have been run in an erratic manner for years) which precluded the idea of a rational process of integration and doomed to failure attempts at turning word into deed.

So rationalisation of the national economies should mean that conditions are more conducive to the development of proper regional cooperation and ultimately to the creation of integrated economic areas.

At the moment, the idea of the structural adjustment programmes is to bring back economic growth by improving the mobility of the factors of production, both of which make regional integration easier. This greater mobility will make the national economy more flexible, enabling it to adapt better and faster to the changes that come in the wake of enlargement of the economic area and therefore to benefit from it. Better growth will make the economy less fragile and the operators more dynamic and therefore more willing to face up to competition from the neighbouring countries.

The structural adjustment programmes also tend to involve considerable liberalisation of foreign trade aimed at facilitating imports and stimulating exports. Even across-the-board liberalisation will encourage the development of regional trade by reducing the administrative and tariff barriers (bans, quotas, import licences, duties and taxes, registration and transit formalities etc.) that are typical of most ACPs. And, in any country which opens up to trade, it will stimulate the new specialisations which

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Stockpile of sorghum in the port of Kigoma, Tanzania. Trade liberalisation will encourage the development of regional trade

increase business with the neighbouring countries.

In the vast majority of cases, structural adjustment programmes include a process of devaluation aimed at bringing back realistic exchange rates and a minimum of convertibility. If it is agreed that the non-convertibility of national currencies has so far been a major obstacle to the development of trade between the ACPs (and one which has introduced an extra bias in favour of South-North trade), then a return to credible parities is a big step towards integration through trade. It will facilitate the working of clearing houses and the development of banking activity (trade financing and cross-border investments) which is a source of regular business.

Although trade between the ACPs has always been insignificant as far as the official statistics are concerned, it has always been relatively intense at an informal level because of the authorities' many barriers to trade. The gradual removal of these barriers should therefore ultimately bring this black market trade back to the official circuits and make the genuine complementarity of neighbouring countries—not currently perceived by the operators concerned—visible at last. This redefinition of trade should also cut the operators' cost. Official trade can deal with bigger batches. It can use more direct routes and does not need to

put up with the danger money of the black market.

Lastly, structural adjustment programmes involve a gradual waning of the State's role in economic activity and greater use of private enterprise, particularly when it comes to productive investments. In most ACPs, the official planning of industrial investments has led to industries which are similar to and compete with each other being created side-by-side on over-narrow markets. Hence the absence of complementarity often observed in neighbouring ACPs. There is every reason to think that transferring investment decisions to the private sector will lead to different industrial choices being made in different countries and, therefore, to production structures being more complementary than competing and an encouragement to the development of trade.

Structural adjustment — a risk for regional cooperation

But the above arguments are fairly theoretical and based on long-term considerations alone. The experience of recent years also shows that the regional element is missing from structural adjustment programmes designed in the ACPs and that implementation of these programmes has had destabilising effects on neighbouring countries here and

there. It also shows that some parts of the adjustment process work against regional cooperation, in the immediate future at least.

Some structural adjustment measures designed solely in the light of their effect on the national economy have had a substantial and sometimes unwelcome effect on the countries next door—and given the permeable nature of the frontiers of sub-Saharan Africa, this comes as no surprise. Particularly upsetting for the region are measures involving rapid adjustment of domestic prices and movement of the exchange rates.

When Gambia devalued the Dalasi to stimulate its export trade, it saw more than half its groundnut production disappear—the purchase price in Senegal had just gone up and it was paid, of course, in “revalued” CFAF. This meant a loss of export income for Gambia and an unexpected high cost of collection and intervention for the Senegalese budget. After 10 years of structural over-valuation of the Nigerian currency unit, the Naira, (and two years of closed frontiers), the sudden devaluations of 1986-87 overturned the relative prices, destabilising informal trade and production on the frontiers of Benin and Niger and threatening the industries of both countries.

The cocoa price surge in Ghana and the reorganisation of the CMB led to a

large increase in national production (and put a brake on black market exports) from 1983-84 onwards, which was a blow to the other producing countries and Togo and Côte d'Ivoire first and foremost.

The external (cross-border) effects of adjustment measures are all the stronger if the measures are radical and implemented rapidly. External partners inevitably feel the waves from the shock treatment which countries apply to right their economies and the nearest are the first to be affected. Even if adjustment is along roughly the same lines in all the countries concerned, this regional impact is to a large extent inevitable, since some countries adjust when others do not and the various countries which are adjusting have not coordinated their economic policies and are at different stages in the process of reorganisation.

However, since adjustment measures have negative effects outside the countries which introduce them, it would be as well to see how valid they are and to make an honest measurement of their overall effect on all the countries concerned. There seems to be a particular problem with the exchange rates. Many ACPs are fighting under the banner of realism and flexible exchange rates and have brought in foreign exchange systems with this in mind—losing sight of stability, which is another key to monetary policy. Weekly and fairly unpredictable fluctuations in the Cedi, the Naira, the Ugandan Shilling (between 1983 and 1985) and the Kwacha (until May 1987) are one more source of instability for the economic operators, worsening the exchange risks and possibly acting as a further brake on the development of trade and investments between the States⁽¹⁾.

In a period of macro-economic adjustment, the authorities tend to concentrate on short-term objectives and on the instruments of tax policy. This is understandable and probably unavoidable, but it is not really much encouragement to the development of regional cooperation. Regional integration is an essential-

(1) Other ACP countries have gone in for gradual adjustment or exchange rate regulation methods whereby they can keep an element of stability and predictability during the period of devaluation—periodic, stepped devaluation of the nominal exchange rate (Tanzania and Madagascar), for example, and the fixing of exchange rates by inter-bank quotation (Gambia). Others, in the Franc Zone, have decided not to devalue so far, making possible the stability of nominal parities. This makes the pursuit of intra-zone trade easier but exports to neighbouring countries outside the zone more difficult.

ly long-term thing and progress towards it primarily depends on the non-budgetary sides of the economic policy—trade policy and liberalisation of the flow of finance first and the employment policy and administrative reform afterwards.

Generally speaking, the trade liberalisation policies run as part of the structural adjustment programmes have been designed for general application. This idea, which clearly reflects the free-trade theories (whereby any discrimination is a source of distortion and extra cost), in fact works against the aim of regional integration.

But the quest for greater regional trade in the ACP Group obviously means positive discrimination to boost intra-zone trade—i.e. reciprocal preference machinery in the form of preferential tariffs (as in the PTA and the CEAO) and/or the selective raising of non-tariff barriers (as in UDEAC and the PTA projects).

In practice, the structural adjustment policies have not been used to improve intra-ACP preferences. And more seriously, the liberalisation measures they involve reduce the size of the existing preferential margins and thus encourage the development of trade outside the zone more than in it⁽²⁾. And because they are decided unilaterally, the trade liberalisation measures in the structural adjustment programmes may increase the asymmetry of the access systems operating between neighbouring countries. By conceding without even negotiating, the countries which adjust pass up the opportunity of obtaining counterparts for their own exports and of leading up to a balanced, ordered process of regional liberalisation.

Lastly, it is as well to wonder about the consequences of budgetary policies, the hard core of the structural adjustment policies, on regional cooperation. The effect of prolonged contraction of public spending on the various budget items differs from one country to another. But there is probably a strong tendency to reduce the contributions to regional organisation budgets (which have to be made in foreign exchange) more than proportionately.

(2) The reduction of intra-zone preferential margins happens in particular when the country extends to its external partners all or some of the concessions reserved for its partners in the region. Or when it reduces the average level of its MFN customs tariffs, if the regional preference is established as a percentage of the MFN duty (this is the case of the PTA for products on the common list).

It is more difficult to maintain investments in general and regional equipment may be particularly hard hit because of the extra problem of the sharing out of costs between the various States concerned. The financing of new regional investments is difficult to fit into the tightly controlled priority public investment programmes and has to be left for another day... or for foreign aid, the relative weight of which is already excessive in this field.

The viability of the regional organisations is thus under threat. And their credibility, which largely depended on their investment programmes, is waning.

“Adjusting” regional organisations

Structural adjustment policies are designed within a national framework but they are not without their effects on the practical possibilities of regional cooperation or on the prospects of economic integration in the longer term. Regardless of reassuring theoretical arguments, it seems, in practice, that implementation of the policies as designed to date, can lead to a decline in regional cooperation between the ACPs.

The question is whether the ACPs can reconcile their stabilisation and adjustment policies—which will remain, basically, national, liberal and geared to the short and medium term—with their economic integration strategies—which have a regional, voluntarist and long-term approach.

The question is too recent and has not yet been adequately analysed for it to be possible to give a clear answer. But the experience of the past few years suggests some of the avenues we should be exploring. We should be:

- integrating, starting with the diagnosis and then with the design stage of the structural adjustment policy, regional interdependences and the consequences of the adjustment measures beyond the borders of the country concerned;
- consulting, or at least informing, the neighbouring countries about the projected measures so they can react rationally and in good time;
- recognising the fact that the ACP regional organisations have as much need as the national economies to adjust to the crisis situation and clearly redefine their priorities, scope and means of action. ○

J.C.B.

Intra-ACP cooperation: retrospect and prospect

by Reginald GREEN (*)

Your [cooperating partners] presence at this Conference is a great inspiration to the people of Southern Africa, who are struggling to achieve political and economic liberation through coordination and cooperation among themselves. [It] is also a manifestation of the commitment... to make SADCC a successful model of both South-South and North-South Cooperation.

President Ali Hassan Mwinyi
Southern African Development
Coordination Conference,
Arusha 1988

An opening contradiction

The Lomé Conventions and their Yaoundé, Lagos and Arusha predecessors have always related to and—at least nominally—encouraged intra-ACP regional cooperation as well as intra-ACP cooperation, not least in negotiating the Conventions. But, in their initial form of seeking a duty-free zone of EEC and its (then) African associates and in restricting preferential regional economic links by the latter, the early Yaoundé Conventions could objectively be viewed as at least as restrictive as promotive.

But two other factors have been at play. First, the Conventions have not been static in respect to ACP regionalism—the clauses covering them have become steadily more permissive in substance and positive in tone. Regional funds have existed since Lomé I and under Lomé III have, in three cases (A, C and Southern Africa), become closely linked to intra-ACP regional organisation development. Further, the EEC Com-

mission and its Secretariat as a regional association very clearly feel an affinity with, and a vocation to cooperate with, South-South regional cooperation. The Fresco agreements between the EEC and almost every major South regional economic grouping bear witness to the energy with which this has been pursued if not, in all cases, to success in putting concrete reality behind ambitious prose.

President Mwinyi of Tanzania was speaking this year for one of the ACP regional economic bodies with which the EEC and its members have worked most closely and, by and large, harmoniously. However, his welcome to the EEC, its Members and others reflects a broader and growing view that the EEC understands regional economic bodies better and cooperates with them more effectively than do other multilateral and bilateral cooperators (with the Nordic-SADCC special relationship a recent and unique exception) since the United Kingdom despaired of regional cooperation after several efforts it initiated in the colonial era disintegrated in the 1950s, '60s and '70s.

Whatever the limits of EEC support for South-South cooperation among ACP States, it is reasonable to view this as half full with drops flowing in, rather than half empty with dribbles seeping out. Part of the *acquis* of the Lomé's is EEC cooperation with ACP state regional organisations. And, as the European Parliament's recent report on guidelines for the successor to Lomé III stresses, now is the time to consolidate what has been achieved and to build on those foundations.

The EEC and ACP regionalism

In the Yaoundé Conventions provision was made for Associates to be members of regional economic groupings. However, EEC-Yaoundé was an import duty free area (albeit somewhat more formally than in practice given other fiscal charges on entry)

and regional grouping membership was in practice restricted to Associates. The latter was supportive of the francophone groupings in West and Central Africa, and potentially to the merger of the two in the latter region. It was, however, antagonistic to broader West African regionalism and to East African-Central African economic cooperation.

Both these restrictions were removed in the Lomé Conventions. First, EEC-ACP relations were restructured on the basis of unilateral duty-free access (subject to specified restrictions particularly, but not only, in respect to temperate agricultural products) for ACP products to the EEC. Second, ACP States became free to join regional organisations with non-ACP members so long as they were not industrial economies. In any event, as all the independent sub-Saharan and Pacific states became ACP members the only area in which ACP—non-ACP South regional economic groups were a real possibility was the Caribbean Basin. Both changes owed something to the EEC's desire to restructure cooperation with former European colonies on a less paternalistic and more national development—supportive model. In addition the new Commonwealth ACP members brought a more assertive negotiating style as had been prefigured in the Lagos and Arusha Convention negotiations with Nigeria and Kenya-Tanzania-Uganda (the then East African Community).

Thus the Lomé Conventions are now unambiguously in support of economic regionalism in sub-Saharan Africa and the Pacific. If the Caribbean ACP States were to desire to merge CARICOM with the Central American Common Market, Cuba, Panama, the Dominican Republic and Haiti, some tensions might arise but that is unlikely in the immediate future.

EDF and financing ACP regional cooperation

Under the Lomé Conventions substantial allocations have been made for financing regional (multi-country) projects, programmes or organisations. These have grown absolutely and as a percentage of total EDF resources. Until recently the EEC was

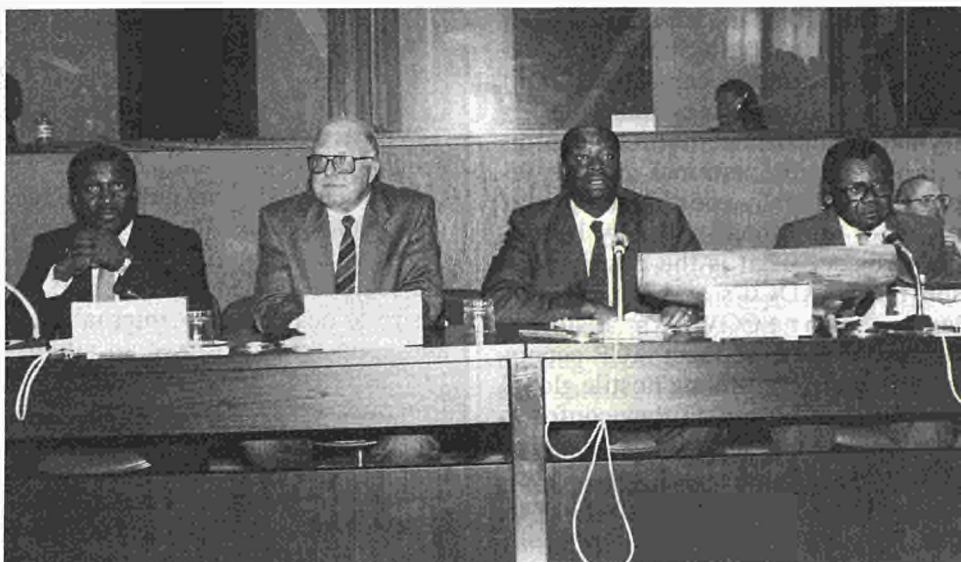
(*) Reginald Herbold Green is a professorial fellow of the Institute of Development Studies at the University of Sussex who has worked in Africa and for Africans since 1960. He was an economic adviser to the Tanzania Treasury during the negotiation of the Arusha and first Lomé Conventions as well as during the negotiation of the East African Community. He served as an adviser and secretariat member to SADCC over 1977-86, has advised the ACP Secretariat in respect to Lomé II and III negotiations and ACP wide cooperation and has contributed to both *Lomé Briefing* series.

virtually the only Northern resource-providing body to have large, definite, multi-year allocations in support of South-South regional cooperation.

However, until 1986 (and only in part even today) these allocations were neither in form nor in substance linked to actual intra-ACP Regional organisations. In fact they were far more unilaterally controlled from Brussels than were country programmes—especially once the pre-agreed indicative country programming system was set up. Any two or more ACP States—on behalf of themselves or of a regional organisation—could propose projects. The proposals and approvals were *ad hoc*, not coordinated through an ACP regional organisation nor formulated at the beginning of the period into a regional indicative programme. As a result nearly total power of selection remained with DG VIII and regional ACP organisations were bypassed except for relatively small projects for their own operations and/or training institutions.

Under Lomé II, Southern Africa was a partial exception. In practice the EEC did liaise semi-officially with SADCC and SADCC did coordinate its Member States' proposals as well as securing an EDF grant to procure technical assistance personnel. But even in this case at least one project explicitly rejected by a majority of SADCC states was funded, and the then combination of independent Southern Africa with funding of South African and Namibian training and exile support programmes, created a certain geographic non-fit.

Since Lomé III, the EEC has concluded three indicative regional programme agreements with the member states of three ACP regional groups providing for those regional bodies—SADCC, CARICOM, Pacific Forum—to act on their behalf in regional programming articulation and allocation. These have begun to work reasonably well—especially perhaps in the case of SADCC whose multi-state project priority list implemented nationally probably fits most smoothly into EDF procedures. In addition the possibility of an ACP State taking part in more than one EEC region (affecting Tanzania, Kenya, Uganda, Rwanda, Burundi and Zaïre)—ac-



The Chair during the meeting of heads of regional and international organisations held in 1987 in Brussels. From left to right: E. Carrington, ACP Secretary General, D. Frisch, Director-General for Development at the EEC Commission, I. Sylla (Guinea), then Chairman of the Committee of Ambassadors, J. Iroha (Nigeria) then Chairman of the Sub-Committee on Intra-ACP cooperation

cepted in principle from Lomé I—has become a more smoothly operating reality, e.g. in the corridors from Mombasa and Dar-es-Salaam to the Central African states and from Dar-es-Salaam to other SADCC members.

Broader support

The EEC—Council, Parliament and Commission alike—has been favourable to ACP regional cooperation. Contacts have been made and maintained, including high level delegations from and to Brussels. However, the substantive programme of technical cooperation and exchange of experience among the EEC and ACP regional organisations has remained relatively thin.

The EEC cannot be blamed for the curious transposition of whole pages and chapters of its treaty into South-South groups often with negligible changes to fit different contexts—other bodies have sponsored these less-than-appropriate technological imports. Equally it has provided limited technical assistance for ACP regional organisation launching or reconstruction. Together with several other institutions it did provide personnel and financial assistance for the creation of SADCC. However, the myth that it masterminded its creation is a misunderstanding of a 1978-79 change in conceptualisation.

Until early 1978 the concept was of an EEC-UN/Economic Commission for Africa-sponsored one-off sub-regional conference to bring the present SADCC Member States together with external cooperating partners to discuss regional aspects of external cooperation on the basis of detailed documentation. When the ECA withdrew, the concept changed structurally. It came to focus on South-South as well as South-North cooperation and to be based on a permanent Southern African multi-state institution. It was this second version which was formally endorsed by the Front Line States in February 1979, floated at Arusha in July and launched in Lusaka in April 1980. Apart from its supportive role to SADCC, the EEC has not seemingly had much technical support interaction with ACP regionalism.

Where next? – Towards the 1990s

Consolidation on what has been achieved and building from it should be the successor to Lomé III's contribution to regional cooperation among ACP States—a view broadly endorsed by the European Parliament and the ACP. The basic question is how. At least five topics merit attention:

First, the regional allocations in the next EDF should be raised to 20-25% of the total and by 50-75% in nomi-

nal terms (10% to 30% in real per capita terms). South-South regionalism demonstrably cannot be built simply by liberalising trade nor by trying to substitute multi-state projects for sensible national ones. It requires a regionally coordinated priority list of additional mutually beneficial projects. That is the positive lesson from SADCC's and the negative lesson from ECOWAS's histories. Given the state of most ACP economies and the continuing hostile global economic environment they confront, acting on an additional regional priority list requires additional external finance from cooperation partners.

Second, indicative regional programmes, analogous to national ones and to the present arrangements with SADCC, CARICOM and Pacific Forum should pertain to *all* EDF regional allocations. In regions (e.g. East, West, Central Africa) with multiple and/or weak regional economic groupings, the regional ACP States may need to coordinate their position somewhat differently from their Caribbean, Pacific and Southern African colleagues. But the principle of mutually agreed, indicative regional allocations is generally valid and should be incorporated in the next Convention.

Third, Convention programmes and institutions should be re-examined and redirected to support regional intra-ACP economic cooperation more effectively. For example, industrial research and promotion, along with pre-export processing of primary commodity exports, should focus on coordinated regional industrial and trade development.

Fourth, an EEC-ACP South-South technical assistance facility (analogous to that within the Commonwealth) should be created in the next Convention. While ACP-wide this would be of particular value in facilitating regional cooperation and cooperation among regional organisations of ACP States.

Fifth, the EEC should play a more active role in—when asked—*providing technical assistance to and taking part in exchange of experiences* with regional institutions grouping ACP States. For example, specialised seminars on selected topics among the

The Harare Programme of Action

Whilst recognising that it was the need to present a united front for negotiations with Europe which provided the initial impetus for the creation of the Group, the ACP States have constantly expressed the desire to develop their internal trade and cooperation to have an alternative *raison d'être*. The Suva action Programme for inter-ACP cooperation which was adopted in the Fijian capital in 1977 spelled out six main areas of cooperation: transport and communications, trade, creation of joint undertakings, finance for development, technology and culture.

During the decade which followed, the Group organised seminars and conferences on these themes, carried out studies and drew up an Action Plan before adopting a limited, but financially viable Programme of Action in Harare in 1985. Now, following the adoption of a resolution by ACP Ministers meeting in Moka (Mauritius) in May 1988, it is this Programme which is going to be implemented. Here is this resolution:

The Council of ACP Ministers,

RECALLING the Harare Declaration on Intra-ACP Cooperation in Zimbabwe 25th October 1985;

RECALLING further the Decision of Council on the Harare Declaration to have recourse to the EDF Regional Funds as a priority for implementing the relevant projects under the Harare Programme

NOTING the endorsement of the programme by the meeting of the Heads of ACP Regional and International Organisations held in Brussels from 7th to 11th September 1987;

SATISFIED that all the necessary procedures and requirements for the implementation of the Programme have now been completed;

AGREES now that the programme should be implemented with immediate effect;

MANDATES the Committee of Ambassadors in conjunction with the ACP Secretariat to negotiate with the EEC an allocation from the unused balance of the EDF Regional Fund to ensure the commencement of the implementation of the programme during the period 1988-1990;

DECIDES:

(i) That in implementing the Programme, the Trade sector should now be fully implemented and in this connection the project to establish an ACP Information Exchange System (Data Bank) should be implemented as a matter of priority;

(ii) The Maritime and Air Transport Programmes should commence with those aspects most feasible for early implementation;

(iii) The Committee of Ambassadors and the Secretary General should now actively pursue other sources of funding;

(iv) A Report on the progress of implementation should be submitted to Council in one year's time.

EEC, CARICOM, the Pacific Forum, SADCC, CEEA, ECOWAS, CEAC and others could be of practical value. So could seminars bringing them together with multilateral (e.g. DG VIII, ADB, IBRD, Asian DB, IADB, UNDP) and major bilateral (Community Member State and other) development cooperation agencies to discuss ways and means of more effective relating of these agencies, financing programmes to regional priorities and procedures.

None of these proposals is revolutionary nor likely to change the eco-

nomics prospects of ACP States overnight. Each requires financial resources, hard work and goodwill to achieve. But each would enhance the prospects and progress of meaningful South-South regional cooperation among ACP Member States in cooperation with the EEC. And all are consistent with the vocation of the EEC and ACP and with building on the *acquis* of the Lomé Conventions. As Mwalimu Julius Nyerere of Tanzania has put it: "To plan is to choose. Choose to go forward". ○ .

R.G.

Regional cooperation under Lomé Experience and developments

by Amos TINCANI (*)

One of the main innovations of the first Lomé Convention, which came into force in 1975, concerned support from the Community for the ACP States' efforts in the field of regional cooperation⁽¹⁾.

The Community, itself a regional cooperation organisation, had obvious reasons for encouraging greater cooperation amongst the ACP States and giving support to institutionalised groupings or *ad hoc* cooperation arrangements wherever they appeared to be of benefit to the countries concerned, especially with a view to overcoming frontiers imposed by history.

Developing countries had long engaged in regional cooperation. This idea also found expression in international conferences such as those of the Group of 77 and UNCTAD, which called for "collective self-reliance"⁽²⁾.

(*) Principal Administrator in the Directorate-General for Development.

(1) Although the Community had already financed regional projects and organisations under the previous Conventions, the explicit support for regional cooperation in Lomé I was a qualitative leap forward.

(2) It was at the conference held in New Delhi in 1968 that programmes for economic cooperation between developing countries were first drawn up in UNCTAD.

The setting up of the ACP Group under the Georgetown Agreement of 1975 was a logical consequence of Lomé I and its provisions concerning regional cooperation. The collective self-reliance strategy was developed further at two later meetings of the ACP Group (Suva in 1977 and Harare in 1985). While the aim was not all-out cooperation and integration, the Group did draw up concertation programmes embracing all ACP States in a number of sectors, notably transport and telecommunications.

Evolution of the regional cooperation provisions of the three Conventions

The experience of regional cooperation gained under the Yaoundé Conventions led to the inclusion of an explicit reference in Lomé I, one of the innovations of this Convention, and the allocation of 10% (ECU 300 m) of the total Lomé financial package for this purpose. The Convention's specific provisions (Article 47) were fairly brief and focused on regional and inter-regional cooperation, economic diversification, import substitution, market expansion and trade promotion.

Regional cooperation was given

greater prominence in the second Lomé Convention where a whole chapter was devoted to it. Two new objectives also appeared: the strengthening of ACP regional organisations and specific measures for landlocked and island countries. The financial allocation was doubled (ECU 600 m⁽³⁾), giving regional cooperation 14% of total funds (excluding Stabex and Sysmin). Regional cooperation and regional projects were better defined and a long but not exhaustive list given of suggested areas of cooperation. The list reflected the ideas of the time concerning suitable sectors for regional cooperation (transport, industry, agriculture, animal diseases, etc.). Lomé II also set out the conditions governing eligibility for regional cooperation financing (request made by one or more ACP States, request presented by a regional body in agreement with the States concerned, etc.).

The Third Lomé Convention contains a number of innovations:

- (i) important stipulations have been added to the definition of regional cooperation to encourage real cooperation and discourage "false" regional projects;
- (ii) it also defines the "degree of regionality" of a regional operation and provides for the possibility of mixed regional and national funding. In this way the regional funding acts as an incentive to the countries concerned to concert policies at regional level;
- (iii) regional programming is better defined.

The ECU 1 000 m earmarked for regional cooperation under Lomé III represents 14% of programmed funds, the same proportion as under Lomé II.

Breakdown of the regional cooperation fund

From Lomé I on, financing has been broken down by region, after deduction of an amount for general operations not specific to a given geographi-

(3) Rising to ECU 631.5 m as a result of Zimbabwe's accession.



The EDF helped to fund this regional project, aimed at eradicating river blindness in West Africa

cal area. In agreement with the ACP States, Africa is divided into four regions: West, Central, East and Southern Africa. This is the most "natural" division for regional cooperation purposes but it does not exclude cooperation across these divisions, which indeed is not uncommon.

Lomé I funds were allocated through a fairly complex formula based on the requests for financing received. The breakdown of financing since Lomé II, in contrast, has been based on objective criteria adopted by the Commission at the start of each new Convention. These regional financial packages constitute firm commitments upon which countries in the region can count for their regional programmes.

Programming regional cooperation

Regional cooperation programming under Lomé I took place in two stages. The Commission received financing requests concerning over 120 individual projects. Since the financial allocations had to be distributed fairly among geographical areas and sectors, it unsurprisingly made for a cumbersome and slow procedure, not helped by the fact that regional cooperation was still a new and untried instrument.

The results of regional cooperation under Lomé I were sometimes unsatisfactory: resources were spread thinly and the regional character of some operations was unconvincing.

The programming method changed under Lomé II. Using a formula based on objective criteria, the Commission first established the amount for each sub-region, notifying each ACP State concerned. Programming missions visiting each ACP State held an exchange of views on the State's regional policy and priorities. Projects furthering these objectives were listed in an annex to the indicative programme. The subregional programmes were then drawn up on the basis of these lists, taking into account the feasibility of the projects (including regional character and the state of preparation). The aim of this procedure was to prevent regional cooperation resources being spread too thinly and ensure that they were channelled into related

The Hambayi Report

The ACP-EEC Joint Assembly examined and adopted a report on regional cooperation presented by the Zambian MP Alfayo S. Hambayi. Here are some extracts:

"Most governments, it would appear, are compelled to attach higher priority to national indicative programmes than to regional programmes. This is understandable. But, perhaps more consideration could be given to regional programming if it was not relegated to Annex III of the National Indicative Programme. This implies an inferior status for regional effort when, as we have seen, it is entirely complementary to national development policies. This approach causes fewer difficulties when regional organisations are mandated by their member states to formulate with the EC their regional programmes and priorities. But, only a minority of ACP States operate in this way. Hence the need for some reassessment of the procedures for regional planning policy.

It would appear that more human resources are concentrated on the establishment of the national indicative programmes, than proportionally for regional programmes. In many cases lack of qualified personnel, manpower problems and lack of training facilities undermine the efficiency of government departments responsible for regional cooperation. It is certainly clear in many regions that there is a marked lack of technical assistance to assist in the identification and implementation of regional projects. The role and recruitment of consultants could also be investigated in order to improve criteria of choice and suitability.

Regional Programming Committees can act more rapidly and more effectively when regional organisations provide them with constructive and well-formulated advice. Under Lomé III the earliest agreements were signed in the two regions of the ACP Group of States where these procedures were most advanced. Some regions have yet to conclude their programmes.

If possible, regional policy under the Lomé Convention should be established on the basis of a collective dialogue between the ACP States of a given region, in the first instance, together with their major regional organisations. This allows the states concerned to reach provisional agreements on priorities and, in some cases, on project identification. It could also allow the states concerned to assess the role that they believe other donors might play, and to assess the commitment each member state is willing to make. They may decide to devolve such considerations to established regional organisations who could establish draft plans to be presented for ratification to the members states; who on the basis of such plans, confer a mandate. At the moment, this happens with SPEC and with SADCC.

The complexity of the task is clear, even before negotiations with the European Community begin. Competition between regional bodies in the same region is one common problem. Certain regional organisations do not cover the same geographical areas as the "seven" predetermined ACP regions".

and more structured operations in each region.

The Lomé II programming approach proved less cumbersome than that employed under Lomé I but the attempt to concentrate resources on more structured programmes and to ensure that the operations financed were truly regional had only limited success.

A number of projects were still basically national with only a small re-

gional component. This phenomenon was sometimes dealt with by mixing regional and national (indicative programme) funds.

Under Lomé III, the Commission has tried to make programming more effective, more structured and more transparent. On notification of the regional financial allocations, the ACP States were asked to hold consultations amongst themselves with a view to informing the Community of their

Regional cooperation Lomé II (000 ECU)
Situation at 09/07/88

Committed

	Total	West Africa	Cent. Africa	East Africa	Southern Africa	Indian Ocean	Caribbean	Pacific	All ACP (*)	Art. 22
Allocation	631 500	160 000	60 000	140 000	70 000	20 000	55 600	30 416	55 484	40 000
• of which G+RC+OR	542 500	144 000	43 000	110 200	65 000	17 200	42 600	25 016	55 484	40 000
• of which SL	89 000	16 000	17 000	29 800	5 000	2 800	13 000	5 400		
Committed										
Allocated = %	93.9	98.5	90.1	87.3	96.7	98.7	88.5	99.8	95.0	98.7
Committed	592 751	157 525	54 006	122 177	67 642	19 735	49 179	30 346	52 693	39 448
• of which G	476 847	119 111	35 406	87 165	63 142	16 945	42 521	20 416	52 693	39 448
• of which SL	77 838	14 500	15 250	28 730	4 500	2 790	6 658	5 410		
Sub-total Commission	554 685	133 611	50 656	115 895	67 642	19 735	49 179	25 826	52 693	39 448
• of which RC	30 466	18 914	750	6 282	—	—	—	4 520	—	—
• of which OR	7 600	5 000	2 600	—	—	—	—	—	—	—
Sub-total EIB	38 066	23 914	3 350	6 282	—	—	—	4 520	—	—
Amounts not committed	38 749	2 475	5 994	17 823	2 358	265	6 421	70	2 791	552
• of which indentified (**)	20 048	596	4 200	11 800	1 252	—	—	—	2 200	—
• of which not identified	18 701	1 879	1 794	6 023	1 106	265	6 421	70	591	552

G = Grants (COM)

RC = Risk Capital (EIB)

SL = Special Loan (COM)

OR = Own Resources (EIB)

(*) Except Article 22 (trade promotion).

(**) From project identification table.

Regional cooperation Lomé III (000 ECU)
Situation at 09/07/88

Committed

	Total	West Africa	Cent. Africa	East Africa	Southern Africa	Indian Ocean	Caribbean	Pacific	All ACP (*)	Art. 100
Allocation	1 000 000	210 000	80 000	185 000	110 000	26 000	72 000	34 000	223 000	60 000
• of which G+RC+OR	902 000	182 000	69 000	160 000	95 000	22 000	62 000	29 000	223 000	60 000
• of which SL	98 000	28 000	11 000	25 000	15 000	4 000	10 000	5 000	—	—
Committed										
Allocated = %	28.7	28.9	16.8	41.8	49.6	25.8	1.2	40.6	22.7	15.8
Committed	286 995	60 551	13 370	77 300	54 460	6 700	833	13 780	50 566	9 435
• of which G	215 595	19 351	2 270	62 300	54 460	5 300	833	11 080	50 566	9 435
• of which SL	11 700	—	—	9 000	—	—	—	2 700	—	—
Sub-total Commission	227 295	19 351	2 270	71 300	54 460	5 300	833	13 780	50 566	9 435
• of which RC	44 700	31 200	6 100	6 000	—	1 400	—	—	—	—
• of which OR	15 000	10 000	5 000	—	—	—	—	—	—	—
Sub-total EIB	59 700	41 200	11 100	6 000	—	1 400	—	—	—	—
Amounts not committed	713 005	149 449	66 630	107 700	55 540	19 300	71 167	20 220	172 434	50 565
• of which indentified (**)	81 734	30 000	—	33 000	5 936	—	5 398	—	—	7 400
• of which not identified	631 271	119 449	66 630	74 700	49 604	19 300	65 769	20 220	172 434	43 165

G = Grants (COM)

RC = Risk Capital (EIB)

SL = Special Loan (COM)

OR = Own Resources (EIB)

(*) Except Article 100 (trade promotion).

(**) From project identification table.

regional cooperation priorities and their regional partners (including regional organisations). Each national indicative programme concluded between the Community and an ACP State had an annex setting out that country's regional cooperation preferences. Some ACP States then mandated a regional organisation to coordinate programming with the Community on their behalf, and in these cases the programming talks took place between the Commission and the regional organisation. This happened in the case of Southern Africa (SADDC), the Indian Ocean (IOC), the Pacific (SPEC) and, to some extent, the Caribbean (CARICOM and OECS).

In the case of other regions, groups of States preferred to hold regional programming meetings with the Commission and not use a regional organisation as an intermediary.

Whatever the case, the Commission's main concern was to get agreement on focusing sectoral preferences on themes of most interest to the whole region concerned and to prevent a frittering of regional resources on projects of little regional value.

Procedures

Regional cooperation procedures are the same as those used for the national indicative programmes and are set out in the text of the Convention. Regional operations naturally concern a number of countries and are thus by their very nature more complicated to organise from the point of view of both preparation and implementation.

The organisation of cooperation between the authorities of a number of states or between national authorities and regional bodies is frequently more demanding than that of national projects. The effort, however, is worthwhile in view of the benefits of regional cooperation.

Although support for regional organisations is provided for in the Convention, the ACP States wanted to retain overall authority concerning the use of regional funds in their own hands. They may involve regional organisations in regional cooperation in cases where these organisations have been given a specific mandate to carry out a project.

Sectoral breakdown	Lomé I		Lomé II (Com + EIB)	
	ECU m	%	ECU m	%
Transport and communications	176	58	202	40
Industry, energy, mining	68	22	71	17
Rural development	21	7	135	26
Training, health, water supply	36	12	63	13
Technical assistance and miscellaneous	5	1	21	4
Total	306	100	492	100

Regional cooperation under the Lomé Convention is thus not linked to regional organisations. It may take the form of inter-state cooperation with no intermediate body. In practice, however, the ACP States often call on regional bodies to play a role, which can range from one of simple coordinator to that of project supervisor or overall manager. The Community thus helps a good number of regional organisations either through direct support or through the financing of projects.

Sectoral breakdown

The sectoral breakdowns for Lomé I and Lomé II are given on this page (based on total amount committed to the subregions)⁽¹⁾.

The transport and communications sector was the major beneficiary under the first two Conventions, although its share decreased under Lomé II. The importance accorded to transport and communications can be justified by the real regional cooperation potential, and indeed need, in this sector. Rural development, which played a fairly minor role under Lomé I, became more important under Lomé II, moving up to second place. This growing importance reflected a similar trend in the national indicative programmes and was the result of a fresh approach to development needs, which also influenced regional policy. The industry, energy and mining sector, a leading beneficiary under Lomé I, slipped to third place under Lomé II with a share of 17%.

Activities under the heading "technical assistance, miscellaneous", although not a major beneficiary in fi-

(1) The difference between the overall appropriations and the totals in this breakdown are accounted for by the general "all ACP States" operations.

ancial terms, included a significant number of activities to support regional organisations. By strengthening these bodies, the Community made a considerable contribution towards promoting regional cooperation.

The commitment rate for regional cooperation under Lomé III is still too low (about 27%) to provide reliable figures for a sectoral breakdown.

Conclusion

In the course of three Conventions the Community has honed its regional cooperation instruments to direct aid in support of concerted policies: the creation of a regional fund and its breakdown by region, the programming exercise and the dialogue with countries in each region, administrative procedures to decide on the regional character of projects, all these have helped the Community to improve dialogue, consultation and co-operation, among ACP States especially at level of each region.

Furthermore, the efforts to identify the regional character of an operation and the mixing of national and regional funds has stimulated thought about what really constitutes useful regional projects.

Regional cooperation funds act as a kind of incentive to cooperate between ACP States. This is why the Community, while supporting regional organisations, has always been keen to focus on dialogue with the ACP States to make sure that the political will for cooperation is there.

Through these instruments the Community puts emphasis on cooperation within ACP regions rather than cooperation between all ACP countries, since the greater potential for effective and fruitful cooperation is at that level. ○

A. Tincani

“We hope to establish a PTA payments and monetary union”

An interview with Secretary-General Bax NOMVETE

► *The PTA is rather a young organisation. Are all its mechanisms in place now?*

— Well, I think to answer that properly, I should put the PTA in its proper context. The PTA is an economic cooperation arrangement for all the countries of eastern and southern Africa—20 countries in all. We started negotiating on the Treaty in 1978, and there was a series of negotiations at which all the 20 countries, excluding South Africa, of eastern and southern Africa participated. We had about 12 meetings between 1978 and the signing of the PTA Treaty in December 1981.

Now I should emphasise one thing; although it is called a Preferential Trade Area, it is not a trading organisation *per se*. The Treaty provides for cooperation in the trade, transport and communications, industrial, agricultural and monetary sectors, but we are using trade and currency as catalytic sectors to generate and to demonstrate interdependence amongst the countries of eastern and southern Africa. Although the 20 countries involved participated in the negotiations from 1978-1981, up to now 15 countries have acceded to the PTA Treaty—the other countries have yet to sign and ratify it. The countries which have not yet signed and ratified are Botswana, Madagascar, Seychelles, Angola and Mozambique. But consultations are taking place on a continuous basis. Now, coming back to your question, all mechanisms are in place. The PTA has started removing tariff and non-tariff barriers—a timetable was established for the gradual relaxation, as provided for in the Treaty, of tariff barriers. We started with the first round of tariff reductions on 1st July 1984 and on October 1st this year we shall be implementing the second round.

► *What tariffs have you removed already?*

— We are removing all tariffs on intra-PTA trade—that is all commodities which are traded amongst the countries of eastern and southern Africa. We are relaxing tariffs on a gradual basis.

► *Products such as foodstuffs?*

— Everything: foodstuffs, agricultural goods, capital goods—everything. But there are different ranges of tariff reductions. Now, as a result of this, trade is beginning to increase steadily amongst the PTA countries. When we started, we were below 5% of intra-PTA trade: now we have reached almost 8%. But this is



only the beginning. We started only four years ago. As from October 1st this year we will be reducing tariffs by 10% until we reach zero tariffs over a period of 10-15 years. We will review the entire picture in 1992 as to whether we should go faster, or go more slowly because, when you reduce tariffs, you should remember that there are some countries like little Rwanda which, because of revenue, are finding it very difficult. Secondly we have started eliminating non-tariff barriers to intra-PTA trade. Some of these barriers have already been completely eliminated—for example, import licences, as far as intra-PTA trade is concerned, have been reduced in number. I think only about four or five countries still have import licences in respect of intra-PTA trade. Thirdly, the PTA clearing house is now operating. It was established on 1 February 1984. The object of the clearing house is to encourage the countries of eastern and southern Africa to use local currencies—that is already happening, and we hope to reach the full utilisation of the PTA clearing house within the next 12 to 18 months.

► *But the countries will still need foreign currency. If they trade amongst themselves and they receive only local currencies, how will they finance their international trade with other countries?*

— It will help them, incidentally, of course. Remember we are talking of intra-sub-regional trade. We're not talking of imports from France. As far as intra-PTA trade is concerned, we are using local currencies. Now the countries will, of course, need hard currency to import from France—that's a different story. The fact that when I buy from you and when you buy from me we use our local currencies, at the end of the day you'll have more money to go and buy things from outside—and it's already demonstrating that. Gradually, since 1984, the proportion of hard currency which is paid out for trade amongst the countries of eastern and southern Africa is going down. Now the object of this is to reserve hard currency for imports from outside the PTA sub-region. At the end of the day, of course, we are hoping to establish a PTA payments union, and a PTA monetary union. This is the first step. In another two or three years I hope we'll reach the stage when there will be intra-PTA convertibility of currencies—in other words when the Ethiopian birr will be easily convertible to the Ugandan shilling, and the Ugandan shilling will be easily convertible to the Zimbabwean dollar.

► *That seems a very ambitious programme, considering that three of your member states, the members of the former East African Community, had a very advanced economic union among themselves, and that this union eventually collapsed...*

— No. You are completely wrong. The East African Community did not collapse because of that. It collapsed precisely because these mechanisms were not being properly used. So you must have your perspectives right. Now, let me finish with the clearing house. Over the next two years we shall aim for the convertibility of currencies—intra-PTA convertibility of currencies. The next step will be



the establishment—probably six or seven years after that—of a payments union, and the following step the establishment of a monetary union. At about that time, we hope that the PTA will have reached the stage of being upgraded to a common market. All along the line we are doing things on a step-by-step, realistic, pragmatic basis. Under the clearing house, on August 1 1988, we shall be introducing the PTA travellers cheques. No economic cooperation arrangement in Latin America, in Asia, or Africa, obviously, has ever reached that stage.

We have now reached the stage when all Central Banks and Ministers of Finance have agreed to introduce the PTA travellers cheque which will begin to be effective as from August 1⁽¹⁾. And we shall be launching it at the level of Heads of State and Ministers on August 27. Now that will facilitate travel and business contacts throughout the PTA sub-region, and once you establish viable business contacts you facilitate the promotion of inter-state joint ventures. For the purpose, we have established within the PTA an association of PTA businessmen, the PTA Federation of Chambers of Commerce and Industry. They signed their own charter in September 1986, and they meet regularly to review the implementation of the PTA programme. At the end of the day, it's the business community who will have to implement the PTA Treaty, not the people sitting in government offices. The PTA Federation of Chambers of Commerce and Industry is already very active in the promotion of intra-PTA trade, in the encouragement of economic interdependence among the countries of eastern and southern Africa. For example, the second PTA Trade Fair will be sponsored under the umbrella of the PTA Federation of Chambers of Commerce and Industry. The first PTA Trade Fair was also sponsored that way.

▶ *As a result of all these arrangements have you noticed a flow of investment coming into PTA countries because of this larger market?*

(1) Interview conducted in June 1988.

— The Federation was established in 1986—that is two years ago. It takes a little bit of time. You've got to establish the framework and the framework must be seen to be operating. It is only now that the PTA framework is actually beginning to operate, and it is because of this that we are talking not of foreign investment from France or America, but of investment by Zimbabwe in Ethiopia; by Ethiopia in Kenya; by Kenya in Malawi. At the next meeting of the PTA Federation in November we shall be discussing investment in concrete terms. The PTA is demonstrating to Africans that things which they have been told they can't do they are beginning, actually, to do. For your information we are now in the process of preparing inter-state joint ventures between Ethiopia and Kenya, between Malawi and Tanzania. I'm just taking the extreme countries where you have been told that they will never even talk to each other. At that meeting in November we shall be looking at specific projects.

▶ *This is for the future; there is nothing of that sort yet; you are just talking in terms of projects?*

— If you started an economic cooperation arrangement four years ago you will have to identify projects, negotiate on projects and then begin to implement projects. We will be looking at specific inter-state joint ventures between Ethiopia-Kenya, Kenya-Uganda and all the PTA countries. PTA businessmen have held about six or seven buyers' and sellers' meetings. We have had meetings on pharmaceuticals, on agricultural implements, on insecticides and a big meeting in March, in Harare, a multi-product fair at which all businessmen from the PTA countries went to sell to the Zimbabwean businessmen. The volume of business which we generated was over \$ 100 million. All we are doing is to work out the import licencing arrangements to facilitate the flow of the contracts which were signed by businessmen in Harare.

▶ *One thing will hamper trade links in your area, namely the lack of transportation; and indeed one of the goals of the*

SADCC countries is to improve the transport facilities. The area is also a troubled area, politically, and the threat posed by South Africa and civil war is bound to add to the problems.

— Just like civil war between Britain and Ireland. These things are not peculiar to Africa. They are everywhere and they are not problems which cannot be resolved. About the transport sector, we have, with the assistance of a number of organisations, established missing inter-state transport. We know exactly what roads have to be upgraded between which countries. We've also established what is required to upgrade the operation of the railway systems of eastern and southern Africa. We have, too, a programme for the establishment of a coastal shipping line for all the countries of eastern and southern Africa, beginning from Ethiopia and going down to Mozambique. We have a programme for the establishment of an inland water integrated transportation system. All these have now been established and what we are doing now is to mobilise resources.

▶ *I know some programmes can take years. The upgrading of the Mozambican ports will take ten years, according to a donors' conference I have attended here. So it's not something that will be done overnight... and it could hamper your work...*

— Donor countries don't lead to implementation of projects. If you have been taught that, you have been misinformed. Implementation of projects depends on the governments directly concerned.

▶ *Provided they have the means to finance their projects and they don't go abroad for funding?*

— It depends on how you handle the outside world. You must always remember that the outside world is as interested in you as you are interested in them. Now the Africans think that when you go to France you must say, "Yes sir, please give us this" and if the French say, "Do it this way", then you are stuck. We have classified the various transport projects according to the timescale which it is likely to take. Let me take roads for example. The top priority is on the upgrading or rehabilitation of roads which are already in existence. I'll give you a concrete example. Between Addis Ababa and Nairobi, on the Ethiopian side, we have a road which goes as far as Isiolo. It has to be extended to Nairobi on the Kenyan

side. What that road requires really is to be rehabilitated and upgraded — in other words there is already a dust structure there. Now, under the auspices of the PTA, Ethiopia and Kenya have already obtained funding, from the African Development Bank and the European Development Fund, and within the next two or three years that road will be upgraded. There are several between Tanzania and Malawi presently. In other words, concrete work at the ground level is already taking place and the resources have been mobilised. Right now, the African Development Bank is looking at the rehabilitation of road structures between Uganda and Rwanda and also between Uganda and Kenya. We are aware that to construct a road it takes a little bit of time; even if you have got the money it will take at least two, three or four years before the road is actually in place. While we are negotiating, undertaking feasibility studies for the construction of new roads, there are a large number of inter-state roads which, if they're upgraded and rehabilitated, will significantly improve the flow of transportation amongst the PTA countries.

► *You seem to be concerned with so many different tasks. How many staff do you have to deal with it all?*

— Economic development is an inter-dependent process. If you establish a factory then you must have a road which will transport the output of that factory to such and such a place and, if you do that, then you must have a payments mechanism. Therefore all I'm saying is one thing and I'm just demonstrating the facets of exactly the same thing and I'm doing it this way to demonstrate how the leaders of eastern and southern Africa are seriously addressing themselves at last to economic development. Since independence, if you look at the economies of Africa, they are going down like this, all we have been doing is to think of exporting cocoa, coffee, of getting into air-planes, running up and down borrowing money; but development means you must sit down, recognise your own potential, establish your own priorities and if you are going to go outside — you are not going to ask for ideas, you will say: this is what I have got and I want it done this way, let us negotiate as to how we can join forces, you lend me money, it's not a gift, I will pay it back. But this is what I want done. All I'm saying is that the leadership of eastern and southern Africa recognises all these problems and they are seriously getting down to the

business of actually doing it. In the field of industry, a series of potential multinational projects, particularly in the field of chemicals, fertilisers, and iron and steel, have been identified. We are now negotiating with the World Bank and with the African Development Bank for investment financing. It is in this context that we established in 1986 the PTA Trade and Development Bank in Bujumbura, Burundi, which is now just about to begin to operate.

As to staff — you don't need a hundred people to identify and implement programmes and projects. A hundred people means you have got a huge bureaucracy, but it doesn't necessarily mean that you will expedite the implementation of programmes. The PTA has a very small staff as a secretariat, but we are using experts from the PTA Member States. They lend us their experts at their own expense for two, three or four months to undertake some particular task and at the same time we have full support of the African Development Bank.

► *How large is the Secretariat staff?*

— My staff number only about 30 to 40, and the professionals about 15 or 20. I've worked in bureaucracies all my life. I was one of those who created institutions such as ECOWAS. I was with the United Nations for many years. In four years the work which the PTA has done with only about 10 to 15 African experts is much more than 20 years of work in some of the large bureaucracies which are either in Africa or outside Africa.

► *And with very little money?*

— The PTA is financed entirely by the governments of eastern and southern Africa. We ask for external assistance when it comes to implementation of activities, to supplement the resources which are mobilised from within the PTA sub-region.

► *The accounts of a lot of African regional groupings are now showing arrears in the contributions of their member states. Do you have this problem in the PTA?*

— I don't have that problem at all. I've 15 countries up to now and no country is in arrears. On the contrary, one or two countries sometimes pay their contributions two years in advance.

► *Do they pay in foreign or local currency?*

— Foreign currency.

► *Let's talk about South Africa now...*

— I will talk about South Africa in the context of the PTA. On May 25th, in Addis Ababa during the 25th anniversary of the OAU, the Heads of State of the PTA met and established a programme for the de-linking of the PTA economies from the economy of South Africa, particularly in the fields of trade, because there are many African countries which are still doing business with South Africa. They agreed, at the level of Heads of State and Government, after meetings of experts and ministers, that for certain commodities — and these commodities which we are still importing from South Africa are clearly spelt out, we will begin to import them from one another.

► *What sort of products?*

— Agricultural products, consumer textiles for example; intermediate products, iron and steel—which Zimbabwe can produce, fertilisers—which Zambia, Zimbabwe and Mauritius can produce. Now, there are a number of countries (I cannot tell you now, for obvious reasons) that are still doing big business with South Africa in commodities which we produce in the PTA sub-region, and a complete programme has now been established for the gradual phasing out of those imports from South Africa. On top of that, there are a number of countries, particularly the Frontline States which, because of economic history and geography, are forced to export to South Africa. We have identified the commodities which they export to South Africa. We have identified potential consumers of those commodities from within the PTA sub-region. So, while we are de-linking our imports from South Africa, we'll also be phasing out our exports to South Africa. For that—and I want to emphasise this because you don't believe Africans can work together—a committee of Heads of State of Ethiopia, Kenya, Uganda, Tanzania, Zambia and Zimbabwe will meet (naturally, assisted by ministers and experts). I'm now working towards the convening of the first meeting, possibly in December or January of next year. Now, the purpose of that is to strengthen economic sanctions against South Africa and to lessen, in a concrete way, by African countries themselves, any trade links with South Africa.

○

Interview by A.T.

The Northern Corridor Transit Agreement

by Yasmin SÖZEN (*)

During the 19th century the trade routes between the landlocked central areas of Africa and the Eastern coast were run in part by Arab and Swahili caravanners, in part by African traders. Ivory and slaves, mainly, were moved along these routes towards the coast. The trail leading from the northern states of Lake Victoria to the port of Mombasa constituted the northern route. The southern route led from Kilwa, south of Dar es Salaam, to present-day Malawi. The central route led from Zanzibar, via Tabora to Lakes Tanganyika and Kivu.

During colonial rule the first railway lines were established for the dual purpose of effective communication and the exploitation of resources. The first link, to serve Uganda, began from the coast in May 1896 and progressed rapidly, reaching Nairobi by 1899 and Kisumu by 1901. The economic significance of this railway can be gauged from the fact that Nairobi first began as a supply base during the line's construction. A steamer service linking Kisumu and Port Bell then completed the first Northern Corridor transport system.

The following years saw rapid progress. The railway was extended to Kampala by 1931 and by 1970 it had reached Pakwach on the Albert Nile and Kasese in the foothills of the Ruwenzori mountains.

Meanwhile the development of

roads began and, though making steady progress, it was not until the 1960s and following on from the breakdown of the East African Community and the disruption which then occurred, that the use of the road networks overtook the demand for railway transport. By 1982, the railway was taking only 80 000 tons to Uganda compared with some 200 000 tons travelling by road.

Present situation

The term "Northern Corridor" is now used to designate the transport infrastructure and facilities located in Eastern Africa and served by the port of Mombasa in the Republic of Kenya. The Corridor consists today of three components, namely:

- the railway running from Mombasa to Nairobi in Kenya, into Uganda to Kampala and ending at Kasese close to the Uganda-Zaire border. It runs a distance of nearly 1 500 km;
- the road system which joins Mombasa to Nairobi continuing to Kampala, then on to Kigali (Rwanda) and Bujumbura (Burundi). The road is some 1 970 km long;
- the oil pipeline which is 449 km long and runs from Mombasa to Nairobi.

The Northern Corridor provides the essential outlet to and from world markets for the landlocked countries of Rwanda, Burundi and Uganda and

even for Eastern Zaire. In 1935, four years after the railway reached Kampala, the port of Mombasa handled a million tonnes of cargo. Ugandan cotton accounted for the highest tonnage.

The northern route now carries 90% of Uganda's exports and imports (half a million tonnes). A similar proportion of Rwanda's trade, about 300 000 tonnes annually, coffee and tea exports from, and fuel imports to, the province of Kivu in Zaire travel this road.

As economic activity generated trade flows, the transport systems had to be developed and consolidated. This is, however, a costly exercise and the resources available have always been scarce. Therefore to gain maximum benefit from what was available, it soon became evident that a coordinated approach to developing the transport infrastructure within the region was required.

Thus Kenya, Uganda, Burundi and Rwanda have slowly been working towards greater coordination and mutual cooperation. Both the European Economic Community and the United Nations Conference on Trade and Development (UNCTAD) have been keen to lend their support to this process whenever and wherever possible. Thus, conscious of the need to provide greater cooperation among the Northern Corridor countries, the Commission undertook in the early 1980s to organise several meetings with them to define the ways in which a coordinated coherent assistance and development programme could be established within the region. The Commission took this initiative in order to promote the implementation of specific provisions and resources contained in the Lomé Conventions for regional cooperation, whilst taking into account the particular problems and constraints of LLDCs and landlocked ACP countries within the sub-region. The projects which have been funded to date under the three conventions are listed elsewhere in this article. They represent a financial effort on the part of the EEC of some ECU 194 million over the 11-year period from 1977 to the present.



The port of Mombasa, Kenya, the outlet for the Northern Corridor

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The successive meetings held among the countries of the region, with assistance from both the EEC and UNCTAD culminated in the signature on 19 February 1985 of the Northern Corridor Transit Agreement. The signatories to this agreement were Kenya, Uganda, Burundi, Rwanda and, in 1987, Zaire.

The Northern Corridor Transit Agreement (NCTA)

The Northern Corridor Transit Agreement is the expression of the political will of the signatory states to facilitate transport for each other along the Corridor. It places specific and binding obligations on each. They have in fact committed themselves to:

- facilitating the free movement of transit traffic on routes adapted for international traffic;
- removing or reducing the administrative procedures or constraints which currently impede the efficient and free movement of merchandise through the Northern Corridor;
- allocating an area to each landlocked country for the transshipment of their merchandise within the Port of Mombasa.

The Agreement itself expresses the aims and expectations which motivated the signatory countries: "Animated by the desire to maintain, further develop and strengthen friendly relations and cooperation between their countries; being aware of the growing interdependence of nations, regionally and internationally; being of the view that no country, whether landlocked or not, should be isolated from the rest of the world; desirous to ensure the smooth and rapid movement of goods originating from or destined to a Contracting Party in transit through the territories of other Contracting Parties; recognising the importance of adequate transit arrangements for the international trade and for the economic progress of landlocked states; reiterating their commitment to developing and maintaining a rational, coordinated and mutually beneficial system of transport and communication in the Northern Corridor ...".

In a more practical way, it has been recognised that a coordinated approach to the Corridor would make it

Northern Corridor projects financed by EDF				
Lomé	Denomination	Distance	Date of decision	Amount ECU (**)
I	Kigali-Butare (Rwanda) road	124 km	Oct. 77	23 000 000
I	Butare (Rwanda)-Kyanza (Burundi) road	55 km	Oct. 77	11 000 000
I	Idem		Jan. 80	1 650 000
I	Kampala-Masaka (Uganda) road	45 km	Sept. 79	5 250 000
I	Preparatory study for the transit agreement		Jan. 81	40 000
II	Kampala-Masaka (Uganda) road	17 km	Feb. 83	4 050 000
II	Tank wagons (Uganda) (35)		May 84	2 500 000
II	Customs officers training		Feb. 85	160 000
II	Kayanza-Bugarama (Burundi) road	60 km	Sept. 85	2 200 000
II	Turbo-Webuye (Kenya) road	38 km	Dec. 85	10 500 000
II	T.A. Interim secretariat		May 86	150 000
II	Kampala-Masaka (Uganda) road	55 km	Sept. 86	9 000 000
II	Kabale-Gatuna (Uganda) road	21 km	Sept. 86	7 000 000
II	Blumba-Gatuna (Rwanda) road	21 km	Sept. 86	8 500 000
III	Webuye-Malaba (rehabilitation)	61 km	Jul. 87	16 150 000
III	Eldoret-Turbo (rehabilitation)	28 km	Jul. 87	4 550 000
III	Kabete-Limuru (rehabilitation)	17 km	Jul. 87	15 400 000
III	Technical assistance to TTCA + maintenance monitoring study		Jul. 87	900 000
III	Malaba customs facilities (Kenya-Uganda)		Jul. 87	2 000 000
III	Masaka-Kabale (Uganda) road	277 km	Oct. 87	45 000 000
III	(*) Bujumbura-Akanyaru (Burundi) road — Rehabilitation of port admin. buildings	117 km		25 000 000
III	Road terminal of Bujumbura			

(*) In appraisal.
(**) Amounts shown include indicative programme contributions.

possible, in a more systematic manner, to seek donor assistance to improve, maintain or rehabilitate the given infrastructure; to tackle the problem of road maintenance in a harmonised way by the levying of mutually agreed road taxes and to systematically control the axle weight of transport vehicles to minimise damage to the roads. A single transit document for merchandise has been created in order to simplify customs procedures and keep costs and delays to a minimum.

The Agreement also foresees closer cooperation and coordination between the railway corporations and the introduction of a common insurance scheme for motor vehicles.

Significant progress has been made to date towards the stated aims of the Agreement and some of the obstacles to the smooth passage of transit traffic along the Corridor have been tackled. Many are, however, more difficult to resolve since they require an adjustment in the behavioural patterns of users and of the administrations involved, who do not always perceive the benefits of a new approach. It will

also take time and genuine effort and commitment on the part of the Governments concerned to achieve harmonisation of their national transport policies.

At the recent second ordinary meeting of the Transit Transport Coordination Authority (set up under the terms of the NCTA) (Bujumbura, 22-27 August 1988) the Executive Secretary to its Permanent Secretariat was identified and chosen. As in the past, both the EEC and UNCTAD are committed to providing the Authority and its Permanent Secretariat with all necessary assistance which will enable these bodies to fulfill the mandate set for them within the framework of the Agreement.

At the political level the need for a harmonised approach to transit traffic has been recognised and confirmed. The TTCA and its Permanent Secretariat must now assume a central role in translating that political intention into a specific programme of actions which can be understood and implemented at the operational level. ○

Y.S.

The dividends of integration

One doesn't need long speeches to convince people of the validity of regional cooperation. It's an absolute necessity in certain areas such as the fight against desertification or international transportation. But how much does it actually contribute to the economies of the countries concerned? The EEC Commission has commissioned a study of its own Member States to determine just that. If such a study was conducted in the various regions of the ACP Group, it would undoubtedly revitalise regional cooperation.

The European example⁽¹⁾

The Commission recently revealed the results of a major study which it commissioned to evaluate scientifically the benefits of the single market. This study, which will shortly be published in book form, provides the hard evidence, the confirmation of what those who are engaged in building Europe have always known: that the failure to achieve a single market has been costing European industry dearly in unnecessary costs and lost opportunities; that the completion of the internal market will provide the economic context for the regeneration of European industry in both goods and services; and that it will give a permanent boost to the prosperity of the people of Europe.

The study not only quantifies the heavy cost that we now pay because of the many barriers which fragment the Community's economy into 12 separate markets; it also calculates the value of the immense opportunities which the completion of the internal market will open up: opportunities for growth, for job creation, for economies of scale, for improved productivity and profitability, for healthier competition, for professional and business mobility, for stable prices and for consumer choice.

The total potential economic gain to the Community as a whole is estimated to be in the region of ECU 200 billion or more expressed in 1988 prices. This would add about 5% to the Community's gross domestic product. This calculation includes not only the savings made by removing the barriers which directly affect intra-EEC trade (essentially frontier formalities and related

delays) but also, and more significantly still, the effects of removing barriers which hinder new market entrants and thus the free play of competition. To that we must add the cost savings which businesses can achieve through exploiting more fully the potential economies of scale which a single market offers. These gains will already start to arise in the short-run, as increases in production allow fixed investment costs to be covered by larger sales volumes. To a much more important extent, however, they will accrue in the longer run as companies and production units are restructured and get closer to the most efficient possible scales of production. Finally, the estimate includes other gains in efficiency due to intensified pressures of competition affecting administrative overhead costs and overmanning at all levels.

The study further shows that the predicted effects of EEC market integration through removal of customs barriers, opening up public procurement, liberalisation of financial services, and other supply-side effects will in the medium-term:

- in addition to boosting output, employment and living standards simultaneously cool the economy, deflating consumer prices by an average of 6%;
- relax budgetary and external constraints, improving the balance of public finances by an average equivalent to 2.2% of GDP and boosting the EEC's external position by around 1% of GDP.

The study

In 1986 Lord Cockfield, on behalf of the Commission, invited Mr Cec-

chini to organise a comprehensive enquiry into the likely economic impact of completing the programme of actions set out in the 1985 White Paper on the internal market.

A larger number of independent economic experts, consultants and research institutes contributed to the project, fully supported by the services of the Commission.

The methods of work included:

- studies of individual categories of market barriers (e.g. frontier delays);
- studies of how individual manufacturing industries are affected (e.g. food processing, pharmaceuticals, automobiles, telecommunications equipment ...);
- studies of how individual service sectors are affected (e.g. financial and business services, telecommunications ...);
- studies of the main economic phenomena that are relevant (e.g. economies of scale, structure of industries, the incidence of competition on corporate behaviour ...);
- a survey of the opinion of 11 000 industrialists, covering all countries and branches of industry;
- econometric modelling work for integrating the results of the microeconomic data into overall macroeconomic results.

The results of the study will be set out in a book by Mr Paolo Cecchini and his colleagues. This book will appear in all Community languages. Details of the underlying economic analysis will be made available in a special number of "European Economy" by the Directorate-General of Economic and Financial Affairs of the Commission.

In addition, three volumes of working papers, to be published by the Commission, will set out the summary findings of the numerous sectoral studies and business surveys. Finally, the complete reports of the main consultants' studies will also be published as documents by the Commission.

The results

Microeconomic estimates

The direct costs of frontier formalities, and associated administrative costs for the private and public sec-

(1) CCE document.

tor are estimated to be of the order of 1.8% of the value of goods traded within the Community. To this must be added the costs for industry of other identifiable barriers in the internal market, such as technical regulations and other barriers, which are estimated, in opinion surveys of industrialists, to average a little under 2% of those companies' total costs. The combined total then represents about 3½% of industrial value-added.

These figures reflect the direct cost of identifiable market barriers. The total gains that are to be expected from competitive integration of the product markets are much greater.

In particular, industries and service sector branches, at present subject to market entry restrictions, could experience considerably bigger percentage cost and price reductions. Examples include branches of industry for which government procurement is important (energy generating, transport, office and defence equipment), financial services (banking, insurance and securities) and road and air transport. In these cases cost and price reductions often of the order of 10 to 20%, and even more in some cases, are expected.

The study shows that there are substantial unexploited potential economies of scale in European industry. In more than half of all branches of industry, 20 firms of efficient size can co-exist in the Community market whereas the largest national markets could only have four each. As a result, only an internal market on a truly European scale can combine the advantages of technical and economic efficiency, 20 Community-wide operating firms being more likely to assure effective competition than four firms in a domestic national market. Comparing the present industrial structure with a more rationalised but still less than optimal one, it is estimated that about one third of European industry could profit from cost reductions of ranging from 1 to 7%, depending on the branch concerned. The aggregate cost saving from improved economies of scale would amount to something in the order of 2% of GDP. There are other gains in efficiency due to intensified pressures of

Table 1: Microeconomic estimates of potential economic gains for the EEC resulting from completion of the internal market

	Billions ECU	% of GDP
1. Gains from removal of barriers affecting trade	8-9	0.2-0.3
2. Gains from removal of barriers affecting overall production	57-71	2.0-2.4
3. Gains from removing barriers (sub-total)	65-80	2.2-2.7
4. Gains from exploiting economies of scale more fully	61	2.1
5. Gains from intensified competition reducing business ineffectiveness and monopoly profits	46	1.6
6. Gains from market integration (sub-total)	62*-107	2.1*-3.7
7. Total Gains		
— for 7 Member States at 1985 prices	127-187	4 1/4-6 1/2
— for 12 Member States at 1988 prices	170-250	4 1/4-6 1/2

Source: Commission of the EEC.

All figures except in the last line are expressed in 1985 prices and relate to 7 Member States. The aggregate result is scaled up in terms of the 12 member states' 1988 GDP only in the last line.

The ranges for certain lines represent the results of using alternative sources of information and methodologies. The seven Member States (Germany, France, Italy, United Kingdom, Benelux) account for 88% of the GDP of the EEC Twelve. Extrapolation of the results in terms of the same share of GDP for the EEC Twelve. Extrapolation of the results in terms of the same share of GDP for the seven and twelve Member States is not likely to overestimate the total for the Twelve. The detailed figures in the table relate only to the seven Member States because the underlying studies mainly covered those countries.

* This alternative estimate for the sum of line 6 cannot be broken down between the two lines 4 and 5.

competition. These gains may, for example, concern overhead costs, over-manning and inefficient management of inventories. Evidence from a variety of sources suggests that these kinds of efficiency gains can be of considerable importance. In addition, where monopoly profits exist as a result of market protection, they will be reduced or eliminated, and thus offer gains for consumers through price reductions. Indeed, while a significant part of these consumer price differences between countries is accounted for by indirect taxation and excise taxes much of the remainder is indicative of inefficiency and non-competitive market segmentation.

In the aggregate, for all sectors and all types of cost-saving and potential price reductions, the study suggests total economic gains of the order of 4¼% to 6½% of GDP for the Community as a whole. At 1988 prices, for the 12 Member States, this amounts to a range of around ECU 170 to 250 billion. (The ECU 200 billion quoted above is a rounded mid-point in this range).

The study did not systematically estimate the distribution of these gains by Member States. However, the evidence is that all stand to gain. Since many of the potential benefits arise from achieving lower costs and more efficient production methods, the newer Member States could register above-average gains, especially if account is also taken of the decision to double the Community's structural funds.

Macroeconomic simulations

The study also includes a series of macroeconomic simulation exercises whose purpose was to give some idea of the possible time-profile of the impact of the 1992 programme, and also express the results in terms of other economic variables such as employment and inflation. For this purpose, the effects of the internal market programme (obtained from the foregoing microeconomic estimates) were grouped under four major headings, each having a different type of macroeconomic impact: (a) the removal of frontier delays and costs;

Table 2: Macroeconomic consequences of EEC market integration accompanied by economic policy measures

Nature of economic policy	Economic consequences				
	GDP as %	Consumer prices as %	Employment (in millions)	Public deficit as % point of GDP	External balance as % point of GDP
Without accompanying economic policy measures	4.5	-6.1	1.8	2.2	1.0
With accompanying economic policy measures	7.0	-4.5	5.0	0.4	-0.2
Margin of error:	± 30 %				

Source: Commission of EEC. Simulations conducted on the HERMES and INTERLINK economic models.

Note: The economic consequences of the magnitudes indicated are estimated to accumulate over a *medium-term* period.

The accompanying economic policy measures (increased public investment, income tax reductions) are calibrated so that the room for manoeuvre created by internal market integration for the budget balance or external balance are largely used (i.e. these variables return close to their initial situation).

(b) the opening of public markets to competition;
 (c) the liberalisation and integration of financial markets, and
 (d) more general supply-side effects, reflecting changes in the strategic behaviour of enterprises in a new competitive environment.

The results are in part dependent on the macroeconomic policy accompanying the 1992 programme.

The results show that the first and immediate effects will be in terms of downward pressure on prices and costs. Increases in output would follow with a modest time-lag. After about 5 to 6 years, a cumulative impact of +4½% in terms of GDP and -6% in terms of the price level could be expected. The positive impact on employment could in the medium-term amount to about

2 million jobs, even after absorbing the significant productivity and restructuring effects attributable to the integration of the market.

If a specific macroeconomic policy that recognised the potential for faster growth is pursued; as would be reasonable to expect also in view of the lessening of inflation, balance of payment and budget deficit constraints, the gains could mount to 7% in terms of GDP and a 5 million increase in employment.

The overall results

The results of the two sets of calculations, microeconomic and macroeconomic, are thus mutually supporting. The range of figures may well be an underestimate since they exclude certain types of dynamic continuing benefits that market integration is likely to confer, which are thought to be important but which are very difficult to quantify.

Three examples:

— Firstly, there is increasing evidence that the trend rate of technological innovation in the economy depends upon whether or not there is competition; only an integrated market of European dimensions can offer the benefits both of scale of operation and of competition.

— Secondly, there is evidence in fast-growing high technology industries of dynamic or learning economies of scale, whereby costs decline as the total accumulated production of certain goods and services increase; market segmentation gravely limits the scope for these benefits and damages performance in key high-growth industries.

— Thirdly, the business strategies of European enterprises are bound to change: indeed, there is evidence of this already happening. A full integration of the internal market will foster the emergence of truly European companies, with structures and strategies that are better suited to securing a strong place in world markets.

The study further makes the point that though the benefits of the single market will develop gradually, they will multiply as they grow. In the first phase the removal of barriers



European Federalists demonstrate in favour of European union in Luxembourg

will produce narrow, technical and short-term gains but as market integration begins to impact on structures, the benefits will become much bigger.

Realising the full potential gains

The study confirms that if Europe is to get the most out of its large home market the internal frontiers must truly disappear and be free of administrative complications between Member States. All barriers have to be removed, otherwise the last remaining barriers may on their own be sufficient to keep the markets segmented and to smother competition.

The challenge is political and social as well as economic. To succeed, the programme requires changes which will affect protected positions: those of regions as well as nations, of companies and industries and of their workforces. The road to market integration, however paved with good intentions, leads to 1992 by way of hard decisions rather than easy options. These will be made easier under the following circumstances:

- Business must respond to the challenge and seize the new opportunities on offer. Corporate management should also seek to make industrial relations less conflictual, encourage employee involvement in the life of the enterprise, and ensure that workers share in the jointly-achieved productivity gains.

- Competition policy must be effectively enforced by both Community and national administrations, to guarantee that the barriers which have just been removed are not replaced by other anti-competitive devices. Those who wish to compete must be certain that they will be allowed to do so. Firms should be able to compete fairly with known commercial rivals, but they cannot be expected to compete with governments standing behind these rivals. Equally the business world must understand clearly that commercial practices which tend to protect markets, or lead to the abuse of dominant positions, must be vigorously countered. At present, price discrimination between national markets is widespread and substantial, to the



If the Community wishes to derive maximum benefits from the internal market, internal frontiers, with their administrative formalities, will have to disappear entirely

considerable detriment of consumers. Competition policy must, for the market to be fully integrated, ensure, for example, that parallel imports are to be welcomed wherever undue price differences are seen to exist.

- The distribution of gains must be fair, as must be the distribution of the costs. It should not be taken for granted that the distributional impact will be excessively problematic. Experience, for example, with the removal of intra-EC tariff barriers indicated only a modest redistributive effect. The accession of new members has confirmed the potential for the stimulation of investment and economic growth. Undoubtedly, however, assistance will be needed for the Community's disadvantaged and declining regions and labour affected by restructuring. So long as the potential gains from market integration are used to reinforce consensus around the 1992 programme, its success can be assured.

- Economic policy must be supportive. The survey undertaken for the study revealed that business opinion was optimistic that the 1992 programme is expected to result in increased sales and output. These favourable expectations will need to be backed by a well co-ordinated, growth-orientated macroeconomic policy.

- Monetary policy must continue to promote a zone of stability within Europe. Removing the barriers between financial markets and fully liberalising capital movements will increase the risk of exchange rate instability. This must be countered by increased monetary policy co-operation through a strengthened EMS.

The main conclusion

Today's fragmentation of the European economy and its weak competitiveness in many markets means that there is large potential for the rationalisation of production and distribution structures, leading to improvements in productivity, and reductions in costs and prices. The completion of the internal market will, if appropriately reinforced by the competition policies of both the Community and Member States, have a significant and positive impact on economic performance and employment. The size of this impact, in terms of the potential for increased non-inflationary growth—an economic bonus of ECU 200 billion at 1988 prices and the creation of millions of new jobs—should be sufficient to transform the Community's economic performance from a less than brilliant one to an outstanding one. ◊

Water point maintenance in Togo

by Tonia & Bartolomé AMAT(*)

The idea behind FORMENT, the Togolese Government's maintenance training project which is being run with financial support from the EDF, was to come up with a maintenance strategy for village water engineering installations throughout rural Togo and to apply it to a first batch of 300 villages in the Centrale and De La Kara regions where hand pumps were to be fitted.

The ultimate aim was to get the hydraulic installations working more efficiently by transferring responsibility for them from the central authorities to both the village communities and private operators. "De-

The strategy used by FORMENT in Togo has the benefit of the results of similar schemes being run in other countries of West and Central Africa. It is based on four, equally essential things—the village committee, the private repairmen, the spare part sales network and the government agent (whose work is being phased out).

The two project regions, representing two fifths of the country, were div-

ided into seven linguistically and geographically homogeneous zones, with 30 or 40 villages each. Each zone was put the hands of a hydraulic agent who had been trained in both pump mechanics and rural extension work in theory classes and on practical field courses.

A year after this training began, all 280 villages involved had been made aware of the need to consume drinking

centralise and Privatise" was the banner under which the project was launched.

It created a new kind of relations between the State and the community, one which was made official by the signing of a contract in which the rights and obligations of each party were clearly defined and freely accepted. This obviously conditioned the programming of those technical (drill-hole, pump installation etc.) schemes which can only be run if the villagers agree and shoulder part of the responsibility for the programme.

water and 83% of them signed a maintenance commitment, while 22 project-trained repairmen started their new job at the request of the Village Committees.

The first estimates showed a noticeable drop in the number of pump breakdowns and the repair time in both regions. Although it will take longer to consolidate the system, the Togolese Government thought the results were sufficiently encouraging for the strategy to be applied elsewhere in the country.

Basic structure of the maintenance system

The starting point for the maintenance system the Togolese Government has opted for was the decision to make a gradual shift of the responsibility currently shouldered by the authorities to the rural communities and to the commercial and artisanal firms in the country areas. The policy therefore means decentralised management of work and privatisation of repair services and spare part sales.

In this system, the villagers are free to accept or refuse the water engineering equipment suggested by the authorities. But if they accept, they have to make a contractual commitment to cover the maintenance costs and even replace the pumps where necessary.

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When villagers agree to have a pump installed, they also undertake to cover the costs of its maintenance or replacement

FAO/van Acker

The Village Committee, which represents the local community, has to be involved in all decisions relating to the siting and construction of the facilities and to their management and upkeep.

The pump maintenance system is a three-tier one. At the basic level, village leaders are responsible for everyday upkeep and minor repairs, then there is a repairman, with the training and tools to cope with all kinds of breakdown, for every 20-30 villages and, lastly, the Hydraulics Department takes care of system operation and only steps in, on an exceptional basis, in cases of necessity.

Enlargement and reorganisation of the spare part distribution system is a vital complement to the system. If breakdowns are to be dealt with rapidly, then the villagers must have spare parts to hand at a price they can afford.

So the system is focused on four entities of different levels (see inset), although active involvement by the rural communities is the foundation on which Togo's village water engineering policy is based. It means that information, awareness and training schemes have to be run to ensure that the villages take over the water points willingly and in full knowledge of the facts.

Village and State – sharing responsibility

The village is considered to be a legal entity, with rights and duties, in the national maintenance policy. State-village relations relating to drinking water supplies and upkeep of the installations are contractual and enshrined in a written document signed by the representatives of both parties at a public, and often very solemn, ceremony.

Responsibility is divided as follows:

The State seeks a source of usable water as near as possible to the housing. When it locates one, it installs the most appropriate (technically and financially — the villagers must be able to afford to maintain the pumps) tapping system, a rim on which to mount the pump and a drain. It provides the village with extension workers, helps

set up the Village Committee, advises on the relevant standards of maintenance and hygiene and trains the various Committee members to perform their duties. It also trains the local pump repairmen, ensures that spare parts are available on the distribution network and monitors the condition of the water point.

The village elects a Village Committee responsible for the use, maintenance and repair of the water point and the pump. It organises a fair water rate system so the users pay for all the recurrent costs and, on the maintenance front, buy spare parts and pay the repairman's fees and travel expenses. It completes the development of the DHE⁽¹⁾ water point by building a fence round the rim to keep animals out, tidying the ground around the pump and installing a dead well for waste water and possibly a trough for livestock. It also ensures permanent maintenance of the facilities, in accordance with the instructions for use and recommendations on hygiene provided by the relevant staff, calling in a repairman for major breakdowns and paying him for his work.

Village organisation

Togolese villages will be in one of the following situations as regards drinking water. They will have received no equipment at all, they will already have a borehole but still be waiting for the pump, or they will have both borehole and pump —

(1) Directorate of Hydraulics & Energy at the Ministry of Equipment.

which may be working or broken down.

If work is to start or to continue in villages in the first two categories or official help to be given to villages in the third category, then the following conditions have to be met — all Committee members have to have been appointed, the money to cover any repairs must be available and the contract with the authorities must have been signed.

The Village Committee is made up entirely of people living in the village. They are elected by the people and their numbers vary to reflect the size and ethnic composition of the local community. The suggested minimum number is seven — a chairman, a treasurer to take care of the funds, a secretary to record meetings, two members to look after the pump and be responsible for technical maintenance and two members in charge of cleaning and applying the relevant hygiene measures. As many women as possible should be on the Committee.

Many of Togo's villages already have their Village Development Committees, which were set up by the Government to promote self-sustaining development and cover all areas of economic and social development. If such a committee already exists and is in operation, it is strongly recommended that a special Water Commission (with the members listed above) be formed within it, rather than set up an entirely new committee.

The committee (or Water Commission) is convened once a month by the chairman. It is responsible for eve-

<i>Level</i>	<i>Entity</i>
<i>Equipped village</i>	1) <i>Water point committee responsible for running costs and day-to-day pump maintenance</i>
<i>Group of villages</i>	2) <i>Pump repairman, independent but with a recognised qualification and later on, with a spare parts store.</i>
<i>District capital (or large town)</i>	3) <i>Spare parts sales point (organised by the private sector)</i>
<i>Region</i>	4) <i>Regional water supply service running a network of staff inside the region to ensure its smooth operation</i>

rything to do with keeping the pump in proper working order, for the way the funds are collected and managed and for carrying out the work around the borehole.

Committee members are not paid, although they receive adequate training for the job from the staff of the authorities or the project⁽²⁾.

The village contributions – cash and kind

The idea here is to motivate the people to keep the facilities in proper order. This, together with the formation of the Committee, is one of the conditions that has to be met before any equipment is provided.

In 1986, the minimum contribution was CFAF 50 000 per pump p.a. – i.e. CFAF 100 per person p.a. in a village of 500 people.

The Village Committee, which may be advised by the DHE, is responsible for both collecting the money and deciding how it should be collected. The only requirement is that there should be enough in the bank for forthcoming repairs and never less than F 50 000 – so whenever any money is spent, more must be paid in to ensure that the basic amount is always there.

If there is a branch of the National Agricultural Credit Bank near the village, the Village Committee is recommended to open an account for the village and to pay in the annual water rate. The signatures of both the chairman and the treasurer are needed to release any such funds.

In all projects, it is the pump supplier who has to build the rim on which the pump is to be mounted and in most cases he sub-contracts this to the DHE. But it is the villagers who have to provide the materials—12 bags of cement (CFAF 18 000), sand and gravel—to build the mud-prevention pavement. Both these jobs are done by the same team of DHE masons. The villagers then also have

(2) Staff of the Hydraulics Department should, in theory, do no more than provide technical training for the two members in charge of the pump. However, they will also have to train other members when the specialist departments (Social Affairs, Hygiene etc.) are not represented in the area or do not have the material means or staff to carry out a sustained operation in the villages covered by the water engineering programmes.

themselves to build a fence to keep animals away from the water point and a dead well to drain away any waste. They may also build a water trough for their animals between the water point and the drain, outside the fence, and a public wash-house. DHE staff help the villagers with the design and implementation of these additional works and special contributions will have to be made to pay for them, over and above the amounts collected for pump maintenance.

A special system has been designed for villages that are very small or without resources.

The inter-village repairmen

Training for repairmen and the constitution of a network which covers the whole of rural Togo is essential to proper maintenance.

The repairman's job is to provide a rapid response to calls from villagers in the area, mending breakdowns which cannot be handled by the people in charge of the pumps. He reports any breakdown he cannot cope with himself to the DHE.

Extension sessions are an opportunity to ask the villagers to give the names of any local craftsmen who do mechanical or similar (blacksmithery, carpentry etc.) work and might maintain the pumps. The extension team has to decide how many repairmen are needed for each rural area, in the light of the relevant geographical and socio-economic criteria.

The geographical spread of pumps has to be planned carefully by means of maps produced by the DHE or the project. Repairmen should not have too far to travel (15-20 km), although, if the job is to be a paying proposition, they each need to look after a minimum of 20-25 pumps.

It is wise to avoid monopolies—i.e. only one trained repairman for a particular area—as this can easily lead to abuse (overcharging, inefficiency etc.), slackness (lateness in replying to calls etc.) or neglect.

Using these criteria, it should be possible to decide in advance how many repairmen will be needed to provide a proper service in the area.

Trainee repairmen are selected according to the following criteria:

— **Location.** The craftsman must already live in the area, with his family, and be carrying out paid work there. This is to avoid creating new jobs which do not provide a living from pump repairs alone.

— **Type of activity.** He should be a repairer of cars, motor-cycles or mills, or possibly a blacksmith or a carpenter. People who can only repair cycles are not thought to have enough grounding to do the job.

— **Facilities.** He should have a workshop, a forge, tools etc.

— **Skills.** He should be known in the village, have experience of the job, hold a diploma and speak French.

— **Transport.** Neither the authorities nor the project provide any transport, so the craftsman should have his own or agree to use public transport.

— **Availability.** He should be able to attend, at his own expense, the training courses organised for repairmen.

The technical training of the repairmen is in the hands of the pump suppliers (under contract), who have to provide the DHE with technical assistance staff with sound experience in the training sector.

The training offered sets out to teach the repairmen how the pumps in the area work, how to dismantle and reassemble all the parts (even those which are the hardest to get at), how to diagnose breakdowns and produce estimates, how to carry out all repairs and replace all parts and how to fill out the pump data sheet after each intervention.

There is a different course for each type of pump. Each lasts three to five days, depending on the type of pump, and is given in the chief town of the prefecture or region.

Terms of employment of repair

If the repairman is taken on after training, he is given a list of villages to cover.

He has to sign a contract to stay in the area until he has completed the hire-purchase payments on the toolbox he received at the end of the course. This will take about five years.

Alongside this, the Village Committees are given a list of names and addresses of repairmen in the prefecture and the name of their particular repairman. This means they can call on other repairmen if they are not satisfied with the one they have been allocated.

The repairmen and the Village Committees are also given the repair price scale.

They may deal with each other in two ways — the village may call in the repairman whenever there is a breakdown, paying him according to the DHE scale, or it may take out a maintenance contract whereby the repairman services the pump, for a standard fee, every month. In this case, the monthly price will vary with the distance the repairman has to travel, but a reasonable estimate is F 1 000 per pump.

Relations between the authorities and the repairmen

The above procedures and standards are simply there to ensure that there is a permanent, efficient repairs service for the village pumps. However, it would be impossible to apply them without a prior agreement from the repairman and the authorities and this is formalised by the signing of a contract in which the rights and obligations of each partner are clearly described.

The spare part marketing network

A network of spare part sales points near the users is the third thing which, together with the village organisation and the repairmen, ensures the autonomy and efficiency of the new maintenance system.

Every pump supplier has to have an official representative in Lomé and conclude precise agreements with him on domestic distribution and price policy. Suppliers have to set up a basic stock of spare parts in Lomé for every type of pump used in Togo, plus decentralised stocks for the whole of the area concerned, with sales points at the basic level in the chief towns in the prefectures and sub-prefectures.

As the number of pumps increases, small stocks of the commonest spare

parts are needed in individual villages or groups of villages and they can be managed by the Village Committee or the repairman.

The role of the authorities

This is now to inform people, to make them aware of what is going on and to train them. The DHE has an intervention organisation for this purpose near pump sites throughout the country. Members of the organisation are, as in the previous system, civil servants, working directly under the DHE. But they will no longer be required when the system is 100% privatised and operating autonomously.

Typically, modern borehole drilling and equipment programmes are short, cover a large number of villages and follow a prescribed route. Industrial logic dictates that the most should be got from high-performance teams with a very high daily cost. Village extension work, which precedes or accompanies the programmes, responds to this, obviously, by becoming a kind of awareness campaign aimed at helping the recipients give themselves the institutions and means they need to carry out their future tasks — and as quickly as possible too, to avoid delays between the external technical interventions and the local community taking over.

The official should be given 30 or 40 villages to cover in each awareness campaign. More than 40 would mean the visits would be too far apart and the official unable to establish confidence or a dialogue or run the number of sessions needed to train the villagers.

Each official should be responsible for a particular area and speak the various languages used by the villagers there. There should be only one administrative authority in this area, the official should be able to do a return journey to its furthest point in one day and the water engineering programme should cover between 30 and 40 villages.

The introduction of the new maintenance system is an integrated operation covering a number of areas — village organisation, training in health and environmental hygiene, technical training, drainage etc.

Although concerted intervention by

the specialised State departments (and aid organisations) is particularly vital, the DHE official posted to each area must, equally clearly, be *au fait* with each of these essential fields — so he is given special training.

Consequences of the system

The first has to do with the choice of pumps. So far, the technical choice has been made in the light of the price-quality ratio of the competing models.

Although the new maintenance system retains this fundamental consideration, it demands that three other criteria be taken into account. They are the cost of maintaining the pump (up-keep and repairs) in relation to the financial resources of the rural populations, the level of technical achievement required to install it in relation to the craftsmen's skills and tools and the ease of access to the spare part sales points in relation to the pump users' means of transport.

This leads to the following conclusions:

1. Togo should not purchase any hand pumps for installation in the villages at the moment if they cost more than F 50 000 p.a. (average cost over 10 years, for example) to maintain.
2. Any pump which the repairmen cannot install, maintain and repair with their own equipment should be rejected.
3. No pump should be used if the supplier cannot guarantee the creation and operation of a spare parts service at a level accessible to the villagers (chief town in the prefecture or sub-prefecture).

A further consequence of the system is the problem of the legal ownership of the pump and the whole set of water engineering equipment.

The State, in principle, is only transferring responsibility in applying this new policy. But the transfer will only be made permanent when the people concerned really own the facilities. For private ownership is essential and without it the machinery of supply and demand will not work.

The rural community's ownership of the pumps should be in line with the traditional view of property in Africa, be it family, individual or collective. ○ T. & B.A.

Summer of '88: a season of disasters



August 11, 1988. Sudanese wading across the flooded highway linking the capital, Khartoum, to southern Sudan

It has become customary, in the yellow pages of the magazine, to cite the various emergency measures taken by the Community to relieve situations of catastrophe throughout the world. Usually the nature of the emergency situation—be it flood, famine or hurricane—is briefly, and perhaps rather clinically, stated, and the relief measures taken are enumerated. Emergency aid may be needed at a particular time and in a particular place, but it is always needed *somewhere*. There is rarely, if ever, a time when the world is entirely free of disaster—an epidemic here, an earthquake there—some man-made, some natural, and many in that grey area between the two that has re-

sulted from man's continued disregard for the world in which he lives.

But the summer of 1988 has been, by any standards, a dreadful season for disaster: first there were the appalling floods in Sudan, then the massacres in Burundi, then an earthquake in Nepal and India. Later there were more floods, in China, Nigeria, Colombia, El Salvador, Cameroon, Chad, Burkina Faso and—above all—in Bangladesh. Swarms of locusts attacked crops in Chad, Niger and Sudan, and Hurricane Gilbert, the Caribbean's worst for many years, devastated Jamaica. Quite possibly, before this issue goes to press, there will have occurred another major catastrophe to add to the summer's already heavy toll.

The victims

In the countries affected, the catastrophes have brought differing mixes of death, disease, destruction, hunger and homelessness. And, as usual, most of the victim-nations were amongst the world's poorest, those least able to afford the money and the manpower needed to provide emergency relief. Other nations stepped in, though needless to say the scale of the havoc wrought was such that, in some cases, will require massive funds and many years to right. Nevertheless national donor agencies, non-governmental relief agencies and the Emergency Aid departments of international organisations—such as the EEC Commission—spent the summer in a frenzy of activity trying to mobilise funds, equipment, transport and relief workers to

assist victims as best and as fast as was possible.

Sudan: hundreds of thousands homeless

For the Community, the first and one of the most cataclysmic of the series of disasters was the floods in Sudan. High rainfall was the principal cause, but rapid deforestation in many countries of the Nile basin is also thought to have been a contributory factor. The country, already one of the most embattled of the continent, was unprepared. The north often sees no rain at all throughout the year — indeed drought is more likely to be the order of the day. This year, however, extremely heavy rain fell on August 4-5—over 200 mm in 24 hours—sweeping mud houses away and, in Khartoum, leaving hundreds of thousands (including many displaced persons coming from the south) without homes, without drinking water and with inadequate supplies of food. For several days transport was virtually impossible in the capital, electricity and telephones were cut off, gastroenteritis and diarrhoea outbreaks were already occurring and conditions were present such as to favour killer epidemics such as cholera.

When speed is of the essence

In such situations speed in sending aid is of the essence, and on 8 August, three days after the downpour, the Community decided to fly out four relief planes carrying supplies via the British and Danish Red Crosses and Médecins Sans Frontières. Ten days later a further ECU 650 000 was put aside for the commissioning of 7 further planeloads via the Dutch Red Cross, the NGO Concern and the Greek Air Force (a combined EEC-Greek government operation), and on 31 August further sums, totalling ECU 1 800 000, were allocated to a number of European NGOs (GOAL, Médecins Sans Frontières, AICF), the League of Red Cross and Red Crescent Societies, Sudanaid and the Islamic African Relief Association, for a variety of emergency supplies both to the capital and to other parts of the north. Included in the supplies were plastic sheeting, tents, water tanks, medical equipment and food supplies, particularly for the so-called “unplan-

ned areas” of Khartoum, shanty towns where many of the refugees from the south had settled.

Short-term (3-month) medical programmes were also initiated, including the provision of medical staff and equipment and the means by which to distribute the drinking water so badly needed to avert the danger of widespread disease. By the end of the month the European Community, together with the governments of its individual Member States, had released a total of ECU 8 648 000 for Sudan's flood victims.

Emergency stocks running low

Meanwhile, in Burundi, tribal conflict was leading to a mass influx of refugees into Rwanda, many of whom arriving with nothing more than the clothes they were wearing. In an operation carried out jointly with the Belgian Government, the Community, on 22 August, made financing available for a plane containing 100 tents and more than 6 000 blankets to be flown to Rwanda. A further 1 300 tents, together with medical supplies, were flown out on 30 August and a third flight, co-financed by the Luxembourg Government, delivered a further 330 large tents on 2 September. By this time, Community officials, like those of other donors, were experiencing extreme difficulty—greater than ever before—in finding both supplies and transport for the relief operations. The stocks of tents in Europe, for example, were by now severely depleted, and certain air companies had taken to abusing their sudden “good fortune” by bumping up their rates by the hour, or granting options on planes with no intention of respecting them, or failing to respect agreed dates for the departure of urgently needed supplies.

Earthquakes, floods, hurricanes ...

Still in August, later in the month, a major earthquake left many thousands homeless in Nepal and India, and ECU 800 000 was made available, via UNDR0 and the Red Cross for the provision of basic goods and medicines and to help essential services to keep running. Arrangements were made, too, for the payment and delivery of some 127 000 litres of pesticides

to Niger, Chad and Sudan, as part of the EEC's contribution to locust control which, because of weather conditions in the Sahel and North Africa, needs particularly urgent attention this year. (In this respect the EEC created, on 2 June 1988, a renewable stock of pesticides in Europe which may be drawn upon and sent to affected countries within a matter of days).

For the Bangladesh emergency, where the numbers of homeless (now estimated at 30 million) defy imagination, the “MOST URGENT” telexes are still coming in. Situation Report No 4 (September 5) from the UNDR0, which is coordinating the donors, confirms that virtually the entire countryside is under water. UNDR0 informs the donors of the needs and asks to be informed of the nature of their contributions and their corresponding value. Food is needed ... to feed half the population of 110 million ... for several months ... Corrugated iron sheeting is vital, to rebuild houses. Water purification tablets are wanted urgently: 500 have died already, many from drinking contaminated water. Kerosene supplies are inadequate, and boats and dinghies are called for.

By 10 September the donors are being given detailed requirements (“medicines: syrup ampicilin 100 ml; penicillin; 100 re-useable plastic syringes with needle 2 to 5 cc. Seeds: wheat 5 000 tons, maize 500 tons” ...). The EEC has undertaken to supply clothing, food and transport for a total value of around ECU 28 500 000. This amount includes 100 000 tonnes of cereal, 1 800 tonnes of vegetable oil and emergency programmes of the German Red Cross and Concern.

By now it is mid-September and, with none of the summer's other “states of emergency” anywhere near fully dealt with, Hurricane Gilbert has struck, leaving over 500 000 people homeless in Jamaica.

Perhaps the summer of '88 *has* been exceptional, perhaps the rainfall over Khartoum *will* only happen again in another 10 000 years, but for those concerned with emergency relief the experience of the past few months will undoubtedly lead to some rethinking of the mechanics of aid operations. But that is for later, when the season of disasters comes to an end. ○

M.v.d.V.

Asparagus: Lesotho's growing export

Africa and asparagus — the two would hardly seem to be natural allies, but in one African country at least, Lesotho, the *entente* is *cordiale* enough. In 1974 Lesotho could “unearth” a total of only seven asparagus farmers; by 1988 the species had multiplied considerably, though—almost tenfold, in fact—and an EDF project under way aims to increase production from the present 500 or so tons to some 2 550 tons of fresh produce. The aim of this unusual project is both to generate employment—and income—and to diversify agriculture in one of the more unusual of the 66 ACP States.

But how did the project come about? Lesotho, the “mountain kingdom”, has no land at an altitude of less than 1 400 metres, with only 12–13% of that land cultivable. Efforts continually need to be made to prevent further loss of arable land through soil erosion. Unlike most other ACP countries, its climate does not permit the growth of tropical crops. Asparagus, on the other hand, is well suited to temperate climates and requires relatively little land to be grown in marketable quantities. Its value is high: the income from 0.2 hectares of asparagus (the size of an average holding) is ten times greater than that derived from maize on a plot of equal size, so that, taking all these factors together, asparagus has considerable potential for Lesotho as a cash crop.

The EDF project builds on a successful UN/FAO pilot scheme initiated in Lesotho in the early 1970s. In 1975 the country produced 600 cans of asparagus in a kitchen-type operation. By 1976 a factory had been commissioned and built with UN funds, with the FAO continuing to provide extension services to farmers. The European Community's first assistance to what had meanwhile become the Basotho Fruit and Vegetable Cannery Ltd. (BFVC) was indirect, in the form of counterpart funds raised by the sales of EEC food aid. In 1986, however, the Lesotho government made a request for funds from EDF sources to permit further expansion of the programme, and a financing agreement was duly signed in July 1987 whereby a sum of ECU 4.75 m would be granted over a period of five years. The programme formed part of a national strategy to diversify agriculture, and was also, of course, a useful gener-

ator of employment in a country in which much of the male population, in particular, is forced to seek work beyond its borders in neighbouring South Africa. Lesotho's own contribution to the project stands at 1.21 m Maloti (ECU 500 000), and should ensure full cost take-over when the project comes to an end.

The objectives

The direct objectives of the project are to increase acreage and production from their present levels such that 2 500 or so families in 140 villages within a 30-kilometre radius of the BFVC cannery near the capital, Maseru, will benefit. The funds are being spent in a variety of ways: some 100 km of feeder roads are being upgraded and, within the villages, 200 boreholes with handpumps are being drilled; collecting sheds are being built in those villages where none exist as yet, and funds will also go to provide irrigation equipment and fencing. Various other items of equipment are also being supplied, including trucks, vans, a mobile repair and maintenance unit, tractors, sprayers, tools and crates. National staff (agronomists, mechanics, administrative staff...) are also being recruited for infield and extension work.

Two types of asparagus are grown: one for canning, the other to be exported fresh. Farmers are supplied with special cutting boxes in which a hole 20 mm in diameter has been drilled. Any spear of a lesser diameter than this is cut as a length of 16 cm and will be used for canning. White spears above 20 mm will be cut at 20 cm (to facilitate cutting, the boxes also have two grooves, 16 and 20 cm



W. BLONK/CEE

Asparagus-picking, Lesotho-style

long, to guide farmers) and classified as fresh export material. Spears are then kept in cold water in collection sheds until the truck passes to take them to the cannery, where the produce destined for export is washed, graded, weighed and packed. The smaller spears are canned. Fresh produce is taken by refrigerated truck to the airport in Johannesburg from where it is flown to its European destination.

Crucial to the viability of the asparagus export project is the fact that the growing season in Lesotho runs from September to December, while European-grown produce is on the market from April to June. Small quantities of canned asparagus have been exported, duty free, to Europe for several years, but now the first fresh produce is finding its way to the market-places of the EEC Member States and especially to the Federal Republic of Germany. In the last season BFVC processed 528 tons of produce, all of which for export. In the coming season (September to December 1988), this is expected to rise to 650 tons. In the financial year ending in March 1988, the company recorded profits of 200 000 Maloti, and has increased its acreage of asparagus plots by a further eight hectares.

The Asparagus Expansion Programme does not have grandiose ambitions: this is not the project that will eliminate Lesotho's external debt or end its chronic lack of domestic employment. But an enterprise that gainfully employs 100 workers in the off-season, and upwards of 350 in the season itself, as well as generating useful amounts of foreign exchange, is one that the Community feels fully justified in assisting. ○ M.v.d.V.

The penury of Africa's museums

by Catherine AN TOMARCHI (*)

The Zaïre report in No 110 of *The Courier* (July-August 1988) included an inset entitled "Fine collection seeks museum", describing the problem of looking after the 42 000 pieces, some of them 300 years old, in the Kinshasa Museum. This is neither an extreme case nor an isolated one. The article which follows shows, on the contrary, that it is one of many and it goes on to describe, *inter alia*, ICCROM's possibilities of solving one aspect of the problem, that of training museum staff. But there are many other

aspects too, including the buildings, as in the case of Zaïre, and, perhaps the most important thing, the running costs. Although museum running costs are minimal compared to a whole State budget, they are, in absolute terms, rarely covered by normal revenue (entrance charges, donations etc.) — which raises the whole question of "cultural" spending and the relative priority put on protecting the cultural heritage with a budget that is sometimes barely on the bread-line.

Rome — April 1988 — ICCROM-UNESCO meeting on protecting the collections in sub-Saharan Africa's museums. It was attended by 32 specialists, including people from organisations such as the UNDP and the EEC, plus European government representatives (from Germany, Denmark, France, the UK, Italy, Norway and Sweden), university professors and experts from museums in Africa and the West. The EEC has subsidised a survey of museums in sub-Saharan Africa.

Although the general public has the idea that once a piece enters a museum it is "immortal", this is in fact often not the case. Theft, fire, badly regulated air conditioning, over-bright spotlighting or infestation on a massive scale are quick to threaten the museum as protector and can even wipe out whole collections.

This goes for the museums of sub-Saharan Africa, too, and the situation seems to be aggravated in their case by the fact that they have only been created recently and the public is still not sure about their role or their impact. And, of course, there is the smallness of their budgets. Reliable data is in short supply. ICCROM wanted to tackle the problem properly, identify the difficulties and put a figure on them and so, in the spring, with support from the EEC, it ran a survey of the museums of sub-Saharan Africa.

To save time, it used a questionnaire, covering the following fields:

1. The collections — How big? What sort of pieces? What conditions?

2. The priorities — Finance? Space? Equipment? Specialised staff?

3. The staff — How many? What duties? What training?

ICCROM contacted 61 museums in 37 African countries. There were two months between the sending of the questionnaire and the drafting of the report and 60% of the subjects replied, showing, if proof was needed, how much interest there was in the idea, and revealing an alarming situation that was more complex than anticipated.

Inventories all too rare

Only five of the museums (8%) which replied gave us the exact size of their collections. Written records of the existence of a piece are a museum's basic means of combating theft or the disappearance of its collections. And they are also an essential factor in the museum work of organising reserves, preparing exhibitions etc. They are still seen as vital by more than half the museums (20 out of 37).

Country's cultural wealth poorly represented in the collections

One striking finding was that the collections presented by the museums tend to give a colonial picture of Africa, reduced to samples of wooden masks and statuettes. Wooden pieces indeed make up 68% of the collections, while basketwork and fabrics, which are at least equally important examples of African culture, only account for a meagre 2% of the total. This is a serious matter in countries where traditional techniques are quick

to evolve and disappear — and when the educational role of the museums is borne in mind!

Small, static collections

The average collection is fairly small (5 000 items per museum), particularly as compared to some European museums which have as many as 250 000 African pieces! This, obviously, is the heritage of a colonial past which it would be wrong to deny.

But instead of getting bogged down yet again in the eternal question of the return of cultural goods, it would perhaps be a better idea to look at how dynamic the museums are and consider their acquisition policies. Here again, the contrast with Europe is significant. Only 10 years ago, for example, the Basel museum produced a sample of 6 000 African textiles which, thanks to the progress of technology, are now very rare. What a figure this is compared to the African average of 80 items! And how can we interpret this sorry state of affairs without bringing in the delicate problems of the shortage of trained staff and training?

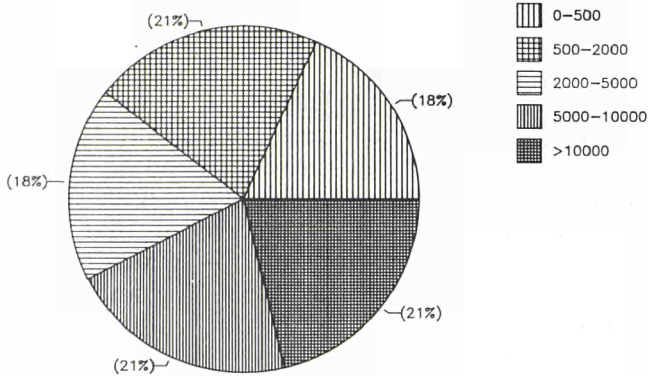
Endangered pieces

It is not always easy to imagine the speed and greed of tiny insect larvae which would fit easily on the end of a fingernail. Yet the "optimum" climate conditions in the countries of Africa mean that the numbers of these little creatures reach plague proportions.

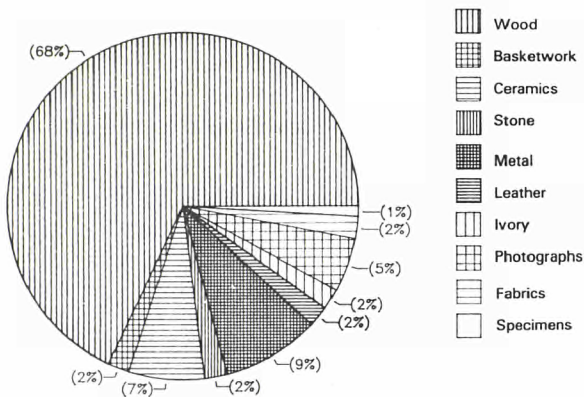
The questionnaire asked for all pieces which would be partly or totally lost without immediate intervention to be put on an "emergency list".

(*) Assistant coordinator of the PREMA programme.

Number of pieces



Composition of a typical collection



Treating a Nigerian sculpture. The inside of this Yoruba pillar has been eaten away by termites

PREMA: Conservation in the Museums of Africa

ICCROM has been working on a project with conservation leaders from the countries of sub-Saharan Africa since 1981.

The first one-off schemes run locally were an opportunity to pinpoint needs better and complete the network of ICCROM correspondents.

With the help of this knowledge of the field, ICCROM then launched a pilot course in preventive conservation (PREMA) for staff from museums in sub-Saharan Africa. It was organised with both the Sorbonne and the L. Pigorini Museum of Ethnography in Rome and was given in French in 1986-87 and English in 1987-88. A further session, in French this time, is to be held from November 1988 to October 1989 and a long-term training programme will follow. This will be devised with the help of the Sorbonne and the University of London, together with heads of training centres and African museums and the international organisations and cooperation agencies in the West supporting the project.

At the moment, PREMA lasts 11 months, during which time it trains 12 national museum technicians with at least five years' experience. The course, which concentrates on preventive conservation, includes teaching by 17 curators and university teachers of various nationalities. The diploma—"Conservation Technician of the Cultural Heritage of Black Africa"—is issued under the seal of the University of Paris I after strict assessment of the candidate's work. The courses are 40% theory and 60% practical work and a study trip is run at the end of the session for students to visit museums of ethnography in Europe and meet the people in charge. The course has so far been financed by UNESCO, the EEC, the Agency for Cultural and Technical Cooperation, Ministries in various European countries (France, the UK, Norway, Sweden, Switzerland, Denmark and Italy), the Ford Foundation, the Skaggs Foundation, the Getty Trust and a number of private firms (the UTA).

ICCROM

The International Centre for the Conservation and Restoration of Cultural Works was set up by UNESCO in 1959. It is an independent, intergovernmental, scientific organisation based in Rome and it currently has 79 Member States and 75 associated members. Andrzej Tomaszewski, Professor of Architecture and History of Art, took over as director this year.

The Centre's job is primarily to preserve the heritage (archaeological sites, historic towns and monuments, museums, libraries and archives). It trains specialists for this purpose with a view to raising the standard of conservation work. It collects, studies and disseminates information on the conservation and restoration of the international cultural heritage, stimulating discussion on conservation technology and methods, finding appropriate solutions to the problems of conservation and restoration, and developing strategies to promote international conservation measures.

Since 1959, it has trained 1 635 research workers and technicians from more than 100 countries. Trainees follow one of the six regular courses offered in Rome on the conservation of architecture (5 months), the conservation of murals (4 months), scientific principles of conservation (4 months), preventive conservation in museums (3 weeks), the conservation of paper (2 months) and educational techniques and teaching materials (1 week).

On-site training in both developing and developed countries figures large in ICCROM's activities and this was the framework for the PREMA programme.

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Eight of the museums called for urgent intervention for a total of 68 840 wooden pieces! The other items listed tended to be organic—textiles (1 903 endangered pieces), hide and skin (5 989) and bone and ivory (4 300)—although four museums with the biggest collections of metal pieces listed 20 646 emergencies.

Then there are special cases — the 350 paintings in the Queen's Palace Museum in Madagascar, for example, and the 19 500 specimens in the Livingstone Museum in Zambia.

Priorities for action — a reflection of the vicissitudes of western cooperation

Finding money, materials and equipment seems to be the prime concern throughout sub-Saharan Africa. Only 6% of the museums there do not see it as a problem.

Without wishing to overlook the absolutely crucial practical questions, however, we should still see the relative importance of the absolute priority put on them.

First of all, the training available to African museum staff tends to be offered by European institutions whose courses are intended for people from the West and based on expensive, sophisticated methods and equipment. How can these staff solve their problems in any other way when the real situation is entirely different?

Then, cooperation in the museum sector is often on a one-off basis and material, products and equipment may be sent out but fail to give the anticipated results because there is no follow-up or the staff is not trained properly. But in spite of this, because there is no alternative and because the museums genuinely need support, requests continue to be made, more as a matter of course than with any specific aim in view, and the consignments are despatched.

Staffing and training problems are thus pushed into the background, but the figures are cause for concern nonetheless. There are:

- only 161 people to do the vital tasks (of conservation, research and education) in 33 museums;
- 12 museums without directors;
- eight without curators.



A nation's heritage piled up in a dusty box room

There is no special training for museum directors or curators along the lines of what exists in the West and, although the level of education of these staff is fairly high (53% have bachelor's degrees or more), only *one* has a specialist qualification in museum studies!

Let us now take the technical staff who look after the collections. The situation is disastrous — 75% did not even complete their secondary schooling. In Europe, for example, three or four years' study on top of the final secondary school examination is required to do this job!

To conclude, then, the teams are small, often short-staffed and have very heterogeneous qualifications and experience — which does not help when it comes to bringing in and applying a coherent museum policy.

Conclusions

This (entirely questionnaire-based) survey is the first document comparing the collections in the museums of sub-Saharan Africa.

Great optimism is not the order of the day. New museums are on the drawing board and in some cases actually being created, but elsewhere major collections have been hit by bad climate conditions and financial and human shortcomings. And the shortage of staff and training means that the more scientific and educational aspects of the museums' work is not being done properly.

It would be worth investigating these results further, perhaps by running surveys in the field.

However, the picture we have is already a fairly faithful one, as is confirmed by comments we have had.

Alongside the disconcertingly large figures and the enormous task they herald, the percentage and standard of the replies and the motivation of the staff as reflected in their desire for further training also suggest that hope is on the horizon.

The survey also asked one or two questions on the pertinence and effectiveness of European collaboration in this field. As things stand, one-off schemes, in spite of all the prestige they bring, are not the answer. Without complete reorganisation, a whole page of history and human tradition could turn, forgotten, to dust.

The process is a slower, more silent one and must include a training programme for museum staff. The cost (US\$ 300 000 p.a. ⁽¹⁾) and the duration (10 years ⁽¹⁾) of such a programme mean that bilateral schemes must temporarily be set aside and everyone's efforts coordinated.

So let us hope that, although the alarm has sounded for the museums of sub-Saharan Africa, the time has also come for the western world to find new methods of cooperation based on the long-term, multilateral projects which alone can right what currently seems to be an depressing situation.

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C.A.

⁽¹⁾ ICCROM estimates based on PREMA pilot programme.

Puppets and drawings tell tales of Africa

The fact that, in spite of constant progress by local film-makers over the past few years, Africa's cinema and TV screens are still largely given over to pictures, scenarios and personalities from elsewhere is a commonplace. The situation is particularly wrong in that the different aspects of the rich and varied cultures of the continent could be a never-ending source of material for the screen, especially in that currently neglected field of productions for young people. Programmes of this kind should both educate and divert, a function which can easily be helped by tales, those representatives of oral literature intended to both entertain children and inculcate the basic values of the societies in which they live.

This is what two young film-makers—Mambaye Coulibaly from Mali and Didier Ouenangare from the CAR—have set out to do in their adaptation of African stories, tales and legends for television. Coulibaly wants to make an historical 130-minute film of ten 13-minute episodes, using puppets to illustrate one of the glorious periods in the history of modern Mali—the birth and development of the Bambara Kingdom which began growing in the 17th century around Ségou, the town famous the world over thanks to Maryse Condé's

best-selling saga of an aristocratic family: "The Ségou Chronicle", as the series is called. This chronicle is, the author says, "a fictional, historical reconstitution of a great African epic" and it was inspired by a radio story which for decades has been delighting Malian listeners—who are always asking for it to be rebroadcast.

Mambaye Coulibaly, born in 1957, has a degree in law and criminology from the University of Abidjan and first discovered film-making in the course of his job, with study films and test reconstitutions. Then he met Jean Rouch (the maker of ethnological films, under whom he is currently studying for a diploma in film studies at the University of Paris X) and Clémclém Lawson, the Togolese "painter, film and strip cartoonist and user of scrap and scrapings on celluloid". Mr Coulibaly says he aims first of all at children, and then "at the repressed children that are in all of us somewhere, for childhood means frankness, spontaneity, confidence, curiosity and intelligence".

Didier Ouenangare, who is not quite so advanced with his plans, wants to put the "Story of Leuk the Hare", tales adapted from oral tradition by Léopold Sédar Senghor and Abdoulaye Sadjii, into pictures—26 episodes

combining people and cartoons. This series of films will bring to children the whole range of animal characteristics—Leuk the Hare, whose cleverness, inventiveness and cunning win through in the most difficult of situations, Bouki the hyena, his eternal, stupid and nasty adversary, M'Bill the frightened, scatterbrained doe, Till the jackal, the chatty chief, Golo the clever but capricious monkey and more.

Didier Ouenangare, a reporter and cameraman trained at the Ivorian Radio and TV Studio School, was born in 1953. He was assistant director of "Adjatio", the film made by Ivorian Jean-Louis Koula, has been head of the film and photo department at the Central African Ministry of Information and produced a short documentary on the economy of the CAR.

"The Ségou Chronicle" and "The Story of Leuk the Hare", which are still at the planning stage, are both getting some valuable help—support from the authors' countries of origin, coproduction offers from the French Ministry of Cooperation and French regional television and assistance from ATRIA (the Technical Association for Audiovisual Research and Information), which was set up in 1980 by technicians and researchers with considerable experience of Africa (most of them in the technical departments of the French Ministry of Cooperation) and is a relay structure intended to facilitate contact between African film-makers and the complex world of the European film industry.

The authors have also asked for aid from other organisations—UNESCO, for example, and the ACP-EEC Cultural Foundation to which they have just sent descriptions of their projects. The anticipated budget is about FF 6.5 million (before VAT) or CFAF 325 million for "The Ségou Chronicle" and FF 9 million or CFAF 450 million for "Leuk the Hare"—fairly expensive for African productions. But there is a huge market—French-speaking television in Africa to begin with and then non-French-speaking television on the continent later—for high-quality films aimed at audiences of children, who are by nature open to other cultures.

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A.T.



The puppets were made by craftsmen at the National Museum in Bamako (Mali)

Biotechnologies and developing countries: promises and challenges

by Albert SASSON (*)

Biotechnologies include all the processes of transformation of renewable raw materials as well as the processes of production by microbial, animal and plant cell cultures of a wide range of substances useful to mankind. Biotechnologies can be applied to various economic sectors, such as the production of food and cash crops, livestock husbandry and animal health, pharmaceutical and chemical industries, the conversion of biomass into energy, the transformation of wastes and of agricultural and industrial by-products, pollution control and environmental sanitation. Furthermore, the development and application of biotechnologies may be carried out at different levels of complexity, investment and effort.

Plant propagation and breeding

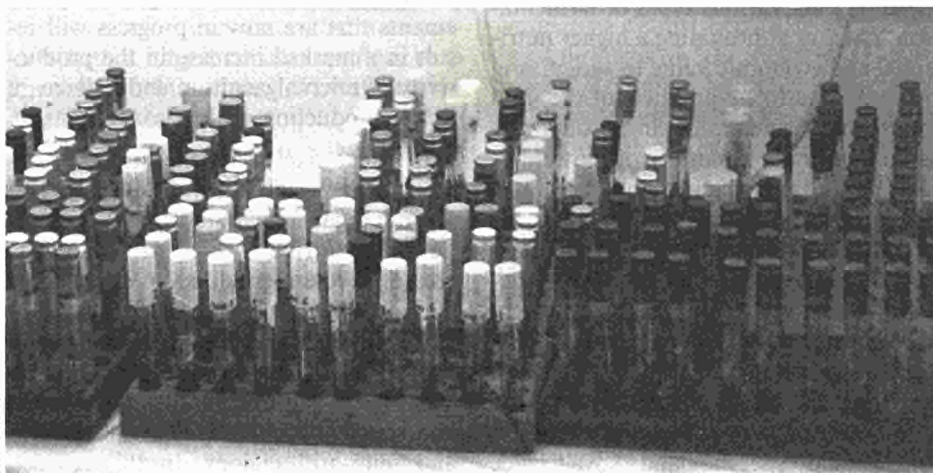
The second "Green Revolution", which has been heralded since the mid-1970s, will be the outcome of research aimed at breeding high-yielding plant varieties more resistant to diseases, pathogens, pests and environmental stress, and which can grow with less fertiliser and pesticides. This research work will use cell, protoplast, tissue and organ cultures, as well as genetic recombination techniques, to propagate interesting cultivars very rapidly, and to breed new ones. These techniques will complement the usual breeding methods based on cross-hybridisation and pollination that led to the creation of high-yielding varieties during the "Green Revolution" of the 1960s.

As examples of the progress made in developing countries in applying plant biotechnologies to crop breeding and the increase of agricultural production, one could cite the success of Chinese scien-

tists in regenerating plants from pollen grains (anther culture) in rice, wheat and maize; the *in vitro* micropropagation of oil palm on a large scale in Côte d'Ivoire (with the assistance of French research institutions), in Malaysia and Indonesia (in state-owned and private plantations, including the contribution of multinational corporations); prospects for the large coconut-producing countries (such as India and the Philippines) of the *in vitro* micropropagation of coconut through somatic embryogenesis; the *in vitro* micropropagation of date palm and the possible breeding of lines resistant to the disease caused by *Fusarium oxysporum* f. sp. *albedinis*, in North African and Middle Eastern countries; the regeneration of sugar-cane plantlets from calli derived from stem or leaf explants, as well as the production of haploid plants from anther cultures with a view to isolating disease-, salt- and aluminium-tolerant plants in Argentina and Cuba; the use throughout Central and South America of tissue culture techniques (including culture of embryos, protoplasts and anthers) to obtain virus-free plants, propagate them through vegetative means and breed new cultivars (tomato and capsicum, cassava, potato, legumes, banana, oil palm, citrus, coffee, peach palm, fruit trees); the *in vitro* micropro-

pagation of banana varieties resistant to black cercosporiosis in Costa Rica, Cameroon, as well as the isolation through tissue cultures of high-yielding and disease-resistant plantain varieties; the possible use of somatic embryogenesis and regeneration from protoplasts derived from somatic embryos to breed rust-resistant varieties of coffee as well as coffee plants with less caffeine in their beans in Côte d'Ivoire, Costa Rica, Mexico; the rapid progress achieved in Malaysia, Thailand and Singapore in applying biotechnologies to the mass propagation and improvement of food and cash crops, flowers and ornamentals; the substantial progress made in germplasm conservation through tissue culture techniques in the International Agricultural Research Centres (IARCs) and in several developing countries such as India, where the National Facility for Plant Tissue Culture Repository under the National Bureau for Plant Genetic Resources is responsible for research on *in vitro* conservation, including cryopreservation of seeds, organs, calli, anthers and pollen.

Although plant genetic engineering is still in its infancy, as witnessed by the fact that only a few genetically engineered crops have reached the stage of field trials in industrialised countries,



Above, *in vitro* plant breeding. Biotechnologies can assist in breeding more productive, or more resistant animals, too

(*) Deputy-Director, Bureau of Studies and Programming, UNESCO, Paris.

and that only about 20 plant genes and their effects have been fully characterised and cloned, promising prospects exist to improve those plant traits determined by a single gene, which includes certain types of resistance to pathogens, pests and herbicides, tolerance to toxic minerals and earliness, while other characteristics (e.g. yield, tolerance to cold and drought), which are determined by clusters of genes, will be more difficult to transfer or to improve.

To sum up, one can expect an increase in the efficiency of crop breeding to result from a range of plant biotechnologies during the next decade. Developing countries can certainly benefit from this progress and, in particular, from the various methods of disease-free germplasm conservation and distribution for breeding programmes. More advanced techniques, although costly and not yet used on a large scale, such as gene identification, isolation, cloning and transfer, may assist the breeders in increasing the efficiency of conventional procedures.

Food and nutrition

Fermentation is a widely-practised traditional means of food and beverage preparation in developing countries, but with some exceptions in East Asia, is found at the village and not the agro-industrial level. However, these fermentation processes can be improved: their efficiency and yield can be increased through the selection of more productive microbial strains, the control of culture conditions, and through the adaptation of the fermentation products to the evolution of food habits and the consumers' changing tastes.

Among the various types of fermentation that aim at providing a higher nutritional and economic value to agricultural products and to by-products of the food industries, fermentation in a solid medium comprises a number of biotechnological processes which are of great interest to developing countries. This is the case in Indonesian tempehs (manufactured by traditional and industrial processes) which contain up to 55% protein and consist of a compact cake made from soybeans, groundnuts or coconuts; tofu, a cheese-like product, derived from the fermentation of soybean curd by several mould species; and soya sauce whose production has been scaled up and markedly improved.

Furthermore, several developing countries in Africa, Central and South America, and the Caribbean are interested in the applications of fermentation in solid media such as the protein enrichment of starchy substrates (for example cassava flour enriched by the proteins of micro-fungi that are grown within the flour); lactic fermentation of starchy agricultural product for the purpose of storing the products (silage) and improving the digestibility and palatability of fodder (sorghum stems and sugar-cane bagasse) for ruminants; the low-cost production of amylolytic and cellulolytic enzymes; and the removal of unwanted compounds from agricultural products and wastes (e.g. the elimination of polyphenolic tannins and caffeine from coffee beans).

Developing countries can also benefit from single-cell protein production techniques, while taking into consideration economic feasibility factors as well as their national priorities, particularly with reference to their trade balance and hard currency situation.

It is widely recognised that microalgae can be used as feed for animals and can supply a high-protein supplement for human food. Their nutritional value has been substantiated by a large number of studies and compares well with conventional food products. In addition, there are many biochemicals (beta-carotene, sulphated carrageenan-like polysaccharides and arachidonic acid from *Porphyridium*, phycocyanin and gamma-linoleic acid from *Spirulina*) and pharmaceuticals which can be extracted from microalgae to be used in the food, pharmaceutical, cosmetic and chemical industries.

The various biotechnological improvements that are now in progress will result in a marked increase in the productivity of microalgaculture and a decrease in the production costs.

It is also likely that the increased demand for special feedstuffs for fish and aquatic organisms, poultry, pigs and cattle will contribute to a significant decrease in their production costs. This will also give a considerable impetus to mass microalgaculture in saline, highly saline and brackish waters which are unsuitable for the irrigation of most crops and which are generally abundant in arid and semi-arid regions. In this respect, the large-scale culture of *Spirulina* (such as is found in Mexico, Thailand and

Vietnam) could offer agro-industrial opportunities and supply an inexpensive high-food protein.

Livestock husbandry and animal health

The technique of embryo transfer, coupled with the sexing of embryos prior to implantation, can substantially shorten the time required for reproduction, conserve animal races which are threatened with extinction and increase milk or meat production, depending on the preference given to selecting female or male embryos. A cow kept under intensive conditions which currently produces an average of 3.5 calves in its lifetime, is expected to produce 17 under embryo transfer.

This technique has been applied to improve and multiply taurine breeds which are indigenous to West Africa and are tolerant to trypanosomiasis. Embryo transfer has yielded good results in cattle, water buffaloes, buffaloes and goats in India and Malaysia. In addition to the advantages offered by the transport of embryos frozen in liquid nitrogen, the technique, when applied to swine, can be of great interest to Asian countries where porcine livestock is very numerous.

The use of the main livestock species growth hormones synthesised by genetically engineered micro-organisms can also have an important impact on herd and flock management, and can markedly improve their productivity when feeding conditions are satisfactory. Bovine growth hormone can increase the milk production of cows, whereas porcine growth hormone will help to produce lean pork.

Vaccines based on monoclonal antibodies against pathogens or manufactured through genetic engineering techniques (synthesising the vaccinating antigen by micro-organisms) are being, or will be, developed against scours (a neonatal bacterial diarrhoea of calves and piglets estimated to cause the death of tens of millions of animals of each species annually), viral diarrhoea in cattle, bovine adenovirus, porcine adenovirus, porcine infectious rhinotracheitis, Rift Valley fever, pseudorabies (Aujeszky's disease, caused by a herpes virus which infects the nerve cells of pigs and often remains quiescent for long periods before it reverts and causes epidemics; a genetically-engineered commercial vaccine against it exists), Newcastle disease,



WHO.

Biotechnologies could have a number of highly beneficial applications in developing countries, not least in the fields of medicine and public health

which is the most important virus disease of poultry in the world, and coccidiosis. Finally, the development, before the early 1990s, of a genetically-engineered vaccine (containing the antigenic determinants of the immunogenic virus protein) against foot-and-mouth disease, that will be safe, heat-stable and easy to produce, will have a great economic impact.

Medicine and public health

Monoclonal antibodies are the fastest growing segment of biotechnology, with a market forecast of about \$ 5 billion by 1992. Because of their high specificity, accuracy and easy use, they will rather quickly replace the use of conventional immunological and serological assays in a wide range of medical tests and diag-

nostics. This can be highly beneficial to developing countries, e.g. the early diagnosis at low cost of cancers caused by viruses or of viruses associated with cancers with a long incubation period, with the subsequent decrease of mortality due to these diseases.

Vaccine manufacture is acknowledging rapid progress from conventional, live, attenuated and crude killed vaccines to the purification of immunogenic antigens, and isolation and cloning of their genes so as to produce them by genetically engineered microbial and animal cells.

The marketing of three anti-hepatitis-B vaccines containing the virus surface antigen (HBsAg) synthesised by genetically engineered yeast cells and by cells from the ovaries of the Chinese hamster, and

as well as the possibility of using recombinant vaccinia virus harbouring the gene encoding HBsAg in vaccination campaigns against hepatitis, are the first breakthroughs in the field of so-called second generation vaccines. Other similar vaccines are being developed against poliomyelitis, rabies, herpes viruses, cancer-associated viruses (papilloma viruses, Epstein-Barr virus), Acquired Immune Deficiency Syndrome (AIDS), cholera, leprosy, malaria and schistosomiasis.

All these vaccines, those already marketed and those to be developed in the more or less distant future, are of great relevance to developing countries, provided their cost is sufficiently low so that they can afford to buy them.

Bio-energy production

Integrated systems for the production of food, feed, fuel and chemicals have been designed for tropical humid regions, and most of them are currently in operation in Asia. The Mexican Institute for Appropriate Technology has promoted an integrated system for arid and semi-arid zones which takes advantage of solar energy, saline water, harvested rain water, organic wastes, non-conventional crops, halophytic plant species or micro-organisms, and energy crops. Such an integrated system can produce food (fish, chickens, pigs, cattle), feed (*Spirulina*, halophytes), fuel (biogas or ethanol) and biochemicals (pigments from *Spirulina*, oils and resins). Maximum use is made of renewable energy to decrease production costs, for example, the agitation of water (in ponds) by wind and the drying of *Spirulina* or plant biomass by solar dryers. This system is also labour intensive, to generate employment.

Impact of biotechnologies on developing countries

Several types of impact are conceivable:

- on the improvement of crop productivity and overall food production through the direct use of plant biotechnologies, as a complement to conventional breeding techniques;
- on nutrition, through improvement in the quality of agricultural and agro-industrial production and the upgrading of food fermentation;
- on the better integration of food production with bio-energy production and consumption at household and village levels;
- on the increase and improvement of livestock production and health of domestic animals;
- on trade patterns between developing countries and industrialised countries resulting from differences in the timing of productivity increases both in agriculture and in agro-industry between the two groups of countries, and from the commercialisation of new bio-industrial products that tend to replace foodstuffs and various biochemicals produced by the developing countries, thus depriving the latter of an important source of income;
- on income and employment;

- on the possible extension of cash crops at the expense of food crops;
- on the strengthening of the large agricultural estates, resulting in the displacement of small landholders and landless farmers;
- on the possible decrease of genetic diversity as a consequence of the widespread distribution of new cultivars;
- on the increased privatisation of research results in plant biotechnologies which entails, for developing countries, more difficult access to these results and the payment of high fees for the seed of crop varieties bred in industrialised countries.

The world-wide development of biotechnologies is, no doubt, associated with a tight network of powerful economic interests of states and transnational corporations. This leads to harsh competition in conquering the expected large markets, including those of developing countries in the various fields of biotechnology innovations. This competition is accompanied by the protection of research results, most often through industrial secrecy and the award of patents.

For developing countries, technological dependence is highly likely to increase. But it is in their power to design appropriate strategies to take advantage of biotechnologies according to their needs, specific situation and constraints. This should be facilitated by the fact that biotechnology research in developing countries is publicly funded, in contrast to the high proportion of private funding in industrialised countries. There are, however, exceptions such as Brazil where several hundred scientists are involved in joint ventures between commercial seed companies and university-based research groups, and in other work funded by transnational corporations. Commercial companies are also involved in the production of plant hormones, inoculants and vaccines produced by fermentation. There are other developing countries, e.g. in South-East Asia, Latin America, North Africa and the Middle East, which seek and find appropriate solutions for the development of biotechnologies, while avoiding imitating the strategies of industrialised countries, and who participate in the general advance of scientific research in biotechnology.

Biotechnology should not aggravate disparities

Subregional, regional and international co-operation contributes to the sharing of knowledge and experience and may prevent the "biotechnological revolution" from further aggravating disparities among countries in the fields of science and technology.

The role of the CTA

In this respect, the dissemination of up-to-date information is of primary importance. The ACP-EEC Technical Centre for Agricultural and Rural Cooperation (CTA), established in 1983, at Ede-Wageningen, the Netherlands, and operating under the Lomé Convention between Member States of the European Economic Community and African, Caribbean and Pacific (ACP) States, aims at providing these countries with better access to information, research, training and innovations in the fields of agricultural and rural development and extension. CTA is convinced that developing countries should have access to the most up-to-date information on agricultural and plant biotechnologies, so that they are aware of all the possibilities for their agricultural and rural development, and can make appropriate choices when training their scientists and requesting donors' assistance for research and development prospects.

As an illustration of this recent involvement of CTA, two initiatives are worth mentioning. Firstly, CTA is co-publishing with the United Nations Educational, Scientific and Cultural Organisation (UNESCO) a book on *Biotechnologies and Development*, that will be distributed by UNESCO and CTA before the end of 1988 in all the ACP countries. Secondly, CTA and FAO will organise from 26-30 June 1989 an International Symposium on Plant Biotechnologies for Developing Countries in Luxembourg. The objective of the Symposium is to design an action plan for the further development of plant biotechnologies in developing countries by exchanging views on the current status of plant biotechnology with specific reference to the needs of developing countries; by appraising the socio-economic impact of biotechnological developments; and by identifying activities that should be promoted. ○ A.S.



The forgotten factor

Many a study has been run on the reasons for so many development projects failing or getting bogged down. Why doesn't anyone say that it has nothing to do with ill-adapted structures or the absence of financial or technical input or bad luck or historical reasons and that it is all due to the outlook and the motivation and the behaviour of the people who run them, and at all levels? There is nothing intellectual or clever about it. Maybe it's too easy. But it's the truth. So what is the answer? Everyone needs moral criteria, ethical yardsticks and standards by which to measure behaviour.

The real problem is that these moral criteria are often, and perfectly naturally, relative. They are relative to the people around, to the family, the tribe and the race and to education—or to nothing but oneself, and in the short term too. And since they relate to limited social groups, they no longer hold good when different groups come into contact with each other. When this happens it is as if there are (virtually) no yardsticks any longer and we have the law of the jungle, where the strongest—or the cleverest—man wins, crushing the weak. This is true in economic, political, military and financial affairs, in short, in every field of human endeavour.

So the answer is first to educate oneself and then each other so as to move the field of application of these moral criteria—honesty, respect and responsibility, for example—towards their absolute or objective meaning. This movement, initially the fruit of a personal, unilateral decision, leads to a new dynamic process of existence and a gradual change in motivation on the part of both individual and community. It goes hand in hand with a broadening of the field of awareness and sensitivity to increasingly extensive units of the human family. It stimulates the imagination so that, gradually, the scepticism, pessimism and cynicism, often typical of social analyses, give way to visions of hope and the sincerely positive intuition that generates suitable, lasting solutions. Such factors are of particular importance in the practical relations between people, between communities and between nations as different as those of the ACP Group (especially in Africa) and the EEC.

This is not just an abstract idea. It is the fruit of experience gained over many years, dozens of years in fact, in many countries. One example is an experiment run over about a decade, whereby Rhodesia was able to become Zimbabwe, independent, in conditions of reconciliation, peace and equilibrium, when the international press unanimously predicted that this country, undermined by guerrilla warfare under the previous régime, would have become a blood bath.

Fernand Maton, Brussels, Belgium

The crisis and its consequences in rural Sahel

What is the situation now as regards the consequences of the crisis on farm production? The agricultural economy of countries such as Senegal, Mali and Mauritania have not managed to meet their populations' food or employment needs since independence. According to FAO experts, the growth of food output, which was 2.7% in the '60s, dropped to 1.9% in the '70s and has slid to an alarming 1.3% in the 80s. So the crisis in sub-Saharan Africa began by lowering agricultural production and then brought about "food insecurity", a situation we have to handle by planning new agricultural policies aimed first and foremost at boosting food output.

Sub-Saharan Africa's farmers have not obtained the inputs they needed, nor the credits to buy them cheaply. So the new agricultural policies will have to improve the price paid to the

producers and open new marketing channels. And as to the factors of production—sub-Saharan Africa's farmers have to be able to get the input they need for production themselves.

There is a seasonal shortage of labour in this part of the world, which is why agricultural machinery will have a big part to play in the rural environment there. It goes without saying that this machinery will be based on appropriate technology which is right for the social environment due to be changed. Irrigation should be encouraged and hydro-agricultural infrastructure built. And this means institutional reform too, to increase agricultural output. The shortage of skilled labour in the rural parts of sub-Saharan Africa poses the unavoidable question of practical training and getting the technical ideas into general use. And lastly, an agricultural policy which is to solve the acute hunger problem cannot but deal with the problem of drought and desertification. The countries of sub-Saharan Africa have had drought and its negative effects, desertification, since 1968. Drought reduces the water resources and leads to serious changes and a decline in the fertility of the land, so agricultural production dwindles. And desertification destroys the biological potential of the soil.

This is a sorry picture and one which goes far beyond national frontiers, so regional solutions have to be found. The campaign against drought and desertification can no longer be confined to national territory (because of structural adjustment plans). It has to be run on a macro-scale, so the sub-Saharan populations feel the benefit because the question of the general deterioration of ecosystems is being solved on a large scale. And the shared costs are lower. It is with this in mind that the CILSS, combining eight countries in the Sahel, was set up. And, along the same lines, the three-year programme of the CEAO, which includes a hydraulic programme for people and cattle (drilling), has to be made more dynamic to provide a solution to the scarcity of water supplies in the rural Sahel.

Papa Ibrahima Sy, Dakar, Sénégal

Women at work — my experience

I should like to give you some very personal thoughts after reading your dossier on employment (No 110). Everyone knows that in farming, amongst other fields, there is still a great deal to do in the developing countries. And at every level too, from production through to processing. They also know what the EEC does, with its financial, technical and scientific aid and more. Young people from the developing nations have problems finding work and you described them very well.

But what about young people in the EEC? What is an engineer in tropical agriculture supposed to do as a woman, who is 25 years old and, to top it all, anxious to go to Tunisia with her husband? Looking for a first job is an impossible task, in spite of 26 months' work experience in five countries of North and sub-Saharan Africa. A woman in agronomy... in an Arab country too... and with no experience... just imagine! Possible employers in the EEC look upon this sort of applicant as a joke...

**Caroline Houziaux, Strasbourg, France
(postmark: Dakar)**

We remind our readers that their letters are welcome. They should be brief and to the point and, preferably, relate to the contents of this magazine.

Papal Encyclical "Sollicitudo Rei Socialis" — John-Paul II — Rome — 30.XII.1987

Now, 20 years on from Pope Paul VI's famous encyclical "Populorum Progressio", John-Paul II returns to what his encyclical calls "the social question, i.e. that which is aimed at the authentic development of man and society". This latest text, known by the Latin words which start it off — *Sollicitudo rei socialis* — is not just a "tribute" to an "historic" document nor simply "a reassertion of the continuity of the social doctrine of the (Catholic) Church". John-Paul II pursues the line of thought of the original document, but updates it. He starts with a "panorama of the contemporary world", seen as broken up into "several worlds" separated by an "ever widening gap", a "sad reality of our times", marked, in particular, by two "specific symptoms" — the housing and unemployment crisis and the "open wound" of millions of refugees. This "primarily negative" panorama. John-Paul II writes, nonetheless has some positive aspects to it — "greater concern with human rights everywhere, ... concern with ecology", and the progress some developing countries have made along the road to self-sufficiency in food supplies and industrialisation.

The encyclical uses this analysis as a basis for investigating the conditions for "authentic human development". This does not just depend on a "simple accumulation of goods and services". It means subordinating progress to a transcendental reality, making for the "integral development" of men and of nations. "Development which failed to respect or encourage human, personal, social, economic or political rights—including the rights of peoples and nations—would not be worthy of man", John-Paul II maintains, listing, *inter alia*, "the right to life, ... family rights, ... justice in labour relations, the inherent rights of the political community as such, total respect for the identity of each people and fundamental equality" between peoples and individuals.

The Pope then gives a "theological reading of the problems of the modern world" in a section concentrating on religious and moral considerations.

"The real nature of evil" which prevents development is seen as moral, consisting of the "absolutisation" of attitudes such as the "desire for profit alone" or a "thirst for power". So development will call for "a change in our spiritual attitudes" and, particularly, "growing awareness of the interdependence of men and nations".

Lastly, the encyclical gives us "a number of particular guidelines". It says that, although the Church has no technical solutions to offer for the "problem of under-development", it does "have a word to say... to guide Christian behaviour", and it indeed calls on Christians to "commit themselves to justice" in their "daily lives". But the Pope is more demanding than that. He addresses the "leaders of nations and international organisations", reminding them of their obligation always to put priority on the "real human dimension in their plans" and not to forget to "put the growing problem of poverty to the fore, for... worldly goods, in the final analysis, are for everyone". And the developing countries, he says, have to take themselves in hand without "expecting everything from the more favoured nations, but by working hand in hand with others in the same situation".

The Pope has no divisions—any more than he did 50 years ago—and the Church he heads is losing its wealth. With only his moral authority behind him, will he be heard?

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Pascal FONTAINE — **Jean Monnet, l'inspirateur** (Jean Monnet, the Man who Inspired) — Preface by Jacques Delors — Jacques Graucher, 98 rue de Vaugirard, 75006 Paris — 176 pages — 1988

This book by Pascal Fontaine, who was Jean Monnet's last assistant, is a timely one this year, the centenary of the birth of the amazing Frenchman who gave inspiration in the shadow of the great statesmen of his time.

Both Jacques Delors and the author himself quote something Monnet said — "There are two sorts of men, those who want to be and those who want to do". And obviously, Jean Monnet was one of the latter.

Monnet died on 16 March 1979

at the age of 91. Fontaine clearly presents this long life in the three parts of his book — on the Man of War and Peace, the Builder of Europe and the Man and his Heritage. When Monnet's memoirs came out in 1976, *The Courier* took the opportunity of presenting the man and the fruitfulness of his thinking, which was inspired by the certainty that there could always be a common interest among men — provided it was defined and organised.

Monnet was no doubt helped by the fact that, during the post-war years, men such as Robert Schuman, Adenauer, de Gasperi and Spaak, to name but a few, were in posts of responsibility across Europe. And the events of the recent past, their experience and their reflexion were such that they were ready to accept his long-matured yet simple ideas.

Emmanuel Berl, a contemporary, summed up what was essential in Europe when he wrote that, in the latter half of the 20th century, "nationalism is turning to provincialism and is in danger of turning into disease". Jean Monnet thought an end should be brought to Franco-German antagonism once and for all. A large market should be created, he felt, to make for mass production and bring down the cost per unit, and there should be real solidarity between the States of a free Europe. This was the Schuman declaration of 9 May 1950 and the first European Community—the coal and steel market—of which Jean Monnet was the first President. For "men are needed for change, as are institutions to bring it about"... to which he added: "We are not forming coalitions between States; we are uniting men".

More is known about what happened after. But the process is not complete, for Europe is moving forward once more, with 1992, the Single Act and the decisions of the European Council of February 1988 in its sights. But it was men such as Monnet who lighted the way with their simple yet powerful ideas. "The main partner in the construction of Europe", he said, "was necessity". And is it not still?

Alain LACROIX

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Continued on inside back cover

“Inventing the future”

Opening of the negotiations for the renewal of the ACP-EEC Convention

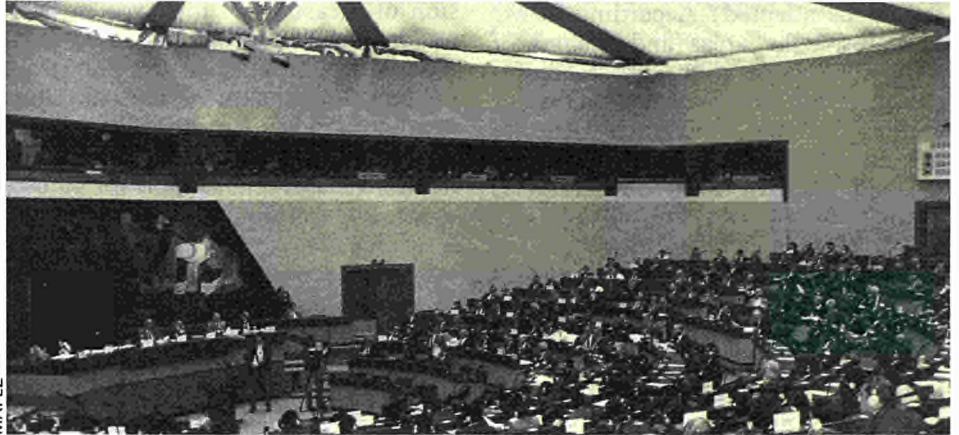
Once again, Luxembourg was the scene of the opening of the negotiations for the renewal of the Lomé Convention. Once again, almost half the countries of the world were represented at the meeting. And once again, there was a Greek Minister co-presiding the official opening ceremony.

But the analogy stops there, for the negotiations between the 66 ACP States and the 12 Member States of the Community, which opened on 12 and 13 October, will be different from the previous ones, as the speakers made clear.

Their job is to produce the ACP-EEC Convention which, on 1 March 1990, is to take over from Lomé III—as indeed Lomé III specifies. On the platform at the opening ceremony were the European co-President, Greece's deputy Foreign Minister, and President-in-Office of the Council of the European Communities Theodoros Pangalos; the ACP co-President, Guyana's Finance Minister and President-in-office of the ACP Council of Ministers, Carl B. Greenidge; and the Vice-President of the Commission of the European Communities, responsible for cooperation and development, Lorenzo Natali.

On the floor were 66 ACP delegations (almost two thirds of them led by ministers), which is two more than last time, as Angola and Mozambique are now full members of the Group and not just observers; and 12 EEC delegations, also led by ministers. Here too there were two more States than in 1983, as Spain and Portugal have since joined the Community.

But there was another major change, one which the ACP co-President commented on at length: the general economic situation, which forms the backdrop to ACP-EEC relations, has seen a considerable deterioration in many an ACP economy over the past five years.



The opening session. Almost half the countries of the globe were represented.

The Community position: “change in continuity”

What did the following speakers over those two days say? The positions taken up on the European side did not come as a complete surprise as, on 15 March, the Commission made public the guidelines it was proposing the European Council of Ministers should adopt to enable it to embark on the negotiations (see *The Courier* no. 109, May-June 1988—News Round-up, pp. V-VII). Although the Council of Ministers' decision was only taken a few days before the Luxembourg meeting, it was known roughly to echo the Commission's ideas and it was indeed along these lines that the European co-President spoke on 12 October. Mr Pangalos started his speech by reminding the meeting of the general principles which are now the “common heritage” of ACP-EEC relations—“interdependence, mutual interest, respect for the sovereignty and the social, economic and political choices of each party, non-discrimination between beneficiaries, guaranteed and reliable aid”. And, perhaps most importantly, anticipating the ACP speaker to follow, has “a contractual aid policy increasingly attuned to the specific and varied requirements of our ACP partners”. So, no changes in Lomé III, which Mr Pangalos indeed praised, thus far. So could it not just be ren-

ewed? No, the Greek Minister said, it would be better, while maintaining and strengthening “the basic principles, approaches and methods” of Lomé III, to “adapt the new Convention in the light of experience gained and the development of the economic situation of the ACP States”—i.e. to have “change in continuity”. This part of his speech was strangely reminiscent of the opening of the Lomé III negotiations five years ago. There too, the Community wanted not simply to “renew” Lomé II, but to adapt it, without any “upheavals”. Yet what changes were brought in during the negotiations that led to Lomé III! Mr Pangalos was fairly concise in his summing up of the 1983-84 negotiations, “an ambitious undertaking”, he said,

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which “transformed the structure of the Convention, placed man at the centre of development, refocused the priorities, broadened the scope of co-operation and established a new approach to financial and technical co-operation”.

Will there be such important changes this time? There could well be, for the Community is now proposing that, with the achievements of Lomé III as a basis, there should be—and this is where the essential part of the speech starts—the sort of development that could well be more than a simple adaptation.

So what should be kept and what should be adapted? According to Mr Pangalos, “the areas and themes of ACP-EEC cooperation... and the focusing of aid on particular sectors or themes”, should be retained. And he mentioned such long-standing themes as food security, rural development, training, health, the enhancement of human resources, population involvement, scientific research and the environment, and new—or differently formulated ones—such as improvements to management ability, export promotion, population and regional development, contributions by “a broad range of participants”, both individuals and groups, to “complement the role of governments and central administrative authorities”, and strengthening of the provisions on human rights.

There should be continuity, too, in the “overall economy of the general trade arrangements”, in Stabex and Sysmin (which should, however, be “improved” and “made better use of”), in a special system for the least-developed, landlocked and island countries and in the cooperation arrangements—particularly when it comes to support for sectoral policies (with the three corollaries: focusing of aid, policy dialogue and mutual commitments), the range of instruments (programmes, projects, sectoral import programmes, aid to back up new schemes and follow-up aid counterpart funds) and the procedures (programming and specific allocations) and financial means (the “high concessional element” and risk capital). And the importance accorded to regional cooperation should also be maintained. Lastly, the present institutional structure should only need “minor adjustments”, such as greater involvement of social groups and employers’ and workers’ organisations in development.

So, the volume of Lomé III provisions which the Europeans feel should be carried over is, clearly, very considerable. However, the European co-President also announced a large number of potential adaptations. This was

the “development” side of his speech—which probably generated the most curiosity amongst his listeners.

At the top of the list of changes deemed necessary in view of the “constraints” currently hampering the ACPs is inclusion in the new Convention of provisions on structural adjustment—and it would be tempting to say “obviously”, given all the discussion of measures of this type in both national and international fora over the past few months. As the Community sees it, adjustment and development go hand in hand, for “medium- and long-term support for development measures and support for adjustment measures by fast-disbursing operations are complementary and are both indispensable”.

Another important innovation is the emphasis on the private sector, a sign of the fairly strong liberalism reflected in other passages on trade. (What ACP countries have to do, Mr Pangalos said, is adopt “approaches which take market conditions into account” when diversifying their economies. “Greater liberalisation of international trade”, he said, “will bring great benefits to all the countries taking part in the Uruguay Round”). The private sector should be encouraged “to make a bigger contribution to development” and the ACP States should adopt a “positive attitude” towards private enterprise, “in particular small and medium-sized enterprises”, although their efforts should be “a complement to, and not a substitute for, official development aid”. And how should this be done? By the sort of cooperation which “mobilises domestic savings and develops financial intermediation”, promotes enterprise and encourages foreign investment.

The ACP-EEC services trade “could get better coverage under the next Convention” and the Agricultural Commodities Committee (the “Article 47 Committee” in Lomé III) could have its scope—on such things as commodity processing, marketing and distribution—widened.

Lastly, although the consequences of the Single European Market, scheduled in principle for 1 January 1993 (i.e. during the next Convention), were only mentioned in passing, Mr Pangalos did discuss another subject, and an important one too, which, it was rumoured, came from European Development Commissioner Lorenzo Natali—“the people who participate” in

development, not just the governments, but the man in the street or in the village, by himself or in association with others. And Mr Pangalos named those, ACPs and Europeans, who—in European eyes—could help—“businessmen, producer groups and rural communities, local authorities, cooperatives, social groups, training and research organisations, NGOs” and so on, who could be given “direct financial support”.

Practical proposals, the Greek Minister announced, on Stabex, Sysmin, “extending the policy dialogue”, import programmes and more effective use of the instruments available to encourage the private sector, could be taken by the Community at the negotiation table soon. He deliberately left open the questions about the duration of the Convention, its structure and the possible accession of Haiti and the Dominican Republic, but said that he hoped that “in the near future, independent Namibia will be able to join our cooperation”.

The ACP position: the importance of trade

The ACP co-President, Mr Greenidge, seemed to start his speech (prepared by an ACP Council of Ministers in Brussels on 8-10 October), by way of tribute to his Greek colleague, with some amoebean verse^(*). He too spoke of “continuity and change”, elegantly quoting a Greek thinker, Heraclitus, in describing the ever-changing world in which we live.

Mr Greenidge began with a balance-sheet, with abundant figures of past Conventions. Trade, he said, “is the centrepiece of the Lomé Convention”. It was in Europe’s interest to secure regular supplies of raw materials for its industries and to export its manufactures, and it gave the ACPs regular, preferential access to the European market—which enabled them to export and earn the foreign exchange they needed to buy the industrial products they needed. However, the interest of the Conventions has also been that they have given the ACPs financial resources with which to work to correct the structural imbalances in their economies and, most important, that they have reaffirmed human dignity (“a central feature of our cooperation under Lomé III”) and recog-

^(*) Alternate stanzas, in Greek-Latin civilisation.

nised that growth is not an aim in itself but something that must be of benefit to the individual. "Many other North-South relationships have existed", concluded the Minister on this point, but none have matched Lomé in terms of "concrete efforts to enhance the human condition".

The speech was music to the European ear thus far, but Mr Greenidge now began gradually to become a little more critical. Over the years, he said, there had been a "gradual globalisation" of the Community's development policy. The result has been the gradual erosion of all the preferences on the 30-odd products, very impor-

to their countries and the fact that, at the moment, resources which should be coming from bilateral and multilateral development institutions had been replaced by net transfers to them, with the developing countries paying more than they got.

In spite of the existence of a special ACP-EEC committee (the "Article 193 Committee") to look into these issues, the speaker said, "our joint efforts" at solving the problem of speeding up Community aid payments had not been successful. So the work should continue, and the current studies on investment protection should also be completed.

countries had increased. More should be provided to help refugees, although, thanks to Lomé III, there had been a clear improvement in the quality of the relief, and the Community should be praised for "its response by way of emergency aid".

The clouds looming over this report, the speaker said, were partly due to trends in the world economy. Five years ago, the developed countries had been in the throes of recession and had to adopt "defensive policies resulting in high real interest rates, volatile exchange rates, low investment and increased protectionism". This enabled them to get their growth going



The ACP and EEC co-Presidents, Ministers Greenidge (Guyana) and Pangalos (Greece): the negotiations will concentrate on 'continuity and change' of the substance of Lomé III

tant for the ACPs, which enjoyed such preferences. While, for certain other products, the arrangements "without being perfect", have made invaluable contributions towards the stability of the economies of the countries concerned—this was a reference to the Protocols on rum and bananas and the special arrangements for rice and beef and veal—but them alone. As to financial resources, although the absolute volume had gone up, there had been a continuing diminution in the real per capita value from one Convention to the next. "We cannot ignore the improvement in the quality of the aid", he went on, particularly the importance of the grant element and of course the allocation of resources to programmes rather than projects.

However, here too, things are nuanced—the disbursement of funds, in particular, had been very slow, although the ACPs needed the flow of cash because of their public debt problems, the declining flow of investment

As a result, the ACPs had continued to rely on raw material exports for their income. And there again, trends had been against them, because commodity prices had slumped, increasing the need for intervention machinery. Stabex, for example, had been innovative and useful. But it could not cope now, because the lost export earnings were not covered and the criticism levelled at it, Mr Greenidge said, was "well-deserved". So "we need to join with the rest of the world to fashion a régime under which the gains from trade might be more equitably and predictably shared between producers and consumers". Sysmin, he said, was currently "limited to simple rehabilitation operations". It has been "bedevilled by complicated procedures... and a lack of transparency", having, all in all, far less effect than anticipated.

The measures for the least developed countries were deemed inadequate too, in spite of the fact that the per capita flow of resources to such

again, cut inflation and reduce unemployment, and it was largely financed by the lower price paid for ACP products. But for the developing countries, the consequences of the crisis were far more drastic, particularly for those who had problems with their debt servicing. Here Mr Greenidge embarked on a detailed description of the ACPs' economic problems, which *The Courier* will not go into here since it has given the subject exhaustive coverage over the past year (see, in particular, the UN document on sub-Saharan Africa summarised in no. 107, January-February 1988, pp. 85-88, and the report of the Dakar seminar on structural adjustment, debt and commodities in no. 111, September-October 1988, News Round-up, pp. I-IV). It can be summed up in one, short sentence: "The severity of the consequential economic dislocation in the exporting countries has already surpassed that of the Great Depression of the early 1930s", he said.

He then mentioned that the ACP

economies' extreme dependence on commodity exports had not really changed and that, when some ACPs had managed to develop their output of manufactures, it did not really help them to boost their GNP because of the protectionist barriers raised to their exports, even those going to the EEC. And although the Community had altered the structure of its external trade, it was more to the detriment of the ACPs because it bought less from them than before. In short, trade was a great "source of frustration" for the ACP nations.

Another, no less dramatic, link was that between declining prices and the fact that it was impossible for the ACPs to make any significant improvement in their production structure or reduce their dependence on commodities. So some countries had been forced to embark on structural adjustment programmes—although without any specific provision being made to cushion the social effect they may have. Social services have declined, nutritional standards have dropped, and so on... and some of the countries concerned now feel that, in

affected by dwindling raw materials prices;

- a fresh look at the Stabex objectives and provisions (product coverage, non-reimbursement of transfers, more flexible use of counterpart funds etc.);

- "preventive" use of Sysmin, simplification of the system, increased product coverage, faster payment;

- better EDF payment procedures;

- a special programme, "separate from the EDF", of sufficient size, for the structural adjustment programmes—which should be flexibly designed to reflect the special needs of the ACP States and should not need an IMF or World Bank "imprimatur";

- special attention to the most vulnerable groups of the population ("the aged, the handicapped, rural women and children") and young people in particular;

- correction of the tendency to "assign only a minor role" to industry, a tendency which was born of the emphasis placed on food security; need for a "special programme on processing, marketing and distribution" of raw materials and an increase in the part played by the CDI and EIB in this respect;

- reinforcement of the part played by the ACP-EEC Cultural Foundation and an increase in its means;

- better status for women in the development process, and discussion of the problems of students and migrant workers;

- investigation of ways of boosting investment and the part played by the private sector;

- aid with implementing intra-ACP technical assistance;

- improvement of scientific and technical research programmes (including biotechnology and the protection of the environment);

- continuation and extension of the dialogue on eliminating apartheid from South Africa.

Lastly, although Mr Greenidge did not commit himself on the ACP position on the accession of Haiti and the Dominican Republic to the new Convention, or on the duration of the latter, he did call for proper discussion of the consequences of any further enlargement of the EEC to avoid any adverse effects on the ACPs. And he said that, as soon as it became inde-



Development Commissioner Lorenzo Natali. "Using our imagination to face the challenge of the present"

Mr Greenidge then moved on to debt, pointing to the "direct link" between this and falling commodity prices. Selling (primary) products whose prices were falling and buying (manufactured) products whose prices were going up obviously dug a financial ditch which had to be filled in by borrowing. But what does the Community do in the international fora—the Uruguay Round, say—where the future of world trade is shaped? Its proposal (to all raw material producers) contains many products (such as oilseeds, coffee, spices, jute, hard fibres, manioc and tobacco) which are of concern to the ACPs to which Lomé III offered preferential access. And what happens to the preference if it is extended to other countries? It wanes, obviously, and there is real erosion of the preferential conditions granted to the ACPs and the spectre of political strife looms up—which was where Greenidge quoted Einstein, with "an empty stomach is not a good political adviser".

the long run, such programmes are negative.

Faced with this sombre picture, what demands were the ACPs making of the new Convention? Mr Greenidge listed a number of them:

- dismantling of all tariff and non-tariff barriers to ACP exports towards the EEC, even if this meant a new international division of labour as between ACP Group and the EEC;

- maintenance of ACP trade advantages, particularly the Banana Protocol, better access for ACP rice and beef and veal, free access for rum, the abolition of health restrictions on imports of ACP beef and veal;

- compensation for losses attendant on eroded preferences, greater flexibility in application of the rules of origin, a reduction in the percentage of added value, greater flexibility of the administrative procedures relating to the rules of origin;

- investigation by the Community of ways and means of helping countries

pendent, Namibia should join the ACP Group.

The Commission position: "We cannot and must not fail"

Lorenzo Natali's speech, a shorter one than either of the Presidents made, was devoted to the "Lomé contract" and how the new Convention could realistically reformulate it to reflect changes since the conclusion of Lomé III.

The Commissioner started by defining the limits of the Convention, saying that economic trends that are vital to the ACPs, namely "the explosion of debt, the collapse of commodity prices, monetary instability... cannot come directly under the terms of our contract". Of course, the Conventions leave room for "manoeuvre so as to cope with unforeseen situations", launching such things as the "Special Action programme for the poorest and debt-distressed countries". And there are possibilities beyond the confines of the Convention, eg in discussions in other fora, and we must "influence the decisions taken there". But Lomé is a general agreement which is taken further with every set of negotiations—something from which Mr Natali drew three lessons. First, "Lomé has become more necessary than ever... and the idea of a break-off is politically unacceptable", for the principles behind ACP-EEC cooperation are "permanent, even if the legal validity of the contract has, thus far, remained limited in time". Second, it seems "more necessary than ever to be realistic". The Convention can thus be improved without resorting to perfectionism or having too many "committees, mechanisms or special clauses". And lastly, "openness is essential". We should not be out to "defend acquired advantages... (but) be forward-looking,... taking special account of trends in the world about us... using our imagination to face the challenge of the present".

So, the new Convention "will have to break new ground", not just by "attacking debt head on", because the Community as such is only a minor creditor as far as the ACPs are concerned, but by "making wider provision for dealing with problems of structural adjustment... (using) an original and realistic approach... whereby development becomes the focal point of adjustment policies" and social considerations are taken into ac-

count. Such Community aid would be coordinated with IMF and World Bank aid, but not "governed" by it.

"Another area of new ground... is... that of decentralisation", something Mr Pangalos had already mentioned and which should be looked at carefully to see how the energies of the grass roots and of the private sector can be "incorporated... into our system of cooperation, which is administrative by nature".

Lastly, Mr Natali was clear about the fact that, when it came to regional cooperation, "we should be more demanding with regard to the ultimate aims", for if large economic areas are to be constituted, the ACPs "will need resolute policies where the emphasis is placed on economic integration... (and) the search for complementarities", and not merely credits and infrastructures.

Mr Natali then moved on to trade. As he saw it, "the real problem with ACP-EEC trade does not lie in the trade arrangements under the Convention but in the competitiveness of the ACP countries". This was the basis on which to "restore ACP States' exports to a competitive level... and promote intra-ACP trade... in a practical manner".

The Commissioner wound up his speech with an appeal for realism. It would be wrong, he said, to "call in question the soundest elements of the contract". Instead, our combined experience should be used to "invent the future". To his mind, ACP-EEC solidarity was not just based on economic interdependence—to believe that, the thought, was to have "a short-sighted view of more complex realities"—but on the "feeling of belonging to a community which shares the same values".

The negotiations: to be continued...

A further meeting of the same participants was held on 13 October, to organise the forthcoming discussions. It was agreed that a start on the substance of the negotiations should be made as soon as possible and that a "central negotiating group" would be set up for this purpose. The threefold aim here, proposed by Mr Pangalos and agreed to by Mr Greenidge, was "to list the priorities for the negotiations, identify the problems to be discussed at the various stages, and... set up... such negotiating

groups as proved necessary" to deal with specific questions, and coordinate the work.

It was rumoured that the European negotiators wanted to keep the number of working groups down as far as possible, although the ACPs wanted to see eight of them so as to make way for the eight regional groupings formed within the ACP Group. There was also a question of holding the first meeting of the central negotiating group in early November. The next ministerial negotiating meeting was to be in Brazzaville (Congo) on 16 and 17 February 1989.

How did each party greet the other's declarations? It would be premature to say, as, of course, in all negotiations of this kind, every word of the preliminary declarations was weighed up by the party concerned and pregnant with meaning. So the other party has to be very careful before it says anything. *The Courier* can do no more than give some impressions gathered just after the opening ceremony.

The Europeans tended to see the ACP declaration as "moderate", "a sound speech" indicating "considerable convergence" when it came to analysing the problems and potential solutions. However the ACP allusions to Europe's trade protectionism were thought to be "unfounded". The ACPs thought the European declarations were "positive,... what we expected,... leaving the way open...", although there was criticism too, particularly of the passages saying that the Community could do nothing direct about the ACP debt and those laying the blame for the imbalance of ACP-EEC trade at the door of poor ACP competitiveness. But in other areas, the human aspects of development, for example, the EEC was thought to be going along the right lines, although it was felt that the ideas should be worked out in greater depth. Mauritius' Raymond Chasle, doyen of the ACP Ambassadors to Brussels and father of the cultural and social cooperation sections of Lomé III, would have liked to see this taken a lot further and hoped that the cultural side of development schemes would be the subject of some practical thinking.

Both sides seemed to think the negotiations would be difficult. *The Courier*, as it has done with previous negotiations, will keep readers regularly in the picture. ○

M.-H. Birindelli

The Madrid Joint Assembly

All eyes on "Lomé IV"

When the negotiations for the successor to the Third Lomé Convention opened in Luxembourg in mid-October, the negotiators had a clear mission to fulfil: to draft a new cooperation agreement between the European Community's 12 and the ACP Group's 66 Member States. The Joint Assembly, by contrast, which brings together the elected representatives of the ACP States and the European Community every six months, has no executive role as such. But, through its examination and debate of the fundamental development issues of the day, and through the proposals it puts forward, it does seek to influence the quality of cooperation between the two partners, not least by creating a political climate in which difficult decisions may be more easily taken.

The most recent Joint Assembly, held in Madrid at the end of September, inevitably had the future Convention very much in mind, and the main report, drafted by the Dutch Socialist MEP Bob Cohen, centred on just that. Other reports dealt with Refugees and Displaced Persons; Health, and Commodities, with the Ghanaian Minister of Finance Kwesi Botchwey paying a flying visit to the Spanish capital for the express purpose of outlining his Working Party's report ("neither a consensus ... nor a final document" he stressed) on this, one of the most vexed of all development issues.

Perhaps the display of flamenco dancing came too late in the week's off-duty programme for the parliamentarians to be inspired by its fire and passion. (Not that fire and passion are necessarily constructive, but neither, always, is extreme politeness). At any rate, this was a remarkably calm Assembly, as Assemblies go, with even the lengthy debate on Southern Africa—where feelings run very high, after all, and where there *are* new developments—sounding somewhat flat and stale.

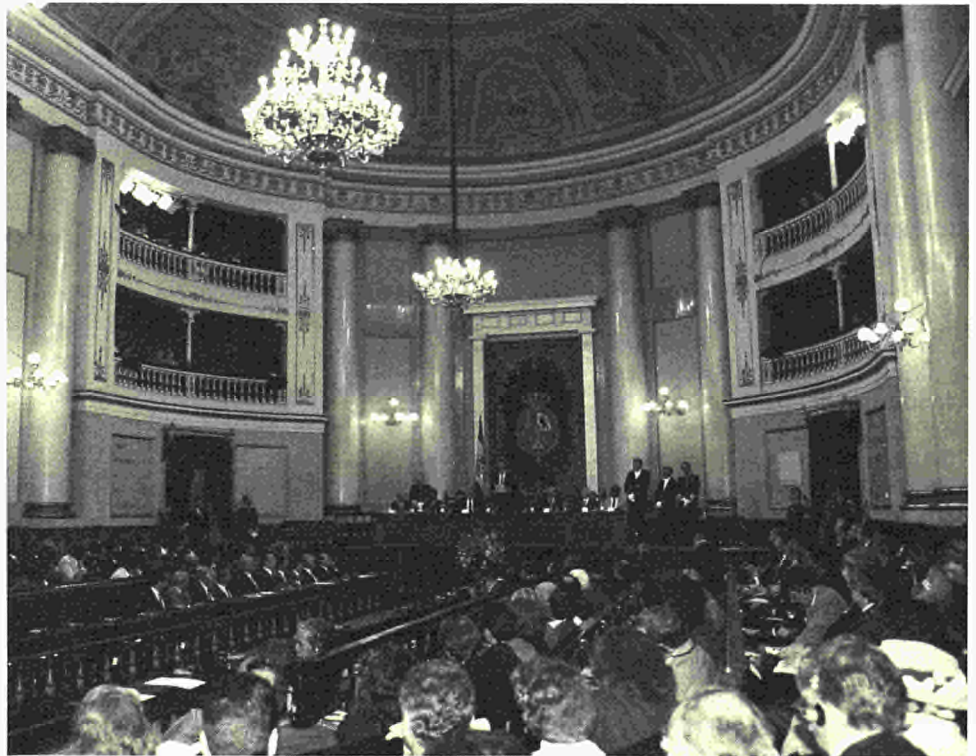
Perhaps it was no wonder, therefore, that one of the debates to command most attention was that on a subject that is relatively novel in the development context — the export of toxic waste to developing countries. It was also a debate that showed the Assembly at its best, with a frank exchange of views and as "an institutional means"—as

Lord Plumb, President of the European Parliament, expressed it at the solemn opening ceremony—"of advancing North-South, European and ACP cooperation".

The Cohen report on the future Convention

The fundamental expression of that cooperation is of course the Lomé Convention, and the purpose of Mr Cohen's general report, as of

the others, was to help to "concentrate the minds of the negotiators" in the formulation of the successor to Lomé III. In outlining his report (credited with being realistic, far-sighted and concise) Mr Cohen, acknowledging much that was good in Lomé III, highlighted two central, and interconnected issues: trade relations and debt and structural adjustment. On trade, the rapporteur acknowledged that preferential arrangements were a help (though quotas for agricultural products could be improved and the rules of origin could be favourably revised), but that the fundamental problems were structural. Moreover, further problems could confidently be expected to arise, firstly as a result of the Uruguay Round, which promised to further erode ACP preferences, and secondly with the advent of the large European market in 1992 which, though all were agreed that its precise implications for the ACP were unclear, would certainly have an im-



King Juan Carlos addressing delegates at the solemn opening of the Joint Assembly in the Spanish Senate

pact on the Banana and Rum Protocols, for example. In a draft resolution Mr Cohen called for the provisions of the new Convention to take into account, in so far as was possible, and to compensate for, any disadvantage that might result for the ACPs from the creation of the large market.

The 'lost age of development'?

A fundamental objective of the future Convention, he maintained, should be to support ACP States' efforts at safeguarding or reestablishing structural economic balance. But, he added, the Community's contribution should be to Structural Adjustment "with a human face", adding that all assistance to Structural Adjustment programmes in the ACP States should be over and above that of development assistance proper. (For in his view—though it was not a view shared by all the Assembly—"adjustment policy, after all, is not development policy, merely an attempt to create the conditions under which subsequent development is once again possible". Indeed, he contended, the 1980s, and possibly the 1990s, "will be characterised by development historians of the future as 'the lost age' of development").

On debt, Mr Cohen pointed out that the World Bank and IMF are in many cases getting more back in debt servicing from the ACPs than they are lending to them. The European Community, as Commissioner Natali was later to point out, was virtually negligible as an ACP creditor (less than 1% in sub-Saharan Africa) but the rapporteur believed, nevertheless, that debts arising from successive ACP-EEC Conventions could be cancelled and that future Stabex payments as well as financial support from the European Development Fund (EDF) could be made non-reimbursable.

These two issues were not, of course, the only ones covered by the report, which ranged wide over questions of industrialisation and regional cooperation, population and health policies, and human rights and social and cultural cooperation. It called also for "favourable consideration" of the applications of Haiti

and the Dominican Republic to join the Convention and advocated a 10-year duration (1990-2000) for the future agreement, with a review of funding after five years as well as the possibility, after five years, of modification, should either party so desire.

Structural Adjustment: the cornerstone

As is customary at the Assembly, the Commissioner for Development, Vice-President Natali, expressed his views on the general report, insisting that he could speak only in the name of the Commission, the Community as a whole not yet having finalised its negotiating mandate.

He, too, concentrated on the same "delicate issues", which he believed would be at the heart of the negotiations. The future Convention, he said, was not the place in which to try to settle the question of debt relief: this was a matter to be dealt with in the various international fora. Aid could be made more concessional, though; the idea of Stabex replenishments could be abandoned, for example, but the cornerstone of the future Convention should be Structural Adjustment. "It is there that we should concentrate our energy", he emphasised, "because adjustment means acting on the economic structures which have caused the crisis, not acting on its symptoms". The Community, he added, had, earlier this year, defined its approach to Structural Adjustment, an approach which Mr Natali stressed would be neither rigid nor lax, and, though he couldn't go along with Mr Cohen's thesis that such assistance was not developmental, he agreed that any finance for support measure should be in addition to that made available for traditional development operations.

On trade Mr Natali felt the need to be frank, so as to avoid possible future frustrations or misunderstandings: "The real problem of ACP-EEC trade", he said, "lies not in market access but in the capacity to export and the competitiveness of the ACP States; free market access is already practically total ... and further or new concessions are minimal and will have no significant economic impact".

"1992: neither without the ACP nor against them"

The repercussions on the ACP States of 1992, he agreed, were to a large extent unknown, and would still be unknown by the time the future Convention was signed. There would, he acknowledged, be a direct impact in certain areas of ACP-EEC trade, but trading relations would not be the sole area affected: the large internal market should stimulate growth in the Community, and this in itself should have favourable repercussions for the ACP. The internal market would not come about *without* the ACP, the Commissioner affirmed, and even less *against* them. Consultation could be requested where ACP interests were perceived as being threatened by internal EEC decisions.

Many issues were raised in the exchange of views that followed. Mrs Focke (Soc., D) insisted that the consideration in Structural Adjustment support programmes of social questions should amount to "more than a figleaf"; Mr Mungai (Tanzania) regretted the report's lack of attention to human resource development; Mr Simpson (ED, UK) felt that rapid population growth was a source of many problems, not least the strain on natural resources, and should be tackled; the Côte d'Ivoire representative believed, on the other hand, that a reduction in fertility would follow on naturally from development.

Other issues came to the fore after the speeches of the President-in-Office of the ACP-EEC Council, Carl Greenidge (Guyana's Minister of Finance) and of the President-in-office of the EEC Council, Mr Theodoros Pangalos (Greece's Deputy Minister for Foreign Affairs). Human rights was amongst them, with a call for "greater honesty" in the new Convention; regional cooperation was another, with appeals for additional instruments which would further stimulate intra-ACP trade. Ambassador Iroha of Nigeria regretted that the tone of the report suggested that the Convention was for the benefit of the ACPs alone: in his view it was to the advantage of both partners. He hoped, also, that the new Convention would allocate more ade-

quate resources to the Centre for the Development of Industry.

After question time, during which the Commissioner was challenged on issues such as the aid to peaceable organisations in South Africa (the "positive measures"), the state of implementation of the Special Fund (for debt alleviation) and the Commission's stance over the recent killings in Burundi, the Assembly proceeded to a debate on South and Southern Africa. The Cohen report was duly adopted, with a fair number of amendments, at the close of the four-day meeting.

Southern Africa

A debate on South and Southern Africa is rarely absent from the agenda of Joint Assemblies and the Madrid agenda was no exception. It is a topic on which there is overwhelming consensus amongst the ACPs and very little dissent among the Europeans. Everyone condemns apartheid; everyone calls for the "unconditional release" of Nelson Mandela, and for the application of UN Resolution 435 on Namibia. (One well-seasoned international meeting-goer commented, privately, that reports of this kind of debate could safely be written far in advance. And, indeed, there was evidence of a certain automaticity when one speaker called, presumably inadvertently, for the "unconditional release" of the Sharpeville six. Was that really the issue?).

And yet, for once, there were genuinely encouraging signs in the region, with South African troops withdrawing from Angola and some movement towards Namibian independence. Commissioner Natali reiterated the Community's condemnation of the "odious system" of apartheid, describing the Commission's "positive measures" as the concrete expression of that condemnation. Others, both ACP and European, questioned the usefulness of aid to the SADCC countries, however, while EEC Member States continued to bolster the regime through unfettered trade. The Mauritian Ambassador, Mr Chasle, appealed to the more "sympathetic" of the Member States to go ahead and take measures against South Africa more radical

than those on which the Community of the 12 had been able to reach consensus.

Refugees

The report on Refugees and Displaced Persons, presented by the rapporteur, Roger Chinaud (Lib., F) had assumed greater significance than ever since it had been drafted early in the summer. It was based not only on the findings of an *ad hoc* Working Party, chaired by Ambassador Touré of Guinea Bissau, but also on the results of a mission undertaken to Sudan, Ethiopia, Somalia and Djibouti in March and April.



Roger Chinaud, whose report laid particular emphasis on the plight of displaced persons

The number of refugees and displaced persons around the world had remained roughly stable since 1985, but that number was high: 10 million, of whom 5 million in Africa alone. The report laid particular stress on displaced persons, who, unlike refugees, had no official status, and whose plight—because it was often considered to be a temporary phenomenon—was accorded low priority. D.Ps., Mr Chinaud said, had not been covered by the provisions of Lomé III, and should be by those of the successor Convention. The problem, after all, was not one which would disappear quickly.

The Sudanese representative confirmed this: in his country, he informed the Assembly, no less than

10% of the total population were at present either refugees or D.Ps. Anthony Fairclough, the Commission's Deputy Director-General for Development, added another warning: increasing desertification and deforestation would mean that another class of "refugees" might develop in future — refugees from the environment. And since the report had been written, of course, another part of Africa—Burundi and Rwanda—had become an area of concern.

Health

More concern was expressed in the report on the state of health in the



Kwesi Botchwey the rapporteur on commodities. Plenty of gloom — especially for the commodity-dependent ACPs

ACP States, drafted by four co-rapporteurs, Mrs Dury (Soc., B) and Mrs Adekeye (Nigeria), and Messrs. Wurtz (Com., F) and Assani (Benin). Little progress had been made, it seemed to them, in the 10 years since the Alma Ata conference had put primary health care at the centre of Third World health policies. If anything, standards were going down. Mrs Pery (Soc., F) gave striking examples of the relation of GNP and calorie intake to infant mortality and life expectancy, with life dramatically shorter the lower the GNP and the chance of infants dying infinitely greater (176/000 in Mali as opposed to 9/000 in France). Every human being, she said, had a right to health and more needed to be done,

particularly in the fields of mother and child care, preventive medicine and information on basic hygiene.

Three main items of interest remained: firstly the debate on the export of hazardous waste, secondly the statement on commodities delivered by Kwesi Botchwey (Ghana) and thirdly the statement and discussion on the massacres in Burundi.

Toxic waste: "a bomb ... transported in ships"

The toxic waste issue, one about which feelings ran high, had been highlighted by the saga of the *Karin B.*, the container ship carrying highly poisonous waste matter which had attempted to unload in numerous countries, both developed and developing, before, weeks later, being forced to return to Italy, from where it had originally sailed.

Yet the export of waste from the Community, Mr Fairclough explained, is governed by two directives, which not only require that shipment be justified, and that the consignee is capable of disposing of the waste, but also that the receiving state is willing to accept it onto its territory. The problem, however, as the *Karin B.* episode demonstrated, is that the rules are not always respected, and unprincipled companies exploiting the poor and the ignorant can put countries and their populations at serious health and environmental risk.

The Commission is strengthening the rules to make enforcement easier, but why, demanded Hemmo Muntingh (Soc., NL) was it not requiring an outright ban on exports, which no ACP State had the capability to dispose of anyway? Others wanted to know, too. Dr Simmons (Barbados) pointed to the particular dangers for the Caribbean, where land masses were small. Toxic wastes, he said, were "a bomb ... not dropped from the air, but transported in ships ... which will explode slowly, and destroy our children

and grandchildren". Mrs Ewing (RDE, UK) wanted to go further still, calling for a global convention, with the burden of responsibility falling squarely on the shoulders of the producers.

Commodities in crisis

A lengthy report on commodities had been drafted, which the rappor-

The Courier



Here, admittedly, all eyes were not on Lomé IV

teur, Kwesi Botchwey, emphasised was neither the definitive version nor one fully endorsed by all the Working Party. It revealed a grave situation, "an unprecedented and sustained price collapse" which was further compounded by a lack of external flows to the developing world and by the instability caused by fluctuating exchange rates. Some increase in South-South trade was reported (especially in cereals and vegetable oils) but the volume was marginal. The ACPs remained dangerously dependent on commodity

exports, which accounted for an average of 85% of ACP total exports. In a large number of cases one or two primary commodities accounted for as much as 90% of the total. Stabex, Dr Botchwey went on, was "within limits, an effective support scheme", but was grossly underfunded. Diversification could provide a partial solution to the crisis, but was easier said than done: tree crops, for example, which provided livelihoods for millions, could not be abandoned overnight.

Mr Fairclough, in the exchange of views that followed, agreed that the effects of the commodities crisis could be moderated, but that some of the problems lay in overproduction. "One cannot diverge far from the market for ever", he said. Commodity markets were world markets, not just arrangements between the ACP and EEC partners, and European buyers could not be compelled to purchase from the ACP States at prices which might be uncompetitive. The suggestion of quotas at guaranteed prices with automatic compensation he dismissed as "totally unrealistic".

Finally, before the various resolutions were voted on, a statement was made by the Burundi Delegation on the events of mid-August in the communes of Ntega and Maranga, in the north of the country. No ACP delegation took the floor in the discussion that followed, but one MEP qualified the declaration as "extraordinary" and another that the information provided "had not dispelled our doubts". Mr Bersani, the Assembly's co-Chairman, reminded those assembled that they were not there to pass judgement, but he did support the suggestion, not however welcomed by the Burundi delegate, of a mission by MEPs to observe the situation for themselves.

The next Joint Assembly, to be held at the end of January, is to take place in Barbados. ○ M.v.d.V.

EDF

Following a favourable opinion from the EDF Committee, the Commission has just decided on the following financing:

Swaziland

Repairs to rural dams

Fifth and sixth EDF
Grant: ECU 4 000 000

The aim of the project is to meet the rural population's most urgent needs—i.e. a reliable water supply system for both farming and domestic purposes. It will be done by building and repairing small and medium-sized earth dams. Improvements will be made at the Ministry of Agriculture and Cooperatives so that it can make a better job of providing the services required, and the Ministry will start developing long-term strategies for the project area in consultation with the people concerned.

The project will rehabilitate 16 earth dams and build a number of additional ones. The water they retain will be used for domestic purposes, for livestock, for immersion tanks and for small irrigation systems and extra irrigation for the cotton crops in the summer.

Mozambique

Rural rehabilitation

Sixth EDF
Grant: ECU 4 500 000

This three-year project is to be run in the northern coastal district of Inhambane Province where, for a number of reasons (particularly to do with climate and security), more than 80% of the total population of the three districts in the north, an estimated 215 000 people, are concentrated.

It follows on from a series of humanitarian schemes financed by the EEC and other funders. In view of the very encouraging results of the EEC-financed pilot project to foster self-sufficiency among the displaced rural populations (March 1985-August 1987), the Government is now planning to run a rural rehabilitation programme, a vital forerunner to any development of the region. The project, which will be helping both displaced and local families, aims to create con-

ditions conducive to motivation and private enterprise in agricultural production proper, as well as in the processing, preserving and marketing of agricultural produce. Particular attention will be paid to intensifying and developing food crops with a view to achieving self-sufficiency in food in the region as quickly as possible.

Mozambique and SADCC members

Railway staff training

Sixth EDF
Grant: ECU 7 300 000

This is one of a series of schemes to rehabilitate the railway infrastructure of three SADCC member countries. Mozambique, which has three ocean ports linked to three railway networks serving the hinterland, has a vital part to play in the regional transport system.

The results of the first training drive run after independence (and particularly the opening of the National School of Railways at Inhambane in 1984) were positive and the Government, which sees vocational training as a top priority, has decided to launch a second phase during which an integrated training system, open to the SADCC countries and Angola especially, will be set up.

The idea of the project is to expand and provide a structure for the experiments being run at the moment by improving central direction structures, consolidating and developing the National School at Inhambane and rehabilitating three regional training centres (short courses) linked to Mozambique's three main railway regions (CFM-Sul, CMF-Centro and CFM-Norte). The project includes the rehabilitation work, supplies, equipment and technical assistance.

Djibouti

Support for the information sector

Sixth EDF
Grant: ECU 1 100 000

This project, to set up a National Documentation Centre, involves development work and the supply of equipment, technical assistance and training.

Somalia

Improvements to satellite telecommunications

Sixth EDF
Grant: ECU 5 000 000

Studies run with EDF financing in 1987-88 are the basis for integrated measures to improve the nation's international telecommunications system to be carried out with EDF aid. The scheme involves setting up an automatic exchange to handle long-distance domestic calls, extending the Intelsat satellite ground station, reinforcing the relevant links with the national network and providing technical assistance with training and management.

This series of measures should enable the Ministry of Posts and Telecommunications to offer efficient long-distance and international calls to meet the considerable demand from Somalia's public sector and priority areas of the economy.

Zambia

Measures to help farmers in the Centre Province

Sixth EDF
Grant: ECU 12 350 000

The project, sited in the Centre Province, covers an area of about 35 000 km² comprising the two districts of Rural Kabwe and Urban Kabwe. It is a continuation of the EEC-financed maize development project and covers the whole of the area in which this previous scheme was run. There are about 30 500 smallholders in the area in question; 29% of them still use hoes, the others use oxen and other more or less "modern" methods.

By providing extension services, the project should encourage an increasing number of farmers to adopt oxen and better methods based on using rainwater. Roads and infrastructure will be improved and the project will also deal with input, marketing and some aspects of credit.

Madagascar

Development of the Andapa Basin

Fifth EDF
Grant: ECU 2 300 000

The aim here is to consolidate the Andapa Basin (north east Madagascar) development schemes previously

run under the 3rd and 4th EDFs so as to bring about a 50% increase in the paddy rice output and in the production of some of the cash crops (coffee and vanilla) by developing 520 hectares of rice plots and repairing 35 km of tracks.

Madagascar

Maize development programme

Sixth EDF

Grant: ECU 2 500 000

This programme should encourage the development of maize growing in the mid-western part of the country, thereby diversifying the nation's cereal supplies with a crop that requires less water and fewer agricultural inputs than rice and is particularly well suited to the region in question.

The Community-financed programme includes setting up a seed multiplication centre comprising a seed farm and a seed packaging centre, which, together with the research organisations, will provide support for the peasant farmer via agricultural extension work and a community development scheme. The essential communications will be assured by rehabilitation of the service tracks.

All Pacific ACPs

Development of tourism, Phase II

Sixth EDF

Grant: ECU 7 400 000

The trade-services-tourist sector is the Pacific's regional programme priority. All the ACPs in this region are currently trying to develop their tourist trade so as to stimulate their economies and bring in foreign exchange and they are getting the benefit of the Lomé II regional tourist development programme (1986-88) here, which provided support for the South Pacific Tourist Council, training programmes, statistical data bases and promotion materials and ran market surveys and economic analyses.

Phase II includes a regional tourist development programme, a statute for the Tourist Council, training for tourist staff instructors, improvements to the statistical data base, continuation of the connected projects and an analysis of the economic effects with a view to maximising the advantages to the host country.

Jamaica

Repairs to the Boundbrook wharf in Port Antonio

Fourth EDF

Grant: ECU 1 500 000

The idea here is to repair the Boundbrook wharf and related installations in Port Antonio on the northern coast of Jamaica. The existing wharf, the main embarkation point for exports of Jamaican bananas, is in poor repair and a good deal of work is required to enable it to cope with the anticipated increase in the banana export traffic.

The project involves demolishing part of the wharf and the existing buildings, rebuilding and extending it, putting up a new storage shed and other, refrigerated storage facilities, surfacing the approaches and improving the navigational aids, offices, lighting and public services.

St Lucia

Rural development

Sixth EDF

Grant: ECU 3 645 000

Rural development accounts for 80% of the Lomé III national indicative programme for St Lucia. The Government is hoping to reduce its dependence on its one crop, bananas, improve the land ownership laws, reverse urban migration and preserve the island's land and water resources. This project will free land for agricultural purposes, build roads to open up the island and service tracks to eight rural settlements (900 families) and raise the standard of living in this area with land and water conservation measures.

Mauritania

Gorgol region development support programme

Sixth EDF

Grant: ECU 3 500 000

This is a programme to back up the nation's drive for greater food security and a stronger anti-desertification campaign. It is in line with the priority aims of the Government's economic and financial recovery plan, also reflected in the 6th EDF indicative programme — most of which will be channelled into a coherent series of investments, schemes and complementary accompanying measures

focused on the Senegal River valley, the Gorgol region in particular.

The programme is based on a participatory approach to development and organised as a series of complementary schemes reflecting the four aims of the indicative programme:

- an increase in agricultural output by consolidating previous achievements;
- the marketing of food products;
- the anti-desertification campaign by pursuing schemes to regenerate the natural environment;
- an improvement in the standard of living.

Mali

Import of basic necessities

Fifth EDF

Grant: ECU 25 000 000

The idea here is to finance imports of basic essentials for a year. This means a consumer staple—sugar, imports of which have just been liberalised—and two categories of products of vital importance to Malian development, agricultural inputs intended for the cotton-growing area and hydrocarbons. This should lighten the burden which imports of these products lay on the foreign exchange reserves, generate counterpart funds to compensate for the effect the structural adjustment policy has had on employment and finance operations linked to the implementation of Community projects and programmes.

ACP States

Financing of attendance at trade fairs

Sixth EDF

Grant: ECU 3 303 000

This overall commitment authorisation of ECU 3 303 000 is intended to finance the individual ACP States' attendance at international trade fairs (specialised exhibitions etc.) in the EEC and third countries over a period running, in theory, from 1 July to 31 December 1989.

All ACPs and OCTs

Short training courses

Sixth EDF

Grant: ECU 1 200 000

The idea here is to finance the following in 1988-89:

— short information sessions for ACP students and managers undergoing training in Europe;

— advanced training sessions, in specific areas, for ACP managers either in an ACP State or, preferably, in Europe.

Jamaica

Water supplies in rural areas

Sixth EDF

Grant: ECU 6 700 000

This project is to improve the social infrastructure and, therefore, the standard of living in rural areas. The Government's priority in the water resources sector is to improve and extend the drinking water supply systems in the rural areas so as to cut down on the move to the towns and boost agricultural production. The programme is to construct seven separate water supply systems in four areas of rural Jamaica. The EDF will be financing the purchase of materials and equipment, the project implementation contracts and the technical assistance for works supervision.

Cameroon

Construction of the Yaoundé-Ayos road

Fourth and fifth EDF

Grant: ECU 18 600 000

Loan: ECU 39 400 000

The shortcomings of Cameroon's transport system are a major obstacle to national development and considerable resources are being used to extend, improve and maintain it. The 6th Five-Year Plan (1986-91) has earmarked almost 20% of its total resources to this, with this road as the main beneficiary.

This project is part of the improvement effort. It aims to build an asphalted road between Yaoundé, the capital, and Ayos, which links the provinces of the Centre and the East and is on the route to the northern provinces and the Central African Republic.

The new road, which will, by and large, follow the path of the old dirt road, will be 145.7 km long, including the link to the town of Akonolinga.

Cameroon

Special fertiliser import programme Sixth EDF

Grant: ECU 15 000 000

This programme is intended to meet needs in the northern region, which has received considerable Community aid with its rural development. It is to purchase and distribute about 54.00 tonnes of fertiliser — minimum requirements for the 1989/90 and 1990/91 agricultural years. The sale of fertiliser to the farmers will mean that, from 1988 onwards, a permanent credit fund can be set up and used to finance supplies for the following agricultural years.

Expert advice and monitoring missions are to be provided to ensure maximum programme efficiency and facilitate coordination of the whole reform with the Cameroonian authorities. ○

EIB

St. Vincent and the Grenadines: ECU 1.8 m for smaller enterprises

The European Investment Bank is lending ECU 1.8 m under the Third Lomé Convention, for small and medium sized enterprises operating in St. Vincent and the Grenadines. The funds, drawn from risk capital resources provided for under the Convention and managed by the EIB, are being made available under two headings:

— ECU 0.4 m are granted to the State (25 years, 2%) to bolster the capital of the Development Corporation (DEVCO) and to provide the institution with a sounder financial base to contend with the upturn in its activity.

— ECU 1.4 m are being advanced to DEVCO directly in the form of a conditional loan for which terms will vary according to actual use made of the funds: 15 years at 4% where funds are on-lent to SMEs, and up to 25 years and 2% where equity participations in SMEs are acquired by DEVCO.

DEVCO, established in 1970, is wholly owned by the State and com-

bins both the role of investment promotion and investment financing. It will draw on the proceeds of the EIB loan to finance initiatives in the industrial, agro-industrial and tourism sectors.

Gambia: ECU 5.7 m for water supply

The Bank is providing a loan of ECU 5.7 m, for the expansion and rehabilitation of water supply facilities in Banjul, capital of Gambia. The loan will help to finance works designed to give an additional 210 000 inhabitants access to safer drinking water and to improve existing services for 150 000 people.

The funds are advanced in the form of a conditional loan (term: 20 years, interest rate 2%) to Gambia from risk capital resources. The State will pass on the proceeds to the Gambia Utilities Corporation (GUC) which is responsible for the provision, distribution and conservation of water for public, domestic and industrial purposes as well as for the generation, transmission and supply of electricity.

The project, costing at ECU 18.4 m and scheduled for completion by 1991, is being cofinanced by the African Development Fund (African Development Bank), the Austrian Government and the International Development Association (World Bank Group).

The scheme forms the main core of a composite investment programme to be undertaken by GUC which also includes supply of water to provincial urban centres and reinforcement of the Banjul electricity supply system.

Nigeria: ECU 45 m to improve water supplies

As part of financing provided for under the Third Lomé Convention, the EIB has made a loan for ECU 45 m to improve and increase water supplies to the Lagos metropolitan area.

The loan has been made to Nigeria for 18 years at a rate of 5% after taking into account an interest subsidy from the resources of the European Development Fund and will be on-lent via the State of Lagos to the Lagos State Water Corporation. The latter was created in 1980 to manage,

develop and operate the water-supply system and ensure the adequate provision of water throughout the State, which has a population of around 7 million.

The investment project for which the EIB is providing financing forms part of an overall programme costed at almost ECU450 m. This comprises rehabilitation of the existing installations, in particular the anti-salinity weir at Ogun, and the installation of conduits for distribution systems in areas not at present served. The aim of the overall programme is to supply an additional 960 000 m³ of water a day by 2010, thereby raising the proportion of the population having access to drinking water supplies from 47% to 65%: the EIB loan will be used to finance the first stage intended to supply an additional 320 000 m³ per diem and is expected to be completed by 1994.

Finance for the overall programme will also be provided by the World Bank and a consortium of banks backed by the guarantee of COFACE (Compagnie Française d'Assurance du Commerce Extérieur).

Aruba: ECU 1 m for SMEs

The EIB is lending ECU 1 m to the Aruban Investment Bank (AIB). The funds will be on-lent to small and medium-sized investment projects in the industrial, agro-industrial and tourism sectors, and will also be used for equity participation and pre-investment studies.

The AIB, whose share capital is owned by the private sector, has been created to identify, promote and finance new investment opportunities in Aruba. Most of its lending is likely to be directed towards the tourism sector, the main area of growth in the Aruban economy. However, under the EIB loan, priority will be given to the financing of investment in industry and agricultural processing.

The funds are being granted in the form of a conditional loan from EIB managed risk capital resources provided for under the 1986 Decision of the Council of the European Communities running parallel to the Third Lomé Convention and making specific aid available to overseas countries and territories enjoying special ties with certain EEC Member States.

Tahiti: ECU 6 m for power grid

The European Investment Bank is lending ECU 6 m for completing a medium and high-voltage electricity transmission network on the island of Tahiti in French Polynesia. The project includes erection of a high-voltage line, extension of the medium-voltage network plus provision of associated installations.

The funds are being made available under two separate headings: a loan for ECU 4 m from EIB own resources (chiefly the proceeds of the Bank's borrowing operations) is being channelled to Caisse Centrale de Coopération Economique (CCCE), Paris, for 15 years at 5%, allowing for an interest subsidy drawn from European Development Fund resources, while a conditional loan for ECU 2 m (20 years, 2%) is being granted to the Territorial Government of French Polynesia from risk capital resources managed by the EIB. The proceeds of the two loans will be passed on to Société de Transport d'Énergie Electrique en Polynésie (TEP).

The project, costed at a total of ECU 33.3 m, is also being financed by CCCE, the Commission of the European Communities and SOCREDO (Société de Crédit et de Développement de l'Océanie).

French Polynesia's economy has enjoyed vigorous expansion mainly as a result of the rapid growth in tourism which calls for extension of the territory's infrastructure.

Central Africa: ECU 5.7 m for financing small and medium-sized enterprises

The European Investment Bank (EIB) announces loan finance totalling ECU 5.7 m in support of small and medium-scale ventures mounted by enterprises in the industrial, agricultural processing, mining and tourism sectors in Central Africa.

The funds are being made available, in the form of two global loans, to BDEAC, the Banque de Développement des États d'Afrique Centrale, under the Third Lomé Convention. They consist of:

— a global loan for ECU 5 m from own resources (mainly the proceeds of EIB borrowings) for 12 years at a

rate of 5%, allowing for an interest subsidy furnished from European Development Fund resources, and

— a conditional global loan for ECU 700 000 (for a term of up to 20 years, rate of 2%) drawn from risk capital resources provided for under the Lomé Convention and managed by the EIB.

BDEAC is the regional development bank for the six Member States of the Central African Customs and Economic Union (CACEU), comprising Cameroon, the Central African Republic, Chad, the Congo, Equatorial Guinea and Gabon. It has already received financial support from the EIB under the Second Lomé Convention through a global loan facility for ECU 500 000 funded from risk capital resources. The proceeds of that loan were given over to financing four feasibility studies. ○

STABEX

The Commission has received a total of 70 applications for Stabex payments for 1987 from 36 ACP countries and 43 of them are eligible, so 29 countries are entitled to transfers.

The basic amount in question here was ECU 803 445 878, but following reductions made in the light of reconstitutions that some ACP countries have set off against their entitlements and to the reductions in some transfers provided for by the system, this amount has been brought down to ECU 579 444 745.

The total resources available for the years in question were only ECU 255 415 314 and, in view of the gap between the entitlements and the amount actually available for transfer, the Community and the ACPs agreed, at the Commission's suggestion, to seek extra resources — ECU 120 m, ECU 80 m of it the remainder and interest on Lomé I and II (1975-84) and ECU 40 million from credit reserves provided for in national programming.

Both parties have decided that these resources should be divided up proportionately, in the light of the transfers.

Thus the transfers are as follows.

1987 Year of Application

Country	Products	Transfers
Benin	palm oil	1 971 214
Burkina Faso	karite nuts	2 479 053
Burundi	coffee	24 520 506
Cameroon	coffee	8 062 126
Cameroon	coffee	34 291 914
CAR	coffee	14 702 281
CAR	cotton	2 582 062
Comoros	vanilla	1 622 924
Comoros	cloves	404 494
Côte d'Ivoire	cocoa	15 396 930
Côte d'Ivoire	coffee	55 117 077
Côte d'Ivoire	timber	40 846 077
Ethiopia	coffee	57 173 106
Gambia	groundnuts	390 082
Gambia	groundnut oil	1 153 949
Grenada	cocoa	595 432
Equatorial Guinea	cocoa	3 322 873
Equatorial Guinea	coffee	103 750
Kenya	coffee	17 496 170
Kiribati	copra	819 475
Lesotho	mohair	3 140 313
Madagascar	cloves	2 397 380
Malawi	tea	9 565 371
Mali	cotton	1 382 855
Mozambique	tea	1 295 776
Papua New Guinea	copra products	5 697 060
Rwanda	coffee	15 824 308
Rwanda	hides and skins	391 578
Rwanda	tea	5 744 862
Solomon Islands	copra	5 435 875
Solomon Islands	palm products	3 283 484
Western Samoa	cocoa	393 412
Western Samoa	copra oil	2 712 329
Western Samoa	rough timber	73 771
Senegal	groundnut products	1 076 473
Sudan	groundnuts	3 862 463
Chad	cotton	20 596 193
Togo	cocoa	3 556 662
Tonga	copra oil	79 601
Tonga	copra oil	837 275
Tuvalu	copra	13 437
Vanuatu	copra	5 002 650
Total		375 415 314

FISHERIES

Comoros

An Agreement between the Government of the Islamic Federal Republic of the Comoros and the European Economic Community on fishing off Comoros was signed on 20 July. It was signed on behalf of the Government of the Islamic Federal Republic of the Comoros, by Mr Mohammed Ali, Minister for Production and Animal Resources, on behalf of the European Communities by Mr Elias Lymberopoulos, Deputy Permanent Representative of the Hellenic Republic and Chair-

man-in-Office of the Permanent Representatives Committee, and Mr Cardoso e Cunha, Member of the Commission of the European Communities.

The purpose of the Agreement, and of the Protocol relating to it, is to lay down the principles and rules which will in future govern all the conditions under which vessels flying the flags of the Member States of the Community may fish for tuna in the Comoros' fishing zone.

It is stipulated that Community tuna fishing vessels may enter the Comoros' fishing zone if they possess fishing licences issued by that country's authorities against payment of certain fees.

In return for the fishing facilities of the order of 6 000 tonnes of tuna accorded by the Comoros, the Community will pay financial compensation of ECU 300 000 per year without prejudice to the financing which the Islamic Federal Republic of the Comoros receives under the Lomé Convention.

The Agreement also provides for a financial contribution by the Community of ECU 500 000 over a three-year period to the financing of Comorian scientific and technical programmes to increase the knowledge of the fishery resources in Comorian waters.

Consultations on questions arising in connection with the implementation and proper working of the Agreement will be held in a Joint Committee established for the purpose.

The agreement was concluded for an initial period of three years and comes into force as of the signing. ○

VISITS

Arthur Napoleon Robinson, Trinidad and Tobago's Prime Minister, visits the Commission and the ACP Secretariat

Trinidad and Tobago's Prime Minister, Arthur Napoleon Robinson, met Commission Vice-President Lorenzo Natali on his recent visit to Brussels.

Mr Natali reminded the Prime Minister of the difficulties caused by non-application of some of the provisions attached to implementing the Lomé Convention in this country. He also indicated to him that the amount allocated to the various countries under the next Convention would depend on individual commitment potential. Total payments under Lomé I and Lomé II amounted to more or less 30% of the indicative programme, no commitments to Trinidad and Tobago having yet been made for Lomé III.

Lorenzo Natali also brought up the subject of the geographical extension of the future Convention, explaining where the Commission stood on this. Mr Robinson mentioned the applications which Haiti and the Dominican Republic had made to join the Convention and spoke of the need for dialogue, compromise and conciliation.

Mr Robinson had, on the previous day, visited ACP House where he addressed the Committee of Ambassadors.

ors. As the last ACP Head of Government to speak to the body before the start of negotiations for a successor Convention, what he had to say was eagerly awaited.

Describing his visit as an affirmation of Trinidad and Tobago's brotherhood and commitment to the ACP Group, Mr Robinson said the negotiations for a new Convention were taking place against an economic background that was dismal for the ACPs: unfavourable terms of trade, balance of payment deficits, insufficient flows of capital for investment, etc. The previous Conventions have clearly not fulfilled the reasonable expectations of the Group. The tasks before the ambassadors were therefore monumental, and, for these, he gave them Trinidad and Tobago's unqualified support in their attempt to forge new and effective areas of cooperation with the EEC.

Since the first Lomé Convention was signed, Europe had created similar structures with almost every region of the world. "We, the pioneers of this structure, are still struggling to comprehend it", he said.

Turning to the ACP Group itself, Mr Robinson said that after 15 years it continued to be a group of separate countries (except in Brussels), while the European Community had grown in membership and in cohesion: the ACPs were still to launch viable projects. He was convinced that there were many areas in which they could assist each other. There were disparities between declaration and performance. The time had come for the Group to take up the challenges of the declarations of Georgetown, Montego Bay and Harare. "We must begin to forge links that will bring the ACP States together", he said. That would be the best way to promote the South-South cooperation being spearheaded by the Non-Aligned Movement under the chairmanship of the former President of Tanzania, Julius Nyerere.

Turning to the successor Convention, Mr Robinson said that collective wisdom would demand that debt and structural adjustment be addressed, and that there should be consultations with the EEC prior to discussion with regional and multilateral institutions such as the World Bank. He hoped to see the problem of the rules of origin and trade tackled. All these, he said, have a profound effect on industrial development. And about the latter, he urged that the CDI be provided with equity funds for

joint ventures in the ACP States and that the existing CDI antenna system be upgraded to make it more effective on the ground.

On the issue of South and southern Africa, Mr Robinson expressed surprise at the ease with which the EEC squeezed the topic out of the Convention. There was a need for a recognised forum for the discussion of this crucial problem and the next Convention should provide it, he said.

Finally, Mr Robinson extended the sympathy of Trinidad and Tobago to both Sudan and Jamaica which had been hit by natural disasters, flooding in the case of the former and Hurricane Gilbert in the case of the latter. ◊

SUGAR COUNCIL

The countries concerned with the Sugar Protocol met, as usual, during the ACP Council session, to discuss the various problems of the sugar industry. The meeting was chaired by Mr Dulloo, the Mauritian Minister of Agriculture, Fisheries and Natural Resources and Chairman of the ministerial sugar sub-committee, who began by announcing Great Britain's support for an extra quota of 75 000 tonnes of sugar to take account of Portugal's accession to the Lomé Convention. If the other Member States were to adopt a similar position, he said, it would be good news for the Portugal's four traditional suppliers — Côte d'Ivoire, Zimbabwe, Malawi and Swaziland.

However, nothing had changed for Papua New Guinea or Zambia, the two countries which had applied to join the Sugar Protocol. Nor were there any positive developments as far as the guaranteed price was concerned. The ACPs had been warned of the Community's decision to freeze prices at their present level — which meant a relative drop, when inflation and higher production and transport costs were taken into account — and they expressed concern at rumours about a possible absolute reduction in prices in the future.

This was why they set great store by the special measures destined to make up for the harmful effects of the price freeze by action in the transport sector, greater efficiency in the sugar industry and diversification. A first exploratory meeting with Commission representatives had been held in September.

When it came to the negotiations for Lomé IV, the sub-committee pointed out that the Protocol was not negotiable and that the ACPs should get the EEC to help revive the International Sugar Agreement and ensure that the decline in subsidies did not mean a drop in sugar prices. ◊

SOCIAL PARTNERS

'An effective, motivated and innovative private sector' Social Partners' report to the Council on SMEs

At the 11th meeting of ACP-EEC Social Partners in November 1987 (See Courier N° 107 Jan-Feb 1988), it was agreed that a Working Party would draw up 'concise and concrete' steps to present to the ACP-EEC Council of Ministers concerning investment in the private sector in ACP States. The excitement generated by the invocation of Article 23 (2) h of the Convention, that the decision-makers were ready and willing to listen to the proposals of those most closely involved, communicated itself to the two complementary reports on one particular aspect of investment, namely, the 'development of the role of SMEs in the ACPs and the EEC'. At a meeting in Brussels, held to refine and adopt the reports, held on 20 and 21 October, the Social Partners proved that the excitement had not ebbed, but that the time for declarations was past and the time for action was ripe.

The presentation was opened by Mrs V. Papandreou, Greek deputy trade minister acting on behalf of the EEC Council Presidency, who promised participants that 'your advice will help us in the Council. Your conclusions will be useful.' Ambassador Ambroise Gambaouele, Chairman of the ACP Committee of Ambassadors reinforced this when he said that 'Your role will be crucial in drawing up propositions to the Council.' Messrs Lassort and Thompson each then introduced his report. There was general agreement that the EEC had a major role to play in an area which Europe had previously prided itself on steering clear of — the influencing of the macro-economic climate. In brief, this means that the EEC should use its influence to promote changes in attitude to tax and credit

policies, in developing infrastructure, in promoting rationalisation of administrative procedures. Byron Blake (contributor to the Dossier in this issue) of the CARICOM Secretariat cautioned, however, that this macroeconomic policy shift should not be echoed in the Convention but rather that it be applied on a case-by-case basis to individual ACP States.

As the debate progressed, the urge to action became more manifest. Ibrahim Ali of the Organisation of African Trade Union Unity, reminded the meeting that the reports skated over the fact that SMEs, in the African context, were often in the informal sector and often (70% in Ghana) run by women. They were not merely ignored by the formal sector but often even harassed. He was echoed in this by Robert Holtz of the French Confédération Générale des Petites et Moyennes Entreprises, who added that concrete action, especially in the fields of maintenance and joint ventures was urgently needed.

The importance of credit to the SME sector was stressed, and despite the presence of an EIB representative, discussion about its role — or lack of it — was animated and pungent. Speaker after speaker denounced its adherence to 'big bank' policies, its lack of initiative in designing channels to reach ACP SMEs, its perceived 'unwillingness to do more.' The CDI was excused for its own relative lack of success and frequent calls were made for much heavier funding for that institution. But was the ground really fertile? Messrs Neto da Silva and Kenmou both asked whether an 'enterprise culture' could be found in Africa, especially in sectors. Mr Kenmou reminded his audience, which were not traditionally export-oriented. Training and motivation would be needed to create or enhance such a climate. Mr Fairclough, Deputy Director-General, DG VIII called the meeting timely, for three reasons. First there was a growing tendency for countries to rely on individual entrepreneurs for economic growth. Secondly because, with the advent of 1992 and the single European market, new horizons for action were opening up for SMEs in Europe and the ACPs alike. And finally, because the Lomé IV negotiations had just begun and the Social Partners had an input to make on the final content of the Convention. Both sides, he said, were convinced of the need for an 'effective, motivated and innovate private sector' which the 20-21 October meeting was all about. ○

ACP EMBASSIES

Two new ACP Ambassadors recently presented their credentials to the Presidents of the Council and of the Commission of the European Communities.

Benin

Benin's Ambassador, Tairou Djaouga Mamadou, was born in Nikki, Borgou Province in 1948. A lawyer by training, he served in the Ministry of Foreign Affairs from 1977-84, first as Head of the Diplomatic Privileges and Immunities Service (Protocol Directorate), then as first Secretary (Legal and Consular) at Benin's Embassy in Paris. Since 1984 Mr Djaouga Mamadou has been Director-General of the Ministry of Information and Communications. He is married, with four children.



Burundi

Burundi's new Ambassador, Astere Nzisabira, was born in Bujumbura on 29 August 1951. He obtained a first de-



gree in law from the University of Burundi and later a Ph. D. in law from the Free University of Brussels. Between 1975-76 Mr Nzisabira taught at the Law Faculty of the University of Burundi, and in 1981 became a Professor of Law and Dean of the Faculty. From 1983-87 he was the University's Vice-Chancellor and, since November 1987, has acted as Ambassador Extraordinary and Plenipotentiary for the Republic of Burundi. ○

EMERGENCY AID

Nepal

The Commission has decided to send ECU 300 000-worth of emergency aid to Nepal to help victims of the recent earthquake there.

The money is to finance domestic transport of the international aid and possibly other essential relief as well.

Sudan

The Commission has decided on further emergency aid — ECU 1 800 000 this time — to help the Sudanese victims of the flooding which has been ravaging the country since early August.

It will be sent through various non-governmental organisations, as follows:

GOAL (Ireland)

ECU 512 000 — Immediate distribution of rolls of plastic sheeting, blankets, water tanks and a three-month medical programme to help 42 000 people in the Souk Libya and Soba districts of greater Khartoum.

Médecins sans frontières (Netherlands)

ECU 157 000 — Three-month medical programme (staff, vehicle operation, medicines etc.) to help 25 000 people in the Zagalona region of Omdurman.

MSF (Belgium)

ECU 210 000 — Extra medicine and food programme (three months) in two new centres in Khartoum (staff, medicines, vehicle operation, local food purchases etc.).

MSF (France)

ECU 25 000 — Supplies of drinking water (three months) for 100 000 people

in the Haj Yousif in areas where medical care is provided by MSF Belgium and MSF Netherlands (local staff, vehicle operation, water distribution etc).

Sudanaid

ECU 150 000—Three months' supply of food products in the unplanned areas of greater Khartoum.

AICF (France)

ECU 160 000—Immediate distribution of shelters, an extra drug-food programme (three months) for 20 000 people in the Al Damar district of the North (staff, medical supplies, shelters, vehicle operation etc).

Reserve — ECU 586 000

This latest decision complements several aid allocations made previously:

— 9 August 1988—ECU 650 000, four planes despatched via MSF Belgium (ECU 250 000) and the British Red Cross (ECU 150 000);

— 19 August 1988—ECU 650 000, six planes despatched via the Netherlands Red Cross (ECU 365 000) and Concern, the Irish NGO (ECU 200 000);

— 1 000 tonnes of wheat and 848 tonnes of wheat flour (worth ECU 360 000) put at the disposal of the Red Cross.

So, all in all, the Community has released almost ECU 3 500 000 to meet the needs of the afflicted Sudanese population⁽¹⁾

The figure rises to ECU 8 648 000 if the contributions from the Member States—so far as follows⁽²⁾—are added:

	ECU
Denmark	379 000
France	35 000
Greece	443 000
Ireland	388 000
Netherlands	450 000
Germany	719 000
United Kingdom	2 468 000
Spain	100 000
Belgium	92 000
Luxembourg	114 000

(1) On 7 July 1988, the Commission decided to send ECU 3 million in emergency aid to the displaced populations in Southern Sudan. Part of this was used for some of the people affected by flooding.

(2) 31 August 1988.

Burundi

The Commission has decided to send emergency aid of ECU 175 000 to help local populations hit by the recent troubles in Burundi.

In addition to this, there is 10 tonnes of milk powder (ECU 20 000), which is already on the spot and was allocated as part of the ordinary food aid programme. It will be reconstituted later on.

This aid will be channelled through MSF Belgium (ECU 120 000), Caritas Burundi (ECU 25 000 plus 10 tonnes of milk) and Médecins du Monde (ECU 30 000).

The Commission has already released ECU 650 000 (22 August) as aid for Burundi refugees in Rwanda. It was put at the disposal of the Belgian Red Cross and the Commission decided to:

— run a joint operation with Belgium to send out tents and blankets in a plane provided by the Belgian Air Force (it left on 24 August);

— send out a second plane with 1 304 tents, a medical set etc (30 August);

— send out a third plane (scheduled for 2 September), cofinanced with the Luxembourg Government (ECU 114 000), containing 330 large tents.

So far, the Member States have also sent emergency aid to the Burundi refugees in Rwanda, as follows:

	ECU
Belgium	343 500
Luxembourg	114 000
France	43 000
Germany	24 000

So between them, the 12 have so far sent out aid worth ECU 1 174 500.

India

The Commission has decided to send emergency aid worth ECU 500 000 to help the Indian victims of the earthquake of 21 August.

The aid, which will go via the League of Red Cross Societies, is intended to supply basic essentials and/or finance vital services.

On 25 August, the Commission also sent emergency aid (ECU 300 000) for the Nepalese hit by the same earthquake.

Niger, Chad, Sudan, Mali & Mauritania

The locust invasion in several countries of Africa and the disastrous conse-

quences on local agriculture has led the Commission to send Niger, Chad, Sudan, Mali and Mauritania a quantity of Fenitrothion (30 000 litres each) from the Community's emergency stock.

Bangladesh (A)

The Commission has decided to grant emergency aid of ECU 500 000 to Bangladesh in response to the Government's appeal for relief to handle the disastrous consequences of the heavy rainfall and flooding which the country has had since mid-August.

The aid, to be distributed via the German Red Cross (ECU 400 000) and the Association of Irish NGOs (ECU 100 000), is intended to buy food products, clothing, means of transport and other vital supplies locally.

(B)

The Commission has responded to the Bangladeshi Government's appeal for international assistance and adopted additional measures to help the country overcome the disastrous consequences of the present flooding, the worst for 50 years.

1. The Commission authorises the Bangladeshi Government to distribute 100 000 tonnes of wheat and 1 800 tonnes of vegetable oil free of charge. These amounts will come from the food aid stocks which the Commission delivered in July as part of its ordinary aid programme for 1987 (150 000 tonnes of cereals and 2 800 tonnes vegetable oil—intended to be sold by the Government on the local market).

2. The Commission has decided on the immediate provision of food aid to Bangladesh for 1988. This means 250 000 tonnes cereals and 3 800 tonnes vegetable oil (150 000 tonnes cereals and 2 000 tonnes vegetable oil under the ordinary food aid programme for 1988 and an extra 100 000 tonnes cereals and 1 800 tonnes vegetable oil to replenish the 1987 stocks from which the amounts for free distribution are to be taken). These quantities could get to Bangladesh during November 1988.

This is in addition to the ECU 500 000 of emergency aid which the Commission decided to send on 6 September. This went through the German Red Cross (ECU 400 000) and Concern, the Irish NGO, and is being used for the local purchase of food, clothing, basic essentials and transport equipment for distribution.

Jamaica

The Commission has decided to send emergency aid worth ECU 650 000 to Jamaica, where Hurricane Gilbert struck in early September killing several people and leaving 500 000 more homeless.

This enabled a British Red Cross plane to leave for Jamaica to deliver basic essentials such as 500 rolls of plastic sheeting and 16 000 blankets.

Uganda

Uganda is to get ECU 260 000 worth of emergency aid under a recent Commission decision.

Conflict in this country has led to an increase in the malnutrition already present in some parts of the north east and an attendant increase in medical aid required.

MSF Netherlands is in charge of actually providing the aid—which involves sending out equipment and medical staff. ○

several participants reminded the meeting of the need to strengthen it with market machinery as the basis. As well as looking at the consequences of the industrialised nations' policies on the developing nations, the Development Committee also discussed the environment and poverty. ○

Donors meet to discuss the Special Action Programme for low-income and heavily indebted countries south of the Sahara

On 3 and 4 October the World Bank organised a meeting in Paris of donors taking part in the Special Action Programme.

Following the Paris meeting of December 1987, which had given political impetus to the initiative, and the Washington meeting of March this year, which had defined the principles and mechanisms for the implementation of the Programme, this meeting was very much one of practical application.

On the various points raised, the following emerged:

A. Concertation and coordination between donors

While significant progress had been made in coordination, the meeting brought to light a lack of clarity in information on, in particular, the extent of commitment or payment of funds. There was a general willingness, however, for a greater effort to be made to make such information more readily available.

B. Countries under consideration

Of the seven countries still "under consideration", three (Comoros, Equatorial Guinea and Benin) are, in fact, holding talks with the IBRD and the IMF. The countries are making efforts such that should ensure that, within the next few months (i.e. late 1988 or early 1989) they are in a position to sign an agreement with the Bretton Woods institutions.

C. Criteria for eligibility

In the course of the discussions the participants demonstrated a preference for the third criterion (adjustment), interpreted as requiring a formal agreement with the IMF.

With the exception of the Commission, which—on the basis of the Council's decision on the debt programme—recommended an adequate measure of

flexibility and pragmatism, participants backed the idea of making the implementation of the programme conditional on the signing of a formal agreement between the country and the IMF.

This new, extremely rigid interpretation which, in the majority of cases, links adjustment to the two Washington institutions, is—in the Community context—in contradiction with the decision taken by the Council in December 1987.

D. Volume and speeding up of payments. Degree of co-financing

The present situation with regard to payments is somewhat worrying. The IBRD forecasts show that barely 15% of funds programmed were expected to have been disbursed by the end of 1988. Donors were therefore strongly urged to improve on this position, making special efforts both to speed up the signing of firm commitments with the countries concerned and to devise new methods for implementing the programme. The Bank's objective is to reach a 75% rate of disbursement for the programme as a whole by the year 1990. ○

GENERAL INFORMATION

IMF and World Bank meet in Berlin

The IMF and the World Bank held their annual meetings in Berlin from 15-29 September. Meetings of the Group of Ten and the Interim Committee followed discussions of the world economic situation in the Group of Seven.

The talks were an opportunity for participants to express both their satisfaction at the way things had gone during the year and some apprehension about the coming 12 months. The main items on the agenda were the coordination of economic policies and the debt strategy. On the eve of a change of administration in the United States, there were no new directions to be taken, but the need for progress in these fields was firmly emphasised.

The agreement on the arrangements for implementing the Toronto guidelines on alleviating the debt burden of the poorest countries was well received. The problems of countries in the middle-income range were the subject of particular attention. The case-by-case strategy was confirmed once more and

Europe-Third World Press

The Brussels Europe-Third World Press Association (APETM), created some 50 years ago, has just named as its President Mr Alpha-Niaky Barry. Mr Barry, who is Senegalese, is at present Press and Information Officer at the ACP General Secretariat.

The APETM, which is a professional association of journalists, has as its aim to "contribute to cooperation between Europe and the countries of the Third World" and to "create relations between journalists and others who, through their work, have to do with information on the countries of the Third World and in Europe".

The APETM's address is: 375 av. Brugmann, B-1180 Brussels, Belgium.

CORRIGENDUM

The photo featuring on the back cover of the last issue of the magazine was inadvertently attributed to *The Courier* and not, as it should have been, to Mapez Photo Agency. We extend our apologies to Mr Mapez. ○



INDUSTRIAL OPPORTUNITIES

PUBLISHED EVERY TWO MONTHS

No. 64: NOVEMBER-DECEMBER 1988

COOPERATION WITH PORTUGAL

OFF TO A FLYING START

Every picture tells a story it is said, and the new logo developed by ICEP, the Portuguese Institute for Foreign Trade, which signed a cooperation agreement with CDI in June 1987, says a lot about its commitment to working with CDI for ACP industrial cooperation.

ICEP has developed a design for its promotional literature which integrates the CDI logo into its own graphic symbol.

In addition, ICEP has appointed as full-time liaison person, Ms Felisbela Godinho, who has valuable experience of working with Portuguese industry.

Cooperation has got off to a flying start. In 1987, eight projects were co-financed with CDI and by September of 1988, some 23 projects had been co-financed with more to come.

The first wave of projects not surprisingly were concentrated in those ACP countries with strong Portuguese links, while the projects coming through this year have revealed a much broader base.

CONTACTING FIRMS

ICEP has undertaken an extensive postal campaign directed at Portuguese enterprises to find industrial partners and encourage them to register their cooperation proposals with CDI in Brussels. So far CDI has received 60 proposals for the creation of joint ventures or other forms of long term industrial cooperation.

"We are delighted by the suitability and quality of the proposals we have received from Portugal, most of which are in the food, leather and mechanical sectors," commented Mr Fernando Matos Rosa of CDI's Investment Promotion Division.

"We are impressed by the response and by the willingness of these Portuguese companies to commit themselves so readily to long-term contractual arrangements such as licensing, franchising or joint venture agreements. Portugal has highly valuable intermediate technology which is greatly needed by ACP countries who are restructuring to a higher stage of development."

Continued on page 7



The new symbol linking the CDI and ICEP logos.

CDI STARTS THE BALL ROLLING

Impeke Industries, the first industrial producer of traditional cereal-based beer in Burundi, began production in June.

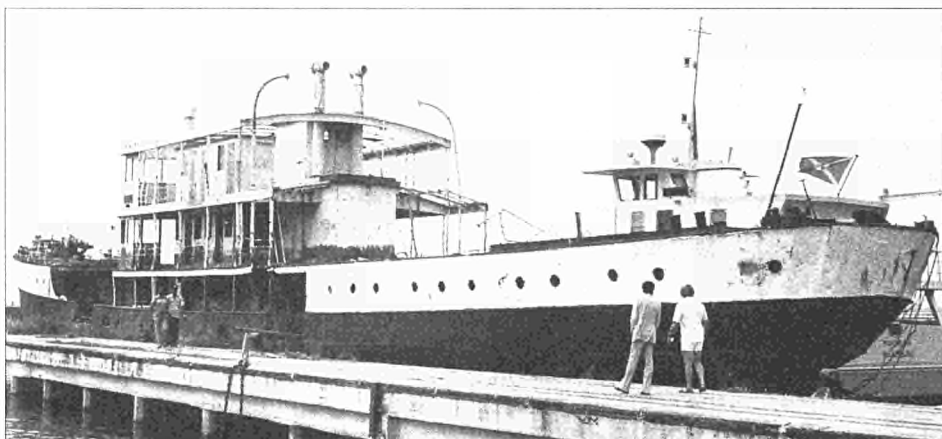
Though given considerable support from the Africa Project Development Facility (APDF), the company has been raising a toast to CDI for helping to get the ball rolling.

After an initial contact with CDI, the entrepreneur was put in touch with APDF who, after an initial feasibility study, helped arrange local finance and hire an experienced manager to plan the implementation and marketing.

CDI intervened to help bring about an agreement for the supply of brewing equipment and know-how by Indeco (Industrial Development Corporation) of Zambia, who also provided specifications for the construction work.

Financial assistance for the start-up of the plant and the training of personnel was also contributed by CDI.

The plant is now operational with an initial output of 50,000 hl per annum. Once the project has proved successful, a subsequent expansion phase is anticipated.



The "Duc du Brabant" after being raised from the bottom of Lake Tanganyika. She has been rebuilt with the help of CDI and is now back in commercial service. See page 2.

NEW LIFE FOR THE "DUC DU BRABANT"

The 800 ton cargo ship, Bwiza, often to be seen towing a 500 tonne barge transporting sugar, cement, salt and steel rods across lake Tanganyika, is an important link in trade between Rwanda, Uganda, Zambia and Burundi.

But in 1981, she was a submerged hulk, rotting in the Zaire port of Kalemie, waiting to be rescued by the Burundi firm Sotralac and brought back to commercial life with the help of CDI.

Built in 1913 and originally known as the Duc du Brabant, the ship was even mentioned by the author Evelyn Waugh in a book written in 1930. He had a rough and unpleasant trip in the 50 metre, steam-powered freight vessel across a stormy Lake Tanganyika. The ship eventually sank many years later in Kalemie.

It was refloated in 1981 by the local firm Sotralac. CDI located and funded the UK boat-building consultants MacAlister Elliott and Partners to evaluate and supervise the rebuild.

Fortunately the hull plating was found to be in excellent condition due to the special properties of the lake water, though the superstructure was beyond repair.



Rechristened the "Bwiza", the bridge was reconstructed at the rear of the ship to provide greater cargo space.



The original "Duc du Brabant".

To provide extra cargo space the replacement superstructure was located at the rear of the vessel. An essential part of the assistance provided by CDI was to train local craftsmen to undertake this task. Two 500 hp FIAT diesel engines were installed giving the vessel sufficient power to tow a 500 tonne cargo barge as well.

The vessel, rechristened the Bwiza, was relaunched in 1985 and is back in business making a regular 380 mile voyage between Bujumbura and Mplungi in Zambia. With a fourteen man crew, often accompanied by the proprietor of Sotralac, the financial viability estimates have proved correct and, 75 years after its launch, the old Duc du Brabant is proving to be a very profitable operation. The fully reconditioned vessel is now making a significant contribution to trade and industry in the Lake Tanganyika region.



Sugar, cement, salt and steel rods are transported across lake Tanganyika by the Bwiza.

NIGERIA

CDI DIRECTOR HONOURED

The Director of CDI, Dr Isaac A. Akinrele, has been honoured in his country, Nigeria, in recognition of his contribution to national industrial development and, in particular, to the work of FIIRO, the Federal Institute for Industrial Research.

The FIIRO Auditorium has been named after him and the dedication was performed by the Federal Minister of Science and Technology, Professor Emmanuel Emovon, in the presence of over 200 distinguished persons drawn

from ACP and EEC embassies, senior government officials, academic circles and the chief executives of manufacturing industries.

Dr. Akinrele, the first Nigerian Director of FIIRO, served the Institute for 17 years before joining CDI as Deputy-Director in 1977, a position he held during Lomé I and Lomé II.

A symposium was also organized by the Nigerian Institute of Food Science and Technology to mark the occasion.

2nd ANNIVERSARY OF COOPERATION

"The agreement signed in 1986 between the Walloon Region and CDI is one of those which motivates me personally," said Belgium's Minister for External Relations for the Walloon Region, Mr Albert Liénard, at a meeting to celebrate the second anniversary of the Walloon Region-CDI cooperation agreement.

He stressed that one of his priority approaches in regional policy is partnership with the Third World in a new form situated half way between classic export promotion and development cooperation.



Mr Albert Liénard, Minister for External Relations of Belgium's Walloon Region – vigorously implementing the spirit and terms of the agreement signed in 1986.

"I am convinced that this approach links together well the capabilities of our companies and the needs of developing countries," he said.

With this conviction, Wallonia which is a region of 3.2 million people in the south of Belgium, has been vigorously implementing the spirit and terms of the agreement signed in 1986.

At the initiative of the Walloon Region, the 2nd Anniversary of cooperation was celebrated with a meeting to review progress and remodel the future approach after two years of experience.

PIONEERS

CDI Director, Dr. Isaac A. Akinrele, welcomed the celebratory initiative and highlighted the dynamism demonstrated by the Walloon Region and its Government. "Wallonia has been one of the pioneers in the area of industrial cooperation between ACP countries and the regions of Europe."

The agreement with CDI has enabled the Walloon Region to draw up its first comprehensive directory of Walloon technologies of interest to ACP countries and to cement bilateral relations with a number of African trade promotion organizations. These initiatives are aimed at accelerating the link-ups between African promoters and Walloon companies.

Mr Liénard stressed his satisfaction with the practical value of the agreement with CDI. Since the agreement was signed, Mr Liénard noted, his Government had approved some 18 projects to which his services had committed some Ecu 150,000.

These are primarily in the sectors of agro-food, construction materials, energy and public health.

The assistance provided includes:

- The preparation in Guyana of demonstration operations for renewable energy sources;
- Analysis of ACP products and the suitability of the European market for items such as aromatic or medical extracts from Mauritius or marble from Sudan;
- A practical training programme for local craftsmen in the production of clay bricks;
- Technical assistance for the start-up of industrial units for fish drying (Senegal), milk production (Burundi) and paint manufacture (Burundi, Guinea).

The Region has also helped set up a round table of industrialists in the Comores with the objective of identifying feasible projects, in cooperation with local industrial promoters. This event was co-financed by CDI and organized with the help of its antenna in the Comores. This is already showing results.

INFORMATION

As part of its cooperation with CDI, the Walloon Region has been publicizing through its newsletter, and special mailings to more than 1,900 companies, industrial partnership proposals gathered by CDI from ACP promoters.

(Continued on page 4)



CDI Director, Dr. Isaac A. Akinrele: "Wallonia has been one of the great pioneers".



FISH DRYING

Otraci, a Belgian firm specialized in fish drying technology, is involved in setting up production in Mauritania and Senegal, with CDI's assistance. In Mauritania, the Belgian firm is supplying a modular fish drying plant with a processing capacity of 600 tonnes per year, and is setting up a joint venture with its local partner to develop the export market.

In Senegal, Otraci has, with the aid of CDI and the Walloon Region, investigated the feasibility of a fish drying plant and the commercial potential for its products in Europe. Local personnel are now being trained in preparation for the start-up. The plant is expected to make a

substantial contribution to the local fishing industry.

"We must indicate to Europeans," stresses Otraci Managing Director, Jean Stragier, "that it can take two to four years to get something off the ground. And the smaller the project, the greater the need for help. Without such help, 80% of smaller projects would not materialise. Very few small companies could survive the start-up period using their own funds."

Mr Stragier notes that it was at the West African Industrial Forum, under CDI's auspices, that Otraci first met its current partners in Senegal. The project took two years to develop after that.

PROGRESS IN EARTH-BASED CONSTRUCTION

Considerable research over the past decade has been devoted to one of the most abundant and low-tech of resources: earth. And one of the fruits of this research are new techniques for producing earth-based construction blocks with very desirable architectural properties. An extensive range of new equipment has come onto the European market to capitalize on these techniques.

Leading the research in this area has been the French non-profit association, CRATerre, the International Center for the Research and Application of Earth Construction. Working closely with the School of Architecture at Grenoble, France, CRATerre has brought a modern, scientific approach to building with earth.

The results of research, development and experiments undertaken over a decade by CRATerre and others, confirm that earth, when utilized according to specific known methods, is more than adequate for the production of durable and fully modern housing. It can meet both technical civil construction requirements and the current aspirations of those to be housed.

Compressed earth blocks are the modern version of moulded earth bricks. They use earth with characteristics similar to that used for adobe bricks. The earth used for compressed blocks contains less clay but more grit and sand.

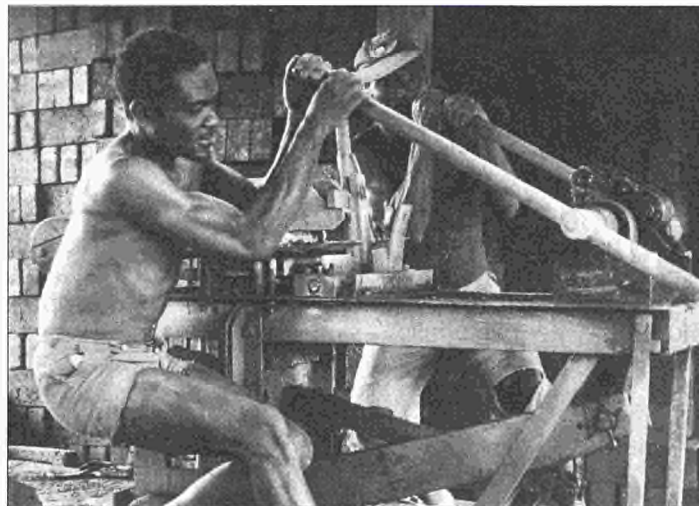
Compressed earth blocks, stabilized or non-stabilized, are often an excellent building material offering great flexibility in use. This relatively "new" material is being adopted in many countries though curiously it is often labelled as a "traditional" material.

NEW CATALOGUE

With 1987 being the International Year of Housing the Homeless, CDI decided last year to make a particular effort to promote earth as a construction material and gave support to the work of CRATerre.

Recognizing the importance of earth construction technology to many ACP countries, CDI is working closely with CRATerre on the production of a comprehensive catalogue of the presses for making earth blocks now manufactured in Europe.

This jointly-produced publication will



A manual brick press in operation

also contain a "selection guide" to help purchasers make their optimum choice of earth press.

This is all the more necessary since the European market offers many different machines with compression capabilities

ranging from 50kg to 30,000 kg and production outputs of 300 units per day to 50,000 per day.

This publication will be available for interested parties at the AFRICABAT exhibition.



NEW DATE

AFRICABAT, the first ever forum for professionals and policy makers working in the building industry, public works and urban development in 50 African countries, will take place in Dakar, Senegal, January 23-28, 1989.

The date for this significant and innovative event which is co-sponsored by CDI was moved forward from October (see Industrial Opportunities

issue 62) to permit more time for the African countries to mobilize their enterprises and prepare their stands and presentations. The January date will also enable other countries such as Brazil to participate.

AFRICABAT is organized by the Union of African Architects. More than 150 European and US companies have already confirmed their participation.

CDI-WALLOON REGION

2nd ANNIVERSARY

(Continued from page 3)

DIRECTORY

Wallonia, the Regional Government stresses, is a region of small and medium-sized companies which offer technologies, services and products which are appropriate for developing countries.

About 100 of those firms with appropriate technology have been contacted and evaluated by the Walloon Region and listed in a comprehensive directory.

The Region has strengthened its links with CDI's ACP antennae to reinforce the application of the CDI agreement. Formal cooperation agreements have

been concluded with antennae in Senegal and Guinea. Contacts have similarly been strengthened with Mauritania's Union of Development Banks (UBD), and Niger's Office for Enterprise Promotion (OPEN).

In 1989, the Region plans to organize, with the support of CDI, round tables on industrial projects in Zaire and Mauritania.

The Walloon Region is currently producing a film to present the spirit of its agreement with CDI and to display Walloon technologies.

The Walloon Region and its construction companies will also be well represented at the forthcoming AFRICABAT trade exhibition.

THE LIME-SILICA BRICK – A PRODUCT WITH HIGH POTENTIAL

On display at AFRICABAT in January will be a compact system for producing high-quality bricks from a lime-silica mix. The system has been developed by a British company and tailored for ACP countries by specialists at the University of Leuven (KUL) in Belgium.

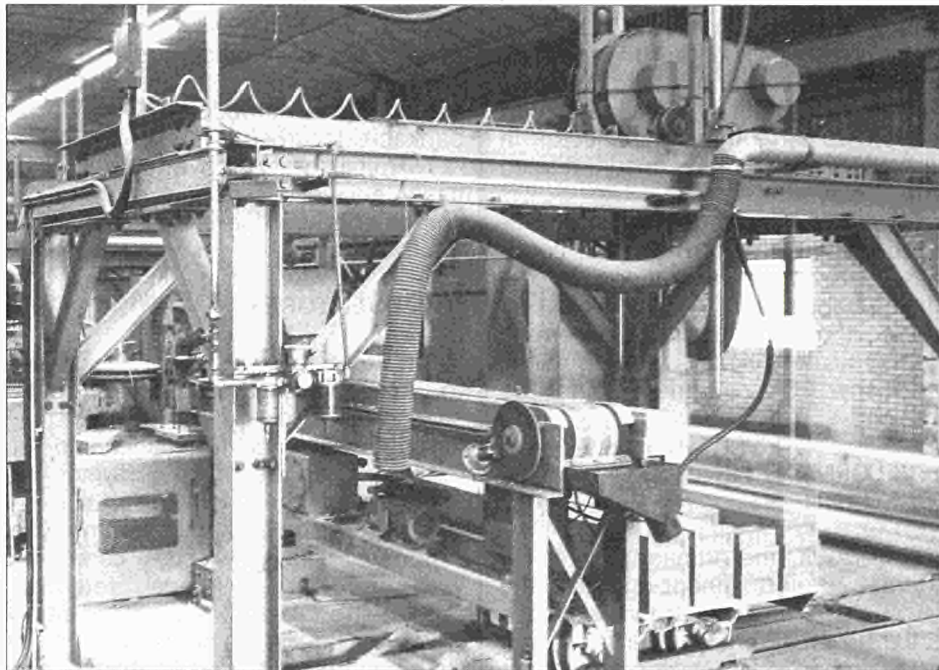
The system compresses a mix of sand (90-92%) and lime (8-10%). It then steam-heats the formed bricks for 6-8 hours.

The end product is a brick with high stability, high thermal insulation and a smooth finish which can be used in construction without a concrete skeleton.

The production process is very straight-forward since high temperature firing is not required. Either automated or labour intensive systems are available according to requirements.

With sand so abundant in most ACP countries and lime frequently available locally (only small quantities are required), the developers of the system see it as well adapted to the needs of ACP countries.

The smallest plant produces approximately 12,000 m³ of building bricks per year and represents an investment of some Ecu 1.5 million. To double the output, an additional Ecu 600,000 would be required.



This plant, which has been tailored in Belgium for ACP countries, produces high-quality bricks using a lime-silica mix.

PROFILE

An industrial technology profile of a plant for producing 24,000 m³ per year of lime-silica bricks/blocks, is available through CDI.

The specialists of the Chemical Engineering Department at the University of Leuven will gladly assist any interested investor in studying the project implementation and adapting it to specific requirements.



PAINT FACTORIES ⁽¹⁾

One of the enterprises supported by the Walloon Region and CDI is the paint manufacturer Sigma Coatings which is now active in Benin, Burundi, Guinea and Zaire.

Further projects are in preparation in Mauritania and elsewhere. With the help of the Walloon Region and CDI it is establishing companies employing 15 to 20 people each. Implicit in the set-up of these companies is a flow of technology, know-how and the ongoing updating of expertise.

"The help and support of CDI and the Walloon Region has allowed us to do more than would have been possible, especially in the area of training," says Sigma Coatings' Marketing

and Export Sales Manager, Jacques Lomba.

"Financial support for start-up costs is needed for companies like Sigma. We cannot be in a hurry to set up a factory properly and this is where help is needed. Our cooperation projects started five years ago are only now beginning to bear fruit and show profit.

"Training has to be done on the spot, under local conditions, and not in our relatively large and sophisticated factories in Europe. This requires frequent visits by our specialists from CDI and the Region. The support we receive makes us more prepared to get involved in a difficult country."

In Benin, Sigma Coatings has been working with a local partner to develop a franchised paint manufacturing unit and to license its technology to produce high performance paints.

In Burundi a project has been initiated for a paint plant producing 30 tonnes per year of oil-based paint and 300 tonnes per year of emulsion, while in Guinea, Sigma is working with a local entrepreneur for a manufacturing unit for paints and varnishes.

The company will have a stand at the AFRICABAT exhibition.

⁽¹⁾ This case study and that on page 3 were presented, by representatives of the companies concerned, at the 2nd anniversary meeting of the CDI-Walloon Region agreement.

FINANCING JOINT VENTURES

By Dr Eckhard Hinzen ⁽¹⁾

A study recently conducted by CDI on sources of finance for joint ventures in ACP countries shows a relatively restricted situation. This contrasts starkly with the frequently stated claim that ample funds are available.

This is essentially because:

- Public, international and regional finance institutions are often not well adapted to serve the private sector, in particular small and medium-sized enterprises;
- Private banks are generally not prepared to share project risks in ACP countries (with some exceptions in the African franc zone);
- Export credit financing is becoming more difficult as export credit insurance for many ACP countries cannot be obtained.

DEVELOPMENT FINANCE CORPORATIONS

As a result, the primary sources for external project financing are the *development finance corporations* such as IFU (Denmark), DEG (Germany) and FMO (Netherlands). An important condition for this type of financing, however, is that a foreign partner should take a substantial equity participation along with management responsibility. In other words, there must be a joint venture with a foreign partner.

Development finance corporations offer the following advantages:

- Equity contribution as well as medium- to long-term loans (which permit debt servicing to be adapted to the project's cash flow);
- Favourable, subsidized interest rates;
- Collateral (for credit) taken on the assets of the project.

The services of the development finance corporations are partly complemented by development banks and credit funds in ACP countries.

ROLE OF CDI

CDI itself has neither risk capital nor loan funds, to finance investments. Its main role is to prepare projects for industrial investments in ACP countries and to offer assistance to support the consolidation and rehabilitation of existing enterprises.

The investment banks often tell CDI that ample funds would be available if only profitable projects with competent investors could be found. CDI could therefore help to meet the essential conditions for the funding of projects in the following ways:

- Selecting competent investors and project concepts, so that adequate financing can be obtained;
- Offering its knowledge of existing sources of finance and liaison with development finance institutions, to arrange optimal project funding;
- Preparing project studies which, by content and methodology, qualify as bankable documents.

To fulfill these tasks effectively, CDI has concluded special cooperation agreements with several development finance institutions.

JOINT VENTURES

Private sector joint ventures, in order to succeed, must have a sound economic basis in terms of valid markets, the creation of genuine net value-added and net foreign exchange earnings or savings.

In host countries with weak currencies, net foreign exchange earnings (via export-oriented projects) combined with foreign exchange retention accounts, are usually a strict condition for attracting foreign partners.

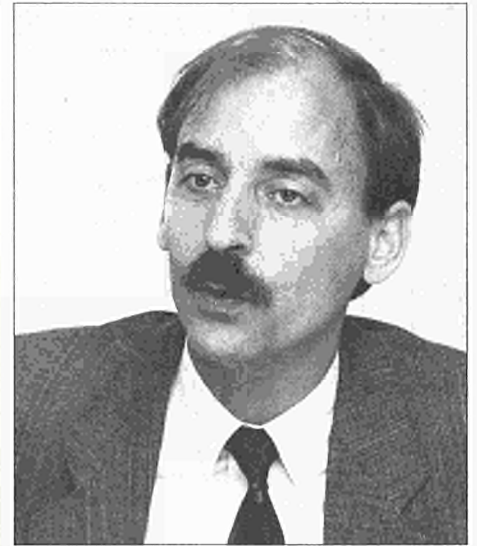
The promoters should have solid entrepreneurial and technical competence and be prepared to raise equity capital covering at least 30% of the total investment.

A competent foreign technical partner is usually required to provide technical management, market access and an equity contribution. Substantial participation by the foreign partner in the project risk is an important requirement for obtaining funding from a development finance corporation.

The equity participation and loan funding of a foreign development finance institution is most valuable in creating confidence in the project for the mobilization of other private funding sources. A particular advantage of such institutions, as already mentioned, is their acceptance of collateral on the project's assets rather than demanding state guarantees.

Foreign private bank loans are usually in the form of export credit for investment items, provided that export credit insurance is granted by the pertinent agency in the exporting-state. Unfortunately, this type of insurance cover has been suspended for a number of ACP countries.

Even if insurance is available, counter-guarantee requirements are still quite stringent. Furthermore, the relatively short repayment periods for export credits can put considerable strains on the project's cash flow, in the initial years.



Dr Eckhard Hinzen: *Development Finance Corporations are the primary source.*

ALTERNATIVE AGREEMENTS

Overall it appears that projects with relatively small investments, though perhaps most adequate for the host country economy, encounter the greatest difficulties in attracting foreign equity participation and loan funding. Given their comparatively high administrative and operational overhead burden, a substantial degree of subsidized assistance is usually required for such projects.

It is understandable, however, that Europe's small and medium-sized industries are not always in a position to invest in an equity participation in an ACP project. For this reason, alternative forms of cooperation are often preferred such as: licensing; subcontracting; franchising and marketing agreements. These approaches are sometimes the first step in the direction of a joint venture with equity participation.

CDI is prepared to promote such alternative forms of cooperation on condition that there will be:

- at least a medium-term agreement between the partners;
- a common interest in the economic success of the project (i.e. the EEC party must not be interested merely in selling equipment, services, or production inputs);
- an arrangement tying the returns of the European party to the commercial success of the project.

However, it must be said that most development finance corporations do not accept that such alternative forms of cooperation involve the European partner sufficiently. A revision of their position would be most desirable.

(1) Dr. Hinzen is a CDI expert in project financing

THE ADVANTAGES OF SECOND-HAND PLANT

The transfer of second-hand machinery and equipment from European to ACP firms could become a viable and valuable way to aid to industrial development, if the equipment forms part of an industrial cooperation arrangement such as a joint venture.

This is one of the conclusions of an internal seminar organized by CDI with the assistance of the consultant, Mr Jean Tilot, to look at practical ways of utilizing redundant European plants.

PERFECT EQUIPMENT

European firms replace their machinery and equipment at a relatively rapid rate due to the competitive environment they operate in. They may need to introduce new technology and increase automation to reduce manpower and production costs, or just to upgrade their products. These pressures force many firms to replace equipment which is in perfect working order, the seminar participants were told.

A considerable amount of varied second-hand equipment – sometimes complete production lines – is placed on the market and is either bought by European firms or exported outside Europe to other industrialized or developing countries. If it finds no buyer, it is often scrapped.

EVALUATION DIFFICULTY

CDI recognizes that such equipment could be used to encourage the setting-up and extension of industrial units in ACP countries. Generally such equipment will be available at reduced costs and from the technological viewpoint should be generally better adapted to local conditions than newer equipment would be.

The problems for a developing country of purchasing second-hand equipment are clearly evident:

- It is often difficult to evaluate the condition or the value of equipment being offered;
- It is difficult to estimate accurately the cost of dismantling, reconditioning and reassembling equipment (which can be disproportionately high);
- The equipment is often already dismantled and its performance cannot be checked;
- Maintenance and the obtaining of spare parts can, in some cases, be a major problem.

LONG-TERM INVOLVEMENT

The CDI seminar came to the conclusion that for the successful transfer of second-hand equipment, the vendor must stay involved, on a long-term basis, to ensure the proper operation and use of the equipment.

The best form of such involvement would be an industrial cooperation agreement which may range from a joint venture to a simple technical assistance contract. In such a way, the European partner would be involved for a sufficient period of time to ensure that the technology is correctly transferred.

If the equipment is linked into such an agreement, payment of all or part of the cost of the plant should ideally be linked in some way to the performance of the firm concerned.

EQUITY CONTRIBUTION

If a joint venture were set up, for example, the second-hand equipment could constitute all or part of an equity participation by the European industrialist. The vendor should ideally also provide training to operators, along with expertise for start-up and marketing.

Given the financial constraints facing new firms in developing countries, such an approach could help launch new industrial units with relatively low investment requirements.

The advantages of reconditioned equipment for ACP industries are clear. In good working order, with a price that is considerably lower than new equipment, such plant could increase the profitability of low-capacity units.

CDI ROLE

The seminar concluded that, given its neutral status, CDI could act as an "honest broker" and provide information on the opportunities for the use of second-hand plant.

It could also facilitate contact between buyers and sellers, help them in their negotiations and supervise the undertakings and guarantees given.

Depending on the nature of the cooperation agreement, CDI would be able to provide experts to check the condition, value and suitability of second-hand equipment. It could also contribute to the training, installation and start-up of new industrial units.

OFF TO A FLYING START

(Continued from page 1)

The proposals of these Portuguese firms are in turn being publicized by CDI throughout ACP countries. In return, offers from ACP countries received by CDI are being transmitted by ICEP through its high-speed communications links with Portuguese firms.



Mr Fernando Matos Rosa of CDI's Investment Promotion Division.

In 1987 ICEP budgeted some Ecu 95,000 for its CDI-related promotional activities and has tripled the budget for 1988 to approximately Ecu 300,000. These contributions are matched Ecu for Ecu by CDI.

ICEP is undertaking the production of a Portuguese version of the CDI brochure "Financial Resources for Industrial Projects in ACP countries".

In May 1988, ICEP organized a regional meeting in Porto in cooperation with CDI, which brought together potential industrial partners in Portugal and representatives of ACP countries. The guest of honour at the meeting was the Portuguese Secretary of State for Foreign Trade, Dr Miguel Horta e Costa. The Portuguese TV, radio and press accorded the event top priority and publicized it extensively.



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 the page.

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 1 September 1988: 1 Ecu = £ 0.66, or FF 7.04, or DM 2.07.

Please ALWAYS mention the CDI reference numbers when reproducing these proposals.

88/95 PLA PORTUGAL *Plastic bags, vinyl floor tiles, shoe components.*
PVC AND PLASTIC
GOODS
Minimum capacity: dependent on product line; minimum investment of Ecu 625,000 (second-hand equipment).
Proposed cooperation: equity participation, technical assistance, training.

88/97 PAP PORTUGAL *Toilet paper, rolls, paper napkins*
PAPER PRODUCTS
Minimum capacity: 86 tons per year with a minimum investment of Ecu 178,000.
Proposed cooperation: equity participation, marketing assistance, training.

88/98 PLA PORTUGAL *Plastic soles and other footwear components.*
FOOTWEAR
Minimum capacity: adjustable according to demand, with a minimum investment of Ecu 235,000.
Proposed cooperation: equity participation, technical assistance, training.

88/101 MET SPAIN
HINGES, BOLTS,
LOCKS, KNOBS
Minimum capacity: 500,000 articles with a minimum investment of Ecu 655,000.
Proposed cooperation: technical assistance, equity participation, training.

88/104 EXT SPAIN *Concrete poles for electrical lines, prefabricated elements for industrial buildings.*
CONSTRUCTION ELEMENTS
(CONCRETE)
Minimum capacity: 8,000 poles per year, 24,000 square metres of panels per year, with a minimum investment of Ecu 620,000.
Proposed cooperation: licensing and technical assistance, equity participation.

88/105 MET SPAIN *Aluminium facades and window frames.*
CONSTRUCTION ELEMENTS
(ALUMINIUM)
Minimum capacity: 25,000 square metres per year with a minimum investment of Ecu 1,450,000.
Proposed cooperation: equity participation.

88/106 CHE SPAIN *Produced in spools and sheets.*
EXPANDED POLYSTYRENE
Minimum capacity: 400 tons per year with a minimum investment of Ecu 475,000.
Proposed cooperation: equity participation, technical assistance, management contract.

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. 48 — September 1988

(position as at 25th October 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		
A5	Trade, banking, tourism and other services	A9	Multisector
A5A	Agricultural development banks	A9A	River development
		A9B	Regional development projects
		A10	Unspecified



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Tél.: 352/48.80.41
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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. 2 int. tenders for supplies launched in August 88. 6th EDF. EDF ANG 6005 A3a

Rehabilitation of the Americo Boavida Hospital. Resp. Auth.: Ministry of Health. Estimated total cost ± 25 mECU. EDF 19.5 mECU. Italy 5.5 mECU. Works, supply of medical-technical equipment. T.A. for installation, maintenance and training. Works: int. tender (conditional) *launched in October 88*. Project on appraisal. Date foreseen for financing October 88. 6th EDF. EDF ANG 6004 A7a

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

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. *Date financing October 88*. 6th EDF. EDF BEN 6003 A3a

Petroleum products import programme. Resp. Auth.: Ministre du Plan — Société Nationale des Produits Pétroliers (SONACOP). 11 mECU. Supply of 65 000 t finished petroleum products. Int. tender. Project on appraisal. Date foreseen for financing December 88. 5th and 6th EDF. EDF BEN 6012 A4ai

BOTSWANA

Support programme for dry land agriculture. Resp. Auth.: Ministry of Agriculture and Ministry of Lands. 3 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. Supplies: int. tender launched in April 88. 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 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

Ziniare town electrification. Resp. Auth.: Ministère de l'Equipement. 0.520 mECU. To connect Ziniare with the Ouagadougou network *by acc. tender*. Project on appraisal. *Date foreseen for financing November 88*. 5th EDF. EDF BK 5025 A2ai

Ouagadougou-Kaya Railway. Resp. Auth.: Government of Burkina Faso. 1.7 mECU. Supply by restr. tender of 96.000 T of ballast (25-55 mm granit or dolerite) local origine. Project on appraisal. Date foreseen for financing October 88. 5th EDF. EDF BK 5019 A2d

Hydro-agricultural development in the Douna plain. (Intermediate phase). Resp. Auth.: Ministère de l'Eau. 2.1 mECU. Improvement of 400 ha. Construction of quaternary canals, training and monitoring. Project on appraisal. Date foreseen for financing October 88. 6th EDF. EDF BK 6005 A3a

BURUNDI

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 reforestation development. Support to cooperatives. Feasibility study for secondary 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

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

General import programme. Resp. Auth.: Banque République du Burundi. 12 mECU. Special programme debt. Hard currency allowance to finance import and to establish counterpart fund in Burundi Francs. Project on appraisal. Date foreseen for financing *4th quarter 88*. 6th EDF. EDF BU 6014 A1c

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

Special import programme for fertilizers. 15 mECU. Supply of ± 24 000 t of NPK, urea, ammonium phosphate by int. tender (conditional) launched in July 88. *Date financing October 88*. 6th EDF. EDF CM 6015 A3a

Yaounde-Ayos road. Resp. Auth.: Ministère des Travaux Publics et des Transports. Direction des Routes. 58 mECU. Works: road and bridges. Supervision of works with geotechnical control. 145.7 km. Works after prequalification. Prequalification foreseen in August, September 88. *Date financing October 88*. 4th, 5th and 6th EDF. EDF CM 6014 A2d

Rural development programme in the Logone and Chari. Resp. Auth.: Semry. Estimated cost ± 12 mECU. Consolidation and extension of existing actions. Project on appraisal. 6th EDF. EDF CM 6013 A3a

CAPE VERDE

Town development of Praia. Estimated cost 19.8 mECU. Works and supply of equipment, T.A. and supervision of works. Project in execution. 6th EDF. EDF CV 6001 A2d

Sectoral Import Programme for building materials and equipments. Resp. Auth.: Ministère du Plan et Entreprise Publique d'Approvisionnement (E.M.P.A.). 4 mECU. To purchase cement, iron, medical equipment and pavings. Project on appraisal. 6th EDF. EDF CV 6002 A4c

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. Project 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 ex-cotton zones; rural health and human hydraulics, T.A., studies, following and evaluation. Short-lists already drawn up. **Project in execution.** 6th EDF. EDF CA 6005 A3a

CHAD

Rural development priority programme in the concentration zone. Resp. Auth.: Ministère de l'Agriculture et de Dév. Rural. 15 mECU. Hydro-agricultural works, infrastructure, education, health. Works, supplies and T.A. Project in execution. 6th EDF. EDF CD 6002 A3e

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

Rural development programme. Phase 2. Resp. Auth.: Office National de Dév. Rural (ONDR). 25 mECU. Works, feeder roads, scholar buildings, agricultural equipment, pumps, T.A., follow up and evaluation. Project on appraisal. 6th EDF. EDF CD 6005 A3a

CONGO

FEDAR (EDF regional action for the Pool and Cuvette). Resp. Auth.: Ministère du Plan. 36 mECU. Roads, wells, rural infrastructure, supervision of works, line of credit, monitoring. **Project in execution.** 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-matiali (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 in execution.** 4th and 5th EDF. EDF IVC 5027 A3a

DJIBOUTI

Rural development programme. Resp. Auth.: Ministère de l'Agriculture. 6.1 mECU. Improvement of the rural development, farm and livestock monitoring, rural hydraulics, palm-tree plantations, pump-station maintenance. **For the infrastructures works acc. tender (conditional) and for urgent supplies int. tender (conditional) in November or December 88. Project on appraisal. Date foreseen for financing December 88.** 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

Support for information. Resp. Auth.: Secrétariat Général à l'Information. 1.1 mECU. Establishment of a Documentation Centre. Supply of equipment and staff training for the National Printing Office. **Date financing September 88.** 6th EDF. EDF DI 6005 A1e

Training programme. 2 mECU. New vocational training actions for adults. T.A. for training centres. Training, scholar-ships and training courses. Works and supplies. Project on appraisal. 6th EDF. EDF DI 6101 A6d

EQUATORIAL GUINEA

Forestry support programme. Resp. Auth.: Ministère des Eaux et Forêts. 8.4 mECU. Assessment of the forest feeder roads network. Support to the definition and application of governmental measures to preserve forest patrimony. Support to improve timber export control. Project on appraisal. 6th EDF. EDF EG 6001 A3c

Essential goods import programme. Resp. Auth.: Présidence de la République. Estimated cost 1.5 mECU. Hard currency allowance to import essential goods. Project on appraisal. 5th and 6th EDF. EDF EG 0000 A1c

ETHIOPIA

North Shewa rural reclamation and development programme. Resp. Auth.: Min-

istry 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 53.4 mECU. Buildings, roads, rural infrastructure, agricultural inputs, consumer goods, equipments, T.A., studies, credit line. **Project in execution.** 6th EDF. EDF ET 6002 A3a

South Shewa conservation-based rural development. Resp. Auth.: Ministry of Agriculture. Estimated cost 26.2 mECU. Buildings, roads, rural infrastructure, agricultural inputs, consumer goods, training, T.A., micro-projects, credit line. **Project in execution.** 6th EDF. EDF ET 6005 A3a

Coffee improvement programme III. Resp. Auth.: Ministry of Coffee and Tea Development. 38.1 mECU. Construction and civil works, supply of equipments, vehicles and agric. inputs, aerial photography, training and T.A. Project on appraisal. Date foreseen for financing December 88. 6th EDF. EDF 6003 A3a

FIJI

Vanua Levu Road. Phase 3. Resp. Auth.: Public Works Dept. 2.125 mECU. Section of 25 km and bridge. Project on appraisal. **Date foreseen for financing December 88.** 6th EDF. EDF FIJ 6002 A2d

Rural electrification programme. Resp. Auth.: Fiji Electricity Authority. 3.3 mECU. Construction of 28 small electrification schemes and installation of a small power plant. Project on appraisal. 6th EDF. EDF FIJ 6004 A2ai

GABON

Experimental rural rubber tree cultivation programme Mitzic/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

GAMBIA

Brikama College, Phase II. Resp. Auth.: Ministry of Works and Communications. 1.925 mECU. Construction and equipment of academic and residential buildings. Works by mutual agreement. Equipment for phase II: int. tender, 2nd 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

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 in execution.** 6th EDF. A3a
EDF GM 6004

Rehabilitation and upgrading of Secondary Technical Education. Resp. Auth.: Ministry of Education (Projects Implementation Unit). 0.700 mECU. Workshops, supply of tools, equipment and materials, teacher training and T.A. Project on appraisal. Date foreseen for financing October 88. 6th EDF. A6b
EDF GM 6005

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. 1st in tender launched in May 88. 6th EDF. A2d
EDF GH 6001

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. A3a
EDF GH 6006

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. Project on appraisal. 6th EDF. A3a
EDF GH 6007

Sectoral import programme. Resp. Auth.: Ministry of Finance and Economic Planning (MFEP). 20.5 mECU. 1st phase: supply of 25 000 t of fertilizers and vehicles. 1st int. tender (conditional) foreseen in September 88. 2nd int. tender for 30 000 t fertilizers foreseen in July 89. Hard currency allowance (11.5 mECU) for import. Project on appraisal. **Date foreseen for financing November 88.** 6th EDF. A3a
EDF GH 6010

GUINEA

Rural development programme in Upper-Guinea. Resp. Auth.: Coordination team composed by representation from: Ministère du Plan et de la Coopération internationale, Ministère des Finances, Secrétariat d'Etat à la Décentralisation, Ministère du Dév. Rural, 30 mECU. To modernise agricultural systems and to improve the way of living. Development of the crop production, infrastructure (roads, social, rural hydro-

lics), micro-projects, lines of credit, T.A. and training. Supplies: int. tender launched in February 88. Project in execution. 6th EDF. A3a
EDF GUI 6002

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. A3a
FED GUI 6001

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. Project in execution. 6th EDF. A7a, e
EDF GUI 6005

General import programme. Resp. Auth.: Banque Centrale de la République de Guinée (B.C.R.G.). 12.5 mECU. Hard currency prices CIF covered by the project. Project on appraisal. Date foreseen for financing November 88. 6th EDF. A1c
EDF GUI 6009

Friguia alumina plant rehabilitation project. Resp. Auth.: Société Friguia. EDF 35 mECU, EIB 13 mECU, Friguia 30.4 mECU. Works, supply of equipment, feeder road construction. T.A. for S.M.E. Project on appraisal. Date foreseen for financing November 88. 6th EDF. A4a
EDF GUI-SYS 6010

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. A2d
EDF GUB 5011

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. A3a
EDF GUB 6001

General import programme. Resp. Auth.: Unité de Gestion de Balance de Paiement auprès de la Banque Nationale. 6 mECU. Hard currencies allowance programme. Italy: 2 mECU to supply fuel and lubricants to the Bissau Power Plant during 1 year. Project on appraisal. Date foreseen for financing November 88. 5th and 6th EDF. A1c
EDF gub 6005

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 4th quarter 88. Project in execution. 6th EDF. A2b, d
EDF GUA 6003

Sysmin-Rehabilitation of the Bauxite Industry. Resp. Auth.: Guymine. EDF part

31.5 mECU. Supply of equipments, spare parts, T.A. at Linden and Kwakani. Project on appraisal. Date foreseen for financing October 88. 5th EDF. A4a
EDF SYS GUA 5024

JAMAICA

Rural water supplies. Phase I. Resp. Auth.: National Water Commission. 6.7 mECU. Extension, upgrading of five existing water supply schemes: South Manchester, Elderslie/Niagara, Castleton, South Chapelton. Works and supplies. **Date financing October 88.** 6th EDF. A2b
EDF JM 6003

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. A2d
EDF JM 6004

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. A3a
EDF JM 6007

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. Int. tender (conditional) launched in July 88. **Date financing October 88.** 4th EDF. A2d
EDF JM 4010

Sectoral import programme. Reconstruction following hurricane Gilbert, September 1988. Resp. Auth.: Jamaica Commodity Trading Corporation (JCTC). 17.8 mECU. Supply of 10 000 t galvanised corrugated iron roofing sheets + accessories. 2 500 t fertilizers, materials for reconstruction of poultry houses, agricultural equipments. T.A. Purchase by restr. tender or direct agreement. Project on appraisal. Date foreseen for financing December 88. 6th EDF. A1c
EDF JM 6008

KENYA

Minor roads rehabilitation and maintenance programme. Estimated cost 5 mECU. Works by direct labour. Project stage: identification. 6th EDF. A2d
EDF KE 6002

Agricultural research programme. 20 mECU. Soil and water management research. Soil fertility and plant nutrition. Civil works and libraries. Project in execution. 6th EDF. A3e
EDF KE 6003

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. A5de
EDF KE 6004

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. Project in execution. 6th EDF. EDF KE 6008 A3a

ASAL livestock development programme. Resp. Auth.: Ministry of Livestock Development. 9 mECU. Works by restr. tender. Supplies by int. tender. T.A. and evaluation. Project on appraisal. Date foreseen for financing October 88. 6th EDF. EDF KE 6009 A3a

LESOTHO

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. Project in execution. 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. Project in execution. 6th EDF. EDF LSO 6008 A2d

LIBERIA

Rural health training centre. Estimated cost 2.5 mECU. Provision of services, supplies and equipment (including drugs), T.A. for management and training. Project in execution. 5th EDF. EDF LBR 5020 A7a

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. EDF LBR/SYS 0000 A4a

South-East development programme. Estimated cost 27 mECU. Works, supplies and T.A. Project in execution. 6th EDF. EDF LBR 6002 A3a

MADAGASCAR

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 **launched in October 88.** 119 km. Supervision. Project in execution. 6th EDF. EDF MAG 6005 A2d

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. EDF MAG 6007 A3a

Maize development programme in the Middle West. Resp. Auth.: Ministère de la Production Agricole. 9.5 mECU. Building of a nursery and farmers training. Works, supplies, T.A. evaluation and training. **Date financing September 88.** 6th EDF. EDF MAG 6006 A3a

Development of the Andapa Basin. Phase 3. Resp. Auth.: Ministère de la Production Agricole et de la Réforme Agraire (MPARA). 2.3 mECU. Rehabilitation of rice growing areas, agricultural advisory actions, road works. Works by acc. tender. Equipments by int. tender. T.A., training, follow-up and evaluation. **Date financing September 88.** 5th EDF. EDF MAG 5039 A3a

Housing and health assistance for urban population. Resp. Auth.: Ministère de la Santé et Travaux Publics. 5.5 mECU. Supply of medicines and platforms for housing. Supervision. Project on appraisal. Date foreseen for financing October 88. 6th EDF. EDF MAG 6009 A7, A8a

Sectoral import programme. Supply of petroleum products. Resp. Auth.: Ministère de l'Industrie, de l'Energie et des Mines. 15 mECU. Purchase of $\pm 100\,000$ t of refined petroleum products. T.A. and auditing. Project on appraisal. Date foreseen for financing October 88. 6th EDF. EDF MAG 6011 A4f

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. EDF MAI 5020 A2a

Smallholder agricultural input support programme. Resp. Auth.: Ministry of Agriculture. 28.2 mECU. Establishment of fertilizer buffer stock of 70 000 tons, building of 3 warehouses + auxillary facilities, T.A. Int. tender for fertilizers launched in February 88. Project in execution. 6th EDF. EDF MAI 6005 A3a

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. EDF MAI 6009 A7a, e

Programme for industrial products imports. 12.5 mECU. Supply of industrial equipment, raw materials and spare parts. **Project in execution.** 6th EDF. EDF MAI 6019 A1c

MALI

Support programme to the food strategy. 19.5 mECU. Project in execution. 6th EDF. EDF MLI 6001 A3a

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. EDF MLI 6004 A3a

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. Project in execution. 5th and 6th EDF. EDF MLI 6005 A2b, d

Import programme for essential goods. Resp. Auth.: Ministère des Finances et du Commerce. 25 mECU. Purchase of 28,000 T white sugar, weed-Killers and sprayers and 38,000 m³ of oil and natural gas. All by int. tender. **Date financing October 88.** 6th EDF. EDF MLI 6007 A1c

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. EDF MAU 5012 A7a

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 2nd half 88. 6th EDF. EDF MAU 6003 A7a

Road maintenance programme. Resp. Auth.: Direction des Travaux Publics. 15 mECU. Upgrading strenghtening 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. Works: int tender launched in April 88. 6th EDF. EDF MAU 6004 A2d

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 launched in July 88. Project in execution. 6th EDF. EDF SYS MAU A4a

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. **Date financing October 88.** 6th EDF. EDF MAU 6007 A3a

MAURITIUS

Development of Ile Rodrigues - Phase II. Resp. Auth.: Ministry of Agriculture. 3.250 mECU. Development centred on agri-

cultural production. Works and supplies. Project in execution. 5th EDF. EDF MAS 6003 A3a

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. Date foreseen for financing October 88. 6th EDF. EDF MAS 6005 A4d

Programme to diversify productive sectors (2nd part: agriculture). Resp. Auth.: to purchase equipments: Ministère des Finances. Tender board. 8 mECU. Works, rural development, supplies, T.A. and training. Project on appraisal. Date foreseen for financing October 88. 6th EDF. EDF MAS 6006 A3a

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. 2 Int. tenders launched in June 88. 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

Institutional support for fishing. Resp. Auth.: Secrétariat d'Etat à la Pêche. 2.750 mECU. Supply of 12 T.A. high and medium level specialized in: finance administration and management (5 T.A.); procurements and stock management (3 T.A.); civil and naval engineering (4 T.A.). T.A.: short-lists **already drawn up. Project in execution.** 6th EDF. EDF MOZ 6017 A3d

Rural rehabilitation in the Inhambane Province. Resp. Auth.: Ministère de l'Agriculture. Direction Nationale du Développement Rural (DNDR). 4.5 mECU. Dry and irrigated agriculture, marketing for rural inputs and crop production, rural hydraulics, training and education. Works, supply of agricultural equipments, T.A. Works: acc. tender or direct labour, supplies by int. tender. **Date financing September 88.** 6th EDF. EDF MOZ 6019 A3a

Second import programme. Resp. Auth.: UCPI (Unité de Coordination des Programmes d'Importation et Délégation de la Commission. 30 mECU. Sectors: rural, fishery, transports and industry. Supply of seeds, equipments, raw materials, lorries, spare parts, T.A. audit and valuation. Project on appraisal. Date foreseen for financing December 88. 6th EDF. EDF MOZ 6025 A1c

NIGER

Rice-growing in the river valley. Resp. Auth.: Ministère de l'Agriculture. 63.6 mECU. Cultivation of 1,800 ha, electrification, feeder roads, T.A. for management. Project preparation study: short-list already drawn up. **Project in execution.** 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

Mining research: gold and coal. Resp. Auth.: Ministère des Mines et de l'Énergie. 12.450 mECU. Gold: photogeological and photomorphological study on existing aerial photos. Revision of all available data. Strategic prospecting. Site exploration and pilot plant. Coal: study and building of a washing plant. Study on the coal field of Anou Araren-Solomi. T.A. and training. Drillings by int. tender. Supplies by int. tender. **Project in execution.** 6th EDF. EDF-SYS-NIR 6011 A4a

Rehabilitation of the electric network of the National Hospital in Niamey. Resp. Auth.: Ministère de la Santé et des Affaires Sociales. 0.715 mECU. Works and electrical supplies with stand-by plant. Project on appraisal. 5th EDF. EDF NIR 5034 A7a

Training programme. Resp. Auth.: Ministères de l'Éducation, Commerce, Culture, Plan, Agriculture. ±5 mECU. Three priority sectors: rural development, business development, cultural development. Supply of equipments, T.A. and scholarships. Project on appraisal. 6th EDF. EDF NIR 6101 A6b, c.i

Sectoral import programme: medicaments and pedagogical equipments. Resp. Auth.: for medicaments: Ministère de la Santé Publique, des Affaires Sociales et de la Condition Féminine (MSP/AS/CF). Import operations will be conducted by PNPCC (Office National des Produits Pharmaceutiques et Chimiques). For pedagogical equipment a committee composed by: Ministère du Plan, de l'Éducation Nationale, du Commerce. For the total programme: the Delegation of the Commission in Niamey. 14 mECU. Supply of T.A. and valuation. Project on appraisal. Date foreseen for financing October 88. 5th and 6th EDF. EDF NI 6014 A6e, A7e

NIGERIA

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 in execution.** 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. ±20 000 ha. Rural infrastructures, micro-projects, T.A., training, research, supervision of works, management. **Project in execution.** 6th EDF. EDF UNI 6001 A3a

North East Arid Zone development programme. Resp. Auth.: Ministry of Agriculture. 35 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 in execution.** 6th EDF. EDF UNI 6002 A3a

Research and Training programme. Resp. Auth.: Ministry of Finance and Economic Development. Training Support Unit (TSU). 30 mECU. Scholarships, seminars, T.A. Teacher training, cooperation between Nigerian Training Institutions and European Training Institutions, exchanges between Nigerian and European research institutions. Purchase of equipment. Project on appraisal. Date foreseen for financing October 88. 6th EDF. EDF UNI 6004 A6a, b, c, d, e, f

Rural health facilities project. Resp. Auth.: Federal Ministry of Health. 6.100 mECU. Construction of premises and upgrading existing ones. Building and furnishing of maintenance workshops. Supply of equipments, management, supervision and training. Works by acc. tenders. Supplies by int. tenders. Project on appraisal. Date foreseen for financing December 88. 5th EDF. EDF UNI 5018 A7a

Desertification control and environmental protection programme in Sokoto. Resp. Auth.: Sokoto Environmental Programme (SEP). Direct responsibility of the Office of the Governor. 30.6 mECU. Community awareness, mobilisation and development campaign. Afforestation actions, improvement of range management and livestock development. Rehabilitation of a small-scale irrigation, training and applied research. Works: buildings, nurseries, water points, irrigation networks. Supply of vehicles, motorcycles, generators, media equipments, T.A. Works by acc. tenders. Supplies by int. tenders. Project on appraisal. Date foreseen for financing November 88. 6th EDF. EDF UNI 6003 A3a

PAPUA NEW GUINEA

Vailala-Rigo Road. Resp. Auth.: Dept. of Works. 7.2 mECU. Works and supervision. 26 km. Works by int. tender. Project on appraisal. Date foreseen for financing October 88. 6th EDF.
EDF PNG 6002 A2d

Brown River-Veimaui Road. Resp. Auth.: Dept. of Works. 11.8 mECU. Works and supervision. 28 km. Works by int. tender. Project on appraisal. *Date foreseen for financing November 88.* 6th EDF.
EDF PNG 6003 A2d

Smallholder Cocoa and Coconut Rehabilitation Programme. Resp. Auth.: Dept. for Agriculture and Livestock. 4.7 mECU. Feeder roads, housing, supply of vehicles, boats, motorcycles, equipments, T.A. and training. Project on appraisal. *Date foreseen for financing November 88.* 6th EDF.
EDF PNG 6005 A3a

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. T.A.: Short-list done. 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

Rural development. Social Infrastructure. Resp. Auth.: Central Planning Unit. 3.645 mECU. Works and supply of equipment and T.A. *Date financing October 88.* 6th EDF.
EDF SLU 6002 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 ±1 000 KVA. Estimated cost 1.150 mECU.
★ *Project in execution.* 6th EDF.
EDF STP 6002 A2ai

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

Sanitation of Dakar. Phase 3. Resp. Auth.: Direction de l'Hydraulique Urbaine et de l'Assainissement. 2 mECU. Sanitation of Medina and Gueule Tapée districts. Works by acc. tender (conditional). Supplies by direct agreement. T.A. Project on appraisal. Date foreseen for financing October 88. 5th EDF.
EDF SE 5043 A8b, c

Rehabilitation of the Saint Louis Hospital. Phase 3. Works. Resp. Auth.: *Ministre Urbanisme-Habitat. Cofinanced by EDF and Luxembourg. Estimated total cost 5 mECU. Final phase for the rehabilitation and extension of the capacity up to 400 beds. Works, supply of equipments and supervision. Works by restr. tender after prequalification. Prequalification (conditional) launched in October 88. Project on appraisal.* 5th EDF.
EDF SE 5044 A7a

SIERRA LEONE

North Western artisanal fisheries and community development programme. Resp. Auth.: Ministry for Agriculture and Natural Resources (Fisheries Division). 6 mECU. Infrastructures, supply of equipments, line of credit. T.A. *Project in execution.* 6th EDF.
EDF SL 6004 A3d

Rehabilitation of the Telecommunications network. Phase 2. 6 mECU. Works, supplies and T.A. Project on appraisal. 6th EDF.
EDF SL 6006 A2c

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

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. Project in execution. 6th EDF.
EDF SOL 6006 A3a

Development of rural fishing enterprises. Resp. Auth.: *Ministry of Natural Resources. 0.500 mECU. Construction of boats and houses by acc. tender. Supply of outboard motors, fishing gear, echo sounders, refrigerators, SSB radios, motorcycles by int. tender. Project on appraisal. Date foreseen for financing November 88.* 6th EDF.
EDF SOL 6010 A3d

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 agricul-

tural 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 1989.* Equipment: powerhouse main equipment and auxiliary equipment, int. tenders in 1989. 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. Supervision of works. Studies: AIC. PROGETTI (I). Project on appraisal. 5th EDF.
EDF SO 5017 A2d

Hargeisa airport rehabilitation. Resp. Auth.: Ministry of Land and Air Transport. Estimated cost 3 mECU. Works and supply off equipment. Project on appraisal. 6th EDF.
EDF SO 6001 A2d

Satellite telecommunication links with Europe and the Gulf States. Resp. Auth.: Ministry of Post and Telecommunications. 5 mECU. *Date financing September 88.* 6th EDF.
EDF SO 6003 A2c

Sectoral Import Programme (SIP). Resp. Auth.: Ministry of Finance. 15 mECU. Provision of a hard currency facility to the public and private sectors for imports: agriculture, livestock, fisheries, industry and transport. T.A. Project on appraisal. Date foreseen for financing *October 88.* 6th EDF.
EDF SO 6006 A1c

Juba valley road. Resp. Auth.: Ministry of Public Works. Estimated total cost 74 mECU. EDF ±61 mECU. Construction of an all-weather unsurfaced road from Gelib to Baardheere (230 km) prior to the construction of the Baardheere dam. Project on appraisal. 6th EDF.
EDF SO 6007 A2d

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. Project in execution. 6th EDF.
EDF SU 6104 A8a, b, c

Sudan Railways Support Programme (SRSP). Resp. Auth.: Sudan Railways Corporation. 19 mECU. Reconstruction of five major and 18 minor bridges and 7 culverts in the line Kosti-Babanaoussa. Supply of materials, tools and replacement part, for the most immediate repairs and maintenance of the track Khartoum-Port Sudan and those required for a direct improvement of telecommunications. Works and supplies by int. tender. Project on appraisal. *Date foreseen for financing November 88.* 5th and 6th EDF.
EDF SU 6011 A2d

SURINAME

Biomass energy project at Wagenigen. Resp. Auth.: Government. Installation of an energy generator on the basis of rice husks. Project stage: identification. 5th EDF.
EDF SUR 5009 A2a

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

Rural water supplies programme. Ministry of Natural Resources. 2.6 mECU. Works and supply of equipment for village drinking water supply scheme. Project in execution. 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 in execution. 6th EDF.
EDF SW 6010 A6a, b

Rural dam rehabilitation programme. Resp. Auth.: Ministry of Agriculture. 4mECU. Works and supervision. *Date financing September 88.* 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 in execution. 6th EDF.
EDF TA 6003 A4b

Sectoral Import Programme. Resp. Auth.: Government of Tanzania. 24.5 mECU. Allocation of currencies to import raw materials and spareparts for agriculture, transport and the production of basic consumer goods. Purchase of trucks spareparts for the transport sector. Project on appraisal. *Date foreseen for financing October 88.* 5th and 6th EDF.
EDF TA 6010 A1c

Secondary roads improvement project. Estimated cost 20 mECU. Repair and rehabilitation works on Songea-Mbinga and Ibo-ma-Mlangali-Madaba secondary roads to improve transport of agricultural produce. *Roads and bridges. Project on appraisal.* 6th EDF.
EDF TA 6007 A2d

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 Bas-sar. Resp. Auth.: Ministère du Dév. Rural. EDF 10.3 mECU. Rural intensification and diversification, soil protection, improvement of infrastructure, support to the small-farmer association, marketing improvement. *Works, studies, research, evaluation. Project in execution.* 6th EDF.
EDF TO 6006 A3a

Sectoral import programme. Supply of fertilizers and T.A. (follow up and execution). Estimated cost 10 mECU. Project on appraisal. 5th and 6th EDF.
EDF TO 6008 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

UGANDA

Forestry rehabilitation programme. Resp. Auth.: Government of Uganda. Estimated total cost 32 mECU. EDF part 8.5 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

Rural health programme. Phase 2. Resp. Auth.: Ministry of Local Government. 4 mECU. Rehabilitations, supply of equipments, training. *Project in execution.* 6th EDF.
EDF UG 6012 A7a

Special programme debt. Resp. Auth.: Ministry of Planning. Bank of Uganda. Delegation of the Commission. 15 mECU. Provision of hard currency to import agricultural inputs, spare parts, vehicles, printing equipment, building materials. Supplies by acc. tenders and int. tenders. *Project in execution.* 6th EDF.
EDF UG 6016 A1c

VANUATU

Coconut development project. Phase II. Resp. Auth.: Ministry of Agriculture. 1.8 mECU. Works, supplies and T.A. *Project in execution.* 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. APEK 25 mECU. To improve crop production. Project on appraisal. *Date foreseen for financing November 88.* 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

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 2nd 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. 12.35 mECU. Basic infrastructure and social facilities. Works, supplies and T.A. **Date financing September 88.** 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 in execution. 6th EDF. EDF ZA 6006 A3a

ZIMBABWE

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

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 in execution. 6th EDF. EDF ZIM 6005 A3a

Overseas Countries and Territories (OCT)

NETHERLANDS ANTILLES

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. Date foreseen for financing October 88. 5th EDF. EDF NEA 5013 A5c

St. Eustatius airport, extension of runway. Resp. Auth.: Dept. of Dev. Cooperation. 4.7 mECU. EDF 2 mECU. Netherlands 2.7 mECU. Extension of the runway, supervision of works. Project on appraisal. Date foreseen for financing October 88. 6th EDF. EDF NEA 6003 A2d

MAYOTTE

Rural electrification. Resp. Auth.: *Collectivité Territoriale.* EDF 4.20 mECU, France 6.86 mECU. Supply of 125 km transmission lines with 60 transformers and 11 circuit breakers. Int. tender (conditional) launched in September 88. Project on appraisal. Date foreseen for financing December 88 or January 89. 6th EDF. EDF MY 6002 A2ai

NEW CALEDONIA

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 in execution. 6th EDF. EDF (SYS) NC 12 A4a

Poindimié vocational training centre. Resp. Auth.: *Chambre de Commerce et d'Industrie.* EDF 0.165 mECU, France 0.055 mECU. Project on appraisal. Date foreseen for financing October 88. 6th EDF. EDF NC 6003 A6d

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 in execution.** 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

GUINEA — GUINEA BISSAU — SENEGAL — MAURITANIA — NIGER — MALI

Soil development of the versant basin type in Guinea: Fouta Djallon and Niger Upper Basin. Resp. Auth.: *Ministère Guinéen de l'Agriculture et des Ressources Animales (MARA), Direction Générale des Forêts.* Estimated total cost 37.5 mECU. EDF 31.5 mECU, Italy 6 mECU. Anti-erosion works, technical and social infrastructure with local NGO's and population. Preparatory studies for programme extension, aerial survey and mapping. Works by acc. tender. Supplies by int. tender. T.A. and training. Project on appraisal. Date foreseen for financing December 88. 6th EDF. EDF REG 6137 A3a

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

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

Regional agriculture development programme. 6.8 mECU. Ten pilot project. T.A. works and supplies. Project in execution. 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. Project in execution. 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 7.4 mECU. Works: implementation of programme components, supply of films, promotion and teaching materials, T.A., support for TCSP and project. **Date financing October 88.** 6th EDF. EDF REG 6027 A5c

Pacific regional marine resources programme. Resp. Auth.: *SPEC-FFA (Forum Fisheries Agency in Honiara), CCOP/SOPAC (Committee for Coordination of Joint Prospecting for Mineral Resources in South Pacific Off-shore Areas in Suva), SPC (South Pacific Commission in Nouméa).* 10.7 mECU. Five actions. Three first actions for FFA: support for the programmes: management, information services, data bases and telecommunication network. Construction of a new regional conference centre. Supply of T.A. and equipments. 4th action for the tuna tagging programme by SPC. Fifth action: ocean bed prospecting for mineral resources by CCOP/SOPAC. Works: conference centre, prospecting and tagging. Supplies: telecom, computer equipments, ocean vessel, T.A. (scientists and statisticians) training. Project on appraisal. Date foreseen for financing December 88. 6th EDF. EDF REG 6709 A3d

MEMBER COUNTRIES OF CILSS

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. Project in execution. 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

Regional programme to promote the use of butane gas. Resp. Auth.: CILSS 8.260 mECU. To substitute wood and charcoal. Actions to inform, to make aware, to promote LPG (Liquid Petrol Gas). Financial aid to reduce costs. Stocks for gas cylinders (3 and 6 kg). Gas fund in each country. Support to improve ovens and supporting plates, purchase of rail tanks, T.A. Rail tanks by int. tender. Project on appraisal. Date foreseen for financing December 88. 6th EDF.
EDF REG 6106 A3a

MEMBER COUNTRIES OF U.A.P.T.

Satellite telecommunications project. Resp. Auth.: U.A.P.T. Secretariat in Brazzaville. R.P.C. Parametric study under way by national organisations of I, UK, F and D. Project stage: identification. 5th EDF.
EDF REG 5307 A2c

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

Institutional support to Eastern and Southern Africa Management Institute (ESAMI). Resp. Auth.: ESAMI, Tanzania. Estimated cost 4.5 mECU. Extension of ESAMI installations plus provision of library, audio visual and printing equipment and improvement of kitchen and laundry facilities. Project on appraisal. 6th EDF.
EDF REG 6311 A6b

BURUNDI — RWANDA — TANZANIA — UGANDA — ZAIRE — KENYA

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 Transports 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

Northern Corridor-Rwanda. Rehabilitation of the road Kigali-Butare Burundi border. Resp. Auth.: Ministère des Travaux Publics. Estimated cost 20 mECU. Project on appraisal. 6th EDF.
EDF REG 6310 (RW...) A2d

Central Corridor-Tanzania-Bukombe-Isaka road. Resp. Auth.: Ministry of Works. Estimated cost 35 mECU. Asphalt covering of ±130 km. Project on appraisal. 6th EDF.
EDF REG (TA...) A2d

SOMALIA — DJIBOUTI

Djibouti-Zeila (Somalia) road. Resp. Auth.: Ministère and Ministry of Public Works. Estimated cost 26 mECU. Construction of a road between Djibouti town and Zeila town in Somalia. Project on appraisal. 6th EDF.
EDF REG 6301 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

Land and water management project. Resp. Auth.: SACCAR. EDF 2.636 mECU. UK (ODA) 1.562 mECU. Training programmes and T.A. Building of a resource center. Works and supply of equipment. Project on appraisal. 6th EDF.
EDF REG 6415 A3a

ANGOLA — MOZAMBIQUE — SADCC

Training of railways staff. Resp. Auth.: Ministry of Commerce. Estimated cost 7.3 mECU. Training of Inhambane school and in the Northern regional centres, Southern and Central. Date financing September 88. 6th EDF.
EDF REG 6409 A6d

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 in execution.** 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 AND MONTERRAT

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 in execution.** 5th EDF.
EDF REG 5681 A5de

West Indies university. Resp. Auth.: UWI and National Authorising Officers.
★ **6.2 mECU.** Renovation and rehabilitation works, supply of technical and scientific equipment, T.A. and training. Project on appraisal. Date foreseen for financing November 88. 6th EDF.
EDF REG 6601 A6b

ORGANISATION OF EASTERN CARIBBEAN STATES (O ECS) AND BRITISH VIRGIN ISLANDS

Eastern Caribbean States Export Development Agency (ECSEDA) and Automatic System for Customs Data (ASYCUDA). Resp. Auth.: OECS secretariat in Castries, St. Lucia, ECSEDA headquarter in Roseau, Dominica. 4.430 mECU. T.A. and supply of equipment and computers. Project on appraisal. Date foreseen for financing December 88. 6th EDF.
EDF REG 6610 A5d

OECS integrated tourism programme. Resp. Auth.: OECS secretariat. Estimated cost 3 mECU. Cooperative marketing in Europe, T.A. and tourism training. Project on appraisal. 6th EDF.
EDF REG 6613 A5c

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

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. Project in execution.
SEM AL A3a

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 2nd half 88. T.A.: GET/KFA (D). Int. tender dossier: Phoebus (I).
SEM EGT 1002 A2a

LEBANON

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. Project in execution.
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

Wala and Nukhelia dams studies. Resp. Auth.: Ministry of Hydrology and Irrigation. 2 mECU. First phase A: financial and economical aspects and technical faisability. Phase B: final procedure for design and conception and preparation tender dossier. Phase C: T.A. and supervision. Phase A: short-list done. *Project in execution.*
SEM JO A2a

MALTA

Tourism industry modernisation. 2.4 mECU. Tourism development plan, promotion, institut for hotel management and tou-

rist, restauration of the St. Jean Cathedral. T.A. and works. T.A.: short-list not yet drawn up. Works by acc. tender. *Project in execution.*
SEM MAT A5c

Improvement of infrastructure. 3.1 mECU. T.A. and supply of equipments. Management of natural water resources, long term development plan for "Telemalta Corporation", Marsaxlokk port project and "Malta Dev. Corporation". T.A.: short-list not yet drawn up. Supplies by int. tender.
SEM MAT A9b

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

Sejnane-Joumine water-main. Resp. Auth.: Direction Générale des Grands Travaux Hydrologiques. EEC contribution 10 mECU for supply of pipes and ancillary equipments. German participation (KFW) ±23 mECU for works and supplies. Soviet Union funded revision of studies. EEC part by int. tender. *Project in execution.*
SEM TUN A2b

Rural development project for the South-West of Kef. Resp. Auth.: Office de mise en valeur du Kef. Ministère de l'Agriculture. EEC contribution 10 mECU. Purchase of 3 bulldozers, 2 motograders, 5 tractors with 5 t trailers, 5 tanks (3 000 litres each) 2 4x4 vehicles by int. tender. Works by direct labour. *Project in execution.*
SEM TUN A3a

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

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

Road materials and standards study. Resp. Auth.: Ministry of Communication and Roads. Roads and Highway Dept. (RHD). EEC contribution 2.2 mECU. Short-list not yet drawn up for restr. tender. *Project in execution.*
ALA BD 8808 A2d

Improvement of food grain storage depots (LSD's). Resp. Auth.: Ministry of Food, Dept. of Food (MOF/DOF). 15 mECU. Rehabilitation and improvement of 130 LSD's. Works and supply of T.A. Works by acc. tender. Project on appraisal. Date foreseen for financing November 88.
ALA BD 8816 A3a

BHUTAN

Water supply. Resp. Auth.: Inter dep. Commission on water and sanitation. Works by direct labour. 4.5 mECU. Supplies int. tender or direct agreement. T.A.: UNICEF. Project in execution.
ALA BHU A2b

Development of agricultural support activities. Resp. Auth.: Ministry of Agriculture. EEC contribution 3.4 mECU. Building of regional centres, soil analyses laboratory, supply of equipments and vehicles, T.A. and training. *Project in execution.*
ALA BHU 8809 A3a

BOLIVIA

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. Project in execution. 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 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 \pm 30 000 by int. tender. Evaluation. Project in execution. ALA CHN 8711 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

Reconstruction Programme. (After March 87 earthquake). Resp. Auth.: Banco Ecuatoriano de la Vivienda (BEV). EEC contribution 3.5 mECU. Housing and T.A. **★ Project in execution.** ALA EC 8810 A8a

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 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

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

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

Inland Fisheries Development. Resp. Auth.: National Cooperative Dev. Corp. (NCDC) with Dept. of Fisheries (DOF). EEC contribution 22.1 mECU. Works, T.A. and supply of equipments. **Date financing July 88.** ALA IN 8804 A3a

Tank Irrigation System, Tamil Nadu, Phase II. Resp. Auth.: Dept. of Agriculture. EEC Contribution 24.5 mECU. Works, supplies and T.A. Project on appraisal. Date foreseen for financing October 88. ALA IN 8811 A3a

Agricultural markets in Kerala. Resp. Auth.: Ministry of Agriculture. 18.4 mECU. **★ Construction of three larger regional markets and three smaller markets along the east-west trade routes. Site development, shops and storage facilities, roads and parking areas. T.A. and training. Project on appraisal. Date foreseen for financing December 88.** ALA IN 8818 A3a

INDONESIA

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

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

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 cooperation: APIR (Accelerate Process on Regional Integration). Resp. Auth.: JUNAC. EEC participation 7.3 mECU. T.A. for studies, training and advising. Supply of small equipment. **★ Project in execution.** ALA JUN 8806 A1b

Satellite Telecommunications Andean System (SATS) Preparation - Phase 2. **★ Resp. Auth.: JUNAC. 2.2 mECU. Project in execution.** ALA JUN 8803 A2c

PAKISTAN

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

Baluchistan agricultural college. Resp. Auth.: Baluchistan Department of Agriculture. Directorate of Agricultural Education Services. Estimated total cost 28 mECU. EEC contribution 18 mECU. Design and construction of the college. Supply of pedagogical equipment and vehicles. T.A. to prepare tender dossiers for works and supplies. T.A. for supervision of works. Works by acc. tender. Supplies by int. tender. **Project in execution.**
ALA PK 8807 A6ci

PANAMA — COSTA RICA — NICARAGUA — HONDURAS — EL SALVADOR — GUATEMALA

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

Trifinio region development pilot project. Resp. Auth.: *Ministros de Recursos Naturales. Comité de Dirección.* EEC contribution: 7.170 mECU. Reafforestation works, feeder roads, warehouses, supply of equipments and T.A. Feeder roads, irrigation, warehouses and supplies by int. tender. Project on appraisal. Date foreseen for financing November 88.
ALA REG 8814 A3a

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

COCESNA — COSTA RICA — EL SALVADOR — GUATEMALA — HONDURAS — NICARAGUA

Radar control for civil air traffic in Central America. EURO MAYA project. Resp. Auth.: *COCESNA (Corporación Centroamericana de Servicios de Navegación Aérea) and co-director EEC.* EEC contribution 18.5 mECU, Italy 9.5 mECU. Civil works, supplies, 4 radars and equipments, communication systems. Extension of the Tegucigalpa control centre. T.A. and training. Project on appraisal.
ALA REG 8819 A2d

PHILIPPINES

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 train-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 2nd half 88. Project in execution.
ALA CE 8703 A3a

THAILAND

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

Joint secretariat Office. Resp. Auth.: Ministry of Agriculture. EEC contribution 1.8 mECU. T.A. and supply of equipment.

★ **Project in execution.**
ALA TH 8805 A3a

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 2nd half 88.
ALA YDR A3a

INTERNATIONAL CALLS FOR TENDER

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Georges de BOUTEILLER — **Tiers monde islamique, Tiers du monde?** (The Moslem Third World — Third of the World?) — Economica, 49 rue Héricart, 75015 Paris — 1987

The author, a Doctor of Law who also holds arts and political science degrees, spent seven years as France's Ambassador to Saudi Arabia — a fairly long stay which led to his first book "Arabie Saoudite, cité de Dieu, cité des affaires, puissance internationale" (Saudi Arabia, city of God and businessmen, international power) whose eloquent title paved the way to this second work, an extension of it.

His aims are clearly set out in the introduction. "The changes in Islam today, heightened by the wealth of one or two oil-producing countries in the Arab world, should be known better — at least as well as the doings of the Imam of Teheran and his disciples who are only really a noisy, albeit dangerous, minority of the billion-strong Islam of 1986". This figure explains the second part of the title: "Third of the World?" The demographic phenomenon and the fact that Islam is a burning subject of discussion bring to mind the IFRI's latest Ramses report already mentioned in these columns. And it is not by chance that these ideas from different sources echo and complement each other.

Part One begins with "the way the Islamic area of the globe was formed and how expansion, halted in 17th century Europe when the Ottoman Empire failed at the siege of Vienna, was hampered later by colonisation in Africa and Asia and is now taking off again with all the oil money and technical facilities of the 20th century in a climate of strong demographic expansion". Part Two stresses the fact that Islam is a fairly well preserved cultural area and points to the differences between the values and way of thinking of Islam and the modern western world.

In Part Three, de Bouteiller moves from culture to politics, discussing what he calls "Islam of the nations" (43 sovereign States⁽¹⁾, 13 of them in Black Africa), "Islam the community" (since Saudi Arabia had the Islamic Conference's charter adopted in 1972) and "the Nation of Islam", which the World Islamic League created in 1962.

(1) Including 17 ACPs.

The last part deals with economic affairs. Islam is presented as both a world of riches and, with *per capita* GNP varying between \$ 21340 and \$ 150, one of considerable inequality too. But it is also a world in which cooperation is developing to help the poorest countries, in general, particularly thanks to the Islamic Development Bank and the OPEC Development Fund, and on a regional basis too, with such organisations as the Gulf Cooperation Council.

This vast analysis is a fascinating fresco of a world in motion. With its meticulous but never burdensome documentation it is clear and accessible to readers of every kind.

Alain LACROIX

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Gabriele Gaetani d'ARAGONA — **Rapporti economici tra Comunità Europea e Paesi africani e mediterranei** (Economic Cooperation between the EEC and the Nations of Africa and the Mediterranean Basin). Consiglio Nazionale delle Ricerche, Napoli, Italy — 1988 — 150 pages

The principal tendencies of the world economy which have influenced the growing orientation of EEC trade relations with both groups of countries since the 1970s are discussed in the first section of this monograph.

The second part of the monograph is

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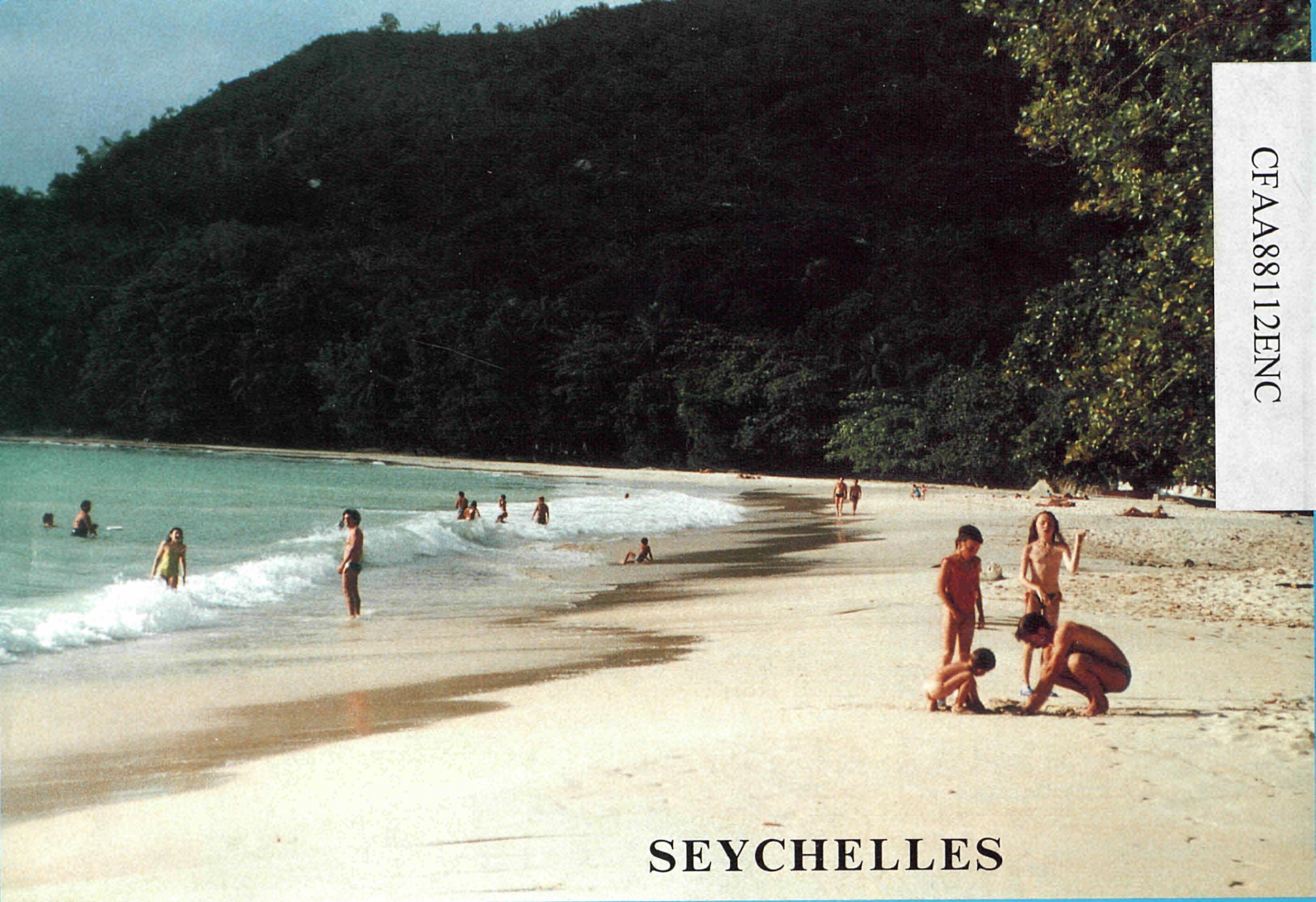
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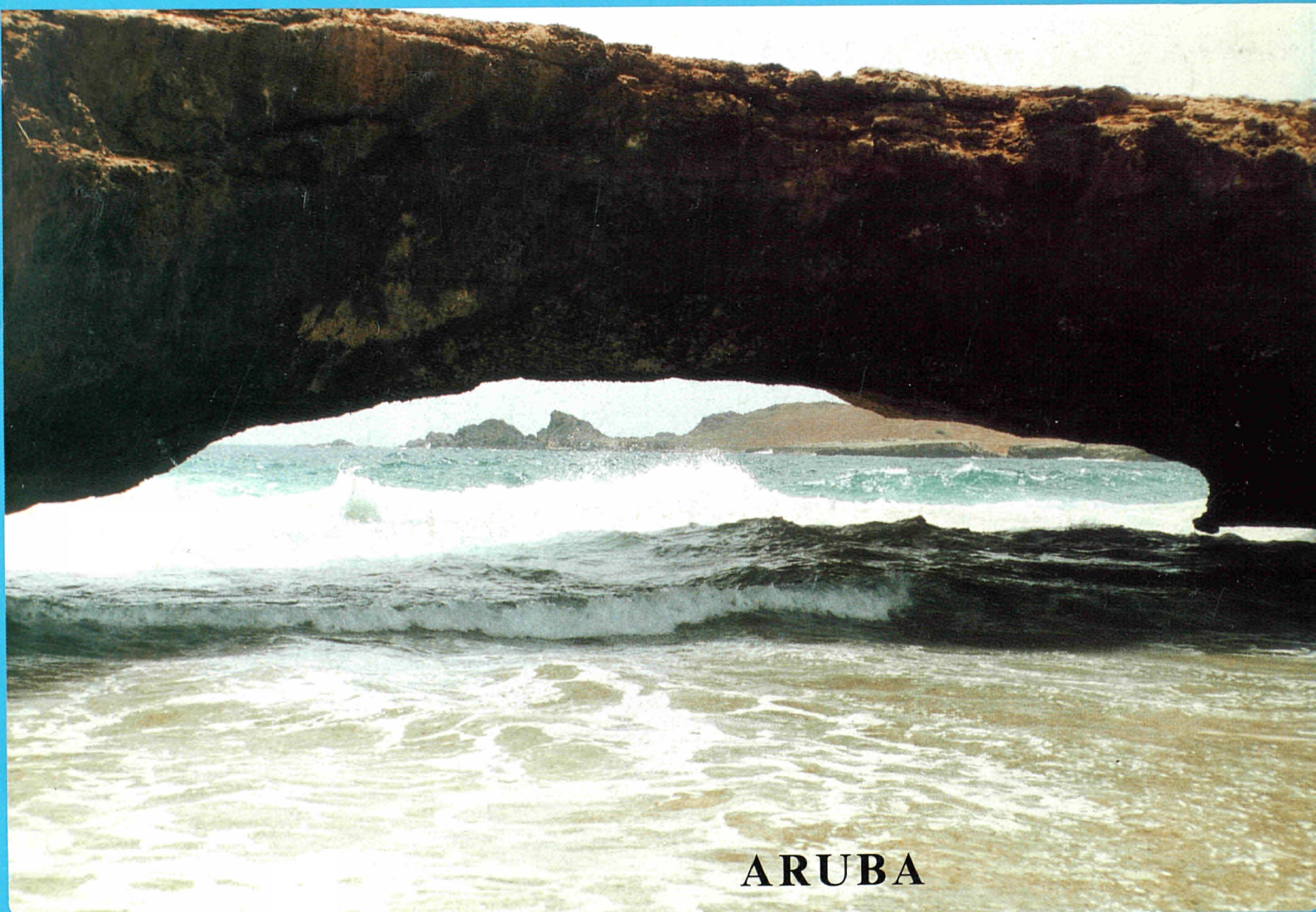
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