Bruxelles X

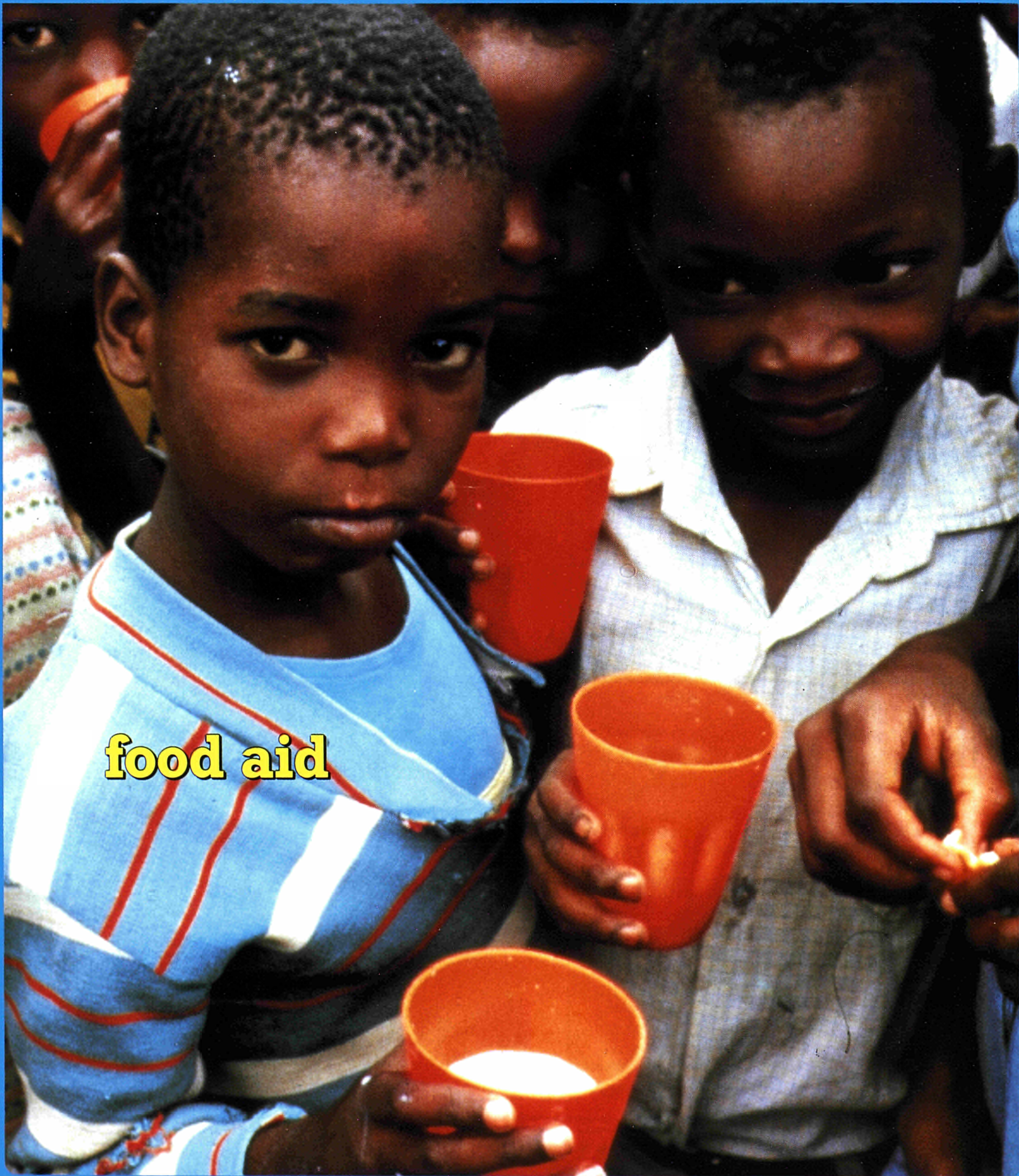
ISSN 1013-7335

The Courier

AFRICA-CARIBBEAN-PACIFIC – EUROPEAN COMMUNITY

Published every two months

No 118 — NOVEMBER-DECEMBER 1989



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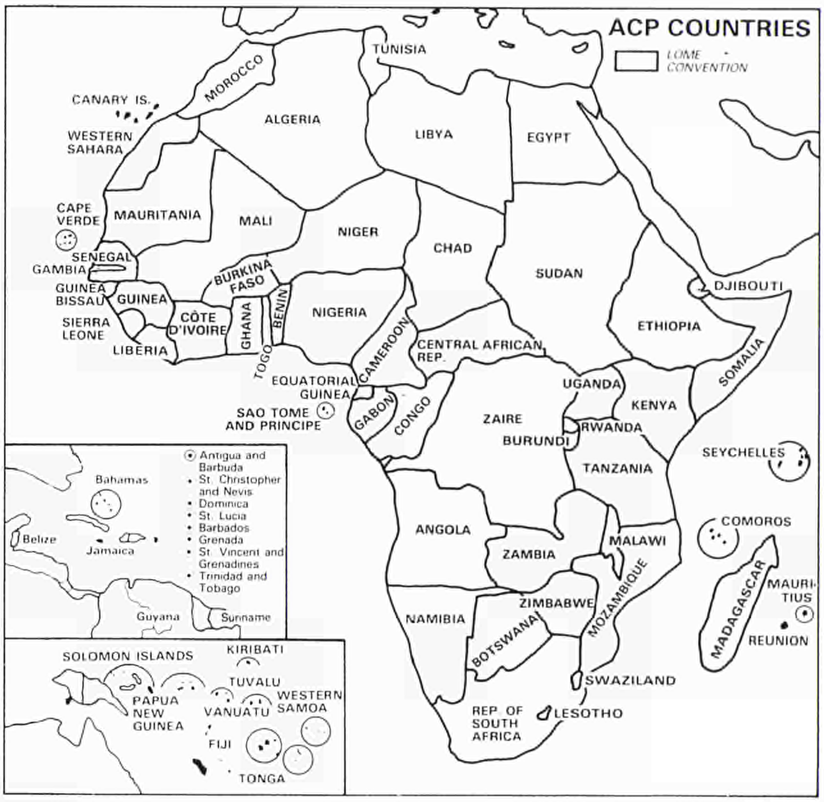

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Cover page: *Milk distribution to Mozambican children (WFP photo)*

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NEWS ROUND-UP

Negotiations for the renewal of the Lomé Convention resumed in mid-September, with the ACPs replying, inter alia, to the Community's proposals on structural adjustment. The **Joint Assembly,** on the other hand, meeting in Versailles (France), concentrated on the importance Lomé IV should assume in the development of the ACP States, notably in the field of the local processing of raw materials. The final ACP-EEC Ministerial Council was to be held between 27 and 30 October in Luxembourg. **Pages I to V.**

MEETING POINT: Francis Würtz

1992 has become an almost magic number, perceived by some as Fortress Europe, by others as Partner Europe, conjuring up high hopes but giving rise, too, to widespread apprehension. In the realm of ACP-EEC cooperation, a Joint Assembly Working Group has been studying the issue, and its Rapporteur, Francis Würtz, has reached his first conclusions on the problems that 1992 will pose for the ACPs. **Pages 2 to 5.**

COUNTRY REPORT

SIERRA LEONE: Richly endowed with natural resources and once one of the most prosperous countries in West Africa, Sierra Leone's economic decline in recent years has been breathtaking. Although the three-year-old government of President Joseph Saidu Momoh is seriously addressing it, scepticism persists as to its chances of success given the magnitude of the problem. **Pages 23 to 40.**

DOSSIER: Food aid

According to estimates, between 450 and 1000 million of the world's population suffer daily from hunger. And yet, since the early 1960s, enormous quantities of food have been moved each year from one continent to another. This dossier looks at the main issues involved in the organisation of this global system of food aid. **Pages 48 to 78.**

REMINDER!

Readers who are interested in participating in the Short Story Competition, the rules of which were published in Courier No 115 (May-June 1989), page 2, are reminded that the closing date for entries is 31 December 1989!

CONTENTS

Francis WÜRTZ

Joint Assembly Rapporteur on the effects of the Single Market

The ACPs caught "between the devil of protectionism and the deep blue sea of ultra-liberalism"?

1992 — the magic figure on everybody's lips, hope and a resurgence of faith in the construction of Europe for some, yet only fear and apprehension for others. Some have sown the seed of the perfidious notion of Fortress Europe, that (mistaken) picture of an inward-looking Community, while others insist on the notion of "partner Europe", borne out by history and auguring well for the future. But how will it all affect ACP-EEC relations?

The subject has been discussed by a working party in the Joint Assembly and Rapporteur Francis Würtz produced an interim report and a draft resolution on it at the Versailles meeting in September. Strasbourger Würtz, who was elected to the European Parliament in the first direct elections in 1979, has been a member of the European Parliament's Committee on Development Cooperation and the Joint Assembly since just after the second direct elections in 1984 (he is also on the Central Committee of the French Communist Party and Secretary of the French Committee for the Defence of Human Rights and Freedom), so he is able to work in a field which, he maintains, enthralls him—that of ACP-EEC cooperation. In this interview, Francis Würtz paints an overall picture of the ACPs and 1992 and pleads for an even stronger ACP-EEC partnership than before.

▶ *At the Joint Assembly in Versailles, you presented a report on the ACPs and the Europe of 1992. Europe sees 1992 as a great step forward, but the ACPs, on the face of it, are reticent, not to say worried about it. Europe may maintain that it is an internal matter, but the ACPs are still worried about the external consequences. What do you think?*

— I think we have to see this ACP concern you mentioned in the context of their present situation and the way it has developed in the '80s. This was supposed to be a development decade, especially for Africa, but at the end of it, it has to be admitted that it has been more of a retrograde decade as far as they are concerned. In the very harsh, legitimately harsh, words of the UN Secretary-General at a meeting I attended, it has been the decade of lost hopes.

Why? The standard of living of Africa in particular has declined, the UN says, by 25%. And a 25% drop, when you know what they started from at the beginning of the decade, is frightening. At the Paris Conference on the Least Developed Countries in 1981, I remember, there were 21 African nations in the least developed category, but there are 28 now—a third more, although there weren't supposed to be any more at all. And 85% of the population of Africa, the estimates say, is below the breadline. It is harder to get hold of the basic necessities of life now than it was in the '70s. So much for people.

Things have slipped backwards in development, too. Farm output has dwindled and food imports have increased a lot, to five times what they were in the '70s, which means greater dependence. As for industry—well, it's virtually non-existent, apart from the small consumer businesses maybe. And services, too, have declined in every sense—traditional services, those concerned with the development of mankind, the health services, education and so on. All their budgets have been cut, particularly with the structural adjustment programmes. The emergent banking and insurance services, which are factors of development, have also slipped back. So these have been years of regression and—this is something we very often hear from our contacts in Africa and the Caribbean and Pacific too—of marginalisation, of a tendency towards marginalisation in international relations.

This brings us straight to what the ACPs fear will be the post-1992 effect, further marginalisation. Obviously the terms of trade have deteriorated, commodity prices have slumped—it was particularly bad in 1986—and some of the market in the European Community has been lost. Africa has lost a third of its markets in the EEC and the world in general in the space of 10 years, but the Community part is the biggest. And of course there is the debt burden.

The feeling that they cannot cope with a further structural shock or further upset is unanimous, and so they are very worried about the idea of the upheavals attendant on the completion of the Internal Market. The liberalisation of international trade is exactly the source of disequilibrium that they fear so much. They are particularly worried about disequilibrium in three fields—in trade relations, of course, in finance, monetary affairs and investment and in human relations.

In trade relations, first of all, they are of course worried about preferences being eroded. Preferences are being generalised, increasingly so because of the decisions of the Uruguay Round (there is an obvious correlation between the two), and it will be the most competitive products—and they are well aware that this doesn't mean theirs—which win the day. They can see raw material supplies being diversified, with cocoa from Malaysia, coffee from Latin America, bananas from Central and Latin America and so on, all products which loom large in their own export revenue. The risk of disequilibrium is obvious. In much the same way, they export a small percentage of their manufactures to the Community and they are realising that most of these goods come from European firms which have cooperation projects or branches locally, in the ACP countries, but are now working towards withdrawal and disinvestment. So once again, they fear that this source, too, will dry up.

Another fear, and a strong one, in the business sector is the consequence of the harmonisation and mutual recognition of standards. If health, hygiene and environmental standards are harmonised, as a European, I personally think it is a good thing, as more stringent standards mean progress, but as far as our relations with our partners are concerned, I think it only constitutes progress if we give our partners the means of adapting and the time to do it in and if our decisions are taken together—which is not currently the case. A example is the harmonisation of aircraft noise, a field in which the decision was taken on an entirely unilateral basis, although we do hear about cases where the joint approach works far better, with our American partners, for example. In May, Mr Mosbacher, the American Foreign Trade Secretary, told *The Wall Street Journal* that he had seen his partners in the Community and told them that: "We want to be part of the discussion of standards before the decision is taken because American interests are involved". Our ACP partners think that what goes for the rich and powerful countries goes for the poor ones too, even more so, and they are asking to be involved. There are plenty of examples—the directives on pesticide residues in fruit, excess cadmium in phosphates, etc.

So the ACPs are worried about the harmonisation of standards because they fear they will no longer be able to compete or have the means of meeting the new demands. And they are worried about the mutual recognition of standards because of the very enlightening precedent here, that of cocoa. The ACPs, the producer countries particularly, remember the difficult patch a few years ago when the Commission proposed its cocoa directive to get the standards in use in the UK and Denmark applied throughout the Community, so cocoa could be partly replaced by vegetable (karité and other) fat. This, as the head of a big chocolate firm confirmed, would have meant not only a large drop in the imports of cocoa, but in prices too, including cocoa prices, when a competing product arrived on the market. The cocoa producing countries evaluated the consequences of a measure of this kind as involving considerable loss of revenue and they maintain that today, with mutual recognition, there would no longer be any need for a directive like the cocoa directive because a product authorised in the United Kingdom would automatically be authorised by all the other countries of the Community, too and what goes for the UK goes for the rest—one more cause for concern.

The services sector is also a worry. The ACPs get the impression that their emergent services are in danger of being nipped in the bud by the services trade liberalisation trend and they are concerned about their future access to patents, licences and appropriate technology. Lastly, the word which comes back all the time is the risk of marginalisation. I have been to the Caribbean and to Africa and heard the word marginalisation everywhere. So much for trade relations.

It is every bit as true in financial and monetary relations and investment. From this point of view, I should say, they aren't setting their sights on the stars, just noting the facts—that there is a move towards disinvestment. It is particularly noticeable in French-speaking Africa as the movement there is particularly strong and a subject of great concern. The idea that the completion of the Single Market will focus capital even more on the most profitable areas—and they know this doesn't mean Africa or the Caribbean or the Pacific countries, not most of them at least—is a great worry to them. In finance, too, they read the figures just as we do and they get the idea that there is a relative drop in development aid, in official development funds, and they think that, there again, it could well be the big target of the Internal Market and not development aid which polarises public monies.

Here again there is justification. The downward trend in development aid is not just a feature of most Member States' budgets. It is apparent in the Community, too. Structural funds are to be trebled while development aid's share of the budget is marking time, declining even, going from 4% to 3% of the budget in the space of a few years. And the trend at the EIB is identical.

One specific issue which the countries in the franc zone (and not only them) have brought up is the future of the zone if monetary integration comes about. The relative stability of monetary parity is an asset. The ACPs are concerned about the investors, worried about this asset being eroded or disappearing entirely, and the answer they usually get is that the problems won't be cropping up just yet. But that isn't a proper answer and they still want sounder guarantees.

The third thing is human relations as related to the free movement of individuals in the Community. There again, the ACPs fear that this will mean more restrictions and controls on entry and, there again, the fear is by no means groundless. There are various informal and inter-governmental groups and other bodies—the Trevi Group, for example, and the group of coordinators—which are indeed concerned with tighter immigration control, and the ACPs wonder whether this will have adverse effects on the entry of their nationals, on free movement, on the visa issue and on their students. They want to know whether the places offered to their "brains" will be restricted—a perfectly reasonably worry.

I have already mentioned the last thing about human relations—the Lomé IV innovation of support for structural adjustment policies and the introduction of conditionality, since the second section will be reserved for countries which actually run the programmes, to call a spade a spade, of the World Bank and the IMF. But the conclusion they draw from what they are doing (including the measures dictated by events) is negative from the point of view of what I called just now the promotion of human resources, health and training as factors of development.

So they fear that all these incipient negative factors will grow when the internal market is completed. Once again, I think their fears are founded, but I don't think they are bound to be realised or that they absolutely have to come true. Otherwise there would be no point in talking. Anyway, I think that there are genuine risks to ward off. So, to answer your initial question, I think that it is not right to say that the completion of the Internal Market is an internal objective. It is an internal objective which has effects on the situation of the partners—and they are still considered as privileged partners. So I think that is only a part answer and that this is the aim of the work we are doing in the group and we have to start by putting our cards on the table. The danger is that we might under-estimate rather than over-estimate the risks. So it is best to see which problems can be handled easily, which under certain conditions and which provided we alter some of the aspects of Community projects, as our contacts have always made clear, in a spirit of cooperation rather than confrontation. They don't want confrontation. They want partnership.

▶ *Nobody would disagree with the fact that Africa is in bad shape, but the rest are perceptions of what might happen. Ultimately, I should say, it is the ACPs' idea of Fortress Europe—but Europe has 25 years as Partner Europe behind it and it wants to go on being a partner and favouring the ACP States. So aren't there positive things in it too? Isn't it easier to penetrate a uniform market of 12 countries than to try to trade with 12 countries with different laws. A unified European market must surely also have advantages for the ACPs?*

— Listen. Saying that they only fear Fortress Europe is giving a limiting view of the reality that I myself have experienced. They fear protectionism and they fear excessive liberalism, both of them, and the risk is that these countries will get caught between the devil of protectionism and the deep blue sea of ultra-liberalism.

You maintain that it is easier to penetrate a market where the laws are unified rather than different. That remains to be seen. If the unified laws are more constraining, then the barrier will be harder to get over. Take Caribbean bananas. So far they have had easy access to countries with which the ACP partners concerned have preferential relations. In this case, unified laws will only make dollar zone bananas compete with ACP bananas, to the detriment of the latter, because they are less competitive. In other words, in this case, the unified market becomes a barrier for the product in question—although this is true of all products which are supposed to be competitive. The more everyone is on the same footing, the more the strong are favoured to the detriment of the weak. Market unification is only an opportunity if the weak partner is given the means of becoming as competitive as the strong partner... and that's a long way off.

I don't think these are irrational fears. They are justified, but they mustn't be seen as absolute—by which I mean that people mustn't be allowed to think that nothing can be done about them. The feeling may well exist, of course. For example, I remember going to the ECA meeting in Addis Ababa with the African Ministers of Planning and Economic Affairs and various speakers listing all the stages of this decade during which fresh hope was born, not only to come to nothing each time, but to lead backwards instead of forwards. So we may tend to stop believing in the possibility of improvement. But we do believe, because it would not be humanly bearable to do otherwise. We do believe in the possibility of overcoming the obstacles and fending off the risks before they turn into reality. That is the meaning of what we are doing. It is something which may well seem negative as far as the Single Market is concerned, but to my mind it is very constructive for ACP-EEC cooperation. So what I wish—and I think I can speak for all the members of the working party here, as there has been no real opposition on either ACP or European side, which is very much to the credit of those who believe in the spirit of Lomé and the spirit of ACP-EEC cooperation—is to see that the utmost is done to ensure that this great European project does not lead to a great step backwards in cooperation.

▶ *Shouldn't what you are doing be seen in the light of the fact that we are reaching the final stages of the Lomé IV negotiations? Time is nearly up, although there is still both time and room for manoeuvre with 1992 and the Uruguay Round. The time-scales are different and it seems that the idea at the moment is to influence the conclusion of Lomé IV at all costs, with, at the limit, guarantees in the new Convention...?*

— I shall give you an absolutely frank answer about what we are doing in the working party. Yes, of course we want to see an immediate mark on Lomé IV and for a very simple reason too. This Convention is the embodiment of the two partners' political will and it covers the period 1990-95, the very period of change. So it would be leaving it a little late to wait until the negotiations were over and the Convention fixed before bringing up the problems, particularly since a number of things are not in fact scheduled for 1992. The end of 1992 is one date, because a number of standards have already reached the directive stage. The free movement of capital comes in at the end of June 1990 and the Trevi and inter-governmental groups are working now. So I think we should be making a last-ditch stand if we dealt with these issues afterwards. I won't say we are lagging behind, but it really is the last minute and, to tell you the truth—and this is my personal opinion—I find it both surprising and regrettable that the Community, the Commission as much as the Council, didn't get on with it ages ago. I remember when we on the bureau of the Joint Assembly proposed forming this working group, all the ACP partners agreed enthusiastically and said they had been worrying about it for a long time. But to my great surprise, when I started this work, I talked to as many people as possible and found that nothing had been done and at the time I couldn't get a single document on the subject from the Commission. The first document I got, I think, was a speech which Dieter Frisch, the Director-General, made in Bonn on 25 October last year, an informal speech, but a very interesting one with a lot of things in it. The Commission's first official document, if I remember rightly, is the one to our working party, answering our questions. But better late than never and we are pleased that the dialogue has got going—although I feel that so much is involved that not only are we not ahead, we are a bit behind.

▶ *Would it be true to say that now is the right time to pose the problem but it's maybe too early to come up with any answers?*

— What we can do anyway—because it would be pointless to ask questions for the sake of it—is to get both parties, and in this case primarily the Community party, to commit themselves to maintaining preferential relations and ensuring that assets are guaranteed, both for specific products and investment. For example, one of the ACPs' major concerns is aid for commodity processing, along the lines of aid to help get out of a situation of dependence and under-development. At all events, it is along the right lines and, well, we think it is good for the Community to have made this commitment. Another major concern is getting the aid needed for regional cooperation, in Africa in particular. There again, this makes it possible to get away from international constraints a little bit through helping each other. So we are also for this—which is a positive thing.

▶ *Lomé contains a whole range of instruments which the ACPs could at least partly use to adapt to the Europe of 1992 in such areas as trade promotion...*

— Obviously all the possibilities of Lomé have to be used. From that point of view, I should like to say that, maybe because I did not know what happened hitherto, I was very surprised to see before the summer that only a small part of the Lomé III funds had been disbursed on projects so far. I think 17% was mentioned. It came from the ACPs. No-one confirmed it, but no-one denied it either. So all the Lomé possibilities have to be used, improved maybe. Take the Stabex relations. There are pernicious consequences and in any case Stabex doesn't set out to tackle the root of the problems, but it's a useful means of compensation. There is certainly room for improvement, given the problems to come, and for an increase in both the volume and the product coverage and the criteria for eligibility. These traditional relations may be important and vital, but, right from the start, they have never been the whole story of Lomé. You said just now that there was a desire to establish relations of cooperation, partnership, trade diversification and industrial development, but the record is unsatisfactory. And, bearing in mind what is going to be at stake, at all events, there is a qualitative leap to make—and when can that be said if not before the end of the negotiations for the Convention? I don't think we are off beam. Once the Convention has been signed, I think our work should continue. And it will continue, including in the Joint Assembly, because the final report will be presented at the end of January. But going beyond that, I should like to suggest that, halfway through the Convention, we have a big ACP-EEC consultation session on the-then two and a half years' experience, to take stock of such effects on the ACPs of completion of the Single Market as are already apparent—on the understanding, from the word go, that the necessary corrections and changes are made. This once again means not blinding ourselves with the idea that completion of the Single Market is just an internal objective—because there again there is responsibility to the partners.

▶ *You are making a number of proposals. What are the main ones?*

— First of all, taking the European side properly into account, without seeking to mask the real dangers, and then tackling the potentially damaging problem tendencies of the Single Market by making the appropriate changes and corrections. Take the risk of disinvestment by European investors in the ACP countries. We suggest detaxing capital which could then be invested in real development schemes in Africa in particular and the ACPs in general. We also suggest setting up a fund for European or ACP firms which process primary products in the ACPs. Those are two examples of what we do—clearly defining the problem trends in the Single Market which could be damaging to ACP-EEC cooperation and taking steps to counter such dangers as we define.

I have also mentioned the financial problems such as the importance the EIB currently attaches to the developing countries in general and the ACPs in particular. We think there is a crying need for a development bank. Well, let us work towards one, but for the moment let us get the EIB to channel a larger percentage of its funds into useful investments in the ACP countries, with a view to preventing the negative effects I mentioned just now, and thinking not of decreasing its soft loans to these countries but substantially increasing them. Then, in contrast to the present drastic cuts in the ACPs' health and education budgets, particularly in connection with their structural adjustment programmes, we think that proper Community cooperation would integrate measures making for the promotion of human resources. There is no development without people. But things are slipping backwards here at the moment and there is more than one correction to make. Then, especially in Africa, the cultural dimension is important and I should like to mention an idea which Amabassador Raymond Chasle has defended with his usual passion—the development of cultural cooperation, in particular through the creation of culture industries based on our common heritage. In television, radio and films, especially, we could run joint projects using the linguistic and cultural heritage of the countries involved. I mentioned the concerns of the partners in the franc zone. I think we could give them more practical guarantees than just saying the problem isn't going to crop up just yet. And the Commission's written answers to the question of human relations repeatedly say that it is too early, that now is not the time and that we will discuss it all again later. I don't think that is good enough. We want guarantees and, generally speaking, we want a return to the principle of more obvious partnership—that is to say proper consultation before any decisions are taken. If we do this, then I don't believe there is any obstacle we can't overcome. We can maybe add a dimension, and that is the matter of the volume of financial aid. I have a suggestion. Why don't we index—maybe the word's a bit strong—it to the anticipated increase which the completion of the Single Market will bring about in the gross domestic product of the Community—I am referring to the figures in the Cecchini Report here—and increase the financial volume of Lomé IV to match it?

▶ *Do you think it is realistic to do what some ACPs are doing and demand a guaranteed share of the commercial markets?*

— I think it is both right and necessary to ask for major achievements such as the Banana Protocol—to take a product of particular interest to our ACP partners in the Caribbean because it is vital to their economies—to be maintained. But more generally, I think it is right to ask for a guarantee for the other products, to sell products which are often the backbone of these countries' economies if there has been no diversification. So I should say that, in the interests of sound cooperation, there are two guidelines to follow. First of all we should guarantee export revenue until such time as the diversification of the economy has been encouraged—which means other means and a very different volume of aid—and we should go for a notion of ACP-EEC cooperation which goes beyond links of assistance towards cooperation based on partnership. ○

Interview by
Roger DE BACKER

Lomé III: a mid-term financial review

by Brendan McNAMARA [*]

The end of 1988 marked the mid-point in the implementation of the Third Lomé Convention which came into force on 1 May 1986. The Commission, in collaboration with the European Investment Bank, has now prepared a mid-term review of the operation of the Convention covering the period to 31 December 1988. This review presents an analysis of aid implementation under the Third Lomé Convention as well as updating the figures on implementation of the first and second Lomé Convention which were already presented in an earlier report "Ten Years of Lomé" prepared in 1986 [1]. This analysis looks at trends in the use of aid, both programmed and non-programmed, including approvals, commitments and payments, sectors to which aid is allocated, contract placement, evaluation etc. It also examines the evolution of aid policy since Lomé III came into force. The new report has now been presented to the ACP-EEC Council of Ministers in order to assist it in its annual examination (carried out under Article 193 of the Third Lomé Convention) of the extent to which the objectives of financial and technical co-operation are being attained and of what general and specific problems have resulted from the implementation of that cooperation.

A financial overview

1988 was marked by an acceleration in the approval of Community aid in favour of ACP States as compared with earlier Conventions. In that year, primary commitments (approvals) of aid from the 6th EDF came to ECU 2 379 m, an increase of 22% on the total of aid approved in 1987. In fact, by the end of the third year of Lomé III, total approvals from the 6th EDF exceeded ECU 4 645 m, equivalent to almost 60% of the EDF envelope. A comparable result had never before been achieved.

Part of the explanation can be found in the success of the programming approach adopted under Lomé III which is based on the identification of priority sectors for the EDF by the ACP States in conjunction with the Commission and the EIB. By the end of 1986, virtually all national programmes had been prepared.

Indeed, the performance in the period 1986-88 is particularly impressive in the case of programmed aid, especially for national programmes. By the end of 1988, 66.5% of aid allocated under Lomé III for national programmes had been approved — as against 60.5% and 51.8% respectively at the same stage of implementation of Lomé I and Lomé II.

Secondary commitments (award of contracts) under the 6th EDF totalled ECU 1 356 m in 1988 as against ECU 494 m in 1987. Payments also rose appreciably — ECU 805 m against ECU 363 m in 1987. To this should be added disbursements of aid by the EIB in respect of the Bank's own-resources loans which in 1988 totalled ECU 70 m.

This being said, however, by contrast with approvals, secondary commitments of national programmed aid under Lomé III have so far been much slower than for aid under earlier Conventions. After three years of Lomé III, 20.3% of aid approved had been committed in the form of contracts. This compares with 47.5% at the same stage of Lomé II and just under 50% for Lomé I. Payments of Lomé III programmed aid as a proportion of secondary commitments came to 45% as against 48% after three years of Lomé II.

This latter development is consistent with the phenomenon already noted in "Ten Years of Lomé" that the new emphasis on rural development and food security involves a difficulty of aid absorption because of the slow disbursement rhythm associated with rural programmes as compared with traditional aid projects.

One means of speeding up the absorption of aid has been the quick disbursing import support programmes. These programmes were provided for initially to launch a special debt programme in favour of poor countries in sub-Saharan Africa whose development is constrained by the heavy burden of external debt. The total so far provided for quick disbursing programmes comes to ECU 569 m, of which ECU 111 m had been spent at the end of 1988, one year after the introduction of the debt programme.

Perhaps the most serious development affecting the implementation of aid from the EDF in the period covered by the Review was the dramatic fall in export earnings of many ACP States from agricultural products which led, in the last two years, to the mobilisation of extra aid from the system for stabilisation of export earnings from agricultural commodities (STABEX). The total aid originally provided in Lomé III for STABEX amounted to ECU 925 m, equivalent to ECU 185 m a year. This has proved totally inadequate to meet justified demands and by the end of 1988—with 2½ years of Lomé III still to run—total STABEX allocations came to ECU 919 m. This includes an additional amount of ECU 120 m approved by the ACP/EEC Council in July 1988. Indeed—although this falls outside the period covered by the Review—the serious situation in 1989 (based on the 1988 export earnings figures) required a further allocation of ECU 125 m by the Council in July last to help bridge the gap between STABEX resources and justified demands.

As a result of the high level of STABEX payments, and notwithstanding the problems involved in placing contracts for the implementation of programmed aid under Lomé III, the total level of payments under all Conventions rose rapidly in 1988 — from

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(1) See article in The Courier No. 99, September-October 1986.

(2) The 6th EDF is the Fund created by Lomé III, the 5th and 4th EDFs relate to Lomé II and I respectively.

EDF: approvals, commitments and payments

EDF	Cumulative situation at end 1988 (ECU m)	% of envelope	Year 1988 (ECU m)
Approvals/Primary commitments			
EDF 4	3 083.3	98.7	1.3
EDF 5	4 549.5	95.7	132.8
EDF 6	4 644.6	59.9	2 378.7
All EDF	12 277.4		2 512.8
Secondary commitments			
EDF 4	3 027.5	96.9	10.2
EDF 5	3 900.1	82.0	225.4
EDF 6	2 025.6	26.1	1 356.2
All EDF	8 953.2		1 591.8
Payments			
EDF 4	2 950.4	94.4	35.9
EDF 5	3 392.5	71.4	345.1
EDF 6	1 274,6	16.4	805.3
All EDF	7 617.5	1 186.3	

approximately ECU 830 m a year in 1986 and 1987 to ECU 1 186 m in 1988. These figures include implementation of aid under the 5th EDF and the virtual completion of operations financed by the 4th EDF. The picture at the end of 1988 as regards aid implementation under all Funds is shown above.

Financial and technical cooperation and sectoral developments

The main distinguishing characteristic of Lomé III as compared with earlier Conventions was the emphasis it placed on a programming approach based on identification by the ACP States in conjunction with the Commission and the EIB of priority sectors for EDF intervention. In particular, stress was placed on rural development and food security policies as a basis for allocation of Lomé finances. As appears from the Review, the direction of EDF aid approved in 1986-88 derives much of its rationale from this new approach.

At the end of 1988, total primary commitments of national indicative programmes under Lomé III exceeded ECU 2.7 billion i.e. 66.5% of resources available for these programmes. In 1988 alone, total approvals came to ECU 1 380 m.

The new programming approach adopted under Lomé III, involving concentration of aid on major sectoral priorities—notably agriculture and rural development—has provided a framework for large action programmes which have been approved in substantial blocks.

In general, Lomé III action programmes cover a wide range of components and several layers of activity:
— exploitation of agricultural production in the strict sense of the term;
— food security;
— improvement of rural infrastructures (e.g. rural roads and tracks) which facilitate increases in food production;
— environmental protection and improvement, tree planting etc.;
— contributing to the general welfare of local populations (water, health, literacy, technical assistance, training).

Included also in Lomé III approvals are major road other important infrastructure programmes.

An important point on implementation noted in the Review relates to aid for regional cooperation. Although the rate of approval of such aid is slow as compared with national programmes—large regional infrastructure projects take time to develop—the disbursement rate of approved aid is much faster than in the use of national aid.

A second important development under Lomé III is the new emphasis on quick-disbursing import support programmes. The Community response to the debt problem was to provide about ECU 600 m, of which half represented additional funds. This money is being used to finance sectoral and import support programmes in the 25 countries covered by the debt programme. Slightly less than a fifth of the total provided had already been disbursed by the end of 1988.

Other notable points in the evolution of aid in Lomé III are the relatively high level of programmed and non-programmed aid allocated to least developed, landlocked and island ACP States (ECU 2 507 m, 1 056 m and 485 m at 31.12.1988 respectively) and the continued importance of cofinancing with other donors. Given, too, the problems faced by some other donors in the wake of the international debt crisis and falls in oil prices—the banks and other private sector investors—the EDF share in cofinancing under Lomé III is rising. The Mid-Term Review also draws attention to the increasing importance of microprojects which respond to the needs expressed by local communities. The active and increasing role of non-governmental organisations is another measure of the response to local needs.

Aid from the European Investment Bank has been constrained, as far as the Bank's own-resources lending is concerned, by the difficult economic conditions in many ACP States. The Bank has, however, maintained its lending, notably in the form of placement of risk capital provided from the EDF. Upwards of 70% of the Lomé III envelope for risk capital had been approved up to end 1988 and about 50% of the target for lending by the Bank from its own resources. More than half of the EIB aid has gone to industry, the balance being divided between infrastructures and energy.

The task of implementing aid under Lomé III continues to be a challenging one, both for the ACP States and for the Community. Undoubtedly problems remain — notably those related to programme implementation. It will be the task of the ACP States and the Community to seek ways of resolving these problems in the examination of the Mid-Term Review which is now commencing. ○ B. McN.

The New Deal in services and ACP-EEC cooperation

by Bernard PHILIPPE (*)

The experience of the ACPs clearly shows that the absence or inadequacy of a number of services in an economy is a major barrier to growth and a brake on the development process.

The services sector can no longer be seen as a mass of non-productive activities which only post-industrial societies can afford.

However, now we have to respond to what is vitally needed, there are huge threats hanging over the supply of services in the ACP countries—be they domestic (constraints on the budget) or external (constraints on the balance of payments)—and this is why the sector is getting so much attention in the Lomé IV negotiations.

Table 1: Major services by category

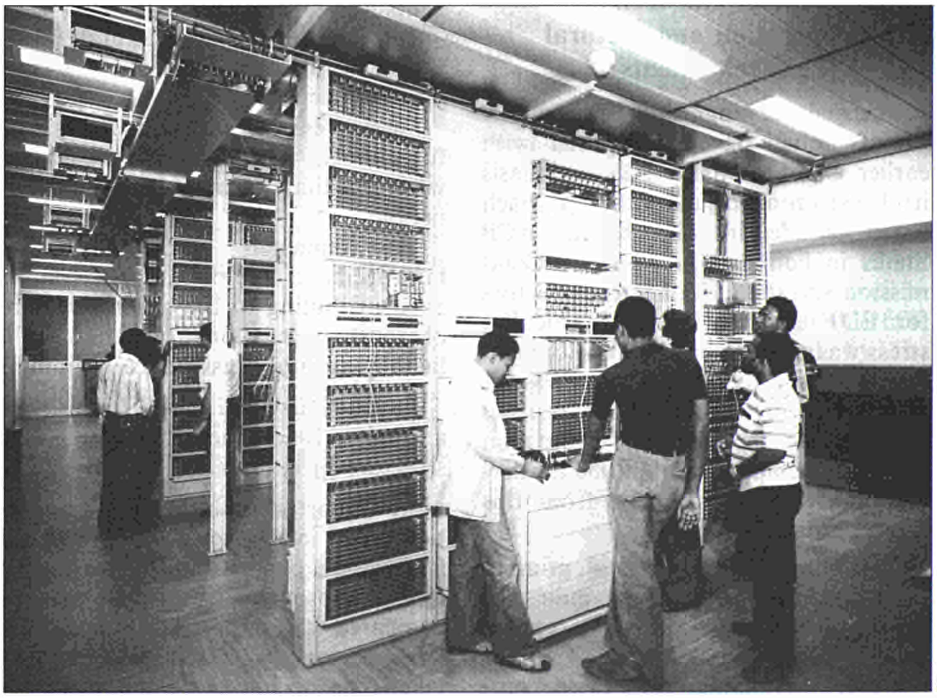
Intermediate services		Final services	
Distributive services	Producer services	Social services	Personal services
Wholesale trade Retail trade Transport and storage Communication	Financial institutions Insurance Real estate Legal services Accounting Data processing Engineering and other professional services Advertising Leasing Other producer services	Public services Sanitary and similar services Education services Research and scientific institutes Health services Other social services	Hotels and restaurants Motion pictures and other entertainment services Cultural services Repair services Laundry services Domestic services Barber and cosmetic services Other personal services

What are services? What is at stake?

Described as the tertiary sector—as opposed to agriculture and industry—services constitue a huge and wide-ranging array of activities. They include trading and non-trading activities, from transport to tourism through medicine, education and telecommunications, some of them traditional (the retail trade, for example) and some modern (telematics). The product of the services sector, in contrast to the goods sector, tends to be intangible and cannot usually be stored.

Some services cannot be traded internationally for physical or economic reasons (vehicle repair and the retail trade, for example) or for reasons of sovereignty or security (most public services, basic telecommunications, local transport and so on).

Others, however, can be supplied from outside and therefore traded between one country and another. Examples that spring to mind are tourism, banking and financial services, construction and engineering services, shipping and air transport and most business services. However,



Telecommunications cannot be traded, but provide the vital basis for all kinds of very tradeable services

(*) Administrator, Directorate-General for Development.

a country may feel that it has to produce some of the services in this "tradeable" category locally, either because it considers that they play a key role in its development or because it sees it as a way of reducing foreign exchange spending and promoting import substitution.

Services have always played an important part in development, as is shown by the prominence which development strategies traditionally give to education, health care, transport and communications. These services are already provided for under Lomé III and have received a substantial percentage of official development assistance.

However, it is only recently that the role of services in the developing countries has been recognised. In-depth studies carried out by various bodies, notably UNCTAD, have convincingly shown that the development of service activities, often regarded as non-productive, is not just an end of economic development, but a precondition. It is now acknowledged that the lack or inadequacy of a number of services in an economy is a serious barrier to growth and a brake on development.

So here we have a new priority, one which should affect the direction taken by development policies—which must now be seen in the context of the economies in which they have a key part to play.

It is very important to:

— make sure that the export performances of the more traditional goods, such as basic foods and industrial raw materials (90% of the ACP economies), are maintained. There is more to it than producing high-quality goods, such as much sought-after types of coffee and cocoa, nowadays. The important thing is better marketing, which means access to a large number of services, information systems such as the goods exchanges, risk coverage (futures and insurance and reinsurance against the more traditional type of risk) and efficient (computer, postal, maritime etc.) links with the importing firms in the consumer countries.

This is particularly urgent because the disastrous ACP trade results in

Table 2: Share of services in foreign exchange receipts in the ACP States

A) ACP States earning less than one sixth of their foreign exchange receipts through service exports

Country	Geographical classification (a)	Level of development (b)	Surplus in the external services account	Percentage share in foreign exchange receipts from exports of goods & services: Services	Memo item: raw materials
Nigeria			no	3.5	95
Ghana			no	7.5	82.
Zaïre	LLock		no	7.7	82
Liberia			no	.9	88
Congo			no	.0	89
Zambia	LLock		no	.5	90
Gabon			no	.8	84
Niger	LLock	LLDC	no	.5	83
P. New Guinea	Island		no	.1	81
Cote d'Ivoire			no	.0	52
Mauritania			no	.2	75
Guyana			no	.2	41
Madagascar	Island		no	.5	71
Solomon Islands	Island		no	.0	64
Suriname			no	.1	62
Uganda	LLock	LLDC	no	.2	73
Zimbabwe	LLock		no	.6	60

Source: IMF, Balance of payments statistics.

B) ACP States earning between one sixth and third of their foreign exchange receipts through service exports

Country	Geographical classification (a)	Level of development (b)	Surplus in the external services account	Percentage share in foreign exchange receipts from exports of goods & services: Services	Unrequited transfers: workers remittances
Mali	LLock	LLDC	no	18.2	14.9
Dominica	Island		no	19.4	.
Malawi	LLock	LLDC	no	20.4	.
Sierra Leone		LLDC	no	20.9	.
Botswana	LLock	LLDC	no	21.9	.
Rwanda	LLock	LLDC	no	21.9	.
Trinidad & Tobago	Island		no	23.0	0.0
Togo		LLDC	no	23.1	1.6
Tanzania		LLDC	no	24.1	.
Chad	LLock	LLDC	no	25.0	.
Central African Rep.	LLock	LLDC	no	25.2	.
Benin		LLDC	no	25.4	33.5
Cameroon			no	25.5	1.4
Western Samoa	LLock	LLDC	no	25.9	73.3
Mauritius	Island		no	26.1	.
Swaziland			yes	27.2	.
Gambia		LLDC	no	30.8	.
Burkina Faso	LLock	LLDC	no	31.1	73.0
Ethiopia		LLDC	no	32.2	.

Source: Göttingen Study, 1986.

(a) LLock = land-locked; blank = neither land-locked nor island.
(b) LLDC = least developed country; blank = other developing ocuntry.

C) ACP States earning more than one third of their foreign exchange receipts through service exports

Country	Geographical classification (a)	Level of development (b)	Surplus in the external services account	Percentage share in foreign exchange receipts from exports of goods and services: Services: Total	Services: of which: Travel	Services: of which: "Other" transportation or other important item	Unrequited transfers: workers remittances
St. Vincent	Island		yes	33.9	28.8		
Sudan		LLDC	no	34.1	6.5	21.2 (c)	29.2
Kenya			yes	36.3	12.9	11.8	.
Sao Tome & Princ.	Island	LLDC	no	38.5	—	15.4	10.0
St. Christ. & Nevis	Island		yes	41.4	34.5		. .
Guinea Bissau		LLDC	no	42.9	7.1	28.6 (d)	.
Senegal			no	46.0	11.1	11.7	8.4
St. Lucia	Island		yes	47.1	46.0		.
Jamaica	Island		no	48.6	30.0		3.1
Grenada	Island		yes	52.6	44.7		. .
Somalia		LLDC	no	56.0	8.8	33.0 (d)	.
Fiji	Island		yes	56.5	28.5	14.2	.
Vanuatu	Island		yes	60.8	29.1	7.6	8.5
Barbados	Island		yes	61.0	36.2	8.7	.
Tonga	Island		yes	64.7	35.3	23.5 (e)	.
Antigua & Barbuda	Island		yes	72.4	66.9		.
Bahamas	Island		yes	80.1	59.5	9.2	.
Seychelles	Island		yes	94.1	45.9	34.1	.
Lesotho	LLock	LLDC	yes	94.4	2.2	86.0 (c)	.

(a) LLock = land-locked; blank = neither land-locked nor island.
(b) LLDC = least developed country; blank = other developing country.
(c) Mainly labour income from seasonal workers abroad.
(d) Mainly income from foreign embassies, consulates, and other official entities.
(e) Mainly direct investment income.
Source: Göttingen Study, 1986.

1986 got worse in 1987 and these countries are up against ever-stronger competition from new producers and new products;

— **capitalise on traditional exports.** Because the ACPs are so dependent on their exports of raw materials, there is a great need for them to sell more processed products abroad to increase the value added and get better prices for their goods in sectors where world demand is more buoyant. However, this does not only mean including an industrial component in the basic product. The service content (in design, promotion and marketing) has to be increased too;

— **develop new service exports** because of the poor situation in the goods trade by going for gaps in the market (the African culture industry in Europe, for example), coming up with package deals combining various services (tourism and transport, tourism and health, tourism and craft or tourism and business trips) or developing labour-intensive activities (writing computer texts, encoding, devising software in regional languages such as Swahili or Arabic and so on).

Some ACP countries already earn a good deal from trade in services (see Table 2 (C))—equivalent to more than 50 % of goods exports in the case of Senegal, Jamaica, Kenya and many island countries and far more than goods exports in the case of Bahamas, Seychelles, Barbados, Fiji, Tonga, Djibouti, Cape Verde and so on. Very often, however, these countries export only a very limited number of services (tourism, business trips, transport etc.), so the sector ought to be expanded and new service exports developed. As far as the other ACPs are concerned, minimum service exports (autonomous or part of existing goods flows) should be developed to help diversify exports;

— **create the necessary background conditions** to launch the development process, which implies a public service infrastructure (education, health services, customs, roads...) and a commercial sector infrastructure (banks, insurance, tourism, management and accountancy skills...);

— **make sure that the ACP countries develop some of the essential service activities** adequately and plug into modern communications and information networks to avoid the risk of greater economic marginalisation.

However, this should not lead them to neglect the need for a balance between traditional and modern. They must ensure the compatibility, if not complementarity, of two types of service:

— modern but very expensive services depending on the most sophisticated (and imported) technology;

— more traditional services, especially in the informal sector, which both create jobs and are more in line with local needs.

The present situation

A combination of many, partially interdependent factors, is behind the revival of interest in the services sector.

The sector is the scene of important technical progress, such things as the eruption of new technology in communications and data processing (computerised data management and transfer, for example and telecommunications), which is revolutionising the service industry and bringing about far-reaching changes in the organisation of economic activity, in particular by altering the structure of international trade.

And this technical development goes hand in hand with a total change in the structure of service activities, in turn reflected, in the most advanced countries at least, by the increasing importance of business services (intermediate services in such areas as finance, accounting, management and communications) as against the services consumed by the households. These business services are often produced by specialised independent firms (this is the so-called externalisation phenomenon) and are now an integral part of the production process, be it agricultural, industrial or tertiary, which improves productivity, global value added and international competitivity. Services are becoming almost a factor of production in the same way as capital and labour.

However, there has been no such change in the structures in most of the ACP countries as yet. The difference between the ACPs and the industrialised nations is not the percentage of services in GDP (40-50% in the former and 50-60% in the latter), but the structure of the tertiary sector (the small percentage of business services in the ACPs) and the fact that services are not an integral part of the ACP national productive apparatus. Services have very often developed independently in the ACP countries, through the expansion of the public sector especially, so the snowball effect on the rest of the economy is very small.

Table 3: The imbalance of ACP external accounts (1986)

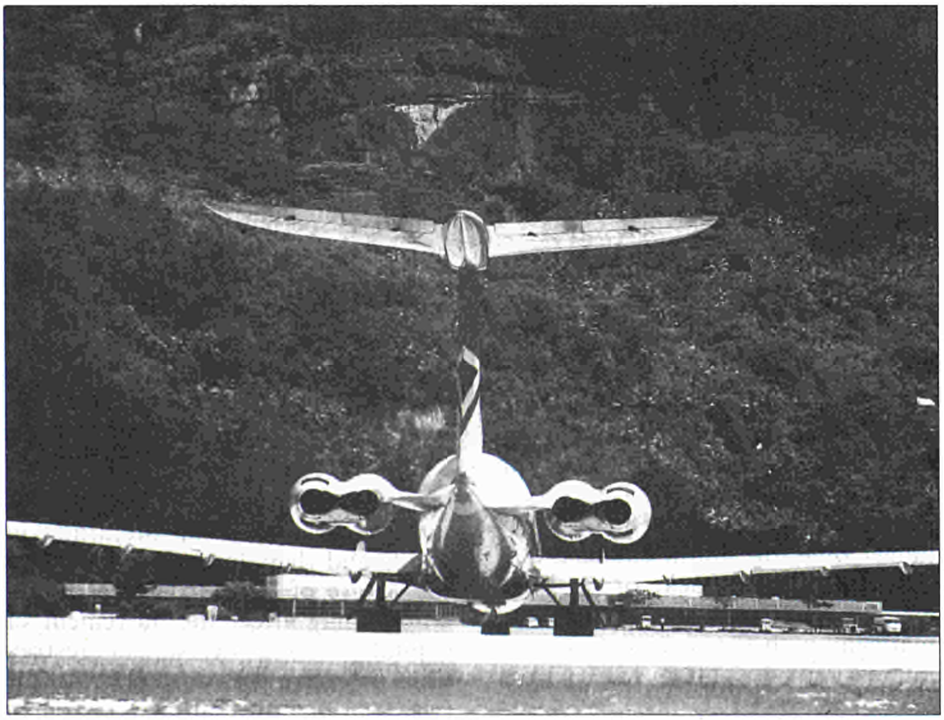
Current balance of the 10 main ACP exporters

Country	% of total ACP exports to the EEC	Trade (fob) balance	Balance of services (a)	Private transactions without counterpart (b)	Balance of current payments
	(in %)	US $ million			
Nigeria	33.1	2 528.2	−2 022.5	129.0	376.6
Côte d'Ivoire (1985)	8.9	1 372.5	−1 073.6	−278.9	20.0
Cameroon (1985)	7.2	490.4	−1 033.3	− 99.8	−642.7
Zaïre	5.3	560.8	−1 080.5	− 62.2	−581.9
Gabon	3.9	79.4	− 893.1	−169.1	−982.6
Liberia	2.6	149.0	− 127.7	− 32.7	− 11.4
Kenya	2.6	290.9	− 17.8	57.8	−250.9
Zimbabwe	2.2	313.5	− 293.4	− 28.0	− 8.0
Papua-New Guinea	2.0	75.7	− 351.6	− 78.3	−354.2
Mauritius	2.0	66.2	− 18.1	29.7	77.8
Total	69.8	5 344.8	−6 911.6	−790.5	−2 357.3

Source: UNCTAD (International trade and development statistics, 1987).

(a) Revenue-payments for factor and non-factor services. The services trade is defined, broadly, as invisible and includes non-factor services (insurance, loans, tourism etc.) and factor services (investment revenue, interest payments etc.) but excludes private transfers.

(b) Such as transfers made on behalf of emigrants and workers and other private transfers without counterpart (gifts, inheritances, payments to professional organisations etc.).



F.P. Jarvis

"Services can consist of temporary migration by the consumer." Here, the most temporary migration of all—tourist arrivals in Seychelles

The beginning of the new set of GATT negotiations in 1986 brought new pressure to bear by making services one of the focuses of the Uruguay Round. This trend reflects the rapid internationalisation of service activities and the considerable potential of the expanding service trade (financial exchange, for example, tourism, telecommunications and data processing).

Services, whose growth potential is considerable [1], already represent nearly a quarter of the world trade in goods. A large volume of services is now needed in the goods trade (conventional transport services, insurance etc., as well as telecommunications, quality control and financial transactions) and the expansion of that goods trade involves a consider-

(1) Although 45% of the world's agricultural output and 55% of its manufacturing output is traded internationally, the figure for the services sector is a mere 8%.

Table 4: Share of services in total imports of ACP States

Service share/country	Service share/country
Less than 20 %	**35 %-40 %**
Lesotho	Sierra Leone
Dominica	Ghana
Antigua and Barbuda	Zimbabwe
Tonga	Papua New Guinea
20 %-25 %	Bahamas
Samoa	Botswana
St. Christopher and Nevis	Mauritania
Swaziland	Rwanda
St. Lucia	Madagascar
Tanzania	**40 %-50 %**
Somalia	Guyana
Nigeria	Chad
Benin	Jamaica
St. Vincent and the Grenadines	Sudan
25 %-30 %	Mali
Suriname	Solomon Islands
Gambia	**45 %-50 %**
Ethiopia	Zambia
Grenada	Central African Republic
Niger	Cameroon
Uganda	Trinidad and Tobago
Guinea Bissau	Malawi
Mauritius	Liberia
30 %-35 %	Zaïre
Kenya	Vanuatu
Fiji	**50 % and more**
Togo	Côte d'Ivoire
Senegal	Congo
São Tomé and Principe	Gabon
Seychelles	
Burkina Faso	

Source: Göttingen Study (1986).

able flow in the attendant services, too.

And expanding new technologies improve service mobility and create new subjects of trade (data, engineering, computing and telecommunications, for example) and new types of business (bank trade and long-distance transactions).

However, although the need for a proper ACP service supply is apparent, that supply is seriously threatened from both inside and out.

The balance of payments of the ACPs and the other developing countries as a whole is running a huge deficit. But the relative importance of the deficit seems greater in the case of the ACPs, where exports do not even cover 40 % of imports.

In 1984, for example, there was a goods balance surplus of $ 3.4 billion (current prices) and a services deficit of more than $ 10 billion. The service trade is the biggest source of the ACPs' balance of current payments deficit (see Table 3).

The ACPs' structural services deficit had to some extent been compensated for by their goods surplus, but because this has collapsed since 1986, the relative services deficit can no longer be borne and it entails a massive import cut-back or a larger external debt (which expands automatically with the recurrent effect of interest repayments).

The purchase of services abroad (see Table 4) is badly compromised by the payment problems the ACPs are having at a time when their domestic supply (of public services in particular) is feeling the pinch of extremely restrictive budget policies attendant on stabilisation and macro-economic adjustment policies. Public budget cuts not only have an immediate effect on growth and the standard of living of already hard-hit populations. They also mortgage the countries' comparative advantages in the long run, in that these advantages are tied up with the action the authorities take in the matter of physical infrastructure, back-up services, communications etc.

The point of the negotiations on services in the Uruguay Round is of course to set up a more open, more efficient multilateral framework.

However, quite apart from the inherent difficulties of negotiating in such new and complex fields, the ACPs are in less of a position than others to identify their interests here—and they will in any case find it hard to defend them because of their weak negotiating position.

So, although multilateral negotiations are relevant to the ACP cause, they need to be backed up by regional things such as the Lomé Convention.

The prospects

Service transactions are not external trade operations in the traditional sense (goods crossing a frontier), but take the form of, say, foreign investments (to create a commercial presence in the importing country, perhaps) or temporary migration on the part of the consumer (tourism) or producer (transport). Or they may be exchanges of information (transfrontier data flows, telematics etc.) or contractual arrangements (franchising, licences etc.).

The barriers to the trade in services are thus very different from the tariffs and quotas of the trade in goods and they depend primarily on the nature of the transaction. Regulations may affect the movement of capital (foreign investment restrictions or exchange controls) or people (visas) or information (restricted access to some networks).

The inclusion of services in the

Zaïre-Industrie

Regulations inhibit the growth of services, most especially in the banking sector

Lomé Convention raises questions about:

— ACP access to the Community market, already a reality in some sectors (shipping, air transport, traval agencies and information technology), involving such things as the right of establishment and the treatment of foreign firms;

— the nature and extent of the reciprocity that ACP countries could grant Community service firms;

— non-discrimination between the ACP countries and between the Member States.

As things stand, the provisions of the Convention provide only very partial coverage of the trade in services, the trade arrangements having been drawn up with goods in mind. There are one or two specific and sectoral references to services, in particular in Articles 84-94 on shipping and Articles 252 and 254 on establishment and services, which lay down the principle of non-discrimination, which are inadequate.

The main features of the Community approach under Lomé IV are the need to:

— recognise the importance of service to the trade, the balance of payments and the development of the ACP countries;

— find provisions to give better coverage of trade flows;

— make such provisions asymmetric so as to reflect the smaller extent of ACP development and ensure some preferential content;

— ensure that the provisions of Lomé and those resulting from the GATT negotiations are coherent.

Alongside this, the field of cooperation provided by Lomé III is very broad, although the provisions are very much geared to traditional activities such as tourism and transport, or scattered over all the chapters.

The situation is positive overall, however, since ACP-EEC cooperation with the development of services is already extensive and active— although not always very visible. It has taken practical shape in a number of specific cooperation programmes and in the support given to the development of service activities as part of wider programmes:

— The specific programmes have involved the Community in financing a good many projects and programmes in the tertiary sector, either under the national indicative programmes or as part of regional cooperation (regional shipping projects in the Pacific, for example, and the Gulf of Guinea and regional air security projects (ASECNA) and the customs computerisation schemes (Sydonia)).

— The development of service activities is often an integral part of wider programmes. Most rural development programmes have marketing and storage support sections, rural credit facilities and so on and transport infrastructure schemes sometimes have transport services back-up components.

However, it is important for the Community to step up and structure its support for service activities in the ACP countries.

In view of the great range of services, it is difficult to promote all of them indiscriminately, especially since their contributions to development are very unequal. With a view to ensuring the effectiveness of Community aid and maximising its impact, the advisable course would be to focus the Community's approach on a few priority groups.

Three directions are suggested:

— support for services related to external trade so as to help restore ACP competitivity;

— support for business services so as to help reconstitute the economic fabric of the ACP economies;

— support for regional services so as to improve the process of ACP integration and create genuine, unified economic areas.

It is the trade in, and the development of, services which are the current focus of the Lomé IV negotiations in this sector. ○ B.P.

Sylvie Wabbes

A well in Burkina Faso, sunk by the villagers themselves, with the help of a local NGO, and maintained solely by them

Is small beautiful?

Microprojects assessed

During 1974 and early 1975, when the terms of the First Lomé Convention were being negotiated, a number of ideas emerged for new instruments of cooperation between the ACP and EEC partners. One of these, put forward with an apparent measure of caution was that—in development cooperation as in technology—small might be beautiful. *And so it happened that there appeared in Lomé I for the first time and "on an experimental basis" a provision for micro-projects — projects which would (a) "meet a priority need demonstrated at local level" and (b) "be undertaken with the active participation of the local community".*

In principle such projects were expected to be located in rural areas, though the financing of schemes in urban areas was permissible. The projects, as their name implied, were required to be modest in scale, and in 1975, when Lomé I was signed, modesty was set at a maximum of 75 000 units of account [1]. By Lomé II, when experience had demonstrated that small could indeed be beautiful, modesty had been redefined as ECU 150 000. Under the present Convention, Lomé III, the financial ceiling for microprojects is ECU 250 000.

Earlier this year an evaluation report was published [2] on the microprojects funded under Lomé II (i.e. from the 5th European Development Fund) and the following is an outline of the findings of that report.

The assessment was based on a representative sample of microproject programmes for which a total of ECU 70.6 million was committed. Of the then 64 ACP signatories of the Convention, 42 elected to take advantage of this particular form of cooperation and microprojects represented, on average, 3.5% of Indicative Programme commitments in the countries concerned. The types of projects varied widely: a little over half were in three main sectors: agricultural diversification and irrigation, water engineering and education and training. The full breakdown was as follows:

Sector	%
1. Agricultural diversification and irrigation	22.6
2. Water engineering	16.2
3. Education and training	14.7
4. Transport and communications	8.8
5. Health	7.9
6. Agricultural upgrading and transformation	6.2
7. Marketing systems	5.8
8. Support to production systems	5.6
9. Fisheries and livestock production	1.5
10. Habitat	1.0
11. Energy	.7
Reserve	*5.5*
Support costs	*3.5*

A number of criteria were used in assessing the value of the projects. The first was efficiency and effectiveness in the management of microprojects (at EEC headquarters, in the Delegations in the field and at beneficiary government level); in their rate of implementation (both physical and financial) and in the financial input of the three partners (government, local community and the EDF).

As regarded their management, a lack of staff both at EEC headquarters and in the Delegations meant that project coordination and follow-up were weak.

Equally, the Delegations—especially given the geographical spread of the schemes—were generally unable

(1) The unit of account was a precursor of the ECU.

(2) "An evaluation of microprojects implemented under Lomé II" by Edith Gasana and Sylvie Wabbes.

to supervise project execution in any way other than to check their accounts, and frequently technical assistants had had to be called upon or national microproject coordination groups created. At the level of beneficiary governments the situation varied: some (e.g. Kenya and Zimbabwe) had created a special unit which then liaised with the various ministries concerned, and even with other donors. This was the case in Burkina Faso, and it was this system which seemed to work most smoothly. In other countries a single ministry (often the Ministry of Planning) managed the programmes, in which case red tape tended to hamper their implementation and lack of qualified staff meant that the sectoral range of microprojects was limited.

A high degree of commitment

The rate of implementation of the projects was very satisfactory, nevertheless, even exceeding 100% in some instances (i.e. the number of projects carried out was actually greater than those programmed), and the very low take-up of funds set aside to cover unforeseen expenditure or technical setbacks indicated financial efficiency. Several factors explain this, the chief of which must be the high degree of commitment on the part of those concerned—the local communities, NGOs or governments—to the microprojects' objectives.

As for the partners' financial contributions, the study found considerable divergence between the stipulations of the Convention and the reality. Lomé II provided for 50% of the funds for microprojects to be paid by the governments and local communities (in the form of labour or transport, for example, as well as money), with the balance to be funded from the EDF (typically in the form of imported inputs or qualified manpower). With few exceptions, however, this pattern had not been followed, and in many cases the great majority of the costs had had to be paid through the EDF. Quantifying local community and government contributions had in fact proved almost impossible, anyway.

The ECU 150 000 limit set on a given project in Lomé II was, in reality, very rarely approached. The average cost ranged between ECU 5 000 and ECU 50 000 and, in practice, the smaller the project, the more effective it proved. Three principal channels were used for project implementation: government departments (an approach which was low-cost but administratively burdensome); specialist firms (a method which tends to exclude the participation of beneficiary populations) and NGO local networks. This latter, the study concluded, gave the best results: NGOs work closely with local communities and are well placed to ensure that the beneficiaries are appropriately trained, thereby enhancing the projects' long-term viability.

In general, whatever the channel used, the technical standard of the microprojects was "very satisfactory". It was in the time taken to carry out the programmes that real weaknesses were apparent. Overruns of between two and five years were not uncommon (even in projects designed to be completed in one year!) and were attributable in the main to administrative delays, the difficulty of mobilising contributions (in cash or in kind) from the local communities and the lack of manpower or transport to ensure that these small-scale projects, dispersed throughout the countries, could progress according to plan.

Widespread and genuine benefits

As for the impact and the viability of the microprojects undertaken under Lomé II, while results varied widely, a number of general observations could nevertheless be made. Firstly, on the plus side, was the fact that for hundreds of village communities microprojects represented the first direct benefit from Official Development Aid. Small-scale projects, especially in the health and education sectors and in water engineering, could bring about genuine improvements in the living standards of rural communities and their implementation, leading as it did to the creation of local supervisory committees imbued with a sense of responsibility for the project, greatly enhanced its chances of continued success. Moreover, the forming of these committees was welcomed, too, by beneficiary governments, since it complemented well their efforts to encourage self-reliance in their populations. Governments liked to be seen to respond to the needs of its underprivileged, and microprojects enabled them to do this, and to do it throughout the country.

There were, however, weaknesses in the system at economic, financial and technical levels. Difficulties arose, for example, where governments imposed projects which fitted their own policy guidelines as distinct from the actual needs of the beneficiary community. Indeed, in general, inadequate consultation and participation in a project on the part of the community tended to greatly diminish its impact. Some projects had also suffered from being technically too ambitious; others, particularly those destined to generate income, had proved demanding in terms of training or follow-up. Even the projects which had proved the most successful—those in the social sectors—had sometimes given rise to costs which had been difficult to meet. Finally, the study revealed a low level of coordination between EDF microproject programmes and other programmes, and between microproject donors, governments and NGOs.

What were the lessons to be drawn from these findings? Firstly, a number of organisational changes (including decentralisation of the units responsible for microproject management) were recommended such as would render better service to this particular species of development aid. Secondly, a number of suggestions were put forward for improvements in each of the stages of the project cycle — identification, preparation, technical and financial implementation and evaluation. Amongst these figured the addition of a provision for training; the decentralising of funds so as to avoid delays in the flow of capital and greater attention to the level of technical knowhow of the beneficiaries. But above all—and this was a recommendation which applied to all stages of the cycle—the report highlights the incalculable benefits to be derived from involving those whose lives the project aimed to better. So that in the world of microprojects, too—indeed perhaps above all—the adage would seem to ring true: development will come about with the participation of peoples, or not at all. o M.v.d.V.

Universality and specificity in human rights in Africa (*)

by Isaac NGUEMA (1)

Africa today, it has to be admitted, is a macrocosm of different intertwining, intermingling, interlinking, integrating and disintegrating universes—the Moslem universe, the Western universe and the animist universe, each with its own way of viewing and perceiving the world, its own way of structuring and organising reality and its own conception of Man's place and role on earth.

Is universality possible? And, first of all, what are these interpenetrating universes?

At the heart of the Islamic view of the world is the notion of God. "The first law for man to obey is the law of God, not the law of the State"; the divine law revealed to man by the Prophet Mohammed (in the Qu'rān), through the example of the Prophet and his companions (the rules of Sunnah) and through the unanimous agreement of the doctors of law (ijmāl').

So the law is not an instrument for the State to wield. It is incumbent upon both the people in power and the community of believers. More to the point, the legitimacy of the leaders of the State is based on respect for divine law.

Herein lies the main difficulty in applying the principle of universality. How is it possible to do away with such the provisions of the Shariāh which are now visibly incompatible with human rights without clashing with the demands of the religious conscience?

Yet in the centre of the Western view of the world, which is dominated, as we all know, by Christian concepts, there is the notion of State and it has, as it were, taken the place of God. The Western State uses the law to impose its will on men. And like the Christian God, the Western State is transcendent, all-powerful, omniscient and sovereign and will not suffer the presence of other divinities—whether these are called clans, castes or tribes.

Here, then, law is different from divine law, since the Western State is a lay State which must be the same to all people irrespective of race, religion, sex, age, colour or class. This is the somewhat abstract and mechanical conception behind the Universal Declaration of Human Rights in 1948, not to mention the French Declaration of the Rights of Man and of the Citizen in 1789, both of which were inspiration for the African Charter of Human Rights and People's Rights.

At the centre of the animist view of the world stands Man. Not that God is absent, for here God lives side-by-side with his creation, for the animist god is an immanent God. The State is not absent either, for its functions are spread among the different members of the community, the blacksmiths, the weavers, the jewellers, the shoe-makers, the woodcutters, the warriors and the bards, and the State is not set apart from society. In this animist universe, neither God nor State imposes laws from above.

Furthermore, no law is enforced from outside of Man. Cohesion, equilibrium and social harmony result from the spontaneous desire and the internal fire that irresistably urge the individual to live, come what may, in the community and from the interplay of solidarity and the network of links of interdependence which are woven and intertwine among the members performing functions. No one is sufficient unto himself. So the animist ensures his own sovereignty, his own responsibility and his own freedom. Conflicts are settled, not by pre-established, impersonal rules, but by permanent, probably patient dialogue and the continual reaction resulting from direct contact between the people involved. Man is the remedy for Man, as the Wolofs put it.

This is where our ancestral communities got their mistrust of the law, the courts and justice as wielded by the State. And how could they be led to have confidence in the pre-established rights enshrined in declarations largely inspired by the Western view of things?

There are perhaps two ways of solving the problem of the universality of human rights in Africa and in the world.

The first is to take similar elements in the three universes and merge them into a kind of synthesis.

Are not the Islamic and Christian views both part of monotheistic religions, revealed ones, of Abrahamic origin? Is not Moslem law closer to our ancestral laws, given that the two systems do not separate moral, religious or judicial law? Are not Western societies fundamentally similar to our ancestral communities because of their preference for personalised or parentalised relationships and because these relationships are forged in classes, corporations and clubs—to the detriment of the official law of the textbooks?

This synthetic approach has the drawback of being mechanical, of judging on appearances, of passing

(*) Further to a seminar on the same subject (see Courier No 114, p. 9).

(1) President of the African Commission on Human Rights and People's Rights.

over differences and of not being sincere.

The second way to universality may be for the holders of a particular world view to try to impose it on others, either by force, deception or seduction.

The colonisers who used directly or indirectly to recommend assimilation did not make much of a success of it. And the régimes of post-colonial Africa which have tried to impose systems that failed to reflect the legitimate aspirations of the people have brought crises in their wake.

So, since neither of these ways work, why not as Michel Alliot says, reconsider our various views of the world in a spirit of humility, brotherhood, justice, love and enthusiasm, in the light of the experience and the advice of others? Not to suggest that the others adopt our world view, but to enrich that view in the light of other views.

Here, the traditional view of Man in ancestral Africa can be seen as an example.

In this Africa, the individual's only value is as part of his ethnic group. Outside that group, he is seen, and sees himself, as a slave, a beast, a bird or a thing. He has no legal personality. He does not exist in the eyes of the law, not being a human being. It takes more than two arms and legs for that.

The corollary to this is that a spouse is not, in principle, chosen from outside the ethnic group, as one of the functions of marriage is to carry on the species.

Obviously, ancestral Africa can no longer apply this view of things now it has had contact with other civilisations. Horizons are no longer bounded by the frontiers of the ethnic group, but by the confines of the planet.

Diachronically speaking, the concept of the subject of law, the human person, is no less different. Western legal thinking suggests that the legal personality is contained between two things, life and death (exception of course being made for *infans conceptus pro nato habetur quoties de commodis agitur*—or the child conceived is deemed to have been born whenever his interests are involved). In principle, then, the legal personality begins at birth and ceases at death.

But in the legal thinking of ancestral Africa, people know that they can choose children still in the womb as spouses. They also know that, according to some customs, a child born of a man who has taken in his dead brother's wife, as in accordance with levite custom, may have as his father not the mother's present husband, but the deceased husband.

So in this ancestral legal way of thinking, the legal personality is not delimited by life and death. It may start before birth and continue after death. Moreover, people do not have their legal personality once and for all. It can be acquired gradually as the individual moves through the different stages of life, through circumcision, through marriage, and through the birth of children and the various initiation ceremonies. And it may decline and fall with such things as sickness and mourning.

In other words, the concept of the human person in Western thinking is an abstract, mechanical, static and materialistic thing. A person's only value depends on the part he plays in of the economic production apparatus.

The first corollary here is the fate of the aged. Once someone's ability to work has gone or he is no longer of benefit to economic production, he is sent to an asylum or an old folks' home to wait for death. This is an area in which ancestral Africa would do well to foster the cult and the veneration of the aged. How can society be so ungrateful to people who once helped to build it, on the grounds that they have become a burden, maybe no more than waste?

The second corollary is the tramp, the down-and-out, who sleeps under the bridges, if not in the open air, never sure of the next meal or bed, for lack of money. The feeling of solidarity which united the members of the same clan in ancestral Africa is an example here. The brotherly relationship typical of members of the same clan must of course now be extended to every member of the human race. And let us remember here that, within the clan, the members see themselves as being of the same blood and the same spirit and the same body, size and weight. A clan member will sit at his "brother's" table without any kind of formality. For him it is a right that no one, not even the owner of the place himself, can take away from him. But if that "brother" is under attack, then the clan member has to defend him to the death, with no regard for danger to himself or for the reasons for this social unrest. It is a sacred duty, an honour and a supreme privilege to lay down one's life for one's "brother". And there is no calculation behind it either.

Such feelings of humanity and brotherhood and solidarity should be used to shape the content of the relations between members of the human race. The world must not be a collection of individuals.

The last corollary to the concept of the human being in Western thinking is the lot of the foreigner or immigrant, who is only accepted if he can contribute to economic production. If he cannot, he is seen off, *manu militari* if need be.

This is where Africa should foster the notion of hospitality and respect for the foreigner and bring it to the cultural dialogue. Traditionally, a person's prestige depends solely on the way he receives his guests—a good meal and a good bed and a good woman to share it. Although none of these are required today, African hospitality must still be able to be improved in the light of what happens elsewhere.

And lastly, the materialistic concept of man in Western society today has brought varying treatment and varying degrees of consideration for children in the former African colonies. Legitimate children are now treated differently from natural children and all to justify the difference in their inheritance when their parents die—and this where, in many ancestral customs, no differences used to be allowed in the status of children, some of whom (twins) were thought to be divine.

These are only some aspects of the African specificity which may be inspiration for the building of a new universality of human rights, one that is open, dynamic and humane. o

I.N.

What future for the Sahel?

Since the great drought and famine of the early '70s the Sahel has continued to be the focus of international attention, thanks mainly to two organisations, CILSS (Comité Inter-Etats pour la lutte contre la Sécheresse au Sahel) [(1)] and the Sahel Club [(2)] which came into existence following the catastrophe. Through these organisations, substantial funds have been injected into projects and programmes with a view to combating the recurrent phenomenon of drought, halting the deterioration of the environment and improving food production. Despite this aid, the situation has hardly improved and experts have concluded that the Sahel would either stay permanently and increasingly dependent on aid or undergo structural transformation to establish the bases of self-reliant economic development and growth.

Early last year, the Organisation for Economic Cooperation and Development (OECD) published a book, *Le Sahel face aux futurs* (the fruit of several years of reflection and collaboration between the secretariats of CILSS and the Sahel Club), which leans heavily towards the need for structural changes, not necessarily along the lines of structural adjustment with all its shortcomings but a profound shake-up of the social, political and economic fabric of the Sahel. Sweeping far and wide into history and into every aspect of the constraints on the region, the book reviews the problems, considers variables, establishes hypotheses and pinpoints areas that badly need reform. Because of the many-sided and complex nature of the Sahel, the avenues of reforms are varied, offering each country options that best suit its condition and experience. Understandably some countries have begun to review options or have initiated reforms in the light of the recommendations.

(1) Founded in 1973, Member States: Burkina Faso, The Gambia, Guinea Bissau, Mali, Mauritania, Niger, Senegal and Chad.

(2) Groups all the countries of CILSS and OECD countries which are active in the Sahel — Germany, Austria, Canada, Denmark, USA, France, Italy, Japan, The Netherlands and Switzerland.

Background of the pertinent structures

The virtue of this book lies first in delving into the socio-political and economic background of the Sahel to establish the pertinent structures which largely shape the region, structures which it traces back to the tail-end of the 16th century when the era of great empires came to an end and a long period of relative peace ensued. The Sahel had come to terms with numerous kingdoms and chiefdoms — dominions which were made up of communities of families and village communities. In short, the Sahel was completely rural and society was composed, in descending order of authority, of aristocrats, freemen and slaves. One was born into one of these classes and one was also more or less born into a social professional class, a farmer, a herder, a blacksmith, a fisherman, a *griot*, etc. The third structure was the age group, a structure in which a greater sense of solidarity and emulation existed and on which the economic and social life of the community depended a great deal. A man's position in society was therefore clearly defined. Except for the regular slave raids, carried out by the aristocracy, which created a general climate of insecurity in the region, society was stable.

On the economic front, the vastness of the Sahel had meant that an extensive system of production developed. Agriculture is rainfed and manual, and fallow periods are long. Herding is nomadic (suitable to a region with wide open spaces). Thus for socio-professional reasons as well as the reason of difference in the method of production (one being sedentary and the other nomadic), farming and animal husbandry have always been dissociated. The Sahel, though vulnerable to the vagaries of the weather, produced enough surplus to feed the non-food-producing classes.

The book notes that that society was amenable to change, as illustrated by its acceptance of rice, which was introduced from Asia, and groundnuts and maize, which were introduced from America. But innovations, which suggested intensive systems of production and as such the uselessness of the unlimited space (like draught animals) were shunned. More generally, innovations which imposed lengthy processes of production and accumulation of productive capital were resisted. "This society", the books notes, "does not accumulate capital, except in the form of cattle and slaves".

Slaves, spices and gold were the commodities which brought this pre-colonial society into contact with the outside world, trading successively with the Maghreb, across the Atlantic and with Europe. As this trade was conducted exclusively with the aristocracy it had little or no economic impact on rural Sahel except for depriving it of its most able-bodied men and women at a period when the population of the region was very low.

The effects of colonialism on production and culture

When colonialism arrived, it disrupted family and community units of production because large sections of the population fled inland to avoid its yoke, i.e. forced labour and taxation. Colonialism favoured the spread of Islam as many sought moral and cultural refuge in anything other than western ideas. Colonialism most of all destroyed the traditional power structure, which was progressively replaced by a new social class (colonial auxiliaries: interpreters, teachers, nurses, clerks and agents). Colonialism led to urbanisation and to the development of export crops like groundnuts in The Gambia and Senegal, and cotton in Chad. Colonial schools, although they reached only 10% of the population, were an important factor in the rupture between urban and rural societies and between old and new generations. Economically, there was hardly any improvement in the methods of farming and animal husbandry. The Sahel, however, remained self-sufficient in food, thanks mainly to good rainfall in the 1950s.

But if colonialism had little economic impact on the Sahel, it nevertheless introduced the beginning of change in creating an embryo of a modern economy which the post-independence regimes were to pursue without success.

The failures of post-independence regimes

A combination of internal and external factors explain this failure. Among them: (a) the rapid growth of the overall population which went up from 18 million in 1960 to 30 million in 1985 and of the urban population (two and a half times more) from 1.3 million in 1960 to 7 million in 1985; (b) the long dry period which began in 1968 and culminated in the great Sahel drought of the early '70s (rainfall has become scantier, desertification is intensifying, soil fertility is falling and the region has become more and more dependent on food imports while the traditional export crops have declined; (c) the debt burden, which has become heavier at $ 7.2 billion; (d) an over-sized public service which is a drain on resources.

The book identifies three elements, evolving at different speeds and creating tensions within the system — elements which underlie the crisis. First, there is the cultural factor. The Sahelian's way of thinking and his sense of values have changed. His old sense of solidarity and kinship has given way to individualism and the pursuit of the prestige of wealth. This laxity in traditional values is linked to the western form of education. The second element is the social structure. This was disrupted by colonialism but was totally upset by the sudden disappearance of colonialism and by the transfer of power to a new ruling class. The third element is civilisation, by which the authors mean a way of life and the means of producing the goods and services needed to sustain that way of life. Whereas most Sahelians have adopted the western style of living and of consumption, the means of production remain unchanged.

Having established the obstacles to harmonious development, the book goes on to examine trends from the point of view of climate, international environment, values and mentalities, political power, population, the rural world and industry, and arrives at the following conclusions: the irregularity of the Sahel climate is a fact which cannot be neglected or underestimated, impossible as it is to determine whether the dry period the Sahel is experiencing is part of the 20-year cycle of drought which history has shown to exist or a permanent break of that cycle or a new trend in the climate of the earth. The Sahel is part of the growing interdependence of the world whether in terms of the movement of persons, of information, of capital, or trade in natural resources and manufactured goods. The problems of the Sahel and, more generally, the problems of the poorest countries of sub-Saharan Africa will become more specific in relation to the problems of the Third World as a whole. This is because of the ever-closer economic relations between the industrialised world and countries of Asia and Latin America. The old system of values (adult system of values) has lost credibility. The values of tomorrow will be totally different. Because of the desire of the ruling class to retain power by whatever means, the demand of the young generation for democracy and the emergence of local, urban and rural power, the future can only hold nothing but political trouble and instability. The rural and urban populations will increase, despite emigration to foreign countries and a high rate of mortality.

Unavoidable reforms

For the future, the authors avoid making recommendations that would take the form of blueprints, because there are no such thing as blueprints for a region as complex as the Sahel. Instead they outline reforms (structural in nature but not necessarily along the lines of structural adjustment) to remove distortions and tensions from the Sahelian systems. First, certain external constraints have to be overcome, starting with dependence on food imports and on food aid. The possibilities exist, they say, to increase food production, but Sahelians would have to modify considerably their eating habits, reduce the import of wheat, encourage the use of draught animals and fertilisers (in particular locally obtained fertilisers). Because neither mining nor manufacturing can provide the foreign exchange necessary to finance inevitable imports, agriculture and other primary activities like livestock production and

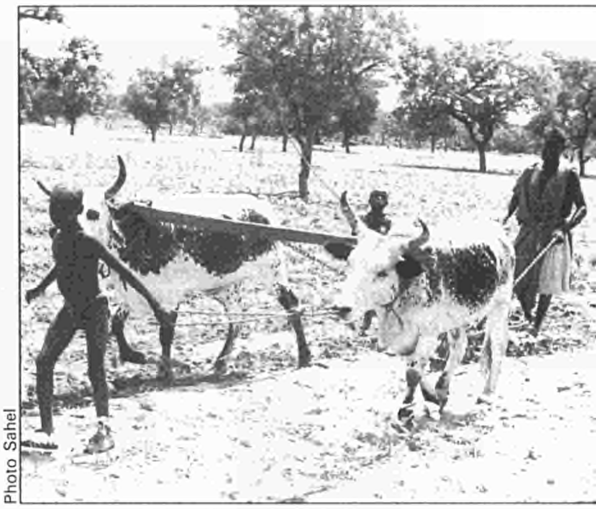


Photo Sahel

Ploughing in Mali
The use of draught animals in the Sahel must be encouraged if food production is to be boosted

fishing must become more export-oriented and competitive. Agriculture should be able to provide a good part of the energy required in the region and more emphasis should be placed on new and renewable energy sources. A big reduction in the import of manufactured consumer goods (which also presupposes a change in the attitude of the urban population in particular) is called for. This would, to some extent, stimulate local production of manufactured goods and the setting up of low-capital-intensive manufacturing units.

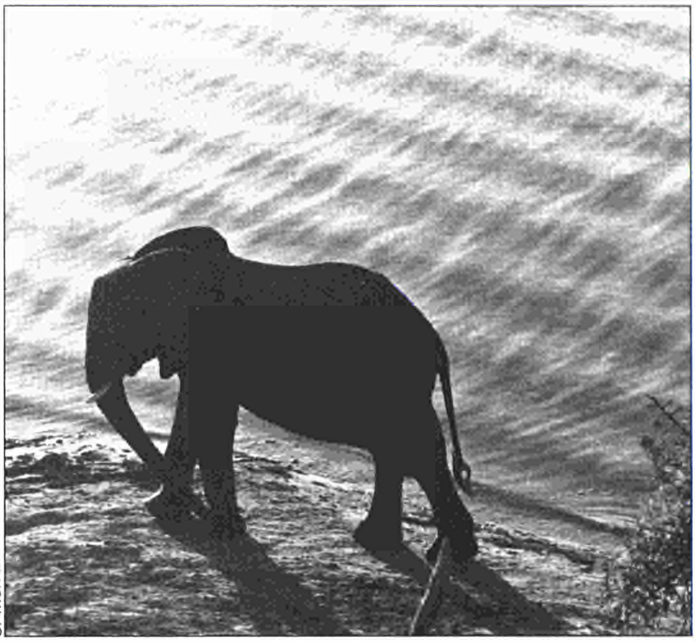
This approach to greater self-sufficiency would inevitably, as already indicated, require important changes in the Sahelian societies. There has to be a return to ancestral values and less dependence on western and Islamic cultures. There must be a new balance between the State and society. Greater responsibility over matters such as the provision of social amenities, the protection of the environment, the fight against drought and control of water resources should be devolved to local administration. Furthermore, a process of democratisation must take place along with the creation of institutions which will enable social conflicts to be resolved and national consensus to be reached. In this process of reform, increased foreign assistance will not only be necessary but also more appropriate in creating the condition for a vibrant and self-reliant Sahel. ○

Augustine OYOWE

Reconciling people and wildlife in Zimbabwe

by Chris McIVOR (*)

Mana Pools game park in the north-west of Zimbabwe is a large, sprawling area of open scrub and bush, untouched by human cultivation and the presence of settlements. One of the major national parks of the country, it attracts thousands of tourists every year to view the wildlife of the region. Nevertheless, despite the outward peace and tranquillity presented to the average visitor, Mana Pools is an undeclared war zone, a region of conflict between the anti-poaching units of the Department of National Parks and Wildlife and the syndicate of hunters intent on killing the valuable game found in this area. For the poachers the risks are high but the financial rewards can be great. Despite the fact that 25 poachers have been shot in Zimbabwe since 1985 and over 80 imprisoned for periods of up to 10 years, the price of elephant tusk and rhinoceros horn on the international market has meant that there has been no let-up in the numbers of people willing to infiltrate the region.



C. McIvor

Elephant on the Zambezi — under threat from ivory poachers

"A rhinoceros horn will fetch thousands of dollars on the black market," claimed one conservationist at a recent seminar on wildlife protection. "Their final destination is either south-east Asia, where rhinoceros horn is valued as a medicinal compound, or North Yemen where it is used for ornamental daggers. The rhino population in Africa," he continued, "has been slashed from 65 000 a decade ago to little more than 4 500 at present. Elephant, while less affected, have also seen drastic reductions. Zimbabwe is one of the last few countries where rhinoceros has not been decimated, but it has also become the target for large groups of hunters and poachers wishing to capitalise on one of the most lucrative markets on the continent."

In an effort to protect what has now become an endangered species, the Zimbabwean Government has mounted a campaign to protect its wildlife resources. The Department of National Parks and Wildlife, which a few years ago consisted of little more than a few wardens at each of the country's national parks, has now been beefed up to a force of several hundred men trained in anti-poaching activities. Specialised equipment, including spotter planes and radio transmitters, have also been donated by several international donors. At the same time the judiciary have begun to impose heavy prison sentences on those unfortunate enough to be caught. Some months ago three poachers in Hwange Park in the south of the country, who killed two rhinoceros, were each given prison sentences of 10 years and forced to pay the Department of National Parks a sum of £ 15 000.

Nevertheless many feel that if the Governments of neighbouring states, such as Botswana and Zambia, do not take stern action against the poachers who infiltrate from their territory, Zimbabwe will be fighting a losing battle. "Most of the poachers that come to Zimbabwe come across the Zambezi river from Zambia and Botswana," claimed another delegate to the seminar. "If they have a safe haven in these countries then they can come and go as they please. True, the Zambian police in recent months have arrested some poachers, but the scale of the trouble merits a much greater contribution on their part."

It would be wrong to believe, however, that all the hunters of wild game are part of the international crime syndicate that operates from neighbouring countries. Many poachers along the Zambezi valley and in Gonarezhou park in the south east of the country, are simple farmers or peasants forced to kill wild animals in order to support themselves and their families. In Gonarezhou Park, which borders Mozambique, it is believed that the poaching community is composed largely of displaced Mozambican refugees forced into this activity by pressure of economic circumstance. "It is difficult to shoot a man to save an animal," claimed one game warden, "especially when that man is killing game in order to survive."

At the same time many of the indigenous communities along the Zambezi valley believe that the restrictions on hunting wild animals are an imposition on what they regard as a legitimate activity handed down to them from their ancestors. "Hunting wild game," confirmed one anthropologist, "has been a way of life for many peoples in this part of the country for centuries." The territories which have become wildlife reserves were very often the areas that these peoples

(*) Coordinator of a British aid agency in Zimbabwe.

were displaced from by the former colonial power. Also the recurrent droughts which have hit the country and the aridity of their soil have forced many communities to seek other sources of food. If the authorities come along and tell them to desist from hunting wild game this is seen as both a challenge to a long-standing cultural practice and a sign that animals are valued more than humans.

The remoteness of the conservation lobby from the everyday concerns of most Zimbabweans was recently highlighted in a series of public meetings aimed at gaining support for the preservaion of endangered species such as rhinoceros and elephant. David Shepherd, a renowned painter and specialist on wildlife protection, addressed a total of 12 meetings in towns and cities throughout the country. A survey on the numbers attending these gatherings showed that the vast majority were either expatriates or people of European extraction, and that the number of indigenous African participants was very small. "Quite simply," confirmed one researcher with the University of Zimbabwe, "conservation is still a white, middle-class preserve. For most Africans the pressure of feeding their families, educating their children, receiving adequate health care, etc. take first place over what they see as the largely aesthetic considerations of well-to-do foreigners. Unless the benefits of wildlife protection are made more tangible and percolate down to the people most in need, conservation, not only in Zimbabwe but in other parts of Africa, will continue to be seen as a richer man's hobby."

The financial benefits that can come from having a large wildlife resource are immense and, as the same speaker pointed out, in the case of Zimbabwe has reached only a small section of the population. There are a total of 10 wildlife parks in Zimbabwe, which cover thousands of acres of the country. These parks form the essential part of Zimbabwe's lucrative tourist industry which brings in large amounts of foreign currency every year. But the benefits that come from this are mopped up by tour operators, hotels and the Government who have exclusive rights to hunting concessions in these areas. This has caused resentment among indigenous peoples prevented from hunting game even at times of critical food shortages. At the same time no farming of any kind is permitted in these areas and given the pressure on existing land resources the preservation of large tracts of countryside for the benefit of a relatively small section of the population has caused further resentment and anger.

But local farmers in Zimbabwe have other grounds to complain about existing policy. Many of the country's wildlife parks have no fencing or means to prevent the infiltration of animals into arable farming areas. At times of drought and food shortage large number of animals migrate to the farming areas, causing destruction and in several instances the deaths of people. At present, however, the only people empowered to shoot or trap wild animals in Zimbabwe are approved game wardens situated in these parks. Since distances are long and lines of communication poor, it can take days for a village to inform their nearest warden of the arrival of elephants and other marauders. By the time the former arrive the damage usually has already been done. Complained one farmer in Nyaminyami district, northern Zimbabwe, where several people have died this year defending their fields against elephant and buffalo, "My brother was fined 100 Zimbabwean Dollars and imprisoned for several months for killing a buffalo that had strayed on his land. He was only defending his maize, but no one seemed prepared to listen when he claimed this in court. If he had waited until the authorities came, the crops would have been eaten long before they arrived."

It has been estimated that up to 50% of maize and sorghum are destroyed annually in this region as a result of marauding wild animals. Furthermore, up to 60% of labour time during the growing season is spent by farmers and their wives and children out in the fields defending their crops. This is time, one aid official pointed out, which could be usefully spent in other occupations, such as extending the crop areas, digging boreholes, improving housing conditions, etc. if it were not wasted on this activity.

A further problem for farmers is that wild animals are major carriers of tsetse fly. The presence of tsetse has prevented the local population from raising cattle. There is considerable demand, therefore, from the indigenous population to eradicate the fly which would also necessitate the killing of large numbers of wild animals, a move which the wildlife conservation lobby has fought hard to resist. One local inhabitant summed up the problem in the following words: "For the hunters, tourists, and animal lovers who come to Africa the only problem with wildlife is that there is not enough. For people like us, however, living in regions where wildlife is protected, the only problem is that there is too much." The competing claims of wild animals and

C. McIvor

Infant mortality in Nyaminyami is the highest in the country, yet the wildlife reserve brings in thousands of dollars each year through tourism and hunting


C. McIvor

Buffalo, fascinating for the tourist, but a deadly threat to farmers' crops. Yet the government fines farmers taking the law into their own hands

local people, he concluded, are inherently antagonistic.

Yet over the last year Zimbabwe has begun to explore the possibility of reconciling these two claims and to pioneer an approach, quite unique to modern Africa, where wildlife becomes a resource of value to the local community rather than a burden to it, of consequence only to tour operators and an outside public. The impetus towards this move came with the results of a land use survey carried out in Nyaminyami and other parts of the Zambezi valley in 1985. This report pointed out that the poor soils of the region were not suitable for cattle raising and that the presence of livestock, such as goats and cows, in large numbers would rapidly give rise to soil erosion. At the same time the land, even with improved irrigation, was not fertile enough to sustain an expanded agricultural programme. "Quite simply," the report concluded, "wildlife makes the best use of resources in these districts and some way should be found of utilising this potential for the benefit of its inhabitants."

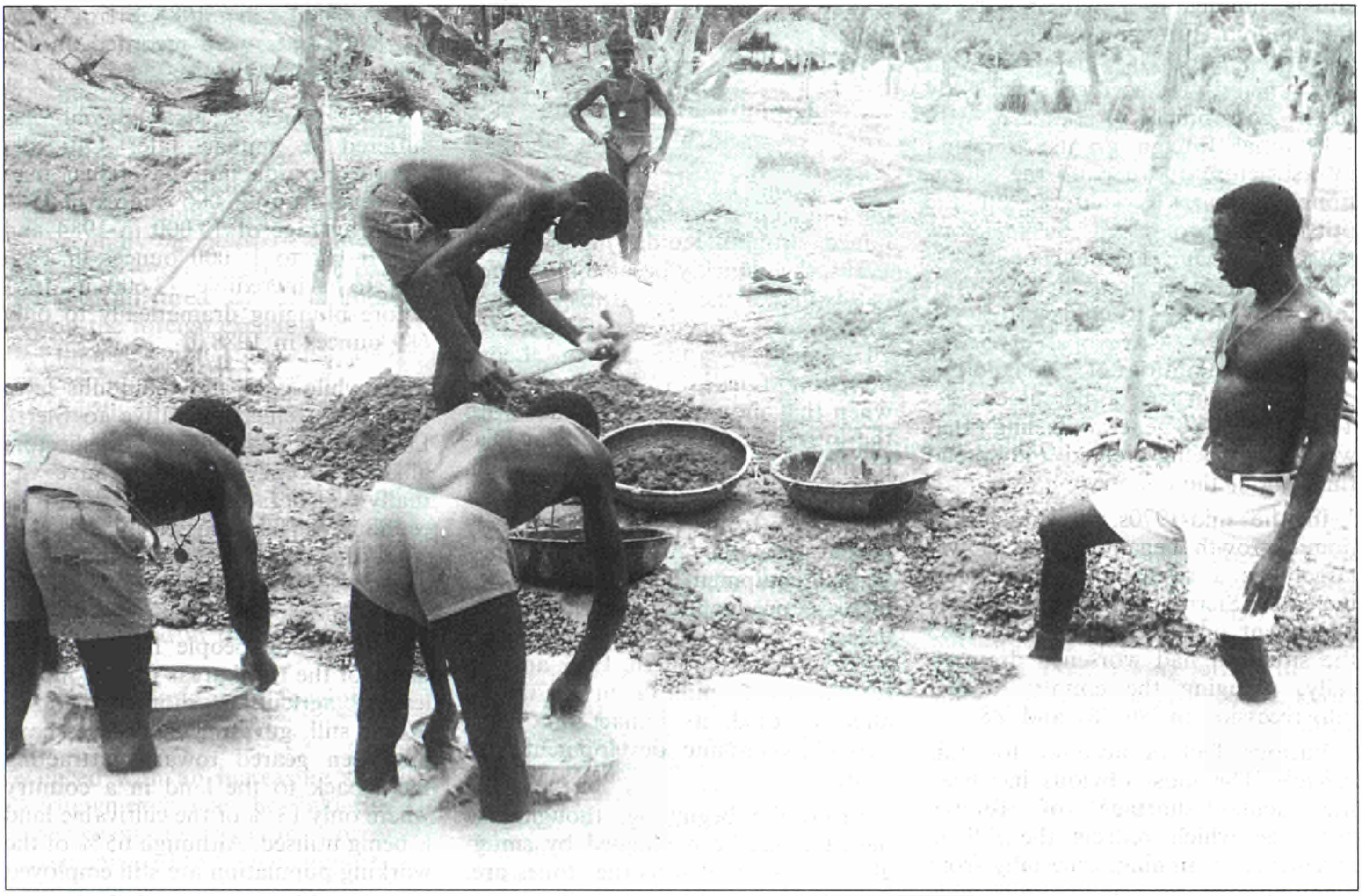
Largely as a result of the survey's findings, a Wildlife Development Trust was set up by a local district council with financial and logistic backing from certain national and international aid agencies. One major aim of this Trust was to lobby Government for direct access to the funds raised from hunting in the region. At present hunting concessions issued by the Government to tour operators in the 370 000 hectares of Nyaminyami district raise 176 000 Zimbabwean dollars per year, all of which goes to the Treasury. "By returning this money to the local people," claimed one member of the trust, "Nyaminyami could rapidly become self-sufficient in financial terms. At present it exists on handouts from the same Treasury that makes a profit from the region." The Government response to this request, in line with its programme of decentralisation, has been fairly positive and it seems likely that the necessary legislation to release funds to the district council will be enacted some time this year. "As elected representatives of the people of the region the district council are in a better position to know what the people want done with this money than Treasury officers some 1 000 kilometres away in Harare."

But over and above access to this considerable amount of money the Wildlife Development Trust envisages many other major spin-offs from wildlife management. Subisidary industries have been planned, centred around the curing and tanning of hides and the production of crafts. Animal cropping, supervised by trained game wardens, will ensure a supply of meat not only for local consumption but for export. A crocodile farm on the shores of Lake Kariba is also envisaged, after marketing research revealed a considerable international market for skins and meat. With increased revenues the region will be able to afford extensive fencing projects, which will not only benefit local farmers but provide much needed employment throughout Nyaminyami. At the same time, from within the region, registered hunters will be appointed who will be empowered to kill pest animals that destroy crops. This will hopefully release the local population from the need to supervise their crops for large periods of the year, and thus to engage in other productive activities.

Will the handing over of wildlife resources to the local people lead to a serious demise of the animal population, as several conservationists in the country fear? Members of the Trust do not think so. The killing of wild animals, they point out, will be strictly supervised by approved game wardens. But the major factor in ensuring that this does not take place will come with the changed perception of wildlife among the indigenous inhabitants. Claimed one supporter of the project, "Wild animals in Nyaminyami, and indeed throughout the African continent, have come to be seen by many locals as a threat. They raided crops. They killed farmers. While the people suffered from malnutrition, international tourists dined on local game in the expensive hotels on Lake Kariba. But if they see these animals as a resource from which they derive a livelihood, they will be treated in much the same way as a farmer would his livestock. No one kills cattle without ensuring an adequate number of animals to replenish the herd." The aim of this whole excercise, he concluded, was to turn former poachers into gamekeepers. "I would say that the elephants and buffalo of Nyaminyami will have more friends under this system than they did in the past." ○ C.McI.

Sierra Leone

Avoiding the economic abyss: a monumental task



As the rains fell incessantly in Freetown early last August, I could not help but reflect sadly on the contradiction in Sierra Leone's economic misfortune. Scarcity in the midst of nature's bounty. I said to a fellow visitor:

— "And they say there are shortages of water in parts of the city!"

— "Oh yes", he replied. "These people should be taken by the scruff of the neck and shaken up a little bit", he added somewhat angrily.

This more or less irreverent remark contains an error, though. Sierra Leoneans do not need to be woken up to their economic condition. The three-year-old government of President Joseph Saidu Momoh is already addressing it. But my fellow-visitor's irritation is one that is shared not only by friends and well-wishers of Sierra Leone but by Sierra Leoneans themselves at their country's inability, in nearly 28 years of independence, to translate its abundant natural resources into good, vibrant economic performance and the well-being of its citizens.

Few, if any, African countries have been so richly endowed: diamonds, gold, bauxite, rutile, iron ore, chrome, ilmenite, cocoa, coffee, piassava, territorial waters teeming with fish, a land area of approximately 72 000 sq km of which at least 63 000 sq km is fertile and cultivable, abundant sunshine and rainfall, a population of only 3.7 million and a very well-educated elite. Yet GDP per capita is only $ 300, infant mortality is 193 per 1000 (one of the highest in the world), life expectancy has fallen to 35 years, the economic growth rate, at less than 1 %, is one of the lowest in West Africa, the country is heavily indebted and is on its knees before the International Monetary Fund as the people face the worst economic hardship they have ever experienced.

In Freetown no one has any illusion as to where the blame should be laid—on the previous administration and on smuggling and corruption which have taken a strong hold in this beautiful and once—prosperous country.

Growth and decline

From the 1950s up until 1972, Sierra Leone had one of the fastest-growing economies in West Africa at an average of 7% per annum. The mainstay of the economy was, and still is, mining, with diamonds being the kingpin. Foreign exchange earnings were healthy. Mineral royalties and other duties accrued sufficiently to the government to enable it, with substantial foreign grants, to build infrastructure and expand the educational system. Agriculture, on the other hand, progressed: Sierra Leone not only produced enough of its staple food, rice, for domestic consumption and export, it made efforts to diversify into cash crops, exporting reasonable quantities of cocoa, coffee, palm oil, palm kernel, benniseed, etc. There was a general feeling that wealth was being created and spread throughout the country.

In the mid-1970s, however, economic growth began to slow down, largely as a result of the oil price increases, Sierra Leone being entirely dependent on fuel imports. By 1985 the situation had worsened dramatically, plunging the country deeper into recession in '86, '87 and '88.

Various factors account for this *débâcle*. The most obvious has been the acute shortage of foreign exchange which reflects the fall in revenue from mining, especially from diamond exports—a situation worsened by the fact that the country had been drained of all foreign exchange in 1980 by Dr Siaka Stevens' administration to provide infrastructure for an OAU summit in Freetown. The summit, which cost two and a half times its original estimate, brought no economic spin-offs for the nation. Instead, most of the infrastructure which had cost so much to build has fallen into decay for lack of maintenance and is today more of a liability than an asset. Only the hotels, Bintumani and Brookfields, hold out any hope as the country looks towards tourism as one of the possible avenues for salvation.

To illustrate the impact on the economy of the fall in revenue from diamonds, the Minister of Finance, Mr Hassan Gbessay Kanu, told *The Courier*: "In 1978 we had the ability to export in excess of one million carats of gem stones. Ten years later, we are recording less than 10% of that production at half the price. And if this industry has been responsible for something like 60-75% of our foreign exchange earnings, and that has fallen so sharply, you can imagine the size of the gap we are dealing with".

Diamonds: a blessing and a curse

Diamonds have been both a blessing and a curse for Sierra Leone. First mined around Koidu in the early 1930s, they quickly became the principal export of the then British colony. They were mined exclusively, for 20 years, by the Sierra Leone Selection Trust (SLST), until 1956, when that monopoly was ended with the introduction of the Alluvial Diamond Mining Scheme under which individuals were licensed to extract diamonds from river beds, easily picked up as they are without sophisticated equipment. The aim was to increase production, and output did indeed rise, from 275 000 carats in 1940 to 1.7 million in 1963 and up further to 2 million in 1970. As already noted, its impact on Sierra Leone's economic development was great.

From the beginning, though, the industry has been plagued by smuggling, easily hidden as the stones are. But at no period has smuggling been more massive and widespread than since 1973. Incidentally, that year marked the beginning of Sierra Leone's economic problems, not so much as a result directly of diamond smuggling as to the impetus given to it by the quadrupling of oil prices, the fall in the prices of export commodities, including diamonds, and the high cost of import of manufactured goods and equipment. Serious shortage of foreign exchange in the banking system gave rise to the parallel market in foreign currency, and no other sector was more tuned to thriving in it than the diamond industry. Gems began to be smuggled massively out of the country, especially to neighbouring Liberia where the US dollar is in circulation. It worked neatly like this: foreign currencies earned from smuggled diamonds fetched higher rates in local currency in the parallel market than in the banks. With money thus earned, many mine operators could cover local costs, cheaply. The official and parallel economies parted ways. Officially, recorded diamond production plummeted and by 1980 was down to 595 000 carats and lower still to 320 000 in 1985. In 1987, 147 800 carats were recorded and in 1988 only 48 000.

Gold, which is also alluvial, has suffered a similar fate. Officially recorded production has fallen over the years from 36 000 ounces in 1940 to an average of 19 000 in 1984 and '85. It fell to 18 000 ounces in 1986 and to a incredible 13 600 in 1987 before plunging dramatically to only 689 ounces in 1988.

So while gold and diamonds have proved extremely lucrative to Sierra Leonean and foreign prospectors alike in recent years, they have virtually disorganised the country's economy. This can easily be seen from the negative effects they have had on some key sectors:

— Firstly on *agriculture*. Large numbers of young people have deserted many of the rural areas for the mines, leaving agriculture short of labour. Worse still, government policies have not been geared towards attracting them back to the land in a country where only 13% of the cultivable land is being utilised. Although 65% of the working population are still employed in agriculture, they account for no more than 30% of the Gross Domestic Product and are no longer able to fully meet domestic requirements for rice nor are they able to increase substantially the production of cash crops. Several factors has been identified as being responsible, among them the low selling price of rice caused by government subsidies, low prices paid to producers of cash crops by the Sierra Leone Produce Marketing Board (SLPMB) and high transport costs aggravated by the poor condition of rural roads. These factors have encouraged and continue to encourage smuggling of both rice and cash crops to neighbouring countries where they fetch high prices. The end result has been constant shortfalls in the local supplies of rice and further official losses of foreign earnings. Domestic rice deficits, which vary from 100 000 to 180 000 metric tons annually, have always been made up partly with imports (which was the responsibility first of the Rice Corporation until it collapsed in 1979 and then that of SLPMB which took over its functions) and partly with foreign food aid, especially the US PL 480 Programme. Attempts to boost production or increase imports with such strategies as integrated agricultural developent schemes, the Green Revolution and the removal of SLPMB monopoly on imports have not been successful in making rice available cheaply and abundantly.

— Secondly *on industry*. Many firms have been forced to go to the parallel market (nurtured by the mines) to obtain the foreign exchange necessary to finance vital imports, thereby increasing costs.

— Thirdly on the *banks*. Increased demand for cash in the mining areas often creates (particularly noticeable in the past two years) liquidity problems for the banks. The latter consequently sometimes have difficulties meeting withdrawal requests from depositors. In fact the Leone is virtually hoarded in the mining areas.

Dehusking rice in Boliland

Liberalisation of the rice trade is expected to boost the earnings of farmers and encourage them to produce more

Relations with foreign creditors

Faced with an increasing shortage of foreign exchange, the Siaka Stevens government resorted to borrowing heavily abroad to finance imports and capital projects. In 1966 the IMF intervened, for the first time, to finance a three-year stabilisation programme. In 1980 it provided a $ 50 million loan but by 1984, when Sierra Leone entered negotiations for further loans, it found a different IMF, inflexible on the conditions which included repayments of previous loans, devaluations and removal of subsidies from rice and fuel. These were conditions the Stevens government could not meet, especially on subsidies, at a time when many African countries which had undertaken such reforms were experiencing social unrest. The traumatic experience of neighbouring Liberia, which saw a military coup overthrow the Tolbert regime, was uppermost in mind.

The IMF broke off negotiatons in February 1985 and suspended its one-year standby arrangement under which Sierra Leone had at least SDR 31.2 million undrawn. Other creditors, including the World Bank began to shun the country. The EEC was among the few major donors which remained.

Internally, the government ran annually (and still does) large budget deficits which were financed mainly by the banks and through currency creation. The bulk of the expenditure was and still is on the salaries and wages of a civil service, which was bloated with a large number of 'ghost' workers.

With a heavy debt burden, no external financing and very low export earnings, the Sierra Leone economy become almost unmanageable. Vital infrastructure like road networks and telephone services deteriorated badly. Power cuts in Freetown became frequent and shortages of water constant. The cost of living skyrocketed while the government accumulated arrears in public sector salaries and wages. No decisive measure came from the Stevens administration.

Observers of the Sierra Leone economic scene, however, have always recognised certain pre-conditions to the country's recovery. These include political reforms, an end to corruption and smuggling and the reorientation of a demoralised civil service.

When Major-General Joseph Saidu Momoh was nominated by Dr Siaka Stevens as his successor in 1985 and subsequently elected by an enthusiastic electorate, taking office in January 1986 as President , Sierra Leone was seen as moving in the right direction. A new era, it was said, had dawned. As a soldier, General Momoh would bring discipline and accountability into the system. His popularity with the army and with the general public was a great asset. Spirits and hopes were high throughout the country. But Sierra Leone is a one-party state, governed by the All People's Congress. In a set-up such as this, where personality and ethnic politics are played out and consensus reached, there are limitations.

If many, however, felt disappointed that the President did not make a clean sweep of the political stable and start afresh with a new team, others saw pragmatism in his retention in government of many figures from the old regime. Too radical a move could deprive Sierra Leone, they said, of experience and probably plunge it into political turmoil. His strategy has been gradualist — an approach that was to create problems in relations with the International Monetary Fund with which President Momoh re-opened negotiations immediately after taking office, in February 1986.

The Momoh reforms

That year, 1986, saw measures which were ineffective. But as the economy deteriorated further in 1987, President Momoh declared a state of economic emergency under which his government assumed wide powers to combat corruption, smuggling and hoarding of essential commodities, including the local currency. Joint army and police operations were carried out throughout the country, in particular in mining areas. Some currency and diamonds were recovered, some arrests were made, including of some prominent figures in public administration. Early this year, the convention of the All People's Congress in Makeni adopted a code of conduct for all party and government officials. The press, meanwhile, has become more vocal, risking libel by naming names. The Government, on the other hand, has been bold in conducting some investigations into allegations of fraud, in prosecuting where necessary and obtaining convictions. Despite these developments, Sierra Leoneans still feel, that many party functionaries and civil servants have enriched themselves, or are determined to enrich themselves, at the expense of the country.

The civil service has also been drawn the Government's attention. After minor changes in the Ministry of Finance in April, a much greater shake-up of that ministry as well as the Ministries of Defence and Foreign Affairs took place recently. On the President's instruction, extra-budgeting (the process by which ministries demand funds not provided for in the budget for payments of supply contracts, a source of abuse and corruption which has become a routine practice) has been prohibited. The Ministry of Finance is beginning to impose on itself some financial discipline, reducing the budget deficit from Le 3130 million in 1987/88 Financial Year to Le 2732 m in this year's budget, which it intends to finance this time, not through the highly inflationary practice of borrowing from the banks or printing money, but through the issue of treasury bills. The civil service, which is generally believed to be demoralised because of the arrears in payment of salaries and the rising cost of living, has seen those arrears reduced, salaries and wages raised by an average 20% and the income tax threshold raised from Le 6000 to Le 12 000. The extent to which these measures will minimise graft, inefficiency and waste is left to be seen.

Rice being offloaded at the port in Freetown last August

The Courier

A street market in Freetown
Inflation has skyrocketed

The 1988/89 budget: a watershed

Nevertheless, President Momoh's decision to act has been seen as courageous. He had given a hint of what was to come in his speech to Parliament early in June when he announced the end of the state of economic emergency but warned that Sierra Leone could not continue to dodge its problems. New measures, he said, were to be expected from the budget.

The 1988/89 budget presented to Parliament later that month by the Finance Minister was no doubt a watershed in Sierra Leone's attempts at economic recovery. Heavily influenced by the negotiations which were going on with the IMF but also by the recommendations of a "committee of experts" which the President had set up to devise a blueprint for combatting the country's economic ills, subsidies on rice and fuel were removed and importation, particularly of rice, was liberalised. These were the last of the IMF conditions which were expected, together with a repayment, be it symbolic, of past loans, to open the door for another IMF loan and to the restoration of Sierra Leone's credibility with international donors. Earlier, the government, without openly admitting that they were specifically in response to the Fund, had carried out a series of measures which were in line with the

IMF's recommendations. The Minister of Finance, Hassan Kanu, now claims that there was no fundamental disagreement on policies between Sierra Leone and the Fund. "We only had some procedural misunderstanding particularly on the timing of implementation of some of the measures. I believe in a gradualist approach", he said. In fact it was in January this year that the elements of a programme were agreed when the Minister held talks with the IMF in Washington. The Fund had wanted them implemented by July 1988 but the Minister disagreed, preferring instead to carry them out, he says, systematically. "First was the reduction of the wage bill by 20%; The second was privatising the importation of rice, and third was increasing the pump price of petrol. All of them centred around another devaluation. I rather took twelve months to do them and there is not a single element that I have not implemented", he told *The Courier*.

The reduction in the wage bill was indeed spectacular. The operation, which involved identifying and eliminating "ghost" workers in the civil service, resulted in the reduction of the bill by Le 630 million without, says the government, anyone being fired; rice importation which was the monopoly of the Sierra Leone Produce Marketing Board has been liberalised. Private importers can now compete with the SLPMB in the buying and selling of rice. The Leone has been devalued through a "floating regime". The exchange rate is now 65 to the dollar against 29 to the dollar in January this year. But the parallel market has responded, always ready to be one or two steps ahead of the official market. The Leone is reportedly exchanging at 75 to the dollar.

What remains to be resolved with the IMF is the issue of debt. Sierra Leone owes the Fund some $ 70 million. Its inability to repay has been a major reason for the break-off of talks in 1987. Mr Hassan Kanu, expected in Washington in September, did broach the subject. "Nothing really can come out of the talks if I do not address the question of debt more positively than I have done in the past", he said.

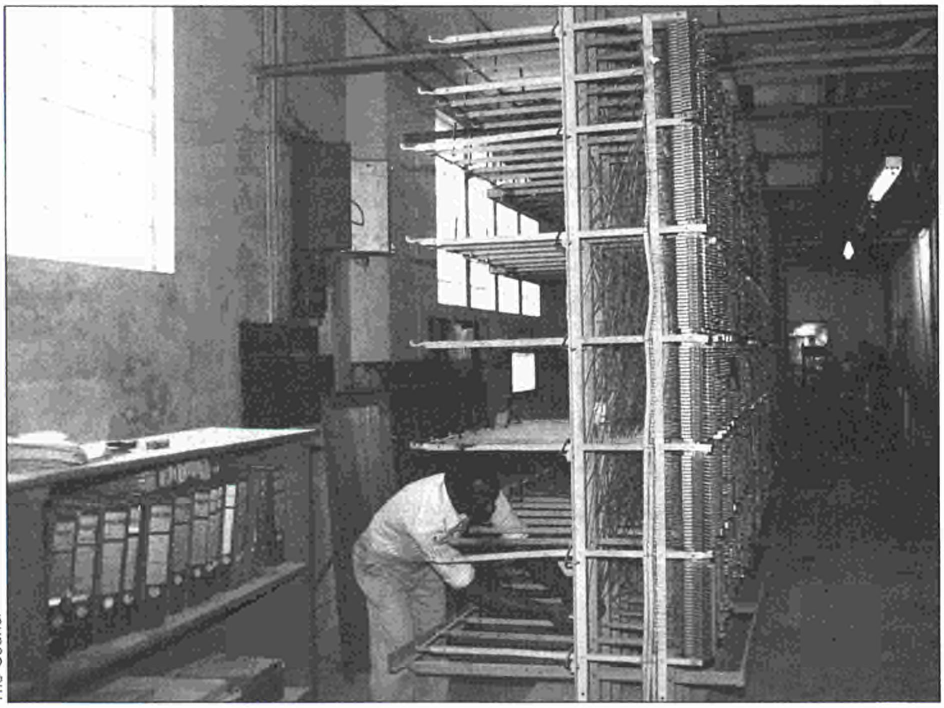

Bosuner

Fish-smoking at Yelibuya
Sierra Leone has yet to derive full benefit from its richly-stocked territorial waters

While the Government courts the IMF, Sierra Leoneans are facing the worst hardship they have ever had to. Devaluation has put rice well beyond the purse of the ordinary people with the average monthly salary no more than Le 1000 and the price of a standard 50 kg bag of rice ranging in August between Le 1500 to 2000. The price of fuel has risen 100%. The Minister of Finance, however, takes solace in the fact that rice is available. "This is the first time in a long while that we have more rice than we need in the rainy season in this country. We have everything available in the stores. They may be expensive but at least they are there", he says, attributing the new situation to the Government's liberalisation policy. A visit by this correspondent to the port in August revealed three ships laden with rice being offloaded. More had been offloaded and more were expected, according to a port spokesman. With the harvest season approaching, the price of rice should fall significantly by the end of this year or the beginning of next. If it does not, it would mean that Sierra Leone is far from overcoming the ills of the rice trade, namely hoarding and smuggling to neighbouring countries. It might also cast doubt on agriculture responding correctly to strategies in the government's overall policy of revitalising the productive sectors of the economy.

Agriculture: are the farmers finally getting the incentives?

Rice is grown in five different ecosystems in Sierra Leone: upland,

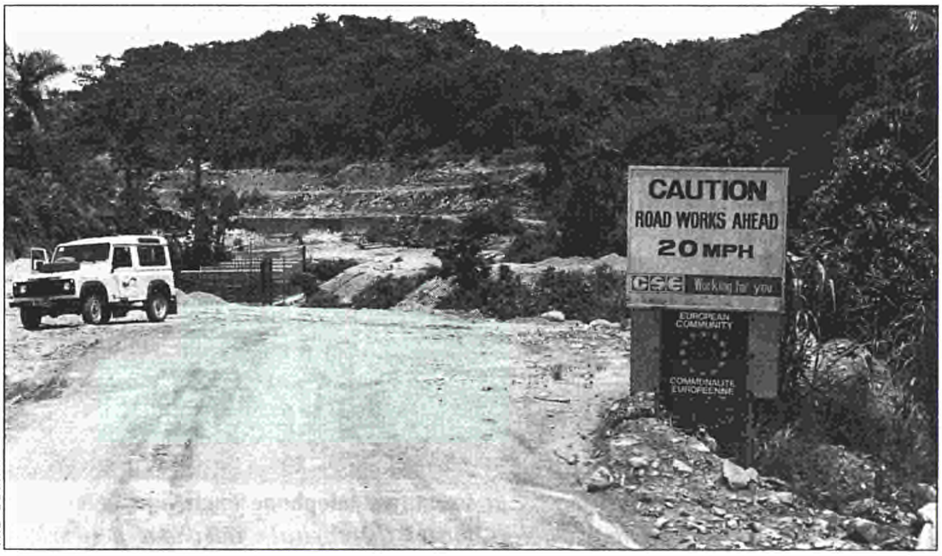

The Courier

Repair work in progress at Freetown telephone exchange
The EDF is financing the rehabilitation of the capital's telephone network

deep-flooded grassland, inland valley, swamps and in the mangrove swamps. While floods and weaver birds have occasionally threatened production, the greatest menace has been smuggling. Two factors underlie this—attractive prices in neighbouring countries and bad roads, farmers in the rice-producing districts of Kambia and Koinadugu preferring to cross the border to sell their rice rather than bear the financial costs and physical hardship of taking them across the country. Thus, tremendous shortfalls are created domestically which are invariably made up with subsidised imports. Sierra Leone has consequently been in the curious situation where locally produced rice is more expensive than imported rice and where it is cheaper in the cities than in the rural areas.

In 1986 President Momoh launched a Green Revolution under which some $ 200 million, from external sources, were to be invested over three years to boost agriculture, in particular rice production, mainly though the provision of inputs to farmers. Its impact has been limited, not only as a result of lack of external finance but because it was a revolution conceived and run by experts in offices rather than one that involved the farmers right from the beginning. Now plans are being made to revive projects such as the Chinese farm stations and Integrated Rural Development schemes. It is hoped that the liberalisation of trade in rice and the increase in the producer prices for major cash crops in the 1988/89 budget will boost production and stifle smuggling. That budget also gave new tax incentives to what the government called the "non-performing crops": palm kernels, kola nuts, piassava, ginger, cashewnuts, groundnuts, etc.

Above: part of the EDF-financed Makeni-Kabala road, completed and opened in 1983, and (below) the remaining stretch, Fadugu-Kabala under construction



The Courier

Exporters of these products are now allowed to retain all their foreign exchange earnings. These incentives are welcome at a time when Sierra Leoneans are reportedly returning in great numbers to the land as the economic squeeze continues. Also welcome is the plan to reintroduce the district councils which will allow better organisation of farmers locally and the channelling of inputs to them.

Observers meanwhile lament the country's inadequate management and loss of foreign exchange from its fishery resources. With its territorial waters richly stocked, especially with prawns, Sierra Leone has a fishery agreement with the Soviet Union whose fishing vessels are suspected of scooping up large quantities of fish but only declaring a few. Earnings, it is true, have increased from $ 1.5 million in 1985 to $ 2.5 m in 1987, but Sierra Leone, it is believed, could earn considerably more.

The European Community has proposed a fishery agreement but there has so far been no response from the Government. The Minister of Agriculture Mr M O. Bash-Taqi told *The Courier* he was still examining the proposal.

The role of the EEC

As already noted, the European Community is one of the few donors which has not turned its back on Sierra Leone. "We cannot run away, we have to help them", says the EEC delegate in Freetown, Mr Jean Trestour. The EEC's role has been and remains crucial in the country's overall economic strategy, involved as it is in a wide range of sectors, from the rehabilitation of electricity and telephone networks through road construction to agricultural development. It is easier to appreciate the importance of this involvement when account is taken of the degree to which infrastructure in Sierra Leone has deteriorated. Freetown, as already noted, is characterised by shortages of electricity and of water, bad roads, no television service, infrequent national radio service and an inadequate phone system, to the extent that many companies and residences have to depend on their own generators for

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Ben Kanu, Minister of Industry and State Enterprises

power, their own trucks for water, and their own radios and messengers for communication. The effects of this situation on costs cannot be underestimated and their dissuasive effects on potential foreign investors cannot be denied.

While it is true that there has been an increase in the demand for energy in a rapidly expanding city like Freetown, the age of the generators explains the constant cuts in power. With its lack of foreign exchange, Sierra Leone has been unable to maintain or replace them. It was against this background that the EEC stepped in, bringing together a consortium made up of the World Bank, the European Investment Bank and the German GTZ to study the rehabilitation of the capital's electricity network. The consortium put forward at its meeting in December last year a number of recommendations which the Sierra Leone authorities have accepted to implement before the project gets underway. Although at the time of *The Courier*'s visit, the Ministry of Energy and Power was in the process of implementing fully the conditions, the delay in implementing them and getting the project off the ground has been a source of irritation to many Sierra Leoneans and to the donors. As usual, the reasons for the hold-up are obscure, tied up with Sierra Leone's convoluted internal politics, and conflicting projects and interests.

Sierra Leone being almost 100% dependent on thermal power and not being an oil producer and unlikely to be, the Minister of Power and Energy, Dr Shekou Sesay, says, quite rightly, that "it is government policy to reorient energy towards a resource that is available in Sierra Leone which is water". The controversial Bumbuna hydro-electric project is, however, the cornerstone of this policy. Although there are small-scale hydro-electric dams with generating capacities of no more than 4.5 megawatts in the country, the Bumbuna scheme, when built, will generate 50 megawatts. The plan, a lofty one, is to establish a national grid through which energy can be supplied to every part of the country from Bumbuna. The trouble is the cost. Identified as far back as 1934, it was not until eight years ago that the Italians financed what is being called

The Courier

Hassan Gbessay Kanu
Minister of Finance

"Not a single element (of the IMF conditions) that I have not implemented"

pre-project activities involving the building of dams, access roads and two diversion tunnels. As a result of this, Dr Sesay believes that "after the expenditure of a fairly significant amount of money, at least by Sierra Leone standards it was just useful to pursue the project till its full realisation". He claims 95% of the financing has been secured from Italy but admits it is for Phase I. There would be Phases II and III. So far there is no evidence that Sierra Leone would secure funding for them nor is there any assurance that the estimated $ 18 million which the minister says would be needed at least to install the transmission lines from Bumbuna to Freetown, about 200 km, will be available. The question of manpower and maintenance requirements has also to be addressed. The rehabilitation of Freetown's electricity supply will meanwhile bring considerable relief to industries and individuals.

So will be the refurbishment of the telecommunications system which is being funded by the EEC. At a total cost of ECU 24.8 million, it is one of the biggest projects of this kind ever funded by the EEC in an ACP country. It involves an overhaul of the Sierra Leone National Telecommunications Company (SLNTC) which was specifically created, under this project, out of the Post and Telecommunications Department of the government in 1987. The contract was won by British Telecom. The project includes the rehabilitation of the existing telephone network, the provision of new vehicles for maintenance and operational activities, the installation of a new 8000-line digital telephone system for Freetown and the provision of cables and accessories for the extension of the lines in main provincial towns. SLNTC is expected to be entirely self-financing and profit-oriented. At the time of *The Courier*'s visit, progress had been made in many areas. The old telephone system is working better and efforts are being made to ensure that bills are up to date, are paid by companies and individuals (they were known to be unpaid for months under the P and T) and that illegal connections are either regulated or disconnected. The laying of new pipes for the digital lines in Freetown is almost complete. The plan, when the new system is in operation, is for the old equipment to be transferred to provincial towns to reinforce their phone systems. Inevitably, the question of manpower and maintenance arises for a sophisticated system as digital telephone. SLNTC Managing Director, Mr Robert Mason, however, assures *The Courier* that the right kind of training is being given and will be given to Sierra Leoneans to operate the new system in readiness for when the expatriates, who will initially man the technical side of things, leave.

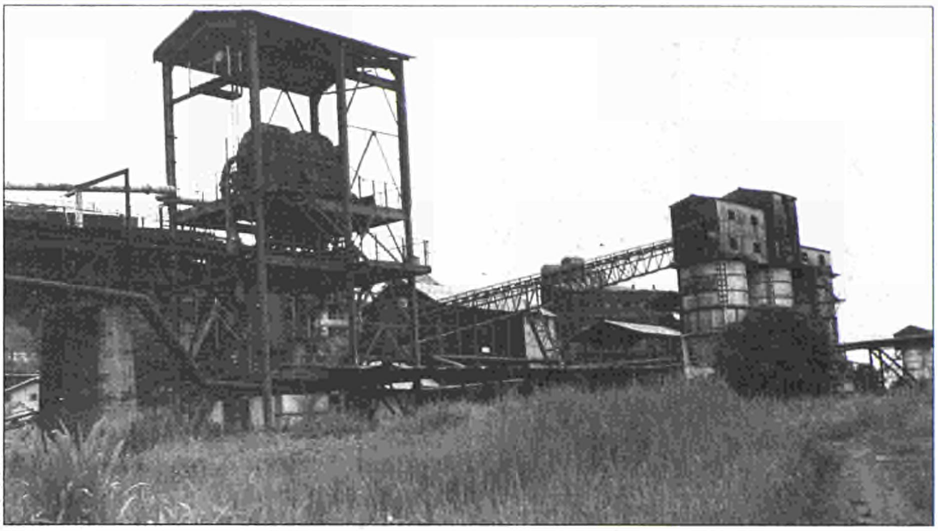
The European Community is also funding the construction of the

Fadugu-Kabala road, more or less the second phase of the Makeni-Kabala road began under Lomé I. The first phase, Makeni-Fadugu was commissioned in 1983. Both stretches form part of Sierra Leone's one and only highway, running from Freetown through Waterloo and Masiaka to the northern eastern province of Koinadugu and the border with the Republic of Guinea. The stretch from Waterloo to Masiaka, having fallen badly into disrepair, the EEC is expected to finance its reconstruction. It should be noted that this highway had been built by the World Bank in the early '70s in replacement of Sierra Leone's railway which the country had uprooted on the advice of the Bank — certainly one of the greatest development blunders any nation has committed on foreign advice. The authorities today bitterly regret it although one might wonder whether the country would have been able to maintain the railway.

There are, on the whole, about 7500 km of roads and tracks in the country. Less than 20% are surfaced. The highway is vital for access to the rest of the country, especially to the vegetable-producing districts of Koinadugu.

Manufacturing: creating the climate for investment

Improvement in these infrastructures will give a shot in the arm to manufacturing which accounts for no more than 6% of GDP. Centred around import substitution since independence on a narrow range of products — beverages, beer, tobacco, etc. — it has been starved of investment and, in recent years, of foreign exchange. As already noted, firms are being forced to acquire foreign exchange in the parallel market at rates far above the official rates, making locally manufactured goods more expensive than imports. With many machines idle for lack of spare parts, industry is operating at 25% of capacity. Wholesaling and, to some extent retailing (despite the 1969 Act which reserved this sector of the economy for Sierra Leoneans), which also depend on imports, is largely in the hands of Lebanese who represent the only group of people with sizeable capital in hand in the country. The fact that the majority of these people have not chosen over the years to invest in manufacturing speaks volumes for the unattractiveness of the sector but also of their lack of commitment, it is said, to the country. Retailing has proved more lucrative. The Minister of Industry and State Enterprises, Mr Ben Kanu, attributes this largely to the amalgamation of trade and industry under one ministry under the previous regime and the tendency of that ministry to place a lot more emphasis on trade than on industry. Besides, nothing was done realistically to encourage the Lebanese community to go into manufacturing. Trade and industry were split into two different ministries by President Momoh.


The Courier

The abandoned Marampa mines
The Nigerians are interested in it

The objective now is to attract foreign investment, preferably in joint-ventures with Sierra Leoneans, particularly in agro-based industries, and that is not going to be easy. Although the 1983 Development of Industries Act provides a number of incentives, including a guarantee of protection of foreign investments and repatriation of profits, the Minister of Industry and State Enterprises believes that, in addition, Sierra Leone has to create the right kind of climate; that is to say, "if a man wants to set up an industry here, he has to be assured that he will be able to bring in raw materials and will have the foreign exchange to pay for them". Mr Ben Kanu claims he is working towards a situation where the banks will provide foreign exchange for industry. "When I put my policies together, I hope the government will give me the support to ensure that a certain percentage of foreign exchange earned is set aside specifically for industry", he explained.

Under Sierra Leone's economic liberalisation policy, state enterprises (altogether about 40 of them) will either be privatised or made commercially viable. The goal, ultimately, is for the Government to withdraw from industry which it believes the private sector is better-placed and better-equipped to run. The emphasis on state enterprises, meanwhile, will be on management, making them more efficient and eventually attractive. "We have in mind", says the minister, "to set up a State Enterprise Promotion Commission which will be manned by experienced, proven people in the private sector. This body will constitute the policy-making authority for all state enterprises in the country. Within it there will be a State Enterprise Monitoring Unit which will be staffed by experts in finance, management, engineering, etc., to monitor the performance of each state enterprise and formulate policies for approval by the Commission".

If Mr Ben Kanu is to secure the foreign exchange he needs for industry, the foreign exchange generating sectors must be able to provide it. And it is against this imperative that the new mining policy and the adoption of tourism as a priority sector must be set.

Mining: the new policy

Because of the importance to the economy of gold and diamonds, the mining sector has over the years been characterised by inconsistency in policy as the Government tried to find ways and means of overcoming the smuggling of gold and diamonds and deriving maximum revenues from them. The Momoh administration has not been immune to it. One of its first moves on taking office was to replace the partially state-owned Precious Minerals Marketing Company (PMMC) with the wholly state-owned Government Gold and Diamond Office (GGDO). Through an amendment to the emergency regulations, the GDDO was made the sole exporter of diamonds, with dealers and miners obliged to sell whatever quantity they have within 14 days of coming into possession of them to the Office. Although at the first auction by the GDDO, attended by President Momoh, a higher caratage than usual (17 000) was sold, bringing in some $ 3 million, there was, afterwards, a brutal fall in the quantity of diamonds being received by the Office. The GDDO was being side-stepped because of the unattractive prices it offered.

The Government came up in June with a new policy liberalising the trade in diamonds and gold (the GDDO must now compete in buying and selling diamonds while the Central Bank of Sierra Leone does the same with gold) and aiming at institutional or corporate mining in preference to individual, free-for-all operations which have led to unprecedented and uncontrollable levels of smuggling.

Twenty licences have so far been issued to individuals to buy and export gold and diamonds, according to Minister of Mines, Dr Birch Conteh, provided that 60% of the foreign exchange earned is deposited with the Central Bank of Sierra Leone for the equivalent in Leones. The remaining 40% they could retain because, according to him, "we realise that the mining sector is capital intensive. People need foreign exchange to buy machines, spare parts, etc.". To ensure that exporters repatriated, fully foreign exchange earned, he claimed that the rules have been made "so watertight that before any piece of diamond and gold leaves this country there has to be what is known as forward surrender, by which the value of the diamonds to be exported is brought into the country before export can take place". Exporters, furthermore, are required to meet a performance target of not less than $ 500 000 a month otherwise they lose their export licences. So the aim is to ensure the flow of foreign exchange through the banking system.

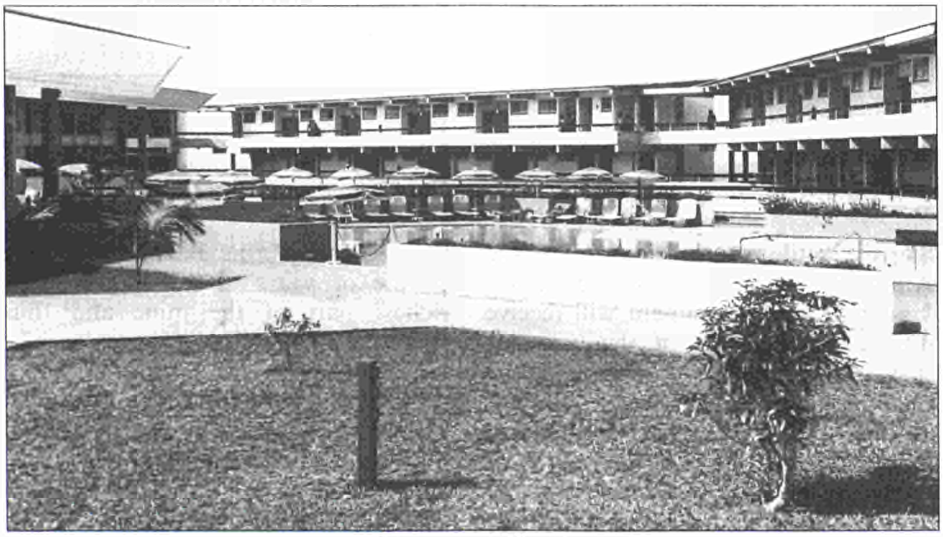
As for miners, the new policy requires that applicants for alluvial gold and diamond mining have enough capital and experience before licences can be granted. Once operating they also have to meet a performance target, keep accurate records of extractions and submit themselves periodically for inspection by the director of mines or his officials, otherwise they lose their licences. An Act is currently going through Parliament to make this new policy a law.

The move towards institutional mining will be gradual because of the large number of people who earn their living directly and indirectly from gold and diamond mining. As Dr Conteh explained, "to come overnight and put a stop to it would create a vacuum. You have to create alternative areas of employment first, like in agriculture".

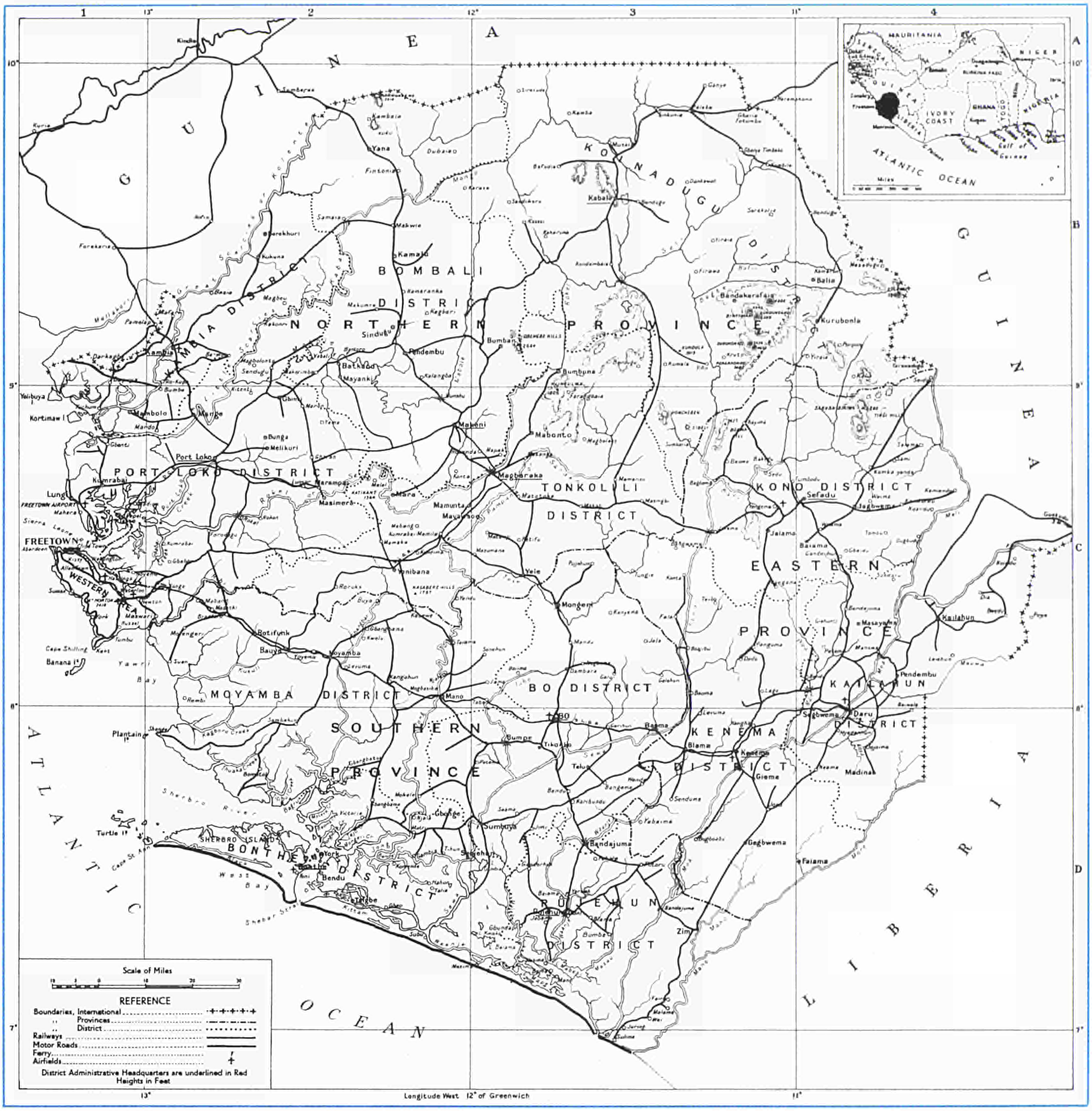
The Government, meanwhile, hopes to see the kimberlite pipes, abandoned in the 1960s at Yengema, remined. The pipes are believed to still contain several million carats of diamonds. As they will have to be mined at deeper levels with sophisticated equipment, investment is expected to be heavy ($ 150 million at least, according to some estimates). Talks are being held with prospective investors, in particular with the US company, Sunshine Mines, which, the Minister of Mines says, is expected shortly to start a feasibility study based on "the documents already available and one or two soil samplings they will have to do in the mines".

There are plans to revive also the Marampa iron mines which became, in the mid-'70s, the second most important foreign exchange earner. First developed as far back as 1933 by the Sierra Leone Development Company, mining operations ceased in 1975 when the company made huge financial losses and went into voluntary liquidation. The open cast mines were re-opened in 1983 by the Austrian company, Austro-Mineral, but were shut two years later, in 1985, because of financial difficulties. Now the Nigerians appear interested. A team of Nigerian geologists has been to the mines and has taken soil samples for analysis. Dr Conteh is pinning his hopes on this potential investor.

Of all the minerals in Sierra Leone none has earned more foreign exchange in recent years than rutile which is mined in the Bonthe and Moyamba districts. Earnings have risen from $ 26.8 million in 1985 to



Bintumani Hotel
Tourism is a new focal area of development



$ 44.3 m in 1987. Although they were slightly down to $ 43 m in 1988 it is generally believed that the government of Sierra Leone is not getting enough revenue from it in terms of royalties. Suspicion has centred around the constant change in the name and ownership of the mining companies and the terms of their agreement with the Government. That agreement has now been renegotiated with the mining company, Sierra Rutile, a subsidiary of the American firm, Nords Resources. Under it the Government will receive 4% instead of 1% of the value of sales as previously. It will also receive a surface rent of $ 4 per acre per annum which will give the government a guaranteed total annual income of over $ 10 m as against the average $ 2 m over the period 1982-88. This is particularly good news for Sierra Leone, for it comes at a time when Sierra Rutile is expected, in a couple of years' time, to reach the richest part of the mine and thus ensure a greater flow of revenue. The Government is also seeking investors here.

Bauxite became the second most important export last year. Earnings, which went as high as $ 28.5 million in 1985, have fallen, and now hover around $ 20 m. It earned $ 22 m in 1988 compared with $ 4.2 m from dia-

Key indicators on Sierra Leone

Area: 72 000 sq km

Population: 3.7 million (annual growth rate 2.5%; density per sq km 49; child death rate 193 per 1 000; life expectancy 35 years.

Main towns: Freetown (capital) pop. approx 500 000; Bo 100 000.

Head of State: Major-General Joseph Saidu Momoh, since January 1986 (elected in October 1985 in succession to Dr Saika Probyn Stevens)

Political Party: All People's Congress (the sole political party)

Currency: Leone (Le 65 = US$ 1, rate in August 89 after devaluation)

Gross Domestic Product: US$ 130.8 m or Le 552.8 bn (1988/89)

GDP per capita: US$ 324

Balance of payments: (recorded in 1988): Exports (fob) US$ 105.7 m; Imports (cif) US$ 155.8 m; balance (exports fob minus imports fob) — US$ 28.3 m

Principal exports: diamonds, gold, rutile, bauxite, titanium, cocoa, coffee, fish

Recorded exports: diamonds, 18 000 carats (1988); gold 629 ounces (1988), rutile 126 t (1988), bauxite 1,379 000 t (1988); coffee 5 433 t (1987); cocoa 8 360 t (1987)

Principal imports: Food, drink and tobacco, fuel and lubricants, machinery and transport equipment, clothing

Principal trading partners: United Kingdom, Belgium, West Germany, Netherlands, France, U.S.A., Nigeria

Foreign debt: US$ 439.3 m (1986); US$ 600 m approx. (1988)

Budget 1988/89: total revenue and grants, Le 3 350 m; total expenditure, Le 6 630 m; overall deficit Le −3 130 m ○

monds. Mined by the Swiss firm, Sieromco, there is no reason at the moment to believe revenues from bauxite will fall significantly in the coming years.

Enticing visitors and their money

Tourism is another sector from which the Government hopes to derive substantial foreign exchange. At first sight this would appear surprising for a country that is not traditionally a tourist resort in the same league as Kenya and Seychelles, for example. But this sector reportedly brought in $ 14.1 million in 1987, about 11% of total foreign earnings. In last June's budget, substantial funds were allocated for its expansion.

Developing in the 1960s with British visitors, tourism declined considerably when the former airline, British Caledonian, withdrew its flights. Since then the French market has been successfully developed, according to the Minister of Tourism, Mr Abdul Iscardari. And what is more, British visitors are returning to Sierra Leone with the resumption of flights to Freetown by British Airways. UK tour operators are also increasingly making inquiries about the country. In 1988 there were 22 000 arrivals as against 6 000 in 1986. Hotel bookings for the next tourist season (i.e., the winter months in Europe) are full, according to Mr Iscardari. Publicity campaigns in Europe are being intensified. Sierra Leone has participated in travel shows in Paris, Berlin and London. The EEC, incidentally, is making a contribution here: ECU 300 000 for a full-time Adviser to the Ministry of Tourism and for short-term missions by specialists. The American market is being explored with Sierra Leone ready to cash in on its connection to the slave trade, like Senegal has successfully done with Gorée. Descendants of slaves taken mainly from Sierra Leone's Bonthe Island are concentrated in South Carolina. Others have been discovered in Oklahoma. Reportedly many of them have retained much of Sierra Leone's culture. (President Momoh, in his first visit to the United States in October last year, made a point of meeting some of them, the Gullah community, on St Helena island off the Carolina coast). Hotel facilities are adequate although almost all will need upgrading. There are at present some 500 beds. According to the Ministry of Tourism "about 1500 extra beds are in the pipeline". Of particular note is the Africana Tokey Village, at the foot of the "Lion's Mountain", some old-fashioned colonial buildings off the coast of Freetown and the St Michael Lodge, a collection of 25 bungalows opened recently, .10 km from the capital. The UNDP and ILO are said to have agreed to set up a hotel training school in Freetown.

Their destiny in their own hands

On the surface, the reforms carried out and the strategies being adopted on mining would give the impression that President Momoh's government is getting to grips with Sierra Leone's economic problems. However, the scale of the country's economic decline and of corruption and indiscipline is so great that scepticism has been expressed in many quarters. The Minister of Finance, Hassan Gbessay Kanu, requests international understanding that "we spend sizeable amounts, about — one billion Leones or more a year — to import rice, that we depend on the importation of crude oil fuel our power stations and all these from the little amount of foreign exchange we are now generating without injections of international funds. This is giving us very serious problems and causing bottlenecks. At the same time the international community expects us to liquidate our debts and obligations". Positive responses from the IMF and other creditors can only bring relief, not solutions, to the problems. If the measures so far taken by the government succeed, against all odds, in reversing Sierra Leone's rapid economic decline, then it would have finally struck that elusive winning combination of measures lack of which has for years given the impression of inertia in government. In any case there is not much the international community can do. As my fellow visitor to Freetown told me: "Tell them their destiny is in their own hands". ○ Augustine OYOWE

"The time-frame... for achieving our targets... was probably over-optimistic"

– An interview with President Joseph Saidu Momoh –

Major-General Joseph Saidu Momoh took office as President of the Republic of Sierra Leone in January 1986. Earlier, he had been Commander of the Armed Forces, since 1972, and for 11 years an appointed Member of Parliament and Cabinet Member. He was nominated by the late President, Dr Siaka Stevens, as his successor in mid-1985, a nomination endorsed first by the sole political party, the All People's Congress (APC) and then in October 1985 by a nationwide presidential election in which turn-out was put at over 95%. In this interview with The Courier, *President Momoh reviews his Government's progress in dealing with Sierra Leone's critical economic situation.*

▶ *Mr President, since coming into office you have taken drastic measures designed to halt Sierra Leone's economic decline. How far have you succeeded?*

— Over the past few years, Government has taken the following drastic measures to halt Sierra Leone's economic decline:

We had the *Economic Emergency Regulations*. These Regulations were introduced in November 1987, and were designed to redirect currency to the banking system and also to stifle the smuggling of our precious minerals, foreign exchange and agricultural produce. The immediate result of the Regulations was to increase the flow of foreign exchange into the country as well as to regain confidence in the banking system. Huge amounts of the national currency meant to be smuggled to neighbouring countries were impounded and paid into revenue. There was an increase in deposits at the commercial banks as nobody was allowed to keep any amount of money above Le 150 000 for more than three days. This created some problems for business people in the initial stage, and the ceiling was raised to Le 500 000.

There was the *pay exercise*. Government undertook this exercise in 1988 with the hope of identifying physically all recipients of government salaries and wages on pay days, and ultimately eliminating "ghost workers" from the pay roll so as to reduce the wage bill. The success in this area was unbelievable. We were able to weed out most of the "ghost workers" thereby achieving a reduction in the personnel bill by Le 634 million. This difference of Le 634 m represents savings of 40% on the original salary and wage bill.

We *floated the national currency*. The decision to float the leone in 1986 was taken with the hope that foreign exchange would be attracted into the banking system and also encourage miners and diamond dealers to sell their diamonds and gold to the Government Gold and Diamond Office. This policy has not been very successful in that an adjustment in the exchange rate has meant an increase in the exchange rate on the parallel market. Thus, the parallel market is still thriving and the gap continues to widen. Diamond and gold buyers have also been attracted to the parallel market, resulting in a loss of foreign exchange to the banking sector. The flotation regime was also designed to reduce imports and increase production in the country. However, there has been no decrease in the demand for imports, and worse still, some of the imported items are smuggled out of the country to neighbouring countries.

We have a *new mining policy*. Under this new policy, mining companies like Sierra Rutile and Sieromco are expected to pay royalties in foreign exchange to the government. Moreover, they will be requested to utilise 60% of their export earnings in Sierra Leone through the official banking system and retain the balance of 40% abroad. This is meant to increase the foreign exchange earnings of the country, and negotiations to enable Government to carry this policy into law are nearing completion.

We have *removed subsidies on rice and petrol*. The price of a gallon of petrol in Sierra Leone used to be less than one-third of the price in neighbouring countries. This encouraged massive smuggling of our petrol into those countries. Furthermore, with the depreciation of the leone against the US dollar and other major currencies, the leone cost of importing crude oil has risen considerably. In consideration of these two factors, Government has increased the prices of petroleum products. Private people and companies are also being encouraged to import rice into the country with little or no government intervention. The price charged for the commodity is based on market conditions.

▶ *What has been the reaction of the IMF and the World Bank to these results and to the economic measures outlined in your speech to parliament and announced in detail in the 1989/90 budget?*

— In the second week of July 1989, I sent the Governor of the Bank of Sierra Leone on a special mission to the World Bank and the IMF, and all indications are that both institutions are satisfied with Sierra Leone's progress in redressing her economic problems. It is, however, the view of the two institutions that Government's economic policies, particularly in the area of fiscal discipline, require further evidence of consistency during the ensuing months. The Fund considers it critical for Sierra Leone to make a "symbolic" payment, forming part of the July/December 1989 due obligations, before the August 23 1989 [(1)] Board meeting. The Fund believes that if this is done Sierra Leone would have sent clear signals of her intention and resolve to normalise relations with the institutions.

▸ *What would you say has been the achievement of the Green Revolution?*

— As you are probably aware, I launched the Green Revolution Programme in 1986 as the only means to achieve and sustain self-sufficiency in food and agricultural production. Indeed, response to the programme at home and abroad has been quite favourable, even though progress in reaching national goals has not been as spectacular as we expected.

In my opinion, one significant achievement of the Programme is that the entire country has now been adequately sensitised and farmers are being mobilised for increased production. In my extensive tours around the country, I can see evidence of the large number of Farmers Associations and farms.

Certainly, the production of rice, our staple food, is on the increase following the launching of the Green Revolution Programme. What is definitely lacking is the availability of reliable data to measure the incremental output as well as publicity of the facts. However, this does not in any way imply that we have reached the desired level of self-sufficiency in rice production. Whatever achievement in rice production has been made over the years is masked by the substantial import bills, built up over the years as a result of constraints which include consumer preference for imported rice as against local rice, as well as high per capita consumption as a nation, compared to other parts of the world where rice is the staple food.

▸ *All attempts to make rice available cheaply and abundantly so far have failed. Why has it not been possible to encourage Sierra Leoneans to develop a greater taste for other locally available food?*

— I would not describe our programme for self-sufficiency in rice production as a failure, if that is what you mean. There is no doubt that it will take us some time to produce rice in abundance for everyone, though not cheaply, but the country will certainly achieve such an objective in due course if the present momentum is maintained. Perhaps our success has been measured in terms of the time frame, three years, which was given for achieving our targets, which to me was probably over-optimistic. Customs die hard. Rice has been the staple food for Sierra Leoneans even before colonial times. Indeed, given a choice Sierra Leoneans prefer rice to any other available food crop. It is only in times of extreme scarcity that people resort to other food crops. This is actually reflected in the high demand for rice in the country. When the price of rice increases, consumers prefer to sacrifice other food items and services so that they can purchase at least their daily regular rice requirements. There is no doubt that the Sierra Leonean will eat other foodstuffs if rice is not available. Given this background the new strategy focusses on diversified food production, which strikes a balance between rice, and other food commodities.

▸ *The re-establishment of District Councils will have economic benefits, especially with regard to agricultural production. But will such benefits be of a magnitude to justify the resultant expenditure in administration?*

— The re-establishment of the District Councils, which is meant to re-introduce the decentralisation of decision-making from the headquarters in Freetown to the Provinces as was the case in colonial days, is expected to bring about economic benefits especially in relation to agricultural production. This decentralisation process is already in progress in the Ministry of Agriculture and Natural Resources through the establishment of the agricultural regions within the framework of the current Agricultural Development Programme being pursued in that Ministry. The re-establishment of the District Councils is therefore expected to play a supporting role to the agricultural development process through the creation of the necessary infrastructure within the rural areas such as feeder roads, schools, health centres which create the right climate and incentive for increased food production with particular reference to rice. The mobilisation of rural youth which was ably discharged by the old District Councils is expected to further strengthen agriculture's case. The District Councils are expected to fill in the gap of coordinator of all the activities of the various institutions and government departments currently involved in rural development as separate entities. Thus, such separate activities undertaken by these institutions and departments like agricultural extension, road works, health, education, rural water supply and youth mobilisation will be better coordinated and managed to the benefit of the communities served.

There is no doubt that an element of cost will be involved but this would be considerably reduced when it is consid-

The Central Bank of Sierra Leone was deprived of substantial foreign exchange for many years. The new mining policy aims to increase the foreign exchange available in the official banking system

(1) This interview was conducted on 10 August 1989.

ered that what is expected to be done is merely to decentralise those decision-making activities which are now undertaken at the various provincial headquarters and in Freetown to the District and Chiefdom levels, in other words at grass roots levels. No new institutions are expected to be established. What is being done is to reorganise existing institutions so as to serve the rural areas more effectively and efficiently.

Properly managed, in the long term the benefits from the District Councils will more than justify the expenditure on administration. The Councils will be in a better position to define problems and needs as perceived by the communities in the Districts and to find appropriate solutions within the limited resources available.

▶ *Experts say most national economic problems can only be effectively tackled on a regional basis. How might regional cooperation help Sierra Leone?*

— Regional cooperation as part of Sierra Leone's national effort at solving its economic problems is particularly important. Apart from the small domestic market of Sierra Leone, the country is sandwiched between Guinea and Liberia, and this geographical location creates special problems for the country. One of our neighbours has adopted an internationally well-known currency for its own domestic purposes and another has, for more than thirty years, had persistently higher rates of inflation than Sierra Leone. Add to these facts the long unprotected borders of the country and you realise that illegal cross-border trading is rampant and yet it yields no revenues to Government. This is a major problem. It is clear therefore that regional integration whether in the context of the Mano River Union or the Economic Community of West African States (ECOWAS) will help to enhance the economic prospects of Sierra Leone by reducing smuggling. And if the current efforts at establishing a monetary union in the sub-region were to be realised, smuggling across international borders will become unprofitable. Sierra Leone, as an important producer of precious metals, will then have to contend not with both West African and other foreign smugglers of its diamonds and gold, but with non-African smugglers who are easier to tackle than the Africans with their elaborate network of contacts within the country. All that can be achieved only through active regional cooperation between Sierra Leone and its neighbours.

▶ *How would the reallocation of certain activities to member states of the Mano River Union strengthen the organisation?*

— The process of reallocating certain economic activities to the various member states of the Mano River Union is already in progress. For example, the MRU Glass Container Factory has been established in Monrovia, Liberia, to produce and supply all the glass containers which Guinea, Liberia and Sierra Leone need, and one of the results of this decision is to eliminate the acute shortage of bottles for soft drinks and beer industries in Sierra Leone. It is intended to do the same thing in respect of pharmaceuticals as well as local energy supplies. For example, charcoal will be manufactured in Sierra Leone for distribution in Sierra Leone and Guinea. This policy will have the effect of achieving economies of scale and therefore attract foreign investors to the larger market of the three member states of the MRU. The policy is to be applied to a lesser extent in the agricultural sector as well. For example, while projects are planned for cattle rearing and seed multiplication to serve the three member states, it is intended to concentrate the animal husbandry in Guinea with small branches of the project in Sierra Leone and Liberia and place seed multiplication in Sierra Leone with branches in the other two member states as well. I believe that this policy will lead to greater efficiency and so reduce duplication of effort with its high cost.

▶ *How would you assess EEC contributions to Sierra Leone's development and what are your expectations for the future?*

— The EEC is currently the biggest single contributor to our economic development, providing over 70% of our total receipts as grants-in-aid. Under the current Lomé Convention, a total indicative aid programme of ECU 69 m was allocated for investment in major sectors of the economy such as roads, telecommunications, agriculture and rural development.

This is commendable and we are grateful to the EEC for their assistance. For more recent times, although implementation of the programme has been progressing satisfactorily, certain grey areas still have to be addressed such as the lack of flexibility and adaptability of the machinery for achieving our objectives.

For the smooth implementation of the programme, there is a need to streamline existing EDF procedures so as to narrow the gap between commitments and disbursements. My predecessor highlighted these problem areas as far back as 1984 when you last featured Sierra Leone in your journal. I do feel that some remedial action should have been taken by now.

Another area of great interest is STABEX. Although the objectives of STABEX are commendable, the mechanics and procedures leave a lot to be desired. Some action should be taken to review the conditions to qualify for such assistance with due reference to currency fluctuations, because the Leone value to the ECU has fallen so disastrously, our exports of coffee and cocoa in leone value terms, give a distorted picture.

For the future, we would like to see more attention paid to the problems of the least developed countries like Sierra Leone with a heavy external debt burden. The trade imbalances between the EEC and the ACP States have also continued to deteriorate and I believe in 1992, when Europe will be a unified market, the situation would be calamitous. We hope efforts will be made in the new Convention to at least provide a safety valve that would check the expected damage.

I wish also to re-emphasise the need for flexibility and adaptability of the machinery for the implementation of the Convention and the spirit of the Convention, that is, equality between partners should be fully adhered to if cooperation is to be meaningful.

Finally the question of financial assistance under a new Convention should take due cognisance of the deteriorating trends in the Third World and provide more grants-in-aid. ○

Interview by A.O.

The people: a brief history

The Courier

The magnificent Cotton Tree

Near the premises of the Courts of Justice and a couple of yards from the sea and Tower Hill, the seat of power, stands the Cotton Tree, with its fine canopy of branches in the middle of a traffic roundabout which has commanding views of several streets. Although there is nothing particularly venerable about it, except that it is fenced off, the tree reminds one constantly of the history of Freetown and of modern Sierra Leone, for it was at that spot, in 1787, that the first slaves freed in England were brought ashore to form a colony. Christened Freetown, the population of the colony grew rapidly in the decades that followed as more slaves freed in transit across the Atlantic by the British Royal Navy were brought to the colony to begin a new life.

Earlier in the 15th century this part of the West African coast, a peninsula, had been named *Serra Leôa*, the "lion mountains" (because of the lion-shape of the hills overlooking the sea) by Portuguese sailors who used it as a slave-trading base. In 1808 when the colony became officially a British Crown Colony, it assumed that name with Freetown as its capital (the hinterland which was administered separately by the British became a British Protectorate eighty nine years later, in 1896). Its population, which was also swollen by immigrants from other parts of Africa, was dominated by the descendants of the slaves, the Creoles. Strongly anglicised, the Creoles constituted the educated elite and occupied senior administrative posts. The colony was noted mainly for its intellectual life and for the Fourah Bay College which was founded in 1827 primarily to train teachers, but transformed into the first university on the West African coast in 1877 when it became part of Durham University. Other British colonies in West Africa sent their students to Fourah Bay which thus contributed to the education of the first crops of indigenous administrators in Ghana, Nigeria and The Gambia.

The Creoles' influence in the colony diminished gradually as they were outnumbered in Freetown by Europeans and other ethnic groups, namely the Mende from the South and the Temne from the North. In 1951, an election took place under a constitution which brought the colony and the protectorate together. It was won by the protectorate-based Sierra Leone Peoples Party (SLPP) led by Sir Milton Margai who formed the first indigenous government. The squeezing out of the Creoles was complete. On 27 April 1961 Sierra Leone became independent with Sir Milton Margai still as prime minister having assumed that office in 1958. The SLPP won the elections in 1962. Sir Milton Margai died in 1964 and was succeeded by his half-brother Sir Albert Margai.

In the 1967 elections, the All People's Congress (APC), a coalition of several opposition groups, led by Siaka Stevens, won the majority of seats but was prevented from forming a government by a coup d'état. A year later, a counter-coup restored democracy, allowing the APC to take office on the basis of the 1967 election. In 1978, however, the House of Representatives, dominated by the APC, voted to establish a one-party rule in Sierra Leone. Opposition members of the SLPP were obliged to join the APC.

Despite the coups d'états and the political wranglings which marked the period of a two-party democracy, Sierra Leone has been a stable and peaceful country since the establishment of a one-party-state.

Apart from the two major tribes already mentioned, the Mende in the South and Temne in the north, which together account for more than 65% of the population and naturally dominate the political life, there are other minority groups; the Creoles, the Soussous, the Fulas and the Lebanese. Ethnic tensions are not absent. Although it is believed that the one-party state provides a framework for ethnicity to be phased out, thus taking the heat off the population at large, Sierra Leoneans are by nature a peaceful people. Others described them as "passive" compared to most of their turbulent brothers and sisters in West Africa. Although there are Moslems and Christians (indeed Moslem parts and Christian parts of the country) animists are in the majority. A very notable phenomenon is superstition which is widespread and which cuts across the population from the elite to the ordinary people.

The Creoles who today make up no more than 5% of the population are to be found mainly in the liberal professions while the Lebanese community dominates commerce. The Fulas are immigrants from Guinea. They are to be found mainly in mining. ○

A.O.

Sierra Leone-EEC cooperation

The European Community is the largest trading partner and the largest aid donor to Sierra Leone (see main report on pages 23-33). This relationship, which can be traced as far back as the 18th century when the country was founded by slaves freed from England, was strengthened in 1975 when Sierra Leone ratified the first Lomé Convention.

Because of its colonial past Sierra Leone's ties are strongest with Britain. However 75% of its overall exports are to the European Community. These exports (apart from diamonds and gold) consist of agricultural produce: cocoa, coffee, palm oil, palm kernel etc., which thus ensures that Sierra Leone benefits from the Stabex provision of the Lomé Conventions: ECU 18 m from 1976 to 1986 mainly for cocoa and coffee. As evidence of the importance Sierra Leone attaches to relations with the European Community, the office of the National Authorising Officer is under the President's office, and the relationship between the NAO staff and EEC delegation in Freetown is very good. This has contributed, particularly in recent years, to better dialogue and implementation of the Lomé Conventions.

Lomé I

Under the first Lomé Convention ECU 32.5 m was allocated to the Indicative Programme. Of this amount, ECU 20 m (about 60%) went to big projects: firstly, the construction of the Makeni-Kabala road project designed to open up the northern and north-eastern districts which, as well as being important producers of rice, the staple food of Sierra Leone, are noted for the production of a variety of vegetables; secondly, two integrated agricultural projects involving Koinadugu district in the north-east and Kambia destrict in the north-west. The first phase of the road project from Makeni to Faidugu was completed and opened in 1983.

Twenty percent of the Lomé I funds, about ECU 6.4 m, was devoted to education and training (improvement to facilities at teachers training institutes, at a para-medical school and at the Faculties of Agriculture and Education of Njala University). The remaining 20% went to several micro-projects, notably the supply of urgently-needed medical equipment, credit facilities to small businesses and feasibility studies.

Lomé II

The Indicative Programme of Lomé II attempted to consolidate the gains of Lomé I, especially at a time when the economy of Sierra Leone was beginning a downward slide. ECU 48.5 m was allocated to the Programme. Again 60% was devoted to road infrastructure and agricultural development. The two integrated agricultural projects were extended and a third project was started in Port Loko district. However the single largest project was the rehabilitation of the telecommunications system to which a total of ECU 24.8 million has now been allocated. The remainder was spent on social development, mainly education and training, scholarships and health projects (supply of equipment to, and the construction or rehabilitation of rural health centres) as well as various studies.

Lomé III

The Indicative Programme of Lomé III has seen a considerable increase in the amount of money allocated to Sierra Leone: ECU 61.5 m plus ECU 7.5 m in risk capital. It was agreed under the Programme that rural development should be the area of concentration with particular emphasis on food crops, rice in particular, given the almost chronic shortage of the commodity in Sierra Leone. Accordingly, 70% of the funds have been committed to that sector. The remainder has been allocated to electricity generation and distribution (1), education and training, and telecommunications (1).

(1) See the main article on the rehabilitation of Freetown power supply network and the refurbishment of its telecommunications.

The Integrated Agriculture Projects

Three integrated agricultural projects have been set up in Sierra Leone over the past three Lomé Conventions. The aim is to increase food production by introducing small farmers to improved farm techniques in the production of vegetables, fruits, cassava and, of course, rice, and providing them with extension services, inputs and credits. The first scheme, the *Koinadugu Integrated Agricultural project* was begun in 1978 with the additional objective of improving animal husbandry, the district being well-known for livestock production. The project not only got off to a slow start, but for several years, it lagged because of management problems and deficiencies in planning and logistics. It should be noted that because of the region's difficult access, the reconstruction of the Makeni-Kabala road is being implemented concurrently with it.

Funding was halted at the end of 1987 because of continuing poor performance. No works were carried out last year but efforts are now being made to reorganise the project's management, establish the logistics and clear other bottlenecks to ensure the resumption of works. The *Kambia Integrated Project,* has, on the other hand, been a success as has the artisanal fisheries project being implemented in the same district. The agricultural project has met its targets successfully, providing inputs and credits (more than 98% rate of repayment) to farmers and introducing them to mechanised farming in mangrove rice fields. The fisheries project which began in 1983 achieved its aim of introducing diesel inboard engines to stronger, modified vessel hulls, building new boats with increased load capacity, providing fishing gear, spare parts and credits and introducing a revolving fund system for local fishermen. A further ECU 6 m has been allocated for the fisheries project under Lomé II. The *Port Loko Agricultural Develoment Project* had its first full year of operation in 1988. The manager, an agronomist and an irrigation expert, both technical assistants, are on site. The focus of the project is to increase rice production mainly in the inland valleys, mangrove swamps and uplands. The Rokupr Rice Research Station is, in this regard, being beefed up with a support programme amounting to ECU 850000.

Regional cooperation

As a member of regional institutions such as ECOWAS, WARDA and the Mano River Union, Sierra Leone has benefitted directly or indirectely from a number of projects, financed through funds allocated under the Lomé I and II Conventions for regional cooperation. The Lomé III regional programme was determined in accordance with the decisions reached at meetings held in Praia, Cape Verde, in October 1986 and in Cotonou, Benin, in March 1987. The total amount available for the combined region of Sahel countries and Coastal West African countries was ECU 210 m. This was increased by ECU 28 m in December 1988.

The focal area of concentration is protection of the natural environment and preservation of natural resources. One other sector of regional interest is "joint actions in the area of fisheries resources" and, in this field, Sierra Leone was directly involved.

In this respect, ECU 336 090 has been disbursed for a feasibility study of how best to reduce post-harvest fish losses in West Africa. Sierra Leone will also benefit from the Civil Aviation Training Facility to be constructed at Robertsfield Airport in Monrovia on behalf of the Mano River Union states. The feasibility study was completed in 1988, and is now being implemented.

Cooperation outside the Conventions: food aid

Sierra Leone has been receiving food aid since 1978: a total of 16127 tonnes of rice, 5700 t of milk-powder and 1000 t of butteroil. Under the 1987 programme the food aid consisted of 2 500 metric tonnes of rice and 400 metric tonnes of skimmed milk powder. The rice was sold on the market and the milk powder was distributed free of charge through schools, hospitals and health centres.

There were new developments in the management of food aid in Sierra Leone in 1988. As some losses of milk powder were being experienced, the Commission suggested to the Government of Sierra Leone that a non-governmental organisation be appointed to undertake the distribution. This it agreed to and the Catholic Relief Services was contracted by the government to execute this operation. This organisation was chosen because of its long experience in distributing food aid in Sierra Leone. This turned out to be a wise choice. The operation was executed rapidly, the losses were kept to a minimal level and the accounting was excellent. It has therefore been agreed that the CRS should also undertake the distribution of the 400 tonnes of milk powder granted to Sierra Leone under the 1988 action.

In 1988 the National Authorising Officer and the Delegation agreed that food aid counterpart funds should be managed according to the principles applying to projects financed under the Indicative Programmes. ○ A.O.

Popular participation in projects: two case studies

Two EDF-financed projects in Sierra Leone, emphasise the lesson that has been learned in recent years, that the active participation of the beneficiaries (especially if they happen to be peasants) in the elaboration and execution of projects is vital if such projects are to have any chance of success. The two projects in question are the Songo Dispensary, *one of nine* Rural Health Development Projects *and the* Port Loko—Kambia—Koinadugu rural water supply programme.

The Songo health centre

This project involved the building and equipment of a new dispensary to replace an old one whose building was crumbling. The planners and designers of the project modelled it on a similar one in the Freetown suburb of Wellington, adding to it a 4-bed maternity ward. Both health centres were opened as recently as June. While the Wellington dispensary is running smoothly and in accordance with the intended objective of providing basic health care for the local population (it is crowded daily with patients, the maternity ward has already seen several births and it is being reasonably run by the Ministry of Health officials), the Songo health centre is already beset with problems: first, the maternity ward is closed because the villagers are not interested in using it, choosing instead to have their babies, as they have always done, by traditional methods with the native midwife occasionally in attendance. The latter incidentally works officially as a nurse in the Dispensary; second, despite an elaborate pipe network linked to a water tank there is no water supply because of a fault in the design of the pump which is now being rectified . So meanwhile well water has to be boiled and filtered for use; third, there are not only shortages of drugs, the dispenser complains of police harassment whenever he attempts to get supplies from Port Loko. Clearly neither the Ministry of Health, which is supposed to ensure the smooth running of the dispensary once the infrastructure has been provided with EDF funding, nor the villagers, appreciate the usefulness of the centre. The latter for good reasons: they are easily intimidated by the exterior of new buildings which they invariably see as exclusive to the elite and expensive especially at a time when cost recovery is the "watchword" of projects such as this. Efforts are now being made to explain the importance of the Songo health centre, and the usefulness of its maternity unit to the people for whom it was built.

Port Loko-Kambia-Koinadugu rural water supply

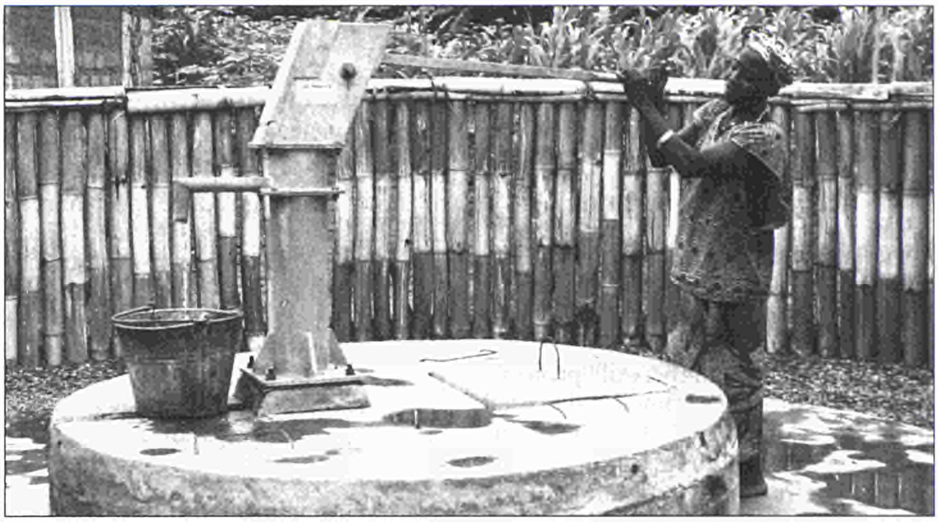
The preparatory stages of this project took a long time. A follow-up of the recommendations made in 1980 in a study on rural water supply in Sierra Leone, it was officially launched in July 1985 as part of an overall agriculture and rural development scheme involving the districts of Port Loko, Kambia and Koinadugu. One hundred and forty hand-dug wells equipped with easily-operated and easily-maintained hand pumps were to be constructed in the first phase in Port Loko and Kambia and a further 60 in the second (termed bridging) phase in Koinadugu.

The first two years were spent on preliminary activities: geohydrological and socio-economic surveys, the building of regional headquarters and the procurement of equipment through international tender. The delay caused by the latter process forced the project managers to start the digging of wells in early 1987 with locally available equipment. Works, however, accelerated on receipt of the equipment ordered from abroad. Although the project was extended in 1988 to end this year with additional funding of ECU 500 000, the project is well on course to meet that deadline, although the wish has been expressed by the project managers to have more money and time to consolidate what they see as a magnificent achievement.

This would not have been achieved had the approach to the project been different from that adopted. Villagers had to be involved right from the start and made to understand that the scheme was not a hand-out but a self-help programme designed to assist them in improving their standard of living.

The approach

Villagers are first visited by Environmental Sanitation Assistants to inform them of the project and the conditions under which they will benefit. These include the setting up of a Village Health and Sanitation Committee to represent the village in all matters concerning water supply, hygiene and health education, the payment of Le 4000 (originally Le 2000), the appointment of two pump caretakers (preferably a man and a woman) to be trained in the maintenance and repair of pumps above and below ground, the provision of local labour, sand and stones for the construction of the wells and the provision of accommodation and two meals a day for the project workers. These are set out in an agreement which also stipulates that the villagers accept responsibility for the operation and maintenance of the handpumps which become their property and that each household will contribute Le 20 a month towards the village fund for their maintenance. To this end a village treasurer must be appointed by the village committee.



The Courier

A water pump caretaker in one of the villages demonstrating how it works

On the surface these conditions are enough to put off the villages. Indeed some were initially reticent but since the project began all the villages concerned have agreed to the scheme with enthusiasm, as those which have not had the wells installed see the living standard of those which already had them improve.

Once a village accepts the conditions and signs the agreement, the two caretakers appointed by its Committee are taken to the Port Loko headquarters and trained for five days—follow-up training is conducted at the village 6 months after the pump's installation. They are accommodated and fed during the training and delivered with certificates at the end of the course. Usually these caretakers are old people, illustrating the extent to which Sierra Leone's countryside is empty of young people. On their return to the village, they assume a special status: as technically trained people they command respect. The caretakers have an additional perk; the project builds for them a VIP (ventilated improved pit) latrine free of charge-latrines which the managers hope, serve as models to the villagers (and in this regard, they have not been disappointed. More VIP latrines are being built privately in some of the villages).

The exact location of a well in a village is usually the result of a compromise between where the project managers believe is geohydrologically more favourable and where the villagers feel they should be dug for their own convenience. So it is not unusual to see two wells just 50 yards apart. Each well nevertheless has to be in a place where it can serve at least 200 people. It takes four to five weeks to complete.

A village well is opened amid songs and dances and a play is usually put on to dramatise the deadly effect of cholera and to drive home to the villagers the importance of cleanliness and of clean water. And that message is being taken to heart. No visitor to any of the villages covered by the project will fail to be impressed by their cleanliness, and especially of the cleanliness of the areas surrounding the wells which are fenced-off and locked, opened only when someone needs water. ○

A.O.

Selling more African oilseeds

by André Marie POUYA (*)

APROMA, the ACP-EEC product association, held its third annual meeting in Ouagadougou (Burkina Faso) from 31 May-2 June. This international, non-profit-making association under Belgian law, set up in Abidjan (Côte d'Ivoire) in January 1982, works for regional cooperation as laid down in Lomé II, examining the conditions of production and marketing of agricultural commodities such as oilseeds, cocoa, coffee, cotton and cashew nuts. The people who attended its Ouagadougou meeting, like the Burkinabé authorities, have now realised that the countries of West Africa could sell more of their agricultural products if they were better organised.

Africa's agricultural commodities are increasingly difficult to market in Europe. In Burkina Faso, for example, the CSPPA (the country's agricultural price stabilisation fund) registered a substantial deficit in the marketing of some of its products at the end of the 1985-86 agricultural year — CFAF 6 billion (FF 120 million) for cotton and CFAF 2 billion (FF 40 million) for karité.

The groundnut situation is not brilliant either and only sesame seeds are beginning to pick up. Why?

On the world market, groundnuts are up against competition from America, as they are from European agricultural products such as soya and sunflower, which get EEC price support under the Common Agricultural Policy. Since subsidies of this kind are not available in Africa, it is difficult for the peasant there to get really profitable prices. When the African countries became independent, around 1960, groundnuts were bought in what was then Upper Volta at CFAF 20 per kilo, in Burkina Faso now the price is still only CFAF 45, and CFAF 70 in Senegal. In Europe, the groundnut oil market has dwindled: African groundnuts once accounted for 60% of groundnut oil consumption; the present figure is down to some 18%. Groundnut oil has become a high class product used only in home cooking at a time when more and more French people are eating in their works canteens. This decline of exports to Europe does nothing to stimulate the development of the groundnut sector, with the better seeds and higher yields per hectare that would bring down costs and make them a leading product.

The situation in the karité nut sector is quite different. In a country like Burkina Faso, this product is still one which is gathered, and getting a high-quality supply is very much a matter of chance, although demand is constant. A representative of a Japanese company, who buys an annual 10 000 tonnes of karité nuts from Africa from his base in Antwerp (Belgium), illustrates the uncertain supply. "In 1987", he says, "Burkina Faso sold 500 tonnes, as against the 5 000 tonnes of the previous year". In addition the purchasers say that the nuts are very acidic because they are not treated and harvests from more than one year are mixed — all problems for a predominantly agricultural country.

APROMA will be running a groundnut promotion campaign on the European market shortly, to convince the European housewife that groundnut oil is every bit as good and light as sunflower. It will have the backing of the big European brands in this venture and will be producing a film on karité nuts, in conjunction with the authorities of Burkina Faso, mainly on Burkinabé soil. Producers and gatherers of these nuts will thus be able to have advice on growing techniques from people in the trade and standards will rise. The African karité producers and France have long neglected research in this sector, although Japanese, Swedish and Danish researchers began their investigations into oilseeds very early on. The latter use karité nuts in complex products — cosmetics, for example, and chocolate and pharmaceuticals. The University of Ouagadougou is currently developing a process whereby the damaging acid in the karité nuts could soon be reduced or even eliminated entirely. A sustained research policy would also help groundnuts break away from their dedication to oil. Why, indeed, can it not be used in other areas of industry? APROMA hopes to cover them all in the future. People at the Ouagadougou meeting promised to take a more serious look at the possibilities of more direct access to the European market for African products.

But this drive to charm the world market, European buyers especially, and introduce new marketing techniques, cannot entirely reverse the downward trend in the sales of African agricultural commodities. One of the main outlets for Africa's products is still ... Africa itself, and the poor countries, with their enormous debts, now realise that South-South trade has not been developed very far — something which is certainly true of the West African sub-region. What is the point of Burkina Faso continually trying to sell its karité nuts on the European market when there is a demand for them in Nigeria, only 1 000 km away? The plan of the APROMA meeting was to do something about this by:

— listening to what the countries wanted and what their needs and potential were;

— running a working session for each major group of products;

— matching up countries and products.

There is as yet untapped potential in intra-ACP trade. The lack of links between African businessmen is serious, but at Ouagadougou, for the first time, there were not just crowds of British and Japanese and Swedes on Burkinabé soil. Nigerians, Beninese, Senegalese and others, too, had this same new approach. How can tariff and non-tariff barriers be removed when there is such scant contact between the African economic operators in trade among the partners of the sub-region?

Poor communications make what are actually complementary economies compete with each other. Karité promoters still have no framework for cooperation. The countries of the West African sub-region now intend to be present in all the agricultural markets, whether or not they have anything to sell. ○ A.M.P.

(*) The author is a journalist with Sidwaya, Ouagadougou (Burkina Faso).

Community relations with Eastern Europe

The recent and dramatic improvements in East-West relations, notably the signing of the INF (Intermediate-range Nuclear Forces) Treaty, and the re-invigoration of the Conference on Security and Cooperation in Europe at the Vienna follow-up meeting, have given a fresh impetus to trade and general economic relations between the European Community and its neighbours in the "common European house", the states of Eastern Europe. At the Paris Summit of the world's industrial nations in July this year, the Community was given the task of coordinating the efforts of 24 nations to help to ease the economic, social and political transition of Poland and Hungary and this, the culmination of events over the past year or eighteen months has clearly marked the reversal of East European policy toward the Community and is an important step in the normalisation of relations.

Much is made, in presentations and briefings, of the origins of the European Community in the rubble and turmoil of the end of the Second World War; of how the founding fathers of the Community determined that there should never be such a war again in Europe. On the other side of the Iron Curtain, even more traumatised and wasted by war, there was a similar determination expressed somewhat differently, one expression being suspicion of supra-national groupings like the EEC. As long ago as 1963, an aide-memoire was addressed by the Community to the Soviet Union on the normalisation of relations, but no progress was deemed possible. Official statements in Eastern Europe and the Soviet Union continued to paint the EEC as the "economic arm of NATO". During the period of détente, in the early 1970s, Community Member States and individual East European states concluded trade agreements, but the Community as a whole was rebuffed in its efforts to conclude trade agreements, and referred to the CMEA, the Council for Mutual Economic Assistance, known to many as Comecon.

The CMEA, unlike the EEC, has no supranational powers and acts as a broker and coordinator for its member countries — the Soviet Union, Hungary, Poland, Bulgaria, the German Democratic Republic, Rumania, Czechoslovakia, Mongolia, Cuba and Vietnam. It does not—with the exception of Finland—sign trade agreements with major trading partners, but coordinates the national plans of its members, works on technical and scientific standards and norms (aiming for conformity rather than the EEC's goal of mutual recognition of standards) and has had, historically, an important role to play in industrial specialisation, distributing production tasks to its members to avoid duplication of efforts.

From 1976 to 1980, the CMEA and the Commission engaged in desultory and ultimately fruitless negotiations, the CMEA attempting to draw up a "bloc-to-bloc" agreement, the EEC hoping for bilateral relations with Eastern European countries who were, after all, the sole masters of their commercial policy. At the same time, since it had not proved possible to replace the bilateral trade arrangements between Community Member States and the different Eastern European countries by agreements negotiated at Community level, the EEC decided, with effect from the beginning of 1975, to introduce a Community system of what were, in effect, quantitative restrictions and quota openings taken over from the previous agreements of Member States. Another effect of the expiry of EEC Member States' trade agreements and the reluctance of their partners to replace them with agreements with the Community, was the conclusion, beginning in the early 1970s, of a network of cooperation agreement between most of the Community's Member States, and the CMEA countries. These are basically framework agreements on the encouragement of industrial, scientific and technical cooperation between firms in Member States and enterprises in the East-European country. They do not contain references to classical trade policy instruments, but they are certainly aimed at commercial policy objectives, particularly the development and diversification of bilateral trade.

Despite the Eastern Europeans' refusal to deal with the Community on trade, and the Community's refusal to deal with Eastern Europeans through the CMEA on trade matters, one or two fish did manage to slip through the net. The CMEA had made it clear to its members that they could deal directly on "concrete" matters and when these came up—textiles, in the context of the Multi-Fibre Arrangement; steel in the context of the "Davignon plan"; and sheep and goat-meat—most East European countries concluded sectoral agreements with the EEC. Even when Rumania concluded an agreement with the EEC in 1980, covering trade in all industrial products, this was considered to be a "concrete" matter, a sectoral agreement, and therefore the EEC was competent to act.

Up to 1980, therefore, relations beween the Community and Eastern Europe had not stood still. When the Treaty of Rome was signed in 1957, the Institute of Economics and International Relations of the Academy of Sciences in Moscow published 17 studies, all negative, of the EEC, labelling it, among other things, "the holy alliance against Communism and the workers". By 1980, CMEA Member States were signing very broad-raging sectoral agreements with the very same Community. Partly, this was due to the mellowing influence of the improving political climate during the early 1970s, but partly no doubt also to the fact that Eastern Europe's trade with the Community was on the increase. The EEC took 7.4% of the area's trade in 1962 and 12.4% in 1972.

It was, however, the arrival of Mikhail Gorbachev at the head of affairs in the Soviet Union in 1985 which unblocked the logjam of 1980-85. Recognising that the EEC was not a "holy alliance" aimed against socialism, indeed that the EEC had diplomatic relations with no less than 130 countries, Gorbachev began making overtures to the EEC in the middle of 1985. His priority, since coming to power, was to restructure the Soviet economy, notably backward and suffering from almost insuperable rigidities and distortions, and to make it more modern, efficient and responsive to true economic conditions. At present, the Soviet Union and its partners in the CMEA provide very little incentive for economic relations with the Community, except for a small number of raw material products—natural gas, for example—and an even smaller number of tradable consumer goods. In most manufactures, the CMEA countries are at a disadvantage compared to NICs (newly industrialised countries, mostly in South East Asia) in terms of price, quality and delivery. The level of Community trade with Eastern Europe reflects this. In 1987, Community exports to CMEA countries came to ECU 19.2 bn, imports ECU 26.7 bn. Corresponding figures for Community trade with Switzerland were: exports ECU 32.7 bn, imports ECU 26.7 bn.Figures, however, do not tell the whole story. In the Soviet Union, and in other CMEA countries, most notably in Hungary, the centrally-planned economies are undergoing a transformation ("perestroika" is the Russian word for it) which will expose their insulated industries to at least some of the pressures and challenges of the market. Before their currencies can become convertible, the CMEA countries will need to increase their trade with the outside world, and shift away from primary products. To achieve an increase in the share of industrial products in their exports, they need a radical improvement in quality, which could only come about through closer links with Community firms and their knowhow, not only in technology and production methods, but also in management and marketing. Previous attempts by CMEA countries to overhaul and modernise, during the early 1970s, came to grief largely because they concentrated on equipment rather than structures, and built up a debt to the West estimated at $ 100 bn. One method, tried since the mid-'70s, to overcome Eastern Europe's twin problems of indebtedness and uncompetitive exports has been the use of counter-trade; but there is a widespread realisation that, while this form of deal may allow trade to take place which would otherwise be impossible, it is not a long-term solution because in practice it amounts to entrusting Western firms with the task of marketing East European products. An alternative solution which had long been recommended is the particularly intensive form of industrial cooperation which involves direct investment — in other words, joint ventures. However, a recent Wilton House conference in Finland concluded that "there is little optimism in the West... Western business will not be interested in opportunities unless extensive changes are implemented, including: removal of bureaucratic obstacles, more freedom to remit profits, ending restrictions of Western equity in joint ventures to minority holdings, implementing price reforms, and devolving centralised decision-making to autonomous enterprises". While joint ventures are seen as an important means for improving economic performance, their promise is also limited by the strict conditions imposed by Western industrialists.

In 1985, then, the Secretary of the CMEA sent a letter to President Delors, proposing that official relations be established between the CMEA and the EEC, no longer by the conclusion of a full-scale agreement but


Viatkina Novosti

The CMEA headquarters in Moscow, USSR

Country Profile – Bulgaria

1. **Population :** 9 million
2. **Area :** 111 000 sq km
3. **Capital :** Sofia
4. **Head of State/Government :** Todor Zhivkov
5. **Form of government :** One party (Communist)
6. **Per capita GNP (est. 1986) :** $ 6 800
7. **GNP (est. 1986) :** $ 61.2 bn
8. **GNP growth (est. 1986) :** 2.2 %
9. **Imports (1987) :** $ 16.4 bn
   from CMEA : § 12.39 bn
   from OECD : $ 2.55 bn
   from rest of world : $ 1.10 bn
10. **Exports (1987) :** $ 15.86 bn
   to CMEA : $ 12.64 bn
   to OECD : $ 1.21 bn
11. **Currency :** Leu 1 $ = Leu 0.827 (1988)

Country Profile – Czechoslovakia

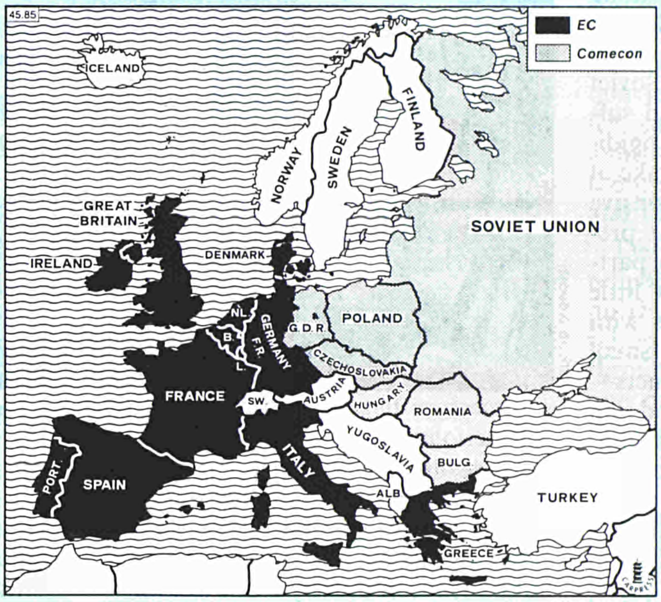
1. **Population :** 15.5 million
2. **Area :** 127 877 sq km
3. **Capital :** Prague
4. **Head of Government :** J. Adamec (Prime Minister)
5. **Form of government :** One party (Communist)
6. **NMP (net material product) growth**

1981-5	1986	1987	1988
1.8 %	2.6 %	2.2 %	2.5 %

7. **Imports (1988) (in US$ bn) :** 24.26
   from CMEA : $ 17.61
   from OECD : 5.00
   from rest of world : 1.65
8. **Exports (1988) (in US$ bn) :** 24.94
   to CMEA : 18.19
   to OECD : 4.58
9. **Currency :** Koruna 1 $ = 6.02 koruna

Country Profile — German Democratic Republic

1. **Population :** 16.6 million
2. **Area :** 108 000 sq km
3. **Capital :** Berlin (East)
4. **Head of State/Government :** President E. Honecker
5. **Form of government :** One party (Socialist Unity)
6. **Per capita GNP (est. 1986) :** $ 11 300
7. **GNP (est. 1986) :** $ 187.5 bn
8. **GNP growth (est. 1986):** 2.0 %
9. **Imports (1987 est.) :** $ 32.21 bn
   from CMEA : $ 19.66 bn
   from OECD : $ 10.88 bn
   from rest of world : $ 1.66 bn
10. **Exports (1987 est.) :** $ 33.24 bn
   to CMEA : $ 21.25 bn
   to OECD : $ 9.88 bn
   to rest of world : $ 2.11 bn
11. **Currency :** Ostmark. 1 $ = 1.7595 Ostmark (1989)



Country Profile — Hungary

1. **Population :** 16.6 million
2. **Area :** disputed
3. **Capital :** Budapest
4. **Head of /Government :** M. Nemeth (Prime Minister)
5. **Form of government :** moving towards multi-party democracy
6. **Per capita GNP (1986 est.) :** $ 7 920
7. **GNP (1986 est.):** $84.0 bn
8. **GNP growth (1986 est.) :** 1.3 %
9. **Imports (1987 est.) :** $ 9.86 bn
   from CMEA : $ 4.66 bn
   from OECD : $ 4.25 bn
   from rest of world : $ 0.94 bn
10. **Exports (1987 est.) :** $ 9.58 bn
   to CMEA : $ 4.79 bn
   to OECD : $ 3.72 bn
   to rest of world : $ 2.9 bn
11. **Currency :** Forint. 1 $ = 48.01 forint (1988)

Country Profile – Poland

1. **Population :** 37.6 million
2. **Area :** 312 683 sq km
3. **Capital :** Warsaw
4. **Head of State :** Gen. W. Jaruzelski
5. **Prime Minister :** T. Mazowiecki (Solidarity)
6. **Form of government :** Communist/Solidarity coalition with partial (35 %) free representation in Lower House and free elections to Upper House of Parliament
7. **Per capita GNP (1986 est.) :** $ 6 930
8. **GNP (1987 est.) :** $ 259.8 bn
9. **Production growth :** ± 4 %
10. **Imports (1987) :** ± $ 8.53 bn
   from CMEA : ± $ 4.24 bn
   from OECD : ± $ 3.65 bn
   from rest of world : ± $ 643 bn
11. **Exports (1987) :** ± $ 10.43 bn
   to CMEA : ± $ 4328 bn
   to OECD : ± $ 4.30 bn
   to rest of world : ± $ 1.03 bn
12. **Currency :** Zloty. 1 $ = 630 zloty (Apr. 1989)

Country Profile – Rumania

1. **Population :** 22.8 million
2. **Area :** disputed
3. **Capital :** Bucarest
4. **Head of State/Government :** N. Ceaucescu
5. **Form of government :** Totalitarian, one-party
6. **Per capita GNP (1986 est.) :** $ 6 030
7. **GNP (1986 est.) :** $ 137.5 bn
8. **GNP growth (1986 est.) :** 1.2 %
9. **Imports (1987) :** $ 8.76 bn
   from CMEA : $ 4.92 bn
   from OECD : $ 1.20 bn
   from rest of world : $ 2.64 bn
10. **Exports (1987) :** $ 11.50 bn
   to CMEA : $ 4.77 bn
   to OECD : $ 4.06 bn
   to rest of world : $ 2.67 bn
11. **Currency :** Lei. 1 $ = Lei 8.63 (1988)

by the adoption of a Joint Declaration. In its reply, the Commission decided to react positively while not abandoning its line of approach to individual CMEA members, and therefore, in addition to replying to the CMEA, the Community wrote to the Foreign Ministers of the East European CMEA countries, asking for their views on the normalisation of relations with the Community and reiterating the Community's desire to enter into negotiations for trade agreements with each of them. By the spring of 1986, all the countries contacted as well as the CMEA, had responded, and exploratory discussions were soon being held with a number of countries, Czechoslovakia and Rumania being among the first.

Why, then, was it three years before the Community and the CMEA signed the Joint Declaration? The origins, like those of the institutions themselves, date back to the end of the Second World War, when Germany was occupied by the four Allied powers, the USA, France, Great Britain and the Soviet Union. Although the post-war period saw the rise of two Germanies, East and West, the status of Berlin remained special: despite the wall, which cut the Russian zone off physically from the rest of the city, the quadripartite agreement of 1971 reaffirmed the status of Berlin as a single unit under four-power control. However, the EEC considers that West Berlin—not the whole city—forms part of the territory of the Community and that the Community, when negotiating agreements with non-EEC countries always inserts a territorial application clause. This clause the East European chancelleries were loth to see included until a satisfactory compromise was reached whereby most of the CMEA countries made a unilateral declaration at the time of signing that the agreement did not affect the quadripartite agreement on Berlin of September 1971.

On 25 June 1988, in Luxembourg a Joint Declaration was signed between the EEC and the CMEA establishing official relations and providing for representatives to sketch out future forms of cooperation. It was signed on behalf of the EEC by Hans-Dietrich Genscher, President of the External Relations Council and by Willy De Clercq, External Relations Commissioner, and on behalf of the CMEA by Rudolf Rohlicek, Chairman of the CMEA Executive Committee and Mr Vyacheslav Sytchev, CMEA Secretary. Since then, meetings have been held in November 1988 and April 1989, and a further meeting is scheduled for the autumn of this year. Requests for formal accreditation have already come from the Soviet Union, East Germany, Bulgaria, Czechoslovakia, Poland, Hungary and even Cuba, Mongolia and Vietnam while Hungary and Poland have already concluded far-reaching trade and cooperation agreements and Czechoslovakia has already concluded a trade agreement. With the CMEA, talks are proceeding to help exchange information on the powers and the activities of the two organisations and on the extent of their competences and working methods. In addition, more detailed work is beginning on four areas of mutual interest, the environment, economic forecasting, technical standards and statistics.

EEC

Signing the EEC-COMECON Joint Declaration in 1988, from left to right: Jacques Delors, Commission President, Willy De Clercq, External Relations Commissionner, Hans-Dietrich Genscher, President of the EEC Foreign Affairs Council, Rudolf Rohlicek, President of the CMEA Executive Committee, Vyacheslav Sytchev, CMEA Secretary

Country Profile – USSR

1. **Population:** 281.5 million
2. **Area:** 22 402 000 sq km
3. **Capital:** Moscow
4. **Head of State/Government:** President M. Gorbachev
5. **Form of government:** federal structure, centrally controlled one-party (Communist)
6. **Per capita GNP (1986 est.):** $ 8 370
7. **GNP (1986 est.):** $ 2356.0 bn
8. **GNP growth (1986 est.):** 1.2 %
9. **Imports (1987):** $ 95.93 bn
   from CMEA: § 54.11 bn
   from OECD: $ 24.40 bn
   from rest of world: $ 17.42 bn
10. **Exports (1987):** $ 107.62 bn
    to CMEA: $ 54.18 bn
    to OECD: $ 25.32 bn
11. **Currency:** Rouble 1 $ = 0.5994 Rouble (1988)

As the self-imposed isolation of Eastern Europe breaks down, CMEA members are consciously seeking to play a more active part in the global trading system; several countries have already joined GATT and the IMF. It would have been all the more anomalous therefore, if these countries had ignored the economic community on their geopolitical doorstep. Obviously, future progress depends very largely on the nature and progress of economic reforms in the CMEA countries because the natural counterpart to an East European industry in the EEC is the private firm which lies in a competitive, not a bureaucratic, world, where currencies are valued so long as they are convertible. CMEA currencies are not; prices are fixed on wholly different lines; centralisation is still the norm. However, all that having been said, there is a definite shift towards recognition of economic realities and an obvious desire to integrate a market of 390 million potential consumers more closely into the global economic framework. President Gorbachev has spoken on a number of occasions, of the task of building a "common European home". The USSR's new, more open attitude to the Community is a positive and welcome contribution to the foundations of such a home. ○ T.G.

Code of conduct for EEC companies in South Africa

In 1978, the Community adopted a Code of Conduct for firms in Member States which had subsidiaries, branches or representatives in South Africa, which defined the norms to be observed in respect of social and practical measures towards South African workers who were victims of discrimination enshrined in government policy.

Some time ago, the Community published the eighth report on the application of this Code of Conduct by the companies concerned. The report covers a particularly difficult period in social relations in South Africa, hence its interest for those who seek to quantify the progress achieved.

We are publishing below a summary of the report drawn up by the Community's Council of Ministers.

Against this background the Community representatives noted the importance of the Code as an instrument supporting the policy of promoting fundamental changes by peaceful means. In their view it contributed to reform in the field of labour relations and observance of it by European companies set an example for South African companies to follow. In concrete terms the Code led to an improvement of wages. It further promoted development in training and the advancement of black employees. Measures taken by European companies to abolish segregation at the workplace has given many South African workers of all races a favourable experience of an integrated society. The general assessment of the Code by Ambassadors was positive. The Twelve should continue to promote the Code's implementation as a demonstration of their continued commitment to change in South Africa. Steps should also be taken to encourage increased support for it among South African trade unions.

Relations within the undertaking

The reports received indicate a consolidation of company policy to promote and improve relations between the employers and workers in accordance with Section 1 of the Code of Conduct. This consolidation is seen in the increased involvement between employers and black trade unions and their representatives. For the period covered, more than 90% of the companies in question allowed their black employees to choose freely the organisation which they wished to represent them. The majority also took steps to inform all employees of their social and trade union rights. In this respect a number had also promoted the Code either by making it available for inspection by workers or by discussing the company's individual policy in relation to it with workers. Most companies indicated also that they had taken measures to improve communication between employers and employees. Such measures included the provision of adequate facilities for the organisation of trade union meetings and distribution of literature.

Most companies indicated that they had formal relations with trade unions representing black workers. Companies which did not have such relations were either those employing a very small number of Black African workers or those involved in an area where the absence of unions or employees' organisations ruled out the possibility of formal relations. The majority of companies confirmed their willingness to recognise black trade unions. In this regard a number of European companies reported that they had in fact recognised and concluded negotiations with a number of Black African trade unions which are not officially registered. There was a proportional increase in the overall number of agreements concluded both directly at company level with such unions and, at a sectoral level, with the government-controlled industrial councils on which only officially registered trade unions may represent black employees. The preference on the part of many black trade unions to initiate direct negotiations, even following negotiations concluded at a sectoral level, was matched by a willingness on the part of companies to engage in such negotiations. In addition most companies reported the existence of some form of committee for consultation between themselves and their employees.

Companies presenting reports for the period under review (by country)

Country	Number of reporting companies	Number of black employees
Belgium	5	24
Denmark	7	793
Germany	94	18 900
Greece	2	39
Spain	1	310
France	15	2 236
Ireland	—	—
Italy	1	133
Luxembourg	—	—
Netherlands	11	4 441
Portugal	2	78
United Kingdom	109	70 300
Total	247	97 254

Migrant labour

Less than a quarter of the European companies reporting employ migrant labour. With the exception of one company which employs approximately three-quarters of the total reported migrant workforce, companies employ few migrant workers. Of those companies which indicated the use of migrant labour, most had introduced measures to help such workers with the particular difficulties facing them. These measures included the granting of additional paid leave to visit families, contributions towards the cost of lodging and the regular or automatic renewal of contracts. It was noted that, with the easing of laws on settlement in urban areas as a consequence of the abolition of influx controls in July 1986, some of the measures taken previously by companies to ensure the renewal of such contracts were no longer necessary.

Pay and wage structures

The reporting companies accepted the principle of equal pay for equal work regardless of race. Some companies did, however, report difficulties in implementing the principle of equal opportunity resulting, for example, from the different educational standards caused by the racially segregated South African education system. Companies reported in particular on their observance of the requirement under the revised version of the Code that they pay black workers at least the "supplemented living level" (SLL) set out in the biannual tables published by the University of South Africa. This SLL is regarded as the absolute minimum wage needed to support a family of five and is, on average, 30% higher than subsistence level, the "minimum living level" (MLL). In the last reporting period the percentage of black employees paid below SLL dropped from 8% to 4% approximately. In the present reporting period, although precise figures are not available, the figure would now appear to be below 3%. Most companies employing workers within this wage bracket indicated their intention to revise wages in line with the SLL in the near future or at the beginning of January 1988. In the main, persons not paid up to SLL were employed as watchmen, cleaners or probationary workers. In addition the personal circumstances of workers, e.g. those with families of less than five, were cited as a reason for not paying SLL. On average pay to black workers was above SLL, and in many cases it was considerably more than the SLL. During the period covered by this report the inflation rate in South Africa grew considerably more quickly than the increase in average wages and the progress made by European companies to meet the SLL norm introduced by the revised Code should be viewed in this context.

All the reporting companies which addressed themselves to the question of periodicity of wage reviews confirmed that they carried out annual reviews and, in many cases, bi-annual reviews.

Training and promotion of black employees

All companies reporting indicated that, where training programmes were available, these were open to all employees equally irrespective of race. Because of their size a limited number of smaller companies employing only a few black employees offered on-the-job training only and not specific training courses. Almost all the other reporting companies offered special in-house training and, in many cases, the possibility of external training. Training courses on offer included those aimed at training employees for supervisory, executive and higher management positions. Towards this end many companies offered financial assistance and even scholarships for university studies.

The view of many companies was that training would be of benefit in preparing local employees for positions of responsibility. Dependence on white migrant labour declined further with the policy of many companies not to recruit from overseas where suitably qualified local candidates could be found.

Fringe benefits

The code calls for companies to concern themselves with the living conditions of their employees and their families.

Most companies concentrated on the provision of financial assistance towards pension funds and medical assistance. Almost all of them offered such assistance in one form or another. In addition many made available low-interest or interest-free loans for the purchase of accommodation and assisted towards the education of employees and/or their families. A similar proportion also provided extra benefits by way of support for commuting costs, subsidised work canteens or work clothes. All the companies which addressed themselves to the question of leave indicated that they gave special support or full pay for leave and allowed a period of leave in excess of the minimum legal requirement in South Africa. The majority of companies offered bonus payments, special awards (e.g. for long service or retirement) or more than 12 months' pay in one year. Not all companies reported on their involvement with the local community but the majority of those who did so stated that they had offered support to local schools, libraries, hospitals or sports facilities etc.

Desegregation of places of work

The Code requires companies to abolish any practice of segregation of workplaces, canteens, education, training and sports activities.

All the reporting companies indicated their intention to implement full desegregation and nearly all of them have already abolished any segregation previously existing. Companies also indicated that all social events organised by them, for example anniversaries, Christmas parties or sporting events, were desegregated and provided opportunities for racial mixing. Some companies whch had taken no measures to promote such mixing claimed that the natural mixing already taking place made any further steps to promote it unnecessary.

Encouragement of black businesses

As far as they are able, employers are asked under the Code to encourage black entrepreneurs by providing assistance for black employees to set up their own companies, by preferential treatment in placing orders and by awarding contracts to black companies.

The kind of assistance offered by European companies to black businesses consisted broadly either of the award of sub-contracts or support for organisations promoting black entrepreneurs. Up to one third of companies had awarded sub-contracts to black companies or gave them priority in customer/supplier relations. Others indicated that it was not possible to do so either because there were no black companies in their line of business or because the nature of their business did not lend itself to subcontracting. A number of companies indicated that they were intending to enter, or had already entered, into joint activities with small black companies. The majority of reporting companies were involved in providing other forms of support. Many companies, for example, indicated that they were members of the National African Federated Chamber of Commerce (NAFCOC), an organisation whose principal purpose is to promote black participation in economic life. Most companies had joined one or several of a number of similar organisations including various local Chambers of Commerce, the Small Business Development Corporation, the Urban Foundation and the Black Management Forum. Other measures to encourage black businesses included the giving of loans or donations and the provision of advisory services. ○

Food aid

Millions of people, between 450 million and a billion the estimates say, go hungry every day and many of them get nothing to eat at all — as the media shock us into remembering, with their shots of wasted, swollen-bellied children, every time disaster strikes. A few years ago they sought our solidarity with the spectacle of refugees from the hunger camps of Ethiopia. Today it is the starving victims of fratricidal fighting in Mozambique and Sudan.

But not every hunger victim bears the stigmata of such extreme distress. Even in the developing countries which more or less manage to feed themselves, a large percentage of the population displays serious nutritional deficiency. And even the developed countries have their pockets of poverty, the so-called Fourth World, with their food hand-outs and soup kitchens every winter. But these are relatively marginal cases.

The hunger map is by and large the map of the poorest countries, where the agricultural production curve cannot keep up with demographic growth and imports have to be used partly to cover the increasing food shortfalls. There has been a spectacular increase in the developing world's commercial grain imports, from 42 million tonnes in 1970-71 to 100 million tonnes 10 years later, with the FAO suggesting that 200 million tonnes will be needed by the end of the century.

The situation is made worse by the fact that the countries whose food production is in a bad way are often those with particularly poor economies too, with large external debts and the need to apply structural adjustment policies and all the restrictions that go with them. For these, food aid from the developed nations, accounting for as much as 20% of their grain imports, is vital.

It was in the early '60s that the world learned partially to change the paradox whereby people still starved to death regardless of vast food stocks somewhere else on the planet. There was more than altruism behind these huge transfers, of course (see "In the beginning were the surpluses"), but today food aid is a veritable institution, representing a considerable percentage of official development assistance.

How did food aid come about? And what forms does it take in the Community, the world's second biggest provider? How is it mobilised, shifted and distributed? What effects does it have on the countries which receive it and what changes might there be in the coming years? These are just some of the questions which this Dossier attempts to answer. ○

Amadou TRAORÉ

Facts about food and famine (*)

How many people are hungry in the world?

In the world today, millions of people do not have enough food to eat.

As many countries do not keep adequate statistics, it is impossible to be certain of the exact figure.

But it is estimated (Food and Agriculture Organisation of the United Nations) that 435 million people are seriously undernourished. And some experts believe that the true number may be as high as one billion.

Undernourished people are mainly to be found in Africa, Asia and the Pacific and parts of Latin America.

Can the world feed them?

The particular tragedy about today's food crisis is that it need not exist. The world does have sufficient resources to feed its people — but they are not being harnessed or distributed efficiently to ensure supply for everyone.

Natural disasters like flooding, drought or earthquakes will always threaten some peoples, particularly those who live on the most remote and arid terrain. That is why emergency food aid must always be available to respond to such contingencies. But if agricultural development and trading could be placed on a sensible footing, the kind of hunger which exists in the world today could be eliminated.

If there is enough food, why are people starving?

There are many reasons, but some basic factors can be identified.

Food is not being produced evenly across the globe. Far from it. In the poor nations of the world, lack of investment, equipment and infrastructure has prevented an adequate agricultural base from developing.

Without radical changes, many countries in the world will require ever-increasing amounts of food aid. In 1982, developing countries were sent 10 million tonnes of food aid — by the end of the century it is estimated this will have gone up to 40 million tonnes.

In recent years, there has been a swing from Asia to Africa as the area where the need for growth in food production is greatest. Yields from crops in Asia have been increasing, but in Africa, they have been decreasing.

Meanwhile the industrialised nations of the world are producing huge surpluses of food. This has arisen from the perfectly understandable desire to be self-sufficient in food. Throughout history, a nation's security and viability have been inextricably linked to its ability to produce enough food, thereby freeing itself from the threat of mass starvation in a war.

Among the Western industrialised countries, farmers have therefore been encouraged to produce — often by means of subsidy and support — to ensure food supply. Combined with intensive farming techniques and increased knowledge, this has meant that production has risen far ahead of demand, resulting in massive surpluses. So the West has too much, and the Third World has too little.

Who are the main over-producers?

Stockpiles of surplus food have built up in many countries. For instance, at the end of 1986/87 the United States had total carry-over stocks in wheat and coarse grains (including rice) of 203.7 million tonnes. The carry-over stocks of wheat and barley in the EEC at the end of 1986/87 were 23 million tonnes.

Other over-producers include Canada (grain), Australia (grain and beef), New Zealand (meat and dairy produce), Thailand (tapioca) and Argentina (grain and beef). Even Zimbabwe and India produce more grain than they need and are trying to sell it on the world market.

What effect do the surpluses have?

The pattern of agricultural support and hence surplus production in the West has a global impact. First, it leads to distortions of the market. According to some estimates (The World Development Report 1986, OUP, and The Political Economy of International Agricultural Policy Reform, Australian Government Publishing Service, Canberra 1986) Japanese rice producers have been paid more than eight times the world price and large subsidies have been required to get rid of the output.

These estimates also suggest that US farmers have received about three times the world price for sugar and butter and European Community farmers some three times the world price for wheat, barley, butter and sugar.

Second, it directly damages developing countries. The surpluses are frequently dumped on the Third World at such low prices that local farmers cannot compete — and may be driven out of business. So, far from helping the Third World, the surpluses actually cause severe damage to local agricultural development and inhibit the chances of an underdeveloped country feeding itself.

Can't we just raise more money to feed the starving?

Bob Geldof's campaign through Band Aid and Live Aid succeeded in awakening many people in the West to the food shortages in the Third World, and it generated an enormous response.

But the scale of the problem is too great to be resolved by voluntary donations. The EEC actually contributes the same amount raised by Band Aid and Live Aid to the Third World every two weeks.

So what needs to be done?

A whole range of measures is required. Areas to be examined include food aid and the means of promoting technological development in the Third World.

Much interest must be devoted to:
(1) Investment in appropriate equipment and infrastructure in Third World countries so that they ultimately have the means to feed themselves.
(2) Reduction of the West's agricultural subsidies to cut surpluses to enable Third World farmers to establish soundly-based financial markets.

Won't action to help the Third World hurt the West's farmers?

The answer is that more efficient farming in the Third World would actually increase demand. Research work shows that once people are adequately fed, they begin to want different foods and their raised expectations will result in new market opportunities for the West's farmers.

Farmers and politicians in the West are increasingly aware of the results of overproduction, and a number of measures have already been introduced. For instance, the new EEC farm deal agreed by European leaders in February 1988 has for the first time put a legally enforceable limit on annual agricultural spending in the Community.

But further reform of the world food trading system, linked to a formal programme to overcome rural poverty in the Third World, is essential before the twin-headed monster of surplus and starvation can be overcome.

(*) Background briefing of the World Food Conference, 7-8 April 1988.

Nutrition in sub-Saharan Africa

by H.L. VIS (*)

People need enough of the right quality food to live. Quantity is simply a matter of calorie intake, but quality is a far more complex notion, as it depends on the various percentages and the quality of the different nutrients—the amino acids, carbohydrates, simple fats, vitamins and mineral salts—that make up the food. The quality of food is determined by the quality of the nutrients, some of which are vital to life and have to be present in the diet if proper nutritional standards are to be maintained. So a diet must include enough food of a quality (this means the quality of the nutrients and their relative proportions) such as to ensure that the organism is adequately nourished.

Malnutrition is a condition which in some way deviates from the recommended standards of the physiologists—who base their claims on a number of conventions. There is a certain amount of confusion in the specialist literature here, because the various authors do not necessarily all abide by the same conventions. The WHO (World Health Organisation) and the FAO (UN Food and Agriculture Organisation) have tried to codify the normal nutritional state in a series of technical reports, respecting the WHO's suggested definition of good health as physical and mental wellbeing. Any deviation from the norm can be evaluated by taking anthropometric and biological measurements to check on the metabolism and body structure of the individual in question. This is called his nutritional state.

(*) Professor of Pædiatrics at the Free University of Brussels.

UN/Peter MAGUBANE

In Black Africa children do not have a balanced diet, and that slows down their growth

For public health purpose, malnutrition is usually divided into a number of categories:
— general malnutrition, leading to marasmus;
— protein deficiency or kwashiorkor;
— avitaminosis;
— mineral or mineraloid deficiency (iron, selenium, copper, etc. deficiency) and endemic goitre and cretinism due to iodine deficiency, for example);
— secondary malnutrition due to infection, intestinal parasitosis and/or malaria.

Pure malnutrition is rare in the developing countries. There is nearly always a mixture of different forms, so the literature no longer makes a distinction between general calorie malnutrition and protein deficiency and lumps the whole lot together under the general heading of protein-calorie malnutrition (PCM). As virtually the whole range of vitamin and mineral deficiencies are associated with PCM, writers in Central America prefer to talk about multi-deficiency diseases. Nonetheless, every case of malnutrition has one main component which will vary in size and may well differ from one region to another, too. On the inter-lake highlands of Central Africa, for example, protein deficiency is the main component.

The cause of malnutrition is not always the quantity and/or quality of the diet. It may be the consequence of anything upsetting the normal metabolism—infections or parasitoses, for example, the particularly the intestinal variety. And the environment in general, the quality of the water included, plays a very important part.

So it is by no means always clear that a state of malnutrition can be changed simply by stepping up the food intake of the people in question.

Famine, says the dictionary, is an extreme scarcity of food, a dearth of something, hunger, starvation... and therefore something essentially related to the food supply. But there are one or two exceptions, as we shall see.

The extent of malnutrition: the high-risk groups

It was after World War II, above all, that attention began to focus on the nutritional situation of the countries of the Third World, most of which were then under colonial rule. Almost the sole concern at this stage was the children because, before the war, reports and studies from various quarters, from such people as Normet in what is now Vietnam in 1922 and Cecily Williams in the Gold Coast in 1937, had, independently of each other, gradually begun to describe protein deficiency in children in the tropics. It was Cecily William's publications which hit the headlines. Even now the condition is referred to in specialist literature as "Ghâ"—kwashiorkor. It was observed in other regions of Africa and went under various names—malignant undernourishment, multiple deficiency disease, "nbwaki" (in Zaïre), oedemic depigmentation syndrome and infantile pellagra (in Southern Africa), as it was often confused with the pellagra found among maize eaters.

So children in Black Africa do not get a good diet. Their growth lags behind that of children in Western Europe and the USA, they reach puberty later and, in adulthood, are shorter and lighter than their counterparts in the industrialised world. During the last World War, for example, the average weight of a young adult decreased by 11-20%, due to poor diet, down to 61.8 kg in Paris, 52.7 kg in Liège and 59.6 kg in Wuppertal, whereas the average weight of someone of the same age in Madras in 1877 was 51.0 kg, dwindling during the famine down to 36.5 kg (a 28.5% drop). And we found the average weight of the Rwandese peasant during a period of famine to be somewhere between 53.8 kg and 58.2 kg. So the figure recorded for subjects only a few centimetres different in height at the end of the period of famine in Europe is similar to that in a period of non-famine in Africa.

The nutritional state of males in rural Africa is therefore consistently less good than that of Europeans of the same age. And the same goes, *a fortiori*, for women of child-bearing age, for they have to cope with pregnancies and breast-feeding on top of everything else. The nutritional state of pregnant women and nursing mothers in rural Africa is shown in the following:
(1) The weight increase during pregnancy is small—4-5 kg, as compared to 12 kg in the industrialised world.
(2) The average weight of newborn children is systematically lighter than in the industrialised world—2.8 kg in the Kivu mountain area, as against 3.3 kg in Europe.
(3) The number of very small newborns is higher—and babies of less than 2 kg are at risk.

Breast-feeding and demographic growth

In many parts of rural Africa, women of child-bearing age have two obligations to fulfil—in production (working in the fields, fetching water and firewood and so on) and in reproduction (having and breast-feeding children).

In these societies of subsistence farming, breast-feeding does two things. It ensures that the newborn survives by providing a period of optimum nourishment—from the point of view of both nutrients and the protection against infection that is so important in a hostile environment. And it is a natural way of ensuring that births are adequately spaced, thus making for better health for both mother and child.

In most agricultural societies in Black Africa, breast-feeding is a universal phenomenon and a long-lasting one, carried on for at least 18 months and often two years or more. It is demand feeding and, as the baby is in close contact with the mother day and night, there are a large number of feeds, very often 10 or more, every 24 hours. This is very different from what happens in the industrialised world and it results in a high level of


UN/Kate TRUSCOTT

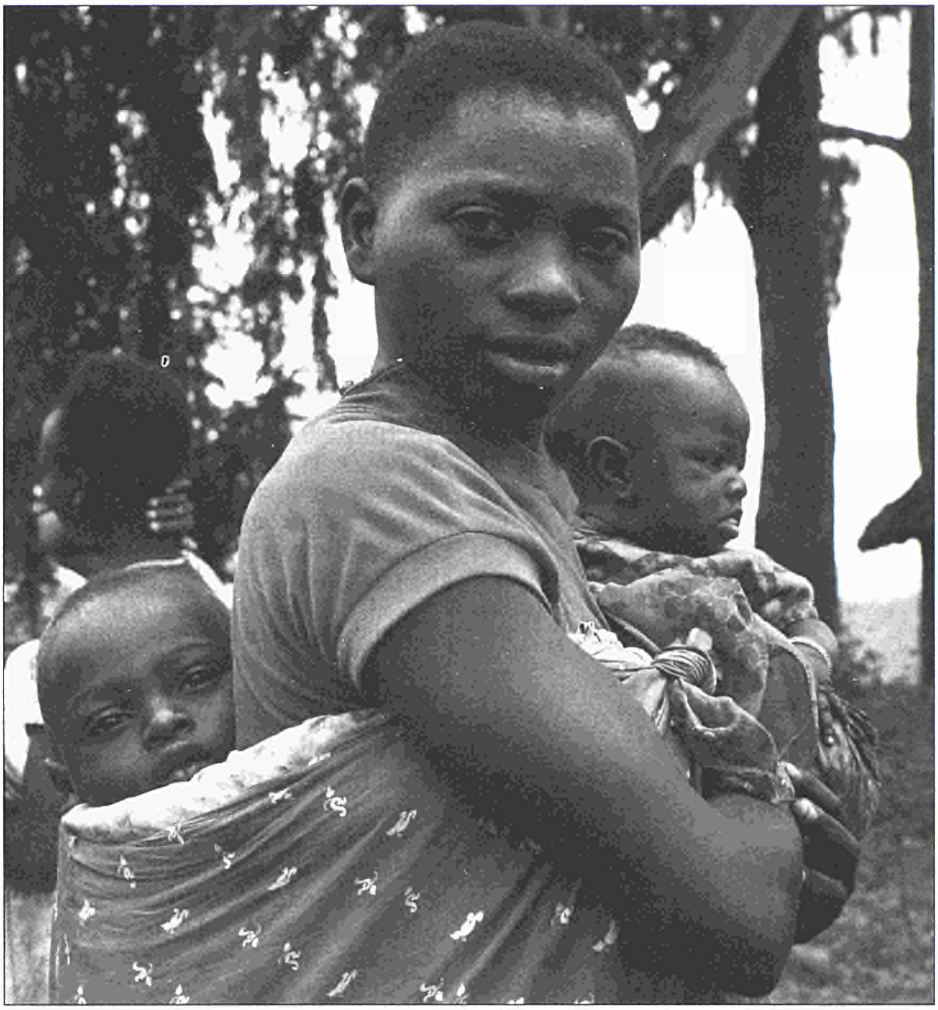
In rural areas, African women have two main tasks that are both energy consuming: agricultural production and reproduction i.e. pregnancy and breast-feeding

the hormone prolactin in the nursing mother's blood. It takes more than eight feeds, at least three of them at night, per 24 hours to keep the rates of this hormone high. Constantly high prolactin levels inhibit ovulation but, if the number of feeds is reduced, the rate drops and ovulation starts again, so the period of infertility after the birth (i.e. postpartum amenorrhoea) very much depends on the mother's attitude to breast-feeding.

So mothers in rural Africa have to operate in two sectors of activity which they spend much energy—agricultural production, and reproduction, and breast-feeding. They are at the crossroads of the two sectors, both of which make demands on their energy. They tend to stick to some kind of precariously balanced diet. If they did not, they would run to malnutrition and be likely to die, so that balance is vital. There are many studies of traditional communities to show that, whenever the food situation is good, the rules of society push the mother towards reproduction, excusing her almost all physical work while breast-feeding so she only to look after the baby—which is fed properly for a very long period. As she is properly nourished at this time and has less physical labour to perform, the period of postpartum amenorrhoea is shorter, even if she is breast-feeding, although a series of sexual taboos will prevent her from becoming pregnant again and make for a long wait before the next birth.

If the food situation is poor, however, the mother will be pushed towards production, in particular to work in the fields to boost food output, and she will be forced to cut down her activities in the reproduction sector if she is to keep herself in a decent state of nutrition. She will feed the baby less often and leave him or her at home for part of the day so as to have one less burden to carry. Less prolactin will be secreted because feeds are wider-spaced, so the period of postpartum amenorrhoea will be shorter and the sexual taboos intended to protect breast-feeding will not be applied. So she will become pregnant again more quickly.

And the likelihood of the baby dying is greater in this case, because it no longer gets adequate protection from its mother's milk—which is first reduced and then cut off altogether because the mother is pregnant again. So closer births increase infantile and juvenile mortality, although not in proportion to the reduction in the space between those births. There will therefore be more births and more deaths. But births will still outnumber deaths, so there will be an increase and even, in a few years, a real population explosion. Thus in the traditional farming societies of sub-Saharan Africa, where the economy is very close to subsistence and fecundity natural, a deterioration in the nutritional situation leads to a paradoxical increase in demographic growth by reducing the period of breast-feeding.



In sub-Saharan Africa, whether the food situation changes for the better or the worse, the consequence will always be population increases

The situation in the towns of Africa is different. All surveys run so far have shown that the largely money economy means that food availability is satisfactory. Adults tend to be properly fed and less physical labour is demanded of the mother. The social rules of the traditional environment have disappeared and urban mothers, often encouraged by the presence of milk substitutes (milkpowder, for example), behave differently towards their babies than rural mothers. They give fewer feeds per 24 hours, no longer have them in their beds (so some of the night-time feeds go) and they go about their business in the daytime without the baby. The period of breast-feeding (and amenorrhoea therefore) is shorter and women will be pregnant sooner, because the social taboos keeping births spaced in the rural environment do not exist in the towns. Infant mortality (up to a year) will be higher than in the traditional rural environment when the food situation is good, but juvenile mortality will be lower.

The conclusion is that, whether the food situation in sub-Saharan Africa changes for the better or the worse, the consequence will be increased demographic growth.

Famine and food shortage

There have always been famines and food shortages in living memory in sub-Saharan Africa, but it is difficult to establish the whole historical picture, as can be done for Western Europe, India or China. Yet there are studies which link up fluctuations in climate, disease and famine.

In 1982, for example, J.C. Miller [1] managed to trace events in West-Central Africa since the early 16th century. But the description is very approximate because most of the early-period details have come down by word of mouth.

He describes 13 major famines and food shortages in Rwanda between 1897 and 1944. They are presented as local scourges, triggered by a variety of causes—locusts in 1897, drought in 1900, too much rain in 1905 and not enough rain and *Phytophtera infectans* wiping out the potato crops in 1943-44. It is difficult to put a figure on the deaths from famine in this country, although 1943-44 apparently claimed almost 36 000 victims.

In Karamoja province in Uganda in 1919-58, an estimated 45% of the food (millet, sorghum and maize) harvests were good, 30% just enough and 25% too small to avoid famine. When the people of this region were faced with famine, they tried to strike a balance by using food products (milk and meat) from their cattle. As early as 1972, Colin Turnbull produced a socio-ethnological study to show how a society in this province could disintegrate in a situation of virtually permanent famine with his description of the collapse of the Iks in the far north of Uganda [2]. There was another great famine in Karamoja district in 1980, after the drought, the civil war, an outbreak of rinderpest and a locust invasion which destroyed the crops. Infant mortality went from 139‰ to 607‰ and general mortality from 23‰ to 212‰ with a preponderance of boys.

As far as public opinion is concerned, the striking thing since World War II is that the number of food shortages and famines in the sub-Saharan Africa seems to be increasing. The debate has got beyond the academic stage and solutions are called for—which means seeing the situation clearly.

Famines are triggered by factors of varying importance appearing in particular contexts. Contrary to what some people think, it is not so much the trigger as the context which determines the extent of the disaster. Several authors claim that the main thing to blame for the declining situation is

(1) J.C. Miller: The significance of drought, disease and famine in the agriculturally marginal zones of West-Central Africa. Journal of African History 23, 17-61, 1982.

(2) Colin Turnbull: The Mountain People. Simon & Schuster, New York 1972.

the colonial or neo-colonial system, which apparently upset the traditional balance of subsistence and self-sufficiency by anarchically diverting part of the traditional agricultural labour force into the production of products (in mining and industrial agriculture) for export, without any processing, to Western Europe.

The deteriorating situation in the Sahel-Sudan has been explained by saying that, for example, the introduction of cash crops (groundnuts and cotton) on a wide scale put the farmer at a disadvantage in times of natural crisis and that the situation of the farmer and the creation of state borders put a brake on the migration of nomadic herdsmen. Partisans of this theory maintain that, once upon a time, the people lived in an economic system of self-subsistence and were relatively stable, with relatively efficient defence mechanisms in the event of disaster. We have no proof of this, but it could well be the case.

The context

There is an impression—and it will gone into in detail later—that the economic situation of the vast majority of the rural populations of the sub-Saharan Africa is very close to subsistence. This is not necessarily to say that they live now just as previous generations did, but that, as far as their diet is concerned, they are still largely dependent on what they grow themselves if they are farmers and what they can get from their cattle if they are herdsmen. The market economy is virtually non-existent.

Hunters and gatherers probably had a reasonably balanced diet in the past. This is a way of life which is still found today in tribes such as the Oto in the Lake Tumba area of Zaïre, although they do actually cultivate some things now that tubers (such as manioc), and cereals (maize) have been introduced. A properly balanced diet is obtained, as Hélène Pagézy describes, with a large amount of animal protein—meat from the hunt and fish. Although the nutritional state of the Oto tribe is good, there are still a series of problems with nutritional repercussions, due, in particular, to malaria and intestinal parasitoses such as ankylostomiasis. The Oto diet gives us some idea of what nutritional balance was like in populations of this type before the colonial era.

Traditional farmers live off the food they grow, although this is not necessarily what their ancestors grew. In many cases, even the staples have changed. In the Shi tribe in Kivu (Zaïre), sorghum has, to a very large extent, been replaced by the less nutritious cassava. The tribe's present diet is more than 90 % beans, sweet potatoes, cassava, bananas and banana beer, the only major source of relatively good protein being the beans. Aside from sorghum, the other thing to have disappeared from the diet is the milk and allied products which they were able to obtain from their bartering with the herdsmen of the region.

Farmers who depend mainly on what they grow themselves have—or had—enough arable land not only for their crops but to allow for the fallow periods during which the soil recovers. They have—or had—the agricultural techniques, the choice of seed, the combination of crops, etc. to get the optimum output per hectare. On the other hand, the annual variations in the weather, with dry seasons and rainy seasons, mean food production fluctuates and there are tiding-over periods of varying length every year. In Kivu and in Rwanda, the problem period is the one involving the protein source, when the reserves have run out at the beginning of the rainy season and there is as yet no yield from the new harvest. If there is less rain, the tiding-over period is longer and famine is on the cards. Systematically low plasma albumin rates are recorded in these people in the Kivu area, particularly the high-risk groups—children between two and six, pregnant and nursing mothers. There is therefore a tendency towards a period of protein malnutrition every year and it cannot be compensated for either, as there are no other sources of protein (any longer), milk having more or less gone from the diet. If for one reason or another the population has cash, as occurs in the urban areas, food rich in good-quality protein is purchased and the effects of the tiding-over period disappear or are strongly attenuated. Farmers know how to handle the problem too, but they do not have the material means of doing so.

The colonial administration analysed the situation in Rwanda and the neighbouring mountain area of Kivu after a famine, in 1927, and concluded that it had been caused by seasonal variations in food products, overpopulation and deterioration of the arable land due to erosion. Protein deficiency was not known at the time. The powers-that-be thought they were doing the right thing by introducing cassava, which the population did not eat, and extending the sweet potato crops. But these two foods are low in protein, so although the measure did away with the seasonal calorie fluctuation, it did nothing about proteins and the protein deficiency was exacerbated as a result. Cassava is also a poison if it is not prepared properly. The toxic substances it contains, which are prussic acid-based, prevent the thyroid from functioning and cause goitre (enlargement of the thyroid) and cretinism, and both ailments are endemic in these regions. In some mountain villages in the Kivu, for example, cretins—severely mentally handicapped—make up 1-3 % of the population.

The authorities tried to relieve the pressure on the land by moving people from Rwanda to neighbouring North Kivu. This only shifted the problems—which cropped up again, stronger and more acute, at the points of both departure and arrival 20 or 30 years later. Currently, these agricultural communities have, typically, heavy demographic expansion of between 2.6 % and 3.7 % p.a.—as indeed is the case all over rural black Africa. We have already explained the mechanics of this phenomenon, which leads to a doubling of the population every 20-25 years.

So here we have an agricultural system with an economy of self-subsistence, little or no trade, excessive demographic growth, limited arable land and food crops that are poor in good-quality protein.

The situation we have just described shows the negative influence which foreign intervention may have on the health of the population. Although there was a short-lived improvement, the state of nutrition ultimately deteriorated in the

Nutrition centre in Rwanda
In the Kivu mountains, 20 to 40% of the children had protein deficiency in 1983

space of two or three decades. Left to their own devices, the people might have sought and found a better diet—as the fringe of the population with cash assets in fact did.

A prospective analysis, using a mathematical model, has been run on these inter-lake regions of Central Africa [3]. It shows that, all things being equal, the trend would be initially towards saturation of the good land, which would deteriorate due to overfrequent cropping not compensated for by better plant technology, and a total lack of land would follow. What this model clearly shows is that, beyond a given point, the effects of erosion are irreversible. The facts confirmed the prospective study, which dates from dates from 1975. The theory results agree with nutritional surveys, which show that the situation was already deteriorating when the model was being produced.

In fact 20-40% of the child population of the Kivu mountain region had protein-deficiency in 1983. But we found that only 5% of the infant population suffered from malnutrition 25 years previously. As the population doubled during this time, the absolute number of subjects of under 15 currently suffering from malnutrition is eight times what it was. And the weight graphs of the population as a whole are not as good as they were a quarter century ago, either. This slower growth in early life is the result of the intestinal mucous lesions diagnosed in almost all the individuals examined. These lesions are caused by infestation by roundworms, a permanent feature of the digestive apparatus of more than 80% of the population from the age of two onwards. This is a fine example of the harm which intestinal parasites can do to the state of nutrition.

It is easy to see that the situation in this part of Africa can lead suddenly to food shortage or famine. All it takes is, say, for disease to hit the bean crop.

What we have just described would apply, with variations, to other parts of black Africa too. Some populations, for example, may have seasonal variations in a food that supplies them with both calories and protein, as does millet in West Africa and maize in Malawi. It has been shown that peasants in Senegal lost a lot of weight during the tiding-over period, at the very time they needed all their strength to get the fields ready for the next crop. For some people in these areas, some sources suggest, the annual drop in calorie intake is equivalent to what it had been in The Netherlands just once over the past century, during the great Dutch famine at the end of World War II, in 1945.

Another reason for the deterioration of the food situation in a number of farming communities is the introduction of cash crops—groundnuts in West Africa, for example, and tobacco, and to a lesser extent, tea in the Blantyre district of Malawi. As we have seen, in the Central Africa lake area, it was the introduction of cassava, a food crop, which partly upset the situation.

If, in spite of everything, the farmers manage to keep their diet balanced, however precariously in some places, the same cannot be said for the traditional herdsmen. It is as if the pastoral civilisations were collapsing. They used to eat well, with high-quality food (milk and meat and fish among the Nuers of southern Sudan, for example) and a balanced diet thanks to their transhumance methods and, in some cases, close relations with the farmers. A large increase in their herds was partly to blame for soil erosion and, in the Sahel, the disturbing advance of the desert. But the deep-rooted causes of the disappearance of the herdsman's ancestral way of life are of course manifold, lying in the profound change in the political environment (new frontiers ruling out transhumance), the expanding farming population and the demand for more arable land to the detriment of pastures, social and economic changes and so on.

Such figures and coherent analyses as we have of food and nutrition in Africa are minimal in comparison with all the data available on the great famines of Europe. In those African countries where famine is a risk, there are few institutions which can monitor the situation on a permanent and reliable basis. Yet such an analysis is vital if food strategies are to be devised for whole countries or regions, so our institutes of nutritional research have an essential part to play. ○ H.L.V.

(3) M. Wils, M. Carael & G. Tondeur: Le Kivu montagneux. Surpopulation, sous-nutrition, erosion du sol (The Kivu mountain region. Overpopulation, under-nourishment and soil erosion) — Foreword by Professor H.L. Vis Mémoires in 8°, Nouvelle Série, Tome 21 — Académie Royale des Sciences Naturelles et Médicales. Brussels, 1986.

In the beginning were the surpluses...

In September 1961, a terrible earthquake struck Iran, killing 12 000 people, wiping out livestock, destroying hundreds of homes and ruining crops and harvests. The World Food Programme, although not officially set up at the time (this happened two years later and the organisation celebrated 25 years of existence on 30 May 1988), ran the world's first multilateral food aid operation, sending out grain, tea and sugar, and this was followed a few months later by similar schemes in Thailand (hit by a hurricane) and Tunisia.

But the food aid which governments send to other countries in times of famine and natural disaster has a far longer history. In their: "Food aid: the challenge and the opportunity", Hans Singer, John Wood and Tony Jennings say that, although food aid has existed in one form or another since the dawn of mankind, the first food aid operation to be properly documented is the US-organised scheme to help earthquake victims in Venezuela in 1812, which led to Congress adopting a law authorising the President to purchase and send food to the amount of $ 50 000.

However, Congress prevented this humanitarian act from setting a precedent by systematically vetoing any potential repetition over the next more than 100 years. But the American Department of Agriculture began braving this opposition in 1896 by exporting surplus grain with a view to opening up new markets, while the President used his powers to send relief to earthquake victims in Martinique in 1902 and Sicily in 1908.

In Europe, the United Kingdom, too, started providing food aid very early on, mainly to help different parts of its vast empire. The first food distribution was during the great Irish famine of 1846-47. Later on, it bought and handed out wheat during the Indian famine of the 1890s and ran similar operations in British Somaliland and the Sudan in the early 1900s. And France, Belgium, Portugal and Germany did much the same for their colonies when the situation demanded.

But these operations were one-offs, intended to cope with emergency situations, just as they were on the other side of the Atlantic. The first big, long-term programme was not set up until World War I was over and the US Congress voted special credits enabling 6.3 million tonnes of food to be sent to different parts of the old Austro-Hungarian Empire, to Germany, Finland and some parts of Belgium, France and the Balkans in 1918-19 and 1919-26. The United Kingdom also voted relief funds over the same period and some of them went to finance food aid operations.

Public Law 480

In 1926, when the special credits ran out, the USA tried to dispose of its vast grain surpluses by officialising the schemes which the Department of Agriculture had begun in the previous century with a view to finding new markets. A first bill along these lines was thrown out in 1929, but, President Roosevelt managed to get the Agricultural Adjustment Act through in 1933, as part of the New Deal, to support prices and control production so that America's surpluses could be sold abroad on favourable terms. This new system continued until World War II. In 1941, the Lend-Lease Act enabled the Allies to be sent $ 6 billion-worth of food.

After the war, the Marshall Plan, designed to speed up the recovery of the European economies, was another example of a large-scale food aid programme in that total food consignments accounted for almost a quarter of its resources (if fertiliser and animal feed are included).

But food aid as it is now known did not appear until 1954. At this stage, the Americans were burdened with huge grain surpluses—13 million tonnes in 1952-53 and more than 42 million tonnes in 1953-54—and brought in a law whereby the State could buy in surplus wheat, preventing a drop in prices and farm incomes, to send to the developing countries. This was the famous Public Law 480, which got through thanks to the support of the main farmers' lobby, the American Farm Bureau Federation.

Even today, there are plenty of people who say that food aid is tainted with this original sin. Some critics indeed persist in seeing it as an easy way of getting rid of embarrassing surpluses without bothering about the detrimental effects on the local grain producers or the outlook of the assisted populations. They seem to ignore that only 4% of world grain stocks are distributed as food aid. And that there have been other, humanitarian and political reasons—a desire to halt communism for example—behind them right from the start.

A multilateral system

On the international scene, it was the USA again which gave the decisive push to the launching of what was to become the World Food Programme in Rome in 1961. All previous attempts at setting up this sort of organisation had foundered. The first was in 1946, when Lord Boyd-Orr, the first Director-General of the FAO, abortively proposed a World Food Council to stabilise agricultural prices, cater for famine and finance the disposal of surpluses. Then, three years later, the idea of an international warehouse to buy up products and help countries in difficulty fell by the wayside, as did the 1952 proposal for a world food crisis reserve. But the concept of a world emergency stock persisted.

In October 1960, following the proclamation of Development Decade, the UN General Assembly adopted a resolution setting up a multilateral system of food aid. At an FAO meeting in Rome a few months previously, the American delegate George McGovern, the future

Dakota Senator and unsuccessful White House candidate of 1972, had announced that his country was in favour of launching a $ 100 million international programme and that it would contribute $ 40 million-worth of food products and perhaps some cash too. Less than two years later, the World Food Programme was officially created for an initial three years with an allocation of $ 100 million, a sizeable percentage of which was subscribed by the Member States of the Community. It has been expanding and diversifying its activities ever since, to the point where it now manages a quarter of all food aid in the world — making it the second biggest Third World assistance organisation in monetary terms after the World Bank.

The other source – the EEC

So food aid developed from the expensive surpluses in the USA, a country which supplied the bulk of the food consignments to the developing nations for a long time. Hans Singer, John Wood and Tony Jennings say that the commitments made by other donors from the early '50s to the mid-'80s only accounted for 1.5% of the value of American food aid under PL 480. But the United States gradually lost this overwhelming lead and Europe shouldered a bigger and bigger part of the international burden, in particular thanks to the Common Agricultural Policy which filled its grain stores and warehouses.

Today, the EEC and the Member States are, with 15% of total food aid, second only to the USA. They have delivered more than 25 million tonnes of grain, 1.8 million tonnes of milk powder, 500 000 tonnes of emulsified butter and more than 100 000 tonnes of other foodstuffs since the first Food Aid Convention in 1968.

It was in fact at this date that the Community as such began to provide food aid. Under the terms of this Convention (it is part of the International Grains Arrangement, itself one of the main achievements of the Kennedy Round), the EEC, which had six Member States at that stage, undertook to supply an annual 1 035 000 tonnes of grain. The figure went up from one Convention to the next (1971, 1980 and 1986) and with the enlargement of the Community, and the annual commitment at the moment is 1 670 000 tonnes.

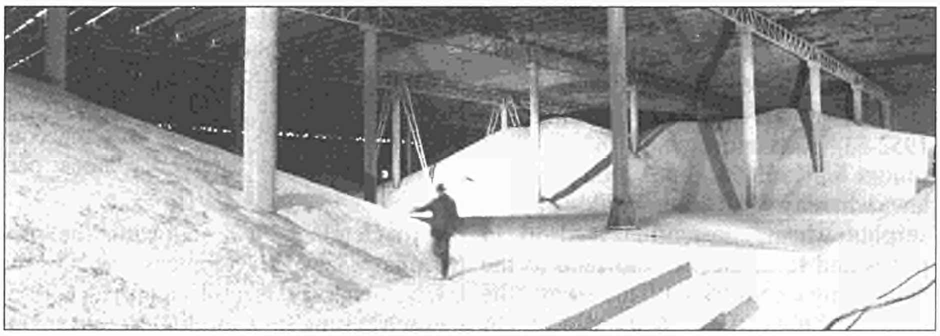
The range of products on offer has widened over the years, too—the EEC began sending out milk and butteroil in 1970 and other products such as dried fish, beans and vegetable oil were added to the list in 1983—but the biggest change has been to the philosophy of Community aid. In 1982, another regulation which was far more than just an improvement in the management procedures was brought in, formulating an independent food aid policy geared to development objectives, such as a better diet for the beneficiary populations and a contribution to the economic and social development of the countries being assisted. Two years later, in June 1984, the Community decided to encourage countries which were making headway with self-sufficiency in food by introducing food aid substitution schemes, so it can now replace all or part of its food aid by financial and technical assistance in accordance with the level of output and stocks of the country in question.

Priority to the poorest

In 1986, a third regulation was adopted as the result of further reflection by the Commission — which now added the promotion of food security in the recipient countries and regions and support for their own food production drives in addition to the objectives previously pursued. This meant food aid being a more integral part of the Community development effort, as well as of the policies and programmes of the recepient countries. Food aid can now be programmed on a multiannual basis and be used to help set up buffer stocks and it is supplied, for the most part (grain), as support for the balance of payments and the budget. The new regulation also separates food aid management, mobilisation and delivery from the Common Agricultural policy and provides greater opportunities for purchasing food products in the developing countries.

What does not change, however, is the priority which goes to the poorest countries in the allocation of this aid. From the word go, the Community's idea has been for its aid really to get to those who need it most — a concern it has managed to get across to the WFP, which in the early days tended to focus its assistance on countries with the relatively sophisticated infrastructure that made for better assimilation. In 1972-73, for example, the EEC sent more than 50% of its aid to the least developed countries, while the WFP only sent 14% — although more developed countries in the Maghreb and the Middle East got 40%.

It is comforting to see that some major food aid beneficiaries, as India was in the '60s, are now self-sufficient—proof that people are not fated to be hungry and that famine can be overcome, although it will no doubt take years to wipe it out altogether. This is what a group of UN experts were already saying back in 1960 in a report to the Director-General of the FAO. Food aid is vital, they maintained, for a transitional period of 10-20 years. "Some countries can reach the goal of self-sufficiency over the next decade and most of them in the next 15 years; one or two may take 20 years or more". But the world food aid system has been there for more than 26 years and James Ingram, Executive Director of the World Food Programme (see interview) thinks it will probably be there over the next 25 years too. ○ A.T.



Maize store in Ghent, Belgium

Europe is the world's second biggest provider of food aid thanks to the success of the Common Agricultural Policy

EEC food aid: the instrument of a development policy (*)

by Dieter FRISCH

If there are few who contest the need for emergency aid in cases of famine or natural disasters, it is by no means rare to hear or to read strident criticism of food aid policies.

Dieter Frisch, Director-General for Development at the Commission of the European Communities, sorts his way through the most common criticisms in order to reply and to set the record straight on Community food aid.

Food aid is caught in a crossfire of contradictory criticism. Is the real target the agricultural policy?

• "With the hunger there is in the world, the Community's agricultural surpluses are a shameful scandal". Should we therefore be doing more?

• "Stop all your food aid. You're discouraging developing countries from making efforts of their own." Should we be stopping food aid instead?

• "The Community blocks agricultural imports from developing countries." That would mean we should have more liberalisation for agricultural imports.

• "The Community should block agricultural exports from the developing countries. Instead of rice for their own people, they are producing animal feed for Europe." Should we then be closing the market instead?

These are some of the typical criticisms the EEC has to face. Don't we have an innocent man (food aid) in the dock, while the real culprit (agricultural policy) goes free?

Community food aid represents only a drop in the ocean of the agricultural markets

Some figures on the cereals market:

• World production: 1 780 million tonnes (87/88)

• Developing countries:
Production: 920 million tonnes
Total consumption: 1 030 million tonnes
Imports: ± 110 million tonnes

• Food aid:
Total, OECD countries: 11 million tonnes
of which Community + Member States: 1.6 million tonnes
USA: 7.5 million tonnes

• Which means:
— Developing countries import more than 10 % of their total requirement in cereals.
— Food aid deliveries represent about 10 % of these imports.
— Of this, the Community (together with Member States) supplies only about 15 %, and the USA 67 %.
— This demand cannot be satisfied because of the insufficient purchasing power of developing countries; for a population of over 500 million suffering from malnutrition (FAO), a rough estimate of this demand would be approximately 40 million tonnes.

The place of food aid in the Community's development aid programme

The share of food aid in the overall Community programme is approximately 25 % higher than the OECD average at 11 %.

Since the role played by food aid in the bilateral programmes of the Member States is much less significant (5 %), the share for Community + Member States drops to 7 %.

This stands in contrast to the share food aid has in the US development aid programme (20 %).

Agricultural surpluses were the driving force behind the creation of the instrument of food aid; since then, however, it has been uncoupled from agricultural policy.

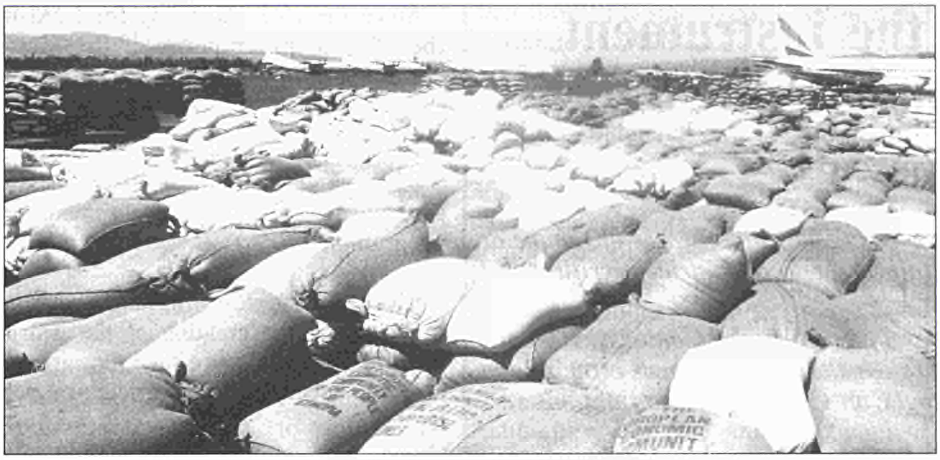
The Community started up its first food aid operations in 1968. No one disputes that agricultural surpluses were the trigger. However, since then the instrument of food aid has gradually become uncoupled from agricultural policy. The first clearly formulated policy for food aid came in 1983, and with a framework Regulation in 1986 the final separation was complete. Today, food aid is administered strictly according to considerations of development policy.

In 1968, the first programme was for 300 000 tonnes of cereals, to which the Community had committed itself within the framework of the Food Aid Convention, which was part of the International Grains Arrangement of 1967.

Since then, the Community programme has reached an annual level of approximately:
1 300 000 tonnes of cereals
95 000 tonnes of milk powder
27 000 tonnes of butteroil
34 000 tonnes of vegetable oils.

Addis Ababa airport in January 1985
"The EEC was the first on the spot in Ethiopia and in the Sahel in the 1984/1985 famine"

(*) Text of a speech made at the World Food Conference organised in April 1988 in Brussels, by Lord Plumb, President of the European Parliament.



Food distribution in Mauritania
"In structural deficit situations, food aid provides useful balance of payments support"

In addition, "other products" account for approximately ECU 30 million.

In broad terms, these have been the figures for the programme for some years, with cereals (especially in disaster years) increasing slightly, milk products (especially butteroil) falling in volume terms, and vegetable oils being added in increasing amounts because of their higher "cost-nutrition ratio". The "other products" are for the most part purchased in the developing countries themselves.

There is no recognisable correlation between this development and the trend of Community surpluses: for example, the amount of milk products fell in the food aid programme, while Community surpluses were increasing; vegetable oils were brought in although there was no surplus of these products. For cereals, our deliveries of food aid represent about 10% of the annual surplus; at a time of falling surpluses, food aid has slightly increased.

Given the significantly higher surpluses of the USA as compared to the EEC, the much larger volume of food aid in absolute and relative terms, and the management of the US programme (apparently geared to commercial criteria rather than development policy), America's food aid is potentially a greater disruptive element than that of Europe.

There is a clear need for food aid as disaster relief. The Community was the first on the spot in Ethiopia and in the Sahel in the 1984/85 famine, as it is once again in Ethiopia today.

Roughly 30% of our food aid is allocated for humanitarian reasons — especilly for famine disasters — and distributed free of charge to the population in need. In these cases the Community also covers transport and distribution costs.

During the famine in Africa in 1984-85, the Community and its Member States, together with the USA, were the most important group of donor countries.

Now we are the largest donor in Ethiopia. The aid operations are free of red tape and well coordinated.

As an example of this:
— on 16 November last year we received notification of a need for logistical support in Ethiopia;
— on 19 November it was decided to grant ECU 10 m in aid;
— on 30 November the airlift which this money financed was in operation between Asmara and Makele.

Food aid in "normal" deficit situations is a useful balance of payments support.

Of the Community's food aid, 70% is used in situations where a structural deficit is the norm. This form of aid has often come under heavy criticism. It is true that it does carry potential risks but these can be avoided, as is explained in what follows.

There can be no objections to providing part (about 10%) of an import requirement in cereals of over 100 million tonnes in the form of food aid. Otherwise, developing countries would have to use their meagre foreign exchange reserves for commercial imports of food aid. This point is becoming particularly important against the backdrop of growing balance-of-payments problems connected with the debt crisis.

Food aid can be constructively incorpo rated into a food security policy, when:

— it is fine-tuned to the harvest sea son in the recipient countries;
— it comes on to local markets unde price conditions which do not discou rage the countries' own productio efforts;
— it contributes to the formation o counterpart funds which, in conjunctio with other development aid funds, ar used for rural development (along th lines of "Operation Flood" in India);
— it is used in a sensible way from th point of view of development policy i "food for work" projects;
— it takes the form of "triangula operations" taking a surplus off on country's hands and covering a neigh bouring country's shortage (here, foo aid is really beyond any criticism); fo cereals, these operations now accoun for some 10% of our direct aid;
— food aid in the form of deliveries o foodstuffs is replaced by "substitutio operations", which is an optio employed only by the Community; thi means that those countries which nor mally would have been recipients o food aid are able to receive the fund intended for them not in the form o foodstuffs, but as support for othe food security aspects.

The first priority of Community develop ment aid is not food aid but rural devel opment and food security. This account for 80-90% of aid under Lomé III.

Rural development and food securit are at the forefront of the Community' development policy. Food aid is mani festly given second place.

We are making efforts to achiev smoother dovetailing of the variety o instruments available, e.g. through th complementary use of counterpar funds. Administratively, each Commis sion department in Brussels covering given group of countries is responsibl for the use made of both structural ai and food aid.

In the dialogue on development pol icy, especially under Lomé III, not onl has the Community successfull brought the topic of "food security into the centre of the debate: it has als agreed sectoral measures with the gov ernment concerned (pricing policy, mar keting, etc.) which justify the concentra tion of development policy instrument on this priority topic and are offering some prospects of success.

Food aid, if possible as part of a multiannual plan, often has a role to play as a useful addition, as part of a national policy (as in Mali) or part of the food security policy of a region (SADCC project in southern Africa).

The conflicting goals of the Community's agricultural policy and its development policy are facing us with more and more problems. Nevertheless, each market and each product must be seen separately, on a case-by-case basis. To condemn the agricultural policy lock, stock and barrel cannot be justified from the point of view of development policy, yet agricultural reform is imperative from the development standpoint.

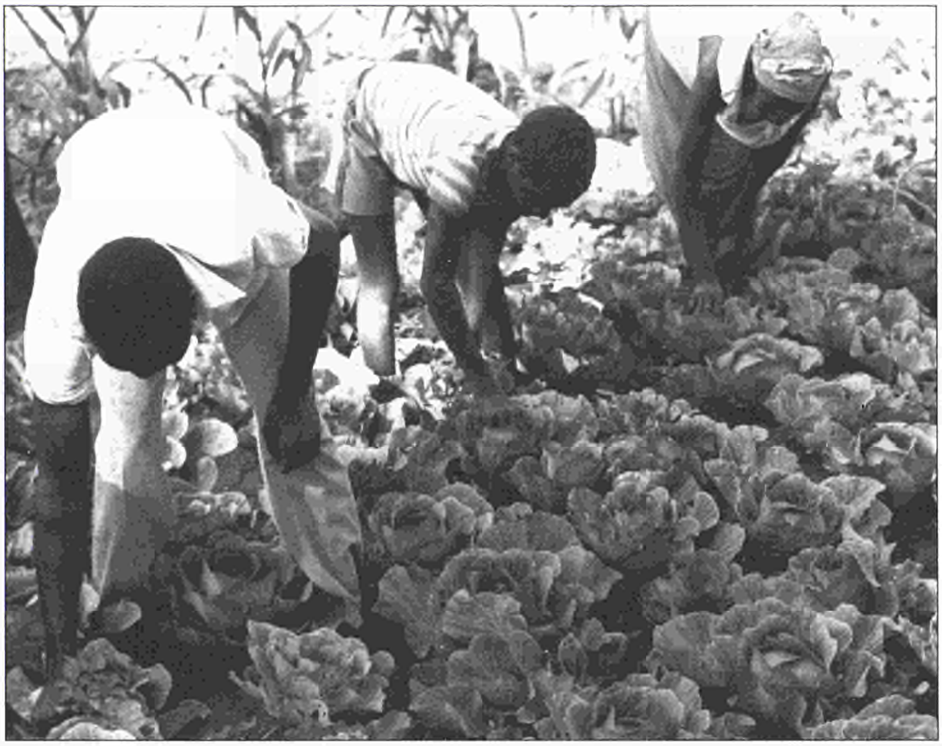
It is thanks to the agricultural policy that we have a food aid system. We do not however purposely produce surpluses in order to provide food aid, or indeed to feed the Third World (although certain lobbies might imagine this to be so).

The first problem caused by the agricultural policy comes in the allocation of scarce budget appropriations. In the Community budget, the agricultural policy threatens to stifle all the others. Thus there is an urgent interest in reform from the standpoint of all the other policies — and this includes development policy.

Then there are further conflicts created on the markets. These are not so widespread as is sometimes made out. For example, milk products, where we do not compete with developing countries, create no problems. A distinction must be drawn between:

— *Agricultural exports from developing countries to the Community*
Increasingly the Community market is becoming self-sufficient or producing surpluses. Scarcely any room for sugar, beef and veal, or cereals but plenty for fodder, and yet there is a Protocol on sugar and an agreement on beef and veal with the Lomé countries; little room for fruit and vegetables, especially since the accession of Spain and Portugal, and yet there are special agreements with the countries of the Southern and Eastern Mediterranean.

— *Community agricultural exports to developing countries*



Instead of foodstuff deliveries, countries can receive the funds intended for them in the form of support for other aspects of their food security programme

This is the major area of potential disruption with regard to production in the country concerned or in neighbouring countries. The most commonly made criticism is not levelled at food aid but at commercial exports being brought down to the world market price by means of export refunds. When faced with this problem, developing countries would be advised to protect themselves against cheap imports.

The Community agricultural policy gives us no moral right to lecture developing countries on the pure market economy. Countries striving for food security by their own efforts are justified in having a certain degree of protection against price conditions on the world market, which are depressed by agricultural surpluses (not only the Community's) and which are no longer indicators of longer-term shortages.

— *Community agricultural exports competing with exports from developing countries on markets of third countries*
The practical problems here involve a narrower range of products. One such problem concerns sugar. Of course, the Community's bears some of the responsibility for the low prices on the world market. It is taking opportunities for sales (and hence development) from those developing countries which have comparative advantages for sugar production but are unable to subsidise their exports.

For this reason, reform of agricultural policy is also imperative from the standpoint of development policy.

Concerted action by the main countries concerned (not just the Community but above all the USA) is essential for stabilising world markets for foodstuffs.

For healthy world markets, it is absolutely essential for the other protagonists, first and foremost the United States, to play their part. This must be a central topic in Uruguay Round discussions on agricultural products.

In its PL 480 programme ("Food for Peace"), the United States has a controversial mix of commercial, partly subsidised exports and food aid donations, which entails a larger risk of disturbance on markets than the Community operations.

In development policy, food aid is a useful and often necessary component. How it is used must be closely monitored to prevent it running counter to the main aim, "food security through countries' own endeavours". Food aid should always be seen as a transitional solution, even if it is clear from all that we know and are able to predict, that the transition will not be a short one. D.F.

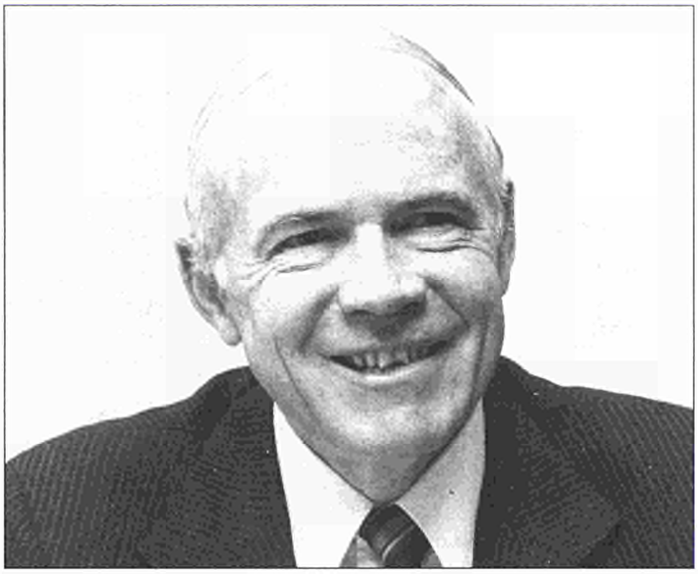


Photo WFP

James INGRAM
Executive Director of WFP:
"There is a need for at least 20 million tonnes of food aid per year"

The World Food Programme (WFP) has been headed, since 1982, by the Australian, James Ingram, whose second five-year term of office was confirmed in 1987.

Mr Ingram, a former diplomat, whose task it is to mobilise more than a quarter of world food aid, is shocked that "the industrialised world now spends two and a half times more to subsidise their 20 million or so farmers than it gives as official aid to the more than three billion inhabitants of the developing world".

He is also irritated by whose who, quoting Confu cius ("give a man a fish and you feed him for a day teach him to fish and he is fed for a lifetime", question the need for food aid. Because, for him, there is no doubt whatsoever that these programme are, now, absolutely vital, and that they should b increasingly integrated into other forms of aid In this interview, Mr Ingram discusses the problem that exist (or will exist in future) in the world of foo aid.

▶ *In a way, Mr Ingram, the WFP has been, during these past 26 years, the guilty conscience of a world incapable of promoting economic growth everywhere. How much longer will such an organisation be needed?*

— I think you have to begin by examining that guilty conscience expression. When the World Food Programme was set up, as you say, 26 years ago—actually it commenced work 26 years ago—it was a time when the use of surplus food for constructive purposes was fairly new. It had been pioneered by the United States. The WFP was set up because there was a feeling that there should be a multilateral instrument for that work, and at that time, of course, the impetus to use surpluses, almost for their own sake, was a lot stronger than it is now.

In WFP our work is not driven by the surplus food. We believe that, at this stage of our development, we have insufficient resources for our work because our potential for using food for development, as well as for disaster relief, far outweighs the availability of the resource.

▶ *In other words you are saying that your operations are likely to continue, whereas at the beginning, your organisation was intended to be only temporary.*

— Well, it was originally set up for three years and it certainly has grown virtually every year. There've been a few minor reductions, but the upward trend of the graph is very clear. So, yes. The conditions have changed, but it seems to me that an organisation able to use food, which is better than cash in quite a few circumstances, has a permanent place.

In addition, I think that when we were set up, the emergency function of food wasn't thought of very much with regard to WFP; it was envisaged, but it was seen as being a very minor matter. But today, it has become close to 40% of our work. And while hopefully, some situations which give rise to emergencies are being resolved—we hope to see the successful independence of Namibia, for example—there are other situations which make one feel that disasters are likely to be with us, unfortunately, for many years to come. I don't think you could put a time limi on WFP at this point in time. I'm no saying, of course, that it will alway be needed; I certainly hope it won' be. But I think that in 1989 it woul be hard to envisage it coming to a end in say the next 25 years; it ha been in existence for 26 years, and fully expect it will be here in anothe 25 years.

▶ *If food aid is welcome and eas to justify in cases of emergency, it' also severely criticised for its effects o the economies of the developing coun tries. How do you respond to thos criticisms?*

— Well, I think there is a lot o uninformed criticism about food aid There is a tendency to generalise o the basis of a few examples, ofte related to a period of some years ago But in particular, there tends to be confusion between what we call pro gramme food aid, where the food i provided to the government either a a loan, or a gift, and is sold on loca markets either at subsidised prices, o even at market value.

If a country has an over-value

exchange rate, the practical effect, of course, is that it's then available for a very cheap price, too. This certainly can have some counterproductive effects on the local economy. WFP is hardly involved at all in that sort of food aid. In our case, food goes directly to the beneficiary. For example, we have a food for work project in Ethiopia, one of the ACP countries, which is a rather spectacular example. The perennial famine that they face is not due just to climates or to government policy, though both are factors, it is really in large measure due to the pressure of population on the land, to improper cultivation practices, cutting down trees and so on. Well, WFP has a massive project in Ethiopia for building terraces, planting trees and restoring the degraded soil.

▶ *So you are free of criticism as far as your action is concerned?*

— I wouldn't say we were free of criticism. What we say is that food aid is like any aid, it depends how it is used. If you use it taking account of its potential adverse effects, it can be very constructive indeed. That's what we aim to do. I don't say that we achieve it perfectly every time; of course we don't. But then, if you look at the interventions of any form of public investment, in developed as well as developing countries, the effects are by no means always uniformly good.

Food aid can be more difficult to use than, say, money. But there's nothing inevitable about counterproductive effects. We are very conscious of criticism. We've learned all the lessons you need to learn in how to use food aid, and we apply them; but of course the application is of varying quality.

▶ *It's often said that WFP is the organisation that reaches the very poorest. Would you agree?*

— Yes. And I'm very glad you've brought that up. Coming back to that example I mentioned in Ethiopia, one of the advantages of that type of food aid is that it is largely self-targeting. We are using it to provide work opportunities to landless labourers and farmers, people who have work only at a certain time of the year.

We like, if possible, to see it accompanied by cash. But as you can imagine, people have to be fairly poor before they present themselves for work with food as the main element of their wage. So this is an enormous advantage. It's very hard, in an aid project to distinguish between beneficiaries. In theory, you may want to reach the poorest, but the task of ensuring that you do so with financial aid is very considerable, whereas with this self-targeting effect, you avoid all those complications.

▶ *Needs in food aid have doubled in recent years. Will this trend continue? What amount of food aid is likely to be required in the next decade?*

— Well, this is a very complex issue; it depends on the technique, the assumptions you use in framing your estimates. But, there's no doubt that even the most conservative estimates suggest a need for at least 20 million tonnes of food aid per year. And depending on how you define need — in terms of the adequate level of nutrition as distinct from ability to pay to some extent, of course the estimate is much higher than 20 million. So there's a big range of estimates, but 20 million is a minimal figure, based on the conservative estimate of the unmet—not the absolute—nutritional deficiency. This whole area of need is fraught with difficulty. For example, we don't even have an agreed definition of need, or what hunger means. So the whole methodology is very complicated and by no means agreed. But even the most conservative estimate for the food aid needed is about double the current amount provided, which has been on average 10 million tonnes except in the big famine years.

▶ *Will your organisation be able to handle such amounts of food?*

— Well last year our organisation handled over 3 million tonnes. So we're handling between a quarter and a third of global food aid. This is in a

FAO/WFP/M. C. Come

Soil conservation in Ethiopia

"We are using food to provide work opportunities for landless labourers and farmers"

way a measure of WFP's standing because if you take any other category of aid, be it financial aid, or technical assistance, UN agencies handle 2% of that category. But in food aid, the UN, i.e. WFP, is quite important, and of course for many African countries — a very high proportion of the official aid going to them is in food aid. As for the future, I think a lot will depend on the availability of food which clearly is in turn going to depend upon the outcome of the GATT negotiations.

► *How will the international emergency food reserve need to evolve in order to help meet the increasing needs?*

— The international emergency food reserve is something of a misnomer. It's not a reserve, it's simply a series of pledges made by donors which are managed, if I can put it that way, by WFP. But there is no physical stock; the donors have full control and we have to approach them when we want to use it. The fact that it isn't under our control means there are delays in mobilising it. The most important thing in relation to the IEFR is to turn it into a genuine multilateral reserve.

► *Food aid is said to represent only 4% of world cereal stocks...*

— Well obviously, it's not a big proportion of either stocks or the trade in food. And since the need is substantial and probably growing, pretty clearly, one would hope to see the percentage rather higher than it currently is. In other words, the stocks that exist at present could perhaps be put to somewhat better use with more food aid.

But I'd like also to say, coming back to your first questions, that WFP certainly recognises that food aid has potential disadvantages. And we would feel that it is very important if more food aid is to be used, that it be used within a framework that avoids those potentially counterproductive effects. In other words, WFP is not an agency which, because it's in the food aid business, says simply more food aid is better. We say more food aid is needed, but we would not wish to see more food aid used except in ways which avoid its potential disincentive effects.

► *An operation of unprecedented magnitude is under way for Poland. Which other countries in the world would be most likely to need food aid in the years to come?*

— Well, I think we can assume that, in much of the developing world especially in Africa and in South Asia and much of Latin America there will be a continuing need for quite some years. Because even if you succeed in increasing your domestic food production, it's not an easy thing to turn around permanently a structural food deficit. So I think, pretty clearly, the need will be with the present main recipients for quite some time. Poland is in rather a different category because it is not thought of as a developing country. Poland's situation reflects, if you like, the structural problems caused by the communist economic system. There is now the recognition throughout the socialist countries of Eastern Europe that their economies are in enormous trouble. The Soviet Union after all, is a country which imports large quantities of food, it doesn't get it as food aid—although it benefits from very low cost food. I would be very upset, if the donor countries said: "Our food aid budget is X dollars, and cannot be increased. We've given Y dollars to Poland, therefore there is only X minus Y for the developing countries." I don't have any objection to donors providing food aid to Poland—none at all—what I would object to is if it were provided at the expense of the developing countries.

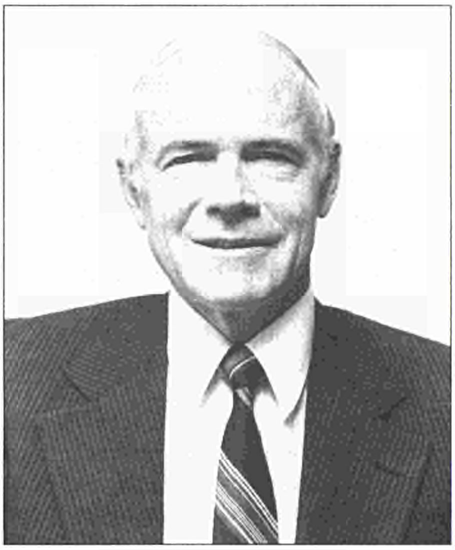


Photo WFP

"The world community needs to look at the problem of global food security in the longer term"

► *The recent famines in Ethiopia and Sudan have shown that logistical problems are very difficult to overcome. In what way will the experience you have obtained from those two operations affect your future programmes?*

— Well I think they reinforce the need for us to keep doing what we've been doing, but more intensively. We have, for example, brought together a nucleus staff of people who understand what is required in these logistic situations. We've got to preserve that nucleus staff because each time one of these occasions arises, we've got to be in a position to build on the experience gained from the previous one. And if you allow your skills to dissipate, of course, you have to start the learning curve more or less from the low point all over again.

So as I see it, the job for WFP is to keep up those nucleus skills. There are some things we still don't do as well as we should. In each of these spectacular operations, the immediate task is to mobilise the transport: to find the trucks, charter the planes, whatever it is, get the people—because you always have to take on extra people—and of course, you've got to go to the donors for the money and the food.

Now in those things, we've made a big advance because they're obviously the practical, concrete things that have to be done; but I can assure you that one of the most vexing problems in these massive interventions such as we've had in southern Sudan, is accounting to the donors for how their money and food is spent. We haven't, I think, done as much to apply the lessons of the past on, say, accountability as I would like. It's the sort of thing that to the man in the street doesn't seem important, but of course for the donor it is, because they've got to account to their parliaments. The business of feeding starving people has its administrative problems which are in some ways very important to handle well, because, as you know, in the donor countries public opinion can become very negative if it is felt that resources are wasted.

So it's a taxing task to keep on doing the whole thing better. But I'd have to say that we, in WFP, feel we have made a lot of progress from one disaster to another.

▶ *You have often said that food aid is not the final aim; that it's development. How do you put this into practice?*

— Well we put it into practice in various types of developmental activities. In our case, in most instances, food is really a substitute for cash. And it's used for many of the same purposes; it's used for making roads for planting trees, for irrigation or for fishing. So our interventions with food are not really very different from, say, IFAD's interventions with money, except that ours are on a much bigger scale...

"WFP has a massive project in Ethiopia"

▶ *But in terms of your programmes, it certainly implies a balance betwen emergency and long term projects?*

— Well, we have roughly two-thirds in development and one-third in emergencies. We think that's a good ratio. The whole infrastructure that we have in the field—the 90 countries we're represented in—our professional staff, our knowledge of how to deal with the large scale movement of food, resides in our development work. If you don't have that infrastructure in place, you're not in a position to respond quickly when there's a disaster.

So the present ratio of around two-thirds: one-third, sometimes up to 60%:40%, I think is a good ratio. But because of budget constraints, and the media focus on disasters, there is a bit of a tendency at the moment on the part of some donor countries to give, I wouldn't like to say *undue* priority to disasters, but priority to them at the expense of our development work. I think that in the long term that would be counter-productive.

▶ *You were talking a while ago of the Uruguay Round. If they're successful, in what way will they affect future food aid programmes?*

— Well if the GATT negotiations are successful, which I certainly hope they will be, I think there's no doubt that from the commercial point of view they would benefit the developing countries on balance. But it does also means of course that the stocks of food we spoke about earlier will run down. And I must say adequate food production is really extremely precarious in the most populous countries. So I would hate to see a situation where, in solving the agricultural trade problem, we somehow ended up with an even more vulnerable world food security situation.

▶ *And yet it is argued that it is the existence of the surpluses that make it impossible for some developing countries to expand their production in order to be able to export?*

— Well that is true. But as I said, a successful Uruguay Round should lead to more export of agricultural commodities, higher prices ought to stimulate production. But the ecology of food production in the populous countries: India, China, Bangladesh, Ethiopia and various others, is in fact quite precarious, and it doesn't take much more than a run of bad seasons to create a massive deficit problem. And world stock levels driven entirely by market forces could in fact be quite low.

▶ *There would be nowhere to buy.*

— Exactly. There could be nowhere to buy. I've been arguing this. We want the Uruguay Round to be successful, obviously, but at the same time the world community also needs to look at the problem of global food security in the longer term.

▶ *Have you made this view known?*

— Yes. I made a speech in Brussels where I first stated it. Unfortunately, WFP is very action-oriented. You know, we're busy with all these disasters. I haven't been able to follow it up myself. I don't believe however, that the issue has had as much attention as it should have had. But of course, we must also keep these things in perspective. I rather suspect that the outcome of the Uruguay Round will not be so totally successful as to create such a problem in the very near future.

▶ *And, after all, certain countries with large populations have managed to be more or less self-sufficient?*

— No, no, there is a bit of a misunderstanding there. The self-sufficiency is at an extremely low standard of nutrition for literally hundreds of millions of people. If you get a 10% or 15% reduction from one year to another, for two years running, millions may run the risk of starvation. Moreover if last year's drought in the US had been followed by a second year of drought, which could easily have happened, there might well have been very serious problems. So it's not that simple. ○

Interview by Amadou TRAORÉ

Food aid of a more original kind

by Lou HUBY (*)

The general public often sees food aid as an easy way of getting rid of farm surpluses by sending them to needy countries regardless of the degree or type of need or the conditions of storage, distribution and utilisation.

Food aid is blamed for upsetting local production too, because it floods the market with imported products which compete with local goods and are not always right for the local eating habits. And some foodstuffs are not used in the region or the interior or the neighbouring countries either.

The reception and distribution facilities required to ensure that supplies are properly used are often wanting too.

But the Community is aware of all this and, over the past few years, has provided itself with the machinery to cope with such situations.

Its instruments range from purchasing products in the developing countries (instead of sticking to goods available in the Community) to providing storage sheds, replacing product aid with equivalent amounts of credit when markets are saturated and cofinancing purchases in the country in question to help vulnerable sections of the population.

Since the Community is anxious to help its partners in the south, the food aid organisers thought it was vital to help these countries make the most of any local possibilities before showering European goods—which may well be not to local taste or thrown out and ultimately upset or discourage local production—on some parts of the Third World.

Triangular operations

It was in 1974 that the World Food Council invited food aid donors to start buying goods in the developing countries, a new procedure which was to make things easier with faster deliveries, the possibility of providing the sort of food the recipients usually ate and an incentive to boost production in the developing countries where sales are often limited, particularly because cash is short. The operations are called triangular because they involve three parties:

— the country which supplies the product;

— the country which receives the product;

— the Community, which finances the operation.

The Community's first triangular operation was in 1978 and involved white maize from Zambia for Botswana. The idea has developed considerably over the past few years and currently accounts for almost 10% of EEC food operations. The products here are those not available on the Community market—white maize, for example, dried fish and pulses, plus some products which, although available in the EEC, can have a positive effect on a developing country's economy, particularly in a context of regional trade.

One of the biggest suppliers of white maize, for example, is Zimbabwe, because it has plenty available and is close to the recipient countries, particularly Mozambique.

The European Parliament and the ACP States have called on the Commission to develop operations of this type, as they have a definite economic impact on the supplier countries. But they remain limited for three main reasons—choice of product, administrative problems and price.

The choice of product mainly depends on the recipients' consumer habits and what they ask for. As far as cereals are concerned, the developing countries tend, according to region, to want wheat, rice and white maize—staples—demand for which cannot be met by either local production or commercial imports. Wheat and rice are produced primarily for local consumption and the developing countries rarely produce enough for export. Millet and sorghum, however, of which many countries have a surplus, are almost never requested by food aid recipients. This is not the place to discuss the damage food aid does to eating habits but it is clear that, for some time now people in the South, particularly in the towns, have preferred bread and rice—not because they taste better, but because they are easier to prepare than sorghum.

Administrative problems are the second limiting factor as far as triangular operations are concerned. The Commission often finds it hard to get trading partners with the experience to make a proper job of negotiating a supply contract or providing and transporting goods. And many schemes fail to get off the ground because there are no qualified staff in the local firms or public authorities. Recent studies run for the EEC and the WFP clearly underscore these weaknesses and recom-

Maize growing in Zimbabwe

The EEC has bought white maize from Zimbabwe on a number of occasions and then sent it to Mozambique as food aid in some of its triangular operations

(*) The author is Head of the Food Aid Division at the Directorate-General for Development.

mend training programmes for trade and transport staff.

Lastly, triangular operations are often not as frequent as they might be because local prices are too high in comparison to the better qualities available on the world market. Governments and organisations may be tempted to go for cheaper products on the world market rather than a more expensive operation in the country itself—which is of course to the detriment of local production. But in spite of all this, some progress has been made and the effect on the agricultural output and economy of some exporting countries, and on trade in general in regions such as SADCC, is positive.


Photo EDF

A well in Niger

Victims of the 1985 drought grew off-season crops around dozens of water points like this—all thanks to EEC food aid

Storage and the early warning system

Shifting food aid can often be a problem because the poor transport and distribution infrastructure may mean blockages at the African ports and in the interior. And the conditions of storage are such that pests and damp cause heavy losses. It is vital for a government to know what sort of harvest to expect so it can take whatever steps are required for proper management of the food potential.

For all these reasons, the Community created an instrument in 1987 whereby a whole series of operations can be run to complement the food aid schemes, primarily protecting food products with better storage and, where appropriate, better storage management. In 1987-88, the Community financed storage operations involving:

— prefabricated storage units to house food aid for emergencies and for refugees and displaced persons (Ethiopia, Malawi and Mozambique);
— the temporary renting of storage sheds to prevent food aid spoiling (Pakistan and Niger);
— the rehabilitation of storage sheds (Burkino Faso and Bangladesh);
— the construction of storage units (Tanzania and Sudan);
— early warning system (the Sahel region of Chad).

Substitution

The Commission is convinced that food aid is not an end in itself, but an integral part of the development drive which will one day lead to self-sufficiency in food and, therefore, the discontinuation of food aid.

This is why some countries have stopped getting food aid—and the food aid counterpart funds to purchase their own output or intervene in some way on the local market. It is to avoid penalising the countries which have made a real effort to make themselves self-sufficient that the Community devised the instrument of substitution to help former food aid beneficiaries get over the difficult two or three years in the management of their agricultural market. The amount granted for this is the same as the quantities of food aid supplied previously and most of it goes to encourage local production (by purchasing input) or to regulate the national market.

In Mali, for example, the success of the cereals market reoganisation programme led to self-sufficiency in millet and sorghum and food aid imports should have stopped as a result, in spite of multiannual commitments on the part of the donors. The Community was then able to grant them funds, as part of the substitution operation, but other donors did not have this possibility and simply stopped the food aid or carried on sending out products which could have had a deleterious effect on the reorganisation programme. The Community is the only food aid donor who can replace products by funds in this way. But it is not logical to run substitution schemes for several years in a row, the projects and programmes thus financed subsequently coming under the heading of ordinary financial and technical assistance.

Cofinancing food purchases

During the famine in Africa in 1984-85 various international and non-governmental organisations asked the Community if they could buy the food destined for particularly hard-hit populations at reduced prices. Since then, the Community has provided these organisations with special funds, thus cofinancing schemes (up to a maximum of 75% of their cost).

This instrument is enjoying increasing success with the NGOs, as they can both buy food in the countries in which they distribute relief and buy things which are not available as food aid. Ordinary food aid is in fact only supplied to countries with import requirements. The financing of the shifting of surpluses from one region to another in the same country is not considered as food aid. However, derogation is made for the cofinancing of purchases for welfare purposes and the voluntary and international organisations appreciate it very much.

Conclusion

Food aid accounts for an estimated 20% of the Community's total development effort. Large sums are involved—about ECU 500 million p.a.—and they have to be put to the best possible use for the developing nations. The various instruments described above complement ordinary food donation schemes and give the Community's food aid an originality which aid from other donors lacks. ○

L.H.

The mobilisation of food aid

by José CHOLLET (*)

Twenty years after its creation, Community food aid was reformed. The move began in 1986, with separation from the Common Agricultural policy and closer integration into food and self-sufficiency and development policies, and new mobilisation rules were essential if it was to work.

The existing regulations—with origins and motivation largely rooted in the transfer of the Member States' farm supluses to the developing countries—did not, to put it bluntly, worry much about the quality of the products delivered. There were of course some provisions on quantity and quality control, but, as it was left to the ill-informed and ill-equipped recipients to apply them, they often remained a dead letter.

The legal framework was not conducive to any improvement either, as it precluded any real initiative by either the beneficiary or the Commission, since overall supervision was in the hands of intervention bodies in the Member States, which were very close to the contractors. And the total absence of any contractual links between the recipient and the contractor protected the latter from what would be the ultimate sanction when goods fall short of requirements in trade—boycotting of the supplier.

And as if deliberately to make things worse, the protection of the beneficiaries' interests was carefully circumscribed by the adoption of a delivery stage (cif) for most consignments so that the risks inherent in freighting goods by sea, from the port of lading onwards, were borne by the recipient. Such insurance as he had tended to be flimsy or partial, or, indeed non-existant, so if ship-owners went broke, the food aid was a humanitarian loss to the recipient and a budgetary loss to the Commission.

Food aid intended to become an instrument of development could not tolerate such slackness. If the recipients were to be made to shoulder responsibility through the sale of products at particularly low prices and the constitution and allocation of the attendant counterpart funds, there could no longer be any question of unsuitable rules leading to 15 000 tonnes of rotten maize being delivered.

In other words, the contractual relations between the Commission and the recipient countries had to be reviewed. The obligation to provide means—a somewhat casual one in that it was not always very compatible with the Community's quality image—had to be replaced by an obligation, also incumbent on the contractors, to get results.

So a reform of the food aid mobilisation system was inevitable and, after a (grudging) favourable Opinion from the Food Aid Committee, the new texts were adopted in June 1987.

Change—the new regulation

The new food aid mobilisation regulation contains the following main points. The aim is to ensure that the beneficiaries get the goods they want and the Commission the best market conditions.

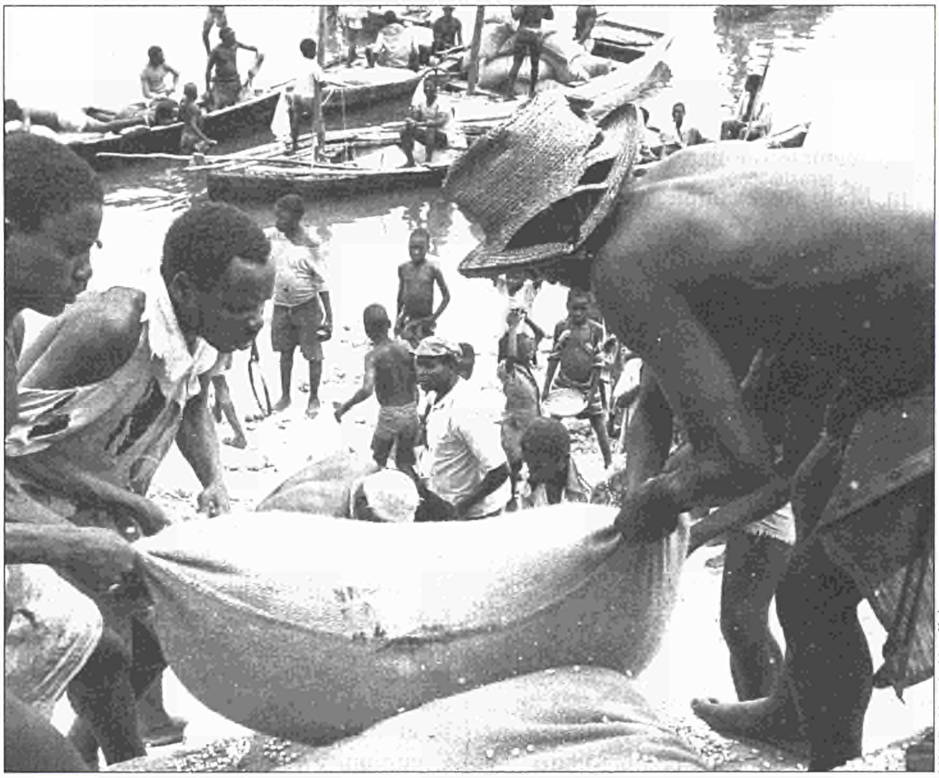
The Commission, which is in overall charge of all the operations, now has contractual links with both contractor and recipient, thus putting an end to the system whereby responsibility was scattered piecemeal among the various operators and Community departments. No longer do the differences that can crop up between contractors and recipients degenerate into conflict, because the Commission department is now their common—and only—contact.

Solutions and compromises are quicker to reach, so extra costs are well below what they were with all the red tape in the past.

Aid supervision

No contractual links between contractor and recipient often mean no sustained effort at all to coordinate either delivery or reception of the products. This can be remedied by

(*) The author, a Principal Administrator with the Directorate-General for Development, is responsible for mobilising Community food aid.



UN/P. Heath Hoeffel

A consignment of maize is unloaded in southern Mozambique
There was no question of accepting 15 000 tonnes of rotten grain

having professionals who are present in the field—which the Commission departments clearly are not. So a proper invitation to tender has been issued and agents recruited to facilitate contact between the various operators and create delivery conditions that are almost as harmonious as those obtaining in international trade. Monitoring—for this is what aid supervision is called—has considerably improved the situation.

Quality control

The quality and quantity of every consignment is now checked not later than at the place of delivery. Elaborate products are often inspected in the factory to prevent the mixing or assembly of sub-lots yielding an average sample that is up to standard although individual parts may not be.

Deliveries outside the Community are inspected twice, once at departure and once on arrival, the latter being the only decisive check. Both contractor and recipient are invited to be present at the sampling and both are entitled to contest the analysis results presented by the agent—and a laboratory appointed by joint agreement settles the matter if they do.

These stringent controls, run prior to the recipient taking responsibility for the goods, have improved the quality of consignments, of that there is no doubt, and, after two years' experience of the system, it is fair to say that no recipient has been forced to accept poor or deteriorated merchandise. If he has, it has been unwittingly, or—and we shall come to this later—because he was unaware of his rights.

Cif arrangements dropped

Some people have defined the cif arrangements as the sale of documents representing ownership of the consignment.

In transactions of this kind, the seller's only obligation is of course to supply the purchaser with goods that are up to standard at the point of lading and to hand him a set of travel and insurance documents which are supposed to guarantee that things will go well until the port of unloading.

In international trade, all these subtle clauses are balanced out in continuing business relations, but when they are used in food aid deliveries, experience suggests that they can cause deterioration, if not total loss, of the consignment. The only way out was to to adopt a delivery clause making the contractor responsible from start to finish, but with no changes to the financial conditions of the allocation. The ex-quay delivery to port of unloading stage in the incoterms (1) fits the bill perfectly, because it involves no change to the place of delivery.

However, as was to be expected, there was a slight increase in the tendering costs because tenderers were forced to cover all the risks and their chartering and insuring procedures were more stringent as a result. Is this in fact not proof of the unsuitability of cif arrangements for food aid deliveries?

From this change in the system came the most spectacular results of the reform—other than the usual percentage of loss and damage inherent in intercontinental deliveries, food aid stopped being lost. Every beneficiary has had his food, be it emergency aid or supplies to tide him over, as programmed and applied for. Exceptions are very rare and no longer irreparable.

Contractors are now only paid for what is actually delivered in accordance with the specifications of the contract to the place of delivery. The wasting of Community funds is a thing of the past.

Contracts awarded for the most economical stage

The effect of sea transport is also an important factor when it comes to improving the standard of food aid and it is a difficult one to control. There is no point in comparing the prices of the different categories of shipping and the matter has to be seen within the framework of the sea freight policy currently being drawn up by the Community.

Nonetheless, in order to cater for every eventuality, a system has been set up to investigate the costs in the light of the various factors, not all of which depend on the type of flag under which the vessels sail. The Commission has reserved the right to award contracts to the lading stage and give sea transport contracts to other operators. These ideas have been tried out and the results are under scrutiny at the moment.

The best packaging and transport

A distinction needs to be made here between optimum utilisation of the existing systems and the adoption of new procedures. As far as the existing systems are concerned, the Commission was pleased to get the Food Aid Committee (Member States) to agree to short-distance deliveries of goods in containers normally sent to the quayside to go free to destination. It was ridiculous not to deem full-load containers capable of performing door-to door deliveries. This is only one example and other measures will be taken.

The matter of new procedures is more complex because the recipients make such varied requests that it is difficult to get their measure and bring them together in a single text. The current trend is towards the periodic updating of a range of (existing) possibilities from which the recipient can make his choice. The list could even be lengthened to include types of transport which are more in keeping with the practices and situations of the ports of the countries of destination—lighter-carriers, lighter loads, automatic bagging at the destination and direct delivery overland. Each port is a separate case—which should be an encouragement to moderation.

Prospects

No one has doubted the success of the food aid mobilisation reform since the Commission recorded (with satisfaction) a statement which some professional contractors' organisations made to this effect, even regretting the unconditional opposition they manifested at the beginning. But it has to be admitted that the general agreement is that the reform has to be made more flexible here and there

(1) These are standard rules for the interpretation of business terms brought out by the International Chamber of Commerce.

The port of Assab in Ethiopia

Improving food aid very much depends on improving sea freight

and that there is room for consolidation, although there is no question of it coming under threat.

The Commission promised the Committee that it would produce a report after 18 months or more of experience and this turned out to be in the form of an updating project. As far as the contractors are concerned, the proposal is for a complete cushioning of responsibility by means of a transit loss, in accordance with international trade practices. It is also hoped to speed up the payments.

On the recipients' side, the provisions on taking over the goods at destination should be more precise, so there is no question of ignorance of their rights leading them to accept goods which are partially not up to specification—and which they are absolutely not responsible for sorting, repacking or analysing. Recipients may be ill-equipped to perform these operations and the damaged goods they then accept into their warehouses gradually cause the sort of slackness that can degenerate into the deterioration of the whole stock.

This leads us straight to storage conditions—which are not covered by the mobilisation regulation although they are surely its logical continuation. Although the Commission has achieved the first objective by providing good-quality aid, it has to be careful to maintain that quality throughout the whole period of storage. Otherwise the aid will not reach the target properly, as happened in the days of cif deliveries.

Just as the EDF projects make sure that the recipients are able to maintain Community-financed investments, so food aid schemes should concern themselves with the recipient countries' storage conditions, which can be a source of problems. This is already being done, on a one-off basis, when missions go out. The Community food aid agent will have the extra job of investigating to report on the nature of the aid (all donors) and the state of the stocks.

The local authorities and the Commission Delegations will be informed of what is going on at least—which is far from being the case at the moment, particularly with aid transiting through international organisation and NGOs.

But there is more to it than information. It must be possible to act if the recipient is unable to do so himself. Here, we shall look at the possibility of more practical programming of the special budget appropriations for Community contributions to storage programmes. The means of action which could be financed in this way include, as a matter of priority:

— the production of a multilingual memorandum setting out the basics of storage techniques (this is being written at the moment) for distribution to the Delegations and the recipients;

— alternative or selective fumigation with methyl bromide (to kill insects) and phosphine (larvae and eggs). A pilot experiment is on the drawing board;

— advice, a financial contribution to maintenance and repairs to, or even the construction of, proper storage places (a remark made during a mission was enough to right a particularly worrying situation);

— the siting of buffer stores to cope with one-off problems and avoid the mistakes made in the past when goods perished on the spot waiting for better conditions to be provided. A one-off operation of this sort has proved successful.

Since the conservation of products supplied as food aid is a corollary to the drive to guarantee they are delivered in good condition, none of these measures are pointless expenditure. It is of course for the competent authorities to say whether such outlay can be covered by the budget provisions on food aid.

So the conclusions differ according to the type of commitment involved in the implementation of aid. The dominant idea at present is to provide the means to match the aims and makes sure that it fits in harmoniously with the Community's development policy. ○ J.C.

Euronaid: an NGO approach to food aid

by Pierre WERNER (*)

The EEC delivers most of it food aid to the recipient countries directly. But some of it is distributed via international organisations such as the World Food Programme, the UN High Commission for Refugees, UNICEF or through Non-Governmental Organisations. Last year, for example, Euronaid, a group of European NGOs involved in food aid programmes, handled 217 448 tonnes of Comunity food aid, representing a value of ECU 110 million, 21% of the EEC's total food aid. The president of Euronaid, Luxembourg's former Prime Minister Pierre Werner, talks about his organisation's achievements.

One of the most popular books on development recently written is the one by the Peruvian economist Hernando de Soto "The Other Path". He succeeded in diagnosing and prescribing for the ills of underdevelopment without resorting to the traditional language of the right and left. He sharply analyses what the consequences are for people who move in increasingly greater numbers from the countryside to the cities, a phenomenon which occurs in all Third World countries. To survive, these people have become "informals" operating along a grey frontier with the legal world. Their dilemma is simple: the cost of obeying the law outweighs the benefit of observing it, so they ignore or break some of the laws but not all, and they cannot be put in the same book as black market racketeers or drug traffickers.

De Soto discovered that in Peru's capital, Lima, 42% of all housing has been built by illegal settlers. The retail distribution of popular consumer goods is dominated by over 91 000 street vendors who maintain some 314 000 dependants. Of the 331 Lima markets, 83 have been set up by informal traders, while the city's fleet of urban transport is 93% controlled by informal operators. De Soto shows that these poor, these "informals", have a ferocious desire to succeed in the face of huge adversity.

Euronaid tries to cater for the poor, or de Soto's "informals", often, although not always, with great success. In Lima we were asked a few years ago to participate in an operation called "Vaso de Leche", which aimed at providing a daily glass of milk to a great number of children and young informals.

The difficulty did not lie in bringing the milk into the city, but in ensuring daily distribution under a certain control. A popular movement called FOVIDA organised the women of the informals in blocks.

The feeding programme reached 650 000 women and children in the slums of Lima and 7 300 block committees existed in conjunction with the city network. The block committees consisted of five women, who were responsible in turn for warming the milk and controlling its distribution. As these mothers knew all the children in the block, it was not difficult to avoid some getting more than others. As the responsibility for warming up and storing was regularly changed, it also did not put an impossible burden on the shoulders of the women. Apart from the health aspect, the project had another advantage: to bring about a greater cohesion between the informals living together in some of the euphemistically called "Villas Jovenes", young towns, where people from different parts of the country live side by side.

The project also showed up, however, the other part of Hernando's research: it demonstrated that the odds are impossibly stacked against poor individuals, even when existing legally within the formal economy. He shows, for instance, that it takes nearly seven years for the informals' low income groups to obtain the right from the authorities to build on a vacant site. To acquire even a street-vendor's licence takes 43 days of commuting between bureaucracies and costs the equivalent of 15 times the minimum monthly wage.

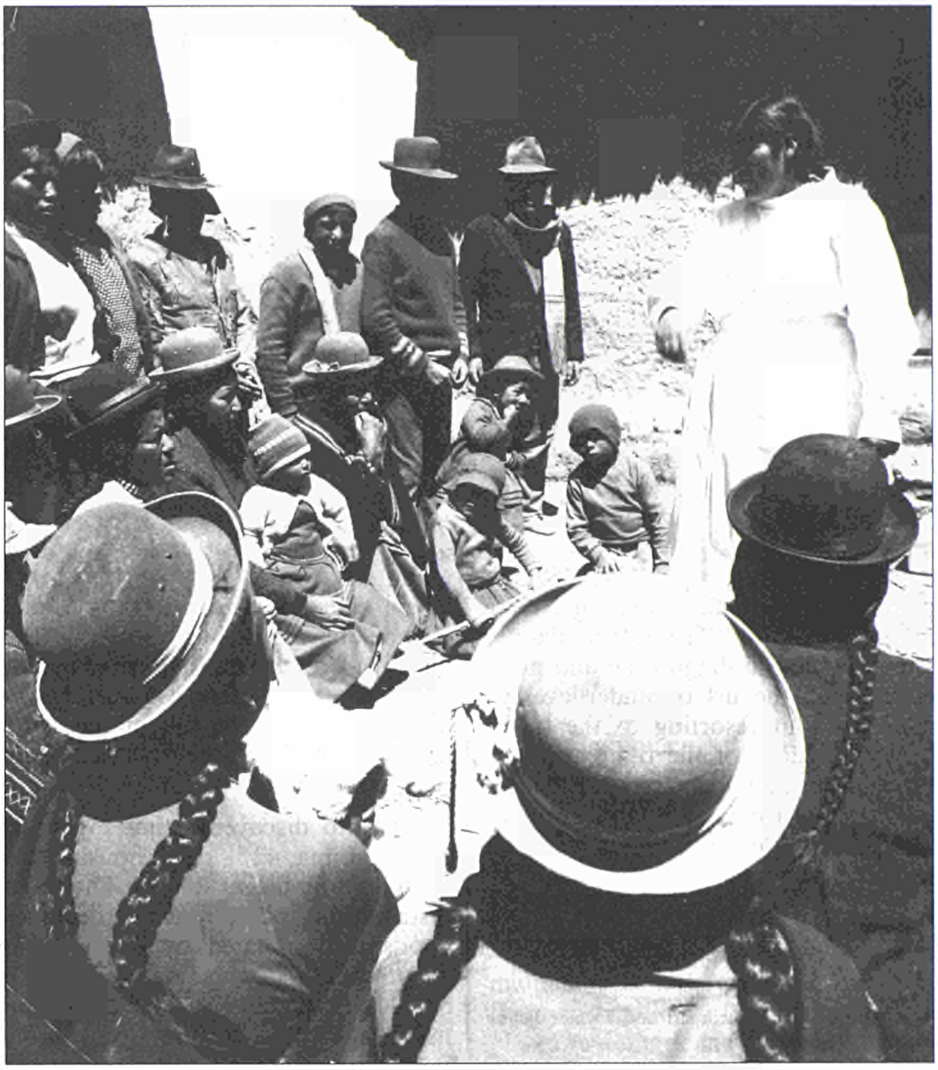
What is needed is more decentralisation and deregulation, by which Her-

(*) President of Euronaid and former Prime Minister of Luxembourg.

In Peru Euronaid tries to cater for the needs of the "informals" nando means depoliticising the economy from the manipulation of redistributive combines and politicians.

We have noticed this, too, in our Lima venture. The organisation was set up under the eyes of a mayor who let the people organise themselves and helped them with the storage of goods. However, with municipal elections the mayor changed and immediately new difficulties arose. The new party wanted to set up their own system, which was riddled with corruption. Suddenly there were difficulties with the free entry of milkpowder. Result: huge demurrage fees for Euronaid, as unloading could not be started. The city council was raising problems with storage capacities, trying to take the FOVIDA's warehouses away, and so on. Only by threatening to stop the whole operation could things slowly be sorted out.

Here I have taken a concrete example of a Euronaid operation in the Latin American country Peru, but similar examples could be given for countries in Asia and Africa.


WHO/Y. Touliquen

A health auxiliary at work in a Peruvian village
Mother and child clinics and other centres run by NGOs should be provided with the necessary food products

Favouring triangular operations

Euronaid is an association of 14 European NGOs involved in food aid programmes. The association was formally created in 1980, although since 1977 a number of European NGOs were liaising, informally, to ensure EEC support.

Euronaid members brought with them a range of qualities, amongst which long experience of the distribution of food aid in Third World countries. They are generally in close contact with grassroot groups, thanks to church structures, cooperatives and trade unions. They are also able to reach both urban and rural groupings, and NGOs have the added advantage of being politically independent and familiar with local situations.

Euronaid is unique, as it is the only European association which tries to encompass the three streams of Catholic, Protestant and secular organisations, each of which have their own partners and networks overseas and are therefore in a good position to reach the target groups.

In the publication "Does aid work?" commissioned by the World Bank and IMF, together with some 20 governments, interesting conclusions on food aid and NGOs may be formed. "Food aid" the report says, "has come through a complex history and has had many areas of failure, but these are now largely well-understood and largely avoidable, so that the conclusion of this report is that programmed food aid has, and will continue to have, its place in the overall picture of aid and can achieve very valuable results".

As to the NGOs it states: "One method of doing more for poverty would be by increasing the funding granted to NGOs of proven capacity".

The absorptive capacity of NGOs in food aid programmes has not yet reached its limits, although the EEC has entrusted to Euronaid larger and larger quantities of food, as shown in the following figures:

1978 – 22 000 tonnes
1983 – 55 977 tonnes
1986 – 125 394 tonnes
1987 – 162 000 tonnes

It must be taken into account that these amounts are not all going through Euronaid members. NGOs, non-members, who obtain food aid from the Community, have to use the Euronaid logistical services, because the EEC prefers to concentrate responsibilities.

A policy line continually used by Euronaid is to favour triangular operations [1], whereby Euronaid is

(1) The purchase of food in a surplus area for distribution in a deficit area of the same country.

allowed, for instance, to buy beans in Argentina for Nicaragua or El Salvador, white maize in Zimbabwe or Kenya for Mozambique or Angola, sorghum in East Sudan for Ethiopia or Eritrea. The development of such a policy favours food production by Third World countries which then is used by other Third World countries, the so-called South-South relationship. About 40% of food handled by Euronaid in 1988 came through triangular operations. We hope that these operations, and the so-called "biangular" ones (cofinancing line) can be promoted through budget line 951.

Unfortunately part of the rapid growth of Euronaid is due to the growth of emergency situations, notably the man-made ones in the Horn of Africa, Angola, Mozambique, Afghanistan and Central America. There is hope that the new atmosphere of détente between the great powers will bring an end to local conflicts as in Cambodia, Vietnam or Angola — areas where Euronaid is very much present.

However, there is a risk that new man-made catastrophes are in the making. The IMF and the World Bank are recognised for their highly valuable contribution to development over the whole globe. Nevertheless, a too — strict application of the so-called conditionality and structural reform tends to mean that an extra burden is being put once more on the poorer classes, who are getting desperate. Witness the riots in Venezuela, Argentina, Zambia, Jordan, etc.

Are these signs that Hernando's informals have to become guerrillas?

There is a new challenge. It is that a young child under four, who is malnourished or undernourished, will be handicapped in one way or another. This is now happening with millions. Can we continue to ignore this? Here again, operations like Vaso de Leche, mother and child clinics and other centres run by NGOs should be set up in close harmony with local organisations and provided by us with the necessary products.

This great humanitarian duty ought to mobilise much more goodwill and much greater funds in international assistance programmes. ○ P.W.

Food aid and structural adjustment

by Walter KENNES (*)

Food aid is one of the most controversial subjects in the area of development cooperation, as is structural adjustment. Thus, the use of food aid for structural adjustment needs to be well justified. But as this article will show, it can, with careful planning, be a valuable resource in supporting structural adjustment programmes.

Nature of adjustment programmes

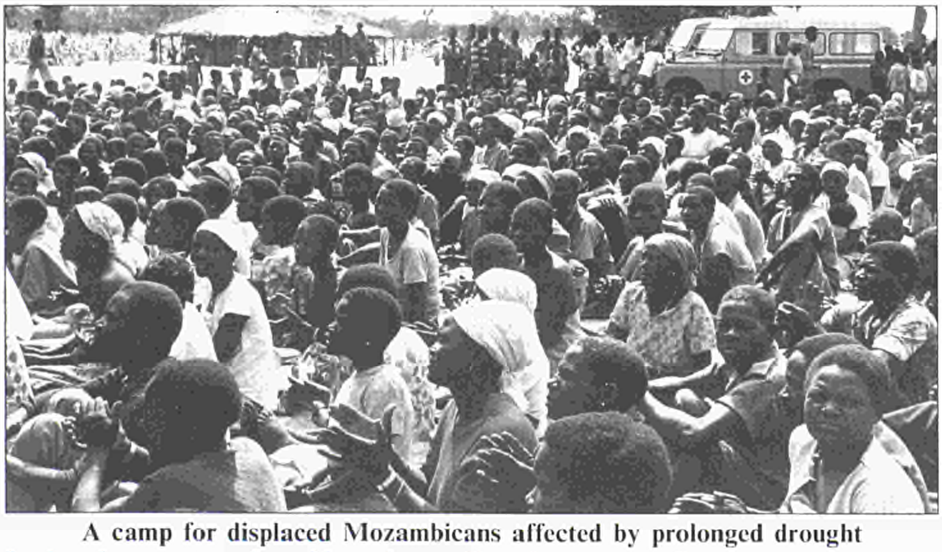
Since the world food crisis of 1972-1974, the economies of many developing countries have been increasingly exposed to adverse circumstances and shocks. There have been, for example, prolonged droughts, strong movements in export and import prices and civil wars. The effects of these shocks have often been exacerbated by inappropriate government policies and unproductive investments. The problems have sometimes been compounded by external borrowing, making the countries vulnerable not only to commodity price fluctuations but also to exchange and interest rate movements.

(*) Principal Administrator in the Commission's Directorate-General for Development.

By way of tackling these problems and to get their economies back to a situation of sustainable growth, many developing countries have started to implement adjustment programmes. More than half of the countries of sub-Saharan Africa are carrying out such programmes. The focus of adjustment has been on reducing the government budget deficit, on improving the balance of payments and the efficiency of resource allocations. Some typical measures undertaken include:

— cutting government expenditures, often in "non-productive" sectors like health and education;
— reducing food and other subsidies;
— reducing the numbers of public sector staff;
— increasing interest rates;
— devaluing the currency;
— liberalising trade in basic commodities and;
— privatising or closing down state-owned enterprises.

Without questioning the need for adjustment as a means of restoring economic growth, the measures described above generally have negative consequences for many population groups. It is especially the most



A camp for displaced Mozambicans affected by prolonged drought

It is the most vulnerable who suffer from an adjustment programme, because of price increases and the decline in government spending on health and education

UN photo/P.H. Hoeffel

vulnerable that suffer in the short term because of price increases (mainly for food) or retrenchment and because of the decline in government expenditure on basic services such as health and education. Adjustment hurts the vulnerable, for they are the least able to adapt.

Since an increasing number of its ACP partners were carrying out adjustment programmes, the Community, too, needed to develop its own specific views on that matter. Those views were expressed in the Council Resolution of May 1988 (see the special dossier in *The Courier* N° 111) which pointed out that the sustainability of an adjustment package should not be examined exclusively in economic and financial terms but should also take into account social factors, food security and the environment. Moreover, these factors should not simply be dealt with through export compensation, but rather be an integral element in designing the adjustment programme.

Using food aid in support of adjustment

The Council Resolution referred to above specifically mentions the use of food aid to support structural adjustment. Before explaining how this can be done it is necessary to remember the distinction between emergency and normal food aid. The objective of emergency food aid is to provide immediate relief for populations suffering from natural or man-made disasters such as famine or civil war, and it is distributed directly to the affected population. Even though it is emergency food aid that gets the attention of the media and corresponds to the public image of food aid, it usually accounts for only 10-15% of the total food aid value. The rest is made up of "normal" food aid attributed to programmes (around 60%) or projects (around 25%). It is normal food aid that can be used for supporting structural adjustment programmes.

Programme food aid is allocated to help countries cover a structural deficit in basic food, mainly cereals, but to a lesser extent also pulses, vegetable oil and sugar. The food is not distributed free but is sold at the going market price and the revenue from these sales is put into a counterpart fund account.

These local currency funds can be used for a variety of purposes according to what is agreed between the beneficiary country and the food aid donor. Project food aid is typically used for the supplementary feeding of vulnerable groups or as a wage in rural works ("food for work") projects. Projects usually have other components besides food deliveries: health and nutritional education, protection of the environment, etc. Project food aid is usually carried out with the help of non-governmental or international organisations. Some project food aid is directly connected to a sectoral development project. This is often the case for dairy product food aid linked to dairy development (the best known example of such EEC food aid being Operation Flood in India).

Both programme and project food aid are well suited to alleviate food insecurity problems resulting from the implementation of adjustment measures. In many cases adjustment measures, such as the elimination of subsidies or exchange rate devaluation, lead to an increase in the price of food. Such an increase boosts farmers' incomes and stimulates food production, but it also hurts people who depend on wage income or on the production of non-food items. Food aid can dampen the upward movement of food prices. This is particularly important during the transition period when adjustment measures are implemented, but before the effects on production are actually felt. Adjustment measures are also there to improve the balance of payments and put ceilings on commercial imports. Food aid can help to alleviate the balance of payments constraints of food deficit countries.

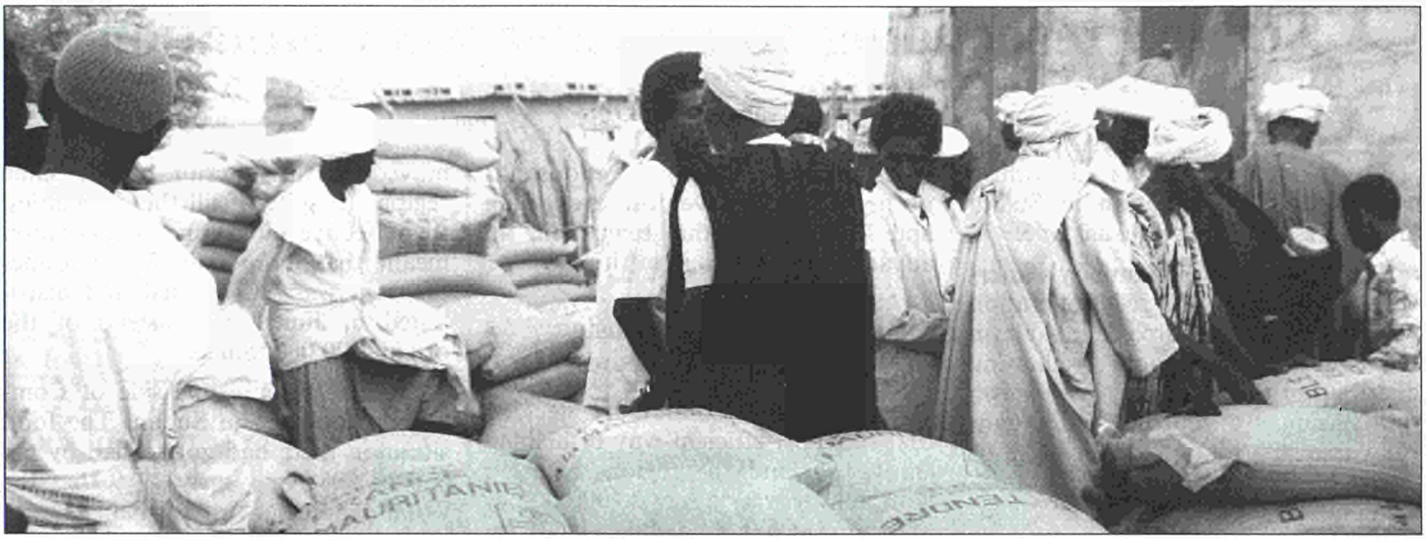
The most general contribution of programme food aid is through the use of counterpart funds. The use of counterpart funds can be a significant parameter of budgetary policy. They can be earmarked for the support of specific government budget items, particularly to maintain vital expenditures in sectors such as health and education. Counterpart funds may also be channelled through the credit system, which is very often a target for adjustment measures such as credit ceilings. Using food aid in this way is fully comparable with using general or sectoral import programmes in support of structural adjustment.

Adjustment programmes often hit specific population groups which may be helped with project food aid targeted to these groups. Poor households in developing countries may spend up to 70% of their income on food, and around half of that amount is for staple food, mainly cereals. Providing food to such households at a subsidised price will allow them directly to improve their nutritional status.

Providing subsidised food to better-off households on the other hand will have only a minimal effect on nutrition. This underlines the importance of targeting. Rural works programmes are usually designed in the first place to create a source of employment for poor households outside the main agricultural season. Food can be put to good use in such programmes because the expenditures of such households consist mostly of food. Asian countries, particularly India, have a long and successful experience of rural works programmes. The programmes act as safety nets for the most vulnerable households, especially in periods of drought. They also help to finance rural infrastructure and protection of the environment.

In addition to these more typical examples of the uses of food aid, there are also more sophisticated possibilities. Some degree of food price stability is reckoned to benefit both producers and consumers. Food aid can be used to help in stabilising prices. In years with production shortfalls food aid shipments can prevent excessive price rises and in years of abundant production the counterpart funds may help to buy local food and prevent the farmgate price from falling too low.

Basic food price stabilisation schemes are important for countries such as those in the Sahel which have wide fluctuations in production. An example is the programme for restructuring the cereals market in Mali where a group of food aid donors entered into a multi-annual agreement



FAO / J. Van Acker

Food aid—here in Mauritania—can help in stabilising prices

on cereals market reforms supported by food aid counterpart funds. Needless to say, such finely-tuned programmes are difficult to implement.

Conditions to be satisfied and limitations

For support in the form of food aid to be fully effective, certain conditions need to be satisfied, and there are also limitations to be taken into account. The distinction between programme aid and project aid introduced above is also used here.

A condition for the successful use of programme food aid is the existence of a need for food imports. The most clear-cut case is where food aid replaces commercial food imports for a country which has a structural food deficit. In this case food aid is similar to a pure foreign exchange grant. There can be no disincentive to local food production nor any change in consumer tastes. The only potential danger of such aid is that if it is more or less guaranteed to the governments it may discourage policy initiatives to stimulate the agricultural sector. This danger is in fact an argument for integrating the food aid resource into an adjustment programme that clearly spells out the necessary policy measures.

The application of the concept of structural food deficit is not always easy. One problem is the level at which the concept is applied. A country may have a deficit in one type of cereal and a surplus in another. A typical example is Zimbabwe, which has a deficit in wheat and a surplus in maize. Sudan often has a surplus in sorghum and generally a deficit in wheat. In these cases food aid can still be applied but its programming becomes more complex. Shipments must be carefully timed to coincide with the lean season in order to avoid disruptions in the market.

One should also take into account the possibilities of substitution between various cereals. If food aid reduces the relative price of wheat or rice in comparison to traditional cereals, consumers may be encouraged to change their consumption patterns. In this case a structural deficit in wheat or rice is not a sufficient condition for handling food aid well.

Another problem concerns countries with large fluctuations in production and occasional deficits and surpluses in traditional cereals depending on weather conditions. Several Sahelian countries are in such a situation. Both problems referred to may occur simultaneously. For example, a country can have a structural deficit for rice and wheat and an occasional surplus in traditional cereals. For food to be handled well in such cases it needs to be a component of a broader cereals market policy which should be consistent with overall adjustment measures. The Community is well equipped to handle the problem referred to: triangular food aid helps to deliver the product that corresponds to predominant consumer habits and substitution can replace food aid when an occasional surplus due to good weather makes actual deliveries unnecessary.

Whereas programme food aid contributes in the first place to the alleviation of food security problems at national level, project food aid intervenes at household level. The conditions for project food aid to be successful can be understood in relation to the concept of targeting which must be towards the vulnerable groups and must be cost-effective. Food aid that is not targeted to vulnerable groups has little effect on the nutritional situation. It may not increase total intake of food and may hurt producers of food. Project food aid relying on imported products may also be very expensive, because of high transport, storage and handling costs, given that only small quantities are dealt with. In such cases the possibility of local purchases rather than food imports should be considered. Rural works programmes designed to create employment for the rural poor should compare the cost of payments in food ("food for work") with cash payments. It may be more cost effective to carry out programme food aid to support the national grain market and earmark some of the counterpart funds to employment programmes targeted at the poor.

Finally, there is a more general condition that needs to be satisfied. Structural adjustment programmes are generally carried out over the medium and long term. If programme or project food aid is to be an effective support it needs to be available on a multi-annual basis as well. ○

W.K.

Sudan: responding to an emergency situation

by Elisabeth TISON (*)

The Community is faced with a special food aid situation in Sudan and its response is the usual one.

The bulk of the Community's intervention is as part of a relief operation which uses the resources available in the country in question, facilitating distribution to the hungry population (purchasing, transporting and organising free distribution of locally-produced sorghum). This relief operation also involves buying food in neighbouring countries (triangular operations in Kenya and Uganda) and the participation of international non-governmental organisations.

A special situation

Sudan had bad harvests in 1987 and 1988, but there was still surplus sorghum from previous years in some regions alongside deficits in terms of per capita availability in others, particularly in the West (Darfur and Kordofan) and in the South (Bahr El Gazal, Upper Nile and Equatoria).

But this year's harvest has been outstandingly good—an estimated 5 million tonnes or more of millet and sorghum—and so the country is self-sufficient in these cereals, although famine is still rife in the south.

This particular situation is due to the problems of transport and of shifting goods across a vast country (more than 2 500 000 km^2) and to the sort of climatic conditions that can destroy the bulk of local production (as did the drought in the west in 1986 and 1987) or make haulage more difficult (with roads impassable during the rainy season because of flooding, as there was in 1988).

Lastly, partly because of the weather but above all because of the continuing conflict in the south, there have been massive population shifts from one region to another and towns which were already short of food have been inundated with refugees.

For the Community, this meant and still means a vast and immediate relief operation to help the thousands of people who have lost everything and come into the towns in an advanced state of malnutrition.

Relief operations using locally available resources

In 1988, the Community decided that the most efficient way of helping the people and the regions afflicted with hunger was to buy 20 000 tonnes of grain locally and take it to be distributed free of charge in areas where food was short.

The scheme is managed by the Sudanese Relief and Rehabilitation Committee, in close liaison with the Commission Delegation in Sudan. It is part of a multi-donor operation which was destined initially to provide relief for regions in the west but then gradually transformed into a relief scheme for displaced persons and populations affected by the fighting in the south.

Although weather and transport conditions in this immense country made implementation difficult, the operation is still a model for coordination and collaboration both between the donors and with the recipient.

Whenever the relief and allocation committee meets, the donors decide where and how food can be got to a badly-hit region or village as quickly as possible. Situations can change from one week to another, with train hold-ups, floods, a fresh influx of refugees in a town from which a batch of sorghum was due to leave for another town, etc. The donors sometimes have to arrange swaps to ensure that the sorghum arrives in the right place at the right time, as when World Food Programme sorghum available in a particular region, for example, was borrowed by the Community and shifted to the interior.

And the donors, the Community in particular, sometimes involve the non-governmental organisations and the World Food Programme. Contracts are signed with them for sorghum to be bought locally and moved to the interior of the same region. In spite of all the difficulties, this effective inter-donor cooperation meant that more than 23 000 tonnes of grain was transported and distributed in June 1989 instead of the original 20 000 tonnes.

But this is only one side of Community food aid in Sudan. The food situation there had got so bad by the end of 1988 and early 1989 that the Commission decided to make a considerable increase in its food aid and to use faster, more efficient ways of getting it to the recipient. So there is cooperation and co-ordination between the Commission's food aid and emergency aid departments and indirect aid and emergency aid are decided and mobilised for the international non-governmental organisations, the arrangements for implementation being made in neighbouring countries or Sudan itself.

Mobilising emergency aid

At the same time as the Commission decided on an extra budget to shift food aid direct by air between Khartoum and Juba (in southern Sudan) or by train, the emergency aid department, which gets its finances from the EDF, was taking up the financing proposals for South Sudan assistance programmes (medico-nutritional programmes, cost of transport by ICRC and WFP planes and aid to NGOs).

In order to get the food there as quickly as posible, almost 13 000 tonnes of grain, beans and pulses were (and are still being) bought in Kenya, Uganda and Sudan by the ICRC, with the Commission's agreement, and transported to the towns and regions of the south.

And 15 000 tonnes of grain bought in Kenya and Sudan have also been allocated to the WFP. All these decisions and emergency schemes are part of the $ 132 million Lifeline operation which the UN set up to get 120 000 tonnes of grain to people in the South.

The Community's total contribution to Lifeline, or the Khartoum

(*) The author is an administrator in the Directorate-General for Development.

EEC/A. I. Singh

This enormous fleet of trucks was needed to bring food to the starving during an earlier famine, in 1985

Plan, is ECU 14.1 million of it emergency aid and ECU 20.2 m food aid, not counting aid from the Member States, which also send medical and food supplies and help with the air transportation.

NGOs distribute food in Juba

Food aid arrives in Juba by plane from Khartoum (4 500 tonnes wheat and sorghum supplied direct by Community aid) or Entebbe (WFP and ICRC planes bringing in grain and other products purchased in Kenya and Uganda) and overland from Uganda.

The relief programmes destined to help a displaced population of an estimated 150 000 people call for the tightest coordination and collaboration by the donors.

A consortium of NGOs, the Combined Agency Relief Team (CART) has been set up with the help and assistance of the Community. It combines a number of European and Sudanese NGOs and coordinates the relief and assistance of the displaced populations.

In Juba, the Red Cross deals with new arrivals and then hands them over to the NGOs, which take them, according to their town and region of origin, into different camps around the city.

All food aid, regardless of origin, is distributed by CART, which meets once a fortnight to look at existing stocks and needs and decide on allocations by NGO and by camp. The NGOs then come and remove the food from the stores and hand it over to the camp leaders for distribution.

This collaboration by the NGOs working in the field is a means of ensuring regular, planned distribution and keeping the donors informed of extra needs. In June, for example, there was a stock of 5 000 tonnes of grain in Juba, plus 1 500 tonnes belonging to the Red Cross, which was enough for three months.

The NGOs informed the donors of shortages of other products (oil and beans) and these details, and those of the state of the stocks (three months' supply), are more than vital to the Community's subsequent decision-making.

Food aid to Sudan and then...

A further allocation of 10 000 tonnes of food aid, including further purchases of sorghum, was decided in May 1989.

The Community has sent more than 130 000 tonnes of food aid to Sudan since 1988. The populations of the south have had ECU 56.4 m in emergency aid and food aid over the same period, ECU 34.3 m of it being part of the Khartoum Plan and 56 000 tonnes food in the process of being distributed.

However, the Community feels that the people of Sudan still need relief and assistance. Three months' stock in a place like Juba is not enough to cope with an emergency situation and CART has to distribute rations of 300 g per person per day there.

Aid diversification (beans, vegetable oil, groundnuts etc.) has already started and improvements and extra help with storage conditions are under way or on the drawing board.

Even before 1990, Sudan will have to be considered a priority for food aid — either with local purchasing if the harvest is good or with consignments from Europe and the neighbouring countries.

As in 1988 and 1989, all available resources will have to be used and coordination and collaboration set up amongst all the partners involved so as to ensure rehabilitation as well as relief. ○

E.T.

How was famine dealt with in the past?

Vivant Univers

Traditional grain store in Burkina Faso
The emergency grain stores could only be opened on the orders of the colonial administrator

Famine is as old as man himself and human societies had to get organised to cope with it very early on. Now we have a whole series of institutions, national and international, governmental and private, which get into gear as soon as famine looms anywhere on the planet. But how did people survive when food ran out before the global system of food aid made its appearance?

Look at, say, what happened at the beginning of the century in the African countries under French colonial domination and the similarity between their responses and the whole range of measures used today is immediately apparent. And if you are a specialist on food issues, you will of course feel humility, as many of the policies which are projected today were in current use then.

In a very interesting book called: "L'aide contre le développement? L'exemple du Sahel (Anti-development aid? The example of the Sahel)"(*), Jean-Jacques Gabas uses local administrators' reports to back up the idea that there has never been anything free about food aid. When there was a famine in any given region, the authorities brought food in, of course, but they sold it or handed it out as an advance which had to be offset against the next harvest. And they justified their opposing of free distribution by maintaining that this would upset the local market (even then) and discourage production (even then) by encouraging people to believe that aid would always come from somewhere.

Gabas says that Colonial Minister Albert Sarraut came up with seven measures to save the populations from food crises back in 1933. They were:
— agricultural training and extension and the creation of demonstration farms;
— the introduction of health monitoring;
— the implementation of water engineering and road works;
— a locust control campaign;
— the promotion of substitute food crops;
— the reconstitution of grain stores;
— the creation of local provident organisations.

These ideas are still as relevant as they were 50 years ago. The idea of grain stores for use in time of famine, for example, which in fact dates from 1922, Gabas sees as being exactly like the modern idea of buffer stocks. And indeed, "the fallback grain store remained the property of the head of the family, although (and this did not happen with the traditional off-season stock) he was not free to dispose of it as he saw fit, as it was only opened on the governor's orders, when disaster conditions prevailed". These stores were institutionalised in 1935.

Over the same period, the British colonial authorities often used the still-common food for work formula to cope with famine, as Derek Quinlan, a retired European official and, most important, a former colonial administrator in Tanganyika (now Tanzania), points out in this article. ○ *A.T.*

(*) See The Courier No. 116, Books, p. 104.

The experience of British East Africa

by Derek QUINLAN

British colonial governments from the earliest days took precautions for the prevention of food shortages, and when necessary for the mitigation of the effects of famine in their territories.

In Tanganyika, as it then was, from 1927, if not earlier, Local/Native Authorities were empowered by territorial legislation to issue orders "requiring any native to cultivate land to such extent and with such crops as will secure an adequate supply of food for the support of such natives and those dependent on them". (Chapter 72, section 9 (p) of the Laws of Tanganyika.) More specifically when a Native Authority was of an opinion that a famine existed or was likely to ensue, it could issue orders "requiring any native to cultivate land.... to such reasonable extent as the Native Authority may direct". (Chapter 72, section 10 (1) (c) of the Laws of Tanganyika.)

In many areas these orders usually required the cultivation of cassava — it gives a good yield even in poor soil, it can withstand droughts much better than most cereals, and can be left in the ground for up to four years, which makes it an excellent reserve crop for times of food scarcity.

As the agricultural year progressed through the short and long rains from land preparation to sowing, weeding and harvesting, governments were kept informed of the state of the potential harvest in each district by monthly reports from the District Commissioners and their Agricultural Officers. These reports were based on personal observations during district touring, backed up by reports from the Native Authorities and their staffs, agricultural instructors, other government staff and the peasants themselves. These district reports were summarised in monthly reports from the Provincial Governors or Commisioners and the Provincial Agricultural Officers to the relevant Government Departments. At all stages the reports might be revised in the light of reports from neighbouring districts or provinces, and possibly the experience of the official reporting.

Rainfall figures were also collected from numerous points in the territory, not only from district offices but also from missions, primary schools, and other similar establishments. However, account was also taken of the situation on the ground, where particular areas might escape the general drought conditions due to the nature of rainfall over the tropics. In many areas rain may result as a matter of chance from clouds which develop vertically over confined areas, and may not be caused by reason of a series of depressions as in the cooler latitudes. Rainfall, on an annual basis, can therefore be totally different at one station from that at neighbouring locations.

When the rains failed, as Henry Seaton, an Administrative Officer in British East Africa (now Kenya), recorded they did in 1917 in Kitui District, the peasants and their government officials, day after day, would look at the overcast sky, hoping against hope for a storm. As famine began to threaten, relief measures were taken, and shipping priority was granted for the import of maize and rice from South Africa and India. Distribution centres were set up where grain was made available at heavily subsidised prices [1].

Famine committees

In Tanganyika (Tanzania) when a famine existed, the Native Authority was empowered to issue orders requiring any able-bodied male native to work on public works, irrigation works, relief works or any other approved employment for such period as was prescribed by the Provincial Commissioner or Administrative Officer. For these, works rations or wages were fixed but any worker had the option of requesting to be paid wholly, or in part, in food.

The Native Authority could also require any person to move to such place as he could be more conven-

(1) H. Seaton, *Lion In The Morning*. John Murray, London, 1963.

Vivant Univers

Turkana women waiting for their maize rations

Before independence famine tickets were issued only where no public works were available or suitable

iently fed, and prohibit, restrict or regulate the removal of foodstuffs from its area or within its area.

The District Commissioner was also empowered by an Ordinance dating from 1924, subject to the previous sanction of the Governor, to prohibit or regulate the removal of any native foodstuffs from or within the district, to prohibit the purchase or barter of any native foodstuffs for resale in the district, and to prescribe the maximum prices at which foodstuffs may be sold within the district (Chapter 76 of the Laws of Tanganyika).

Once a district was gazetted as a famine area, the efforts of all Government and District Local Authority staff in the affected areas were concentrated on overcoming the potential effects of the famine. These efforts were guided by the following principles — nobody should die for lack of food, action should be taken before the famine had debilitated the population affected, public works should be organised to cover all aspects of normal self-help schemes, natural resources, roads, dams, and social development for the community.

How relief was financed

In earlier years Central Government bore all the costs of famine relief expenditure, but as the Local/Native Authorities became richer, the costs were borne by both Central and Local Governments. The Local Authority Treasury would consider its budget, and if necessary would apply to Central Government for a loan to cover its anticipated famine costs. Central Government would cover the costs of purchase and movement of famine relief foods into the affected areas, as well as moving in any extra staff required, more especially if the famine area covered the whole or part of a province.

At the district level, famine area supervisors would be appointed and famine committees would be convened in every chiefdom, sub-chiefdom and headman's area. The famine committees would appoint famine food distributors and guards for all silos and stores containing famine foodstuffs. They were also responsible for registering all those in need of famine relief in households with less than 10 head of cattle (in cattle areas), who earned less than the minimum stipulated, had less than the stipulated amount of seed for the following year's planting and otherwise had no food.

Ration scales

Where public works could be organised in the affected areas based on normal wages for workers, famine food would be sold at subsidised prices from the silos and stores. However, when this was not possible, ration scales were laid down based either on famine tickets where no public works were available or suitable, or on muster rolls for public works under the food-for-work programme.

In the case of famine tickets a ration, subject to availability, was issued to each adult for one week of 3.175 kgs of maize, 189 grams dried milk, 27 grams of palm oil, 7 grams of salt and 189 grams of beans. Children under 16 received the same ration as adults, except for maize which was half the adult ration.

For food-for-work programmes, each household could send one adult for each four nominal adults i.e. a husband and wife with four children, or with one aged parent and two children, where two children under 16 counted as one adult. Famine work was fixed at five hours per day, and a worker had to work four days a week during the dry season and four days a fortnight during the crop season.

The ration, subject to availability, for each work period of four days per worker/household of each four nominal adults was for the dry season work 13 605 kgs of maize, 794 grams of dried milk, 47 grams of salt, 108 grams of palm oil and 794 grams of beans. For the crop season work, the ration was doubled for each worker/household of each four nominal adults.

Where public works were authorised for a food-for-work programme, Famine Works Supervisors were appointed to ensure that registered workers put in the hours and days required and to supervise the actual work. Detailed instructions were issued to all supervisors, famine committees, and store distributors. These included instructions on entering up famine registers, issue and receipt vouchers, muster rolls, weekly/monthly reports and financial statements.

There were two particular problems concerning a famine. The first was when to close down the famine relief programme. This could be more difficult the longer the famine had lasted, as the affected population had by then become used to food supplies over and above their normal requirements. The other problem was the position of those on the periphery of the populated areas. For these people, who lived partly on their own subsistence cultivation and partly on food gathering in the forest, a "famine situation" meant extending the period of food gathering from two to three months to a longer period of five to six months. As a result they rarely registered for famine relief. However, more often than not, their needs were as great as those in the more populous areas, and special efforts had to be made to seek out these people and register them.

As much of the East African territorial legislation in the early 1900s was based on the legislation of India, with its century of experience, the two Ordinances quoted above from the Laws of Tanganyika were probably also derived from similar Indian legislation. The experience of one area in India in the 1880s may therefore be relevant. During one famine period all the controls and procedures provided for in the legislation were implemented with the result that food was hoarded and the famine relief controls had to be extended repeatedly. As a result of this experience, on the next occasion when famine relief was needed, no controls were imposed. Instead, the administration of the province of the affected area published weekly the market grain prices in the various areas of all the districts of the province, and only where necessary arranged for public works by paid labour. The result was that traders moved grain to areas where the prices were highest by bullock carts, then the only means of transport. Within a very short period the threat of famine was eliminated as the grain prices quickly stabilised at the normal level. ○ D.Q.

Djibouti: urban development with a social slant

by Emilio PEREZ-PORRAS (*)

Although Djibouti is no latter-day Rome perched on seven hills, the town, which has just celebrated its first centenary, is on a singular site. The original settlement was on four coral reefs forming the spearhead of a peninsula jutting northwards into the sea, with one of the plateaux joined to the coast by an alluvial plain which is partly under water at high tide.

Creation of the urban area of Djibouti

Constant expansion means that the four emerged plateaux (the Plateau de Djibouti, the Plateau du Serpent, the Plateau du Marabout and the Ilot du Héron-ne) now make up a mere 12% of the inhabited urban area of Djibouti even including the extensions created by successive earthworks.

This extension of the area of the original town went hand in hand with an increase in the population, which has exceeded every estimate in recent decades. Although details of Djibouti's latest census (January 1983) are not yet available, the estimated 8 000 inhabitants of the 1921 census must be 250 000 by now and it is this which has stepped up the demand for urban land and led to a variety of plots of highly heterogeneous housing potential being developed.

The result of this is that, by 1988, the town consisted of a number of districts, created to varying degrees by both policy and spontaneous movement (see Table 1).

(*) Commission Delegate, Djibouti.

The first buildings went up on the plateaux which became what might be called the town centre, although extension of the capital to the south meant that the town centre was in fact in the north of the conurbation in the end. The plateaux, where particularly solid materials had to be used for building, became the place for high-class residential areas and the administrative and trading zone.

In 1905, straw huts were banned from the plateaux and they moved down to below the high ground and the alluvial plain where the native or old quarters had grown up. In this area, light housing which had also to be easy to take down was not just accepted. It was in fact the only kind of building allowed, which gave the place a makeshift air, suggesting that no decision had been taken as to the existence and future of these working class areas.

This makeshift approach lasted for years and is thought to be behind the haphazard development of the old quarters, the majority of which were insalubrious settlements on undrained land.

It was to solve the problem of laying on services to the old quarters that a plan to build urban housing for the masses started up in the '60s. It was the culmination of the new urban development drive which led to proper drainage being provided on new building plots on the plain so low-cost housing estates could go up.

In the '70s, houses were put up on these building estates on the plain, using techniques devised at the time the mass urban housing was built, but this time aimed at the better-off clientèle of army officers and civil servants.

Meanwhile, controls on the people moving into the town, which began in 1967, led to the emergence of a new quarter, Balbala, on the left bank of the Ambouli, which forms the southern boundary of the peninsula, where the new arrivals settled. This was a marginal area for many years but is now scheduled for considerable development and a major part in the various future development scenarios of the capital.

The principles of urban housing

A policy of urban reorganisation, based on the experience obtained during various development schemes previously carried out in the native quarters, was adopted in the '60s with a view to rehabilitating the working class areas (the *magala* as they are called in the local language), where the conditions were constantly worsening, and making them more salubrious.

A new approach to the old urban problem—the solving of which had been repeatedly postponed—was adopted to get round the difficulties encountered in previous operations of this sort. It was found that the inhabitants of these slums had first to be housed elsewhere so as to allow improvements to be made to their insanitary settlements — which could be cleared and drained unhindered and new, solid constructions put up.

A strategy was outlined for this, involving providing a series of houses so that the process could start with the people of a particular slum area being rehoused so improvements could be made to their old homes. Once the conditions in this area had

Table 1: Town make-up

District	*Area (hectare)*	*Population (1987 estimate)*
Plateaux	90	5 000
Administrative and trading centre	95	4 500
Old quarters	200	122 000
Inner city housing	60	26 000
Housing estates	75	7 500
Balbala	250	55 000
Total inhabited area (industrial estates not included)	770	220 000

Flooding in the working class areas of Djibouti in April 1989

been made decent, people from another slum area could move in and the process start afresh.

The EDF helped implement this policy by financing infrastructure works and basic services on some of these low-cost housing estates.

The institutional aspect

This official low-cost housing policy which went with the initial drive to rehabilitate the *magala* of downtown Djibouti was shaped by an ad hoc institution, the SID, which the Government set up in 1956 "to run all operations directly or indirectly connected to the improvement or development of urban housing".

This SID (the Housing Company of Djibouti, originally the Housing Company of French Somaliland) was set up with social considerations very much to the fore, one of its duties being to "purchase, develop and allocate land... with priority on the construction of housing for natives and other low-income users". It began as a State company, but became a mixed company in 1975.

The SID went slowly in the early years, running small housing schemes, and then, in the '60s and early '70s, it managed to ensure the adoption of a strategy of low-cost housing construction thanks to an improvement in its finances.

Throughout this period, until 1975 when building stopped, the SID was the main and virtually the only driving force behind the promotion and construction of low-cost housing in Djibouti and, because of its work, it also took part in the urban development of the city, transforming and developing new areas on the alluvial plain away from the plateaux.

Its activities and strategy suffered when the economic crisis hit it hard and it was short of money and unable to deal with the problem as it deserved.

During a long interregnum which began in 1975 and has lasted until the present day, the SID has tried to get reorganised and devise a new strategy in keeping with its current means.

The estates

In order to make way for clearance of the old *magala*, with its hovels and wood-plank huts, the SID stuck to the above strategy and built solid housing, backed up by the necessary infrastructure, where the population affected by the slum clearance would be rehoused.

The idea was to provide accommodation for people shifted from the

Table 2: New urban housing estates (1959-1973)

Year of construction	*Estate*	*Number of units*
1959-1966	Stade	472
1969-1973	Arhiba	832
1969-1973	Einguela	804

slums so that their old area could be rehabilitated and inhabited in turn. This repeated process—shunting—was to be used to rehabilitate the whole of Djibouti's *magala*.

Three urban housing estates—the Cité du Stade, the Cité Arhiba and the Cité Einguela—went up over this period at the SID's instigation, giving Djibouti about 2 100 more units of accommodation (see Table 2).

Although it did not prove possible to fully rehabilitate the *magala* because of the way the population of the town expanded and the slums stayed full even when the former residents had moved into new accommodation, Djibouti did see the policy result in the emergence of a housing product, the mass housing estates, a new model for urban development. This idea was taken up on other housing developments and in other urban and financial schemes — the latter run thanks to private enterprise, in spite of being aimed at better-off sections of the population than those of the slums.

All in all, mass housing (including Progrès and FNS accommodation) accounted for a fairly large percentage of the population of Djibouti — 14 % in 1982, going down, early estimates suggest, to 12 % in 1988 because of the current stagnation of the mass housing policy in relation to demographic growth and because other development models have been used.

Assistance from the EDF

It was the authorities of the Territory (the urban development policy was begun before independence) which applied for EDF help. The Commission took account of the social aspects of the operations and decided to provide financing for the infrastructure on two estates — the Cité du Stade and the Cité Einguela (on Salines Ouest land). The building of the accommodation remained, as planned, the responsibility of the SID.

A financing agreement on infrastructural work on the Stade estate in Djibouti was signed by the Commission and the Territory of French Somaliland in November 1959 and the agreement for the Salines I project in Djibouti by the Commission and the French Territory of the Afars and Issas (the Territory's name after 1967) in February 1969.

The basis for the work on these two estates was, as in all land development schemes on the alluvial plain, extensive earth works. The fact that most of the land scheduled for development was subject to flooding whenever it rained or there was a spring tide—with no possibility of draining off rain or waste water—meant that the plots had to be built up both to avoid flooding when it rained and to make it possible to run off rain and waste water thanks to the height of the earthworks and the attendant slopes needed for water pipes and other services.

The building up of the land, the only way of solving this major problem of draining the area to which the town was spreading, accounted for a large part of the estimates for development of the estates — about 30 % in the case of the Stade and 50 % in the case of the Cité Einguela at Salines Ouest (where mud and salt on this former saltings increased the size of the earthworks).

In addition to the earthworks, the EDF financed work on the roadways, the rain/waste water drainage system and the drinking water and power supplies. This was more extensive at the Cité Einguela at Salines Ouest because it includes, over and above the secondary networks, the construction of an open rainwater drainage channel and a discharge pipe and station for waste water, as well as a bridge over the channel.

Additional financing was added to the Salines Ouest project so a specific social section could be added and a school, a medical centre and a social club built on the Einguela estate. This work was a logical extension, given the general aims of improving urban housing conditions for the people who were to move into the new developments.

The infrastructure and the basic earthworks proved to be a generally very efficient way of protecting the housing on a number of occasions when the town was hit by the worst floods since the estates were built. This happened in 1977, 1981, 1984 and most recently in April this year. The estates stood up well to the test as there was no flooding to cause damage although the neighbouring land and old quarters nearby were under water.

The population

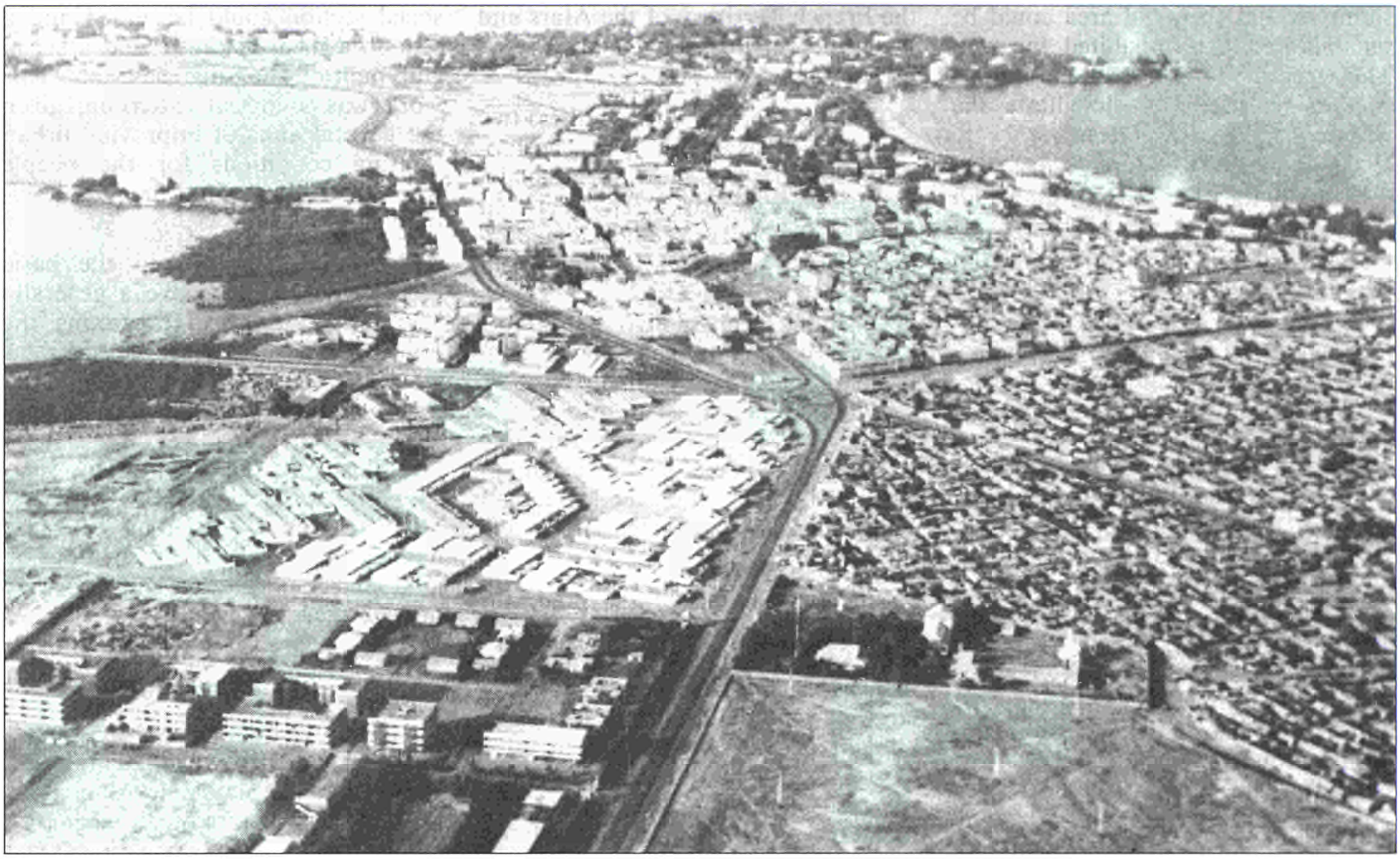
The old quarters grew up spontaneously, with people with family ties converging on the same urban area, making the structure of the *magala* an ethnic once. The same idea was behind the settlement of the Cité du Stade, where Issas and Somalis in general went to live, and the Cité d'Arhiba (which means "welcome" in the language of the Afars) which housed Afars. However, in the Cité Einguela at Salines Ouest I, the typically ethnic approach was changed and people from different tribes were put together, with more of an eye to nurturing a feeling of national identity.

The working population of the estates is 60-65 % civil servants (including security forces), 20 % employees in the private sector and

Table 3: Income of estate residents

Area	*Average income (*) (DF per month)*
Commercial centre	330 000
Estates (Stade, Einguela and Progrès)	153 000
Quarters 1, 2, 3 and 4	100 000
Quarters 5, 6 and 7	93 000
Quarter 7 a-Ambouli-Djebel	80 000
Arhiba Estate	52 000
Balbala	30 000
(Total town)	(120 000)

(*) Source : P.D.U.D., 1982.



As much housing as the budget will run to

8-10 % tradesmen, the rest being businessmen, etc.

This means that the tenants in the new housing in the State and Einguela are mainly in the middle-income bracket, halfway between the most comfortably off families of the commercial centre and plateaux and the inhabitants of Balbala. The average income of Arhiba is substantially lower than on the other estates and below the average for the town as a whole because of the poorer pay of the residents (dockers at the port) on this particular development (see Table 3).

Present and future

Economic and financial constraints have precluded continuation of the mass urban housing policy—although it had proved to be efficient when it came to creating infrastructure and developing new urban areas on the alluvial plain of Djibouti by bringing a new housing model to the town.

Just the earthworks on 200 hectares to house the people from the old quarters would have cost more than DF 1200 million at 1960 prices (the cost today would be at least DF 1600 million), not counting the rest of the infrastructure work or the building of the houses.

So the construction of housing developments promoted and financed by the State or semi-public institutions or run by the Government with international aid funds is currently considered to be out of reach of the institutions responsible for implementing the social housing policy in Djibouti.

And as the *magala* is still there and full of people, even after the transfer of the original population to the new suburbs, there is virtually no more talk of doing away with it and the new projects and master plans put priority on improving working class areas and developing land for plots in more salubrious parts, such as Balbala, keeping the shunting operations described earlier down to a minimum.

So the most important part of the PDUD (Djibouti's urban development programme) is this aspect of rehabilitation, which is aimed at laying on the basic services and improving or building the right infrastructure and leaving the housing proper to private enterprise or the work of the people living in the old quarters or new working class areas. However, the PDUD does not rule out all housing improvement and construction schemes.

The EDF is also involved in implementing this new urban development strategy in Djibouti and, at the Government's request, has provided financial support for the PDUD by underwriting studies (currently being carried out) on the rehabilitation of quarters 1, 2 and 4 and the rehabilitation work on quarter 4.

The fact that the problem of slum rehabilitation will not be completely solved by building technically very sound social housing estates does not rule out this solution remaining as a point of reference in the urban geography of the capital and as a model to be followed — in the light of external financing. The estates created a desirable urban area with the proper facilities and their success pointed the way to other initiatives which followed their example on the peninsular plain over the years. ○

E.P.-P.

Artisanal fishing in Comoros

by Michel DE SAN (*)

Comoros, an archipelago (the four main islands are Grande Comore, Anjouan, Mohéli and Mayotte), is strategically situated in the north of the Mozambique Channel half way between Africa and Madagascar. Its estimated population of 450 000 and its area of 1860 km^2 make it one of the most densely populated countries of Africa. And it is one of the world's poorest countries, too, with a per capita GDP of only about \$300 in spite of large injections of foreign aid. It is a small country whose problems are exacerbated by the fact that it is made up of a number of islands. It has a very young, and rapidly expanding population, so unemployment is high. The health situation is precarious, malnutrition is common and the national leaders' difficulties are heightened by the absence of natural resources, by isolation and by vulnerability to natural disasters.

One of the priorities of the development plan is to raise the standard of living by increasing both food production and protein availability.

Fishing

The islands' annual catch is somewhere between 5000 tonnes and 5300 tonnes (2500 t of it tuna), which is 10-15 kg per head of the population, with almost 1000 tonnes of imported (deep-frozen, preserved, dried and salted) fish on top of that.

There are some 8000 fishermen, half of whom working full-time, and they fish from canoes, using traditional, artisanal methods, offshore from their villages. There are about 3500 of these canoes all told, 98% of them paddle-powered, and they go out 80-100 times per year. The boats are single-hulled, made from hollowed-out tree trunks, with one or two outriggers and they are beached every day. Only 30-50 of them have (5-15 hp) outboard motors, but 50 diesel motor boats have been provided by the Japanese.

Not only is the fleet inadequate, there are other problems too:
— the benthic (sea floor) species are being overexploited;
— both methods and boats are archaic and ill-adapted to the marine environment and the fishing of the main pelagic species;
— the vast majority of the canoes are unsuitable for motorisation;
— trees of the right size and quality to make new boats are in short supply;
— there is a chronic shortage of fishing equipment, spare parts and motors, and prices are very high.

In additions there are:
— the problems of deforestation and the erosion of arable land, more than 600 tall trees needing to be felled just to maintain the present number of canoes (plus outriggers and paddles);
— the demographic explosion, with the population in all probability doubling by the year 2010.

Project targets

Work on Phase I, aimed mainly at increasing the output of pelagic species, began in September 1987. It is thought that artisanal fishermen in the four islands can catch upwards of 10 000 tonnes p.a. between them, so the production tools in the broadest sense (i.e. boats, motors and fishing equipment), have to be improved and new fishing and preservation techniques (of salting, drying, pickling and freezing) encouraged.

Once Phase I has been evaluated, there are plans for a second phase, both to continue and complement it. The focus this time will be on improving the fish concentration device system (see below) and the methods of catching and preserving the fish, transporting it to the consumer centres and marketing it there. The aim is to get the Phase I schemes privatised as far as possible.

Project components

Phase I is geared to responding to the real needs of the fishermen and allowing them to choose from a whole range of fishing equipment, motors, boats and fishing and preserving techniques and it is doing this through the following activities:

The fibreglass and polyester workshop

The project has set up a fibreglass workshop to provide the fishermen with the Fedawa range of boats of three types:
— **Model I:** An improved canoe with traditional outriggers or floaters made of fibreglass. It can be propelled with oars, a sail or a 2.5, 4 or 8 hp motor.
— **Model II:** A 6.6 m smooth-hulled monohull with an 8, 9 or 15 hp kerosene motor and optional outriggers and sail.
— **Model III:** A catamaran made of two traditional (Model I) canoe hulls.

The workshop is the result of South-South cooperation between Seychelles and Comoros. The moulds and the prototypes were built in Seychelles and technicians from that country came and trained the Comorian workforce.

A boat trip was made round the islands in January 1988 to demonstrate the prototypes to the fishermen and changes were then made in the light of what they had to say.

By the time production had been underway for 10 months, more than 240 boats had been ordered (and down-payments made on them) and 100 delivered, 80% of the purchasers having gone for Model II (with and without the outriggers). The workshop is currently turning out 14-16 boats per month and work has begun on 150 and 300 litre capacity iceboxes, which are particularly useful for marketing fish and can be fitted to the Fedawa models.

It will also be looking into the possibility of producing a boat midway between Models I and II, as well as a sloop-rigged, diesel-motored monohull with cabin and ice-box (a

(*) Head of the Artisanal Fishing Development Project in Comoros.

Delivery of a Fedawa Model II with outrigger. Weight 200 kg, length 6.6 m, motor 8 or 9 h.p. (16 km per hour)

The Fedawa Model I can be propelled with oars, sail or a 2.5 or 4 h.p. motor (14 km per hour). Weight 100 kg, length 5.10m

model already built, with EDF aid, in Seychelles).

A private fibreglass workshop has been opened alongside (with assistance from the CDI, the project and Seychelles technicians) to turn out furniture, water tanks and so on and it could well be used for boat building too once the project is over.

The project shop

This is where the project sells equipment for fishing the major pelagic species, plus motors and the related spare parts. Four types of motor (2.5, 4, 8 and 9 hp) are available and a 15 hp kerosene engine (kerosene is two thirds the price of petrol) was due to be in stock by mid-1989.

The mechanical workshop

This repairs and maintains project-sold motors and offers training in maintenance (charging for courses for recognised experienced mechanics, who are sold the appropriate tools cut-price) in the villages.

The fishing unit

This deals with the following activities:

Placing the fish concentration rafts

These are anchored rafts with leaves and strips of plastic tied to the bottom—a combination which concentrates the pelagic species.

These devices are of two types:

— shallow-water rafts, made of 220 litre drums covered with fibreglass, anchored at a depth of between 50 and 100 metres opposite the fishing villages to attract the small pelagic species (sardines, mackerel, etc) used for food and bait;

— deep-water rafts (500-2500 m), made of solid floaters, for areas where tuna is known to be abundant. Tuna-fish gather round these rafts at night (a fact well-known in South-East Asia and the Pacific but unexplained so far), which gives the fishermen a chance to make good catches in the late afternoon, at night and at sunrise, with considerable savings on fuel. Non-motorised fishermen do well, too. The deep-water raft programme has hit a problem, however, as only two or three of the 10 rafts anchored to date are really productive. Trial and error seems to be the only way of finding a dozen good spots around the islands.

Rafts last for between six and 18 months.

Training in fishing, preserving and marketing techniques

The fishing unit sets up for a fortnight at a time in the main fishing villages, alongside the raft programme, to tell the fishermen how to get the best from the rafts and the fishing equipment.

It also provides training in the traditional methods of salting, drying and pickling. The most promising method of preservation is on ice and the project helps ice-makers sell their output by getting the workshop to turn out ice-boxes and the fisheries and the people on the marketing circuits to use them—thus easing both the preservation and the marketing of fish.

Development of port sites

Some port sites can be improved cheaply by, say, using bulldozers to shift earth at low tide. Schemes of this kind have already been run very successfully in Iconi, the main fishing village on Grande Comore.

Financing

The amount earmarked for Phase I of the project is ECU 1 092 000 over three years. It includes:

— financing for two technical assistants for three years and consultations by Seychelles and Mauritian staff, as the need arises, over a period of two years;

— funds to develop and start up the fibreglass workshop and the project shop;

— fishing unit operating funds.

After making boats and selling equipment for a year, the fibreglass and the mechanical workshop and the project shop are about 80% self-sufficient.

Slight price increases in 1989 and 1990 should mean that no more external financing will be required for these activities.

Collaboration with other aid donors

As mentioned earlier, the boat moulds were made and the workshop started up with the help of technology and technicians from Seychelles.

The project is also collaborating closely with the Tuna Association (the regional project to develop commercial tuna fishing in the Indian Ocean) on the placing of fish concentration rafts and the search for new fishing methods.

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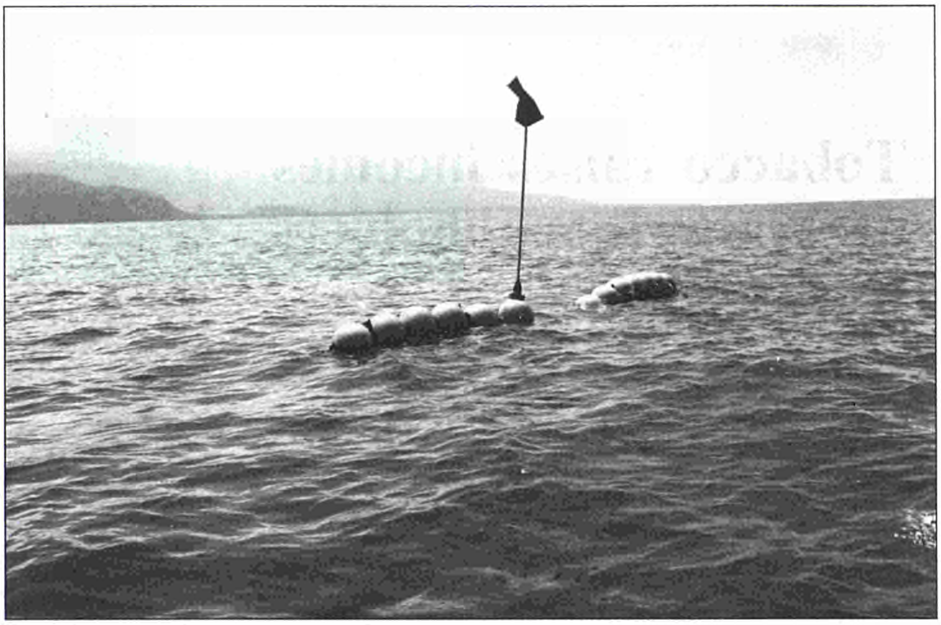

Deep-water fish concentration raft used to attract the big pelagic species (tuna)

By the end of year two of the project (i.e. in September 1989), the 150 Fedawa boats (with motors) delivered and the 75 traditional canoes with motors sold by the project were expected to be bringing in something like 2000 tonnes [1] p.a., bringing up the catch of the traditional, pre-project fleet (of non-motorised canoes which went out less often) by about 1500 tonnes [2]. These extra 1500 tonnes represent a trunover of:

1500 tonnes × CF 600 per kg [3] = CF 900 000 000 (ECU 2 550 000 approx.)

The first results of the project are: that:

— the motorised vessels are concentrating mainly on pelagic species (95%) rather than the already over-exploited demersal species;

— the fishermen say that they pay for their boats in, on average, six months on Grande Comore [4] and nine months on Anjouan;

— the fish concentration rafts are very popular with the fishermen and are also visited by those with traditional, non-motorised boats.

So there is already more fish available. Grande Comore prices, traditionally far higher than on the other islands, are coming down and the family income of all the fishermen involved in the project is improving.
M.D.S.

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* Statistics produced between the end of November 1988 and March 1989 at two places on the west coast of Grande Comore where we sold three quarters of our boats and motors, put the average catch per boat at 52.3 kg per day for an average consumption of 33 litres petrol. Compilation of these statistics began before the programme of fish concentration rafts, with its positive effects on both catch and consumption, was complete.

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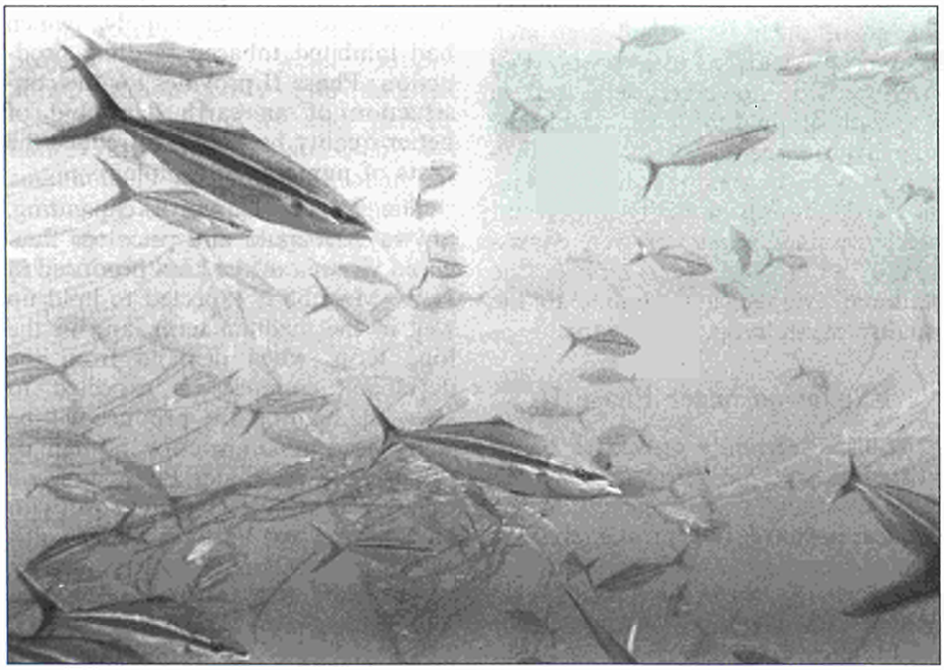

Underwater view of a shallow-water concentration raft used to concentrate the small pelagic species

(4) The average returns on a Fedawa (Model II) on the west coast of Grande Comore is an estimated CF 3 740 000:

	CF
• 170 days per year × 52 kg per day × CF 700 per kg	+ 6 188 000
• consumption of oil and petrol: 170 days per year × 33 days × 300 kg per litre	− 1 683 000
• amortisation of motor (18 months)	− 205 000
• motor upkeep and repair:	200 000
• amortisation of boat (five years)	− 120 000
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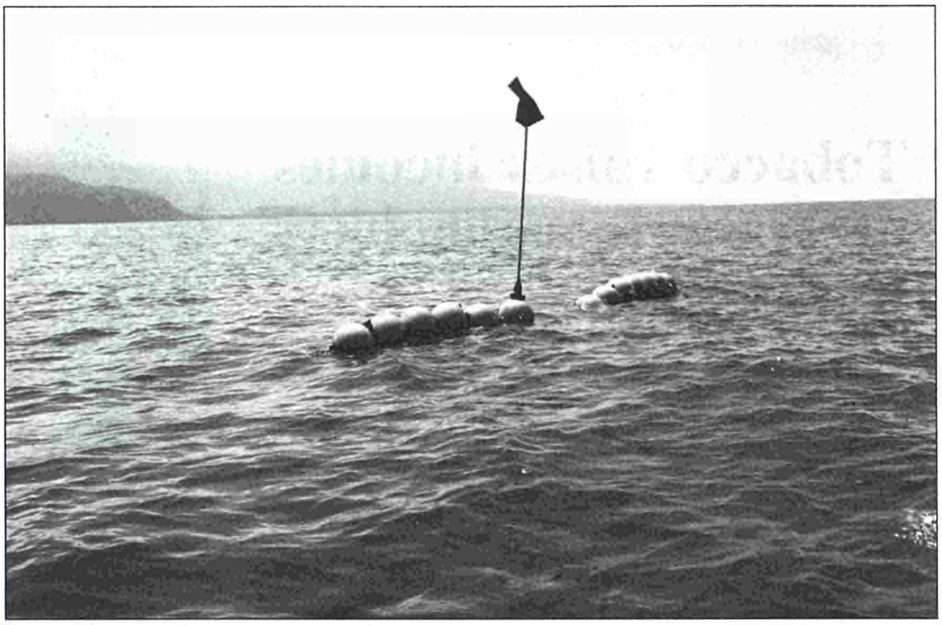

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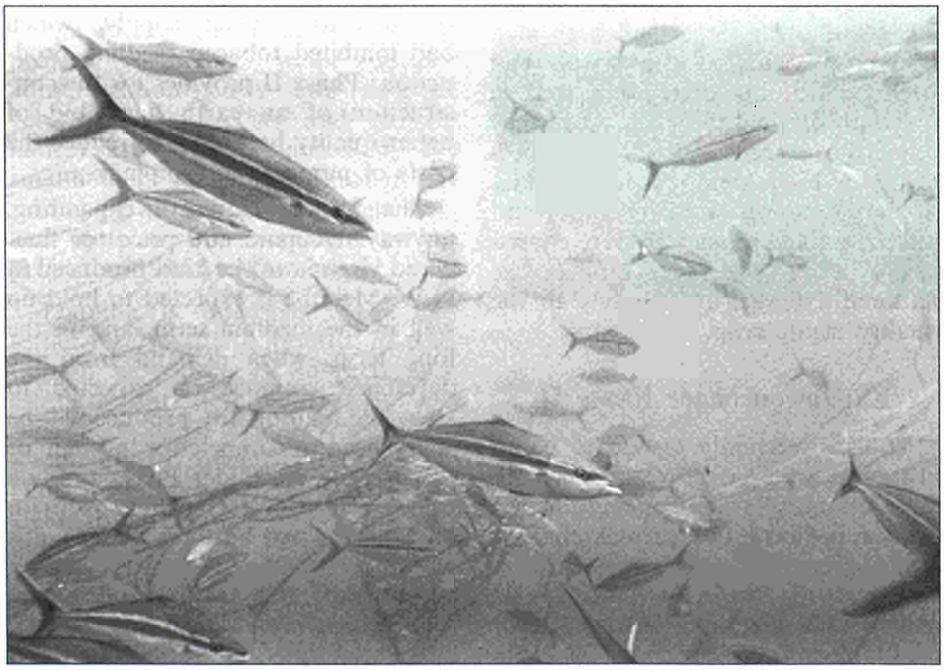

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Tobacco raises incomes of Malawi smallholders

Any project which is commodity-based, and where markets and prices are not guaranteed, carries an inevitable measure of risk in today's world. All too often we hear of the spectacular failure of such schemes, but there are, of course, quiet successes, too. One such project, which has been in operation since 1978 and which is still growing, is a smallholder tobacco farming scheme in the north of Malawi, in a 29 000-hectare zone known as North West Mzimba designated by the Malawi government as land for tobacco cultivation.

Jean Gyselynck

A tobacco curing barn built as part of the N.W. Mzimba project

Malawi's exports are principally agricultural, with tobacco as the main cash crop (60% of total export value in 1987). The crop is grown principally on estates, with smallholders accounting for only a tenth or so of total acreages. Much of the soil in North West Mzimba is sandy, well drained and of medium acidity — well suited, therefore, to the growing of the crop. The area has a small indigenous population—only 3 000—and with barely a quarter of the land under cultivation (or unsuitable for cultivation because of flooding) there is obviously a good deal of potentially arable land available for settlement. Much of this land is now woodland, but, to avoid undue pressure on the natural resource, intensive afforestation on 675 hectares will provide the wood required for tobacco curing as well as for settlers' domestic needs.

Good for the farmer, good for the country

The present project (The North West Mzimba Smallholder Flue-Cured Tobacco Project, Phase II, to give it its full title) builds on the foundations laid by a successful European Development Fund pilot project, begun in 1978, in which some 250 farmers were to be settled, trained and the bases of the necessary infrastructure and management services for the farms were to be developed. The project's aim was not only to raise farm incomes, but to strengthen the foreign exchange earnings of the country as a whole.

In the event, the rate of settlement of smallholders and their families originally aimed at proved difficult to sustain, due largely to changes of the authority managing the project. By early 1985, in fact, only 80% of the 250-smallholder target had been met. The crop yields of those who had been settled, however, were well in line with original targets: indeed they regularly exceeded 1 600 kilos/hectare — a high yield by local smallholder standards. Equally important, prices received at auction were consistently 15% or more above the national average, a testimony to the quality of the crop.

Expansion under Phase II

Tobacco certainly proved to be an attractive enterprise for the North West Mzimba farmers during Phase I of the project, and profits enabled them to cover the recurrent costs in full. But the project's limited scale meant that certain constraints that could have been removed were not economically justifiable, and economies of scale (particularly regarding operating expenditures) could not be made. A second phase is therefore being financed by the EDF, to the tune of ECU 4.68 m (Phase I had received EDF funding of ECU 2.2 m), the principal objectives of which remain as for Phase I. An additional objective is to improve the efficiency of the operation by an estimated 30% per settler by expanding it to an optimum size. (One of the early constraints, for example, had been an unsatisfactory water supply, which had inhibited tobacco seedling production: Phase II provides for the construction of an earth dam and of better quality boreholes to reduce the costs of pumping and piping).

The project is worth expanding, anyway. Demand and price for flue-cured virginia of the kind produced in N.W. Mzimba is expected to hold up well in the medium term, and in the long term, when demand from the developed countries is expected to slow, the high quality produce will be well placed to compete for its share of the market. As under Phase I, while tobacco is to be the main crop (with an expected 600 hectares under cultivation by 1992) it is not destined to be the only one. Maize and homestead crops are to be further developed and the project is oriented towards the integration of the whole of the smallholder family in all aspects of tobacco, maize, vegetable and other homestead crop production.

Phase II aims to settle a further 400 smallholders on eight 50-farm blocks over a five-year period, each cultivating 1.0 hectares of tobacco and 0.8 ha of maize. The settlers (typically seasonal workers on commercial farms or smallholder maize growers) are required to build a house for themselves and their families, usually of traditional Malawi form, and to construct three tobacco curing barns and a storage shed. The barns, in particulr, have to be correctly constructed and insulated to ensure that the curing process can be efficiently followed, so they are built to a common standard. To cope with the greater numbers of smallholders, the management (the Mzuzu Agricultural Division) will also be provided with new offices, and more tobacco grading sheds and workshops will be built, as will two new school blocks, a meeting hall and a small recreational centre. A further 160 kilometres of rural roads will be built, partly to service the new farm blocks, partly to facilitate transport from an expanded area of afforestation. More lorries, tractors, landrovers and trailers are to be bought for the project, and three maize mills will be established.

A self-financing project

The operating costs of the enlarged project (including water supply, administration costs and salaries, vehicle running costs and maintenance) are to be financed by the smallholders themselves through the raising of an annual levy. Fertilisers and tools are to be bought by the project and sold to farmers.

Training is intensive: each new settler receives 12-18 months' instruction in all aspects of tobacco farm establishment and cultivation and each block of 50 farmers is served by a qualified tobacco professional. (This, of course, partly explains why yields to date have been continuously high).

Finally, and very importantly, Phase II provides for a socio-economic survey of the settlement programme, paying particular attention to land tenure arrangements for the settlers and to how they could be improved. Account will have to be taken, of course, in the survey of overall Government tenure policy—which is currently under review—and of the need to ensure that standards of quality and efficiency on the farms are maintained.

By the end of the cropping year 1991/92, when Phase II is due to end, the 400 additional settlers are expected to be producing 640 tons of tobacco annually (valued at ECU 1 m) and 1 440 tons of maize, for their own consumption and sales (valued at ECU 120 000). With incomes reaching as much as four times those of Malawi's smallholder maize growers, small wonder that the project has no lack of settler applicants. The N.W. Mzimba project is proving to be a quiet success, and the smallholder settlers are voting approval .... with their feet. ○ M.v.d.V.

Table I: Statistical comparison for 4 years running from 1984/85 to 1987/88

Details	1984/85	1985/86	1986/87	1987/88
No. of smallholders	200	202	257	442
Hect. of tobacco	145	200	245	332
Hect. maize (subsistence)	150	200	225	260
Production kg tobacco sold	191 994	273 712	310 745	426 956
Average yield kg/hect.	1 324	1 369	1 268	1 286
Gross value Mk	504 394	745 936	1 224 670	2 240 076
Average price/kg kwacha	2.63	2.73	3.94	5.25
Total crop cost	369 613	434 690	557 041	1 193 745
Total net profit	69 784	246 821	550 027	861 123
Average net income per farmer	349	1 241	2 140	2 594

(*) Total crop cost includes all production and selling expenses and maize crop inputs which are costed against tobacco crop.


Jean Gyselynck

Smallholders arrive with their belongings, ready to settle on the site

The "environmental reflex": policies, procedures and people

by Tony FAIRCLOUGH (*)

Tony Fairclough, who retired as Deputy Director-General for Development in September this year, and is now Special Adviser to Vice-President Marin, is a scientist by training, but one who has spent much of his working life dealing with problems of environment or development. For 22 years he worked in Britain's Colonial Office, preparing nations for independence and negotiating and managing programmes of aid and economic development. For 11 years, from 1970 on, he worked in the newly-created Department of the Environment in Britain, dealing with such diverse topics as pollution control, the creation of new towns and the Channel Tunnel. In 1981 he joined the Commission where for five years he was first Director and then acting Director-General of the Directorate-General for Environment, Consumer Protection and Nuclear Safety, before joining DG VIII as Deputy Director-General at the end of 1986. It is normal practice for *The Courier* to note the retirement of the most senior officials of DG VIII and, in a sense, the tradition is maintained in this case. But, rather than receive a eulogy for past service, Tony Fairclough chose to write the following article himself, one which combines the two themes of his professional career, environment and development.


The Courier

When I joined DG VIII three years ago it was not so widely accepted as it is today that concern for the environment and for the protection and rational management of natural resources is of key importance for development and for the Community's development cooperation policy.

True, the Community had long had its own environmental protection policy which was increasingly committed to a preventive approach—that is to say, an approach which sought to ensure that measures of economic and social development were carried out in such a way as not to lead to environmental damage—and that this policy had consistently stressed the importance of the interface with development cooperation.

True, too, that in the field of development cooperation itself, our thinking had steadily advanced through the 1980s towards a clear recognition that a major objective of development assistance is that all programmes and projects should form part of, and contribute to, economically and environmentally sustainable development; and that to this end numerous actions needed to be taken to ensure the integration of environmental aspects into development policy.

Moreover, in broad terms, everyone was aware of the sort of things to be watched — polluting discharges should not be made close to water supplies; clearing forests could alter microclimates and run-off upstream and risk provoking floods and erosion with adverse consequences downstream; excessive pressure of human or animal populations risked denuding land of vegetation, leading to desertification; pesticides were dangerous and should be properly supervised and managed; hygiene in villages and in town was important for health as well as for environmental reasons; and so forth.

But in detail we had not—and still have not—gone very far in specifying how the multitude of different environmental factors were to be taken into account in the design and implementation of development projects. Nor had we gone very far—through written material, guidance, training and other means—in developing the "environmental reflex" of which we speak as the means whereby, both in headquarters and in delegations, our policy commitments would be translated into practical consequences at the level of projects. In a word we had not yet made environmental protection one of our top priorities.

Sharing responsibility

Now, however, as I leave DG VIII, the whole atmosphere is different. Environmental protection is on every political agenda at the highest possible level. We and our partner countries all recognise its importance; and the importance of managing finite natural resources in a sustainable way. We have all at least heard of the Brundtland Report (1) and its key theme "sustainable development".

Moreover, the frame of reference for considering environmental and natural resource problems has radically shifted. Desertification and deforestation are no longer seen solely as problems for the developing countries, undermining their successful

(*) Retiring Deputy Director-General for Development, now Special Adviser to Development Commissioner Marin.

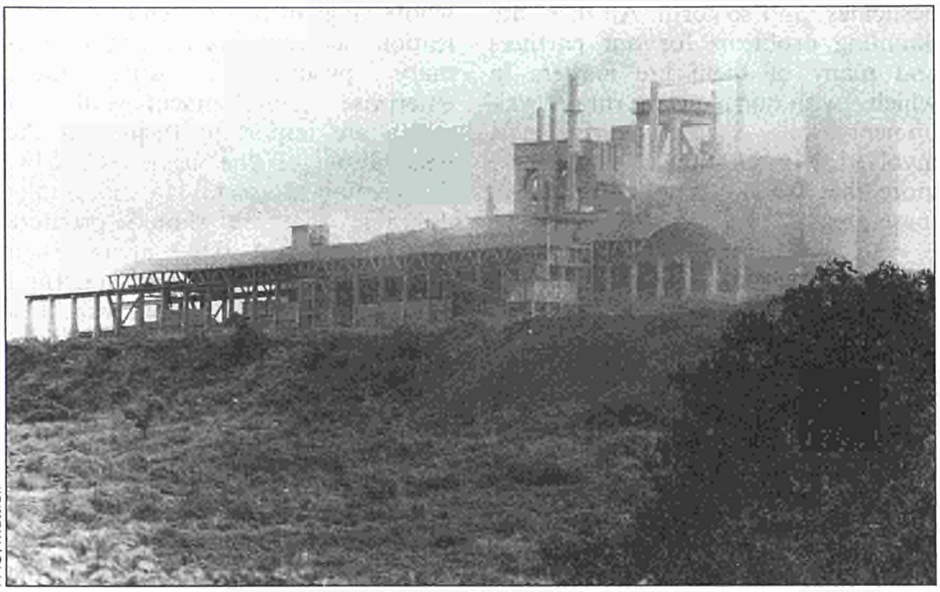
(1) The report of the World Commission on Environment and Development, "Our Common Future", published in April 1987, of which the Chairman was Mrs. Gro Harlem Brundtland Prime Minister of Norway. See The Courier N° 108, March-April 1988, pp. 2-6, for an interview with Mrs Brundtland.

economic development and thus compromising their future. They are now recognised as genuinely global problems with potential consequences of global dimensions.

The sense of shared responsibilities—for both environment and development—pervaded the Brundtland report. It is of great importance for developing countries that its approach to sustainable development was to recognise that economic development and environmental protection are both essential and are mutually dependent. The one cannot be achieved without the other and vice versa. It is self-evident that economic development—and in particular increased agricultural production—is essential, especially in developing countries where too many are poor and hungry and where populations are growing rapidly. But the whole challenge lies in how to achieve this without at the same time degrading the environment and the natural resources off which tomorrow's even larger populations are going to have to live.

This dilemma is at its most acute in the poorest countries and I have always felt that it is in such countries that conscious efforts to protect the environment and natural resources are most essential; yet they are the countries in which it is most difficult to take thought for the problems of tomorrow since those of today are so pressing.

Faced with all this what are we to do in our development cooperation activities? Well, first of all, it is self-evident that we cannot do everything. The Community is one amongst many donors; and the ultimate responsibility for decisions and for actions rests, of course, with our partner countries. Secondly, I am sure that we were right under Lomé III to seek to concentrate our efforts so as to generate a critical mass of actions which could have really significant effects. Thirdly, I am profoundly convinced that the main orientations of Lomé III—to focus on people-centred development, rural development and the promotion of food security, coupled with the fight against desertification and the protection of natural resources—were right and should remain the main thrust of our thinking and actions.


FAO/Mattioli

A cement plant polluting in Tanzania
"The dilemma is at its most acute in the poorest countries"

For the future I am sure that we must build on this approach; and that concern for the environment and natural resources must henceforward be an integral part of every development project and programme. The need for this is now almost universally recognised—throughout the donor community and in developing countries alike—and it has certainly come through very strongly in the course of the negotiations for the next ACP/EEC Convention.

So far as policies are concerned, I would defend the thesis that the Community has good policies in place; and that if the next ACP/EEC Convention includes provisions that priority be given to environmental protection and the conservation of natural resources, we shall not have much further to go in this area.

As regards procedures, we have already made some progress. For example, the arrangements for regular reporting on our development cooperation projects—with their emphasis on "viability"—which required an appraisal twice a year of the progress of each project, now include an assessment, inter alia, of its environmental sustainability. However, more is certainly needed. Formal environmental impact assessments can play a part in the preparation of certain very large-scale projects or programmes; and should in my view be used where appropriate. Perhaps more importantly—if we are indeed to ensure that environmental and natural resource considerations are integrated into every project and programme from the outset—there should be a systematic attempt to apply thoroughly the considerations inserted into our procedures, and into the terms of reference used in the earliest stages of project preparation, i.e. for feasibility or pre-feasibility studies, project design, etc. To do this would take us a long way in the direction of developing the "environmental reflex" that we seek.

Cities and the environment

All this said, however, it is important also to recognise—in order to avoid striking a complacent note—the very large number of acute environmental problems, directly affecting human health, well-being and happiness, which I have not mentioned at all and which we scarcely address normally in our development cooperation activities. I am referring to such problems as the environmental conditions in the rapidly expanding cities in the Third World; the adverse health effects of inadequate controls over discharges of wastes to water courses; the lack of proper waste management facilities; problems related to dangerous installations and dangerous wastes; the many deaths and injuries that take place in Third World countries resulting from inadequate handling of dangerous chemicals such as pesticides; and so forth. All these are daunting problems for our partners and many of them are matters in which—with our focus on rural development—we scarcely become involved. My question is — "Is there more that we can and should do in these areas?"

Take urban problems as an example. The acute problems posed by shanty towns, as urban populations rapidly increase, are known throughout the developing world. The problems of delivering an adequate level of services—whether of health, education, water, transport, sanitation—so as to ensure even a minimally acceptable standard of living are everywhere more acute in the poorer areas of towns than they are in the countryside; and they become steadily more difficult as populations grow.

Moreover, structural adjustment programmes—necessary though they are in order to get developing countries' economies back on to a sound footing—are liable to have adverse social consequences, especially in relation to health and education services. Here too, the pressure is more acutely felt in the towns than in the country.

Another feature of urban problems that we need to bear in mind is that the success of rural development depends upon markets; and thus—partly at least—upon adequate purchasing power in the towns. In promoting rural development and food security under Lomé III, many of our partner countries have, in agreement with us, modified their marketing and pricing arrangements for foodstuffs so as to ensure remunerative prices for farmers and thus to encourage production. Necessary though these changes are, they can constitute yet further pressures on town dwellers.

Overall, therefore, the picture is of life becoming increasingly difficult for the town dweller as a result of a series of pressures on him. In the Commission's paper on food security, which was warmly welcomed last year by the Council of Ministers, we expressed the view that the only long-term solution is to follow a policy of creating urban incomes, to provide adequate purchasing power for the mass of town dwellers.

This immediately takes one into a whole range of issues such as diversification, increased processing of primary products, industrialisation, enterprise development — all of which are important themes in the negotiation of the next ACP/EEC Convention. It seems to me wholly desirable that we should promote developments in these areas, as a complement to agricultural and rural development; and that we can thus help to create a better equilibrium between town and country.

Land use planning

Finally there is one general point that I should like to make and it concerns the planning of land use. Even in the Community (where the Member States exercise various forms of control over the types of activity permitted in particular areas with the aim of harmonising economic growth with environmental, natural resource and amenity considerations) the arrangements do not usually go so far as to achieve the overall integration, at national level, of all the different national or regional or sectoral plans that may exist. In developing countries the difficulty of achieving such an overall integration and harmonisation of plans is greater. Yet in many ways it is even more important.

Most developing countries have national economic development plans; many have national conservation plans; the World Bank is working out, in cooperation with developing countries, national environmental action plans; the Tropical Forestry Action Plan (TFAP) is supporting the preparation of national forest plans; many countries have national plans for the development of tourism, industry, services, ranching etc. — not to mention plans for rural agricultural development. All these plans and development efforts impact on one another; and can conflict with one another. The obvious solution—and the obvious way to avoid conflicts—is to attempt at national level to integrate the various sectoral plans with the country's overall economic development plans, and to ensure that they are compatible with it.

My simple thesis is that, in any such attempt to harmonise economic development with sectoral objectives, a land use planning overview is essential. If a government can take an informed overall view as to the various appropriate (and inappropriate) uses for land in the different parts of its national territory—and thus create a planning framework within which public bodies, the private sector and individuals can all operate—then there is a chance of securing economic development which is compatible with other objectives (such as environmental and natural resource protection objectives). If not, then there will inevitably be a continuing risk of conflicts between differing objectives which are all desirable in themselves but which need to be married together.

As a long-standing environmentalist and conservationist, I have long been convinced that there is no hope whatever of achieving environmental and conservation objectives against the interests and needs of economic development. Nor, indeed, should we hope to do so. For populations that are poor and hungry, the overriding requirement has to be economic growth. That much said, however, that growth has to be sustainable in order to safeguard the future. Hence the need to integrate economic and environmental imperatives. This implies that the only sure way of achieving environmental and conservation goals is to pursue them within the framework of a more broadly-based economic development approach. And this in turn calls, in my view, for some degree of overall land-use planning.

Take as an example the aim of protecting what is left of the tropical forests. This aim—essential though it is—is not one that can be pursued in isolation. For any approach to this intractable problem to have the slightest chance of succeeding it must address all the many elements involved in the deforestation phenomenon. It will, of course, have to look carefully at the changes needed in the economic and other conditions—often completely inadequate—that are attached to concessions for timber extraction. But in addition it will also have to look at the need for land for agricultural settlement; the needs of forest dwellers who live in the forest. It will need to be aware of the genetic resources of the forest and of their future economic potential. It will also have to determine the scope for encouraging extractive industries which are non-destructive. It will need to identify strict reserves that are not touched; and to address the difficult question of how that can be achieved. It will need to think about buffer zones to protect reserves from agricultural and other incursions; and the potential role of plantations in this regard. And finally it will, I believe, need also to consider the scope for a transition to a future in which plantation industries would increasingly supply the world with its tropical timber — so that needs could be met without destroying the whole of the existing tropical forest and its potential in terms of genetic resources.

All this requires a sophisticated and broad-based national view of how best to plan the use of the land resources available to the country concerned, so as to achieve at one and the same time its economic development and the improvement and well-being of its people, whilst securing other sectoral objectives—such as the protection of the environment and of natural resources—that are essential both for long-term sustainability of the country's own development and to enable it to make its appropriate contribution to the resolution of global environmental problems.

This all takes us far beyond the normal framework of our traditional development cooperation policies and practice. However, I am convinced that, in the years to come, we shall need to move in these directions.

We have steadily developed our thinking on numerous sectoral policies, including environmental and natural resource protection, the role of women in development, population, food security, the approach to evaluation; debt relief and structural adjustment—on all of which the Commission has in recent years made proposals which the Council has broadly welcomed and on which it has given Community-wide orientations which both we in the Commission and the Community Member States take into account in pursuing our development cooperation policies.

In short we have been flexible and adaptable. We have not been afraid to change as the problems that we and our partners have faced—and our perceptions of them—have changed.


The Courier

Logging

A recent US-sponsored study revealed that only 3.3% of trees cut down were of commercial value, and that only 40% of those survived processing. Almost 99% of felled timber thus goes to waste

And I believe that we shall need to continue to adapt and change also in the field of environmental protection. In particular I think that we shall need to put more effort into our procedures, guidance, the development of the "environmental reflex", and training — so as to ensure that our agreed environmental and natural resource policy objectives are implemented on a day-to-day basis in all our development cooperation projects and programmes. A considerable task — but essential and by no means impossible.

Beyond these matters which concern our normal day-to-day development cooperation activities I would also highlight—as tasks for the future which, despite limited resources, DG VIII should endeavour to tackle—the following matters:

— global environmental issues affecting all countries; we need to be involved to ensure that the interests of our partners are fully respected in whatever global arrangements may be proposed;

— problems which have so far not featured significantly in our development cooperation programmes—such as those in the rapidly expanding cities and towns of developing countries and those linked to industrial and urban development (dangerous chemicals, plants and wastes, polluting discharges, urban waste management) on all of which experience in the Community may be of value to our partners;

— overall land use planning in our partner countries as an important means of ensuring compatibility between economic development objectives and sectoral objectives — such as environmental and natural resource protection, conservation, tourist development etc.

My feeling as I leave DG VIII is that we have already achieved a great deal in the field of development and the environment. Perhaps the most important achievement of all is the universal recognition now that the protection of the environment and of natural resources must be part and parcel of all our development cooperation activities; and that very much more remains to be done to achieve this.

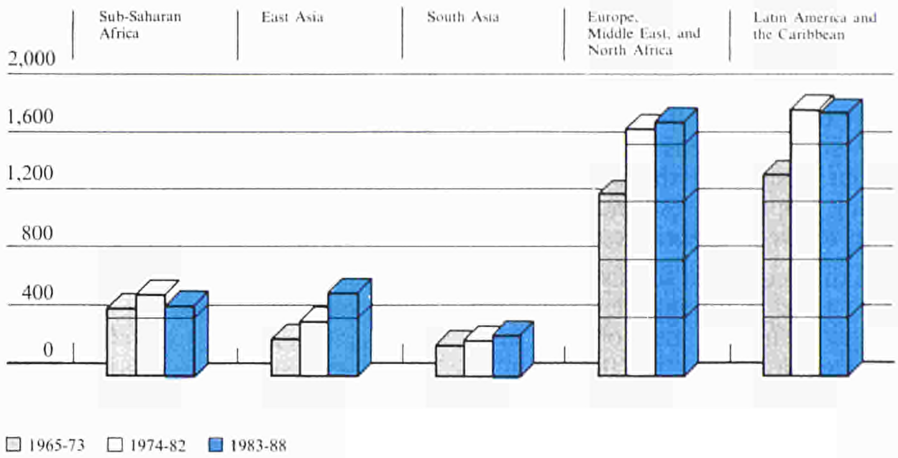
To sum it all up, I cannot put the matter better than President Mitterrand is reported to have done in his recent interview with a number of Community newspaper editors on his hopes for Europe. He underlined that a succession of dramatic events—Chernobyl, the destruction of the Amazon rain forest, drought in the Sahel, the increase in greenhouse gases—had suddenly accelerated an awareness of these problems that the ecologists had the foresight to predict. He added that their success now stems from the fact that they were ahead of the rest of us. The message must surely be that we must continue the process of catching up as rapidly as possible. ○

A.J.F.

World Development Report 1989 (*)

Despite the current strength of the world economy, doubts persist on the medium-term prospects, particularly for the developing countries, according to the World Bank's recently published *World Development Report 1989*. For the developing countries, growth prospects will depend not only on their own reform actions, but also on the actions of the high-income (industrial) countries. The Report also examines financial systems in developing countries.

Real GNP per capita in developing countries by region, 1965 to 1988
(period average in 1980 dollars)



Note : GNP is measured at 1980 prices and exchange rates.

The world economy

1988 was an excellent year for the high-income countries. GDP growth in 1988 reached 4.2%, compared to 3.4% in 1987, and was accompanied by low inflation and relatively stable exchange rates and interest rates until the latter part of the year. The volume of world trade increased 9%—the biggest jump this decade—and prices of the principal commodities exported by developing countries rose an estimated average 20%.

In contrast to the rapid growth in the industrialised economies, many developing countries grew very little in 1988 and marked disparities in economic performance among them continues. Most Asian economies did extremely well — several reached an estimated 10% GDP growth. But stagnation and even decline continued in many African countries. Stagnation also continued in the most heavily-indebted nations in Latin America.

The essential ingredient for the resumption of growth in the stagnating developing economies is the continuation or adoption of structural adjustment policies. For their part, the high-income countries can help promote growth in the developing countries through a trio of actions: by adopting a policy mix that maintains their own growth while reducing real interest rates — through tightening fiscal and easing monetary policy; by ensuring the success of the Uruguay Round, which would keep open the international trading system and expand its volume; and by making sure the international community provides the external flows that are needed to reduce the outflow of resources from the developing countries.

The World Bank and the International Monetary Fund (IMF) have each decided to provide resources in support of debt and debt service reduction, so long as the use of their funds is accompanied by appropriate adjustment programmes.

Three growth scenarios

The Report first presents two alternative growth paths for the 1990s. The "adjustment-with-growth" scenario assumes that credible policy actions are taken to reduce the macroeconomic imbalances within and between the industrial countries. This includes a realistic programme to reduce the US budget deficit, followed by an easing in monetary policy to lower nominal and real interest rates. Combined with plausible adjustments by developing countries—including the beginning of progress in lowering population growth—this scenario projects a 2.7% per capita real annual growth for the low- and middle-income countries for the period 1989-95.

The alternative "low" scenario assumes that no appropriate adjustments are taken either in high-income or in certain developing countries. Crisis is averted by continued financing of the imbalances, but the effects would be greater macroeconomic uncertainty, higher real and nominal interest rates, increased protectionism and lower growth. In the low case, projected growth for 1989-95 drops to 1.8% for the low- and middle-income countries.

A third scenario combines a reduction of the highly-indebted countries' debt burden with the shift in the macro-policy mix of the adjustment-with-growth scenario, which could result in a 1% GDP per capita increase for these countries at the end of three years.

The roots of financial distress

The Report looks at the evolution of financial systems in developing countries. Conditions which have sapped their vitality include:

— *The dirigist approach of the '50s and '60s* when many governments created new financial institutions or

(*) Source: World Bank.

used existing ones to direct resources according to development strategies, imposing low interest rates. By the '80s, this strategy had run into trouble and, clearly, had not promoted sound financial institutions. Regulated low lending rates prevented banks from covering costs and discouraged longer-term lending. Many directed loans were not repaid, and the low deposit rates were a disincentive to savers to hold domestic financial assets. In some countries, public borrowing from commercial banks crowded out lending to the private sector; in others, public borrowing financed by printing money led to rapid inflation.

— *The external shocks of the 1980s.* In the early 1980s, deteriorating terms of trade and the global recession made it more difficult for countries to pay for imports and to service their debt. Due to the debt crisis, voluntary commercial capital flows to the highly-indebted countries have virtually ceased since 1982. To promote exports, many countries devalued their currencies and lowered tariffs and other trade barriers. As a result, firms in developing countries had to face abrupt changes in relative prices, often along with domestic recession. Many became unprofitable and were unable to service their loans.

— *Institutional mismanagement.* Rather than foreclosing on bad debts, many bankers chose to accrue unpaid interest and to roll over unpaid loans — often because borrowers were linked to banks through ownership or because admitting to bad loans would have made the banks insolvent. Bankruptcy proceedings were thus averted, but undermined the adjustment process. Also, rather than financing new ventures that would have been profitable thanks to the change in relative prices, much new lending went to prop up unviable firms.

The need for financial restructuring

More than 25 developing countries have undertaken financial restructuring in the 1980s; many more will have to. The Report strongly suggests that institutional financial restructuring is an opportunity for developing a flexible, responsive financial system to address the underlying causes of insolvency. While the drive for macroeconomic stability generally means governments should reduce their spending, structural adjustment can also aim at a more productive use of resources, involving restructuring or closing of insolvent firms.

A number of prerequisites need to be introduced to set the stage for financial reform to move forward:

— *Giving market forces more influence over interest rates* — where macroeconomic stability and a fairly developed and competitive financial market exist. Where such conditions are missing, government-controlled interest rates should be flexible enough to consider inflation and market pressures. Evidence over the past 25 years suggests that countries with positive real interest rates have had lower and less volatile inflation rates, deeper financial sectors, higher investment rates and much more productive investment than others. Proper interest rate alignment is most important for economies open to international capital movements.

— *Reducing directed credit programmes* in a world of fast-changing relative prices, complex economic structures and sophisticated financial markets, which heighten the risk of mismanaging credit programmes. Resource allocation could improve by specifying priorities more narrowly and by reducing the number of programmes, the proportion of total credit affected and the degree of subsidised interest rates. The accent should be on credit availability rather than on subsidised interest rates.

— *Reform of legal and accounting systems* to support modern financial practices. Because laws are often biased toward debtors, debt collection is difficult. And because borrowers are difficult to monitor and control, lenders are unwilling to enter into certain types of financial contracts. Governments need to provide for acceptable collateral by promoting the assignment and transferability of property rights; by rationalising company legislation — especially on the disclosure of information as well as

Growth prospects in the adjustment-with-growth and low scenarios
(average annual percentage change)

Country group	GDP growth: Trend for 1965-87	GDP growth: Recent experience, 1980-88	GDP growth: Scenario for 1988-95: Adjustment with growth	GDP growth: Scenario for 1988-95: Low	GDP per capita growth: Trend for 1965-87	GDP per capita growth: Recent experience, 1980-88	GDP per capita growth: Scenario for 1988-95: Adjustment with growth	GDP per capita growth: Scenario for 1988-95: Low
Low and middle-income countries	5.0	4.0	4.6	3.7	2.7	2.0	2.7	1.8
Excluding China and India	4.8	2.6	3.8	3.0	2.2	0.2	1.5	0.7
Sub-Saharan Africa	3.4	0.5	3.2	3.1	0.6	−2.5	0.1	−0.1
Asia	6.2	7.3	6.0	4.9	4.0,	5.5	4.3	3.2
Europe, Middle East and North Africa	4.6	2.9	3.5	2.8	2.4	0.7	1.6	0.8
Latin America and the Caribbean	4.7	1.7	3.1	2.3	2.1	−0.6	1.2	0.4
Seventeen highly-indebted countries	4.6	1.3	3.2	2.3	2.0	−1.2	1.0	0.2
High-income OECD countries	3.1	2.7	2.6	2.4	2.3	2.1	2.1	1.9

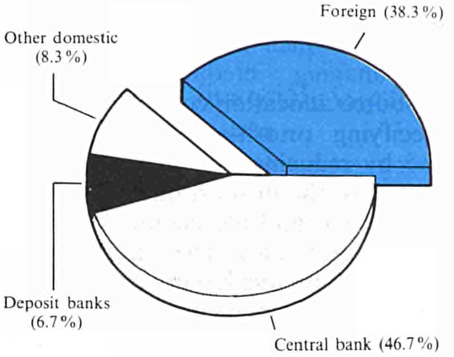
on bankruptcy and reorganisation proceedings; and by stepping up law enforcement.

Developing financial institutions and markets

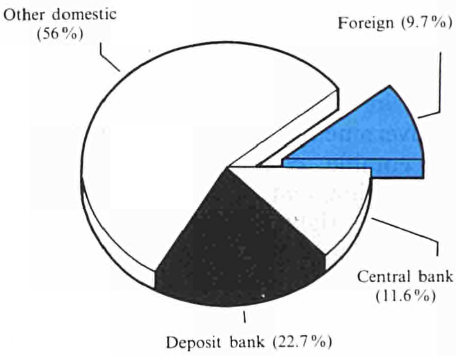
Banks need to be made more efficient. But non-bank financial institutions and markets with competing or complementary commercial bank services also need to be developed. Other financial intermediaries—such as insurance companies and pension funds—are potential major sources of long-term finance if allowed to invest in financial instruments other than low-interest government bonds. Money markets can provide flexible ways to manage liquidity, competition for banks, a benchmark for market-based interest rates, an instrument of monetary policy and a non-inflationary source of government finance. And capital markets, which can be a source of long-term finance—both for debt and equity—can help to foster sounder corporate capital structures.

As developing countries move toward more sophisticated financial systems, they can draw on the experience of the high-income nations. One lesson is that a competitive financial system, though efficient for mobilising and allocating funds and managing risk, can still make mistakes. The US savings and loan crisis and the

Central government borrowing by source, 1975 to 1985



Low-income countries



High-income countries

Note: Data are GDP-weighted averages. The developing country sample consists of Bolivia, Burkina Faso, Burma, Chile, Cyprus, Dominican Republic, Egypt, Gabon, Indonesia, Republic of Korea, Liberia, Mexico, Morocco, Nepal, Nicaragua, Pakistan, Thailand, Togo, Tunisia, Uruguay, Venezuela, Yemen Arab Republic, Zaïre, and Zimbabwe. The high-income sample consists of Australia, Austria, Canada, Finland, France, Federal Republic of Germany, Italy, Netherlands, Sweden, United Kingdom, and United States.

How good bankers become bad bankers

The quality of management is an important difference between sound and unsound banks, and in most countries the better-managed financial institutions have succeeded in remaining solvent. Four types of mismanagement commonly occur in the absence of effective regulation and supervision.

• Technical mismanagement. *Poor lending policies are the most common form of technical mismanagement and are usually a consequence of deficient internal controls, inadequate credit analysis, or political pressures. Poor lending policies often lead to excessive risk concentration, the result of making a high proportion of loans to a single borrower or to a specific region or industry. Banks sometimes lend excessively to related companies or to their own managers. Mismatching assets and liabilities in terms of currencies, interest rates, or maturities is another common form of technical mismanagement.*

• Cosmetic mismanagement. *A crossroads for management is reached when a bank experiences losses. Strong supervision or a good board of directors would ensure that the losses are reported and corrective measures taken. Without these, bankers may engage in "cosmetic" mismanagement and try to hide past and current losses. There are many ways to do this. To avoid alerting shareholders to the difficulties, bankers often keep dividends constant despite poorer earnings. And to keep dividends up, bankers may retain a smaller share of income for provisions against loss, thereby sacrificing capital adequacy. If a dividend target exceeds profits, bankers may resort to accounting measures that increase net profits on paper, even if more taxes must be paid as a result. By rescheduling loans, a banker can classify bad loans as good and so avoid making provisions. The capitalisation of unpaid interest raises profits by increasing apparent income. The reporting of income can be advanced and the recording of expenditure postponed.*

• Desperate management. *When losses are too large to be concealed by accounting gimmicks, bankers may adopt more desperate strategies. The most common of these include lending to risky projects at higher loan rates and speculating in stock and real estate markets. Such strategies, however, involve greater risk and may well lead to further losses. The problem then becomes one of cash flow: it gets harder to pay dividends, cover operating costs, and meet depositors' withdrawal demands with the income earned on the remaining good assets. To avoid a liquidity crisis a bank may offer high deposit rates to attract new deposits, but the higher cost of funds eventually compounds the problems.*

• Fraud. *Fraudulent behaviour sometimes causes the initial losses, but once illiquidity appears inevitable, fraud becomes common. As the end approaches, bankers are tempted to grant themselves loans that they are unlikely to repay. Another common fraud is the "swinging ownership" of companies partly owned by the bank or banker: if a company is profitable, the banker will arrange to buy it from the bank at a low price, and if the company is unprofitable, the banker will sell it to the bank at a high price.*

excessive lending to developing countries in the 1970s are two such examples. To ensure stability and discourage fraud, there is need for regulation and supervision to enforce capital adequacy requirements and lending limits and to monitor institutional liquidity. Supervision also entails the ability to identify problems quickly and the authority to make necessary changes.

The road to reform

Both developed and developing country experience suggests that reform measures must be carefully sequenced to avoid destabilising capital flows, high interest rates and distress among firms and financial institutions. Reforms should begin by bringing the fiscal deficit under control and creating macroeconomic stability. The government should then scale down directed credit programmes and adjust the level and pattern of interest rates to bring them in line with inflation and other market forces.

In the initial stage of reform, the government should also aim to restructure insolvent banks and firms, and to improve the foundations of finance — accounting and legal systems, procedures for enforcing contracts, disclosure requirements, and prudential regulation and supervision. Measures to remove price distortions due to protection and price controls should also be undertaken at an early stage. Where prices are distorted, financial liberalisation may make the allocation of resources worse.

The next stage of reform should include developing a greater variety of markets and institutions. Foreign entry into domestic financial markets should be encouraged to increase competition and efficiency, perhaps with restrictions until domestic institutions are able to compete on their own. In the final stage, governments can move to full liberalisation of interest rates, the elimination of its remaining directed credit programmes, the relaxation of capital controls and the removal of restrictions on foreign institutions. Prudent regulation and supervision continue to be essential at all stages. ○

UNCTAD report offers little comfort for LDCs

Like the World Bank report, UNCTAD's annual Trade and Development Report this year also brings both good and bad tidings of the state of the international economy. Its views on the potential of Structural Adjustment programmes, however, are rather less rosy. UNCTAD's good news is that, with output and trade expanding rapidy in 1988, the global economy is apparently in good health. The bad news is that this appearance is misleading. The true picture is rather of some areas of the world enjoying boom conditions, with others in the grip of persistent depression and, frequently, a state of acute economic disorder as well. "This disorder" the report states, "—an external debt overhang, rapid inflation, large budget deficits, excessive money creation, rapid accumulation of internal debt, high real interest rates, flight from the currency, transfer of wealth abroad and repeated currency depreciation—combines with stagnation to frustrate efforts to raise investment, reform trade policy and expand exports. It also", the report goes on, "exacerbates social conflicts and generates political instability".

It goes almost without saying that those countries that are persistently in the grip of depression are the poor and economically disadvantaged LDCs, whose number rose to 42 [1] in 1989 as against 31 at the start of the decade. Because of their structural weaknesses, they have proved highly vulnerable to the slings and arrows of world economic fortunes, benefiting only marginally from the recent expansion of global output and trade, in sharp contrast to certain other developing countries (notably in south-east Asia). Against a backcloth of satisfactory world economic growth, the outlook for the LDCs—both in the short and in the long term, looks bleak (see Box on Trade patterns). The low growth rates of 1988 are not expected to be bettered to any significant degree. In the LDCs as a whole output is expected to grow by an average of 2.6%; in Africa, by 2.8% (see Table 1). As usual in the LDCs, where agriculture's share in GDP is almost 2½ times greater than in the developing countries as a whole, weather conditions are of crucial importance. The good harvests of 1988 in some countries are not likely to be repeated. Export earnings will continue to be highly dependent on the evolution of commodity prices. "In general", the report continues, "the outlook for earnings from the export of tropical beverages is cloudy, whereas prospects for mineral prices appear brighter. For a number of mineral-producing countries, higher export volumes also appear likely, as also for some producers of energy".

As for the longer term, the UNCTAD Secretariat concludes that there is little hope of any significant improvement, with all three sub-regions showing a continued decline in per capita GDP, averaging 1.5%. "Although there are considerable differences among the sub-regions", the report says, "so far as most of Africa is concerned it is most unlikely that even the current inadequate level of political and social stability in the region can be maintained in the face of this further decline in per capita income".

(1) Afghanistan, Bangladesh, Benin, Bhutan, Botswana, Burkina Faso, Burma, Burundi, Cape Verde, Central African Republic, Chad, Comoros, Democratic Yemen, Djibouti, Ethiopia, Equatorial Guinea, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Lao People's Democratic Republic, Lesotho, Malawi, Maldives, Mali, Mauritania, Mozambique, Nepal, Niger, Rwanda, Samoa, Sao Tome and Principe, Sierra Leone, Somalia, Sudan, Togo, Tuvalu, Uganda, United Republic of Tanzania, Vanuatu and Yemen.

Trade patterns in developing countries in 1988

The increases in world demand benefited both primary and manufactures exports and the improvement in the terms of trade recorded for the non-oil-exporting developing countries reversed to a degree the sharp fall in 1987, though they were still about 14% below their 1980 level. The demand for manufactures was in general very brisk for the exports of some developing countries in both Latin America and East Asia. Trade in consumer durables in particular benefited from the steady increase in private consumption in many developed market-economy countries, but international commodity trade also responded to the fast growth of activity which took place in these economies. In general, since import volumes into Japan grew more than twice as fast as those into North America or Western Europe, countries relying more heavily on the Japanese or other East Asian markets as an outlet for their output were thus more favoured than others. Similarly, countries specialising in manufactured exports also tended to fare better than primary commodity exporters. The major East Asian exporters of manufactures experienced continued favourable conditions, in terms both of market and of product growth. Other countries in Asia also shared in a buoyant trading environment but were less favoured by the types of products they exported during the past three years. In contrast, manufactures exporters in other regions, most notably Latin America, were facing relatively more sluggish market growth, a feature also shared by the primary exporters in the region. Compared with other developing regions, Africa was particularly handicapped by both slow market expansion and an unfavourable composition of exports, while West Asia suffered particularly from slow market growth. ○

Debt: the vicious circle

Much of Africa's macroeconomic disorder is attributable to countries' over-indebtedness (see Table 2). The report points to a vicious circle: "To tackle over-indebtedness and restore development momentum requires macroeconomic stability. But stability will be at best precarious until the debt overhang is greatly reduced, and productive capacities and living standards made to grow". The conclusion is that breaking out of this circle requires a relaxation of the external resource constraint through significant amounts of debt and debt-service reduction, followed by a social consensus on the distribution of income and reform of the fiscal system in the debtor countries.

Progress in official thinking

Official thinking on debt relief has certainly progressed, the report acknowledges, in the 1980s. "Five or six years ago it was widely assumed that an improved international economic environment would play an important role in facilitating the resumption of growth and normal

Table 1: World output, 1986-1988, and forecasts for 1989 and 1990
(Percentage change)

Country group	1986	1987	1988	1989	1990
	Actual		Estimated	Forecasts	
World	3.1	3.3	4.2	3.3	3.3
Developed market-economy countries	2.7	2.9	4.0	3.1	2.8
of which:					
North America	3.0	3.5	4.0	2.6	2.2
Western Europe	2.5	1.9	3.5	3.1	2.7
Pacific developed	2.3	4.1	5.3	4.2	4.0
Socialist countries of Eastern Europe	4.2	2.9	3.9	4.1	4.1
Socialist countries of Asia	7.6	10.9	11.4	5.0	6.5
Developing countries	2.8	3.1	3.7	3.1	4.0
of which:					
Latin America	3.9	2.2	0.8	0.6	2.8
Africa	1.5	1.2	2.6	2.8	2.5
Asia	2.2	4.5	6.0	5.1	5.4
Memo item:					
Least developed countries	3.7	2.8	2.1	2.6	2.9

Source: UNCTAD.

Table 2: Debt service and current account balances of developing countries: estimates for 1990 and projections up to 2000
(Ratios to exports of goods and services in per cent)

	1988	1990	1995	2000
	Estimated	Forecasts	Projections	
All developing countries				
Interest payments	8.9	8.0	5.3	3.6
Debt	136.6	118.7	82.2	58.9
Current account balance	– 4.1	– 2.4	– 2.3	– 2.5
Africa				
Interest payments	18.6	21.4	17.9	15.1
Debt	389.1	394.1	320.1	282.9
Current account balance	– 35.3	– 35.5	– 27.9	– 27.3
Eurocurrency borrowers				
Interest payments	22.1	25.7	25.5	24.9
Debt	351.3	359.2	344.5	341.4
Current account balance	– 14.1	– 13.6	– 16.0	– 19.5
Least developed countries				
Interest payments	14.3	17.1	10.9	5.6
Debt	468.7	532.8	412.1	370.0
Current account balance	– 80.3	– 101.2	– 77.0	– 69.3
Other countries				
Interest payments	18.1	20.5	16.6	14.0
Debt	388.1	380.0	292.0	245.9
Current account balance	– 34.2	– 31.2	– 21.9	– 20.9

Source: UNCTAD.

debt service in debt-burdened countries. It is increasingly apparent, however, that buoyancy in the world economy alone cannot refloat these economies, given the weight of their debt overhang and the cumulative damage they have sustained in recent years". But, the report contends, the measure of debt relief needed was likely to be "about double" the pool of $ 30 billion to be made available for the reduction of principal and for interest support by the IMF, the World Bank and by Japan. Moreover, it adds, the "strengthened debt strategy" promoted by US Secretary Brady may bring little gain to those debtor countries which cannot achieve macroeconomic equilibrium without first receiving relief. More, and more flexible, relief is required, together with tax reforms in the debtor countries designed to use the benefits of relief measures to maximum advantage.

Impact of structural adjustment in 12 LDCs

• In addition to the fact that the initial changes of policy cause some unavoidable distress to vulnerable groups, the adjustment programmes have so far produced mixed results and achieved, at most, limited success;

• Adjustment in LDCs has too often focused on demand-restraint measures, which have led already poor economies to operate at even lower levels of output;

• Devaluation, which is a common feature of the stabilisation and adjustment programmes, appears to have had little effect in stimulating exports;

• The strong emphasis given by adjustment programmes to redirecting resources from public bodies to private entrepreneurs is also called into question. The programmes need to take into account that LDCs generally have a very poorly developed entrepreneurial class and depend on public institutions to sustain development;

• Social services have suffered under adjustment, largely on account of cuts in development budgets, and inadequate maintenance and operational budgets;

• Additional financial resources directed to LDCs apppear not to have been sufficient to support their adjustment efforts. Moreover, the share of grants in aid disbursements has declined, and conditions attached to aid have become stringent;

• Adjustment programmes have not taken the problems of external debt sufficiently into account in their design;

• The specific characteristics and problems of individual LDCs have not always been adequately taken into account in the design of these programmes;

• The adjustment programmes have also failed to make provision for the flexibility to adapt — as the vulnerable LDCs must inevitably do — to unforeseen factors, be they internal, regional or global in origin, which are beyond LDCs' control;

• Finally, excessive emphasis on securing short-term payments correction has led to policy approaches that do not focus sufficiently on promoting long-run development. The sort of changes that are required call for additional resources, a longer time-frame and careful sequencing of policy implementation.

Structural adjustment: the lessons

Perhaps the most disappointing conclusions in the report as far as the LDCs are concerned are those regarding the impact of structural adjustment — that password of 1980s' development strategy.

The performance of the 12 LDCs which had had consecutive programmes throughout most of the 1980s (2) had not differed significantly from that of the LDCs as a whole. Only three of them registered a higher average annual rate of growth in 1980-87 than that of the LDCs as a whole (2.3 %) and only two improved their growth performance over the period as compared with the 1970s.

As regards the current account deficit, its value as a proportion of the value of exports of goods had decreased markedly or steadily in only eight out of the 12 LDCs. Inflation rates had been reduced significantly between the 1970s and the 1980s in half the countries, whereas, in the other half, they had increased noticeably.

Results: little cause for optimism

The report goes on: "The lack of any consistent relationship between the existence of adjustment programmes and economic performance as reflected in growth, the current account balance and inflation, leaves open the question of the adequacy of these programmes for the LDCs. As currently defined, these programmes could indeed bring about undesired effects, in particular in terms of high social costs and a weakening of the LDCs' ability to achieve long-term economic development".

These conclusions (see Box above) were reached after detailed assessments of the experience of eight LDCs in particular (Bangladesh, Botswana, Lesotho, Nepal, Niger, Sudan and Tanzania), the findings of which are given in the UNCTAD report. ○

M.v.d.V.

(2) Bangladesh, Central African Republic, Gambia, Haiti, Malawi, Mali, Niger, Sierra Leone, Somalia, Sudan, Togo and Uganda.

Science and technology for development – Results of the first programme –

by Thomas WOLLERSEN (*)

The publication of the results of the first STD programme (two volumes of summaries of the final reports of the two sub-sections—agriculture and medicine—) is the opportunity to see how the programme has developed since it first began and how it is likely to go on developing in the future.

The STD programme is the European Community's answer to the second UN Conference on Science and Technology for Development (Vienna, 1979) and the action programme which emerged from it.

It was a Council of Ministers' decision on 5 December 1982 which brought in the first STD programme and enabled research projects to be run. They began in 1983, the last of them was completed in 1987 and the second programme, also focused on the two priority areas of agriculture and medicine, has since taken over.

Better tropical research

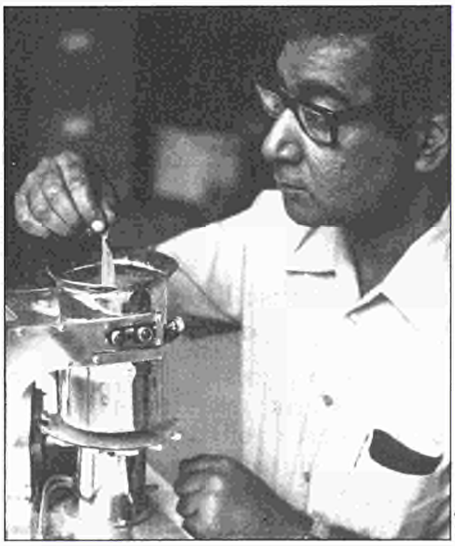
Two of the programme's many aims—the reorganisation of international relations in science and technology and the widening of the scientific and technological research potential of the developing nations which the Vienna action programme said were vital—are particularly important. But being able to provide a proper response to the developing countries' expectations meant, and indeed still means, increasing Europe's tropical research potential. And it was declining. It needed to be revived even in the former colonial powers, while research teams in Member States which did not have any direct contact with the developing world had to acquire a hitherto-unfamiliar tropical dimension. What this all means is that tropical research in both Europe and the developing world has to be strong if the North-South science and technology dialogue is to work — which is why the STD programme sets so much store by improving the research potential on both sides.

It is not enough for one or two major research centres to get results on one or two specific problems, however big the priority on them may be. Each country has to have its own network of scientific structures which can capitalise on these results, adapt them and use them in local conditions and even convert them into solutions for problems outside the big centres' scope. But this is what is missing, as these structures still fall a long way short in many countries, particularly in the ACP Group. This is why the STD programme focuses on partnership between research structures in Europe and the developing world while welcoming any cooperation with international research centres.

Joint research

Better research structures are not an end in themselves. They are a way of reorganising our international relations in science and technology. In other words, STD's way of making the North-South dialogue between researchers more effective is to have research projects run jointly by teams from North and South.

This joint effort creates or strengthens ties between research workers in Europe and the developing world and we want to make sure that they last, as they are a fundamental part of cooperation, making for the true knowledge and mutual understanding that are vital if we are to find viable solutions to the real problems and break down isolation so that the scientists can transcend the local scientific environment which may well still not be conducive to success.



FAO

... tropical research in both Europe and the developing world has to be strong if the North-South science and technology dialogue is to work ...

Assessment of the first programme

The excellent evaluation report which an outside panel produced on the first programme said that about 1 500 publications had come out on research run under 411 contracts (228 in agriculture and 183 in medicine, health and nutrition).

These contracts were an opportunity to:

— develop schemes run by the Member States in this field by improving communications and coordination;

— create or stimulate cooperation between research laboratories and institutes in Europe and the Third World, using an original approach unlike that of bilateral cooperation or of cooperation with the international institutions;

— increase the research potential in these areas by providing training for young people and better laboratory equipment, partcularly in the developing countries;

— set up national research teams in the developing countries and establish genuinely European research into the problems of the tropics.

These very encouraging results have

(*) Mr Wollersen is with the Directorate-General for Science, Research and Development at the Commission of the European Communities.

made it possible to raise the budget from the ECU 40 m of the first programme to ECU 80 m for the second and to broaden the scope by expanding the work of the sections on "environmental conservation and development" and "agricultural engineering and post-harvest technology" and by identifying a "production systems" section.

Implementation of the second programme

The second STD programme has generated lively interest in the scientific community in both Europe and the developing world ever since the call for proposals went out on 16 December 1987. This led to 1836 proposals, 934 of which have been assessed and 251 selected to date, involving three quarters of the available funds. A revision for 1990/91 may be suggested to the Council to increase this sum.

Typically, the projects selected involve several partners and the collaboration of three, and often four or maybe more, institutes. So teams from different Member States of the Community and in many cases from different developing countries as well can work together on the same project — something which augurs well for the future.

Outlook

The first two phases of the STD programme were experimental, the idea being to reveal just what the tropical research potential was and to develop the original aim of joint research between European and Third World laboratories. Now that this approach has proved to be a good one and the instrument—the programme—is operational, the rest of the STD programme can do even more than it did before to solve the major problems of development. Research can be channelled along just a few main lines — food shortfall reduction, for example, the development of products of high economic value in other regions, environmental protection, the fight against serious tropical diseases and other major afflictions of the world today (AIDS, cancer and so on) the development of health care systems and the reduction of nutritional deficiencies.

FAO

Widening the research potential of the developing countries obviously has to be the main aim of Phase Three of the STD programme

These involve all the scientific subjects covered by the first two STD programmes and would encourage multidisciplinary work as well as reduce dispersal and thereby help create the critical masses which make for greater impact on the environment.

Widening the research potential of the developing countries obviously has to be the main aim of Phase Three of the STD programme. This means the people, primarily the researchers and, to a lesser extent, the structures and the way they work. Yet in many countries, particularly in Africa, the structures are exactly where the serious problems lie. If the new Lomé Convention could encourage the creation and maintenance of regional research structures in the developing countries, where programme-backed research schemes could be run with maximum efficiency, there would be even more to be gained from STD.

A valuable source of information

The first STD programme was an opportunity to take what amounted to an overall view of the institutes involved in tropical agricultural and health research. The inventory is of course by no means an exhaustive one, more a selection of the best institutes in Europe and a large number of those in the developing world.

Scientists looking for partners now have a valuable source of information in the two volumes of summarised final reports and the index of project leaders and institutions. The other great advantage of the books is, clearly, that they provide information about a wide variety of schemes being run in many countries throughout the developing world.

In agriculture, for example, the following are dealt with:
— plant improvement;
— crop protection;
— forestry;
— animal health;
— animal product improvements;
— fisheries;
— water resources and their use;
— evaluation of natural resources;
— agricultural engineering and mechanisation;
— post-harvest techniques;
— production systems,

while in medicine the following are covered:
— parasitology (malaria, schistosomiasis, filariasis, trypanosomiasis and leishmaniasis);
— microbiology (mycobacterial infections, diarrhoeal diseases, virology, sexually transmitted diseases, AIDS and mycology);
— non-transmittable diseases;
— health;
— nutrition.

The volume containing the summaries of first programme reports on "tropical and sub-tropical agriculture" may be obtained from the Technical Centre for Agricultural and Rural Cooperation and the one entitled "Medicine, Health and Nutrition in tropical and subtropical areas" from DG XII/G/4 at the Commission of the European Communities. ○

T.W.

Cultural cooperation in Niger

by Dominique PAGANI (*)

A look at Africa's music shows that, for more than half a century now, the continent has been in a situation rather like that of Rhea, in the myth, whose husband Kronos (Time) took away her babies at birth and devoured them.

It has produced many forms of musical expression in this time, both directly through particular singing stars and indirectly through jazz-type improvisation, Caribbean music, Brazilian rhythms and more, and they have ranged from the most accessible to the most intellectual. But Africa has had no direct profit from any of them.

Yet the profit is there to be made. Commercial or cultural, one may well wonder, although the distinction is hypothetical as long as Africa is denied the benefit of either.

Europe, Canada, the USA, Japan even (Tokyo has more jazz clubs than the whole of the dark continent) and the North in general have:
— the most exhaustive sound and visual data banks of the so-called traditional musical heritage of the African peoples;

(*) The author is a technical assistant at the Centre for Music Training and Promotion, Niamey, Niger.

Hausa horseman playing the kakoki

HoA-qui

— those giants of the music business, the record and tape manufacturers, through which the stars of world music have no choice but to work.

And between these extremes, the North has innumerable music training centres, from the conventional academies of music to the schools of jazz, all giving access to the basic, universal codes and techniques which enable those who make the effort able to handle every single musical language.

The same goes, it will be said, for Africa's plastic arts and to a lesser degree for its films — which is one of the reasons why, at the meetings preparing for the signing of the new Lomé agreement, the ACP States have been unanimous in insisting that a new chapter, on culture, be included in the Convention alongside the more traditional kinds of development aid. But nowhere are the terms of trade so flagrantly unjust as in music consumption.

By helping set up a National Centre for Music Training and Promotion, the EEC Commission is at last starting a process which could well ultimately mean that African musicians can break out of the vicious circle which makes them the province of one or two specialists (of traditional music) or, at the other end of the scale, late-night music, pleasant at best, for the masses.

The great virtue of the Centre is that it combines several tasks— research, training and promotion— that rarely go together in the same place.

As far as the traditional heritage is concerned, the idea is first, as carefully as possible, to inventory, conserve and then disseminate the music of Niger and the adjacent farming and grazing areas.

It has also systematically to duplicate the very many sound and audiovisual documents, books and monographs scattered over the countries of the North and bring them here where they are available to students and researchers in Niger and the region.

The training which the Centre offers covers:
— the musical professions (including legal, commercial and technical implications);
— mastery of the universal language of musical theory, ensuring access to the world community of professional musicians;
— an introduction to the other forms of musical expression, from the most popular to the most learned;
— training for other teachers who can act as relays for the Centre in the field (recording, compiling archives, sound pick-up, etc.).

On the promotion side, the Centre's main concern is the regional musical heritage as a whole — both traditional and modern. Publication, distribution and data exchange and communication more generally tend to be decisive here.

As far as communication is concerned, the high spot is the "Rencontres musicales de Niamey", a regular event.

This is more than just another festival of African music, of which there are already so many. In spite of the blanket formula, or maybe because of it, the "Rencontres" usually present traditional music or the stars of world music — conveniently renamed African music.

The originality of the "Rencontres" lies in their rejection of a monogeneric formula and their musicological relevance, both of which, obviously, go together.

When an event is not confined to a specific genre (traditional or variety, say), it is in danger of trying to please everybody and ending up pleasing no one — which is why the organisers of the "Rencontres" are keen to hinge the event on the link between African music as a primitive function and those forms of musical expression, from the most intellectual to the most popular, which derive from it (popular music in the Caribbean and Latin America, jazz codes and messages, contemporary and classical music etc.).

After all, the children of Rhea and Zeus, the gods in other words, were only able to escape from Time because they were protected by the music of the Corybantes! ○ D.P.

CTA Bulletin
TECHNICAL CENTRE FOR AGRICULTURAL AND RURAL COOPERATION

Better crop protection information [1]

by D.J. GREENLAND [*]

Insect pests, plant diseases and weeds together cause crop losses worldwide which average around 30% of the realised yield. This average figure represents an enormous loss in economic terms. It also conceals an even more significant fact — that losses in some places and some years are far higher than 30%, the total losses caused by locust plagues being the most extreme example. While large yield losses can be a serious economic problem for the farmer in a developed country, they can be a matter of life or death for the subsistence farmer and his family.

There is at the present time a vast store of knowledge available about crop pests and their control. Although there are continuing changes in the pest spectrum requiring new tools such as new resistant varieties and new pesticides to control them, use of new and existing tools must be based on current knowledge. This knowledge can then be applied to ensure effective crop protection, if it is brought to bear on the problem in a timely manner. Information on crop pests is needed not only when serious outbreaks occur, but also to prevent outbreaks occurring. Timely information is also essential for quarantine services, set up to prevent the spread of pests to uninfested areas.

There have been enormous advances in information technology in the past decade. Electronic communication systems are affecting most activities in the developed world, and are making a significant impact in many parts of the developing world. They clearly have an important role to play in improving crop protection and quarantine services, and have started to do so in some developed countries, but so far their impact in developing countries has been minimal.

FAO has worldwide responsibility for assistance in crop protection to developing and other countries. CAB International, now a UN-registered, non-profit, intergovernmental body, provides information services to agriculture throughout the world, and has special expertise in information technology, as well as providing authoritative pest identification services through its Institutes of Entomology, Mycology and Parasitology, and authoritative information on biocontrol agents through its Institute of Biological Control. FAO and CABI have been collaborating for several years in the preparation and dissemination of crop protection information, but it was felt that more could and should be done to improve the timely availability of crop protection information. For this reason, CAB International and FAO, with support from CTA, organised an International Crop Protection Information Workshop (ICPIW), held at CABI Headquarters, Wallingford, UK in April 1989. The specific objectives of the Workshop were:

(1) to review present systems of making crop protection information available to users, emphasising the requirements of developing countries;
(2) to identify deficiencies in present methods of dissemination of crop protection information, and opportunities arising from new communication techniques;
(3) to develop proposals to ensure that information reaches users in a timely and efficient manner.

The countries that most need better information than they have at present are those least able to afford such services. Hence the Workshop sought to bring together not only the scientists and information technologists concerned with the generation and dissemination of crop protection information, but also users of that information and representatives of aid, donor and funding agencies who might be interested in supporting the provision of crop protection information.

In addition to the agencies involved in the organisation of the meeting (CABI, FAO and CTA) participants were sponsored by IDRC of Canada, ODA and the British Council, UNEP and the British Crop Protection Council. The 85 participants came from 38 countries. As well as those from developing countries and aid agencies, there were representatives of the regional crop protection organisations, the international agricultural research centres, information managers and technologists, and crop protection scientists. Presentations to the meeting covered the importance and present state of crop protection services, recent developments in information technology, and regional and country perceptions of needs for better and more timely information.

In recent years many crop protection databases have been assembled. They are less used than they might be because their existence is usually only known to a few. A survey of such databases was therefore undertaken prior to the meeting and made available to all participants in the Workshop. It has subsequently been published, and is available from CTA or CABI (*A Survey of Electronic Databases in Crop Protection*). Prior to the meeting CABI also distributed a questionnaire to users of crop protection information. Responses were received from 184 of those to whom the questionnaire was sent. The responses (Table 1) show that the scientific and abstract journals remain the prime sources of information, but there are certain fields (pest outbreak reports, pesticide guides, abstract journals, and pest forecasting systems) in which considerable use is made of data available in electronic form.

A major problem appears to be that information in electronic form is not sufficiently available to those who need it. Consequently it is not surprising that exhibits of currently available electronic information sources attracted great

(*) Director, Scientific Services, CAB International.
(1) Summary of a workshop held at CAB International on Crop Protection information.

Table 1: Use of crop protection information in paper and electronic formats

Type of Information	Usage (1)		Frequency of Use (2)		Availability (3)	
	P	E	P	E	P	E
1. Pest descriptions/ taxonomic manuals	91	6	67	—	65	7
2. Diagnostic/ identification services	78	3	51	—	63	10
3. Pest handbooks	90	2	74	—	62	6
4. Abstracts	90	16	75	72	77	33
5. Primary scientific journals	90	5	79	—	73	13
6. Popular journals	85	4	71	—	67	19
7. Pest distribution maps	73	2	32	—	41	2
8. Quarantine information	80	5	42	—	48	12
9. Pesticide guides and handbooks	83	9	67	53	69	15
10. Cultivar guides and catalogues	64	4	38	—	46	7
11. Pest forecasting services	47	17	53	34	29	16
12. Pest outbreak reports and broadcasts	59	14	61	64	43	25

P – *information on paper*
E – *information in electronic form*
(1) *Percentage using this type of information.*
(2) *Percentage of users who use the information at least once per month.*
(3) *Percentage who found availability at least adequate.*

attention at the Workshop, as did the prototypes of a crop protection CDROM shown by CABI. Assemblies of knowledge in the form of "experts systems" were exhibited by FAO, the Silwood Centre for Pest Management, and CABI, and also aroused a great deal of interest (Table 1).

Nevertheless the traditional field guide to aid recognition of disease symptoms and insect and weed pests remains among the most widely used sources of crop protection information. The pocket book *Field Problems of Tropical Rice* published by the International Rice Research Institute has sold more than 400 000 copies in 23 languages. One of the most important needs of crop protection extension services is for up-to-date, clearly written, and unbiased guides to pesticides. Several, such as the *UK Pesticide Guide* published annually by CABI and the British Crop Protection Council, are available but are oriented to developed country needs. Many developing countries need guides of this type, but tailored directly to their needs, reflecting the availability of pesticides in the country, and with clear instructions as to the risks to health and the environment entailed in the use of each pesticide.

These issues were dealt with fully in papers presented at the Workshop covering regional needs in West Africa, East Asia, the Pacific, the Caribbean, Europe and North America, and country needs in Kenya, Malaysia and Brazil. As examples of crop protection information related to specific crops, the available sources for rice, wheat and perennial crops were described.

These presentations brought together for the first time a clear statement of the needs for crop protection information from those who have first hand experience. Priorities in information requirements are not the same in all parts of the world, nor for different groups of scientists, and discussions of priorities were pursued vigorously in the working groups formed at the meeting.

There was recognition from all those present of the importance of crop protection information, and the need for action to ensure that it is more readily available to those who use it. The Workshop formally endorsed a set of recommendations embodying these needs (see "Box"). More detailed recommendations were made about needs related to specific crops and organisms, quarantine, integrated pest management, and pesticides.

The Working Group on Crops had obviously the most difficult task as the subject was wide and there was a general overlap with fields outside crop protection. A number of specific recommendations were made on the collation of data on host/pest resistance; host/pest lists, lists of seed-borne pests and their control, and crop handbooks. More general recommendations were made on the need for crop damage data and cropping systems, crop loss assessment data, and crop oriented literature. Also, a recommendation was made on the establishment/strengthening of general information networks on crop protection.

The Working Group on Organisms gave specific recommendations on the need for identification services for weeds and viruses; the need for national reference collections; the availability of antisera for virus identification; the production of thesauri; and the collation of a directory of centres of information on organisms of agricultural relevance. It recommended new activities on methods to incorporate unconventional literature, and the production of authoritative descriptions. Finally, it advised that an international project be established to capture pest data, and that data handling and distribution should be included in projects. Training in identification and characterisation of organisms was seen as a high priority.

The Working Group on Plant Quarantine (PQ) considered data requirements for a coordinated, international operation of plant quarantine. The working group discussed the data requirements within the context of obligations towards the International Plant Protection Convention. Specific recommendations were made on the establishment of a list of pests of PQ concern, information needs on such pests and on standardisation of the information requirements. The working group recognised the vital importance of data on the distribution of pests of PQ concern. Further recommendations were given on the collection, analysis and distribution of information on treatments, inspection, certification methods, legislation and regulations. The group strongly supported the strengthening of a central data base. The usefulness of lists of facilities for intermediate quarantine and directories of plant quarantine organisations was noted.

The Working Group on Integrated Pest Management (IPM) recognised the location specificity and the consequent

Recommendations of ICPIW

At the close of its deliberations, the Workshop endorsed the following recommendations:

1. *In recognition of the value and strategic importance of timely and accurate crop protection information to national governments and donor agencies, as well as the end-users of such information, the Workshop recommends the active promotion of information systems and training at national and international levels.*
2. *The Workshop further recommends positive action to increase the awareness of policy makers to the strategic importance of crop protection information as an instrument in national planning and protection of natural resources, human health and the environment.*
3. *The Workshop calls on donor agencies to recognise the importance of ensuring that projects are not isolated from world information needs and include provision for full advantage to be taken of all appropriate information sources.*

The Proceedings from this Workshop will be published in:
Crop Protection Information: An International Perspective
edited by K.M. Harris and P.R. Scott
Due to be published late 1989, c. 200 pages

limitations of any international information system on this subject. It stressed the need for critical reviews of information to identify principles, practices and methodologies that are likely to have wide relevance, and would be useful in developing locally-adapted packages. The group recommended the establishment of an international entity to promote and support IPM.

The Working Group on Pesticides noted the wealth of information available at the international level, but deplored its unavailability at the national level in developing countries. It strongly recommended the establishment of pesticide information resource centres within countries, described their functions and made suggestions for their operation.

All working groups noted the importance of having information available in at least French and Spanish as well as English.

Cross-references among groups concerned information on epidemiology; crop damage and crop loss and, to some extent, control; lists of seed-borne pests; identification; and pest distribution.

The need for authoritative descriptions of organisms; pest data sheets for quarantine use; and the analysis of information, as indicated by the group on IPM, was expressed by more than one group.

It was felt by four groups that better access to information on the life cycle of pests, crop damage and crop loss is required in some form. For plant quarantine, such information is needed for pest risk analysis. Exchange of such information is also useful for the development of control packages. The major problem for the collection of this type of data is that these are often not in a format to store or access easily. It is diffcult to limit data capture and a data validation process would also be required. As some participants indicated, collection of such material often results in an open-ended commitment. The group on IPM called for the "distillation" of such material; this means authoritative studies on individual pests and pest situations. Lists of seed-borne pests were considered to be useful for both crop production and quarantine. It would indeed be a relatively simple and useful discrete activity to produce such lists.

Host/pest lists were indicated to be of importance to quarantine and crop production. Such lists are in existence but need compilation. This would also be a relatively simple, discrete, activity.

Both the Plant Quarantine Group and the Group on Organisms called for the continuing updating of pest distribution lists.

The plant quarantine group called for standardised information sheets on pests, while the group on organisms noted the importance of authoritative descriptions. The information requirements for plant quarantine are now being standardised; however, much wider information is required for control purposes. Possibly, a format can be found that covers both requirements. In contrast to this pest-based information, the group on crops requested crop-based information.

Appropriate identification methodologies and facilities were indicated to be of tremendous importance by the groups on organisms and plant quarantine. It was noted that maintenance and increase of such capabilities is of fundamental importance to all crop protection activities.

Much the largest group was that concerned with Integrated Pest Management. It produced only one recommendation — namely "that the sponsors of this Workshop take appropriate steps to interest donors in supporting an existing or new international entity for the promotion of Integrated Pest Management through appropriate information systems".

Further action to implement the recommendations of the workshop is obviously needed. A clear message has been sent to funding agencies and those who handle crop protection information to make it more readily available to developing countries. Regional workshops to consider more specific needs must be funded and organised — strong requests for these were made by participants from West Africa, Malaysia and the SACCAR region. Certain products, such as improved pest distribution maps, pesticide guides, expert systems, pest identification sheets, and others, are needed now. It is hoped that support to make these available in developing countries will be forthcoming. Perhaps of greatest importance was the recommendation to form a new international body concerned with services for integrated pest management, which might, amongst other things, support regional centres for the management of crop protection information. ○ D.J.G.

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The Courier's mailbag

Putting the "P" into ACP

I am an African student at King Fahd University of Petroleum and Minerals. I read with utmost interest your exclusive coverage on the Pacific Islands of Kiribati and Tuvalu (issue no. 114), and for several moments I couldn't believe what I read.

At the end of it all, I salute with respect the people of these islands for their determination to survive, and especially Kiribati's philosophy of development — "Te kanriki n toronibai".

Farouk H. Iliasu – Riyad – Saudi Arabia

Not long ago I borrowed an old issue of the magazine from a friend and there was this article on the country called Vanuatu. It was my first time of reading about the country and I couldn't even locate it in my atlas immediately. I came to the conclusion that the best and easiest way of knowing and discovering new countries was by subscribing to The Courier. *If it hadn't been for* The Courier, *I would not have known that there was a country somewhere called Vanuatu.*

Mr Samuel Martin Abagbe – Accra – Ghana

African publishing

You may wish to know that from the 28th November 1988 to 2nd December 1988 a colloquium was held in Bamako (Mali) about "Publishing in Africa", financed by Holland and organised by Ismaïla Samba Traoré, Alpha Oumar Konaré and Jan Kees van de Werk.

27 publishers (booksellers, printers) from many corners of Africa came together to exchange thoughts about possible forms of co-operation in order to cope together with the problems that African publishers have to deal with.

Certain social-economic factors and problems in the infrastructure create difficulties for publishing in Africa. Apart from the limited income that can be spent, the multiple languages, the illiteracy, a reading culture that has not yet been completely developed, the high customs tariffs for the import of paper and technical printing material, the distribution of books is also confronted with difficulties of transport and the lack of sales points.

In Africa, eliminating illiteracy is being tackled successfully on a large scale. The problem is no longer, as the Nigerian participant Kole Omotoso once expressed so wittily, that people do not read, the problem is the availability of reading material of a good quality.

A country can't develop, free itself—development is liberation in the largest sense of the word—if a climate in which ideas can be exchanged is lacking. A publishing firm can play an important part in promoting such a climate. Each country has a right to its own publishing firms.

The various publishing firms (amongst others) will have to mobilise with great dedication, not only to present a counterbalance to the enormous competition of the European (French, English) publishing houses on the lucrative schoolbooks market, but also to prevent their own writers having their work published in Europe because of a lack of good publication possibilities in their own country. Texts that belong to the basic material of the country, are exported for a low price, made into a finished product in Europe and (eventually) re-imported for a high price.

It is the heavy, responsible task of (amongst others) the publishers to row against this strong current of information from North to South and to compensate for it. Alpha Oumar Konaré, a participant from Mali, and one of the organisers, expressed it as follows: "Each time that a new African publishing firm is established, the hope grows that our nations will take their destinies in their own hands".

Jan Kees van de Werk, Holland

SMEs – a lesson to be learned

With reference to your dossier on small and medium-sized businesses in no. 115, I should like to say the following about Cameroon.

When Paul Biya, then Prime Minister, took power in November 1982, the promotion of SME-SMIs was one of his main interests and he reorganised FOGAPE (the Guarantee Fund for Small and Medium-Sized Businesses), CAPME (the Centre for Assistance for Small and Medium-Sized Businesses) and the Investment Code. The new Investment Code gives tax advantages to SME-SMIs, FOGAPE makes it easier to get credit from local banks and CAPME compiles sound project specifications and guides promoters towards profitable and as yet unsaturated sectors. In addition to the FOGAPE bank guarantee, firms covered by System C in the Investment Code obtained very soft terms—no tax on trading results, customs duties of only 5% and so on—for a period of 10 years and it was all expected to ensure prosperity for the SME-SMI sector.

But the plan failed to take account of the shabby behaviour of some businessmen, many of whom used their credit facilities to buy big cars (Mitsubishi Pajeros and Mercedes for example) before they even started trading. And the change in the SME-SMI system helped others stock their shops and ironmongeries at the State's expense. The advantages also led the bakery sector to flourish more than all others. This misuse of the funds meant that many promoters were unable to make their repayments to the banks, as the loans failed to bear fruit.

This was behind the dissolution of FOGAPE as a source of commercial and industrial credit facilities and the start of studies aimed at a complete overhaul of the Investment Code. So before promoting the formation of SME-SMIs and in order to avoid following the bad example of Cameroon, which is now adjusting its sights, it is very important to provide fail-safe devices to prevent or limit certain kinds of abuse.

It is to be hoped that the enriching experience of SME-SMI formation can be extended to many other Third World countries, because these firms are a life-saver when it comes to reducing unemployment.

Emile Clovis Kemeugne, BP 511, Bafoussam, Cameroon

ACP-EEC NEGOTIATIONS FOR LOMÉ IV
Structural adjustment – the ACP response

The Lomé IV negotiations began again after the summer break in early September and, on the 20th of the month, the ACPs, who had parted in July with European proposals (on Stabex, Sysmin, trade and, most important, structural adjustment) in their briefcases, began outlining their response to the various Commission suggestions, replying to the Commission document on structural adjustment put before the Joint Council of Ministers on 2 June.

The Community proposal, which explained its specific approach to structural adjustment and said how it saw support for it in terms of coordination, of the mechanisms for access to funds, of the instruments and the criteria for eligibility, was, the ACPs thought, "positive".

They began by emphasising that "the standard of living has deteriorated in a large number of ACP States over the past decade", particularly during the years covered by Lomé III. The urgency of the situation had led to "policies of short- and medium-term measures", but attention had to be paid to the long term, too, with all the structural changes aimed at greater diversification, lower unemployment, higher per capita income, greater self-sufficiency in food and so on. This is also why "many ACPs have embarked upon structural adjustment programmes under the Bretton Woods institutions", they said. This adjustment has major economic, social and political effects on the countries that undertake it, but the ACPs maintained that the World Bank and the IMF have often considered "primarily the internal factors" of ACPs with economic difficulties to cope with. The Bretton Woods institutions had failed to take account of the equally important external factors, of the "commodity price decline, the protectionist policies of the industrialised nations, fluctuations on the raw materials markets, high interest rates and so on", which had pushed up the cost of importing the goods and equipment the ACPs needed for their development. The difficult external environment had made structural adjustment a painful exercise, they maintained. They did not believe the Community proposals would make for smooth structural adjustment. EEC coordination with the IMF and the World Bank could become a "bureaucratic nightmare", they claimed, rejecting Community views on this. With regard to resources, they called on the Commission to make clear whether or not the structural adjustment funds were to be distinct from EDF funds. As to policy implementation arrangements, they wanted to see the "definition of policies" to boost production, exports and employment and improve specific sectors of the national economies concerned. Lastly, when it came to eligibility, they feared that terms such as "sustainability of the process of reform", "significant adjustment measures" and "degree of poverty" could be used to discriminate unduly against some ACP States.

The ACPs are hoping for a proper agreement on structural adjustment, although their response in September was less enthusiastic than it had been to the European document in June. This was only to be expected, however, given the importance of this particular issue and the fact that the closing weeks of the discussions were imminent. Indeed, after the meeting of the Central Negotiating Group (CNG) on 22 September, when memories were jogged and the dates of the next CNG and the "last Council of Ministers" fixed (for, respectively, 16 and 27-29 October — after this issue of *The Courier* went to press), the negotiators' idea was to make sure that the partners had fully understood their positions. The CNG of 16 October and the Joint Council of 27-29 October should have settled the bulk of the next Convention, although experience suggests that after the last meeting of Ministers, the Presidents of the ACP-EEC Council could well be in contact several times before the Convention is signed. ○

L.P.

Joint Assembly meets in Versailles
Let there be development... at last!

The ACP-EEC Joint Assembly met in Versailles (France) from 25-29 September for the last session under Lomé III, and the discussions, chaired by the new officers (see below), were particularly lively. General cooperation was on the agenda, the major subjects of ACP and European concern being the present negotiations for renewal of the Convention (scheduled for completion at the end of the year), the effects of European unification on the ACP States, the situation in South and Southern Africa and the refugee problem.

Laurent Fabius, President of the French National Assembly, declared the meeting open, setting the tone by emphasising the uniqueness of the Convention. "Lomé", he said, "covers all types of development aid in an original cooperation agreement. That agreement is between regions. No Member State can diminish its effect and no ACP State can be discriminated against or sanctioned. Difficulties, disputes even, have arisen between different countries in the past, but they have not affected the Agreements. This is a remarkable guarantee of independence and non-alignment and there is nothing like it anywhere else". Mr Fabius also spoke of the other aspects of ACP-EEC cooperation — which was predictable, so each beneficiary State was assured of the possibility of indicative planning and of "knowing in advance what resources it would have to play with". This, Mr Fabius said, was important, particularly for the poorest nations. However, at the time when Lomé III was coming to an end and the Lomé IV negotiations scheduled for completion by the end of the year, he thought that "the number of major problems facing the South today gave cause for concern". Although the ACPs owed almost $ 150 billion (around FF 1 000 billion) to the Member States and the Community, only $ 2.8 billion of it to the Community, all the aid had still not been used in spite of 25 years of experience — yet the ACPs had not achieved economic take-off. This, Mr Fabius said, was a "fundamental problem which France, through President François Mitterrand, has long been concerned by and determined to do something about... The aim of ACP-EEC cooperation has to be to solve the problem of development by diversifying and modernising the ACP economies. But the solution is not principally one of a considerable expansion of resources... The most important step that Europe can and should take is not just to make a massive increase in budget aid. That would be virtually pointless if it only went to reduce the debt and the servicing of it". However, its action would be much more significant if it helped with the liberalisation of trade, particularly in services, and it would be decisive if, together, the Europeans could get the industrialised nations to adjust their macro-economic policies".

The ACP-EEC Joint Assembly (1) is the "essential political dimension" in the cooperation debate between the ACP and European partners — who had already realised under the Yaoundé Conventions in 1963-74 that their relations "should not be confined to the technical aspects of cooperation". This "real ACP-EEC Parliament gives our relations a human face", Laurent Fabius emphasised, although the Joint Assembly did not have the structures of a legislative body. Yet it was still the first multinational assembly which did not emanate from governments alone and was therefore a democratic framework for ACP-EEC contractual relations, he said.

Jacques Pelletier, the French Cooperation Minister and President of the Community Council of Ministers, Dr M. Sefali, Lesotho's Planning Minister and President of the ACP Council, and Manuel Marin, the Commission Vice-President responsible for development and fisheries, in turn stressed the importance to both the EEC and the ACP Group of a cooperation agreement giving the ACPs means and guarantees so they could programme the economic and social development schemes in their various countries.


J.-P. Dupont – Ass. Nat.

The official podium
From l. to r., : Vice-President Marin, Messrs. Sefali, Tindemans, Fabius, Diop and Pelletier

Jacques Pelletier reminded delegates of what the previous Conventions had achieved and of the prospects of cooperation under Lomé IV before saying that "we must also be vigorous in continuing our drive to tackle the root of the serious commodity problems, without, of course, forgetting investments, environmental protection, scientific research and cultural cooperation" (see also *The Courier* No 117).

Dr Sefali, the ACP Council President, put the accent on commodities. The general report on these, he thought, which Mr Anzulini (Zaïre) had drafted, brought timely clarification to the debate. "There is no other area of ACP-EEC cooperation where action is so urgent", he maintained. In the matter of financial resources, Sefali said that everyone now knew that there was a net flow of resources from South to North and that the Lomé Convention had to "help reverse this situation affecting the Lomé States".

Vice-President Marin then spoke about the Commission's commitment to a major effort to help the ACPs and an international drive to cut, perhaps even to eliminate altogether, the ACP debt. Returning to commodities in the new Convention, he reaffirmed that the Commission supported the fundamental idea of giving a political impetus to local commodity processing, but only "if the operation is shown to be economically worthwhile". He also felt that a strategic approach was called for in this area of cooperation and mentioned the Commission's view whereby "diversification could be a key element in the ACPs development activities".

Commodities — a recurring theme

There should have been no discussion about processing ACP commodities locally, this being a fundamental principle on which any cooperation policy should be based. But there was. And for many reasons, including one essential one: the international economic order which has been with us for decades and locks each country or group into a particular role. Change

(1) ACP and EEC MPs said they wanted to see the Assembly become "parliamentary" and not just "joint" at the Madrid meeting in September 1988.

has been difficult. As a scientist and philosopher once said: "It is easier to split the atom than to change outlooks" — and, of course, to change commodities in the countries which produce them. But outlooks do change. The idea of adding value to raw materials has become a *leitmotiv* and a need recognised by the partners in cooperation.

The report by Citizen Anzulini Bembe (Zaïre), which was put before the Joint Assembly in Versailles, really shows the "vital need" for the operation. It recommends "capitalising on the natural resources of the ACP States to give them more added value", calling on the Community and the Member States to provide strong backing for the so-called PMDT policy (processing, marketing, distribution and transport), the products of which should be "sold on the local, sub-regional, regional and international markets".

However, far more than the report—which confirmed arguments which the Lomé IV negotiators, particularly Ambassador Marcel Odongui-Bonnard (Gabon), had gone into in detail—it was the debate in the Joint Assembly which brought out the practical side of the issue. There was more to it than agreeing on the principle of processing products locally, a Danish MEP said. "We also need psychological measures" so that the ACPs can carry out the planned policy themselves. Outlooks are different in Europe and in the ACP States, he said, and "the more economic activity the ACPs themselves introduce, the better it will be and the greater the likelihood of success, with Europe's support". In this he echoed what the French Cooperation Minister Jacques Pelletier had to say about the size of markets determining economic performance in just the same way as other parameters. He had told the ACPs to "do what we do and then we will help you" and reiterated France's desire to contribute to the success of the negotiations.

Commissioner Marin and Philippe Soubestre, Deputy Director-General for Development, also returned to the subject of the negotiations, saying they regretted the delays (responsibility for which was shared) and feared that it would be difficult to conclude

Diop and Tindemans new Co-Presidents of the Assembly

CIRIC – Alain Pinoges

Mamadou Diop

Leo Tindemans

The ACP-EEC Joint Assembly voted for new officers in Versailles. The Presidents this time are two new outstanding figures in European and ACP policy — Leo Tindemans and Mamadou Diop.

Mamadou Diop, an experienced Senegalese politician, is a member of the National Assembly, Chairman of the Parliamentary Planning Committee and Mayor of Dakar, the capital of Senegal. He has a long civil and military career behind him. He holds doctorates in law and philosophy, and has been, *inter alia*, Attorney-General at the Supreme Court of Senegal and has worked in government in the successive posts of Minister of Public Works, Minister of Urban Development and Transport and Minister of Health. He was also sub-lieutenant of the Senegalese Gendarmerie Nationale when he left the School of Military Studies in Saint-Maixent (France) in 1957. Mr Diop is 53 years old.

Leo Tindemans. Leo Tindemans is a well-known figure, both in Europe and in the ACP States. A man of great dynamism, he is one of the best-known Belgian politicians on the international scene. He has held many top jobs in Parliament, the ministries and in his political party, with a long period of office as Belgium's Prime Minister and then its Foreign Minister, and has played an important part in both Belgian national and European policy-making. His name is linked to most of the main phases of European construction and he was particularly adroit at an international level in seeking a solution to the recent Belgium-Zaïre crisis.

This is 66-year-old Tindemans' second term at the European Parliament and on the Joint Assembly he is dealing with one of his favourite subjects — cooperation with the Third World.

Tributes to Bersani and Berhane

The Joint Assembly also paid deserved tribute to Giovanni Bersani (Italy), Co-President of the Assembly for more than 20 years (initially the Consultative Assembly under Yaoundé and Joint Assembly since Lomé in 1975). His political and parliamentary career has been devoted to defending the ACP cause and ACP-EEC cooperation. He was made honorary President of the European Parliament.

ACP and European MPs also paid tribute and offered their congratulations to Dr Ghebray Berhane (Ethiopia), who became Co-President of the Joint Assembly in Lisbon in 1987 but did not stand for re-election. However, his colleagues' warm wishes reflected the deep friendship which had grown up between him and the ACP and EEC MPs.

Dr Berhane may well soon be returning to ACP-EEC affairs, as, in July, the OAU Council of Ministers made him Africa's candidate for the post of Secretary-General of the Group of ACP States in Brussels and the OAU Summit has since backed this up. The election will see him running against Edwin Carrington, the present Secretary-General (who was Deputy Secretary-General of the ACP Group under Lomé I and II and elected to the post of Secretary-General under Lomé III), who has been put up again by the Caricom (Caribbean Common Market) Summit of Heads of Government.

There is also a candidate from the Pacific Region, Mr Jioji Kotobalevu (Fiji).

The meeting in progress
E.S. Mpofu (Botswana) and Margaret Daly in the front row

the Convention within the prescribed time. Many people still believed that things would be completed in time and some ACP negotiators in Brussels are even showing signs of weariness. "The ACPs want the negotiations to reach their natural conclusion", K. Tavola (Fiji), Chairman of the Committee of Ambassadors in Brussels, said, particularly in view of the fact that most of the speeches and arguments developed in Versailles only repeated existing ideas.

Obviously, as was to be expected, there was much of discussion of the financial resources of Lomé IV. But it was still too early to find out what the Europeans thought about the first estimates in Versailles. Although indiscretions were mentioned in one or two papers, hinting at a 50-60% increase in the EDF as compared with Lomé III, "as the Commission wanted". This "information", however, was fit for gossip in the corridors and nothing else, since the Community had not completed its own discussions — discussions which would ultimately lead to the "negotiation" on the subject between the EEC and ACPs. And the ACPs themselves had not come up with any serious proposals or figures either.

Whether discussing Stabex (the Cameroonian member called for an end to reconstitution by the beneficiaries), or trade, or the various Protocols (sugar, banana and rum), of particular concern to the Caribbean ACP, or structural adjustment (see above), both ACP and EEC representatives insisted on the importance of the solutions that Lomé IV had to come up with to give the ACP States proper means of real economic and social development. Let there be development, at last — this was the dominant impression of the debate.

Mrs Veil's proposal

The discussion of the general report, which expanded to include every issue in the Lomé IV negotiations, nonetheless gave rise to a number of novel standpoints. Simone Veil (Lib., F), for example, thought that the problem of delays in the negotiations was less technical than political. Since the time, some two years ago, when the machinery of European construction had been cranked up again, the time spent on development problems had been very small, she said. "It is Eastern Europe and the Lebanon which dominate political debate and public opinion in Europe now". If the Community and the Member States are to have ACP development as a prime concern, then "there should be a referendum on what Europe is willing to do to get economies developed and democracy guaranteed in all the ACP countries".

The effects of the single market on the ACP countries

The meeting spent some time discussing the Würtz Report on the effects of the single market of 1992-93 on the ACP economies, in addition to the general report on the local processing of commodities (See Meeting Point interview, in this issue). Mr Würtz (Com, F) had begun by pointing to the tendency to talk more about the advantages than the disadvantages to the ACPs of the single market. The "grave risks of new and serious upsets for the ACPs" would be in the fields of trade relations, financial aspects, investments and human relations, the rapporteur said.

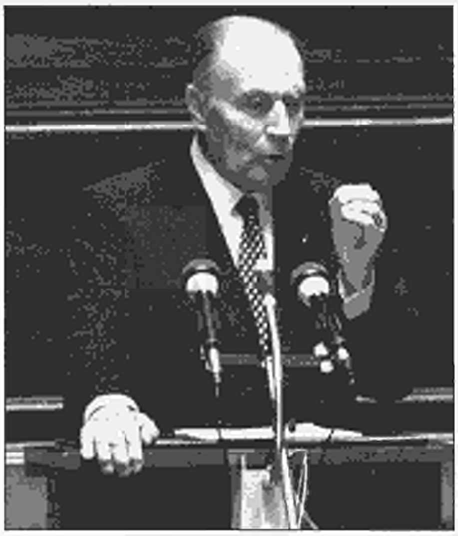
The subject was such that a lively debate was to be expected and indeed took place. Although everyone agreed on the basic point at issue (i.e. that there were a number of problems for the ACPs), the arguments, as is usual in circumstances of this kind, reflected the political divisions of the Assembly. Mr Würtz was blamed for "declining to mention the opportunities the ACPs would have in the single market". Some thought that "since 1993 had been mainly the idea of the industrialists", it could not easily take the situation of the poor countries into account while others (the European Democrats) fervently believed that any change in the Banana Protocol would penalise the Caribbeans first — not, of course, forgetting "the other ACP producers". The same cause was in fact pleaded across the political spectrum.

Manuel Marin warned everyone about going to any kind of excess. "The imbalances affecting the ACPs go back to before the idea of 1993", he said, "so it is unreasonable to blame the single market for every threat to the ACP economies in 1993.

...The Community has called for an internal market commission, with ACP members, to be set up to look into the problems as a whole.

Apartheid, apartheid and more apartheid

Delegates also discussed many other aspects of cooperation and development, in particular technology and training in relation to the economic targets in the light of a report by Amédée Turner (UK, European Democrat). Generally speaking, the fortunes of technology training have been similar to those of development programmes and, 30 years on from independence, the ACPs are nowhere near the targets set by most of their governments. If things are to be speeded up, the Turner report maintains, then links should be forged



President Mitterrand addressing the Joint Assembly

between institutes of technology in Europe and the ACPs.

The meeting heard specialists talk about health in the ACP States, once more pointing out the urgency of the efforts everyone had made to stem what was often endemic disease.

The conclusions of the fact-finding mission on refugees which Mr McGowan (UK, Socialist) had led out to Malawi, Zambia, Zimbabwe, Mozambique and Angola were announced.

The Assembly also heard representatives from Haïti and the Dominican Republic plead the cause of their accession and it upheld their requests, which now seem to have been granted — in the Dominican Republic's case on the Commission's terms and conditions, i.e. without accession to the Sugar Protocol. Namibia, too, can now join as soon as it becomes independent.

But, yet again, the debate on apartheid was the saddest moment of the meeting for all the delegates, particularly since, this time, participants had initially had the feeling that there was a glimmer of hope in the unending night of apartheid. Although most have long ceased to expect anything from Pretoria governments, Mr de Klerk, the new South African President, had distinguished himself by blowing hot and cold. His announcement of "a new South Africa" had been a seductive one. The Joint Assembly had welcomed its first white South African to the Versailles meeting and his talk of national reconciliation had kindled genuine interest in all the members. But the news of the execution of the black prisoner Mangela Jeffrey Boesman on 29 September was a cold shower for the MPs — who only the night before had voted through a motion encouraging what the new President of South Africa was doing for peace in his country. They then adopted another resolution, condemning the execution of Mangela Boesman and saying that "the decision to execute considerably reduced the South African Government's credibility when it came to establishing peace as it said it intended".

President François Mitterrand closed the meeting, speaking at some length on the importance of human rights in the world today. He returned to the execution of Mangela Boesman, quoting Lomé III that the point of cooperation was to back up ACP development focused on man and rooted in the culture of each people. "This already long-standing notion of human rights is a permanent battle... Even today, we have been moved by South Africa's execution of someone for whom the highest international authorities, including those of France, had requested clemency, grace and understanding. Yet, inexorably, the execution came. Human rights often seem to be a wearyingly repeated slogan, but you only need look around you to see that the campaign for human rights is rooted in the daily reality of distress, suffering, segregation, racism and all the other causes mankind has always had for being wary of itself... Apartheid is an absolute negation of human rights", he said.

The French President had earlier called for "the solidarity that is so essential" between Europe and the ACPs. "The international community", he said, "is beginning to be aware of the risks of uncontrolled development — or of a return to under-development. This would do irreversible harm to our whole environment in all senses of the word, political, economic and physical".

The next ACP-EEC Joint Assembly is to take place in Port Moresby, the capital of Papua New Guinea, from 19-23 March 1990, the first ACP-EEC parliamentary meeting in the Pacific since 1975. ○

LUCIEN PAGNI

Tributes to Lorenzo Natali

"By their works shall ye know them". How well this quotation applies to the former Commission Vice-President, Lorenzo Natali who was in charge of development cooperation from 1 January 1985 to 31 December 1988. Vice-President Natali was not expected, either by inside or outside observers, to turn his full attention to this portfolio until he had prepared and completed the accession of Spain and Portugal to the EEC, but in fact he proved to be one of the best development Commissioners on record.

By conviction a Christian Democrat, Mr Natali was, above all, a pragmatist who was able, with the utmost respect for the position of his negotiating partners, to impose, step by step, his own style of courteous determination. Community development policy had been devised and launched by men of similar intellectual and personal stature, such as Claude Cheysson and Edgard Pisani, but with the arrival of Mr Natali it entered its maturity in that it was no longer possible to "run round in circles" avoiding discussion of the objectives and the means to achieve them. From the end of 1985, it was Vice-President Natali who was the first to point out how ill-adapted were the macroeconomic and administrative structures of the ACP countries to fulfil their desires for social and economic progress. As can be seen from the way that the Lomé IV negotiations have progressed, it is this question of effectiveness which is at the heart of European and ACP proposals, especially concerning structural adjustment.

The Joint Assembly meeting at Versailles paid eloquent tribute to Vice-President Natali, who died on 29 August (see *The Courier* No. 117). Co-Presidents Tindemans and Diop remembered, in their tributes, his sincere and wholehearted commitment to the cause of development of the ACP States and to the construction of Europe, which he did so much to bring about. "The former European Commissioner was notable for his support for LDCs and devoted much effort to development policies. My sadness today is all the greater because he was a personal friend with whom I worked together on a number of matters" was the essence of Mr Tindemans' speech. Mr Diop added "The Vice-President, who died in August, was, all his life, a shining example of devotion to the cause of the poorest, a staunch fighter for European unity and for the dawn of a greater sense of solidarity among all peoples. May his heartbroken family and the whole Community accept our sincere condolences". And the speakers went on to say that "his sudden death, only eight months after his retirement, is a deep loss to all who knew him". ○

EDF

The Commission has recently decided to finance the following projects, following a favourable opinion from the EDF Committee.

Kenya

Improvement of the research potential of Kenya's museums
Sixth EDF
Grant: ECU 3 000 000

The aim of the project is to ensure the completion and further development of both the existing infrastructure and the research potential of Kenya's national museums so that they can perform their duties properly.

The programme will offer support for:
— research into biological diversity;
— biomedical research;
— improvement of public service programmes;
— training.

Botswana

Water resources development programme
Fifth EDF
Loan: ECU 2 000 000

The programme aims to improve waste water purification in Serowe in the eastern part of Botswana's central district and step up the technical assistance at the Department responsible for water problems.

Vanuatu

Rural feeder road project
Sixth EDF
Grant: ECU 860 000

The project, which involves building five rural feeder roads of a total length of 58.4 km, on the islands of Santo, Ambae, Ambryn, Malekula and Epi to provide access to outlying areas where there is some agricultural potential.

Madagascar, Mauritius and Seychelles

External trade statistics of the counties of the Indian Ocean
Sixth EDF
Grant: ECU 2 200 000

The Indian Ocean Commission (IOC)—Comoros, Madagascar, Mauritius and Seychelles has decided to try for better regional integration by promoting trade and setting up a regional trade statistics production system on computer at the IOC. This is the purpose of the project.

It is in line with the operations which the IOC has run to date to:
— set up a common method for the compilation of external trade statistics in the member countries;
— run a first computer training programme;
— put an import-export guide for the Indian Ocean countries on computer.

Assistance with training and research
Sixth EDF
Grant: ECU 1 100 000

The programme involves supplying the Indian Ocean countries with support for regional development in the Indian Ocean, through the Indian Ocean Commission (set up in December 1982), in accordance with Lomé III.

It is an outline programme aimed at making it easier to mobilise means for these countries so various one-off operations and schemes can be run to facilitate development and increase regional cooperation in:
— training and colloquia;
— studies and pilot projects;
— technical assistance.

Kenya, Uganda, Rwanda, Burundi and Zaïre

Northern Corridor transport programme
Fifth and Sixth EDFs
Loan: ECU 10 000 000

The aim of this operation is to obtain the extra money needed to run the Northern Corridor regional programme financed (ECU 37 000 000) under the 6th EDF.

The programme will:
— rehabilitate and improve a 105 km stretch of the Nairobi-Uganda border road — Kabete-Limuru (17 km), Eldoret-Turbo (28 km) and Webuye-Malaba (60 km);
— put up new customs installations at Malaba on the Kenya-Uganda frontier;
— give support to the Northern Corridor Transit Transport Coordination Authority;
— provide traffic control facilities.

Chad

Improvement to basic infrastructure
Fourth and Fifth EDFs
Grant: ECU 3 000 000

Rehabilitation of the administrative buildings in N'Djamena is the purpose of this scheme, together with improvements to the structure of, and access to, the Chagoua bridge and development work to stabilise and protect the banks of the Chari at Farcha.

Burkina Faso

Training programme
Sixth EDF
Grant: ECU 1 400 000

This training and cultural promotion scheme comprises a series of harmonised operations aimed at capitalising on human resources so as to:
— back up rural development projects and programmes, particularly those run with Community help;
— heighten the effect of EEC-Burkina Faso cultural cooperation to help development, particularly in the cinema (this is a smaller component).

Liberia

Rural water supplies
Sixth EDF
Grant: ECU 2 900 000

The aim of the project is to provide proper drinking water and modern sanitary installations in four districts on the coast (Grand Bassa, River Cess, Sinoe and Grand Kru) in south-eastern Liberia. The people will be encouraged to use the means provided to ensure sanitary autonomy and made aware of the problems of health and hygiene. This will raise the standards of living and health as well as stimulate rural activity by improving the output of the labour force.

Nigeria

Rural electricity supplies
Sixth EDF
Grant: ECU 4 200 000

The project involves laying on power supplies to 33 rural centres in 12 States in Nigeria, for which a grant of ECU 7.5 m was made under the 5th EDF.

Suriname

Higher secondary school at Nieuw Nickerie
Sixth EDF
Grant: ECU 1 400 000

The project is to build and equip a higher secondary school in Nieuw Nickerie, Suriname's second biggest town (40 000 inhabitants), situated in the western part of the country. The Nieuw Nickerie region and the neighbouring Coronie region are responsible for almost all the nation's output of rice, one of its main export products.

Equatorial Guinea

Agricultural development in Bata district
Sixth EDF
Grant: ECU 1 700 000

The project involves intensive agricultural extension work to help the peasant farmers develop their market gardening and sheep rearing and expand the forage crops they need for their small animals. The Nfonga farm will provide technical support for schemes run in the field and help the training centre. The project will also help develop viable marketing structures.

Equatorial Guinea

Petroleum products import programme
Sixth EDF
Grant: ECU 1 500 000

This involves financing petroleum imports to the tune of ECU 1.5 m. It will buy the country 8 000 million tonnes-worth of these products, which is enough for six months. It is part of a coordinated series of measures with which Equatorial Guinea's partners are backing up the structural adjustment programme.

Trinidad and Tobago

Sectoral import programme
Sixth EDF
Loan: ECU 6 000 000
Grant: ECU 6 000 000

The present low liquidity is largely due to the drop in oil prices and output and to the time it is taking the public sector to adapt to the system of invitations to tender. If oil prices stay at the present low level, the economy will not improve again unless manufacturing industry expands. So the point of this programme is to provide a strong currency facility to import what is needed to cope with the immediate operational requirements (raw materials and intermediate products) that cannot currently be obtained because of the shortage of foreign exchange. Imports of capital goods which could lead to the extension or creation of new firms are not being envisaged here.

Kenya

Special debt programme
Sixth EDF
Grant: ECU 7 000 000

This special debt programme is a response to the economy's urgent need for permanent support for its continuing adjustment drive, in the agricultural sector especially, and the imported supplies will go to that sector.

All ACPs

Programme of support for inclusion of the social dimension in adjustment operations
Sixth EDF
Grant: ECU 1 500 000

The prime aim here is to develop a specific approach to adjustment issues (particularly the social side) in ACP-EEC cooperation, in accordance with the spirit of the Convention and in the light of the aims and priorities of ACP policies.

This programme, which supplements schemes which various countries are financing from other Community sources available to them, is expected to:
— heighten the effectiveness of these national schemes;
— provide a general framework whereby experience can be pooled and guidelines on the social dimension of structural adjustment isolated for ACP-EEC cooperation to follow.

The approach which emerges from the programme will take practical shape in a series of guidance notes/handbooks which will be published and distributed to enable ACP-EEC leaders to make an efficient job of tackling the social issues of adjustment.

All ACPs

Technical cooperation with training
Sixth EDF
Grant: ECU 5 000 000

The global authorisation is for training schemes in the form of integrated programmes which are still the subject of ACP requests. Most of these requests are justified by the importance of education, particularly in fields which are not directly attached to the focal sectors but which are priorities nonetheless — management, information science, statistical training and vocational technical training.

All ACPs

Technical cooperation in trade, services and tourism
Sixth EDF
Grant: ECU 40 000 000

This is a global commitment authorisation of ECU 40 000 000 to finance technical cooperation and trade and services (including tourism) development schemes by expedited procedure in the ACPs and the OCTs. ○

REFUGEES

The Commission has recently decided to send two lots of emergency aid to refugees in Africa.

Mozambican refugees in Zimbabwe: ECU 500 000

This relief programme for about 75 000 Mozambican refugees in four camps in Zimbabwe will be run by Help the Aged, the British NGO.

Ugandan returnees from Sudan: ECU 330 000

Médecins sans Frontières (France) will be channelling this relief, which is intended to rehabilitate the health system in the Moyo district of Uganda where there are large numbers of returnees from southern Sudan. ○

EMERGENCY AID

The Caribbean

The Commission decided, in mid-September, to supplement the ECU 1 300 000-worth of emergency aid sent to Guadeloupe following Hurricane Hugo with further emergency aid of ECU 1 m for other ACP and OCT victims, particularly Antigua, St Christopher and Nevis, Dominica, Anguilla, Montserrat, the British Virgin Islands and part of the Netherlands Antilles. The operation is being run through the British Red Cross.

The first practical step was taken on 19 September, when a plane containing some 36 tonnes of relief (15 000 blankets, 460 rolls of plastic sheeting, 10 water tanks and 2 million water purification tablets) was sent out.

The plane flew from Stansted (UK) to Antigua, where part of the relief was to be used, and the rest went to Montserrat by plane and boat.

Lebanon

At the end of August the Commission decided to grant immediate emergency aid of ECU 8.6 m to Lebanon — ECU 5.3 m as food aid and ECU 3.3 m to cover a variety of needs such as medicines, tents, water pumps and generators. The World Food Programme (WFP), Médecins sans Frontières (Belgium), the International Red Cross, the Dutch Red Cross, Secours Populaire (France) and the United Nations Disaster Relief Office (UNDRO) ran the operations.

Somalia

The Commission has decided, under Article 203 of the Third Lomé Convention, to grant emergency aid of ECU 350 000 to the Somalian civil population living in the conflict zone in the north of the country.

This aid, that will be implemented by the International Committee of the Red Cross (ICRC), is to finance a medical-nutritional programme, including the procurement of medical and other relief goods, transport and personnel.

Sudan

Despite the relative success of the relief action on behalf of victims of conflict in southern Sudan in taking over 100 000 tonnes of food into the south of the country this year (in order to avoid a repetition of last year's reported wide-scale famine), there are still important needs for funds to allow the operation to continue up to the end of 1989. Out of total requirements amounting to $ 169 m for the period from April to December 1989, $ 32 m remain to be covered, justifying a new Commission decision.

The additional grant will finance airbridges from Khartoum and Kenya to several places in the south and, to a lesser extent, medico-nutritional programmes. It will be implemented by the International Committee of the Red Cross, Danchurchaid/Lutheran World Federation and other NGOs. ○

CORRIGENDUM

In the Country Report on Togo published in No. 117 we inadvertently referred to Mr Yaovi Adodo in the photo on page 31 as Secretary-General at the Ministry of Economic and Financial Affairs, the post held by Mr Sègoun Tidjani Dourodjaye (photo, p. 27). Mr Adodo is Togo's Minister of Foreign Affairs and Cooperation.

EIB

Togo: ECU 9 m for modernising the telephone system

The funds are being made available to the Togolese Republic in the form of a conditional loan (term: 20 years; interest rate: 2% p.a.) advanced from risk capital resources provided for under the Third Lomé Convention and managed by the Bank. The State will onlend the proceeds of this loan to the "Office des Postes et Télécommunications du Togo" (OPTT) for a modernisation project.

The project will serve to uprate the capacity of the telephone network in the capital, Lomé, as well as in Kara, the main town in the north of the country. New digital telephone exchanges are to be installed in both these towns which will also be interconnected by a new digital radio system. It is planned to phase the works over the period October 1989-December 1991.

Tanzania: ECU 8 m for cotton-ginning project

The Bank is to finance the extension and rehabilitation of cotton-ginning facilities in Tanzania with ECU 8 m, advanced from risk capital provided for under the Third Lomé Convention and managed by the EIB; the funds are made available in form of conditional loans to the Government which will onlend.

— ECU 4 m (25 years, 1%) to the Nyanza Cooperative Union (NCU), to purchase shares in a ginning company being set up to run the project, and

— ECU 4 m (20 years, 2%) to the ginning company via the Tanzania Investment Bank.

The facilities will have a combined processing capacity of 12 300 tons of cotton lint per annum and are part of a broader ginnery reequipment programme estimated at ECU 37.8 m.

Fiji: ECU 19 m for telecommunications, transport, small and medium-sized industry and tourism projects

The Bank is lending ECU 19 m for transport, telecommunications, industry and tourism projects in Fiji. The funds are made available under the Third Lomé Convention and attract an interest subsidy (deducted from rates quoted below) from European Development Fund resources.

1) Port of Lautoka

A loan of ECU 6 m for 15 years at 5.05% is being made for the extension of the Port of Lautoka, the country's second largest port, which handles most of Fiji's sugar and timber exports and serves international cruise ships and local tourist vessels. Works include the construction of berthage for local tourist traffic and container handling, a fisheries port, equipment for roll-on/roll-off traffic, as well as renovation of existing port facilities. Total project costs are estimated at ECU 17.4 m; approximately one-third will be financed from internally generated funds while the rest will be financed in equal parts by the EIB and the Government of Japan.

The project is scheduled for completion by end of 1992 and will increase berthing capacity by 22%, transfer the fishing fleet from the commercial wharf to a fully-equipped fisheries harbour and relocate storage capacity within the port area in order to reduce traffic congestion and improve operational efficiency.

2) Telecommunications

The Post and Telecommunications Department of Fiji (P & T) will receive ECU 7 m for 15 years at 5.1%, for the improvement and extension of the domestic telephone network, in particular through conversion of 17 000 lines to digital switching, conversion of inter-exchange radio links to digital systems, improvement of inter-island links, and installation of multi-access digital radio systems in rural areas to serve widely-scattered communities.

3) Global loan for financing small and medium-sized projects

Fiji Development Bank received a global loan of ECU 6 m for 12 years at 5.05%, for on-lending to small and medium-sized businesses in agro-industry, manufacturing, fisheries and tourism.

Swaziland: ECU 3 m for projects in the industrial sector

The EIB is lending ECU 2 m for the rehabilitation of a slaughterhouse and ECU 1 m for the construction of industrial buildings in Swaziland.

The slaughterhouse project comprises the refurbishment of a slaughterhall, relocation and repair of chillers, the acquisition of new conveyors, the rehabilitation of air-conditioning and the installation of an effluent pre-treatment system to protect the environment; the funds are being made available under two headings:

— a conditional loan to the Swaziland Industrial Development Company (SIDC) of ECU 1 m from risk capital provided for under the Third Lomé Convention and managed by the Bank. SIDC will onlend 75% of the proceeds of the loan to Swaziland Meat Industries (SMI), a largely privately-owned company and use the balance of ECU 250 000 for taking equity in SMI. The EIB provides the funds for 20 years, at concessionary terms for the loan portion and an even lower rate for the equity participation component;

— a loan to SMI of ECU 1 m from the Bank's own resources (mainly the proceeds of the Bank's borrowing on the capital markets), for 15 years at concessionary terms which include the deduction of an interest rate subsidy from EDF resources, in accordance with the provisions of the Lomé Convention.

The second project concerns the construction of industrial buildings totalling 6 000 m^2, for leasing to manufacturing firms; it is part of an industrial building construction programme by SIDC, costed at ECU 2.85 m.

The funds from the Bank's own resources are granted to SIDC for 15 years at concessionary terms which also include a deduction of an interest subsidy from EDF resources.

Nigeria: ECU 43 m for palm oil production

The EIB is lending ECU 43 m for the production of palm oil in Nigeria. The funds for 18 years at 5.2%, after deduction of an interest rate subsidy from the European Development Fund are made available under the Third Lomé Convention to the Federal Republic of Nigeria for the expansion of palm oil production. The Government will on-lend the proceeds of the loan to the Nigerian Agricultural and Cooperative Bank (NACB) to part-finance milling and refining projects undertaken by three palm oil producers in south-eastern Nigeria:

— Adapalm Ltd. which is increasing milling capacity by adding a 60 tonnes/day oil refinery with a bottling plant and soap producing unit;

— Okomu Ltd. which will build a 20 tonnes/h palm oil mill;

— Risonpalm which is building a 20 tonnes/h palm oil mill to process its own production and that of other cropgrowers.

Total costs of the programme are estimated at ECU 113 m; the European Development Fund will participate in its financing alongside the EIB.

Seychelles: ECU 3 m for small and medium-sized projects

The Bank is providing ECU 3 m in the form of two global loans to the Development Bank of the Seychelles for financing small and medium-sized industrial, agro-industrial, fisheries, tourism and transport projects:

— a conditional loan of ECU 1.5 m from risk capital drawn from EDF resources and managed by the Bank, to finance long term loans, participations in share-capital and feasibility studies, and

— a loan of ECU 1.5 m from the Bank's own resources, for 12 years at 5%, after deduction of an interest rate subsidy from European Development Fund resources, for on-lending in the form of long-term loans.

Antigua and Barbuda: ECU 1.5 m for radar system

The EIB is lending ECU 1.5 m for a radar system at Antigua's international airport in the Eastern Caribbean State of Antigua and Barbuda. The finance is in the form of a conditional loan, 20 years at 2%, drawn from risk capital resources provided for under the Third Lomé Convention and managed by the EIB.

The project, which includes installation of secondary surveillance radar equipment, technical assistance and the training of controllers and maintenance staff, will bring better flight safety, savings in airport operating costs and develop tourism potential in the country. ○

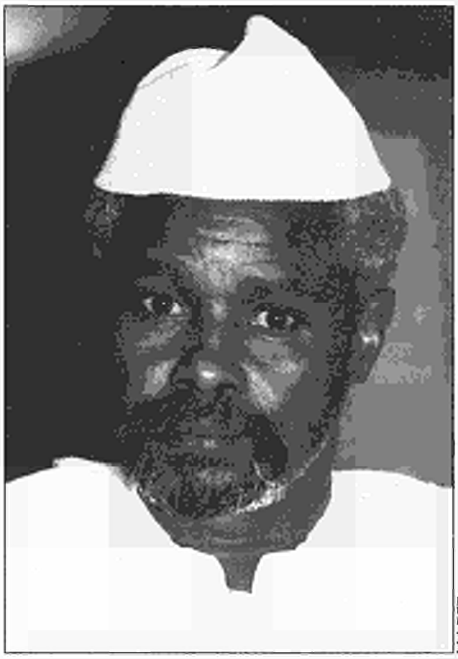
VISITS

CHAD

President Habré in Brussels

Hissène Habré, the President of Chad, visited Brussels from 16-19 October for talks with both the Belgian authorities and with senior officials of the Commission of the European Communities. He told a press conference at ACP House that he was pleased with the way the discussions—on the trends and prospects of cooperation relations, about which he himself was optimistic—had gone. He was particularly keen, he said, to see the development of private initiative in cooperation and hoped to see "more and more businessmen" in Chad.

He described the situation in his country as "having moved towards peace, stability and the revival of socio-economic development activ-



President Habré

ity... after two decades of a terrible war which has had disastrous consequences". Domestic détente, he maintained, was the result of a policy of national reconciliation and had made for progress along the path to unity, as "now that the Chadians have been reconciled at last, they can put all their energy into developing their country". And things were calm on the frontiers, too. Great strides had been made towards better relations with "our neighbour to the north" and an outline agreement (concluded in Algiers at the end of August) providing for diplomatic relations to be restored and a "continuous dialogue" to be established had set in motion a drive to settle the serious issues which had separated the two nations hitherto.

This agreement was clear and set down the various stages of implementation. But "things are not as easy as that", President Habré said, and, although it is to be hoped that the parties involved will "have the political will to put an end to the conflict once and for all,... it will take a lot of time to overcome all the remaining obstacles". Chad's top priority now, the President continued, was self-sufficiency in food, followed by basic infrastructure—particularly that required to cope with the fact that the country was landlocked—and education and health.

Moving on to more general topics, President Habré, who was accompanied by the Planning and Cooperation Minister, Ibn Oumar Mahamet Saleh and the Foreign Minister, Acheikh Ibn Oumar, said that one of the reasons for the Brussels trip was to discuss the specific problems of the Sahel (drought and desertification, that is) in his capacity as President-in-office of CILSS and to look at the possibility of continuing the action being taken in this regard with greater resources from Lomé IV.

Raw materials were of particular concern to Hissène Habré, who thought that it would be wise to tackle the problem from the macro-economic angle of prices and the terms of trade. "Raw materials are the work of peasants and miners. It is their blood and their sweat which is being stolen. If they get the just rewards which are an essential human right... We shall be able to provide food and care and education and improve our political and administrative institutions".

Finally, he thought, although ACP-EEC cooperation was not a perfect model, it was "an example of what other countries should do". ○

Michel Camdessus, Executive Director of the IMF, at the Commission

Michel Camdessus, Executive Director of the IMF, visited Brussels on 9 October, and met several members of the Commission, as well as President Delors. Talks ranged from the Latin American debt problem, to support for Poland and Hungary and to environmental protection in the Mediterranean. As regards ACP matters, Mr Camdessus discussed with Vice-President Marin the Commission's plans for supporting, through the next Lomé Convention, structural adjustment efforts being made by ACP countries, with particular attention being paid to cope from the outset with the social dimension of adjustment.

Following up talks with Mr Marin, Mr Camdessus and Mr Frisch, Director-General for Development, discussed ways and means of improving future cooperation. The Commission has recently improved coordination substantially with the World Bank, but contacts up to now with the IMF have been sporadic. Now, however, two things have occurred to make increased coordination with the IMF more important. Firstly, the Commission, during Lomé III—focusing on sector support—and even more significantly under Lomé IV—envisaging global adjustment support—is becoming a major actor in discussing sectoral and macro-economic policies. This needs coordination with other major actors, notably those taking the conditionality approach. "This is an essential step" said Mr Frisch, "if we are to avoid conflicting policy advice, something which has happened in the past, in irrigated agriculture in the Sahel, for example where the Commission was pleading for a certain protection of these markets whereas the World Bank asked for full liberalisation of rice imports. After discussion, our position prevailed. In future these discussions should take place 'up-stream'—always together with the country, of course—to avoid conflicts 'down-stream'."

The second motive for increasing contact between the two organisations is that the IMF, since the launching of the Enhanced Structural Adjustment Facility (ESAF), has become an actor in the development area. Its experience hitherto has focussed on rather short-term stabilisation policy and it recognises that it must now draw on expertise available among development-oriented donors, among which the EEC must be counted. "Drawing on our expertise" said Mr Frisch "is evidence that the IMF is now considering the social dimension, major development objectives such as food security, moving away, hopefully, from too stereotyped an approach.".

The IMF, through Mr Camdessus, has invited the Commission to join its "donor support groups" for countries experiencing difficulties with repaying IMF credits. The Commission has accepted this challenge provided, as Mr Frisch explained, "that substantive policy issues, such as in World Bank consultative groups, are tackled and these groups do not confine themselves simply to collecting funds to pay back the IMF". ○ T.G.

Angola

The Minister of Planning in Brussels

The Angolan Minister of Planning, Mr Henriques da Silva, visited Brussels on 3 October where he held talks with the Director-General for Development, Dieter Frisch. After giving a brief overview of the political situation in his country, Mr da Silva discussed the Lomé IV negotiations with Mr Frisch.

The Minister expressed his satisfaction with cooperation between the Community and his country in general, and in particular with the various measures agreed with officials in Brussels to speed up the implementation of the National Indicative Programme. ○

EUROPEAN COMMUNITY

The Commission proposes a charter of fundamental social rights

The Commission has adopted its draft Community Charter of Fundamental Social Rights, the aim of which is to set out solemnly the major principles on which the European pattern of labour law and, more generally, the European concept of society and the place of labour in that society are based. It is at one and the same time an act of European identity and a message to all those within and outside the Community who look for reasons for hope in Europe's progress.

The Charter will be presented to the European Council when it meets in Strasbourg, so that the Heads of State and Government may solemnly adopt it.

A solemn declaration, the Charter requires no amendments to the Treaty; its aim is not to widen Community competence in the social field.

For this reason the Commission is accompanying the Charter with a work programme—and requesting a mandate from the European Council—on the most urgent aspects of implementation of the Charter which may be covered by those articles of the Treaty setting out the Community's competence in the social field. This programme will be presented no later than 31 December 1989.

The contents of the Charter

The Charter is intended to proclaim the major principles underlying the following rights:

Improvement of living and working conditions

The development of a single European labour market must result in an improvement of the living and working conditions of workers in the European Community. This will be brought about by an upward approximation of those conditions and will concern the organisation and flexibility of working hours, in particular by establishing a maximum working week and aiming at forms of employment other than employment of indefinite duration, for example fixed-duration employment, part-time work, temporary work via an employment agency, weekend work, night work, shift work, etc.

This improvement will also have to involve, where necessary, the development of some aspects of employment regulations, such as procedures relating to collective redundancies or those relating to bankruptcies.

Right to freedom of movement

Already provided for in the Treaty (Articles 48-50, 52-58), this right makes possible the exercise of any trade or occupation within the Community on the same terms as those applied to nationals of the host country subject to the provisions of Community law, which implies enjoyment of the same treatment as nationals of the host country in all fields, as well as further harmonisation of conditions of residence throughout the Community. It is clear in this respect that working conditions and social protection are guaranteed for all Community workers called on to exercise a non-temporary employment in a Member State other than their country of origin, especially in connection with public contracts, on the same terms as those guaranteed for workers of the host country.

Employment and remuneration

All employment must be fairly remunerated. To this end, either by law or by collective agreement at national, regional, or local level, or in line with national practices, a fair wage, particularly as regards the basic wage, must be established, and rules must be laid down under which workers subject to terms of employment other than a full-time contract of indefinite duration are assured of a fair reference wage.

By the same token, the Commission feels that wages may not be withheld, attached or assigned in conformity with national provisions. These provisions should foresee measures ensuring workers of the means necessary for their own subsistence and that of their families.

Right to social protection

Subject to the arrangements proper to each Member State, any citizen of the European Community is entitled to adequate social protection. This applies to all workers, whatever their status and whatever the size of the undertaking by which they are employed. In this context, the Commission deems it necessary to establish a minimum wage and appropriate social assistance for those excluded from the labour market and for those, particularly elderly persons, who have no adequate means of subsistence.

Right to freedom of association and collective bargaining

The Commission's draft reaffirms the right of every employer and every worker in the European Community to belong freely to the professional and trade union organisation of his choice and to any legally constituted association.

The ways of exercising this right are many and various: they range from the right to belong to a union to the right to strike, it being understood that it must also be acknowledged that this right may be renounced without any personal or professional harm being suffered thereby. In this connection, the social dialogue must be encouraged at all levels. It is also clear that this vital right must take account of the exceptions provided for by existing legislation.

Right to vocational training

The Commission affirms the principle that every worker in the European Community has the right to continue his vocational training throughout his working life and that machinery for continuing and permanent training must be set up to that end, enabling every citizen to undergo training, in particular through the granting of leave for training purposes.

Right of men and women to equal treatment

Equal opportunities and equal treatment for women and men must be guaranteed and developed.

Right to information, consultation and worker participation

Information, consultation and worker participation must be developed along appropriate lines and in such a way as to take account of the legal provisions, contractual agreements and practices in force in the Member States of the Community. This will apply especially to companies or groups of companies having establishments or undertakings located in several Member States. The Commission points out that provisions to this end must be set up in good time.

Right to health protection and safety at the workplace

Every worker must enjoy satisfactory health protection and safety conditions, especially at his workplace and appropriate measures must be taken to continue upward harmonisation of conditions in this area.

Protection of children and adolescents

Without prejudice to such rules as may be more favourable for young people, in particular those enhancing their employment prospects through vocational training, the minimum working age must be set at 16 years. Furthermore, all young people over the age of 16 who are in gainful employment shall receive fair remuneration and labour law rules must be arranged in favour of young workers.

Elderly persons

The Commission believes that every citizen of the European Community in receipt of a pension or bridging pension must have sufficient resources to enable him to maintain a decent standard of living. This implies that those elderly persons who are not entitled to a pension and who have no other adequate resources should receive a minimum income and social and medical assistance adapted to their needs.

Disabled persons

The Commission affirms that to achieve the fullest possible integration of disabled persons into working life, specific measures must be taken, especially in the field of training, integration and occupational rehabilitation.

Implementation of the Charter

The initiatives to be taken to implement these social rights are the responsibility, depending on the case in question, of the Member States and the bodies which constitute them or are the responsibility of the European Community in line with the principle of *subsidiarity* and require the active involvement of the two sides of industry. Anxious to obtain the widest possible political support, the Commission is proposing that the European Council make a solemn proclamation of these fundamental social rights and empower it to prepare before 31 December 1989—while continuing its endeavours in the social field within the framework of the Treaty amended by the Single Act—an action programme and an initial set of Community instruments relating to it. It must be clearly affirmed that this solemn proclamation may not justify through its implementation any retrograde steps in relation to the situation currently existing in any Member State in the social field. The draft Charter will be discussed at the Council meeting on social affairs scheduled for 30 October 1989.

THE NEW ECU

The ECU weightings decided on by EEC Finance Ministers in June and the exchange rates recorded on the European markets on 20 September are the basis for the Commission's latest basket calculations:

BEC	3.301
LUF	0.130
DKR	0.1976
DM	0.6242
DRA	1.440
FF	1.332
IRL	0.008552
LIT	151.8
HFK	0.2198
UKL	0.08784
PTA	0.885
ESC	1.393

D.G. VIII

New Deputy Director-General

Peter Pooley has recently taken up his new post as Deputy Director-General for Development, in succession to Anthony Fairclough. Mr Pooley, who is 53, comes to the Development D.G. from the Directorate-General for Agriculture, where he had been Deputy D.-G. for the past six years.

Mr Peter Pooley

A Cambridge history graduate, the greater part of Mr Pooley's career has been spent in the U.K. Ministry of Agriculture, Fisheries and Food. Entering at graduate cadet grade in 1959, he rose to the level of Under Secretary (Director) by 1979. From 1979-82 he was seconded, with the rank of Minister, to the U.K. Permanent Representation to the European Community, where he acted as spokesman for the U.K. on the Special Agriculture Committee.

Mr Pooley took up his appointment on 1 September.

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INDUSTRIAL OPPORTUNITIES

PUBLISHED EVERY TWO MONTHS

N°70 : NOVEMBER-DECEMBER 1989

REGIONAL INDUSTRIAL COOPERATION MEETING FOR CENTRAL AFRICA

AGRO-INDUSTRIES AND HOW TO MAKE THEM GROW

"The Central African region is very rich in natural resources. Its industrial potential is enormous"

- said CDI Director Dr. I. A. Akinrele in his introductory speech to the Meeting.

The economies of the countries are based mainly on agriculture and a majority of raw materials are exported without processing of any kind. Most of the resources needed for production come from abroad and, paradoxically, foodstuffs are also a major import. Manufacturing, mainly in agro-industries, takes place in or near cities and has little impact on rural development.

"The development of agro-industries is indispensable if the region is to become self-sufficient in food production."

Furthermore, continued Dr. Akinrele, it would reduce crop loss and reinforce food security as well as reducing imports, contributing added value and increasing export revenues, employment and earnings.

H.E. Citizen Katanga, State Finance Commissioner of Zaire, in his opening speech to the Meeting, underlined that his country had made food self-sufficiency a priority. The chances of success in development are increased by being part of continental, regional and sub-regional organizations in Africa. At a moment when the Lomé III Convention was reaching its end, he called on the imagination, energy, creativity and enterprise of the businessmen of Central Africa to respond to the challenge by producing and exchanging African manufactures.

The Role of Agro-Industry in Industrial Development was the theme of a Regional Industrial Cooperation Meeting held in Kinshasa, Zaire, from 10th to 14th July 1989. The meeting, the last of six such regional meetings organized by CDI during the period of the Lomé III Convention, gave politicians, ACP and EEC industrial policy makers, industrialists, experts and specialists the opportunity to discuss problems and practical measures to solve them. 100 delegates attended the meeting from all ten ACP countries of the Central African Region.

BASES FOR DISCUSSION

Four papers were presented and used as bases for discussion during the course of the meeting. The first, delivered by M. Philippe Mange, Director of SIASS (a leading French agro-industrial company), reviewed the situation of agro-industrial development programmes in each of the ten Central African countries. General technical problems were of over- and under-production while economic and financial problems were divided between enterprises which were fundamentally unprofitable and others which, while efficient, operated in a difficult economic situation. In either case, agro-industries ought not to be a charge on Central African States, but a tool for generating added value and integrated development.

After listing problems facing individual categories of agro-industries - fruit and vegetables, oil, cereals, meat, milk and fish - M. Mange's paper concluded that they face the common difficulties of the whole Central African Region and of other parts of the world. These are the problems of political stability and of economic recovery after structural adjustments, and the revitalization of the private sector.

From left to right: Citizen Katanga, State Finance Commissioner of Zaire, Mr.M.Pedini, Member of CDI's Joint Governing Board, Dr.I.A.Akinrele, CDI Director.

Agro-industries need an environment favourable to investor confidence; a sound fiscal policy, a good investment and labour code, availability of foreign exchange and legal and bank guarantees.

Furthermore, agro-industries should draw on technical and economic expertise, which are investments as important as capital. In return they contribute directly to the development of the economy - employment, balance of payments etc., - stimulate related activities - transportation, packaging, equipment manufacture and maintenance - and stimulate agricultural production, involving rural dwellers in the process of economic development.

INCREASING INVESTMENT

The second paper, delivered by Citizen Kiyanga ki N'Lombi, Chairman and Managing Director of the Société Financière de Développement, Zaire, reviewed the economic entities within the region, the financial institutions and financing instruments.

The paper concluded that

"it is not a lack of financial resources that puts a brake on agro-industrial investment in Central Africa. Rather, the problems are environmental."

Lack of adequate resources in some countries is due to depreciating currencies and exchange risks. A solution to the exchange risk problem is urgent and the mobilization of adequate resources indispensable. Tax incentives could contribute to making private agro-industrial promotors play a full role in the economic development of their countries.

Better prepared and evaluated projects would increase the volume of credit accorded by financial institutions. The absence of investment guarantees and export credits is a brake on enterprises in general. Guarantee shemes should be restructured to allow them to finance the private sector and hence agro-industries. Venture capital on reasonable terms is also necessary to compensate for entrepreneurs' lack of private funds.

Partnership provides a good means of transferring technology and industrial know-how as well as, perhaps, a commercial outlet in the EEC. Access to regional and EEC markets is also a solution to agro-industrial development.

Finally, the physical and services infrastructures need to be improved if the private sector is to expand its investment in agro-industries.

REDUCING WASTE

M. Michel Christiaens, export specialist with the Féderation Belge de L'Equipement Agricole et Horticole (UGEXPO), delivered a paper on the outlook for technology and cooperation between EEC and Central African firms in the agro-industrial field.

In developing countries nearly 40% of agricultural production never reaches the consumer due to inadequate means of distribution.

The absence of the right treatments for perishable goods adds to the wastage and reduces the income of the producers.

A slight improvement in storage capacity could by itself improve conservation of agricultural products. But in the longer term a regional network of storage facilities with a modest private transportation infrastructure would provide the pre-conditions for agro-industrial development. Better education in agricultural techniques is another pre-condition.

ADAPTED TECHNOLOGIES

M. Christiaens went on to describe a selection of technologies which are already operating successfully in Africa.

An ice-making plant, marketing ice, to keep highly perishable products fresh, could constitute a considerable improvement at local level. A manual plant with a capacity of five tonnes of ice a day costs about Ecu 160,000. A soya processing plant which produces 350 kilos of flour in 8 hours, providing a valuable source of protein to the local population, costs about Ecu 30,000. Mini-dairies produce pasteurized milk and yoghurt from milk provided by co-operatives of small farmers in several regions of Africa. The products are sold almost exclusively to the local population. The cost of a mini-dairy processing to the order of 1000 litres a day costs about Ecu 100,000.

An artisanal meat-processing, smoking and drying plant, costs about Ecu 150,000. Its success depends, however, on the professional skills of the foreman. Small plants for extracting palm oil and pulp with a throughput capacity of 10 tonnes of raw material per 8 hours can produce palm oil of excellent quality very economically. The cost of the plant is about Ecu 140,000.

M. Christiaens concluded that the framework for more efficient and, above all, faster cooperation should be sought, and that an inventory of the numerous adapted technologies should be made available.

Citizen Kiyanga ki N'Lombi, Chairman and Managing Director of SOFIDE (Société Financière de Développement), CDI's antenna in Zaire.

CDI'S INTERVENTIONS

In a final paper M. Paul Chotard, in charge of assistance to the agro-industrial sector at CDI, described the role of CDI under Lomé III and listed its main interventions in the agro-industrial sector in Central Africa. These numbered 35, all medium-sized projects undertaken by local entrepreneurs and involving an investment of between Ecu 150,000 and 3,000,000.

CDI's interventions consisted of market and feasibility studies (37%), start-up assistance (23%), diagnostic studies and rehabilitation evaluations (20%), training assistance (14%). Pilot units accounted for 6%. More than 63% of these interventions involve projects that are now in production.

CONSTRAINTS AND RECOMMENDATIONS

After the papers had been delivered, four sub-groups were formed to discuss them and to identify the constraints to be removed for agro-industries to play their full role as a factor of development. They also formulated recommendations addressed to the member states of the Lomé Convention, ACP and EEC economic operators and CDI, with a view to remedying the constraints. Both can be resumed as follows:

CONSTRAINTS

- Local raw materials are not sufficiently used in most existing agro-industries.
- The markets for obtaining and supplying finished products remain too narrow.
- The weakness of communication infrastructures hinders the establishment of agro-industries.
- Locally made products are often uncompetitive with imported ones.
- Rural populations are not sufficiently involved in the creation of agro-industries.
- European enterprises are reducing

their investments in Central Africa.

• State indebtedness, combined with the fall in price of many raw materials, prevents the necessary resources being made available for the development of agro-industries.

• The absence of efficient investment guarantee mechanisms and the frequent obligation to accept exchange rate risks, discourages local promotors from investing in agro-industries.

• The technology available in the sector is often not adapted to the needs.

• South/South technology transfer is insufficient.

• The share of agro-industrial projects in the total number of industrial projects remains weak.

• Agro-industrial by-products are undervalued.

RECOMMENDATIONS

• Priority should be given to projects that add value to local raw materials to reach the objective of processing at least 50% of agricultural, forestry and fishing production in the ACP States by the year 2000.

• The effort to integrate national markets into regional markets should be maintained.

• Communication and storage infrastructures should be developed to favour and serve agro-industries.

• An investment guarantee mechanism should be worked out and put in place in the framework of the Lomé Convention.

• When it is economically justified, rehabilitation of existing agro-industries should remain a priority.

• Intensified ACP/EEC collaboration should enable the development of technologies better adapted to ACP countries (capacity, simplicity of operation and maintenance, flexibility, mobility).

• The setting up of joint ACP/EEC agro-industrial partnerships should be encouraged. Partnership should be understood in a broad sense: in addition to joint ventures, partnership can extend to agreements which favour the marketing of ACP products in export markets.

• The various institutions and instruments of the Lomé Convention involved in agro-industrial development should reinforce their cooperation, as is demanded by the integrated nature of agriculture and industry in the sector.

• The role of CDI in organizing and supporting partnership operations should be reinforced.

• CDI should systematically circulate to the ACP states the adapted technologies of which it is aware. A particular effort should be made to encourage South/South technology transfer.

POINTS FROM SPEECHES

H.E. M. Marcel Odongui-Bonnard, President of the Central African Group of Ambassadors to the EEC, remarked that agro-industries could provide 80% added value to agricultural production.

ACP strategy regarding the processing of raw materials consisted of placing value on human resources, attracting investment from European enterprises, developing the necessary infrastructure for processing, and planning for substantial additional financial resources in order to achieve the objective of processing 50% of agricultural, forestry and fishing production in the year 2000.

Representing the Council of the European Communities, Mr. Charles Murdock emphasized the role, in development, of the private sector and of small and medium-sized enterprises (SMEs) in particular. The right legal environment was required for them to flourish. Risk capital made available by the Community was insufficiently used and, under the new Convention, a larger proportion of it would be used to assist the private sector, especially SMEs.

Mr. Murdock praised the work of CDI and stated the Council's conviction that the current negotiations would reinforce its effectiveness.

Processing industries, especially agricultural, must be supported and added value in the country of origin increased. But to do this a great effort in sales, marketing and quality control would be necessary. European industrialists might have a contribution to make in these respects and CDI could promote the necessary cooperation.

M. Martin Minguella, representing the Directorate General for Development of the EEC Commission, looked ahead to elements that the Commission would like to see reflected in the next Lomé Convention.

A legislative and institutional environment favourable to the development of private enterprises is very important, he said.

M. Minguella also drew attention to the key factors of competitive industrial management and technology and the importance of regional integration in creating markets of economically viable size.

Finally, regarding the financing of SMEs, M. Minguella said that the Commission was ready to analyse ACP projects oriented towards reforming financial institutions and setting up financial instruments specially designed for SMEs and micro-enterprises.

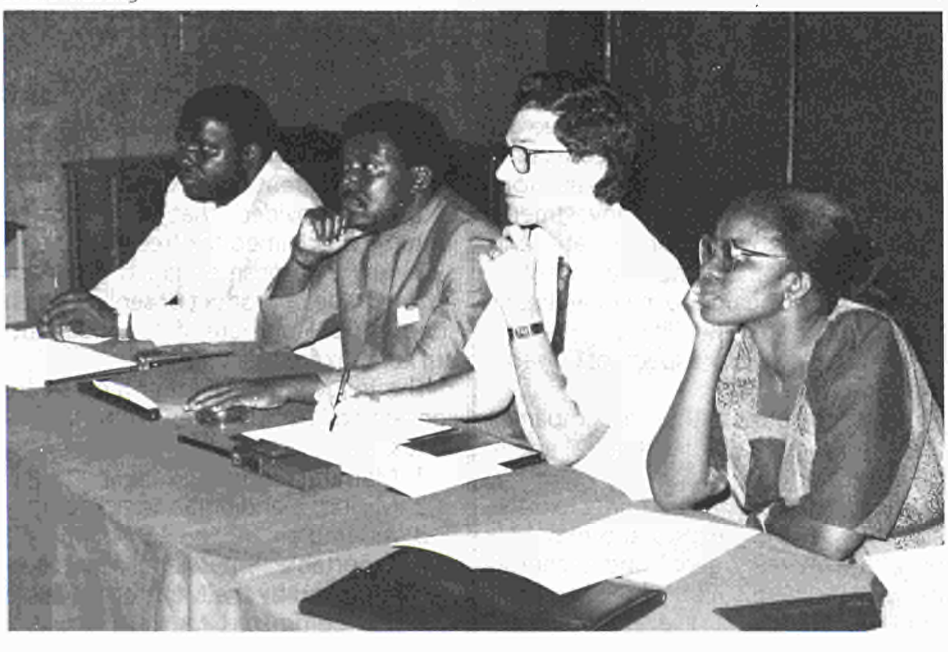
To the list of benefits of agro-industry, M. Fabien Nijimbere, Director of Projects and Studies at the Development Bank of the Great Lakes States, added that it put a brake on the exodus from rural areas and gave value to local resources.

Mr. Erik Hovgaard Jakobsen, Vice-President of the Economic and Social Committee of the EEC remarked succinctly that

> *"the important task is to create valid, practical links between three fundamental elements; primary production (cultivation, land, farms), processing (factories) and marketing."*

The co-operative system as well as other models could be used to achieve these links. In spite of current problems, he expressed optimism about the future for agro-industries.◆

Participants in a working group during the course of the meeting.



FIJI - GATEWAY TO THE MARKETS OF THE PACIFIC BASIN

by Surendra P. Sharma, Director, Fiji Trade and Investment Board

As the Pacific Basin increasingly becomes the focus of international trade and investment, the island nation of Fiji offers new opportunities for business, access to world markets, tax free zones and extremely attractive incentives.

The strategic location of the Republic of Fiji has made it a hub of air and sea traffic between North America, Australia, New Zealand and South East Asia.

Economic growth has focussed on the sugar industry, tourism, mining, forestry and fisheries. There has been a major expansion in investment in the manufacturing sector. Now the emphasis is on the development of exports, capitalizing on Fiji's location and beneficial trade agreements.

Despite the pressure and pace of modern nation-building (Fiji successfully weathered two military coups in 1987) the country has remained true to its Pacific heritage, retaining the unique and peaceful qualities of its lifestyle.

WHY INVEST IN FIJI?

Foreign reserves, a key indicator for an economy heavily dependent on foreign trade, have been at a level equivalent to five months of net imports. Real GDP is expected to grow by at least 7.3% in 1989.

Fiji has an extensive pool of disciplined, hard-working and adaptable labour. The over 241,000 labour force is well spread throughout the country. 77% have completed primary education and most of these have some secondary education. 4% have completed tertiary education. The Fiji National Training Council (FNTC) provides a wide range of training, especially designed to upgrade skills in occupations essential to the Fiji economy.

The official language is English, in which all business and commerce is conducted. It is widely spoken.

Wages are comparatively low, averaging approximately US $ 0.77 per hour for unskilled labour and between $ 1.03 and $1.38 for skilled workers.

The country is equipped with the latest in telecommunications technology for both internal and international communication. There are almost 4800 km of roads of which 1200 km are all-weather links. A domestic air network serves the major islands.

Fiji is regularly served by air from Australia, New Zealand, The United States, Canada, Europe and Japan.

Suva and Lautoka are international ports of entry and have wharf facilities with capacity to handle large cargo vessels. Levuka, site of the tuna industry, is also a port of entry.

All towns are supplied with electricity.

Full banking and financial services are available. Financial and accounting services are available from a number of international accounting and auditing firms.

Financing of projects is also available locally from the Fiji Development Bank and the Fiji National Provident Fund. The Fiji Development Bank, in particular, has schemes tailored for foreign investors, especially if joint ventures are involved.

For the overseas investor, one of the most attractive of Fiji's assets is its access to important markets in the developed world under major preferential trade agreements. These are the South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA), the Lomé III Convention and the Generalized System of Preference.

GOVERNMENT ENCOURAGEMENT

The Government will continue to maintain an open and, as much as possible, unregulated economic environment to foster increased investment. Fiscal, monetary, exchange rate and other policies, including the incentive system, will be geared to maintain financial and economic stability.

Some of the major aspects of Government policy are:

• Joint ventures with local companies are encouraged to stimulate local entrepreneurship.

• Investors have full authority to manage their own businesses and may employ foreign managerial and technical personnel where suitably qualified local employees are not available. A programme to train and upgrade local personnel must be undertaken, however, with the aim of ultimately phasing out the majority of expatriate personnel.

• Repatriation of capital which has been introduced from overseas through the local banking system, or otherwise registered with the Reserve Bank of Fiji, is assured. There are no restrictions on the remittance of dividends, profits, interest, royalties, loan repayments, settlement of trade debts and similar current payments.

• A wide range of income tax concessions are available, including partial to full tax holidays. Similarly, customs duty concessions range from substantial reduction to full waiver of import duties on plant, equipment and raw materials.

The Fiji Trade and Investment Board was created by statute with the primary aim of promoting investment in and the development of ventures and enterprises which enhance employment opportunities, increase exports, reduce imports or are otherwise beneficial to the national economy.

TAX FREE ZONES AND FACTORIES

It is now a year since Fiji's Tax Free Zone and Tax Free Factory (TFZ/TFF) facility was implemented by the Government to increase inflows of capital and boost employment. The following qualify for tax free status:

1. Any enterprise exporting to the extent of 95% or more of its annual production.
2. Any enterprise engaged in re-export to the extent of 95% or more of its activities, provided that it is located within a proclaimed tax free zone.
3. Any enterprise engaged in an approved trade or product or service which supplies 95% or more of its annual output to a tax free factory.

The following types of enterprise are considered for tax free zone/factory status:

1. Manufacturing
2. Mixing, blending and packaging
3. Assembly
4. Exportable professional services as approved by the Minister for Trade and Commerce.

The concession package for tax free factories includes a total waiver of licensing for the import of capital goods and other production materials, and the duty free import of capital goods and equipment from any source.

Tax concessions for TFZ/TFFs include no income tax payable on corporate profits for a period of 13 years provided all provisions of the Income Tax Act are met, no withholding tax on interest, dividends and royalties paid abroad provided there is no shift of revenue abroad, final dividend tax of 5% on dividends paid to resident shareholders and no restrictions on repatriation of capital and profit.

Other concessions, incentives and assistance available to investors under normal circumstances will also continue to apply.

The Fiji Trade and Investment Board prepares project submissions for TFF status. Application to approval normally takes about six weeks.

TAX FREE FACTORY SUCCESS

By the end of 1988, 76 projects were approved for TFF status of which 46 are now in production for export markets. Over the same period, 5,027 people were employed in TFFs, 2,847 representing new jobs under the scheme. The investment in TFFs by the end of 1988 was $ 22.5 m, $ 10.5 m representing previous investment in existing factories. The annual output of TFFs in production is estimated at $ 99 m for 1988.

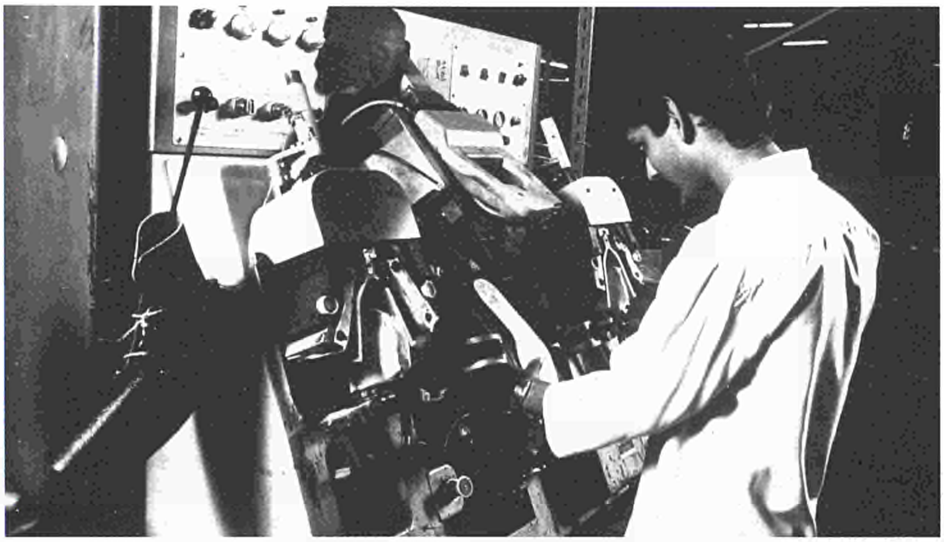
In the second quarter of 1989, another 24 projects have been implemented, giving a total of 70 since the inception of the scheme. The total employment in the TFFs by June 1989 is now estimated to be 6,093.

European businessmen interested in investing in Fiji can contact:

Mr. Peter Alling,
Pacific Regional Officer at CDI
in Brussels, Belgium.

Mr. Joe Maivosaroko,
Embassy of Fiji
Avenue de Cortenberg 60 bte. 7,
1040 Brussels, Belgium.
Phone: (32 2) 736 9050/738 9051
Telex: 26934 Fiji B
Fax: (32 2) 736 1458

Mr. G. Nand,
Embassy of the Republic of Fiji,
34 Hyde Park Gate,
London SW7 5BN,
United Kingdom.
Phone: (01) 584 3661
Telex: 22408 Fijian G
Fax: (01) 584 2838



HELPING FIJI TO FLOURISH

SOME EXAMPLES OF CDI'S ASSISTANCE

Nine Fiji firms in a wide range of industries are currently being assisted by CDI. Here are some examples of recent interventions:

CDI helped Maganlal Jiwa Ltd., a confectionery and snack food company, to negotiate a licensing agreement with a U.K. confectionery company and provided start-up assistance for a new production line of extruded snack food.

With the help of CDI training assistance, Footwear Industries (P.I.) Ltd., were able to increase production by more than 100% and significantly improve quality while reducing wastage and rejects. The company is now in a position to take advantage of export opportunities under the SPARTECA agreement.

A senior manager of Vagh Garments spent two months in Italy on a training course for the design and production of garments with the assistance of CDI.

Vagh Garments

Top: Footwear Industries (P.I.)Ltd.
Above: Maganlal Jiwa Ltd. (snack foods)

WOOD INDUSTRIES IN THE PACIFIC

Timber is a major resource in the ACP Pacific region and CDI has focussed attention on the sector to identify opportunities for adding value locally. Some 24 firms were visited by a CDI diagnostic and planning mission in 1987. As a result a technical workshop, funded by CDI, is being held in Fiji in November/December 1989. Visits by experts to each participating company beforehand are ensuring that the programme carried out at the workshop deals with specific problems being encountered in the Region.

A request for finance from the EDF (European Development Fund) to set up an on-going integrated workshop and direct technical assistance project for woodworking industries, has been submitted to the Commission of the European Communities by the governments of Fiji and Papua New Guinea, supported by CDI, and is currently under consideration.

NEWS IN BRIEF

FIVE NEW PROJECTS FOLLOW CDI-ICEP COLLABORATION AT LISBON FAIR

The effectiveness of CDI' cooperation agreement with ICEP (Institute of External Trade of Portugal) was well illustrated at the Lisbon International Fair in May. Their joint stand provided a focus for meetings between ACP and Portuguese entrepreneurs. Eight ACP entrepreneurs came to Lisbon, sponsored by CDI and a further two sponsored by ICEP, who also invited a number of Portuguese entrepreneurs.

An information and promotion meeting was held during the fair, attended by 170 people. The operation attracted national TV attention and parts of CDI's video documentary "Success Stories in Industrial Cooperation" were included in a TV feature programme.

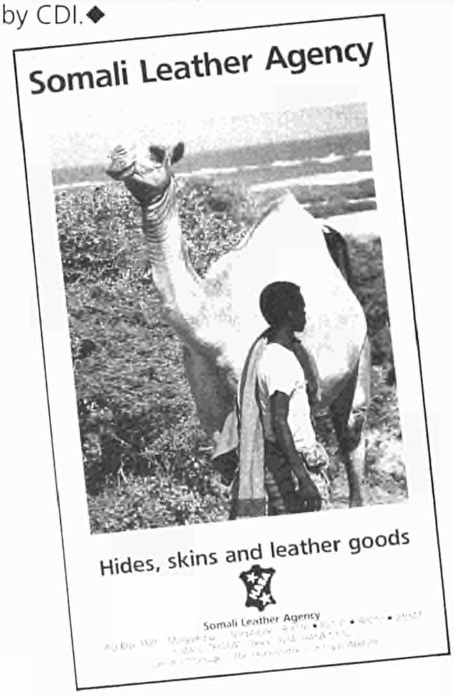
Up to now the concrete results of the operation have been five joint venture agreements involving Angola, Congo, Fiji and Mozambique.◆

Collaborating with CDI, UNIDO and the Zairean Housing Ministry in the project are CRAterre (International Centre for Earth Building Research and Application), the Walloon Region of Belgium and the main EEC equipment supplier and technical partner.

EEC joint venture partners have been identified for three other projects: a granite processing and sanitary ware manufacturing project in Burkina Faso and two cement tile projects in Guinea (Conakry) and Senegal which are in an advanced stage of negotiation.

Finally, a Zairean and a Belgian company are in advanced discussions concerning a wood and prefabricated housing venture. The Belgian company's visit to Africabat was assisted by CDI and the two companies have subsequently exchanged visits.◆

At the request of the Somali Leather Agency, CDI and EOMMEX (Hellenic Organization for SMIs and Handicrafts) sponsored the design of a brochure which is being used to promote exports of the Agency's skins, finished leather and leather goods. The printing of the brochure was supervised and financed by CDI.◆



PROGRESS ON AFRICABAT AND SICAD PROJECTS

CDI's participation jointly with UNIDO (United Nations Industrial Development Organization) at Africabat, the first international exhibition for the building industry to be held in Africa, in January, led to the inception of a number of projects. Further projects were initiated in December '88, when CDI and UNIDO cooperated in Montpellier, France, during SICAD (International Exhibition for Cooperation and Development Aid). Since then, considerable progress has been made.

Ten companies in Cameroon, Congo and Zaire have bought equipment for making compressed earth blocks and will receive training and start-up assistance. Training will be provided for two persons per company. A pilot house will be built in Zaire on land provided by the Zairean Ministry of Housing, which is collaborating in the project. Afterwards the house will remain as a model for subsequent entrepreneurs.

After the training each company will receive start-up assistance in the form of a five to ten day visit from an expert.

EAST AFRICA REGION: ANTENNAE MEET IN KHARTOUM

CDI antennae from East Africa visit a local enterprise during a break in their meeting at Khartoum.

High level Sudanese government officials and industrialists attended the opening session of the second CDI antennae meeting to be held in East Africa under Lomé III. The Minister of Commerce made an opening speech.

Both plenary session and individual meetings were devoted to practical matters; the working relationship with CDI, the pooling of experience and fostering of regional relations among the antennae. The two main themes of the meeting were the methods of project selection and systematic follow-up.

After two preliminary elimination stages, local conditions for the success of a project are assessed based on the size

CDI - DEG COOPERATION

FUNDS AND EXPERTISE FOR REHABILITATING PRIVATE ENTERPRISES IN KENYA

by Berndt Heymanns, Regional Manager East Africa for DEG (German Finance Company for Investments in Developing Countries)

The Kenyan economy, like that of many African countries, is characterized by a number of badly performing private and public sector enterprises. In most of the companies the key problem areas are general and financial management, followed by marketing and production.

In Kenya, DEG has developed and implemented a rehabilitation project. Its objective is to assist enterprises which are experiencing difficulties but have the potential to become sound and profitable. Target groups are medium-sized private enterprises and parastatals going for privatization in the manufacturing sector, agro-allied industries, agriculture and service industries. Preference will be given to companies which use local resources, are labour-intensive and have the potential to export.

The concept of the project is new and unique not only to Kenya but also to sub-Saharan Africa. It is venture-capital-like and designed to institute a permanent Kenyan rehabilitation capability through the establishment of two new companies:

PREFUND - Project Rehabilitation Fund Ltd., an Ecu 5 million capital fund, wholly owned by DEG. PREFUND will provide risk-type finance in local currency to client companies for rehabilitation.

RAS - Rehabilitation Advisory Services Ltd., a management consulting company, is a joint venture between DEG and three Kenyan development banks: ICDC (Industrial and Commercial Development Corporation), IDB (Industrial Development Bank) and DFCK (Development Finance Corporation of Kenya Ltd.).

RAS will provide long-term rehabilitation advisory services to the management of the client companies as a supplement to PREFUND finance, and will develop rehabilitation concepts for individual companies. RAS will have a core team of management consultants from both Kenya and Europe. Both RAS and PREFUND are commercially oriented and will have to make profits in the long term.

In order to secure international know-how, RAS will cooperate with a leading German consulting firm which is specialized in a wide range of management consultancy services to medium-sized companies, including rehabilitation. The firm will also establish links with European companies that are interested in joint ventures for the purpose of technology transfer and/or investment.

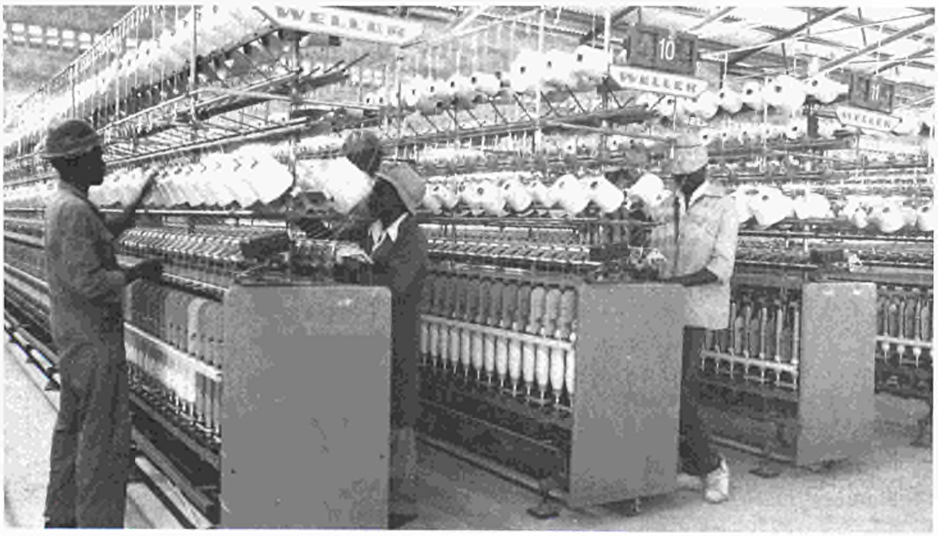
After a fairly long period of conceptualizing and implementation, during which the project received substantial technical assistance from CDI, RAS and PREFUND became operational in May this year. The first company to receive financial and management support was Kenya Threads Industry Ltd., a cotton spinning mill producing for both the Kenyan and European markets. CDI is providing technical assistance for the improvement and computerizing of the financial management and information systems.

Another company to which rehabilitation assistance has been offered produces paper board from waste paper. CDI provided technical assistance for a German production manager who helped to design the rehabilitation concept.

Other candidate companies for rehabilitation come from the areas of textiles, garments, shoes, tanning, paper coating, ceramics and building materials. For all of these companies, some form of cooperation with a European partner is envisaged.

DEG will continue to support this venture capital type of project on the road to developmental and commercial success. After successful take-off, consideration may be given to expanding the management consulting services to areas beyond rehabilitation, for example to implementation assistance for new projects. If this pilot project is successful, similar projects in other regions of Africa will be considered. Whatever the future holds, we hope that CDI will continue to provide its decisive support.◆

Kenya Threads Industry Ltd., the first recipient of support from PREFUND and RAS.



and quality of the local market and the availability and quality of raw materials. CDI can assist with this stage and projects which go through it successfully are then presented in Brussels.

A method of improving follow-up, involving a checklist of actions and the party responsible for them, was introduced. Regularly updated, it will prevent the stagnation of files and serve as a basis for the Annual Report.◆

TRAINING FOR DOCUMENTALISTS

Three documentalists, one from the Gambia Ministry of Economic Planning, another from ONPPME (National Office for the Promotion of SMEs) of Guinea (Conakry) and a third from CEPI (Centre d'Etudes et de Promotion Industrielle) of Mali, the latter two organizations being CDI antennae, attended a four week training programme at CDI's Brussels headquarters in August. The training programme was organized by Babs Adenaike of CDI's Industrial Information and Documentation Unit, and implemented by the Belgian National Centre for Scientific and Technical Documentation (CNDST). It went from traditional methods of processing, storing and disseminating information to using computers, CD-ROM and on-line information access.◆

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-contractng, 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 Ecus (European currency units). The value of the Ecu may easily be ascertained from its relationship to other European currencies. Thus, on 1 October 1989: 1 Ecu = £ 0.681, or FF 6.999, or DM 2.064.

Please ALWAYS mention the CDI reference numbers when reproducing these proposals.

89/62 FO *ITALY*

TOMATO PASTE (OR CANNED FRUIT AND VEGETABLES)

Minimum capacity: 10,000 to 15,000 tonnes of tomatoes to produce 2,000 to 3,000 of tomato paste a year.

Cooperation proposed: equity participation, technical assistance, training.

89/76 EX *SPAIN*

CERAMIC TILES

Minimum capacity: 1,000m² a day for an investment of Ecu 2,300,000.

Cooperation proposed: equity participation.

89/82 WO *ITALY*

FRAMES IN WOOD AND ALUMINIUM

Minimum capacity: 2,000 windows a year for an investment of Ecu 270,000

Cooperation proposed: equity participation, technical assistance.

89/85 MC *ITALY*

WOODEN AND METAL PRODUCTS

Attic windows, spiral staircases, collapsable ladders.

Minimum capacity: 1,000 to 2,000 units a year for an investment of Ecu 90,000 (extension of existing unit).

Cooperation proposed: licencing agreement, technical assistance, training.

89/86 PA *SPAIN*

PRINTING WORKS

Minimum capacity: 400 million printed sheets of paper a year for an investment of Ecu 1,540,000.

Cooperation proposed: equity participation, management assistance, subcontracting agreement, training.

89/89 MC *UK*

FARM CARTS

Assembly or manufacture of carts to be drawn by oxen or other animals.

Minimum capacity: 300-500 carts a year (assembly) or 25 per week (manufacture) for a minimal investment (ideal as new product line for an existing assembly or production workshop).

Cooperation proposed: equity participation, transfer of know-how, technical assistance.

Information required of ACP entrepreneurs when replying

- **Show why it would be worth-while to manufacture the products in question in your country, e.g. give market data, indicate that raw materials are available locally, etc.**
- **Describe your present activities plus your industrial and/or commercial experience, enclosing any available information such as your latest balance sheet.**
- **State how much capital you yourself could contribute.**
- **State the maximum portion of the equity your country legally allows to an EEC partner.**
- **Can you obtain finance and if so from where?**
- **If you need a foreign loan or supplier's credit, can you obtain a local guarantee?**
- **Is your project a national priority?**
- **Outline the incentives your country offers to foreign investors.**

OPERATIONAL SUMMARY

No. 54 — November 1989

(position as at 23rd October 1989)

EEC-MEDITERRANEAN
EEC-ACP
EEC-ALA
DEVELOPING COUNTRIES

EEC-financed development schemes

The following information is aimed at showing the state of progress of EEC development schemes prior to their implementation. It is set out as follows:

Geographical breakdown

The summary is divided into three groups of countries, corresponding to the main aspects of Community development policy:

— the ACP countries (Africa, the Caribbean and the Pacific), which signed the multilateral conventions of Lomé I (28 February 1975), Lomé II (31 October 1979) and Lomé III (8 December 1984), plus the OCT (overseas countries and territories) of certain member states of the EEC, which get the same type of aid as the ACP countries;

— the Mediterranean countries (Maghreb and Mashraq), which signed cooperation agreements with the EEC in 1976 and 1977;

— the ALA developing countries of Asia and Latin America, beneficiaries since 1976 of annual aid programmes.

The information within each of these groups is given by recipient country (in alphabetical order).

Note

As the information provided is subject to modification in line with the development aims and priorities of the beneficiary country, or with the conditions laid down by the authorities empowered to take financial decisions, the EEC is in no way bound by this summary, which is for information only.

Information given

The following details will usually be given for each development scheme:

— the title of the project;

— the administrative body responsible for it;

— the estimated sum involved (prior to financing decision) or the amount actually provided (post financing decision);

— a brief description of projects envisaged (construction work, supplies of equipment, technical assistance, etc.);

— any methods of implementation (international invitations to tender, for example);

— the stage the project has reached (identification, appraisal, submission for financing, financing decision, ready for implementation).

Main abbreviations

Resp. Auth.: Responsible Authority
Int. tender: International invitation to tender
Acc. tender: Invitation to tender (accelerated procedure)
Restr. tender: Restricted invitation to tender
TA: Technical assistance
EDF: European Development Fund
mECU: Million European currency units

Correspondence about this operational summary can be sent directly to:

Mr. Franco Cupini
Directorate-General for Development
Commission of the European Communities
Berl. 6-86
200, rue de la Loi
B-1049 Brussels

Please cover only one subject at a time.

DESCRIPTION SECTOR CODE

A1 Planning and public administration

A1A Administrative buildings
A1B Economic planning and policy
A1C Assistance to the normal operations of government not falling under a different category
A1D Police and fire protection
A1E Collection and publication of statistics of all kinds, information and documentation
A1F Economic surveys, pre-investment studies
A1G Cartography, mapping, aerial photography
A1H Demography and manpower studies

A2 Development of public utilities

A2A Power production and distribution
A2Ai Electricity
A2B Water supply
A2C Communications
A2D Transport and navigation
A2E Meteorology
A2F Peaceful uses of atomic energy (non-power)

A3 Agriculture, fishing and forestry

A3A Agricultural production
A3B Service to agriculture
A3C Forestry
A3D Fishing and hunting
A3E Conservation and extension
A3F Agricultural storage
A3G Agricultural construction
A3H Home economics and nutrition
A3I Land and soil surveys

A4 Industry, mining and construction

A4A Extractive industries
A4Ai Petroleum and natural gas
A4B Manufacturing
A4C Engineering and construction
A4D Cottage industry and handicraft
A4E Productivity, including management, automation, accountancy, business, finance and investment
A4F Non-agricultural storage and warehousing
A4G Research in industrial technology

A5 Trade, banking, tourism and other services

A5A Agricultural development banks
A5B Industrial development banks
A5C Tourism, hotels and other tourist facilities
A5D Export promotion
A5E Trade, commerce and distribution
A5F Co-operatives (except agriculture and housing)
A5G Publishing, journalism, cinema, photography
A5H Other insurance and banking
A5I Archaeological conservation, game reserves

A6 Education

A6A Primary and secondary education
A6B University and higher technical institutes
A6Bi Medical
A6C Teacher training
A6Ci Agricultural training
A6D Vocational and technical training
A6E Educational administration
A6F Pure or general research
A6G Scientific documentation
A6H Research in the field of education or training
A6I Subsidiary services
A6J Colloquia, seminars, lectures, etc.

A7 Health

A7A Hospitals and clinics
A7B Maternal and child care
A7C Family planning and population-related research
A7D Other medical and dental services
A7E Public health administration
A7F Medical insurance programmes

A8 Social infrastructure and social welfare

A8A Housing, urban and rural
A8B Community development and facilities
A8C Environmental sanitation
A8D Labour
A8E Social welfare, social security and other social schemes
A8F Environmental protection
A8G Flood control
A8H Land settlement
A8I Cultural activities

A9 Multisector

A9A River development
A9B Regional development projects

A10 Unspecified

** *From January 1989 PABLI will be updated twice monthly.*

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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

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. Supplies: int. tender only for italian companies foreseen in ***november 89.*** Project in execution. 6th EDF.
EDF ANG 6004 A7a

BARBADOS

Barbados export development. Resp. Auth.: Barbados Export Promotion Corporation (BEPC). 1.3 mECU. T.A., training, studies, for marketing exports of rum and to develop new rum-based exports. ***Project in execution.*** 6th EDF.
EDF BAR 6002 A5d

BELIZE

Belize City Hospital. Phase I. Estimated cost 8.6 mECU. Work constructions and supply of equipment. 4th, 5th, and 6th EDF. Project in execution.
EDF BEL 6004 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

Mono rural development programme. Development of the rural production. Cofinancing with BAD. EDF 16,5 mECU, BAD 14,4 mECU, local 4.9 mECU. Project in execution. 6th EDF.
EDF BEN 6003 A3a

Fish breeding. Applied research and popularization actions. Resp. Auth.: MDRAC. Estimated cost 2 mECU. Project on appraisal. 6th EDF.
EDF BEN 6009 A3d

Sectoral import programme: industry. Resp. Auth.: Ministre du Plan. 16 mECU. Supply of industrial inputs, spare parts, row materials. Direct agreement and int. tenders. T.A. Project in execution. 6th EDF.
EDF BEN 6013 A4b

BOTSWANA

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

Support programme to Botswana copper-nickel mining industry. Resp. Auth.: BCL Ltd (Bamangwato Concessions Ltd). 21.650 mECU. Works, exploration drillings, supply of mining equipment by int. tender. Replacements parts by direct agreement. T.A. to prepare int. tender dossier, evaluation ★and follow-up of the tender. ***Project in execution.*** 6th EDF.
EDF BT SYS 6019 A4a

Livestock marketing development project. Resp. Auth.: Botswana Cooperative Union. 2.5 mECU. Provision of infrastructures, ★transports, T.A. Project on appraisal. ***Date foreseen for financing November 89.*** 6th EDF.
EDF BT 6014 A3a

Water development programme. Resp. ★Auth.: Department of Water Affairs. 2 mECU. Serowe waste water sanitation and T.A. to the Department of water affairs. ***Date financing September 89.*** 6th EDF.
EDF BT 6023 A2b, A8c

BURKINA FASO

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 in execution. 6th EDF.
EDF BK 6005 A3a

Rural development programme in the Sissili province. Resp. Auth.: Ministère de l'Eau, Ministère de l'Agriculture et Elevage, Ministère de la Santé Rurale, Ministère de l'Education nationale. 31.5 mECU. Same programme: see BK 6001. Project in execution. 6th EDF.
EDF BK 6004 A3a

Training programme. Resp. Auth.: Ministère du Plan et de la Coopération, Ministère du Travail, de la Sécurité Social et de la Fonction Publique (pour les CNPAR), Ministère de l'Environnement et du Tourisme, Ministère de la Santé et de l'Action Sociale, le Secrétarait d'Etat à la Culture. 2.770 mECU. Training on rural development, training to support structures for conception, control and execution of development programmes, training for movies directors and promotion of cultural industry. Support, follow-up and eva★luation of training programmes. ***Date financing September 89.*** 6th EDF.
EDF BK 6007 A6c, ci, d

Strengthening of the Yako-Ouahig★ouya road. Estimated cost ***15.5 mECU.*** Works on 70 km. Technical and administrative supervision. Project on appraisal. ***Date foreseen for financing November 89.*** 6th EDF.
EDF BK 6006 A2d

BURUNDI

Rehabilitation of the R.N. 1-Bujumbura-Rwanda border. Resp. Auth.: Minis★tère des Travaux Publics. Estimated cost ***33*** 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. ***Date foreseen for financing December 89.*** 6th EDF.
EDF BU-REG 6305-***6317*** A2d

Socio-economic development of the natural region of Mugamba. Resp. Auth.: CVHA project, OTB, Ministère du Dév. Rural, Direction Générale des Routes. 32 mECU. Works, supplies, T.A. and evaluation. Project in execution. 6th EDF.
EDF BU 6018 A3a

CAMEROON

Rural development programme in the Bénoué basin. Resp. Auth.: Mission d'études pour l'aménagement de la vallée supérieure de la Bénoué (MEAVSB). Total estimated cost 30 mECU, EDF part 25 mECU. Roads network, schools, health centres, rural water supply. Support to crop production and fishery. Irrigated agricultural areas, fight against soil and surface vegetation degradation. Works, supplies, T.A. and training. Study to be done: sectoral studies to implement different sectors of the programme. Short-list already drawn up. Project in execution. 6th EDF.
EDF CM 6002 A3a

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

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. 1st int. tender launched end June 89. Project in execution. 6th EDF.
EDF CV 6002 A4c

CENTRAL AFRICAN REPUBLIC

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. Supplies: int. tender launched in August 89. Project in execution. 6th EDF.
EDF CA 6002 A3a

ATTENTION! *INQUIRY* – SEE PAGE XIV

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). 28 mECU. Works, feeder roads, scholar buildings, agricultural equipment, pumps, T.A., follow up and evaluation. Project in execution. 6th EDF.
EDF CD 6005 A3a

Strenghtening of the operational services for vegetables defence. Fight against locust. Resp. Auth.: Ministère de l'Agriculture. Direction Protection des Végétaux. 0.900 mECU. Supply of equipments and ★T.A. *Project in execution.* 5th EDF.
EDF CD 5026 A3a

Development of basic infrastructure. Resp. Auth.: Ministère des Travaux Publics, 3 mECU. N'Djamena. Rehabilitation of 5 administrative buildings. Strengthening of the Chagoua bridge and of Chari river banks in Farcha. Works by acc. tender. Supplies by ★int. tender. ***Date financing September 89.*** 4th and 5th EDF.
EDF CD ***5017*** A1a, A2d

COMOROS

Rural integrated development programme in the north region of Anjouan Island. Resp. Auth.: Ministère de la Production agricole. 11.3 mECU. Improvement of crop production, infrastructure, works by int. tender (conditional) launched end June 89. Supply of equipments, materials and vehicles. T.A., training, evaluation, audit. Project in execution. 6th EDF.
EDF COM 6002 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. Road: int. tender launched in August 89. 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'Agriculture. EDF 20.850 mECU. 22,945 ha in rural areas. Project in execution. 6th EDF.
EDF IVC 6001 A3a

Support to the livestock development. Continuation and completion of the Marahoué Ranch (T.A., investment, training) and support to "Centre National d'Elevage Ovin". 11 mECU. Project in execution. 6th EDF.
EDF IVC 6003 A3a

***Centre food crops programme.** Resp. Auth.: Ministère de l'Agriculture. EDF 38.5 mECU. Irrigation, agriculture modernization, young settlements. Food crops production marketing improvement. Works, soil improvement, supplies, T.A. studies, follow-up and evaluation. Project on appraisal. Date foreseen for financing December 89. 6th EDF.*
EDF IVC 6009 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 in execution. 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

Training programme. 2.2 mECU. New vocational training actions for adults. T.A. for training centres. Training, scholar-ships and training courses. Works and supplies. Project in execution. 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 gouvernmental 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

Petroleum product import programme. Resp. Auth.: Ministre de la Planification et du Développement Economique. 1.5 mECU. Purchase by int. tender of ± 8 000 t of ★petroleum products. ***Date financing September 89.*** 6th EDF.
EDF EG 6003 A4ai

Support to the agricultural development of the Bata district. Phase II. Resp. Auth.: Ministère de l'Agriculture. 1.7mECU. Rehabilitation or buildings extension. Supply of equipments. T.A. by Association Française ★des Volontaires. ***Date financing September 89.*** 6th EDF.
EDF EG 6004 A3a

ETHIOPIA

North Shewa rural reclamation and development programme. Resp. Auth.: Ministry of Agriculture. Total cost 28.5 mECU. EDF 24 mECU, local 4.5 mECU. Soil and water conservation, reafforestation, 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 in execution. 6th EDF.
EDF 6003 A3a

Lake fisheries project. Resp. Auth.: Ministry of Agriculture, Fishery Dept. 7.5 mECU. Provision of inputs to fishermen, development of cooperatives, establishment of marketing organisation and infrastructure, training, research and fingerling production centers. ★Works, supplies and T.A. ***Project in execution.*** 6th EDF.
EDF ET 6008 A3d

FIJI

Rural electrification programme. Resp. Auth.: Fiji Electricity Authority. 3.3 mECU.

Construction of 28 small electrification schemes and installation of a small power plant. Supplies: int. tender launched in August 89. Project in execution. 6th EDF.
EDF FIJ 6004 A2ai

Coconut rehabilitation and improvement programme. Resp. Auth.: Ministry for Primary Industries. Estimated total cost 1.350 mECU. EDF 0.900 mECU, local 0.450 mECU. Clearing of 300 ha of land, establishing of a hybrid seed garden (150 ha) develop a research centre. Project in execution. 6th EDF.
EDF 6005 A3a

GAMBIA

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. Int. tender for two ferries launched in July 89. Poject in execution. 6th EDF.
EDF GM 6004 A3a

GHANA

Accra Plains Livestock Development Project (APLDP). Estimated total cost 4 mECU. EDF part 3 mECU, local 1 mECU. Provision of veterinary and animal husbandry extension services, including construction of cattle treatment centres, water points and other inputs. Project on appraisal. 6th EDF.
EDF GH 6006 A3a

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.
EDF GH 6007 A3a

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) launched in August 88. 2nd int. tender for 30 000 t fertilizers foreseen end 89. Hard currency allowance (11.5 mECU) for import. Project in execution. 6th EDF.
EDF GH 6010 A3a

GUINEA

Rural development programme in Upper-Guinea. Resp. Auth.: Coordination team composed by representation from: Ministère du Plan et de la Coopération internationale, Ministère du Finances, Secrétariat d'Etat à la Décentralisation, Ministère du Dév. Rural, 30 mECU. To modernise agricultural systems and to improve the way of living. Development of the crop production, infrastructure (roads, social, rural hydraulics), micro-projects, lines of credit, T.A. and training. Supplies: int. tender launched in February 88 and July 89. Project in execution. 6th EDF.
EDF GUI 6002 A3a

Rural development programme in Maritime-Guinea. Resp. Auth.: Coordination team (see EDF GUI 6002). 40 mECU. Crop production and fishery, road network, social infrastructure, rural hydraulics, micro-projects, lines of credit, research actions, vulgarisation, T.A. and training. Supplies: 2 int. tenders launched in March 88. Int. tender for wells and pumps launched in October 88. 1 int. tender for equipment and vehicles launched in July 89. Project in execution. 6th EDF.
FED GUI 6001 A3a

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 in execution. 6th EDF.
EDF GUI 6009 A1c

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 in execution. 6th EDF.
EDF GUI-SYS 6010 A4a

T.A. and supplementary equipment for the "Ecole Nationale des Arts et Métiers" (ENAM), Conakry. *Resp. Auth.: Ministère de l'Education Nationale. 5.5 mECU. Renovation works by acc. tender. Equipements by int. tender. T.A. and training. Project on appraisal. Date foreseen for financing December 89. 6th EDF.*
EDF GUI 6006 A6b

GUINEA BISSAU

Minor bridges. Resp. Auth.: Ministère de l'Equipement Social. Estimated total cost 3.7 mECU. Construction of 4 bridges to open four agricultural regions. Works and supervision. Project on appraisal. 5th EDF.
EDF GUB 5011 A2d

Rural development programme. 23.8 mECU. Improvement of the food and fishery production, line of credit, micro-projects, T.A. and training. Project in execution. 6th EDF.
EDF GUB 6001 A3a

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 in execution. 5th and 6th EDF.
EDF GUB 6005 A1c

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. 28 int. tenders for supplies launched in February and April 89. Project in execution. 6th EDF.
EDF GUA 6003 A2b, d

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 in execution. 5th EDF.
EDF SYS GUA 5024 A4a

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. Project in execution. 6th EDF.
EDF JM 6003 A2b

Montego Bay airport. Charter terminal. Resp. Auth.: Airports Authority of Jamaica. 7.1 mECU. Works and supply of equipments. Works by acc. tender. Supplies by int. tender. Supervision. Project in execution. 6th EDF.
EDF JM 6004 A2d

Negril and Ocho Rios sewerage schemes. Resp. Auth.: National Water Commission. 25 mECU. Negril: 17 km of trunk sewers, 13 pump stations and 2 treatment plants. Ocho Rios: 5 km of sewers, 6 pump stations, 1 treatment plant and deep sea outfall. T.A. for supervision. Works by int. tender. Project on appraisal. 5th EDF.
EDF JM A8bc

KENYA

Minor roads rehabilitation and maintenance programme. Estimated cost 5 mECU. Works by direct labour. Project stage: identification. 6th EDF.
EDF KE 6002 A2d

Agricultural research programme. 20 mECU. Soil and water management research. Soil fertility and plant nutrition. Civil works and libraries. Project in execution. 6th EDF.
EDF KE 6003 A3e

Development of commerce and industry. Estimated cost 5 mECU. Export promotion and marketing, trade development promotion and support to informal sector and small scale industries. Studies, short-lists already drawn up. Project stage: identification. 6th EDF.
EDF KE 6004 A5de

Cereal sector reform programme. Resp. Auth.: Ministry of Finance, Agriculture and Supplies and Marketing and NCPB. National Cereals and Produce Board. 65 mECU. T.A., studies, training. Storage and rolling stock, sectoral import programme purchase of agricultural inputs, short and long-term 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 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 in execution. 6th EDF.
EDF KE 6009 A3a

Mara Conservation Project. Resp. Auth.: Ministry of Tourism and Wildlife. 1.35 mECU. EDF part. Strengthening of the management and infrastructure of the Mara reserve. Education and training. Project on ★appraisal. *Date foreseen for financing October 89.* 6th EDF.
EDF KE 6015 A5i

Special debt programme. Resp. Auth.: Director of External Resources with representative from Ministry of Finance, Commerce, Central Bank of Kenya, the Delegate of the Commission. 2nd phase of the Agricultural ★Sector Import Programe (ASIP). *7 mECU.* Supply of agricultural inputs by int. tender. T.A. and evaluation. *Date financing September 89.* 6th EDF.
EDF KE 6019 A3a

Strengthening of research resources of the national museums of Kenya. Resp. Auth.: NMK Directorate. 3 mECU. Construction, transport, equipment, T.A., training and research links with national, regional and ★international organizations. *Date financing September 89.* 6th EDF.
EDF KE A6f

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

Queen Elizabeth II Hospital: improvement and upgrading. Resp. Auth.: Ministry of Health and Ministry of Works. 4.9 mECU. Works by acc. tender. Supply by int. tender. ★T.A. *Project in execution.* 4th and 6th EDF.
EDF LSO 6012 A7a

LIBERIA

Bong Mining Company. Rehabilitation project. Resp. Auth.: Government and BMC. 49.3 mECU. Supply of specialized equipment, shovels, conveyor belts, dumpers, locomotives, spare parts. 2 int. tender launched in July 89. 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

Rural water supply. Phase II. Resp. Auth.: Minister of Planning and Economic Affairs. 2.900 mECU. Drilling works by acc. tender. Supply of hand pumps and spare ★parts. T.A. *Date financing September 89.* 6th EDF.
EDF LBR 6011 A2b

MADAGASCAR

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. Project in execution. 6th EDF.
EDF MAG 6006 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 in execution. 6th EDF.
EDF MAG 6009 A7, A8a

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

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

***Nkhata Bay - Dwangwa road.** Resp. Auth.: Ministry of Works. Road construction. Estimated cost 31.110 mECU. EDF part 15.965 mECU, Germany (KFW) 15.145 mECU. Project on appraisal. 5th and 6th EDF.*
EDF MAI 6024 A2d

MALI

Rice-growing intensification programme in the large irrigated areas of "Office du Niger" and "Opération Riz Segou". Resp. Auth.: Ministère de l'Agriculture. 65 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 in execution.* 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. Supplies: int. tender launched in July 89. Project in execution. 5th and 6th EDF.
EDF MLI 6005 A2b, d

Support programme for food strategy (enterprises and employment prospects). Resp. Auth.: Ministère de l'Emploi et de la Fonction Publique. 3.5 mECU. T.A. and line of credit. T.A.: SORCA (B) and DHONTE ★(F). *Project in execution.* 6th EDF.
EDF MLI 6001 A5a, b, e

MAURITANIA

Aioun El Atrouss hospital. Resp. Auth.: Ministère de l'Equipement. 1.050 mECU. Renovation and supply of equipment for 3 buildings. Works by acc. tender. Supplies by int. tender. Project on appraisal. 5th EDF.
EDF MAU 5012 A7a

Rehabilitation of Nouakchott National Hospital. Resp. Auth.: Ministère de l'Equipement. 4 mECU. Renovation and upgrading for building, supply of medical-technical and surgical equipment. Project on appraisal. Date foreseen for financing 2nd half 89. 6th EDF.
EDF MAU 6003 A7a

Support programme for the development of the Gorgol region (PDRG). Estimated cost 35 mECU. Improvement of the irrigated areas, support to the traditional crop, regeneration of the natural habitats, rural infrastructure, sanitation of Kaedi. Project in execution. 6th EDF.
EDF MAU 6007 A3a

General import programme. Resp. Auth.: Ministère de l'Economie et des Finances. Banque Centrale de Mauritanie (BCM). 7 mECU. Hard currency allowance for essential goods imports. Project in execution. 5th and 6th EDF.
EDF MAU 6008 A1c

***Drinking water supply of Aioun El Atrouss.** Resp. Auth.: Direction de l'Hydraulique. 2.6 mECU. Production and water distribution. Managers training. Works, T.A. and training. Project on appraisal. 5th EDF.*
EDF MAU 5022 A2b

MAURITIUS

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

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 in execution. 6th EDF.
EDF MAS 6006 A3a

MOZAMBIQUE

Rural rehabilitation in the Inhambane Province. Resp. Auth: Ministère de l'Agri-

culture. 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. Project in execution. 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, row materials, lorries, spare parts, T.A. audit and valuation. Int. tender launched in August 89. Project in execution. 6th EDF.
EDF MOZ 6025 A1c

Rural telecommunications. Resp. Auth.: Ministry of Transports and Communications. Estimated cost 5 mECU. Supply of radio and telephone equipment. Technical study for project appraisal to be done: short list not yet drawn up. Project on appraisal. 6th EDF.
EDF MOZ 6021 A2c

Integrated development programme of Cabodelgado. Resp. Auth.: Ministry of Commerce. AGRICOM. 8 mECU. EDF 5 mECU, local 3 mECU. Support to ±50 000 people in the districts of Mocimboa, Priaia and Mueda. Works, supplies and T.A. ***Project in execution.*** 6th EDF.
EDF MOZ 6022 A3a

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

Mining research: gold and coal. Resp. Auth.: Ministère des Mines et de l'Energie. 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

Training programme. Resp. Auth: Ministères de l'Education, Commerce, Culture, Plan, Agriculture. 4,366 mECU. Three priority sectors: rural development, business development, cultural development. Supply of equipments, T.A. and scholarships. Project in execution. 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'Education Nationale, du Commerce. For the total programme: the Delegation of the Commission in Niamey. 14 mECU. Supply of T.A. and valuation. Project in execution. Int. tender launched in May 89. 5th and 6th EDF.
EDF NI 6014 A6e, A7e

NIGERIA

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 in execution. 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 furbishing of maintenance workshops. Supply of equipments, management, supervision and training. Works by acc. tenders. Supplies by int. tenders. Project in execution. 5th EDF.
EDF UNI 5018 A7a

Desertification control and environmental protection programme in Sokoto. Resp. Auth.: Sekoto 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, motocycles, generators, media equipments, T.A. Works by acc. tenders. Supplies by int. tenders. Project in execution. 6th EDF.
EDF UNI 6003 A3a

★ **Sectoral import programme.** 10 mECU. Supply of pumps, agricultural inputs, spare parts for tractors and metal frame for warehouses. Project on appraisal. ***Date foreseen for financing October 89.*** 6th EDF.
EDF UNI 6008 A3a

"Middle belt" programme. *Resp. Auth.: States of Kwara and Niger, Executive Committees. Estimated total cost 38.662 mECU. EDF 33 mECU, local 5.662 mECU. Education, health, social infrastructure. Renovation works, rehabilitation, supply of equipments, T.A., training and evaluation. Project on appraisal. Date foreseen for financing November 89. 6th EDF.*
EDF UNI 6007 Aabe

PAPUA NEW GUINEA

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. 6th EDF.
EDF PNG 6005 A3a

Human resources development programme. Resp. Auth.: Department of Personnel Management. 2.350 mECU. Training programmes all levels in the country and abroad. Sectors: rural development and agriculture, harbours, mineral resources, management. Project on appraisal. ***Date foreseen for financing October 89.*** 6th EDF. ★
EDF PNG 6008 A6bd

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. ★T.A.: Short-list done. Int. tender ***launched*** in September 89. Project in execution. 6th EDF.
EDF RW 6001 A3a

ST. CHRISTOPHER AND NEVIS

Development of social infrastructure. Resp. Auth.: Departments of Public Works, Nevis Water Department. 2.750 mECU. Construction of 3 new primary schools, supply of equipment, improvement of the water supply system in the northern half of Nevis. Project ★on appraisal. Int. tender for supplies ***launched*** in September 89. ***Date foreseen for financing November 89.*** 6th EDF.
EDF SCN 6001 A6a, A2b

ST. LUCIA

Rural development. Social Infrastructure. Resp. Auth.: Central Planning Unit.

3.645 mECU. Works and supply of equipment and T.A. Project in execution. 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

SENEGAL

Consolidation of the livestock development programme. Resp. Auth.: SOD-ESP. Estimated cost 1.6 mECU. Study under way by Bessel Ass. (UK). Project on appraisal. 5th EDF.
EDF SE A3a

SEYCHELLES

Rural development project. Resp. Auth.: Ministry of Nat. Dev. 2.922 mECU. Support to small farms, research, soil improvement. Cofinancing with Italy. Works, T.A. and training. Project in execution. 6th EDF.
EDF SEY 6004 A3a

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. 7.5 mECU. Works, supplies and T.A. Project in execution. 6th EDF.
EDF SL 6006 A2c

Tourism development programme. Estimated cost 0.850 mECU. T.A. to the Ministry of Tourism and supply of equipment. Project stage: identification. 5th EDF.
EDF SL 5026 A5c

SOLOMON ISLANDS

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

SOMALIA

Bardheera Dam. Resp. Auth.: Bardheera Dam Authority (BDA). 600 mECU. (Estimated) Dam Project 500 mECU. Powerline to Mogadishu 100 mECU. Funding: EDF, Italy, Germany, France, Saudi Arabia, Abu-Dhabi, Kuwait Funds, FADES, Isl. Dev. Bank. Local. Power and river regulation for agricultural development. Construction of a concrete gravity dam with hydro-power station, associated infrastructure and electrical transmission lines. The dam will provide water, flood protection and power for up to 223 000 ha of irrigated agriculture in the Juba Valley, and energy to Mogadishu. Civil works: first int. tender launched in 1984. Transmission lines int. tender in 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 of 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. Int. tender launched in July 89. Project in execution. 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 in execution. 6th EDF.
EDF SO 6006 A1c

Sectoral import programme: petroleum products. Resp. Auth.: Ministry of Finance. 16 mECU. Supply of refined oil ★products and T.A. *Project in execution.* 6th EDF.
EDF SO 6009 A4ai

Old Mogadishu port rehabilitation. Resp. Auth.: Somali Port Authority (SPA). 14.5 mECU. Works by int. tender. T.A. and supervision. Project on appraisal. Date fore★seen for financing *end 89*. 6th EDF.
EDF SO 6005 A2d

SUDAN

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-Babanaousa. 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 in execution. 5th and 6th EDF.
EDF SU 6011 A2d

Post Flood Reconstruction and Rehabilitation Programme (PFRRP). Resp. Auth.: agricultural part: Agricultural Bank of Sudan. Transport infrastructure: Roads and Bridge Public Corporation (RBPC) and Sudan Railways Corporation. 15 mECU. Agricultural sector: supply of spare parts for repair and replacement of 2 500 pumps. Int. tender and direct agreement. Supply of maintenance parts for 100 trucks (6 t): by int. tender. Supply of 100 pumps by int. tender. T.A. for repair, control and credit allowances. Transports sector: bridge construction (5 × 25 m) at Geneina, repair and work supervision. Bridge by acc. tender. Supplies for railways, gabions, pipes by int. tender. Project in execution. 6th EDF.
EDF SU 6020 A2d

SURINAME

Biomass energy project at Wageningen. Resp. Auth.: Government. Installation of an energy generator on the basis of rice husks. Project stage: identification. 5th EDF.
EDF SUR 5009 A2a

New Nickerie Secondary School. Estimated cost 1.4 mECU. Construction and supply of equipment. Int. tender for works (con★ditional) foreseen in the 2nd half 89. ***Date financing September 89.*** 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. Int. tender launched in July 89. Project in execution. 6th EDF.
EDF SW 6010 A6a, b

Rural dam rehabilitation programme. Resp. Auth.: Ministry of Agriculture. 4mECU. Works and supervision. Project in execution. 6th EDF.
EDF SW 6012 A3a

TANZANIA

Agricultural sector support programme. Resp. Auth.: Ministry of Finance and Plan-ning. 94 mECU. Measures to improve food security, support for coffee production and processing, assistance to cooperative 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 row materials and other inputs, spare parts, bicycles. Project in execution. 6th EDF.
EDF TA 6003 A4b

Sectoral Import Programme. Resp. Auth: Government of Tanzanie. 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. Int. tender launched in April 89. Project in execution. 5th and 6th EDF.
EDF TA 6010 A1c

Secondary roads improvement project. Estimated cost 20 mECU. Repair and rehabilitation works on Songea-Mbinga and Iboma-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 Adelé 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 Bassar. 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

***Support programme to the phosphate mining industry.** Resp. Auth.: Office Togolais des Phosphates (OTP). 15.7 mECU. Research actions on cadmium problems. Purchase of drying machines and shovels. Project on appraisal. Date foreseen for financing October 89. 6th EDF.*
EDF TO-SYS 6015 A

TONGA

Vava'u Airport Development Project. Resp. Auth.: Ministry of Civil Aviation. 2.130 mECU. Works, supply of equipment and training. Works by direct labour, supplies by int. tender. Project on appraisal. 5th and 6th EDF.
EDF TG 5003-6001 A2d

Integrated regional development study for Vava'u. Short-list done. Project stage identification.
EDF TG A3a

TRINIDAD AND TOBAGO

Sectoral import programme: industry. ★12 mECU. Allocation of currencies to import raw materials and intermadiate products. ***Date financing September 89.*** 6th EDF.
EDF TR 6002 A4b

UGANDA

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

Rural roads. 0.860 mECU. Construction ★of feeder roads in 5 islands. ***Date financing September 89.*** 6th EDF.
EDF VA 6009 A2d

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. Int. tender launched in March 89. Project in execution. 6th EDF.
EDF WSO 6001 A2a

ZAIRE

Kivu programme. 40 mECU. Action for crops (coffee, corn, palm-tree, rice) environment (Parc de la Virunga), lines of credit. 1st int. tender launched in April 89. Project in execution. 6th EDF.
EDF ZR 6002 A3a

Kinshasa hinterland programme. APEK 25 mECU. To improve crop production. 1st int. tender launched in July 89. Project in execution. 6th EDF.
EDF ZR 6003 A3a

Sectoral import programme. Resp. Auth.: Banque du Zaïre. Estimated cost 30 mECU. To import spare parts, row materials and intermediary inputs for industry and agroindustry sectors. Project in execution. 5th and 6th EDF.
EDF ZR 6016 A1c

Rehabilitation programme of SNCZ. 7.5 mECU. Supply of row materials and spares to replace railways system. Date foreseen for financing 2nd half 89. 6th EDF.
EDF ZR 6017 A4a

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 2nd half 89. 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

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. Project in execution. 6th EDF.
EDF ZA 6005 A3a

***Import programme and special debt programme.** Resp. Auth.: Ministry of Finance, Bank of Zambia, Export Board, EEC Delegation. 20 mECU. Purchase of inputs, raw materials, spare parts and equipments for productive sectors, agriculture, health and transports. T.A. and evaluation. Project on appraisal. Date foreseen for financing November 89. 5th and 6th EDF.*
EDF ZA 6016 A1c

ZIMBABWE

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

Small scale irrigation programme. Resp. Auth.: Agritex Irrigation Division. 14 mECU. Irrigation works over 700 ha. Supply of vehicles and equipments. T.A., training, ★studies. Project on appraisal. ***Date foreseen for financing November 89.*** 6th EDF.
EDF ZIM 6010 A3e

Tourism development programme. Resp. Auth.: Ministry of Natural Resources and Tourism. 3.6 mECU. EDF part. T.A. stu★dies, marketing. Project on appraisal. ***Date foreseen for financing October 89.*** 6th EDF.
EDF ZIM 6008 A5c

Human resources development programme. Resp. Auth.: Ministry of National Scholarships. 3.4 mECU. T.A. and scholarships, awards, seminars. Project on appraisal. ★***Date foreseen for financing October 89.*** 6th EDF.
EDF ZIM 6020 A6

Overseas Countries and Territories (OCT)

ANGUILLA

Anguilla road improvement. *Resp. Auth.: Ministry of Communication, Works and Public Utilities. Estimated total cost 2.710 mECU. EDF 2.440 mECU, local 0.270 mECU. Improvement of 11 road sections. 7.9 km. Project on appraisal. 6th EDF.*
EDF AG 6001 A2d

NETHERLANDS ANTILLES

Tourism development programme. Resp. Auth.: Ministry of Development Cooperation. 18.100 mECU. Programme for 5 islands. Optimal use of tourism potential. T.A., training, promotion and investments in tourism infrastructures. Works, supplies, T.A., training. Project on appraisal. 6th EDF.
EDF NEA 6007 A5c

Business development scheme. 1.5 mECU. T.A. for marketing, management, product, company and strategy development. T.A. and training. Project on appraisal. 6th EDF.
EDF NEA 6013 A5c

FRENCH POLYNESIA

HV transmission lines. TEP 2. Resp. Auth.: TEP (Société de Transport). 1.650 mECU. Erection of a HV transmission line 90 KV. Supply of cables and electrical equip-
★ment. Project on appraisal. ***Date foreseen for financing November 89.*** 6th EDF.
EDF POF 6001 A2ai

NEW CALEDONIA

Rural development programme. *Resp. Auth.: Administration Territoriale. 2.078 mECU. Poum and Ouegoa water supply. Aquaculture, sea-shrimps, artisanal fishery. Works and supplies. Project on appraisal. 6th EDF.*
EDF NC 6004 A2b, A3d

Human resources development. *Resp. Auth.: Administration Territoriale. 2.080 mECU. Stock-farming training, T.A. for artisanal fishery, training, management. T.A. Project on appraisal. Date foreseen for financing October 89.*
EDF NV 6101 A6ci

WALLIS AND FUTUNA

Electrification of Futuna. Resp. Auth.: Administration Supérieure de Wallis et Futuna. 1.1 mECU. Supply of cables and
★pylons for L.T. and M.T. ***Project in execution.*** 6th EDF.
EDF WF 6001 A2a

BRITISH VIRGIN ISLANDS

Improvement and extension of the water supply system. Resp. Auth.: Water and Sewerage Department. EDF 2 mECU. Works by direct labour. Supply of transmission and distribution mains, reservoirs and infiltration trenches with pumps. Project on appraisal. 6th EDF.
EDF VI 6002 A2b

CAYMAN ISLANDS

Community college. Works and supply of equipment and T.A. Project in execution. 6th EDF.
EDF CI 6001 A6d

Regional Projects

GUINEA — GUINEA BISSAU — SENEGAL — MAURITANIA — NIGER — MALI

Soil development of the versant basin type in Guinea: Fouta Djalon and Niger Upper Basin. Resp. Auth.: Ministère Guinéen de l'Agriculture et des Ressources Animale (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 in execution. 6th EDF.
EDF REG 6137 A3a

BURKINA — NIGER

Timber development in the future reservoir of the Kompienga 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

INDIAN OCEAN ACP COUNTRIES

Foreign trade statistics. Resp. Auth.: Ministère du Commerce, Mauritius. 2.200 mECU. Setting up of a computerized system. Supply of equipments, T.A. training and eva-
★luation. ***Date financing September 89.*** 6th EDF.
EDF REG 6506 A5e

Assistance to training, research and T.A. Resp. Auth.: Ministère des Finances, Mauritius. 1.100 mECU. Training, seminars, studies. T.A. to the C.O.I. (Commission Océan
★Indien). ***Date financing September 89.*** 6th EDF.
EDF REG 6507 A6cfhj

Regional programme of meteorological cooperation concerning tropical hurricanes. *Resp. Auth.: Madagascar as Regional Authorizing Officer. 5 mECU. Purchase of specialised equipment by int. tender. T.A. and training. Project on appraisal. Date foreseen for financing December 89. 6th EDF.*
EDF REG 6508 A2e

PACIFIC ACP COUNTRIES

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. Project in execution. 6th EDF.
EDF REG 6027 A5c

MEMBER COUNTRIES OF CILSS

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 in execution. 6th EDF.
EDF REG 6106 A3a

Regional programme for soil protection and reafforestation. Resp. Auth.: Ministère du Dév. Rural et de la Pêche du Cap Vert. 4.250 mECU. Works, training, supply of equipments and T.A. Project in execution. 6th EDF.
EDF REG 6145 A3e

Information and training programme on environment. Resp. Auth.: CILSS Secrétariat. 10 mECU. Supply of pedagogical equipment, T.A. and training. Project in execution. 6th EDF.
EDF REG 6147 A8f

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

IGADD COUNTRIES

T.A. for a fight against desertification strategy. Resp. Auth.: IGADD. Supply of specialised T.A. Project on appraisal. 5th EDF.
EDF REG 5361 A3a

BURUNDI — RWANDA — ZAIRE

Institutional support to the: "Institut de Recherche Agronomique et Zootechnique (IRAZ) at Gitega, Burundi. Resp. Auth.: IRAZ and Ministère des Travaux Publics, Burundi. EDF part 2.5 mECU. Building of administrative and research complex. Works by int. tender (conditional) foreseen in August-September 89. Project on appraisal. 6th EDF.
EDF REG 6318 A1a

BURUNDI — RWANDA — TANZANIA — UGANDA — ZAIRE — KENYA

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 6309 (TA....) A2d

Block trains (Tanzania Railways Corporation, TRG). Resp. Auth.: TRC. 28 mECU. Provision of main line and shunting locomotives and wagons. Project on appraisal. 6th EDF.
EDF REG 6313 (TA....) A2d

Northern corridor alternative. Kericho-Isebania road Kenya. Resp. Auth.: Ministry of Transports and Communication, Kenya. 13 mECU. Rehabilitation of bitumized road of 170 km in the Victoria lake region. Project on appraisal. 6th EDF.
EDF REG 6315 (KE) A2d

Improvement of Burundi access to the central corridor. Resp. Auth.: National Authority Officer, Burundi. 10 mECU. Road construction. First part: 27 km. Muyinga-Tanzania border. Works by int. tender (conditional) foreseen in August-September 89. Project on appraisal. 6th EDF.
EDF REG A6317

SOMALIA — DJIBOUTI

Djibouti-Zeila (Somalia) road. Resp. Auth.: Ministère and Ministry of Public ★Works. Estimated cost ***28 mECU.*** Construction of a road between Djibouti town and Zeila town in Somalia. Int. tender (conditional) launched in May 89. Project on appraisal. ***Date foreseen for financing December 89.*** 6th EDF.
EDF REG 6301 A2d

WEST AFRICAN COUNTRIES

Priority action programme to improve postharvest utilization of artisanal fish production. *Resp. Auth.: National Authorising Officer from Sierra Leone as Regional Authority Officer. 0.895 mECU. Grass-root activities involving fish processors of several countries and region, studies on marketing and credit and training and experimental work for fish quality improvement. T.A. by CEASM (NGO-F). Project on appraisal. Date foreseen for financing October 89. 6th EDF.*
EDF REG 6126 *A3g*

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

Mananga: agricultural management training. Resp. Auth.: Mananga Agricultural Management Centre (MAMC). 1.6 mECU. ★Supply of T.A. ***Project in execution.*** 6th EDF.
EDF REG 6425 A6ci

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. Project in execution. 6th EDF.
EDF REG 6409 A6d

SADCC — MOZAMBIQUE

Beira-Machipande road. Resp. Auth.: Ministry of Construction and Water. Maputo 5 ★mECU. Repair works. ***Project in execution.*** 6th EDF.
EDF REG 6413 (MOZ....) A2d

ASECNA

Regional air safety training schools at Douala and Niamey. Resp. Auth.: ASECNA. 7 mECU. Building and equipping of schools in Douala and Niamey. Works and ★equipments by int. tender. T.A. ***Project in execution.*** 6th EDF.
EDF REG 6057 A6d

CARIBBEAN ACP COUNTRIES AND MONTSERRAT

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 in execution. 6th EDF.
EDF REG 6601 A6b

Bequia airport. Resp. Auth.: Ministry of Finance and Planning. St. Vincent and Grena- ★dines. ***18.5 mECU.*** Airport construction. Works and supply of equipment. T.A.: Kocks Consult (D). Works: prequalification launched in April 89. ***Date financing October 89.*** 6th EDF.
EDF REG 6625 A2d

ORGANISATION OF EASTERN CARIBBEAN STATES (OECS) 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 in execution. 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

OECS — TRINIDAD AND TOBAGO — BARBADOS — GUYANA

Regional fruit and vegetable marketing programme. Resp. Auth.: Caribbean Food Corporation. 6.2 mECU. T.A. and supplies. Project on appraisal. 6th EDF.
EDF REG 6620 A5de

OECS AND MONTSERRAT

Tertiary education. Resp. Auth.: OECS Secretariat. 7.2 mECU. Construction, supply of equipments, training, trainers training, T.A. and evaluation. Project on appraisal. 6th EDF.
EDF REG 6628 A6bcj

CARICOM AND UK OCT

Regional hotel training programme. Resp. Auth.: Bahamas Hotel Training College (BHTC). 4.4 mECU. Construction region training facility, supply of equipment, scholarships. Project in execution. 6th EDF.
EDF REG 6614 A5c

ALL ACP COUNTRIES

Support programme to take social dimension of the structural adjustment into account. 1.500 mECU. Studies, statistics, reports, T.A. ***Date financing September 89.*** 6th EDF.
EDF REG 6076 A1b

MEDITERRANEAN COUNTRIES

ALGERIA

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

Integrated programme to improve seed production for large scale farming. EEC contribution 7 mECU. Works, supplies and T.A. 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

IUD production. Resp. Auth.: National Population Council (NPC). EEC 2.100 mECU. T.A., equipments, row material for local production of IUD. T.A. by Organon (NL). Equipments by int. tender. Project on appraisal. Date foreseen for financing September 89.
SEM EGT A7c

JORDAN

Study on underground water-level in the Azraq basin. Resp. Auth.: Ministry of Hydrology and Irrigation. 3 mECU. To collect and exploit all data concerning water region of Azraq basin. T.A. supply of equipment and drilling works. Works by acc. tender. Project in execution.
SEM TO A2a

Project for a national soil map and land utilization. Resp. Auth.: Ministry of Agriculture. 4 mECU. T.A. and training. Project in execution.
SEM TO A1g

MALTA

Tourism industry modernisation. 2.4 mECU. Tourism development plan, promotion, institut for hotel management and tourism, 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. Project in execution.
SEM MAT A9b

MOROCCO

Drinking water supply for small centres. Resp. Auth.: Office National de l'Eau Potable (ONEP). 11.888 mECU. Pipes, equipments civil works, transmission lines, access roads and fencing, studies and supervision. Works by int. tender. Project in execution.
SEM MOR A2b

Support to the anti-locust programme. Resp. Auth.: Ministère de l'Agriculture. EEC contribution 6 mECU. Purchase of ★4 bi-turbo props aircrafts by restr. tender. ***Project in execution.***
SEM MOR A3a

Tessaut-Aval hydro-agricultural region. Construction and equipment of the T2 water-main. Resp. Auth.: Office Régional de Mise en Valeur Agricole du Haouz (ORMVAH). EEC contribution 34.150 mECU. EEC part: construction of 19 km of the water-main and 2 syphons. Int. tender ★launched end of June 89. ***Project in execution.***
SEM MOR A3a

Support to strengthen technologic and scientific education structures. Resp. Auth.: Ministère de l'Education Nationale. EEC 40 mECU. Achievement of Beni Mellal and Seltat faculties. Construction of Errachidian and Mohammedian faculties and CPRT of Settat. Supply of equipments for faculties and CPRT, studies, T.A. and supervision. Works and equipments by int. tenders. Project on appraisal. Date foreseen for financing September 89.
SEM MOR A6b

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 4 × 4 vehicles by int. tender launched in November 88. Works by direct labour. Project in execution.
SEM TUN A3a

Date-palm trees in the Rejim-Maatoug region. Resp. Auth.: Office de Mise en Valeur de Rejim-Maatoug. EEC contribution 15 mECU. Italy 7 mECU. Drilling works by int. tender. Drilling equipments: Italy. Electric equipment: Italy. Irrigation equipments: int. ★tender. T.A.: Italy. ***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

Improvement of health studies. EEC contribution 5.8 mECU. Master plan, specialized medical equipments, scanner, vehicles. T.A. and supplies. Project in execution.
SEM TU A7ac

Fight against environmental pollution. Resp. Auth.: Prime Minister's Office. Directorate General of the Environment. EEC contribution 2.8 mECU. Purchase of mobile system to measure, control, water, air, surface and soil pollution. Supply of laboratory equipment, T.A. Project in execution.
SEM TU A8f

Vocational training programme for tourism and mining. EEC contribution 5.4 mECU. Seminars, staff, trainers, supply of equipment, studies. Project in execution.
SEM TU A5c, A4a, A6d

Programme to deepen association relations between EEC and Turkey. EEC contribution 3.6 mECU. Scholarships, supply of equipment for the University of Ankara and Marmara. Training centre and language laboratory in Marmara. Establishment of a Euro-Turkish "Business Council". Project in execution.
SEM TU A6b

Regional centre for training and development for the "Union Internationale des villes (UIV)" for eastern mediterranean countries and Middle-East in Istanbul. EEC contribution 1.4 mECU. T.A. and supply of equipment. Project in execution.
SEM TU A1c

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. Third int. tender for the rehabilitation of ADS diary in Jericho launched in July 89.
SEM OT A8a, b, e

A.L.A. developing countries ASIA and LATIN AMERICA

BANGLADESH

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 in execution.
ALA BD 8816 A3a

Thikana project. Resp. Auth.: Thikana Village Development Fund (TVDF), Committee and Promotion, Planning and Management Unit. EEC contribution 9.5 mECU. Establishment of the Village Fund, and T.A. Project in execution.
ALA BD 8815 A3a

BHUTAN

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

CHINA (PEOPLE'S REP.)

China-EC centre for agricultural technology. Resp. Auth.: Ministry of Agriculture, Animal Husbaundry and Fisheries (MAAF) and EEC Commission. EEC contribution 5.9 mECU. Chine will construct the centre. EEC part: supply of equipment, documentation, training, european staff, T.A. and works supervision. Project in execution.
ALA CHN 8821 A3, A6

Maize and sunflower research development project in the Jilin province. Resp. Auth.: Jilin Province Commission for Foreign Economic Relations and Trade (JPCFERT). EEC contribution 2.7 mECU. Supply of specialized equipment by int. tender on direct agreement. Training, T.A. and evaluation. Project in execution.
ALA CHN 8813 A3a

ECUADOR

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. Works: int. tender *launched* in September 89. Project in execution.
ALA ES 8712 A7a

GUATEMALA

Programme for sustainable development of the Lake Atitlan Basin. Resp. Auth.: Ministerio Desarollo Urbano e Rurale (MDUR). Pilot programme of microprojects. EEC contribution 3.5 mECU. Works and infrastructures. Supply of equipment, line of credit, T.A. and studies. Int. tender launched end of April 89. Project in execution.
ALA GU 8822 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. Int. tender launched end of April 89. Project in execution.
ALA HO 8620 A8bc

INDIA

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. Project in execution.
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 in execution.
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 financed through counterpart funding from sale of ~260 000 T of muriate of potash (MOP). Purchase by Minerals and Metals Trading Corporation (MMTC) Int. tender in 89. Project in execution.
ALA IN 8818 A3a

South Bhagirath: II. Integrated watershed management. 8.4 mECU. Reafforestation, soil protection, T.A. Project financed through counterpart funding from sale of 115 000 t of muriate of potash by MMTC in 89. Int. tender: see ALA IN 8818. Project in execution.
ALA 8820 A3a

INDONESIA

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

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

Primary education in rural areas. Cofinancing with CIDA and IDA. EEC contribu-

tion 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 development programme for agricultural research on cereals in Central-America. EEC contribution 10.8 mECU. T.A. and supply of equipment. Project in execution.
ALA REG 8823 A3a

BCIE (BANCO CENTROAMERICANO DE INTEGRACION ECONOMICA)

Support to the SME in Central America (PAPIC). Phase II. Resp. Auth.: BCIE. EEC 6 mECU, Italy 1 mECU, Sweden 3.8 mECU, BCIE 3.8 mECU. Hard currencies funds. T.A. and training. Project on appraisal. Date foreseen for financing September 89.
ALA REG 8909 A5b

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 in execution.
ALA REG 8814 A3a

PERU

Rural micro-projects programme (Pampa- Puno II). Resp. Auth.: CORPUNO. EEC contribution 21.4 mECU. T.A.: ten expatriates. Supply of trucks, vehicles, equipments, training. Project in execution.
ALA PE 8817 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 in execution.
ALA REG 8819 A2d

PHILIPPINES

Agricultural education programme. Resp. Auth.: Ministry of Education, Culture and Sports (DECS). EEC contribution 10.4 mECU. Parallel cofinancing with ADB. Supply of equipments and agricultural inputs. Pedagogical equipment, furnitures, laboratory equipments and audio-visuals, books, chemicals, tools, vehicle, T.A. and training. Project in execution.
ALA PHI 8824 A6ci

THAILAND

Development and extension of fruit and vegetable production in Northern Thailand. EEC contribution 9.45 mECU. Long-term T.A., supply of equipments, line of credit, training, research and follow-up and evaluation. Project in execution.
ALA TH 8812 A3a

INQUIRY

If you have suggestions for improving the **presentation, format** and **print** used in the "blue pages" operational summary, please send them to:

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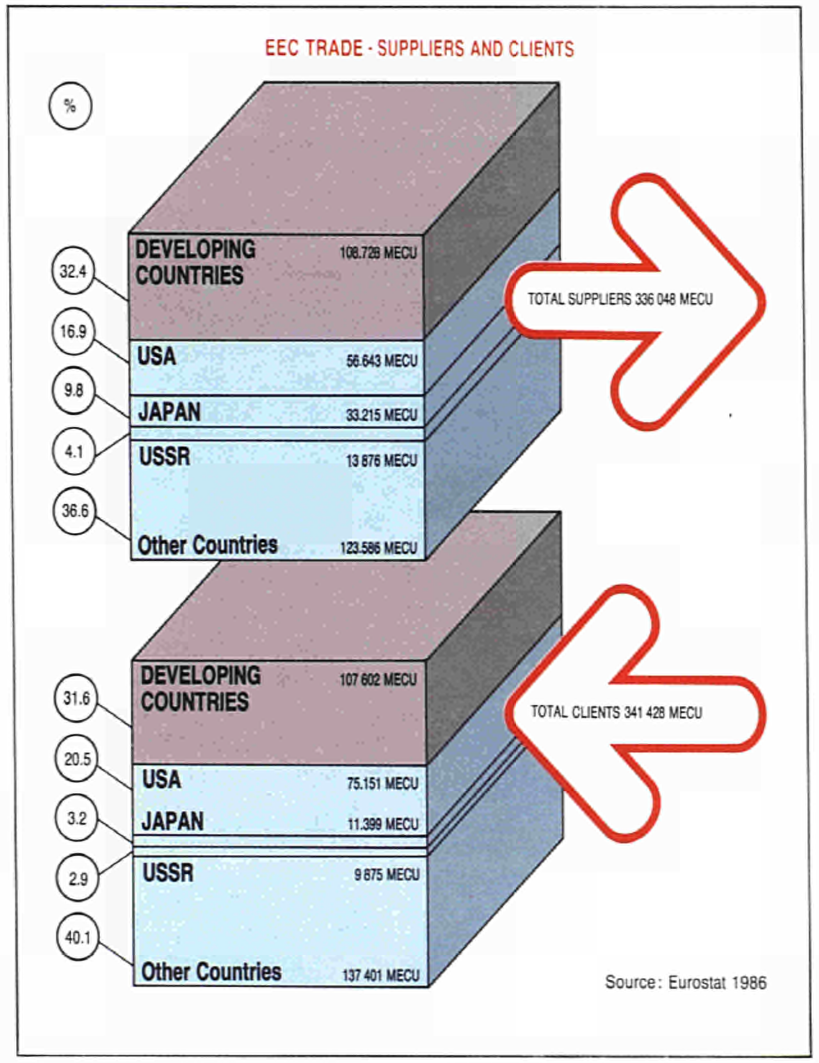
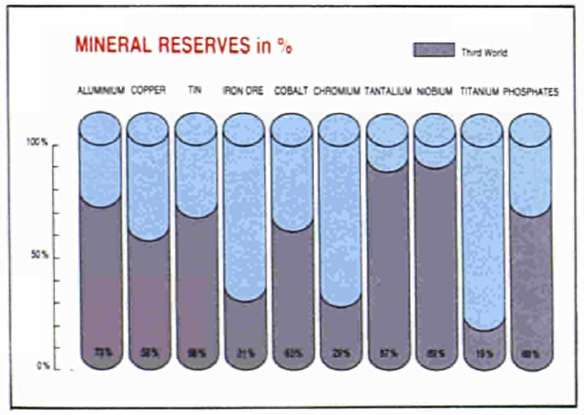
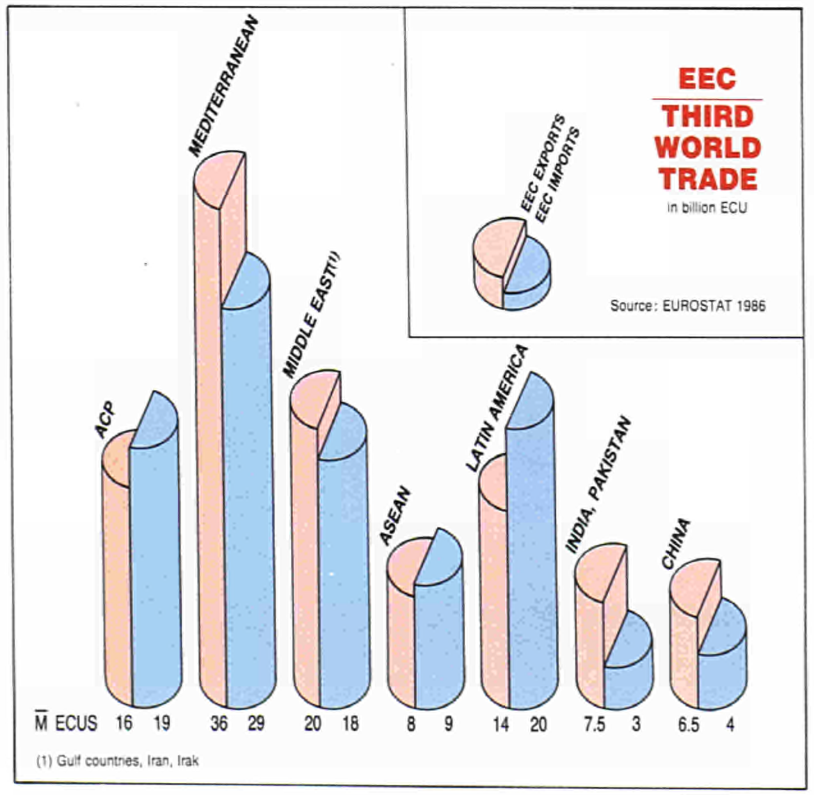
THE EUROPEAN COMMUNITY AND THE THIRD WORLD

The Community's exports to the developing countries and its imports from them make up nearly one third of its total overseas trade. The Third World is a major outlet for Community products, notably machinery and vehicles, manufactured goods, chemicals and processed foodstuffs, and it is the Community's principal supplier of fuel products (oil, gas, uranium) and primary mineral and agricultural products (phosphates, copper, coffee, cocoa, tea, spices...).



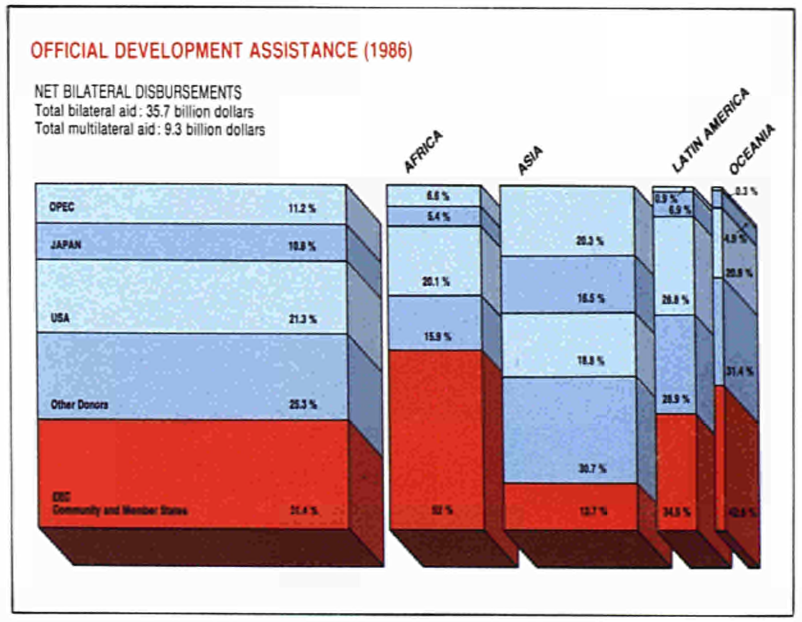
Although industrialisation is on the increase in the Third World — manufactured goods, particularly textiles and clothing, leather goods, footwear and electronic appliances, now represent some 30% of the developing countries' exports to the EEC — raw materials still form the bulk of their exports to the Community. Sales of oil and natural gas largely explain the Southern Mediterranean and Middle Eastern countries' substantial share of EEC-Third World trade. Fuel apart, their tropical agricultural products, and the possession of substantial reserves of important minerals make the developing countries a vital source of supply for European industry.





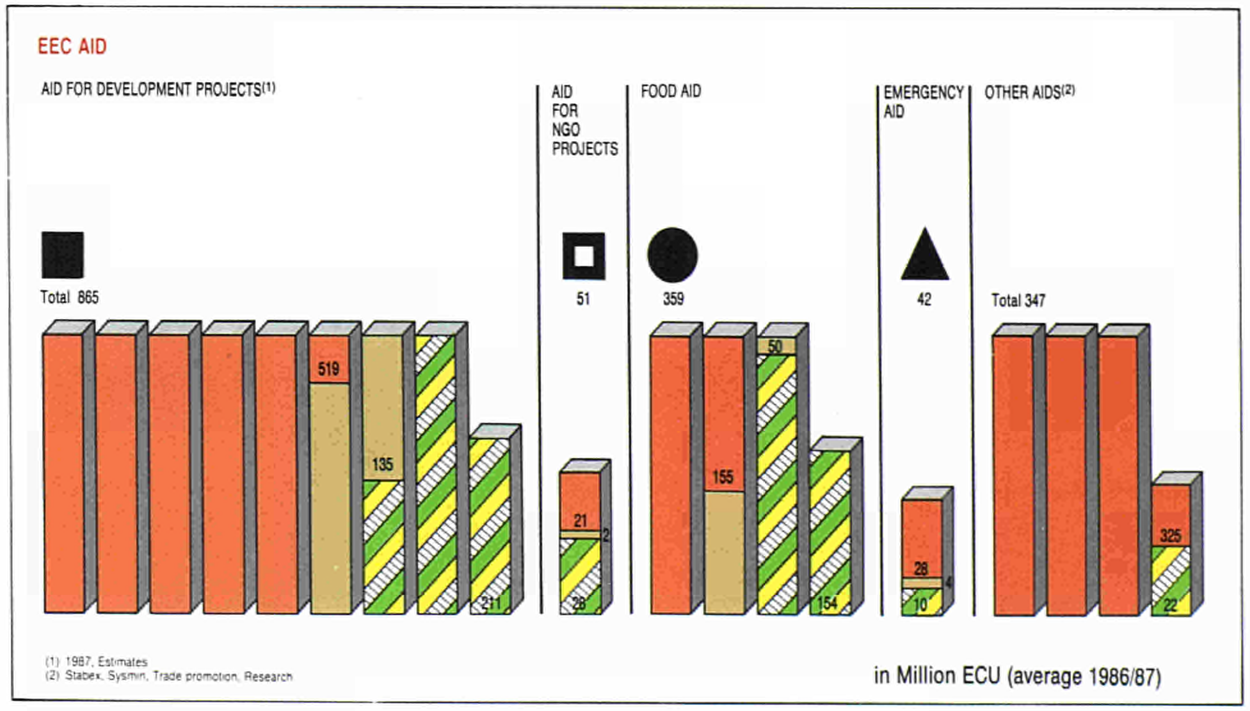
Development aid, trade, raw materials

Active in parts of Africa since the end of the 1950s, the Community subsequently extended its development cooperation policy to the whole of the African continent, the Caribbean, the Pacific, the Mediterranean, Asia and Latin America. The network of cooperation agreements which it has built up over the years is illustrated in the map overleaf. Recent figures for development aid, EEC-Third World trade, and the developing countries' mineral reserves are given in graphic form on this side of the map.



The European Community and its Member States together constitute the world's leading source of official development assistance: Community aid proper, Member States' bilateral aid and their contribution to multilateral agencies together make up roughly one third of all aid to developing countries. Between them they provide over half of total aid to Africa and more than a third of all aid to Latin America and Oceania.

Community aid proper represents 4.3% of total official development assistance and 12% of all bilateral and multilateral aid from the Twelve. It consists principally of grants, and is distributed amongst almost all developing countries, although the Community gives proportionately more to sub-Saharan Africa than other donors. It also devotes a larger share of its aid to agriculture and rural development than other donors.



N.B. For the key to the colours, see map overleaf.


THE EUROPEAN COMMUNITY
AND THE THIRD WORLD
A NETWORK OF COOPERATION AGREEMENTS
KEY
European Community Member States (Belgium, Denmark, Federal Republic of Germany, France, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, United Kingdom) and their overseas departments (Azores, Canary Islands, Ceuta and Melilla, Guadeloupe, Guyane, Madeira, Martinique, Reunion)
Overseas countries and territories for which certain EC Member States (France, Netherlands, United Kingdom) have responsibility, and Greenland
African, Caribbean and Pacific (ACP) countries which have signed the Lome Convention with the European Community
The Lome Convention is an overall cooperation agreement renegotiated to date every 5 years
Mediterranean countries which have signed cooperation or association agreements with the EC
Maghreb countries — Algeria, Morocco, Tunisia — Mashrek countries — Egypt, Jordan, Lebanon, Syria — Israel, Cyprus, Malta, Turkey, Yugoslavia
Gulf Cooperation Council countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates), which have signed a cooperation agreement with the EC.
Asian and Latin American regional groups (ASEAN, Andean Pact, Central America) which have signed outline cooperation agreements with the EC
Asian and Latin American countries which have signed outline cooperation agreements with the EC (Bangladesh, Brazil, China, India, Mexico, Pakistan, Sri Lanka, Uruguay, Yemen Arab Republic)
ACP COUNTRIES
AFRICA
Angola
Benin
Botswana
Burkina Faso
Burundi
Cameroon
Cape Verde
Central African Republic
Chad
Comoros
Congo
Côte d'Ivoire
Djibouti
Equatorial Guinea
Ethiopia
Gabon
Gambia
Ghana
Guinea
Guinea Bissau
Kenya
Lesotho
Liberia
Madagascar
Malawi
Mali
Mauritius
Mauritania
Mozambique
Niger
Nigeria
Rwanda
Sao Tome Principe
Senegal
Seychelles
Sierra Leone
Somalia
Sudan
Swaziland
Tanzania
Togo
Uganda
Zaire
Zambia
Zimbabwe
CARIBBEAN
Antigua and Barbuda
Bahamas
Barbados
Belize
Dominica
Grenada
Guyana
Jamaica
Saint Christopher & Nevis
Saint Vincent
Saint Lucia
Suriname
Trinidad & Tobago
PACIFIC
Fiji
Kiribati
Papua New Guinea
Solomon Islands
Tonga
Tuvalu
Vanuatu
Western Samoa
GREENLAND
SAINT-PIERRE AND MIQUELON
IRELAND
UNITED KINGDOM
DANMARK
NEDERLAND
BELGIQUE BELGIE
BUNDESREPUBLIK DEUTSCHLAND
LUXEMBOURG
FRANCE
ITALIA
YUGOSLAVIA
PORTUGAL
ESPANA
ELLAS
TURKEY
AÇORES
CEUTA
MELILLA
MALTA
CYPRUS
LEBANON
SYRIA
ISRAEL
JORDAN
TUNISIA
MADEIRA
MOROCCO
ALGERIA
CANARIAS
EGYPT
KUWAIT
BAHRAIN
QATAR
UNITED ARAB EMIRATES
SAUDI ARABIA
OMAN
YEMEN (ARAB REP)
AFGHANISTAN
PAKISTAN
NEPAL
BHUTAN
INDIA
BANGLADESH
BURMA
CHINA
SOUTH KOREA
VIETNAM
LAOS
THAILAND
KAMPUCHEA
Boat People
PHILIPPINES
MALAYSIA
SINGAPORE
BRUNEI
INDONESIA
SRI LANKA
MALDIVES
BRITISH INDIAN OCEAN TERRITORY
SEYCHELLES
COMOROS
MAYOTTE
MADAGASCAR
MAURITIUS
REUNION
MAURITANIA
MALI
NIGER
CHAD
SUDAN
DJIBOUTI
SOMALIA
ETHIOPIA
SENEGAL
GAMBIA
GUINEA BISSAU
GUINEA
SIERRA LEONE
LIBERIA
CÔTE D'IVOIRE
GHANA
TOGO
BENIN
BURKINA FASO
NIGERIA
CAMEROON
CENTRAL AFRICAN REPUBLIC
EQUATORIAL GUINEA
SAO TOME & PRINCIPE
GABON
CONGO
ZAIRE
RWANDA
BURUNDI
UGANDA
KENYA
TANZANIA
ANGOLA
ZAMBIA
MALAWI
ZIMBABWE
MOZAMBIQUE
NAMIBIA
BOTSWANA
SWAZILAND
LESOTHO
REPUBLIC OF SOUTH AFRICA
CAPE VERDE
ST HELENA AND DEPENDENCIES
MEXICO
BAHAMAS
TURKS AND CAICOS ISLANDS
CUBA
CAYMAN ISLANDS
BRITISH VIRGIN ISLANDS
ANGUILLA
HAITI
DOMINICAN REPUBLIC
NETHERLANDS ANTILLES
ANTIGUA & BARBUDA
ST. CHRISTOPHER & NEVIS
MONTSERRAT
GUADELOUPE
DOMINICA
MARTINIQUE
ST. LUCIA
BARBADOS
ST. VINCENT & THE GRENADINES
GRENADA
TRINIDAD & TOBAGO
JAMAICA
BELIZE
GUATEMALA
HONDURAS
EL SALVADOR
NICARAGUA
COSTA RICA
PANAMA
ARUBA
VENEZUELA
GUYANA
SURINAME
GUYANE
COLOMBIA
ECUADOR
PERU
BRAZIL
BOLIVIA
PARAGUAY
CHILE
URUGUAY
ARGENTINA
FALKLAND ISLANDS
FRENCH POLYNESIA
PAPUA NEW GUINEA
KIRIBATI
SOLOMON ISLANDS
TUVALU
WESTERN SAMOA
WALLIS AND FUTUNA ISLANDS
VANUATU
FIJI
NEW CALEDONIA AND DEPENDENCIES
TONGA
ATLANTIC OCEAN
PACIFIC OCEAN
INDIAN OCEAN
EUROPEAN COMMUNITY AID
1986/1987
AID FOR DEVELOPMENT PROJECTS
Funds for development projects proposed by partner countries in different economic and social sectors.
FOOD AID
Donations of foodstuffs (cereals, milk, and also local products) to alleviate famine or food deficits.
AID FOR NGO PROJECTS
Co-financing for small development projects carried out by non-governmental organisations (NGO).
EMERGENCY AID
Cash donations to buy first essentials in emergency situations (natural disasters, refugees, etc.).
Published by the Office for Official Publications of the European Communities
B.P. 1003, Luxembourg LUXEMBOURG.
Issuing department: Commission of the European Communities, Division Information on Development,
200, rue de la Loi, 1049 Bruxelles BELGIUM
Map and graphics: Luc Van Malderen
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Pierre DEFRAIGNE — **Le grand marché de 1992** (The single market of 1992) — Collection Tout savoir sur... — Editions E. Story-Scientia, 34-35 Place Jamblinne de Meux, 1040 Brussels — 139 pages — BEF 500 — 1988

One more book about what the Europeans are expecting in 1992 when the single internal market is due to come into being. Pierre Defraigne knows what he is talking about. After his university studies, he embarked upon a European career in 1970, became the head of the Private Office of Commissioner Etienne Davignon from 1977-83 and, in 1985, Director for North-South relations at the Directorate-General for External Relations.

The remarks questions about the enlarged market are given in the titles of the chapters of this small, but well-filled, book. There is: The logical path of European integration, 1958-92. Why has it taken so long? How is a single market created? And what European policies have to go with it?

The essential figures are all there. Given the Twelve's 320 million inhabitants as compared to the 235 million of the USA and the 120 million of Japan, and a total GDP barely 10% smaller than America's and twice as big as Japan's, "the EEC has a market of comparable power to the American market and much greater power than the Japanese".

With the Madrid Summit in June 1989, the conclusions which the book draws come into their own. "There is no alternative to 1992. Or, more precisely,the growing interdependence of the economies in the world today mean that national solutions are bound to fail... The only chance the governments of Europe have of making their presence felt on the international economic and political scene is to affirm their European sovereignty to the other major figures in the world economy".

But let us make no mistake about the fact that "by abolishing its physical, technical and tax frontiers, the Community is creating a framework... but those who are really in the spotlight in 1992 are the firms", as they will have to be competitive both in the Twelve and on the world market. This we knew. But it is clearly not a bad thing to repeat it. ○

Alain LACROIX

ooo

Stratégies paysannes, alimentaires et technologies appropriées. (Peasant strategies, food strategies and appropriate technology) – A training seminar on the organisation of peasant associations — Editions Collectif Stratégies Alimentaires, 9 quai du Commerce, 1000 Brussels — 201 pages — BEF 250

This is a report of a seminar run in Dworp on 27 April to 9 May 1987.

The introduction (pp. 19-61) paints a picture of agriculture in the North (Europe) and the South (Africa) and it is not an encouraging one, even as far as Europe is concerned. It shows the urgent need for a change of direction in the policies of both agriculture and development cooperation and even in the economic, political and technical reference models.

It moves on to one or two of the essential problems which peasant associations have to cope with — marketing (p. 62), credit facilities (p. 75), technique popularisation and training (p. 86), access to financial resources (p. 99) and technological choices and access to the factors of production (p. 104).

Then comes a first discussion of peasant organisations (pp. 116-134), highlighting:
— the social role peasant associations play through their links with the peasants and their members especially;
— local land-use planning adopted in economic and financial matters and in production;
— the role of the intermediaries making for communication between the peasants and society;
— the nature of the associations' internal institutions and their internal and external relations — between the associations and with society as a whole.

A second discussion on peasant organisation (pp. 135-171) brings in an analysis of socio-relational dynamics, in fact with three aspects — the dynamics and the contradictions of the origins of the seminar, the basic self-determination strategies of the peasant associations and their fundamental characteristics, and dialogue and mutual contributions by peasant associations.

The basic self-determination strategies of the associations and their fundamental characteristics were identified in the light of a systematic analysis of schemes run by the peasant associations which attended the seminar (they do not appear in this report, but will be published shortly).

Important strategies mentioned are a grasp of the meaning of production, the provision of constructive answers, non-violent strategies, the implementation of community projects, the reworking of social relations (young-old and male-female), democratic operation, the importance of communication, training and reappropriation of the land, a break with the economic links established in the surrounding social environment, the search to master technical, commercial and financial matters and development projects, reference to systems in which various models exist side-by-side, strategies avoiding direct confrontation with the State, and so on.

Change of address

After two years in offices in rue Guimard, "The Courier" has returned to its original address:

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Belgium

Visitors are always welcome to call at the offices (Monday to Friday, from 9 a.m. to 5 p.m.)
No change in telephone numbers.

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Back cover: *A refugee camp in southern Sudan (WFP photo)*

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6-CF-AA-89-006-EN-C