

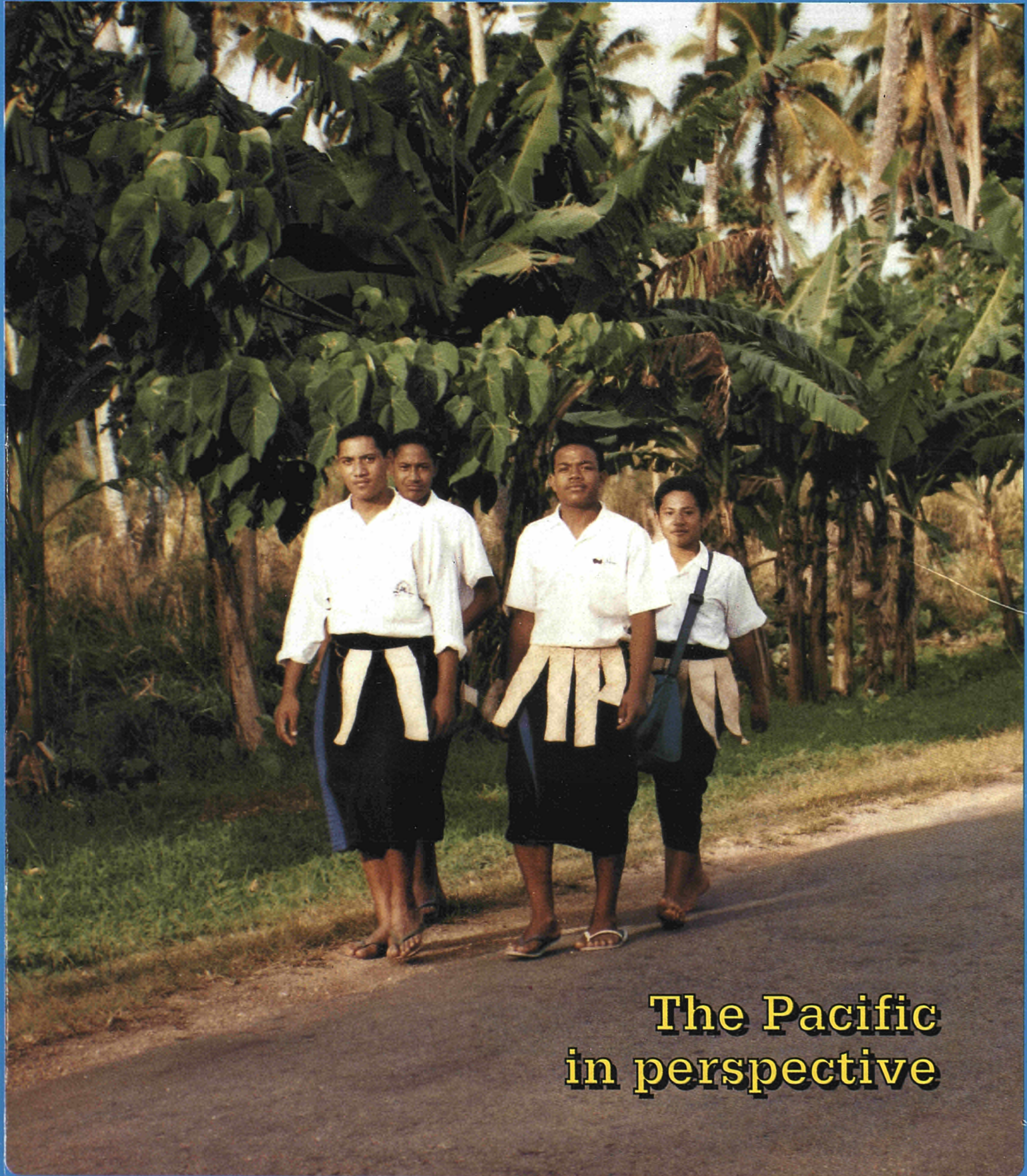


The Courier

AFRICA-CARIBBEAN-PACIFIC - EUROPEAN COMMUNITY

Published every two months

N. 135 - SEPTEMBER - OCTOBER 1992



**The Pacific
in perspective**

THE EUROPEAN COMMUNITY

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IRELAND
ITALY
LUXEMBOURG
NETHERLANDS
PORTUGAL
SPAIN
UNITED KINGDOM

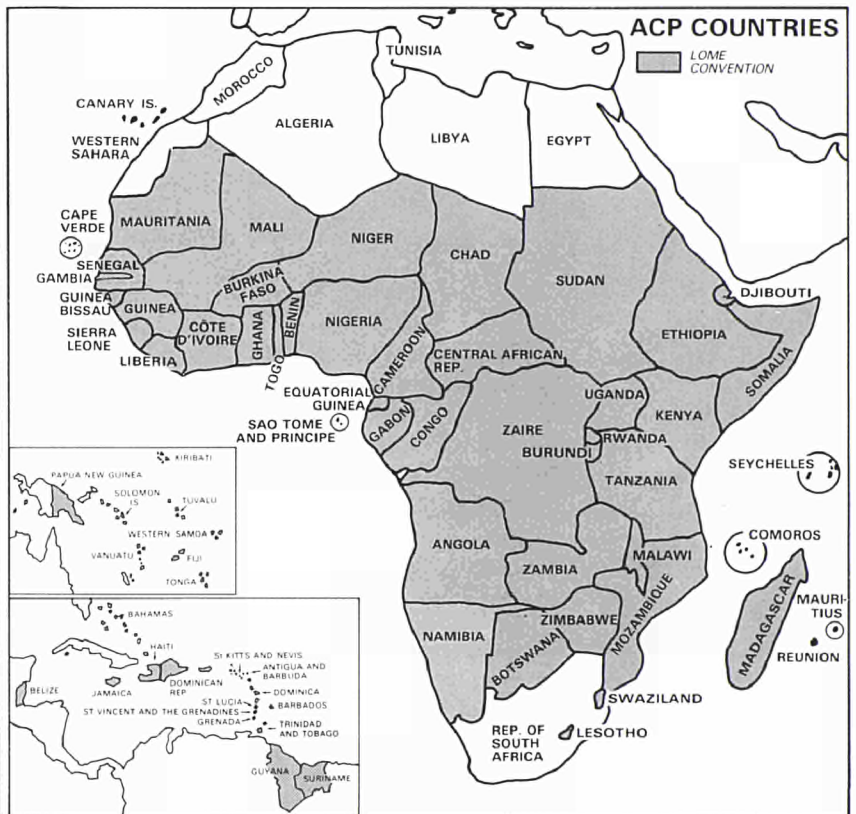
General Secretariat
 of the ACP Group
 of States
 Avenue Georges Henri, 451
 1200 Brussels
 Belgium
 Tel.: 733 96 00

THE 69 ACP STATES

ANGOLA
ANTIGUA & BARBUDA
BAHAMAS
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BURKINA FASO
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MOZAMBIQUE
NAMIBIA
NIGER
NIGERIA
PAPUA NEW GUINEA
RWANDA
ST KITT'S AND NEVIS

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



FRANCE

(Territorial collectivities)
 Mayotte
 St Pierre and Miquelon
(Overseas territories)
 New Caledonia and dependencies
 French Polynesia
 French Southern and Antarctic Territories
 Wallis and Futuna Islands

NETHERLANDS

(Overseas countries)
 Netherlands Antilles
 (Bonaire, Curaçao, St Martin,
 Saba, St Eustache)
 Aruba

DENMARK

(Country having special relations with Denmark)
 Greenland

UNITED KINGDOM

(Overseas countries and territories)
 Anguilla
 British Antarctic Territory
 British Indian Ocean Territory
 British Virgin Islands
 Cayman Islands
 Falkland Islands
 Southern Sandwich Islands and
 dependencies
 Montserrat
 Pitcairn Island
 St Helena and dependencies
 Turks and Caicos Islands

This list does not prejudice the status of these countries and territories now or in the future.

The Courier uses maps from a variety of sources. Their use does not imply recognition of any particular boundaries nor prejudice the status of any state or territory.

Cover page: The traditional way of life of the people living in the South Pacific islands has served them well for centuries. But the future will be determined by the way in which they tackle the challenges of a changing world
 (Photo The Courier)

MEETING POINT: Afamasaga Toleafoa

His Excellency, Mr Afamasaga Toleafoa of Western Samoa has considerable experience in representing his country abroad. In conjunction with our Dossier on the Pacific region, the Ambassador, who has looked after Western Samoa's interests in Brussels since 1985, describes the pitfalls and challenges he faces in carrying out his diplomatic duties. He also discusses in depth, some of the principal economic and social issues affecting the Pacific region today. **Pages 3 to 5.**



COUNTRY REPORTS



GUINEA: Those who hoped that Guinea — with its immense riches — might succeed quickly in breaking out from 26 years of economic stagnation, were sadly mistaken. Today, the country is facing a serious financial crisis, despite the implementation of a structural adjustment programme which has now been in place for six months. It is against

this background that the process of democratisation is taking place, with elections due in November. **Pages 8 to 22.**

MAURITIUS: Over the past decade, Mauritius has succeeded in its first phase of industrialisation and has made considerable progress towards NIC-status. An essentially textiles-led boom allowed it to conquer unemployment very rapidly, so its current full employment context forces it to go for a high-tech capital intensive approach. Will it succeed in becoming the 'tiger of the Indian Ocean'? President Cassam Uteem, former President Sir Verrassamy Ringadoo and Prime Minister Sir Aneerood Jugnauth give their views. **Pages 23 to 40.**



DOSSIER: The Pacific in perspective



Following on from our Dossiers earlier this year on the Caribbean and Africa, we complete the ACP 'set' in this edition, with a more detailed look at the Pacific. Focusing particularly, but not exclusively, on the eight ACP countries, we consider the most important issues currently affecting the region. We also examine some of the institutional mechanisms which have been developed to help the small island nations of the Pacific tackle common problems in a coordinated way. **Pages 47 to 84.**

The Courier

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The Lorenzo Natali Prize for Journalism



Lorenzo Natali died on 29 August 1989. At a ceremony in Brussels on 22 January 1991, the Commission of the European Communities and the Italian government paid homage to the memory of Vice-President Natali, who had been responsible for cooperation and development policy.

His successor, Mr Manuel Marín, took the opportunity of this occasion to announce the establishment of the 'Lorenzo Natali Prize for Journalism'. Courier readers will find below, as a follow-up to this announcement, the text of the official notice setting out the rules of entry, which was published in the Official Journal of the European Communities on 18 July 1992. We realise that the information may reach some of our readers too late for them to send in an entry by the closing date for 1992. If so, our apologies — and good luck for next year.



In memory of the late Lorenzo Natali, who was Vice-President of the Commission of the European Communities with special responsibility for development cooperation, the Commission is organizing the Lorenzo Natali prize for journalism on the following terms:

Admission

Articles on development cooperation published in 1991 in newspapers or magazines from anywhere in the world and written in one of the official languages of the European Community may enter for the Natali Prize.

The jury will pay particular attention to articles which stand out for their defence of human rights and democracy as vital aspects of economic and social development.

As an exception, the jury may also decide to award the prize to a means of communication which has made special efforts to defend human rights and democracy in developing countries.

Submission of work

Articles must be submitted by 31 October 1992 by the actual author or authors, who must send two copies of the publication in which their work features to:

Mr Manuel Marín,
Chairman of the Natali Prize Jury,
Commission of the European Communities,
rue de la Loi, 200,
B-1049 Brussels.

Articles may also be submitted to any Commission delegation in non-member countries or to one of its Offices in the Member States.

Jury

The jury, made up of Commission staff, will be chaired by the Member of the Commission with special responsibility for development cooperation.

In its deliberations the jury may consult members of other Community institutions or prominent figures in the development cooperation field. The jury's decisions are final.

Prize

The Lorenzo Natali prize is worth ECU 5 000.

There will be a single, individual prize, although it may be awarded to a piece of work carried out as a team effort. It may be declared that the prize will not be awarded.

Award

The prize will be awarded by 30 November 1992 and the decision will be published in the 'C' series of the *Official Journal of the European Communities*.

Conditions

Entry for the prize implies full acceptance of its terms and authorization for the Commission to reproduce and disseminate the work submitted, as part of the publicity for the prize itself.

Articles written by members of staff of the Community institutions in active service may not be entered for the Natali Prize.

Afamasaga TOLEAFOA

Ambassador of Western Samoa to the European Community

'When the elephants make love, the grass gets trodden on'

His Excellency, Mr Afamasaga Toleafoa has considerable experience of looking after his country's interests abroad. Prior to taking up his appointment as Western Samoa's Ambassador in Brussels in May 1987, he spent six years as Consul General in Wellington, New Zealand. Coming as he does from the Pacific, he is used to long distances, which is just as well, because he has a wide geographical brief in his current posting. He has the job of representing Western Samoa, not only at the European Community, but also in a range of other European capitals.

Mr Toleafoa is an economist by training and has worked at the South Pacific Commission and in SPEC (which became the Forum Secretariat).

► *Mr Toleafoa, as the Ambassador of a small Pacific island nation, what particular problems do you and your colleagues face in representing your country's interests in Europe?*

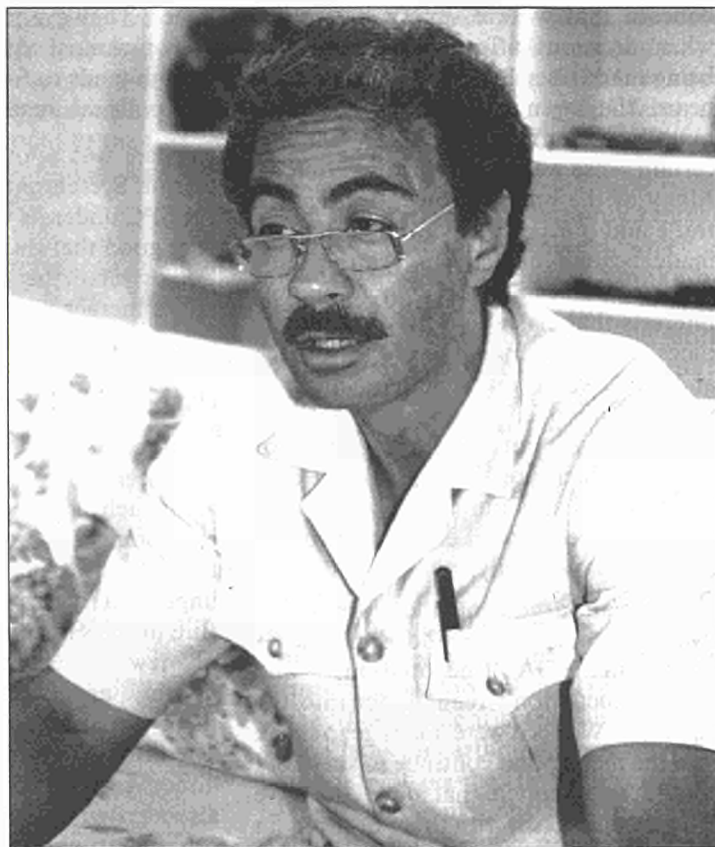
— I think that of a number of these, the one that immediately comes to mind for me relates to the distance between Europe and the Pacific islands. Very few people on this side of the world actually know about where I come from — it is a small country which is a long, long way away. Europe is one of the big players in the world. A lot of things are happening here, so the events in a small nation in the Pacific don't really feature at all. There is no mention of us in any of the media here, even when we have events which to us are terrible, like the very bad hurricanes of the last two years.

I think the problem of profile is a very important one when one is trying to represent a small country. I am forever having to explain where Western Samoa is — that it is in fact a country — and to seek to establish my credentials, before I can even begin to talk about issues.

The reality is that if you are a very small isolated country, you have to work harder to attract attention. People realise that you are unlikely to have a major influence that could be of value to them and that's a problem in terms of trying to get them interested in what you are trying to say or trying to sell. They obviously want to know if it is a country which is worth investing in but you have to come up with something to attract their interest before you even begin to have a dialogue.

► *Do you work closely with other Pacific Ambassadors operating in Brussels?*

— Yes, we do. There are 69 countries in the ACP Group and there are only three Ambassadors from the Pacific here, so in the ACP setting, we have to try and work together. There are, of course, times when we have to pursue our own individual interests. PNG, which is much bigger, can often command attention because of its resource base and its attraction for potential investors, whereas a small country like Western Samoa, has to come



In conjunction with this issue's Dossier on the Pacific, The Courier spoke to the Ambassador about the challenges of representing a Pacific island country on the other side of the world, and about some of the main issues of particular concern to the Pacific region.

up with something special which will hold peoples' interest. That is certainly a problem for me.

If you are going to represent your country's interests you clearly have to have a presence, which implies resources and people. Here again, we are at a disadvantage — bigger countries have many more staff than we have. I have a small office here, just myself and my First Secretary and we try and cover as much ground as possible. We also have the job of looking after our interests in neighbouring countries — UK, France, Germany and so on — apart from our EC representation.

► *While a lot of people may think that 'small is beautiful', countries such as your own obviously have to overcome certain economic disadvantages, given the trend towards regional economic power blocs in the world. Do you think there is a risk that the South Pacific countries will be marginalised — and is that such a bad thing?*

— I think the answer has to be both yes and no. On the one hand, there is a

concern that we are simply bystanders when decisions affecting our lives are being made elsewhere. Perhaps you have heard the saying, 'when the elephants make love the grass gets trodden on'. In a certain sense we are already used to that. Many of the big decisions affecting our trade and our political destiny are being made beyond our shores. At the same time, we don't have too many economic interests that clash with those of the big blocs. We don't manufacture very much and what we do manufacture will never threaten anyone. At the moment, for example, we put together parts for vehicles which are then assembled elsewhere and that is quite sufficient for us. We don't need a lot of economic production to survive easily.

The main argument, therefore, is between Europe, Japan and America — notably in the GATT negotiations — and our products don't really enter into the equation. We, as it were, manage to sneak into the picture and continue to survive. I should say, though that if we do have interests that clash with those of the main trading blocs then we certainly have very little say in what happens.

As for your question is it a bad thing, I don't think it necessarily is, so long as we find a niche within the larger scheme of things. Certainly in terms of our geographical position in the world there is something to be said for the isolation that allows us to move at a certain pace. It allows us to be not too dependent on the market system, and to have a way of life which is sustainable.

► *There are number of regional organisations in the South Pacific which appear to be operating quite effectively. Bearing in mind what is happening here in Europe, and to some extent elsewhere in the world, what scope is there for more regional integration in the Pacific?*

— It is quite surprising to see how many organisations are sprouting up. Up until now, we have had two major regional organisations, the South Pacific Commission and the Forum. The Commission was set up at an earlier time, when things were very different. I know that in the past, a lot of people have argued that there is unnecessary duplication but having worked, for short periods, in both organisations, I have always believed that they complement each other. The SPC deals with a different grouping of islands and tackles different

issues. They are more involved in social and technical questions whereas the Forum tends to focus more on economic and political issues.

There was a lot of pressure when the Forum Secretariat was formed, to bring the SPC under its wing, but I think it was very good that this did not happen. Both bodies serve the region very effectively and a merger would result in too big an organisation which would not be focused enough on the areas they are each competent in at present.

Of course, other organisations have also been set up dealing with specialised areas such as fisheries. We have a specific environmental organisation and I think this is an issue which is sufficiently important to warrant separate treatment. But, at the same time, we are seeing a lot of new bodies being established — notably around the territories where there is particular American influence. The Forum and its Secretariat don't have direct American participation. There is also a growing tendency for other Pacific groupings to assert their own identity — we see this with the Melanesian countries.

I personally think that if we have any more organisations, we could get into difficulties. It will become too confusing. The establishment of new groupings may sometimes be an answer to legitimate concerns or aspirations, but we mustn't get too carried away. We must realise that we are far too small to begin splitting up. I hope that while people may satisfy a need to express their identity, in terms of being Melanesian or Polynesian or whatever, that they still see themselves under a larger umbrella, as represented by the South Pacific Forum.

Certainly on economic issues, the Forum has focused, from the outset, on trying to integrate economic planning, so that the region can develop as a bloc. We have to face realities. We have regional interests which are very much in common. Let us consider the issue of a regional airline. The original concept never got off the ground because it wasn't properly formulated. Qantas and Air New Zealand — who were heavily involved in it — claimed that it was a regional airline but the Pacific islands were never really part of it and they felt that their interests were being submerged in the overall planning of the big two. But now that the Pacific island countries have had the time to develop, and to look at the

issues and problems, I think it is possible for everybody to come together on an equal level to push the idea forward.

We have already done it with shipping. This developed out of a genuine need, you have equal participation and it is working...

► *You are talking here about the Forum Line?*

— Yes. You know that people criticise the Forum Line and say that it is losing money but they forget how it came into being. The private sector was pulling out because they said they were losing money and that was when the Forum countries got together to provide the service. It started to make money and now the private sector is moving back in, chipping away at the profitable routes and, as always, leaving those that are loss-making to others. With that background, I think the Forum Line is doing a pretty good job.

In answer to your question about further integration, there is scope for this in some areas but it has to be done at a certain pace. Let's face it, there are some countries that are much further ahead in terms of infrastructural development. If you leave it simply to economic forces you get a concentration of activity in certain areas. That is not genuine regional development. It is unequal and nobody wants that. Even in industrialised countries you get favoured regions that draw the economic power towards them, leaving the poorer regions to fare as best they can.

► *You hear this said in the European Community — a kind of 'golden triangle' based around Paris, Frankfurt, London and the Benelux countries.*

— Absolutely.

► *What about the Pacific as seen through European eyes. I suspect it is rather a limited and idealised image of a paradise on the other side of the world. Is that something which concerns you?*

— Well, up to a point. You know, I have been here for two winters and I can see why the Europeans have an idealised vision of the South Pacific — the winter here is very severe! At a certain level the South Pacific does have a lot of attractions. Yes, we are far away from the centre of world economic activity but I have seen places much closer that are no

better off, where the problems are quite terrifying and where you wonder whether there will ever be a solution. So in that sense the South Pacific has something special to offer. But there is another side. We have problems of economic development — indeed, of survival in the global economy. We are always at the end of the process. That is the side which we in the South Pacific have to project to the Europeans and others. In essence, the challenge for us and for our leaders is to find a form of development which suits our particular requirements.

► *That raises the whole question of the 'development' concept, which some would say has been elaborated largely by people in the industrialised world. There may be a tendency to equate the subsistence economy with poverty, which does not seem appropriate in the Pacific context. Is there any feeling that industrialisation and development are being imposed from outside and does this pose any sort of threat to the cultural values and systems of the Pacific countries?*

— On this issue, the term that is in fashion at the moment is 'sustainable development'. Have you noticed how we always come up with a phrase. Previously we had 'rural development' and everybody talked about it without really understanding what it was.

If we are to talk about genuine, ecologically sustainable development, that is where our economic system, with its emphasis on subsistence, is of interest. I think Professor Fiske of the Australian National University coined the phrase 'affluent subsistence', which describes very well the way in which the economy in the Pacific should be viewed. Up to now it has provided the people with a standard of living which is adequate in terms of our basic needs. The aim on top of that — and this is the challenge for planners in the South Pacific — should be to pick out those elements of the western model of industrial development that can fit into our subsistence-based economy, instead of simply adopting the whole model 'willy nilly'.

In Western Samoa, 70% of the people are dependent directly or indirectly on subsistence. 70% of the labour force is employed in the subsistence economy. I don't see that changing and I don't necessarily want it to change because that would involve a move to factory employ-

ment. Once you start setting up factories, you are directly hooked into the world economic system and, since we would be right at the end of the process, when things go wrong, we would be the first to suffer. In the end, we would lose our independence altogether.

► *What then, in practice, is the way forward for development in the Pacific?*

— We, the Pacific people, understand that our plans must incorporate development principles which take our particular strengths into account. We have to come up with systems which build on the subsistence economy, adding on from the outside what is needed to make it more productive without fundamentally changing it.

We have certainly developed a more money-oriented and market-oriented economy and this provides the main engine of production for export. But I believe that it is possible, in all of our countries, to operate a dualistic system. If 70% of your population is employed — relatively successfully — in subsistence activities, then that is not going to change very quickly.

What you have to be is inventive enough to direct your subsistence economy so that you can export your surpluses. Obviously, there is a problem of competitiveness. Take bananas, for instance. Someone with two acres of bananas is not going to have the technical inputs — say to guard against diseases — which are needed to compete with a thousand hectare farm in Ecuador, on the Australian or New Zealand market. Yet we have local people who have acquired the ability and technical know-how, and who have access to capital which allows them to invest in production. If you are inventive enough, you can direct your subsistence economy to certain crops which are able to find a market niche, without abandoning the basic system. Of course, we have to be realistic. This approach requires, on our part, a lot more work, imagination and willingness to take certain decisions but it can be done.

► *Turning to environmental issues, some of the future scenarios which have been put forward — notably as regards the effect of global warming — are extremely alarming for the Pacific region. I am thinking particularly of the possibility that one or two atoll nations will disappear*

completely. What do you see as the main ecological threats, and what can be done to tackle them? In particular how do you get the political 'clout' at global level to persuade the big nations to change their habits.

— Global warming is certainly a threat but the more immediate threat, which is already with us, is cyclones. You know that with global warming, you will have desertification on the one hand and more cyclone activity on the other. In Western Samoa, we have recently suffered two very severe cyclones. Our crops were totally destroyed and I don't know what will happen if there is another cyclone in the next six months.

As for the longer term effect of global warming, we are talking about the disappearance of places like Tuvalu. One of the worrying aspects is that people tend to measure catastrophes in terms of the numbers of people affected. Obviously, in some places an earthquake can wipe out thousands of people. In the Pacific, we have small populations and it is more difficult to convince others of how potentially serious the situation is.

As for what we can do about it, in the end it is up to the industrialised countries. I think we are beginning to recognise the causes of environmental damage but whether the industrialised countries have the ability — the political will — to reverse the process remains to be seen. In the meantime, as far as our own political 'clout' is concerned, all we can do is to keep on working together — through the Forum, to try to change things.

► *The objective of the Treaty of Rarotonga is to establish a nuclear-free zone in the South Pacific. For this to be achieved in practice, various third countries would have to accede to the Protocols which are attached to the Treaty. What likelihood do you see of this happening in the foreseeable future?*

— I think the climate is improving in terms of nuclear-free activities in the Pacific. Certainly, with the collapse of Communism, things are looking brighter. France has discontinued testing and I think that there will be a gradual move away from nuclear armed ships in the Pacific. Things are moving in the right direction and I don't anticipate any dramatic change unless a new threat blows up.○

Interview by Simon HORNER

'From ancient kingdoms to present-day systems'

Annual Round Table of the European Centre for Development Policy Management

Simultaneously with the 'Kings of Africa' exhibition (see section on 'Culture and the Arts'), a seminar devoted to the examination, through the lens of African history, of institutional aspects of the interaction between the state and civil society was held in Maastricht from 29 June to 1 July. The Round Table was co-sponsored by the Commission of the European Communities and the Dutch Foreign Ministry, and it brought together 34 participants — 14 Europeans and 20 nationals of ACP countries. Officials, representatives of civil society, diplomats, academics and politicians were able to meet in an atmosphere which was especially conducive to fruitful dialogue in that each was speaking in a personal capacity.

The issues underpinning the seminar discussions may be summarised as follows.

Reference to history makes one better able to identify the cultural elements which govern the behaviour of Africans — leaders and civil society — today. Genuine democracy relies as much on the institutional system which has been constructed as on the state of mind and behaviour of the various agents with a part to play in consensually agreed forms of societal organisation.

Such behaviour is influenced at one and the same time by history and by current realities. It is important therefore to look at those elements of Africa's cultural heritage which still govern the behaviour of operators and the work of institutions in the present day.

Africa is engaged in a struggle on two fronts — to emerge from economic crisis and to democratise society. The link which has been established between *democracy and development* raises great hopes in civil society, whose members see in pluralist democracy the solution to all their problems and, most notably, an improvement in their living standards. Africa is involved today in two-pronged programmes of economic 'structural adjustment' and 'democratic adjustment', with assistance from donors de-

pendent on the fulfilment of certain conditions. The question which arises is whether these programmes, and especially their methods of implementation, have a negative impact on the construction of new relations between the state and civil society.

The one-party system failed to provide for the effective participation of civil society in the exercise of power. Multi-

party systems also have their limits in that most of civil society remains marginalised. A return to precolonial traditions and methods would appear to be a utopian option, given the changes which have taken place in African society. There is a certain amount of resistance from civil society to the importation of external methods of organisation. The majority of the people, and rural populations in particular, are largely alienated from the



VIVANT UNIVERS

*'Halt the invader' (in this case, the French army)
Statue of Behanzin, the last free King of Abomey (Benin)
Reference to history makes one better able to identify the cultural elements which govern the behaviour of Africans*

systems which have been set up and with which they do not identify. The question which can then be asked is whether Africa can continue evolving Western forms of democracy, at the risk of marginalising the majority of the civil population, or if it must seek new forms of effective association for civil society. In short, it is the problem of choosing between 'elitist' democracy and 'popular' democracy. In any case, everyone agrees that civil society must participate effectively in the exercise of power if Africa is to emerge from its difficulties.

The real challenge, therefore, is to find a way of giving the key players in the development and democratisation processes the means of performing their respective roles to the full.

Three categories of agents are involved in these processes: the state, civil society and the donors. The dividing line between state and civil society is sometimes a theoretical one and there are gradations within the various groups — but the current processes of economic recovery and democratisation will, in any event, only succeed if each one abides by the rules of the game as defined and fully plays its role. The resources of the key agents in civil society and the state must be strengthened at the same time. The role of each must be well defined, and the means necessary to enable them to perform their respective roles must be provided effectively.

The official conclusions of the seminar will be published at a later date. Some of the common ground which emerged among the participants can, however, be identified at this stage.

The current emergence of civil society is being reflected in new forms of organisation created by that society itself. This is not to say that such forms did not exist in previous African history. While it is not possible to generalise on the basis of only partial historical studies, one can state that participatory structures existed in African society — a code of reference to which the emperor had to submit, countervailing forces and certain forms of decentralisation.

By transforming citizens into subjects and by establishing or strengthening centralisation, the colonial period deprived traditional systems of their content. The post-colonial states continued in the same way, thus creating the split between state and civil society.



*Reminders of a bygone era — slogans on a wall in Guinea Bissau
'The one-party system failed to provide for the effective participation of civil society in the exercise of power'*

Civil society invokes certain traditional values but references to traditional structures are inadequate because, as the decline in such forms of community organisation in particular reveals, they are now devoid of content.

The state is at the same time both strong — as a predator — and weak — as a service provider. In general, its capacity for communicating with civil society is low.

How can state and civil society be reconciled? What are the possible constraints and the solutions?

The constraints are multiple and various: first of all, the twin challenges of development and democratisation are incompatible with the split between the state and civil society. More specifically, there is an absence of effective communication structures and too much centralisation. On top of this, there is the behaviour of donors — in particular their failure to coordinate and their insistence on setting formal conditions which do not relate to the actual content of the policies.

One has also to take account of illiteracy, the absence of a democratic culture, latent ethnic problems, disorientation among young people, the speed of urbanisation, the role of the middle classes and the army, and the role of competition between the parties and structures of civil society.

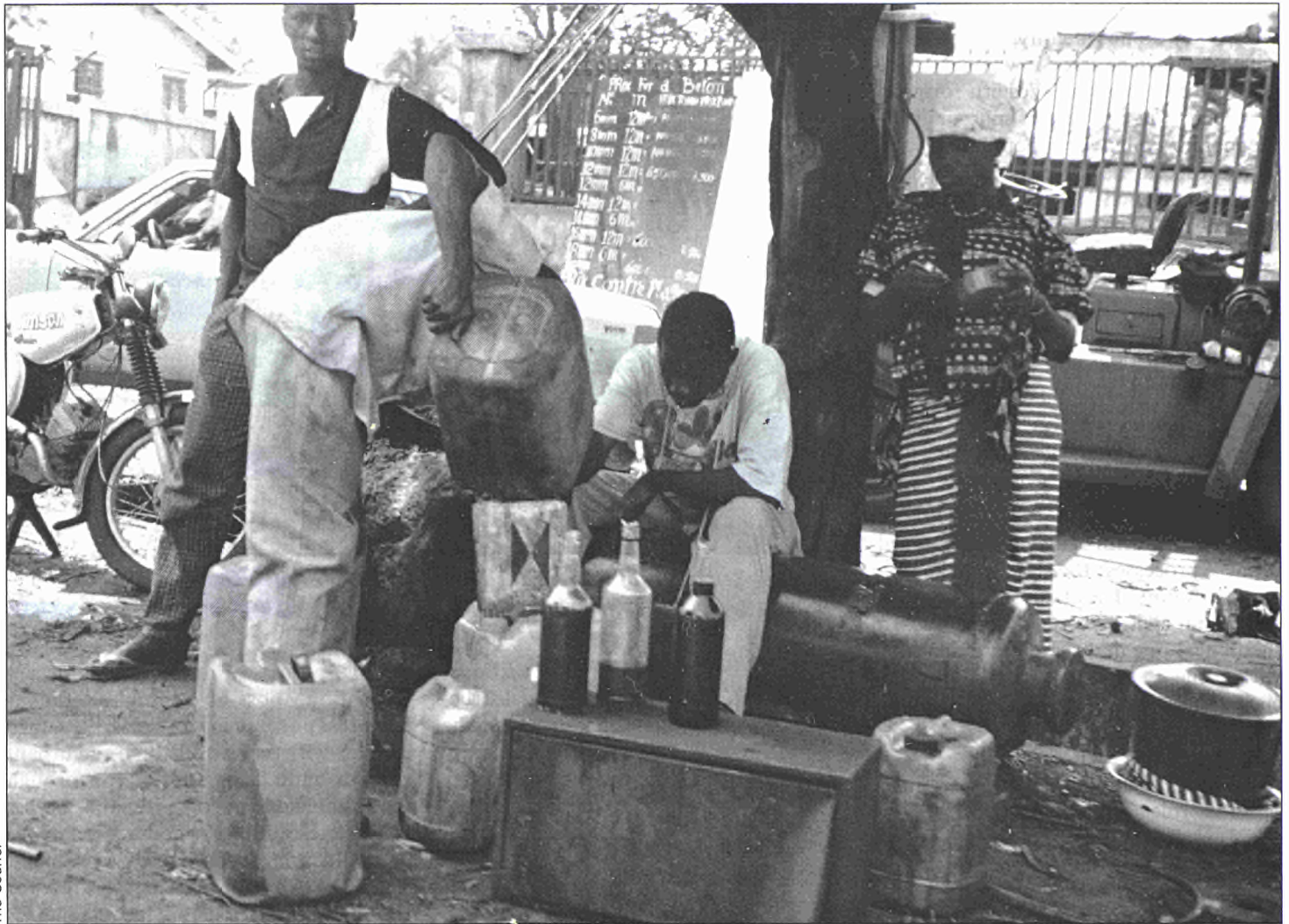
Solutions must be looked for, first of all, in a re-establishment of confidence. A

gradual process of devolution or decentralisation, possibly going as far as federalisation, must be clearly set in motion, with the risk of ethnic and urban/rural disputes being allowed for through the establishment of mechanisms for conflict resolution. A code of reference and a blueprint for society must be sought out. Here there could be a useful role for the churches and Islamic movements.

In the final analysis, the objective must be the establishment of a state of law which includes practical arrangements for cooperation and communication, the setting up of mechanisms for controlling and sanctioning government, and the emergence of a new form of citizenship: all this, in the knowledge that there is a price to be paid for democracy in both money and time.

The seminar debates as a whole revealed that, in addition to the historical burdens, current constraints require a redefinition of the role of the key players, aimed at ensuring the effective participation of civil society in the exercise of institutional power, with a view to underpinning the transition to development and democracy.

In the process of policy-making within Africa, this involves moving from a monopolistic to a competitive management system, invoking the past as a 'memory-key' directly linked to winning legitimacy in the eyes of society. ○ D.D.



The Courier

Selling petrol in one of Conakry's many black market outlets. In Guinea's capital, the informal sector reigns supreme

Guinea turns to democracy

The southern trees, they bear a strange fruit, sang Billie Holiday, the unforgettable Lady Day, in one of her finest blues, dedicated to the victims of all the lynchings of the period. The fruit hanging from the trees on the Conakry sea-front may not be quite so tragic, but these finishing touches to the ruin of an already ugly coastline, the blue and white plastic bags, are almost as unpalatable. Guinea's capital city is literally overflowing with rubbish and, now the rainy season is with us and everywhere is awash, sooner or later it ends up in the sea, only to be dumped back on the shore and sucked down into the water again, endlessly, with the tide. The overworked municipal authorities clearly are not managing to

collect more than some of the household waste clogging the roadsides, one more hazard in an already difficult traffic situation.

But the people of Conakry take no notice. The Rio Conference may well have got the environmental message across as never before, but pollution problems are the last of their worries. Their immediate concern is the mounting cost of living — inflation is more than 19% p.a. — and, especially, higher rents and the soaring cost of things like hydrocarbons. There is worsening unemployment too, with terminated ('déflatés') civil servants holding silent demonstrations for better redundancy pay

in front of the Ministry of Finance every day, more and more workers squeezed out of privatised or liquidated firms and ever-increasing numbers of fresh graduates seeking work. There are more than 14 000 altogether and this year, election year, there are temporary teller's jobs for 5000 of them — at what they think is laughably low pay. And they are still waiting for the 1860 public service jobs and the launching of the famous 400 'bankable' projects mentioned at a meeting with the Head of State, potentially a more permanent solution to their problems.

Add to this the mounting insecurity, perpetual traffic jams and paradoxical shortage of public transport which makes

a real obstacle course of getting to work in the mornings, incessant water and power cuts and eternal telephone and telex failures, and the picture of the trials and tribulations of daily life in the capital is complete. And this year, Guinea had the sorry privilege of being at the bottom of the UNDP human development list. All these frustrations have created a climate of tension and it could turn into trouble at the slightest rumour, with 'rich' expatriates as the scapegoats, as happened in April over a sordid bestiality allegation which was pure fabrication.

Such is the background to the present process of democratisation. Political rivalry, of course, is no calming influence. After an abortive attempt at getting on with two parties, Guinea followed its neighbours into a full-scale multi-party system and now has 50 or so parties, the biggest already campaigning for the general elections in November, with, it has to be said, very little money and, despite one or two demonstrations drawing large crowds in Conakry, little in the way of enthusiasm so far. Bâ Mamadou, General Secretary of the Union for the New Republic and, along with Alpha Condé and Siradiou D'allo, one of the country's most prominent politicians, fears that the population will fail to turn out and join the fight for change because it has been kept out of any involvement in politics for far too long. The 75% abstention rate in Mali has obviously worried people here.

Goodbye to optimism

Things may have looked rosy four years ago, but those who hoped that Guinea would be quick to recover from the economic ruin wrought by Sékou Touré's 26 years of State management are no doubt disillusioned. Monetary reform with 1300% devaluation and replacement of the syli by the Guinean franc was generally thought to be a success, as was the liquidation of the State banks and the opening of new private institutions in their place. Alongside this, the Government abolished the 'norms' (the system whereby farmers and herders had to pay their taxes in kind), removed internal barriers to allow for the free movement of goods and put a stop to enforced marketing. All these measures stimulated the output of agricultural products, particularly rice. At the same time, a State company privatisation programme was set up, a civil service paring policy applied and, with help from the country's funders, an ambitious road repair plan undertaken. After 26 years of lethargy, the economy seemed set for a fresh start. Small private businesses flourished everywhere in response to demand hiked up by the influx of financing. Guinea seemed set — at last — to live up to the promise of its natural resources, the best in the region.

The optimism has gone, however. There were three courageous years of reform when the country seemed to be one of the IMF's most outstanding

pupils, but, in 1988, Guinea, like others before it, began the well-known 'negotiation-breakdown-renegotiation-back to the programme' routine with the Washington institutions. This was a reflexion of the resistance encountered in applying the structural adjustment programme, when soaring deficits in the State sector perpetuated internal and external imbalances, with civil service pay increases (100% last year as against the projected 20%) pushing the budget off the rails, reforms delayed and arrears on external debt repayments mounting. Everything has been stopped now, pending the outcome of the joint review of the adjustment programme on 20 July.

If the IMF is pleased with the progress made over the past few months, Guinea can then proceed to the Club of Paris, ask for rescheduling of the \$250 million-worth of interest on its debt, which it is unable to pay although the amount appears in its 1992 budget, and apply for fresh financing. If it is not, the country will have an unprecedented financial crisis on its hands, an unwelcome prospect in election year and a politically unacceptable one, of course, for Guinea's partners — to quote the top civil servant who hopes to see the country get the famous democratisation bonus in the form of an agreement with the Fund.

Privileges

Guinea's present financial trials have mainly been caused by the fall in the price



The Courier

*One part of the rubbish-bound capital
'Strange fruit hangin' from the southern trees' on the Conakry water front*

of bauxite and alumina. These two products bring in 80% of the country's export revenue and 70% of its tax receipts. Earnings in 1991 were down GF 41 billion on the predicted figure ... and, as the reform programme was based on estimates which were higher than the rates actually turned out to be, things were bound to go wrong. Also behind the financial embarrassment is the meagre amount brought in as customs duties and all the other taxes with which a State normally fills its coffers — for Guinea has one of the most wide-ranging systems of tax exemption ever devised. Hydrocarbons are perhaps the most striking example. Every year, 600 000 t of hydrocarbons are imported, half of them direct by the mining sector entirely free of tax. That leaves 300 000 t, of which 220 000 t benefit from a variety of exemptions and exonerations. The special petroleum products tax of about GF 400 per litre is levied on only 80 000 t, bringing only GF 32 billion to the treasury. The main beneficiaries of the tax exemptions are big project sites financed by international aid. (1) It is common knowledge that civil engineering firms capitalise on the situation to import far more fuel, cement and other building materials than they need so they can sell the surplus at market prices, i.e. including the tax element, to cover their local spending.

(1) These exemptions do not apply to Community aid.

The Government is well aware that cutting down on these tax concessions and combating tax evasion is the best way of trimming its budget deficit, which this year will be something like GF 178 billion. But the administration needs the skill and/or the will to apply the reforms which will make this possible. And that is the crux of the matter. Corruption has reached such proportions, the World Bank maintains, that eradicating it is one of the main conditions of national recovery. According to the IBRD, the President of the Republic has often publicly expressed the opinion that civil servants tend to neglect tasks which are not directly profitable to them and turn those that are into ways of making money for themselves, with the result that administrative decisions are biased, public funds wasted and private initiative discouraged by the cost and unreliability of the system. Since freedom of speech returned, more and more Guineans have started condemning these dishonest practices. Moussa Sangaré, Secretary-General at the Foreign Ministry and a party leader, complains of 'the diabolical hankering after immediate advantage' which prevents his fellow countrymen from 'looking to the future... Those who have hung on to their honesty are starting to regret it,' he says, 'because they feel they have wasted their time.' Cellou Diallo, a member of the Transitional Committee of National Recovery, the legislative body until the forthcoming elections,

adds that 'people are not prepared to pay their telephone or electricity bills', while Planning and Finance Minister Soriba Kaba focuses his attacks on corruption: 'Everybody talks about corruption, but people who are corrupted have to have people to corrupt them. It's not just the administration which is corrupt. Those who do the corrupting are the first to be corrupt.'

No doubt this is the case. But in the meantime, such practices create a climate which is not conducive to investment — of which there has in fact been very little under the Second Republic, despite the very liberal regulations. They have also prevented State firms from being privatised transparently, hence the generous tax concessions, unjustified monopolies and even cut-price asset selling. In many cases, even that has not been enough to get production going again. A World Bank report on 26 privatised firms says that only ten of them had begun production by the end of 1990, two of those ten had subsequently closed down and four were in serious financial trouble over illegal imports.

The Programme of Economic and Financial Reform did of course attract a number of adventurers seeking a fast buck, some of whom signed agreements with the Government to set up in business and have never been heard of since. For example, dozens of private firms which applied for and were allowed to benefit from the 1987 investment code are still delaying setting up their operations, for all the world as if they are content to have a foot on Guinean soil just in case the business climate looks up.

The informal sector has none of these worries. It is booming, with an unprecedented rush on workshops and exhibition halls and sales points all over Conakry. The capital of Guinea is certainly the most egalitarian city in the world. It has neither rich and exclusive residential areas nor any real slums; all over town, fine modern buildings jostle with run-down huts, so brick works and carpenters and car repairers and clothing workshops are burgeoning everywhere too. The most conspicuous of them all are the cabinet-makers. The streets of Conakry offer a vast choice of lounge furniture, wardrobes and beds costing several times the average monthly wage and



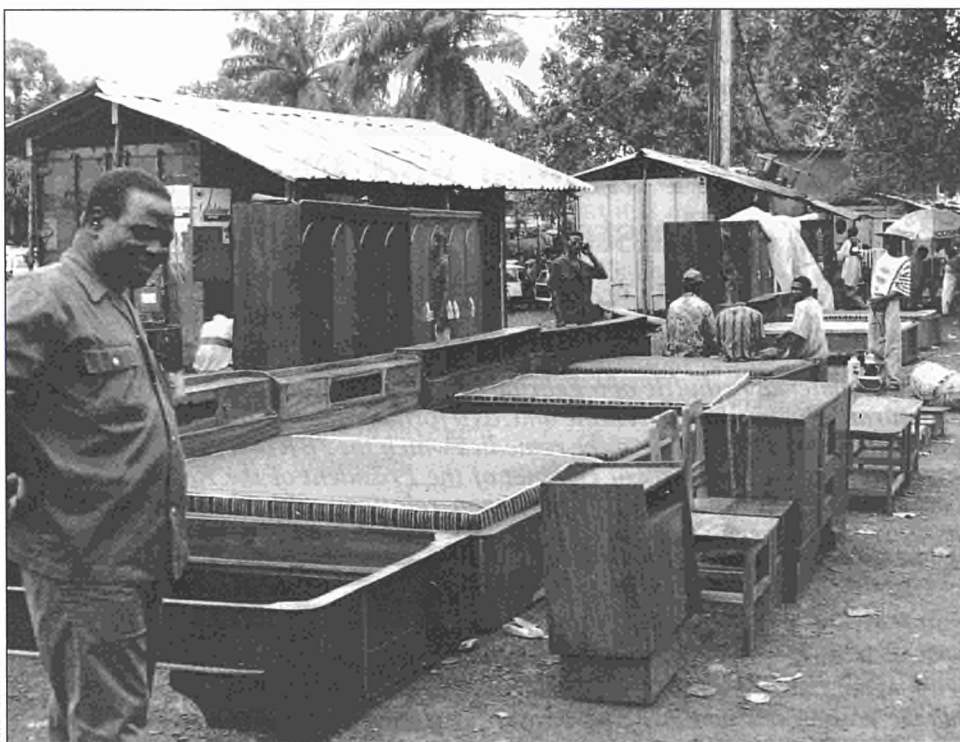
Tomb of Guinea's first President, Sékou Touré

business must be booming, otherwise the huge supply of high-price goods would not be there. So where do Guineans find the money to buy them?

The answer is easy — in the country's second economy, peopled by Guinea's traditional panners, diamond prospectors and black marketeers of all kinds, a veritable underground economy with parallel financial circuits which keeps the social machinery oiled. A fact and a figure give an idea of just what is involved. The fact is last year's Government decision to allow Guineans to open foreign currency bank accounts for transactions with other countries without saying where the money came from — which led to something like \$80 million being deposited with astonished bankers in the space of only a few days. The figure is the money in circulation in Guinea. This is only a fifth of the money supply in Burkina Faso, but levels of development are comparable, which proves that other currencies (gold dust, gold chips and foreign money) are circulating in the country and playing as big a role in commercial transactions as the Guinean franc, if not a bigger one.

Political uncertainty

How can this informal sector, which is so dynamic when it comes to, say, job creation (18 000 new ones in 1987 alone, according to World Bank estimates), be made part of the official system? This is



Cabinet-making is a thriving business

virtually impossible in a country where dodging the regulations is a national pastime. Even those who would benefit from coming out into the open and expanding and earning even more money will hesitate while political uncertainty lasts.

Businessmen who have confidence in the present climate are rare, but Mohamed 'Marcel' Sylla, a former top civil

servant, resigned from the public service in 1987, invested his savings in the hotel trade and now owns two hotels employing 106 people, including three European expatriates, and is planning on building a third. Only the indefatigable Lebanese usually invest so heavily in property — although they certainly manage to make money where many others would lose it.

The general feeling is that the next two years, as the country moves towards democracy, will be very delicate ones. If the transition is carried out properly and the new teams manage to create the climate of confidence and national reconciliation which all parties see as the best way of encouraging essential structural reforms, then there will be much room for hope. Guinea has the natural resources to attract investors again. But there is no guarantee that the process now under way will be a success. Several political leaders are calling for a national conference before going to the country, something the powers that be are reluctant to accept — in which case how can proper, free elections be held in November?

One thing is clear after 26 years of socialist dictatorship and eight years of military rule. Guinea cannot afford the luxury of long drawn out political uncertainty. The example of Liberia is too close for comfort. ○

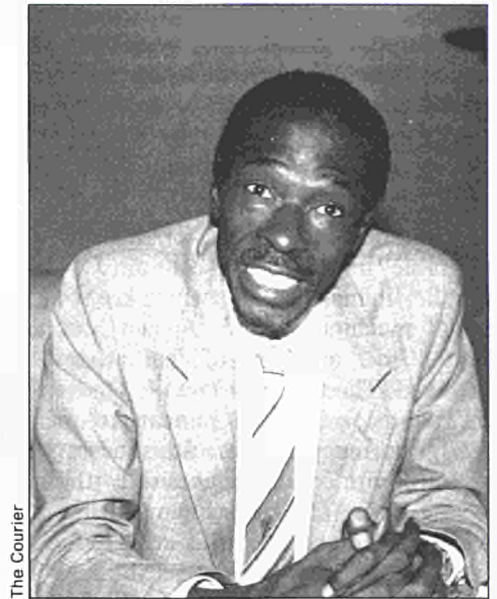
Amadou TRAORE



All these young graduates are looking for jobs

'It isn't easy to put a stop to privileges', says Planning and Finance Minister Soriba Kaba

The ministerial reshuffle of 6 February put Soriba Kaba in charge of Guinea's structural adjustment programme and, as a former World Bank expert, he is well placed to assess the quality of the remedies which the IBRD is suggesting. In this interview, the former Head of Cabinet of the President of the Republic answers The Courier's questions at a time when relations with the Bretton Woods institutions are very strained.



The Courier

Structural adjustment hurts

▶ *You have just come back from Washington, haven't you? Are the IMF and the World Bank now going to release the funds they suspended?*

— We have indeed just come back from Washington and yes, the World Bank and the IMF will be releasing the funds as soon as we have met the conditions which we agreed upon together.

▶ *There is to be a meeting in July, I believe.*

— On 20 July, to be precise, a combined IMF-IBRD mission is coming out to review the programme. We have adopted additional measures — they are being implemented at the moment — and we expect positive results. If we get them, the Bank will release the two outstanding instalments and we will use them mainly for macro-economic backing for our programme with the IMF.

▶ *What you need, in fact, is the go-ahead from these institutions to negotiate with your creditors. Otherwise, their funds as such are fairly limited, aren't they?*

— Yes, I can go along with that. There are procedures to be gone through. We have to go to the Club of Paris and that means having a programme with the IMF. That programme went off the rails and we are in the process of putting it back.

▶ *Why did it go off the rails?*

— Mainly because we were short of revenue, particularly in 1991. We were \$41 million short on our mining revenue

— a problem not of our own making. Bauxite wasn't selling, we were told, and that is something which has repercussions on our domestic tax revenue. And we had to double our civil service salaries...

▶ *... breaching your agreements with the IMF in the process?*

— No, there are no salary agreements. We have budget forecasting and if that is upset for social reasons, let us say, there is nothing we can do. It happens in every country, but we are catching up.

▶ *You can't do anything about bauxite prices, but you can do something about all those customs exemptions undermining your economy...*

— Exactly, just as they are in most African economies.

▶ *Why are so many special favours, being granted, particularly on hydrocarbons?*

— That is just what we are trying to fight at the moment. We have checked out all the exemptions which our country has granted since embarking on what is called the public finance rationalisation process and we are starting to abolish the special favours. But it isn't easy to put a stop to privileges and allowances and vested interests and you can't get the results you want overnight. But the fight is on. It will be carried through and we have already had results.

▶ *Some people say that even if the Government took steps to do something about it, the administration would drag its feet as it would not be in its interest because of all the corruption.*

— Everybody talks about corruption, but people who are corrupted have to have people to corrupt them. It's not just the administration which is corrupt. Those who do the corrupting are the first to be corrupted. And what country anywhere in the world has an administration which is completely transparent and efficient and above all suspicion? We in Guinea are fighting corruption. We know that there is no transparency and that it is a barrier to our development. We know that our machinery is not reliable, but we are doing something about it and the results are already coming through.

▶ *It only takes a couple of demonstrations for the Government to give a big pay rise...*

— Wrong. The people had to fight to get this increase and it was a perfectly legitimate increase because our administration was and still is the lowest paid in the whole of the sub-region.

▶ *I should like to know if you can apply a hard-line structural adjustment policy in a context of democratisation?*

— Of course you can, although it is much more delicate. Structural adjustment is an extremely harsh process because you have to put a stop to privileges and allowances. You have to go

back on achievements. You have to put the economy back on its feet, in working order, and during this time you have all the political hype, what I should call politicking, going on, so it is more delicate. And because it is more delicate, you have to go about it courageously, taking the steps you need to take, because the policy decisions don't save the country, the economy saves the policy decisions. So let us start by consolidating the economic foundations and embarking on whatever policy we want afterwards. Without an economy, there can be no freedom and, without freedom, there can be no democracy.

▶ *Aren't the people likely to get tired with structural adjustment lasting so many years?*

— In Guinea, it hasn't lasted for years.

▶ *Six at least.*

— Six, certainly, but we had 26 of dictatorship. You can't change that overnight. If you are too hasty, you get it wrong. Just let me remind you that Guinea, unlike all its neighbours, has had 26 years of dictatorship, 26 years of so-called socialism, and that other countries with similar experiences have had far more to put right. Where is the Soviet Union, the mother of all these countries, now? Vanished from the map. And Yugoslavia and other African countries I shall not name have paid a far higher price than we have. We are moving at a realistic pace.

▶ *Despite the adoption of a very liberal investment code, repeated appeals to private investors have not brought them rushing into Guinea. Why?*

— For several reasons. First of all, we haven't the infrastructure of neighbours like Côte d'Ivoire. If an investor is to get a proper return on his investment, he has to have water and power and communications facilities. We do not have these yet. Even if they want to come, they have the reality to contend with and investors are like you and me. They need these facilities to get returns on their capital. We are doing our utmost to prepare the ground and investors are beginning to show up, because they know that, although it is difficult today, it will be better tomorrow and those who come late will find their places taken.

▶ *The much-vaunted diversification hasn't happened and the economy is still dominated by bauxite. Why?*

— You are a little bit hard there. The diversification drive has not done all we hoped, but it has started and it is forging ahead and we are making an effort here with the customs duties and the fuel tax which we expect to bring in something like GF 170 billion, as against the 150 million dollars or so we earn from bauxite. It is nothing like comparable for the moment, we realise, but an effort is being made and it is beginning to have an effect. Diversification is under way.

▶ *I thought you would talk about agricultural production and export, not tax revenue.*

— That is the nub of the whole problem. That is what we call the actual foundation of a regime or economic system. We have to boost our agricultural exports and we have to promote the private sector so we can export manufactured goods too. Agriculture is far and away the most promising sector, which is why 30% of investment at the moment is going into it. It is all taking time, but we are getting there.

▶ *Why has Guinea been producing alumina all these years and never gone on to make aluminium?*

— Because the people who help us with the industry, the mining companies that is to say, have always dragged their feet on this.

▶ *But they have been planning to do it for years, haven't they?*

— Yes they have, but whenever it is due really to get going, they back-pedal. We understand that. It's a good ploy to keep this stage of processing in their countries, because they have workers and they want to keep them. And we here in Africa carry on exporting the raw materials. It's true of bauxite and it's true of everything else produced in Africa and the developing countries.

▶ *There are dozens of people camping outside your windows, Minister, aren't there? They have been 'terminated' ('déflatés'), apparently. That is what the civil service calls them, isn't it? What do they want?*

— They used to work in the civil service. The State used to be the only

employer in Guinea, so everyone was a civil servant. But now, with economic rationalisation and structural adjustment, we maintain that the State should not be the only employer any more, that it should only employ the people it needs and that it is up to the private sector to absorb the labour force in this country. But that labour force is still looking for work, as the private sector isn't yet functioning properly. There is over capacity, and that is a real problem.

▶ *They haven't been paid what is owing to them, I hear. The redundancy money apparently wasn't up to expectations.*

— Redundancy money is never enough for the redundant and the Minister of Planning and Finance is not proud to have to pay redundancy money, even though it is vital. He would be much prouder if he could pay production bonuses... As things stand, everyone has received a wage-related payment, but as their wages weren't that good, they feel they've had a raw deal. But that's life.

▶ *What chance do you think you have of getting the Guinean economy back on its feet and what conditions do you need to do so?*

— We have a terrific chance, because we have such terrific natural resources.

▶ *I've heard that so often, I begin to doubt it.*

— That's the famous geological scandal you are referring to. There's no such thing. There are no miracles. The only condition is to make the effort. Guineans are beginning to realise they can make an effort and that it will bear fruit. That is what gives people in this country their optimism. We shan't say the country is a geological scandal any more. It doesn't mean a thing. Japan isn't a geological scandal, but it is still the foremost industrial power in the world today. We have natural resources and now the people have to capitalise on them — an effort which they are beginning to make. The State has its job to do, its whole job and nothing but its job, and economic operators have to be given support so they can play their part too. That is the way people are thinking now in Guinea and it won't be long before it pays off. ○

Interview by A.T.

Great mining potential, but...

One civil servant's disillusionment sums up the general feeling. 'It's as if we Guineans were shipwrecked — surrounded by water but in danger of dying of thirst. They never tire of telling us that the country is, geologically speaking, scandalously well endowed, but we are as badly off as ever we were.' For years, official speeches have indeed been singing the praises of Guinea's mineral resources, but, with no reflexion in the standard of living, this wealth is now no more than a myth for many people.

Yet wealth there is, for, undeniably, the country's mineral potential is among the continent's greatest. There is gold, for example, with usable reserves able to yield 10-15 tonnes p.a. for years to come. Thousands of independent panners, legal again since 1985, produce the bulk of the output and industrial production began in 1988 with an annual target of 1.5 t. Only an estimated 20% of the total is bought up by the Central Bank, the rest is exported illegally.

Guinea also has diamonds, first discovered in 1933. Artisanal exploitation is currently banned, but this does not stop 5000 to 10 000 independent miners from

producing 100 000 carats annually, almost half of which is purchased by the Central Bank. Aredor, the diamond prospection association, has been exploiting the stones industrially since 1981, but the company is currently experiencing serious difficulties, output having constantly declined since 1987 when 210 000 carats were produced.

In addition to precious stones and metals, Guinea also has tin, zinc, silver, cobalt, nickel and platinum... none of which is exploited. But in the short term, the most promising capital resource is, of course, its reserves of iron and bauxite. Mount Nimba, a veritable iron mountain, is one of the last very high-grade (70%) deposits in the world, with proven reserves of 315 million tonnes of top-quality ore. The only economic way of shifting it, however, is to use the railway belonging to Liberia, whose deposit on the other side of the frontier has run out, but civil war in that country has forced Guinea to shelve its plans (the feasibility study is already well advanced) for the time being.

Guinea also has the world's third largest bauxite resources — around 20 billion tonnes — and is its second

largest producer. There are three main sites. Sangaredi (which means 'elephant plateau' in the local dialect), is the biggest mine in the world and has been worked since 1973 by the *Compagnie des Bauxites de Guinée (CGB)*, a mixed business held 49% by the State and 51% by Halco, a leading aluminium producers' consortium. The single, 250 million tonne deposit of 60%-grade ore in strata 36m thick is quite exceptional and the 11 million tonnes of bauxite extracted every year for export to Europe and North America provide the State with the bulk of its foreign exchange earnings — \$158 million in 1988 (54.1%) and \$188.7 million (49.3%) in 1989. CGB is also the biggest source of tax, with payments of \$141.9 million in 1988 and \$171.3 million, or more than half the nation's tax revenue, in 1983. It is an enclave of modernity and autonomy in the Guinean economy. It has nerve centres for supplies in Pittsburgh (USA) and Brussels and it has satellite links between these two cities and Boké, where the ore is processed before being loaded onto ore ships. The dream of all higher officials is to work for it, because it pays much better than the civil service and offers various other perks, not least of which is the free medical care at the company's Kamsar hospital, the most modern in the country.



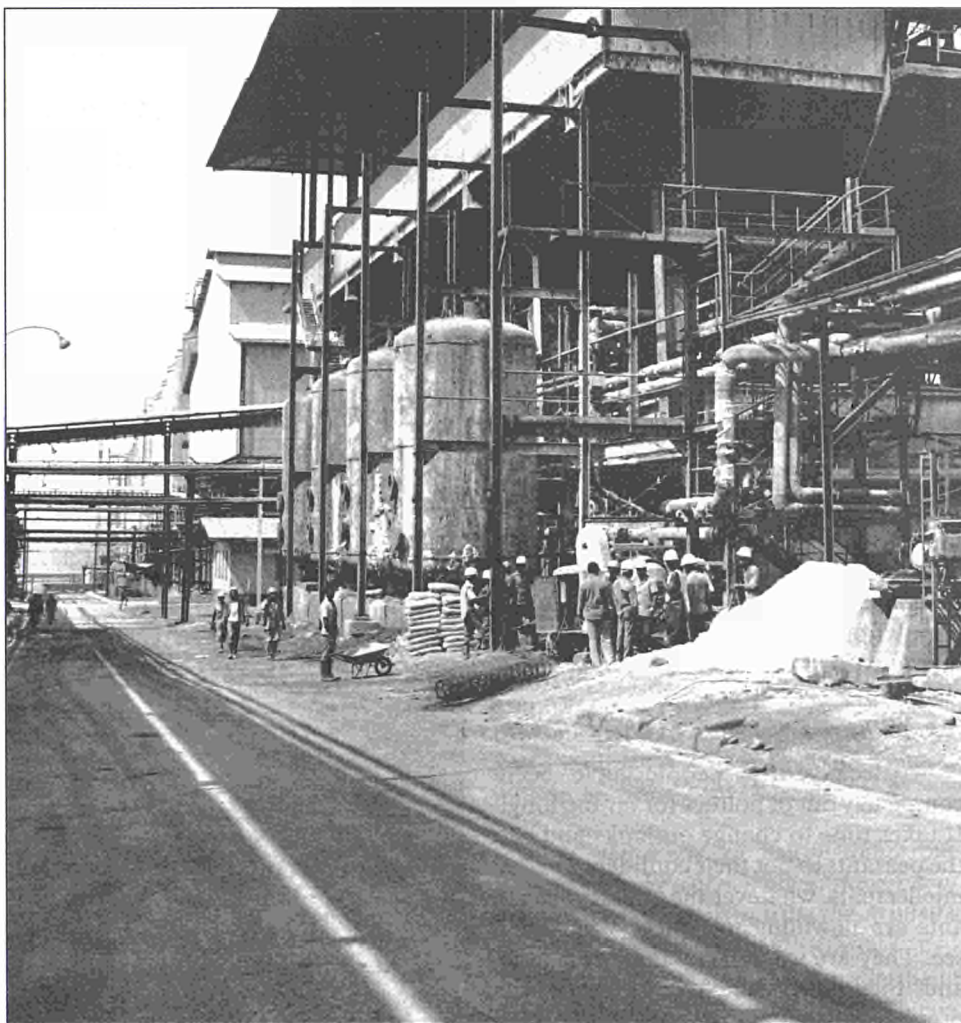
Mining bauxite at Boké

The second most important bauxite extraction site is the Kindia mine, operated by a State company, the Office des Bauxites de Kindia (OBK). From 1979 onwards, all of OBK's annual 3 million tonne output went to the Soviet Union at a price fixed jointly every two years, with debts to the USSR swallowing up 56% of the income from this and 44% going on imported Soviet goods and services. The disappearance of the Soviet Union of course meant discussions with Russia on revising the commercial agreements with OBK and these are going on at the moment.

Then there is Kimbo, turning out an annual 2 million tonnes of bauxite for processing in the 'first (and only) alumina plant on African soil', as the brochure commemorating its 30th birthday so proudly put it. Since 1960, Kimbo has been run by Friguia, a mixed company combining the State (49%) and Frialco, another consortium of the principal aluminium producers (51%).

Thanks to a Lomé III Sysmin payment, Friguia has been able to update and expand its installations. It now produces 640 000 tonnes of aluminium per annum, with a capacity of 700 000 tonnes which it expects to reach in 1993-1994. It is currently experiencing some difficulty because of the relatively low price of aluminium, but the Director-General, Philippe Chandellier, says that this is typical of the industry as a whole, where bad times (like now) alternate with good years (like 1989-1991). This year will have been a bad one, that much is clear, and there may well be another bad one next year before the good part of the cycle comes round again. But Friguia still puts about \$15 million into the State budget when things are going badly and \$25 million when they are going well. And, of course, it has created 1500 jobs.

Guinea has two of the three links in the aluminium chain — bauxite extraction and its processing into alumina — so why has it never gone in for the final stage, the actual manufacture of aluminium? It was what the designers of the Fria project intended, after all. Pechiney, the French group, was to instal two alumina plants and a giant aluminium plant once Electricité de France had put an enormous dam on the Konkouré, but Guinea's 'no' to General De Gaulle in 1957 and its accession to independence put an end to the idea, for aluminium cannot be pro-



The Fria alumina plant

duced without cheap and plentiful supplies of energy. The issue of a hydroelectric dam over the Konkouré comes up every now and again and the Government even called for a study of it in 1982, but the cost has been creeping up constantly since those days and it would take huge investments to produce aluminium in Guinea now. Given the political situation, it is by no means clear that the country can come up with the capital it needs or find partners to join it in the project, particularly since, if Mr Chandellier is to be believed, it is cheaper to produce aluminium in Australia or Brazil where energy is plentiful.

So Guinea may well have so much mineral wealth as to be a 'geological scandal', but it cannot rely on mining to finance its development, particularly since the sector is an enclave in the economy and does not provide a great deal in the way of employment. It would do well to try to forget it has minerals and concentrate more on reviving the dynam-

ism of its long-neglected agriculture, traumatised as that sector is by the unfortunate experiences of socialism. And let us not forget that all the rivers which have their source there have earned Guinea the reputation as the water tower of West Africa and that it has considerable coffee, cocoa, palm oil, rubber, tropical fruit, vegetables, cotton, millet, sorghum, fonio and livestock potential as well.

Rice, which is so popular in the towns, is a major import, for although Guinea produces its own in the maritime and forest regions, it costs less to bring it in from South East Asia — a problem well known all over Africa and a hard nut to crack because of the urban lobby.'

As its plans make clear, the Government realises that the nation's future depends above all on developing the rural areas. The people have to be made to realise it too, but they are perhaps too easily misled by the wealth underground to go back to the land. ○ A.T.

It won't be easy to turn Guineans into ordinary citizens, says Bâ Mamadou, Secretary-General of the UNR (*)

Bâ Mamadou — along with Siradiou Diallo of the weekly paper 'Jeune Afrique' and Alpha Condé, who hit the headlines with his illegal meetings a few months back — is, everyone agrees, one of the few political leaders in Guinea to count and The Courier was able to meet him on its recent visit to Guinea (the other two party

leaders were up-country on a tour). At 62, Mr Bâ, a top civil servant during the first republic who fell out with the Sékou Touré régime and was sentenced to death in absentia, has lost none of his punch. There are no holds barred in his denunciation of government action in this interview.

► *Mr Bâ, won't the fact that there are so many political parties hamper the move towards democracy?*

— No, I don't think so. I should go so far as to say that we need 100 or so parties to get the country mobilised properly. The thing we are most afraid of is the population not being mobilised and not taking part in the fight for change.

► *Why are you worried about that?*

— Because the people have been completely out of politics for far too long. It takes time to change outlooks and get the peasants to put their confidence in the intellectuals, whatever the country. Peasants are unwilling to believe what they see. They are wary. They take their time and they keep watch. But there are problems if they watch for too long. Its rather like funders saying they won't help you until you've proved you have the country under control, although you can't actually prove you have the country under control until you have the aid. You can go round in circles like that for ever.

► *Do the parties have the time or the money to make a name for themselves before the elections?*

— No they don't. And not only do they not have much money, but the Government has put paid to all external financing with its party charter legislation. It has slapped a 20% restriction on internal subsidies as well. So we are tied legally. Guineans are poor. They can't finance their political parties and they don't want to, furthermore, because they have no confidence in them. We are also handicapped by having no access to radio or TV. I arranged a big demonstration in Conakry the other day and it wasn't even mentioned on the radio. The whole city came to a standstill for hours, all the markets were closed, there were no taxis

and no-one could get to work. Even the Minister of Information was stuck on the motorway, and the radio kept absolutely quiet about it all.



I agree that people should join together on a tribal basis

► *Guineans seem to be keen on the opposition parties because they have expectations. But are these parties in a position to meet them?*

— No, it goes deeper than that. First of all, you often hear people speak about, the opposition parties but you should really just say the parties, because there is no party in power. In fact I can't actually say I am in the opposition.

► *There are apparently parties which are close to the current President...*

— That is what is said, but there is no evidence to back it up. President Lansana Conté hasn't said he is standing or that he is the member of a party. He is a soldier and he is in power illegally, because he got there through a coup d'état. And al-

though they say that the PUP⁽¹⁾ is his party, that is not to say that the PUP is in government.

► *You often hear about the risk of tribal parties being formed in Guinea...*

— Yes, its an issue which people insist on raising. In May 1991, I remember, a French radio crew told me they were in a hurry to leave because they were worried about ethnic conflict. I said that if every time they heard about tribal conflict they asked which tribes were involved, they wouldn't get an answer. I shall ask you the same thing. Which tribes are in conflict?

► *I hear there is veiled hostility between the Susus and a Malinke-Peul coalition...*

— So there is a risk of conflict with 10% of the population on one side and 80% on the other. Is that what you mean? Do you call that a risk?

► *The Malinke were still attacked at the time of Diarra Touré's failed coup d'état, weren't they?*

— Yes, but this isn't a tribal thing. There has been pillaging by one or two bandits, but it doesn't last more than a day or two, because 80% of the population cannot be held to ransom by 10%. And this time we decided to defend ourselves.

► *So there will be no opposition between the main tribes?*

— Once there is agreement between the Peul and the Malinke, I don't think there is any possibility of tribal conflict. There might be short-lived troubles caused by hooligans who include Peul and Malinke and Susu people, but they won't be tribal troubles.

► *Won't there be several leaders in the Peul and Malinke communities and a risk of division because of it?*

(1) Party of Unity and Progress.

(*) Union for the New Republic.

— There is no longer any danger of tribal upheaval, because we have a simple alternative. We can form an ethnic block — and I've made my response on that — or we can forget it. It's one or the other.

► *What do you think?*

— I think that people take too much notice of the tribal problems which crop up everywhere. I agree that people should join together on a tribal basis, for any form of unity is good provided that it is not directed against anyone. If all the Peul joined forces to take power, so much the better for them, but I doubt very much that they will, because the leaders will not accept it. I don't want all the Peul to line up behind Siradiou Diallo and he doesn't want them to line up behind me, particularly as there are other leaders. There are 10 of us who are Peul party leaders. The Malinke seem united. I'm told they are all behind Alpha Condé, but that is wrong. All this talk of a threat of tribal conflict is hot air.

► *Getting power is one thing, but it is what happens next that is important, because on that depends whether you stay in power or not. You have experience of the World Bank, haven't you, so what alternative policy do you think would work here?*

— Even if we stick with the present policy, we can get results if we apply it properly. The drama of this Government is that it has no authority and no ability.

► *Nevertheless, it brought in a series of measures between 1986 and 1988 which bore fruit...*

— The régime is able to take decisions on a one-off basis, but that is all. It can close down a factory or lay off 50 000 workers or shut down all the banks in one go, but it has never been able to put people to work. There have been no job-creation schemes since 1986.

► *There were the beginnings of a response from the farmers with an increase in food production, weren't there?*

— No there were not and the extra rice imports are there to prove it. More money has gone on importing Maggi stock cubes than agricultural equipment — that's terrible for a country like Guinea.



UNR headquarters in Conakry

► *If you liberalise trade, then it is the laws of the market that apply. Surely anyone who thinks he can make a profit out of Maggi stock cubes has the right to do so.*

— That is where Westerners try to fool us. The USA has a liberal economy, clearly, but let me tell you that you cannot even get an orange into the States. Get off the plane clutching a piece of fruit and they'll stop you. There is no such thing as a liberal system. If I was in the Central Bank, I should call in the biggest Lebanese importer and tell him he'd get no more loans for his stock cube business.

► *Then he'd get his supplies in Mali or Côte d'Ivoire, wouldn't he?*

— It doesn't matter. What I think is wrong is that the Central Bank gets exchange reserves to import stock cubes and tinned tomatoes. Now I don't care whether stock cubes and tinned tomatoes come into Guinea, but I don't want to see silver or bauxite or gold used to bring them here.

► *So you think the structural adjustment policy is inevitable, do you, but that it should be better applied?*

— It should perhaps be ever more stringent.

► *Do you think the Guinean people can cope with an even stronger dose of austerity?*

— If structural adjustment was applied normally, the people would — contrary to popular belief — be somewhat happier. But what happens? A billion is spent on horses in Kindia.

► *Horses?*

— The President keeps 100 horses in Kindia. It's one of the ritual sacrifices. He issues four uniforms a year to 20 000 soldiers. He spends vast sums of money to no good purpose. I personally would have done away with taxes instead. My

belief is that, with structural adjustment, I would have raised the people's standard of living.

► *Can the IMF block this unplanned spending?*

The IMF's weak point is that it can only block the whole lot. Unfortunately it cannot stop so much going to the army. The army gets 30% of the fuel, for example, and we don't know why. The IMF cannot ban it. Moving tanks about costs money. A trip in a MIG costs a million an hour.

► *If you came to power tomorrow, wouldn't you be worried about the army of unemployed camping outside the Ministry of Economic and Financial Affairs?*

— Yes, I'd like to talk about them. They are unfortunates and I've always said so. There is no country in the world which can put 50 000 people on the streets and not have problems.

► *Even if there is no alternative, even if they can't be paid...*

— In other countries, one thousand or two thousand or five thousand redundancies would cause rioting. But here, 50 000 people are laid off and they just sit there and do nothing. Guinea has been cowed far more than you could imagine. I saw it all the time on my tour. It can't go on. It won't be easy to turn Guineans into ordinary citizens. It could even be the most difficult thing of all.

► *One problem facing every new democracy in Africa is financing the democratic organisations. How do you intend to go about it?*

— Yes indeed it is a problem if these organisations are to be put at the same level as those elsewhere. I do not agree with only using an MP for 90 days per year. He has to work throughout the year and the returns have to be good. Let the House audit budget spending as it does in

Britain, for example, or Parliament do it as is done in the USA. We seem to be going the French way with MPs coming and making statements in the House and then going away without even joining in the debate. In the Anglo-Saxon system, the MP has work to do, he performs services and he audits the implementation of the budget.

▶ *If you did the same thing here, wouldn't there be even more red tape?*

— If an MP can control what the Minister does, do you think he will be daft enough to let him divert money? Politically, it would be fantastic. There is no better control.

▶ *But who is going to control the MP?*

— There is no need. MPs don't have funds.

▶ *Don't you think the elections are too close? Will you have time to run a proper campaign and get organised?*

— No, we won't have time, but we never will have time, because the powers that be don't want us to.

▶ *Can you keep tabs on the current census?*

— No. They won't even let us go near the people running it. The Government has organised it in such a way as to prevent us from monitoring what is going on, because it wants to fiddle the elections — which is why we maintain that, if we don't have a national conference to set up an electoral monitoring system, it would be better to block the elections. We will fight for that if need be. So far we have been lucky enough not to have to fight for anything, for we got independence without any problems and Sékou Touré died because he was sick. We have never had to fight anyone.

▶ *Isn't that rather warmongering of you?*

— So what? You prepare for war if you want peace.

▶ *But you're a civilian, aren't you?*

— It's civilians who make war, not soldiers. War is too serious a business to leave to the army, they always say. It is always the civilians who do the fighting and the dying. Generals don't die all that easily...○ Interview by A.T.

EEC-Guinea cooperation



Since the establishment of the Second Republic in 1984, the national authorities have opted for economic liberalism and embarked on their PREF, a programme of economic and financial reform confirming the new political strategy.

Balanced and harmonious development entails, among other things, the privatisation of certain State-run sectors of the economy and encouragement of private initiative and enterprise.

Hope was vested in the economic potential of a country with major mineral, industrial, pastoral, agro-pastoral, fish, energy and forestry resources — a solid concentration of under exploited natural potential with real openings for development and guarantees for partners African and foreign alike.

Guinea started resolutely down the road to change. Structural adjustment programmes were launched in such fields as education and health and large amounts of credit were made available to build and rehabilitate highways and urban and village water supplies, al-

though there is still a long way to go with power supplies and telecommunications, where shortcomings are a discouragement to investors. Economic liberalism benefits the peasants too, since at last they are free to decide what they want to grow and how much to ask for it, depending on the state of the market.

Guinea had everything to do — but it is no easy task to recoup the cumulative delays of more than 25 years, with international competition and all the political and economic upheavals of the world scene to contend with.

Nevertheless — and despite difficult relations with the IMF-World Bank group in 1990 (the breakdown was announced in May 1991) — Guinea's progress, particularly with rationalising the public sector and trimming its civil service, was such that it was able to obtain fresh facilities.

The European Economic Community, one of the country's main funders, is helping with the structural adjustment plan and its contributions, which began



Rice as far as the eye can see — the Guinée Maritime programme concentrates on one of the country's favourite foods

by focusing on rural equipment and development, are now geared to cushioning the social effects of economic reform on the purchasing power and standard of living of both rural and urban populations.

As reported in the March-April 1988 issue of *The Courier*, EEC-Guinea cooperation has adapted to the current political and economic changes, despite the many constraints of over-dependence on bauxite and the sluggishness which is cause for concern on the farming front.

LOME III — The Programme

The Lomé III indicative programme, totalling ECU 126.5 million, was divided as follows (ECU-million).

— (Commission) grant	109
. Basic allocation	96.5
. Debt programme	12.5
— (Commission) special loans	5
— (EIB) risk capital	12.5

All funds other than the debt programme (managed by the Commission) were focused on rural development in two administrative regions. Assistance was also given to health and vocational training and there was cultural cooperation and technical cooperation as well.

The schemes actually began in 1988, slowly at first, but speeding up in 1990 to

reach a normal rate of implementation, which has been maintained ever since. Barely ECU 1.3 million had been spent by the end of 1988, but the figure rose, with significant annual increases, to ECU 14.4 million in 1989, ECU 33.6 million in 1990 and ECU 82.5 million by the end of 1991.

This was the result of a clear improvement in the way operations were run in the field, particularly in the focal sectors, with the rural development programmes in Guinée Maritime and Haute Guinée, the micro-project programmes and the agro-industrial rubber-palm project in Guinée Forestière.

The rural development programmes (totalling ECU 70 million) involved integrated schemes in many sectors, under the supervision of various central and regional technical departments. An inter-ministry coordination committee (CIC), chaired by the EDF national authorising officer, with a permanent secretariat run by national and expatriate staff, was set up in 1988 to plan, guide and monitor the programmes.

The Guinée Maritime programme focused on agricultural production backed up by schemes to raise the standard of living, as follows.

— Recovery of the Tatéma (700 ha) and Kabonto (400 ha) plots, development of the valley floor at Koba and Farmoréah (rice-palm operation).

— Support for agricultural research at Koba and Foulaya.

— Support (agricultural credit facilities and farming implements) for rural communities, in particular the Kindia Women's Cooperative.

— Development of artisanal fishing at Kaback and Benty.

— Improvements to health schemes at Forécariah and Boffa.

— Village water engineering, tracks and social infrastructure (schools and health centres).

The Haute Guinée programme included schemes to back up the basic agricultural development drive.

— Cotton-food crop project with development of draft animals.

— Development of valley floor and support for village groupings (rural credit facilities, inputs, agricultural mechanisation etc).

— Research into agriculture and forestry in Kankan.

— Combined farming and herding and brush fire control campaign.

— Health facilities in Kankan, Dabola, Mandiana and Kériuané.

— Tracks and bridges and social infrastructure.

— Village water engineering, part of it by SNAPE, the State organisation.

Since 1988, three micro-project programmes involving a range of things such as schools, bridges, plots and stores (total = ECU 4.5 million) have been launched to meet needs expressed by the population in 17 prefectures in Moyenne Guinée and Guinée Forestière.

ECU 5 million was earmarked under Lomé III for a rubber-palm programme in the Youmou prefecture of Guinée Forestière and a decision was taken on 22 January this year for a Community contribution to develop 800 ha of village rubber plantations and 800 ha of lowland rice paddies and build back-up infrastructure (village water engineering, schools, dispensaries and tracks).

The Community is running health schemes worth ECU 10.5 million outside the focal sector to:

— improve the Conakry health infrastructure (renovation of the Ignace Deen Hospital) and provide technical and financial support for the National Hospital Maintenance Service;

— back the Institute of Child Health and Nutrition's Conakry care extension and nutritional research programmes;

— train national doctors via the signing of a cooperation agreement between the University of Liège (Belgium) and the University of Conakry.

Emphasis in education was on technical and vocational training, with ECU 5.8 million going to repair the buildings of the National School of Engineering (ENAM), buy additional equipment (for the electronics and refrigeration departments) and provide technical assistance with training.

Thanks to the Commission's Special Debt Programme, ECU 12.5 million was committed to help with the balance of payments in 1989 and it had all been paid over, to finance various private sector imports, by the end of 1991. The payments were made under the general import programme and led to the setting up of a national currency counterpart fund of more than GF 9500 million.

Part of this, some GF 3200 million, went straight to the Guinean Treasury in the form of non-targeted budget assistance and the balance went into the State budget to finance specific health, education, rural credit and rural tracks schemes.

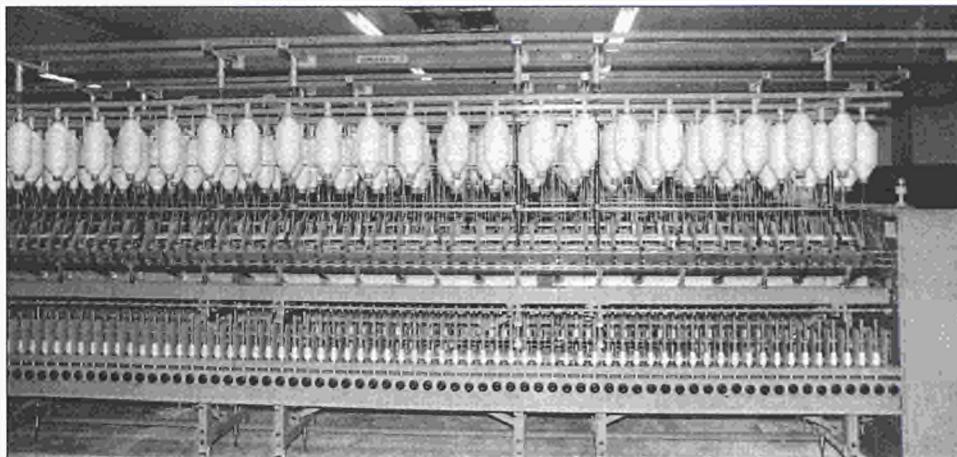
Following an agreement between the Government and the Commission on 17 March this year on how the counterpart funds should be mobilised and used, the allocations are expected to be as follows.

	GF million
— University & Training Institute	1 925
— Rural credit facilities	825
— Health (social infrastructure)	400
— Education (infrastructure — rural development)	1 100
— Adjustment	600
— Tracks & bridges in Haute Guinée	750
— Taouyah-la Minière section	758

Community aid outside the national programme

Sysmin

An ECU 35 million programme of investments to rehabilitate the Friguia alumina plant and launch various additional schemes under the Sysmin facility was approved in November 1988. The



Sanoyah textile complex

programme, which also had financing from the EIB and Friguia itself, covered:

- operations at the plant: oxalate elimination, improvements to the processing system, renovation of port installations, replacement of quarry machinery etc.;
- operations outside the plant: Fria-Telimélé track, Fria water supply and the Fria hospital.

The programme was finalised and the invitations to tender for supplies and works were launched in 1990 and 1991. The first spending was recorded at the end of 1991.

Emergency aid

In 1987, ECU 85 000-worth of emergency aid was provided for a vaccination campaign to combat yellow fever in eastern Haute Guinée.

When the Liberian conflict broke out, the Commission responded to Guinea's request to help with the continuous influx of refugees fleeing the hostilities.

Seven emergency aid decisions were taken in 1990 to help refugees and the local populations receiving them in Guinée Forestière. The relief, totalling ECU 3 230 000, was channelled through the UN High Commission for Refugees, the League of Red Cross Societies and Médecins sans Frontières (Belgium).

In addition to all this, two more lots of financing were awarded under Article 204 of Lomé III to cope with the 500 000 refugees who had settled in Guinée Forestière, undermining the region's already precarious balance.

These schemes were:

- a drinking water supply improvement programme (ECU 420 000);
- improvements to the Guinée Forestière health services (ECU 1.2 million).

Regional cooperation

Regional assistance for Western Africa was programmed at meetings in Praia and Cotonou in 1986 and 1987.

The regional cooperation schemes run in Guinea focused on the protection of natural resources. The country is very much to the fore here, since it is the watershed of the Niger, the Senegal and the Gambia Rivers and in a major position in the ecological system of the countries bordering the Southern Sahara because of it.

The most important scheme was the Upper Niger and Fouta Djallon catchment basin development programme. The Commission gave an ECU 31.5 million grant from regional funds and ECU 1.5 million from the Lomé III national indicative programme for this on 15 December 1988 (this was to combat desertification and protect the hydraulic system of rivers rising in Guinea) and additional financing of ECU 6 million was provided by Italian cooperation and managed by the EDF. The programme was in three main sections:

- development with the populations of 20 elementary basins and the Badiar National Park on the Senegalese border;
- studies of potential programme extensions;
- cartography of the target area using aerial data.

The programme and the timetable of assistance for 1991 were prepared in 1989 and 1990. After familiarisation with the terrain, contact with the population and identification of the problems they faced, work (on schools, dispensaries, tracks, bridges etc) got under way in the various sub-projects, putting the inhabitants in the picture and getting them involved to



At the end of 1991, the bauxite sector received the first instalments of an ECU 35m Sysmin programme

ensure that natural resources were better managed and properly protected. A more ambitious programme can be devised once the first results have been analysed.

EIB assistance

The EIB managed two risk capital operations under Lomé III;

- a conditional loan of ECU 13 million, awarded in October 1988, to boost productivity in the industrial installations of the Friguia alumina plant;

- a conditional loan of ECU 6 million to Guinea's National Water Board, awarded in October 1989, as partial financing for the Conakry drinking water supply, treatment and distribution system.

The EIB also stepped in at regional level, with ECU 21 million for phase two of the extension and integration of the ECOWAS telecommunications networks. This project, to set up three national-international Hertzian links in Guinea, Guinea Bissau, Mali and Mauritania, should come into service at the end of this year.

Fisheries agreement

There is also a fisheries agreement between Guinea and the EEC. Four protocols have been signed (1983, 1986, 1989 and 1991) allowing EEC Member States' vessels to fish in Guinean waters under a system of licences and quotas.

bringing Guinea financial compensation totalling ECU 25.246 million over the period 1983-1993. There is ECU 1 429 667 for scientific research and ECU 807 333 for training and study awards on top of this.

NGOs

Cooperation with NGOs has developed a great deal in recent years, in particular with 6th EDF monies for two integrated rural development programmes and for micro-projects.

Alongside this, cofinancing for NGO projects has been awarded direct from the Commission budget. One important area is the collaboration developing between European NGOs and their partners in Guinea with a view to getting local people more closely involved in designing and running development schemes.

Schemes run over the past few years are listed below.

1989:

NGO: ACT (Belgium) Boosting agricultural production in the Kindia region

NGO: CARITAS (Germany) Pre-school education in the Kankan and Kissidougou prefectures and the Conakry and N'Zérékoré regions.

1990:

NGO: ORT. D (Germany) Activity support in a training centre for forestry technicians in Mamou.

NGO: ACT (Belgium) Setting up a revolving fund for agricultural inputs in the Kindia region.

Outlook

When Lomé IV was signed on 15 December 1989, the resources available for programme cooperation between the European Community and the ACP States over the next five years went up by more than 40%. As far as Guinea is concerned, this means a programme of ECU 135 million, divided as follows.

- ECU 115 million grant;
- ECU 20 million minimum amount of EIB-managed risk capital.

On top of this there are the non-programme resources (structural adjustment, Sysmin, emergency aid, refugee relief, environmental funds etc) and regional cooperation monies.

After consultation with the Guinean Government, the national indicative programme was signed on 12 July 1991, setting out the main lines of Lomé IV cooperation with the EEC, which are to:

- open up the main agricultural production areas and regions (roads and rural tracks);
- improve the living conditions of the people in rural areas and secondary towns (village water engineering, schools, dispensaries etc);
- support agricultural production (e.g. lowland rice) and the relaunching of the fruit industry;
- promote private sector horticulture, market gardening, herding and fish farming initiatives.

The EIB has noted the Government's intention of submitting projects involving the mining industry, urban infrastructure in Conakry, agro-industry and support for the private sector via SME promotion.

Guinea is perhaps a relatively recent partner, but it is very keen on the privileged relations with the EEC which time and experience have made all the stronger. With political and economic upheavals shaking the world in general and Africa in particular, everyone wants Lomé IV to be a way of getting the economy off the ground again and raising the standard of living so that the year 2000 really can be the start of something better.○



Profile

Area: 245 857 km²
Population: 7 100 000 (estimated) (1991)
Density: 29 inhabitants per km². Conakry: 1 000 000 (1991)
Growth rate: 2.8% p.a. (approx)
Birth rate: 48‰ (1990)
Infant mortality: 145‰ (1990)
Life expectancy: 45 ans (1990)
Adult literacy: 24% (1990)
GNP: \$1.98 billion (1990) (\$280 per capita)
Agriculture: 25%
Mining & industry: 32%
Services: 43%
External debt: \$2.5 billion (1990)
Exchange rate: ECU 1 = GF 1111.42 (May 1992)

Inflation: 27.1% (1990)

Main products:

— Agriculture, livestock and fisheries:

Rice (paddy)	650 000 t (est. 1991)
Coffee	13 000 t (est. 1990)
Cotton	14 000 t (1991)
Cassava	45 000 t (1990)
Maize	100 000 t (1990)
Groundnuts	52 000 t (1990)
Millet	60 000 t (1990)
Sorghum	34 000 t (1990)
Yams	100 000 t (1990)
Fonio	200 000 t (1990)
Pineapples	36 000 t (1990)
Sweet potatoes	105 000 t (1990)
Bananas	110 000 t (1990)
Plantains	350 000 t
Palm oil	50 000 t (1990)
— Fish:	100 000 t (approximately)
— Cattle:	2 million head (approximately)
— Sheep & goats:	1 million head (approximately)

Mining

Bauxite: 17.5 million t (1990)
 Alumina: 640 000 t
 Diamonds: 200 000 carats
 Gold: 2.5 t

External trade:

Exports: \$788 million fob (1990) including bauxite \$448 million, alumina \$163 million, diamonds \$70 million, gold \$46 million, coffee \$22 million and fish \$14 million, to the USA (23%), France (14%), Germany (14%), Spain (13%) and Ireland (9%).

Imports: \$693 million caf (1990) from France (36%), the USA (9%), Belgium and Luxembourg (9%), Germany (6%) and Italy (5%).

Balance of payments: \$182 million (1990).

Sources: The Economist Intelligence Unit, the World Bank, UNICEF, the FAO, the UNDP and Marchés Tropicaux.



Mauritius

Young Mauritians carrying the republican flame: on 12 March this year, Mauritius cast off monarchy and became a republic at last

Going for gold again

In these days of Olympic euphoria, with the Olympic theme almost monopolising the media at large, one's thinking tends to be easily influenced by sporting jargon. It is not surprising therefore that the image of Mauritius as an Olympic gold medallist springs to mind. Indeed Mauritius over the past decade has been a decisive winner, clearing virtually all economic hurdles with zeal and determination. Whereas a decade ago the country faced the handicaps of recession, deficits and unemployment, it has since taken a giant leap forward and has now reverted to growth, surpluses and almost full employment. Winners of that kind do not reach such peaks without having gone through hardships. Thus it was that when faced with severe problems in the early 1980s, Mauritius took a firm decision to do something about it. It developed a harsh training programme — call it austerity and structural adjustment — to get back into shape, set ambitious targets and tried to achieve them despite the self-inflicted pain of the adjustment process. Quite unusually, given that structural adjustment has so many other followers yet so few successes, Mauritius succeeded in bridging the gap between words and deeds, and began to win, year after year, for

almost a decade. However, all those who have ever stood on the highest step of the winner's podium realise, even in their moment of supreme glory, that there is no more difficult a challenge ahead than trying to repeat that kind of success. Mauritius has indeed succeeded in its first phase of industrialisation and has made considerable progress towards NIC-status. Yet playing in a higher league brings problems of its own and, when some refer to Mauritius as the 'tiger of the Indian Ocean', others drily remark that 'the tiger doesn't leave the savannah at 4 o'clock'. Such people feel that, in striving for further victories, the 'training' may have to be even tougher, and greater zeal may be required. While attitudes and work ethics may be changing and while consumerism may be gaining ground in Mauritius, the authorities are nevertheless confident that they can repeat their success. Where some say the country is at a crossroads, others are even more committed to the idea of being in the middle of the road with only one way to go — forwards. The economic success of the past decade has also led to an old dream — in political terms — being fulfilled at last. On 12 March this year, Mauritius made a symbolic leap forward as it cast off monarchy to become a republic.

A cultural laboratory

Lying approximately 2000 km off the east coast of Africa and 900 km from Madagascar, Mauritius seems to have been cast adrift in the Indian Ocean. It has one main island, which gives its name to the whole country and covers 1865 square kilometres, a small sister-island called Rodrigues (104 square kilometres) lying some 600 km further east, and a group of outer islets which together cover only 71 sq km. Although the total land area is small, the country is surrounded by a vast exclusive economic zone of 1.7 million square km.

Of volcanic origin, the mainland of Mauritius enjoys an enviable tropical maritime setting. Virtually pear-shaped, it has striking volcanic peaks which rise above the ubiquitous sugar cane fields. It is almost completely ringed by reefs and, on the coastal fringe, tranquil blue lagoons provide a sharp colour contrast to the attractive bleached beaches.

Most of the population is, not surprisingly, concentrated on the main island. Indeed, with 1 044 000 inhabitants (1991 figure) it has an astonishingly high population density — 580 inhabitants per sq km. As one surveys the seemingly

unending sugar cane fields, one can only wonder where they all are! Rodrigues has just over 34 000 people, while the outer islets are barely inhabited, with a total population of only 170.

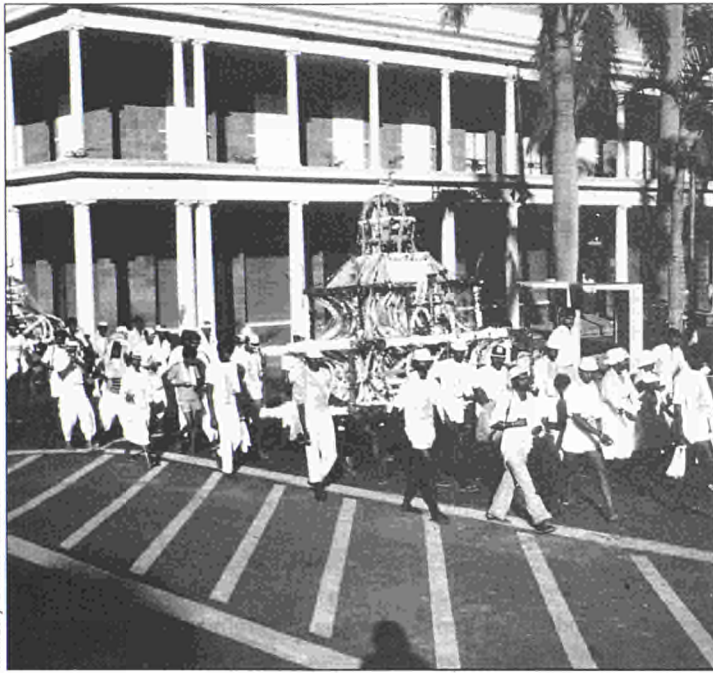
Though it is referred to as a melting pot by some, it may be more accurate to regard Mauritius as a cultural laboratory — the term which is generally used nowadays. The country's culture is built on and influenced by the three continents of the original forefathers: Asia, Africa and Europe. While early historic references to the island can be found from the 15th century, when Arab sailors visited the island which they called 'Dina Arobi', the first European to land here, in 1511, was a Portuguese navigator. Real human settlement of the island, however, only began in the 17th century. A number of European nations established themselves here in consecutive waves: first the Dutch for over a century, then the French, for a further hundred years (in the 18th century), and then finally the British, who ruled Mauritius for more than 150 years up to independence in 1968. Each of these countries had a decisive direct or indirect role in 'moulding' the Mauritian nation which exists today. The introduction, by the Dutch, of

sugar cane — a crop whose fortunes have largely determined the country's wellbeing — and its subsequent exploitation and development under French and British rule, initially with slaves from Africa and later with Chinese and, more importantly, Indian labour, have made it a truly cosmopolitan country. It is no surprise that nowadays some refer to Mauritius — a name originally given by the Dutch — as a British-style country (particularly in government and administration) with a Franco-Indian way of life. Apart from Creole, which is the *lingua franca*, Hindi, a wide variety of other Indian languages, and Chinese, its rich past has also left Mauritius with a population which is almost bilingual in French and English. This proves to be a considerable asset when developing such outward-oriented activities as tourism and export processing.

Mauritians of Indian origin represent just under 70% of the population: 52% are Hindus, and some 17% are Muslims. The so-called general population, 28% of the total, comprises people of African, European and mixed-Creole descent. Sino-Mauritians, who make up 3-4% of the total, are a small but, in economic terms, relatively important minority, as they are often keen tradesmen. Although the country is cosmopolitan, most ethnic groups maintain their own cultures to a large degree, as is revealed by the multitude of temples, churches, mosques and pagodas found on the island.

The ethnic factor, and in particular the Hindu caste system, still plays a considerable role in the democratic processes of the island. Mauritius is proud to be able to say that it has been a multi-party democracy ever since independence. To call it a lively democracy is probably an understatement. Electoral campaigns are usually very intensely fought and it is not unknown for both parties and political personalities to shift their allegiances from time to time. Despite the rivalries, the country has nevertheless enjoyed steady leadership and long-standing political stability, two assets which have considerably enhanced its economic performance. No one encapsulates these two vital assets better than Prime Minister Sir Aneerood Jugnauth. Having come to power in 1982, he has won every election since then, broadly adhering to the same political programme, but at the head of changing coalitions. Widely regarded as the father of Mauritius' considerable economic success over the last decade, he





Only two facets of Mauritius' wide diversity of cultures and religions; left: one of the numerous Hindu festivals; right: Muslims praying in a mosque

won a landslide victory once again in the most recent election, held in September 1991. As the skilful leader of the Mouvement Socialiste Militant (MSM), he led his alliance with the Mouvement Militant Mauricien (MMM) of Paul Bérenger to a decisive majority, with 57 of the 60 directly elected seats in the Legislative Assembly. He also has the support of the two Rodrigues members. Four further places in the Assembly are allocated to the opposition under a 'best-losers' system. Such an overwhelming majority, however, does once again show the flaw in the Westminster-style, first-past-the-post electoral system. This landslide was achieved with only just over 56% of the total votes cast.

Following its victory, the Alliance felt that the time was now right to remove what it called the 'last vestiges of its colonial past'. It accordingly decided to end Mauritius' status as a constitutional monarchy with Queen Elizabeth II as Head of State represented by a Governor-General, and to replace it with a republican system. While remaining in the Commonwealth, the country now has a President as Head of State.

There had been two previous attempts to do this, but each failed for internal political reasons. Thus, it was only finally on 12 March of this year that Mauritius — in a step which it regards as enhancing the prestige of the country — swore in its first President.

A decade of growth

Prior to the 1970s — indeed for the three previous centuries — the fortunes of Mauritius were largely tied to the performance of its all-dominant sugar sector. At the time of independence, sugar represented a quarter of GDP, employed a third of the work force and generated most of the foreign exchange earnings. However, with the risk of sugar turning 'sour' due to adverse climatic conditions or the instability of world market prices, it was obvious that the economy had to broaden its base. Diversification became a key word in the drive to make the economy more resilient to external shocks. As in most other countries, the first step towards diversification was the development of import substitution. Lack of demand, however, combined with the smallness of the local market, hampered the take-off and forced a strategic reorientation in which the focus was export-based growth. It was as early as 1971 that Mauritius created its Export Processing Zone. This was a legal notion rather than a geographical concept in that, unlike in other countries, EPZ factories could be established anywhere in the islands. The essential idea was to offer potential investors a wide-ranging package of incentives so that they brought in capital and know-how, provided employment and, by exporting their merchandise, generated foreign exchange. Of course, this is easier said than done, and while

there was some progress in the early 1970s, the oil shocks and resultant economic crisis of the mid-1970s brought only 'gloom and doom'. Inflation during this period reached 40%, unemployment rose to well over 20% and growth was all but halted. Mauritius was fortunate to have the Lomé Sugar Protocol, which cushioned it to some extent, as the guaranteed prices for most of its sugar output were at that time well above the world market price.

Nonetheless, the country faced something of an identity crisis, to the extent that the Labour Party of Sir Seewoosagur Ramgoolam, in power since independence in 1968, lost the 1982 elections to the Jugnauth-Bérenger tandem. Bringing in the international economic 'fire brigade' in the form of the IMF and World Bank, they were determined to change the course of events. They introduced austerity and structural adjustment and, above all, promoted a new business climate, giving entrepreneurship more leeway. The opening of British-Chinese negotiations on returning Hong Kong to China offered an opportunity that Mauritius lost no time in seizing. Investors in Hong Kong and Taiwan, worried about where the talks might lead, looked for a safer place to invest their capital and were quickly attracted to the many advantages offered by the EPZ scheme. Low-grade, mass textile production led the way in what was to become an EPZ



The Courier

Quality control at one of the innovative industries
Mauritius wants to move up-market towards high-tech, high-quality products



VTB

Vocational training in jewellery by the Industrial and Vocational Training Board
A major gap in training needs for new skills will have to be bridged

boom. Together with tourism, which had increased over the years to such an extent that Mauritius is now a major tourist destination, the EPZ prompted a major turnaround in economic fortunes. Some went as far as to call it an economic miracle. To the envy of many and certainly of most other African nations, Mauritius succeeded in achieving a decade of continuous growth, averaging about 6% per annum. Inflation was reduced to reasonable levels and financial imbalances were wiped out. Mauritians saw their standard of living rise considerably — with per capita income trebling between 1982 and 1992 to reach about US\$ 3000 today, and unemployment was all but eradicated. All in all, it was an economic success story with few parallels in the developing world.

A change in thinking

Success, of course, has its price and Mauritius has now reached a stage where some serious rethinking is being undertaken in many quarters. Raj Makoond, the Assistant Secretary-General of the Chamber of Commerce and Industry explains the background to this: 'In the past, all of our thinking and resulting action was determined by one major obsession: job creation aimed at reducing massive unemployment. Our whole diversification away from sugar was dictated by that preoccupation. Now, for the first time, we have to think outside that framework and its own set of rules: in our post-Malthusian Mauritius we have

reached virtual full employment. In some cases there is even a shortfall and there is certainly a lack of skills and of workforce mobility. In our current phase of transition towards modernisation, in which we are moving up-market towards high-tech, high-quality products, we only have a very small margin of error if we want to keep up the growth momentum. In terms of investment we will need both a shift towards modernisation and consolidation of traditional sectors such as textiles as well as a drive to bring in new skills and technologies.'



Ministry of Information

**Ramakrishna Sithanen,
 Minister of Finance**

'We are in the middle of the road with no other choice but to go ahead'

For his part, Finance Minister Ramakrishna Sithanen believes that Mauritius is not at a crossroads as some would suggest, since that would imply that there is a choice of routes. He says rather that 'we are in the middle of the road with no other choice but to go ahead'. He continues: 'We have to rise to the level of a high-income developing country. As far as the EPZ's future is concerned, we are aware that both the external and the internal environment have considerably changed. Externally, when we started, there were very few EPZs. Now there is much more competition from the 60-70 other countries which have launched free-zone schemes and many more are being set up. In addition, the wider trend is towards liberalisation. It is no longer a question of guaranteed market access for the lucky few. Internally, labour has become scarce, salaries have gone up and productivity suffers from competition with leisure. We now have the responsibility — and the problem — of getting across the message that what was all right yesterday is no longer acceptable today. The name of the game now is global competitiveness. It will not be sufficient to just be efficient; we will have to be globally efficient as the economic battle is now in the overseas markets, which we have both to retain and to expand.'

Looking for new synergies

In terms of industrial development there will be a two-track approach in his view: 'Textiles and garments, which have

played a decisive role in the EPZ's success so far, will have to try and change gear as it were, moving competitively into up-market quality goods while reflecting market requirements. Low-grade textiles are moving elsewhere in any case. Then obviously we will have to diversify into non-textile areas and develop such sectors as electronics, jewellery, informatics, printing, footwear, light engineering and so on. Again this will have to be done at two levels. On the one hand, we will try to integrate the EPZ more into the rest of the economy, creating more synergies, and on the other hand we must look for vertical integration, adding value to the products and reducing the time between their order and their supply.'

One venture which Mr Sithanen is particularly keen on is the development of Mauritius as an offshore financial centre. Last April, a major 'Euromoney' conference, in which there was considerable international participation, was held to look at possible new legislation and incentives for potential investors. A whole network of double taxation treaties has already been signed, and more are being negotiated, while high-level Mauritian missions are actively promoting offshore business as a promising avenue. Though conscious of the inherent risk of such centres — some have a rather dubious reputation because of alleged drug money laundering — the Mauritian authorities are clearly keen on making a success of the operation, which they want to be 'reputable yet flexible and accommodating'. 'Success only smiles at those who take risks,' feels Minister Sithanen, 'and if we want to diversify into financial services, then the establishment of a fully operational centre — we do not want to become merely a brass-plate centre — can bring considerable direct and indirect benefits. While giving further impetus to staff qualifications and legal and infra-structural frameworks, such a centre will have both multiplier and spin-off effects and will highlight our pivotal situation in the Indian Ocean even more.'

Tourism: exclusive yet very hospitable

Within the overall framework of reorienting Mauritius' future, one gets the feeling, talking to those closely involved in the tourism sector, that they are thinking: 'And what about us?.' Tourism's contribution to the economy should not be underestimated. In 1991, 298 500 tourists generated Rps 3900



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There is no doubt that Mauritius is a step ahead of most competitors with hospitality, friendliness and service which distinguish it as something 'special'

million in gross earnings and directly provided employment for almost 10 500 people. Indirectly, tourism is responsible for a further 20 000 jobs. It has also played a key role in lessening dependence on sugar and the sector has quickly worked itself up to become the third pillar of the economy, after agriculture and manufacturing. Even if tourist arrivals last year only rose by 2.4% — compared with 11% in 1990 — this is still a

reasonable performance, feels Tourism Minister Noël Lee Cheong Lem, 'considering the negative effects of the Gulf War and the economic recession which has badly affected most of our supply markets, particularly in Europe.' He continues: 'Banking on our high quality product we were quick to respond to changing realities and to adjust our marketing strategies.'



The Courier

Noël Lee Cheong Lem,
Minister of Tourism

'In a price battle, only the consumer wins in the short term and it could threaten our image as an exclusive destination'

The Mauritius Government Tourist Office (MGTO), under its dynamic and PR-conscious Director-General Cyril Vadamootoo, certainly limited the damage — many other destinations lost out last year compared with previous performance — by tapping new markets such as Japan, Australia, India and the Far East. The MGTO also did some in-depth work on other, more traditional markets such as Germany (because of its non-combatant status in the Gulf War — arrivals from there rose by 14% during the conflict!). Yet with a promotion budget of a mere Rps 40 million, the tourism authorities feel they are the 'Cinderella' of the business. 'Only 1.1% of tourism earnings as a promotion budget is really low,' feels Tourism Minister Lee Cheong Lem, 'as it usually amounts to between 3% and 5%. Here, some of the groups like Sun International have a larger promotion budget than the government itself, a clear sign of their commitment to and belief in our sector's future.' Sun's recent announcement of a

major US\$ 23 million upgrading and extension of one of its already luxurious resorts gives another major boost to Mauritius' image as an exclusive up-market destination. While offering a wide range of coastal assets and activities, the tourist product is being considerably broadened in its variety of attractions, increasingly bringing in the people (culture) and the environment. Of course, all tourist authorities extol the virtues of their product but there is no doubt that Mauritius is a step ahead of most competitors with hospitality, friendliness and service which distinguish it as 'special'. Tourist satisfaction in these regards stands out in most surveys and explains the high rate of repeat tourism.

Yet today, all is far from bright under the Mauritian sun. Indeed, the sector is currently facing a short- to medium-term problem of excess supply of rooms, when compared to the growth in tourist arrivals. Room occupation rates in 1991 dropped to a low 53%, down from 62% the previous year. Tourism Minister Lee Cheong Lem is not afraid to lay the blame on those he holds responsible: 'Due to the laxist policy in handing out licences by the former Deputy Prime Minister, Sir Gaetan Duval, who was previously in charge of tourism, hotel capacity rose by almost 75% in the last two to three years. But tourists do not fall from heaven like manna. We are talking about a business which requires proper planning. Poor planning combined with overcapacity led and still leads to a spiral of problems. It prevented sufficient investment in staff training, so newly-opened hotels turned to poaching staff, raising wages and offering fringe benefits, causing shortages as well as a lowering in staff quality elsewhere. Some hotels, under financial duress, also felt compelled to launch promotional package deals. Such a price battle involves certain risks,' feels the Minister. 'Only the consumer wins in the short term and it could threaten our *image de marque* as an exclusive destination'. The trade itself is far from homogeneous, which is a problem in itself as, at least for the time being, every hotelier seems to be trying to pull the strings his own way. Take AHRIM, for instance: the two major groups, Sun and Beachcomber, are not members of the *Association des Hôteliers et des Restaurateurs de l'Île Maurice*. Current AHRIM Chairman, Norbert Angerer, feels 'the whole sector is a bit upside down and the present overcapacity may lead

some to adopt a narrow-minded, short-term solution, applying dumping prices to the detriment of quality'.

Staff poaching, rising wages, high taxes, unfair competition from unregistered operators, air capacity and the price of tickets, price wars, quality levels, environmental and cultural concerns: these are only a few of the problems he identifies. Mr Angerer feels there are so many issues that 'the whole sector ought to be able to sit down together and discuss them, bearing in mind our common interests'. Clearly nobody involved wants to go down-market, a process which



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Dr Swaley Kasenally, former Minister for the Environment and the Quality of Life, since July in charge of Economic Planning and Development

'Mauritius is genuinely concerned by such issues as global warming — as an island we could, so to speak, be on the receiving end'

could be universally detrimental to the well-deserved current exclusive image. In 1993, another 'year of tourism' will be held. A more concerted approach throughout the industry may, therefore, be in the offing. Perhaps it will also offer another opportunity for the trade to have reasonable talks with Air Mauritius, as the views of the two sides on capacity (particularly in peak periods), pricing and competition (on so-called scheduled charters) have usually been widely divergent. For the future, the Minister clearly opts for managed qualitative growth, tapping both new products (culture, inland scenery, history, etc.) and new markets (for instance, South East Asia) as well as spreading activities more evenly across the country (developing the

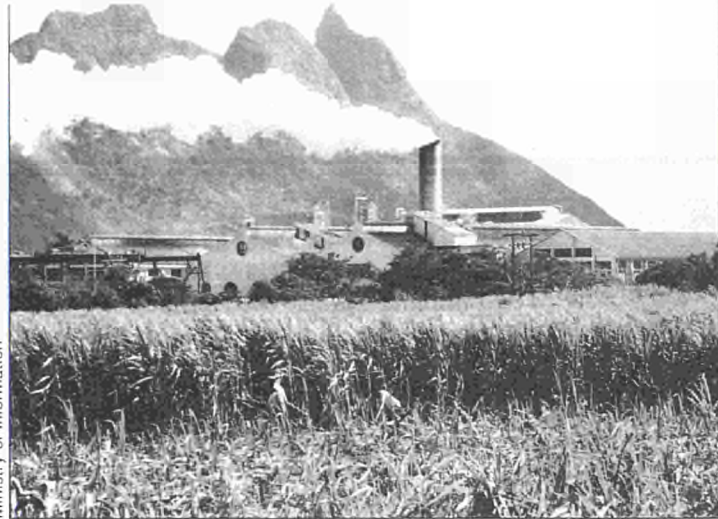
South). As for future tourist numbers, the Minister believes that the threshold of tolerance is a matter of quality rather than quantity, although a target of 400 000 by the turn of the century has been set. Thus far, the threshold is far from being reached, according to the trade.

Yet Dr Swaley Kasenally, former Minister for the Environment and Quality of Life (since July he has been in charge of Economic Planning and Development) stresses that tourism also had growth limits in environmental terms. Both Mauritians and tourists need some environmental education to help preserve key natural assets such as beaches and lagoons threatened by erosion or depletion, while eco-tourism will also be promoted through marine parks as well as on land. Mounting consumerism and the consequent waste disposal problems will increasingly have to be tackled. 'Mauritius is genuinely concerned by such issues as global warming — as an island we could, so to speak, be on the receiving end,' stresses Mr Kasenally. He also points out that 'given the country's rapid industrialisation process, we are increasingly facing industrial pollution, particularly from dyes.' He feels that all in all, 'the environment issue, notably through the Rio conference, is at last moving from the sidelines to the mainstream of politics and that environmental concern requires continued structural adjustment in its own right.'

Sugar 'irrigating' the economy

One sector where environmental impacts are increasingly being monitored is the sugar industry. The Mauritius Sugar Institute keeps an eye on the use of pesticides and looks at ways of improving technology to limit the emission of pollutants by the sugar industry. In view of the country's rising energy needs for further industrial development, the sector is also embarking upon a major IBRD-financed, bagasse-fired electricity production scheme.

Sugar may have seen its relative importance in the overall economy considerably reduced — its current contribution to GDP (10%), employment (15%) and export earnings (30%) is barely a third when compared to a mere 20 years ago — but in absolute terms King Sugar undeniably still plays a key role. On average, Mauritius — considered an efficient producer — grows 650 000 tonnes of sugar per annum, with



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Mauritius' sugar sector not only faces a number of internal constraints but also closely monitors possibly worrying international events such as the GATT talks, the CAP reforms and EUROPE '92

The sugar sector has not only successfully diversified into other agricultural ventures — above, interline cropping — part of its profits have been productively reinvested in manufacturing and tourism

some 42 000 people directly employed (plus an estimated 20 000 indirectly). 507 000 tonnes find a guaranteed outlet through the Lomé Sugar Protocol, while a further 15 000 tonnes US quota also benefit from higher than world market prices. Last year's exports of 551 000 tonnes brought in Rps 5200 million (against Rps 12 100 million for EPZ exports) while government revenue from sugar amounts to almost Rps 600 million in combined export duties and profit taxes. While its role in Mauritian history has been frequently highlighted, Jean-Claude Tyack, the General Secretary of the Mauritius Chamber of Agriculture, stresses its more recent contribution to the nation's diversification and industrialisation. 'Our EPZ has an almost 50% local ownership component, which is unusually high but understandable, as a lot of local sugar profits were reinvested in the Zone. With a solid agro-industry we had a nucleus of highly skilled people, plus a preparedness to reinvest profits and not just in vertical integration. Although we began with interline cropping for import substitution, then expanded it successfully for exports, we also diversified into the EPZ and tourism. One can only agree with those who say that sugar has "irrigated" the rest of the economy, and we feel that we are one of the few countries where sugar money has been used well.' Sugar companies are certainly the owners, either directly or indirectly, of a number of tourist developments, and some have made such a success out of their EPZ diversification that that is now even more important than their sugar production proper.

backdrop of a steady loss of land under cultivation. Irrigation and research will be boosted as well as further mechanisation, notably through a major EC-supported National Derocking Scheme. Small planters' yields will be given particular attention and support through Land Management Units. Sugar factories will be both modernised and rationalised, probably bringing down their number from the current 19. Once again, there is a major constraint in the present full employment situation. Yet, while exhibiting a high level of confidence in the control of internal trends in their industry, given their efficient performance in the past, sugar spokesmen are clearly far more worried about the threat posed by external events. 'We are indeed very worried about the possible outcome of the GATT negotiations; some reports

even suggest we could be the major losers in any far-reaching liberalisation, as our sugar quotas, our textile exports and our food imports could be threatened,' stressed Mr Tyack. Added to that is their genuine concern about the possible negative effects on them of the reform of the Common Agricultural Policy — 'Why should only European farmers get income compensation for lower agricultural prices?' Needless to say, the sugar business community not only monitors these developments on the international scene very closely but is also conscious that it may have to restructure in order to respond to changing realities.

The special character of ACP sugar under the Lomé Sugar Protocol — 'a vital lifeline for the livelihood of Mauritius' — is strongly defended by Madun Dulloo, Minister for Agriculture, Fisheries and Natural Resources. 'The social, political and even cultural importance of sugar in our societies cannot be stressed enough,' he feels. 'We have noted with satisfaction the EC's renewed commitment to the Protocol, and the assurances they have given us, but for the sake not just of Mauritius but of a lot of weaker economies we have to discuss seriously the effects of the EC's own new sugar regime. We have expressed our genuine concern over a price freeze, which to us amounts to a reduction in real terms, and have welcomed the marketing premium to enable us to absorb some of the shock. We remain confident that the EC will continue to bear our special situation in mind. Given sugar's impact on some of our economies, we could not really stand any severe setbacks.' Minister Dulloo is convinced that, while trying to maintain sugar farmers' incomes is vital in the long term, it is as vital to broaden their scope and offer alternatives by developing



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Madun Dulloo, Minister of Agriculture, Fisheries and Natural Resources
'We have noted with satisfaction the EC's renewed commitment to the Lomé Sugar Protocol'

The sugar industry too is facing a number of problems and constraints, both internal and external. Internally, productivity needs to be raised against a

integrated agriculture. 'We shouldn't push farmers out: so many countries have made the mistake of abandoning agriculture and have paid dearly for this mistake, so our agricultural community deserves our full attention.' Here, too, diversification attempts have been successfully launched, notably in horticulture, fruit-growing and livestock. Agriculture and agro-industry are also increasingly linked to tourism, making typical fresh Mauritian food another attraction for foreign visitors. The Minister wants to fight 'pockets of poverty' on every front, notably in the weakly performing tea sector or in artisanal fisheries, bearing in mind that in Mauritius 'people have no inhibitions preventing them from moving up the social ladder'.

Many challenges ahead

There have indeed been considerable changes in Mauritians' lifestyle and wellbeing thanks to the textiles-led boom and, for many, consumerism is advancing, perhaps even too rapidly. Minister Jean-Claude de l'Estrac, in charge of Economic Planning and Development prior to the July reshuffle when he took over the Industry and Industrial Technology portfolio, is among those who plead for a cautious and lucid approach to the country's future. 'We have succeeded so fast in conquering unemployment that it has led to a certain degree of euphoria among the people here, who tend to think that a boom can be taken for granted. They couldn't be more wrong, so this thinking process confronts the authorities with a major task: trying to impress upon the population the scale and difficulty of the challenges ahead. Despite our current success we are still a very fragile economy which has to keep in step with others. So we have to combat both internal and external euphoria. Internally, people need to realise how necessary a structural adjustment of the industrial base of the country is if we are to liberate labour for better-performing, capital-intensive high-tech sectors. At the same time, the private sector must recognise that part of its protective umbrella in terms of guaranteed outlets may be eroded and that more competitiveness will be required. Consolidation may create its own turbulence and a major gap in training needs for new skills will have to be bridged. Also, massive investment will be required to keep basic infrastructure in line with the new development trends. All this combined will require not



The Courier

Jean-Claude de l'Estrac, former Minister of Economic Planning and Development, since July in charge of Industry and Industrial Technology
'We have succeeded in conquering unemployment so fast that this has led to a certain degree of euphoria'

just efforts but even sacrifices, and perhaps we don't yet fully realise that it will lead to a sort of cultural revolution. Externally, we risk being penalised for our success as some partners may feel we can succeed on our own anyhow.' All in all, Minister de l'Estrac nevertheless remains cautiously optimistic: 'If we face our responsibilities and influence the course of events where we can, we stand a very good chance of succeeding again. Some dream of Mauritius becoming the Singapore of the Indian Ocean, a future growth area certainly with the prospect of a liberated South Africa — although they are likely to go through quite a turmoil,



The Courier

Paul Bérenger, Minister of External Affairs
'You may be able to develop for a while without pluralism, but eventually, democracy will have to come to the rescue if you want to sustain your development'

which could hurt us in the short term. Others would like us to become the "tiger" of this region. Personally, I have nothing against becoming a real "tiger" tomorrow, but we have to go beyond these slogans and realise today that the "tiger" doesn't leave the savannah at 4 o'clock or forget to show up for work on Mondays.'

Externally speaking, there are of course a number of potential clouds on the distant horizon — at least that is the way many Mauritian spokesmen perceive them: the GATT talks, the CAP reforms and even Europe '92. In terms of regional cooperation, while on the government side most are in favour, within the business community, which tends to look more to Asia, the Indian Ocean Commission is today widely regarded as too limited in its scope, structure and operations. Many look beyond the IOC, perhaps in view of the current 'weak' state of some of its members, to India and South Africa. The PTA, and in particular its clearing house, are seen as more effective in terms of market creation in the long run.

With most African nations today in political turmoil or the economic doldrums, Mauritius stands out sharply as a well-to-do democracy. One of the architects of the early structural turnaround initiated in 1982, Paul Bérenger, is today Minister of External Affairs. As a former trade union leader, he is more than ever committed to the idea of the necessity of confronting the people with the real issue — to develop more will mean having to work more. A keen defender also of an economically sound yet very lively democracy, there is no doubt in his mind that 'there can be no real development without democracy, which is obviously linked to respect for human rights. You may be able to develop for a while without pluralism, but eventually democracy will have to come to the rescue, if you want to sustain your development.'

Perhaps even more important is that Mauritius continues to stand out not only as a successful democracy but, above all, as a model of peaceful coexistence, with different communities, cultures and religions pulling together towards a common goal. At a time when ethnic conflict is tearing apart nations elsewhere in the world, there could be some benefit in taking a closer look at Mauritius, so as to see what 'unity in diversity' really can achieve. ○ Roger DE BACKER

Political stability, democracy and leadership: the prerequisites for industrial take-off

An interview with President Cassam Uteem

When Mauritius became a republic on 12 March this year, Sir Veerasamy Ringadoo, who had been Governor General up to then, became the first President, but it was no secret that Cassam Uteem would succeed him within a few months. Thus it was that on 30 June the Government proposed the latter for the Presidency, a job which he took up on 1 July. He is widely regarded as the most popular Muslim politician and was elected Head of State by Parliament, for a five-year term.

The Courier met him last April in his capacity as Minister of Industry and Industrial Technology, the function he held prior to becoming Mauritius' first elected Head of State.



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► *Would it be correct to say that Mauritius, after a decade of successful industrialisation, is on the verge of a second take-off even if a real breakthrough hasn't yet come about?*

— You are probably right in your assessment. In fact, we could say that we have successfully completed the first phase of our industrial development — indeed, our industrial revolution. During that phase, we put the emphasis on labour-intensive industries, mainly textiles. This has enabled the country to solve the most important problem which it was facing at the beginning of the 1980s, namely unemployment. We can also say that during this period we have had expertise from many foreign countries, including European ones, and Mauritians have acquired a certain experience as a result. To a certain extent, an industrial culture has been created during the last 10 years. Now we are embarking on the second phase of our industrialisation, which looks as if it will be more difficult. In this second phase, we are laying emphasis on more capital-intensive goods and high technology, and we have identified a certain number of areas and industries to which priority will be given. Not that we are doing away with the textile sector. In fact we are consolidating it. We are encouraging modernisation in this area and are giving incentives through loans at preferential rates to enable the textile industries to modernise. But at the same time, we are

diversifying. This diversification, which is taking time to put into effect, will include such varied sectors as informatics, jewellery and light engineering. But we have two major problems: the first is to attract yet more foreign investors to come and invest in those newly identified sectors; the second is the training of our young people in new skills. These are the two major problems we need to tackle if the second phase of our industrialisation is, as you put it, to 'take off'.

► *You say you are not doing away with textiles, but some production has already been transferred to Madagascar for instance. There are also worrying statistics from some of the textile factories which have seen a sharp drop in turnover. Indeed, some companies appear to be eating up their own capital.*

— The 'low-end' products would eventually leave anyhow. Those industries which have been producing certain bottom-of-the-range types of garment or knitted items will have to move to neighbouring countries such as Madagascar. We already have examples of industries which were based initially in Mauritius and which have now moved to Madagascar. But this is not a cause for worry because I believe that we can integrate the different countries of the region into one economic bloc. Those products which can no longer economically be produced in Mauritius can be

transferred to other countries. But when I say that the sector is going to be consolidated, what I mean is that it has to be modernised, to go up-market and to make use of new technology. Even if we are pricing ourselves out of the market for products in the lower range, the fact remains that the expertise which our workers have acquired will certainly enable us to go for up-market production.

► *When you say you are pricing yourselves out of the market, are you implicitly referring to wage pressures?*

— Yes, absolutely. Obviously, we can't expect to move through the various stages of development over the years and still expect our workers to draw low salaries. When a country moves from the 'developing' phase through the so-called 'newly industrialised country' stage to eventual 'developed' status, the workers must, I believe, get a fair share of the benefit. In itself, this is not a worrying factor; on the contrary it is to the credit of our country that our workers are now able to earn more. But at the same time, there must be more and more emphasis on the productivity of the worker. In fact, it is not the increase in wages in itself which should be worrying but rather the absence of a commensurate increase in productivity. So we are now placing more and more emphasis on that aspect of things.

► *In the private sector there seems to be growing concern over the work ethic. Some people feel that Mauritius may be becoming a consumer society too rapidly.*

— Yes, but they should also talk of improved management, which is equally necessary. I don't think productivity is solely a matter for the shop-floor workers. It is a question which concerns industry as a whole, starting with the top management. We as a government are strongly emphasising this vital notion of productivity. Indeed, we are setting up a national productivity centre based on the Singapore model. Hopefully, we will get all those involved more 'tuned-in' to the productivity question so that together we can improve the situation in those industries which require it.

► *Is Mauritius becoming the Singapore or Hong Kong of the Indian Ocean?*

— I always say that I would like to use those countries, especially Singapore, as a reference point, although not necessarily as a model to be copied. From an institutional point of view, I think that Singapore can teach us many useful lessons. They have quite a few institutions which could serve as a reference for us.

► *Like the national productivity centre which you just mentioned?*

— We are going to set up such a centre and we have also been talking of a national productivity council which would group together a number of ministries, perhaps with the Prime Minister coordinating the whole thing. The aim is to get over to the people that this is a vitally important matter.

► *There seems to be a certain element of competition between the different sectors — the more traditional ones such as sugar, newer ones like tourism and industry, and possibly future ones like offshore banking. Who strikes a balance between the attention each sector gets? Concern seems to be growing in some sectors — notably tourism — that they might be neglected when all the effort appears to be concentrated on phase two of industrialisation.*

— In recent years, the economy has rested upon three pillars; agriculture (mainly sugar), industry — (mainly the Export Processing Zone) and tourism. It is really only in the last decade that tourism has picked up to become one of the major pillars of the economy. But I recognise that we have perhaps been provided with more hotel infrastructure than was necessary. I am not passing any



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The textiles sector, responsible for the EPZ's first boom, will be consolidated and modernised

judgment on previous governments but I think that we have to mobilise more resources in the tourism sector. We should have a joint policy including hotels and the airline because there may be conflicting interests between the policy adopted by the national airline and that adopted by the tourist office and the Tourism Ministry.

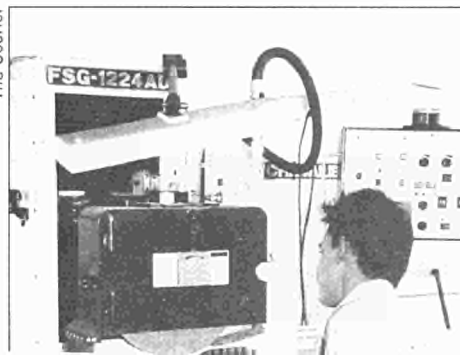
With the limited resources that we have, and given the fact that we are not in a planned economy where we allocate resources to particular sectors, it is essentially a question of market forces. Sometimes tourism appears to be more profitable, while at other times the industrial sector does better, but in both cases it is basically market forces that are involved. Both sectors rely heavily on foreign investment and a lot depends on how aggressive the marketing is at the level of the respective ministries.

► *Part of this aggressive marketing is obviously the various incentive packages. The private sector feels there are already so many different packages of incentives that they are pleading for a more integrated approach.*

— Yes, this is also the objective of the government. In fact, at this very moment, we are studying ways of harmonising the different incentive packages, and we are

'In the second phase of our industrialisation, we are laying emphasis on more capital-intensive goods and high technology'

The Courier



being assisted in this by the World Bank. They have promised to submit to us, very soon, a study which is being undertaken, and it will not be long, I believe, before we come up with a solution. Over the years, as problems have cropped up in different sectors, government has come forward with what it considered at the time to be the correct measures, but that has led to the current situation where there is too wide a variety of certificates, and things should now be simplified.

► *Mauritius is one of the rare ACP countries to have succeeded in the first phase of its industrialisation. What advice would you give to others seeking to achieve the same thing?*

— It would be presumptuous on my part to give advice because each country has its own specificities; its own particular strengths and weaknesses. But, personally, I believe that there are three elements which are essential. The first is political stability — without it you cannot hope for development. Secondly, there should be a democratic set-up. Democracy as it functions in Mauritius and in many other countries is a *sine qua non* in my view. Finally, there is the question of leadership.

Besides these elements, of course, we have got the emphasis that is laid in this country on education and training. We have the advantage of having had free education for quite a number of years and we have a very literate population. We are also well informed and our network of communications is very good. The development of the infrastructure has taken place steadily and we have been moving almost to the rhythm of the newly industrialised countries, although we still lag behind in some respects. But, I should

repeat, I have no specific advice to give any particular country. Each has its own specific nature and the leaders of those countries should know best.

► *As far as the new sectors which have been identified are concerned, you seem to be in a 'chicken and egg' situation. On the one hand, investors say 'we can't find trained staff and skills'. On the other hand, you say that there is no outlet for trained staff. How can you break this cycle?*

— This is true. We have been in this 'chicken and egg' situation for some time. This is why we came forward with the 'Pioneer Status' certificate. Prospective investors said to us; 'Look, we have no market yet. We must know whether our product is going to be accepted or not.' Our response to this was; 'OK, we offer you our home market, even if it is a small one, to try out your product.'

The situation you describe is, to some extent, hampering our real take-off, but we have already set up one or two very high-tech industries and more will follow. Perhaps, for the second phase, we should be looking more towards Europe. We have tended to concentrate on the South-East Asian countries and I feel that we have not done enough in terms of promoting investment and encouraging new technologies from European countries.

► *It is no secret that you are soon to become President of Mauritius.*

— As you know, the Alliance which is in power today has decided to nominate me as the next President. I consider this to be a great honour. I have served as a member of the Legislative Assembly for some 16 years and have been in politics for over 20 years. I regard this as a personal tribute and I feel deeply honoured.

I shall, in my new capacity, try to put into practice what my party has always stood for and what this Alliance stands for; that is to bring about and consolidate national unity in Mauritius, ensuring that all the different communities living here continue to do so in harmony and peace. As President I will also be the 'watchdog' of the Constitution, so I will ensure that all the rights enshrined in the Constitution are respected.

► *To guard against communalism?*

— Yes, but I would put it more positively. Instead of being against communalism, I see the role of President as being to bring together all the different communities to work in peace and harmony. ○

Interview by R.D.B.

'We chose to educate our people, and that is the main reason for our success',

declares former President Sir Veerasamy Ringadoo



The swearing-in ceremony of Sir Veerasamy Ringadoo as first President of the Republic of Mauritius, with Chief Justice Sir Victor Glover

On 12 March this year, Mauritius, which had gained independence in 1968, cut its umbilical link, as it were, with Britain, becoming the 29th republic within the Commonwealth. Abandoning its monarchical status with Queen Elizabeth II as Head of State, the country put an end to what it considered to be an anachronism, and became a republic. Its first President was Sir Veerasamy Ringadoo, who had been the last Governor General. A politician of long experience, who held several ministerial portfolios, he was only to be Head of State for a few months until Parliament chose his successor. The Courier met him in Le Réduit, the former governors' residence in a beautiful setting, now home to the President of Mauritius.

► *Could you explain the significance of the transition from monarchy to republic?*

— First of all, it has taken a long time for Mauritius to change its monarchical status to that of a republic. In fact, in 1968, it was provided for in our Constitution that Mauritius would have the Queen, and in time her heirs or successors, as Head of State. So we had to change quite a number of elements of our Constitution in order to bring about the change of status. As a matter of courtesy we, of course, informed the Queen that we were introducing legislation — for the third time in fact, as we had already tried unsuccessfully to do so twice before — to become a Republic. The two previous attempts failed because of internal political reasons. Now, people generally wanted the change. Where they disagree is over whether it should or should not

have been more dramatic with more changes introduced, for instance, insofar as the powers of the President are concerned. Some also say that he should be elected by the whole electorate of Mauritius, while others refer to the distribution of power between the President and the Prime Minister.

► *Is there more of a sense of Mauritian nationhood now than before?*

— Well, it is a composite society but that does not prevent people from feeling that they are what they are; of a particular race or of a particular religion. At the same time, they are also Mauritian and I don't think there is any conflict — certainly not in the way that you have, for instance, in America, where, in my view, the different origins and backgrounds are still far more prevalent.

► *Would you, therefore, say that the old undercurrents of communalism are diminishing?*

— If the fact that people keep sticking to their own culture is communalism, then it still exists, but that is very different from the feeling that one should be pulling on behalf of one's own side. That wouldn't be good. Of course, people are different, but they try to harmonise this difference by looking at Mauritius as a unit and I think we have succeeded there.

► *Some refer to Mauritius as a cultural laboratory.*

— I think so and I have expressed the view that we can show others how people can live together peacefully. Many other countries, including on the African continent, could draw a lesson from us; how we live together, with people of such different backgrounds and origins, without being at daggers drawn. I always argued, for instance, in favour of South Africans coming as tourists. Despite the fact that we applied sanctions, we still considered that they ought to come and see how we live together. Perhaps they will have learnt one or two things from us.

► *After a long political career, you became Governor General and then the first President of Mauritius. What do you think has been the greatest achievement of Mauritian society during your career?*

— I think we have been a society where people have worked very hard. We have learnt the technique and the way of life which makes people have a love for work, and that has transformed the place itself from an uncultivated one into a highly cultivated one. We chose to educate our people, and that is the main reason for our success. It could not have been achieved without education. So, when people think that they are wasting money by giving free education to people, I think they are making a very big mistake. It might mean a lot of expenditure without immediate benefit, but in the long run, or even the short run, this is the only way out.

► *Some people feel that Mauritian society, now that it is consumer-oriented, has reached a level where its work ethic might once again be changing, perhaps for the worse.*

— We do live in a society where there are changes of that kind happening but that is true everywhere. Look at Japan over the last 10-15 years. They are also starting to face this sort of phenomenon. What people must learn is to manage



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Château Le Réduit, in a beautiful setting, the residence of Mauritius' Head of State

their time in order to strike a balance between leisure and work, so it is a question of adjustment. This process will come about, but, at the outset, it may give problems.

► *Most other countries are still facing structural adjustment.*

— Thanks to the dynamism of our people we 'structurally adjusted' in the 1980s. People have been more responsible, with fewer strikes and less social unrest, combined with favourable conditions outside. But, as I said, this came at a point of time when education had produced its own sort of benefits, which allowed us to go well beyond the stage of being merely a sugar cane producer.

► *What sort of Mauritius do you hope to see by the year 2000?*



The Courier

'We have learnt the technique and the way of life which makes people have a love for work, and that has transformed the place itself from an uncultivated one into a highly cultivated one'

— Mauritius will continue to progress. We will have to adapt ourselves to new technology and new ventures, and do what we are doing with less labour and more efficiency. We are going into new areas such as offshore financial operations and looking at various other avenues. We want to attract new people with new technologies and divert attention from more classic sectors such as textiles, so that we meet the challenge of the future, where quality may become more important than quantity.

► *You are optimistic then?*

— I think so. I should be. I have seen a lot of progress and I don't see why this should stop. There have been difficult days but overall progress has been steady. Prior to the last 10 years, it was progress along different lines; for instance in infrastructure. The past decade has involved success of a different type, both more visible and more productive in the sense that it brought more money and welfare to the people as the resources became much bigger. But all of this did not just happen suddenly.

► *Have the benefits of the boom been evenly spread among the population in your view?*

— Not even the best society in the world has been able to do that. We need only look at the discussions now taking place in the Scandinavian countries which were held up by everybody as the example of fair distribution. They themselves are seriously questioning what they have been doing. But I think that on the whole the distribution here has been adequate and it fits in with what one would describe as social justice for everybody.○

Interview by R.D.B.

'Our immediate problem is one of productivity', declares Prime Minister Sir Aneerood Jugnauth

Success has many fathers, but few doubt the role Prime Minister Sir Aneerood Jugnauth has played in Mauritius' considerable progress during the last decade. Since he became Prime Minister in June 1982, Mauritius' economic fortunes have seen a positive turnaround: growth averaged 6% per annum, GDP per capita virtually trebled to almost US \$ 3000 and in the UNDP human development index, the country tops the African chart. Now 62, Sir Aneerood combines astute political skills — an absolute necessity in Mauritius' lively domestic politics — with an almost fatherly approach to do even better for his people. In last year's general election he led an MSM-MMM alliance to a landslide victory, and he is now gearing up the country for its second phase of industrialisation. In the following Courier interview, he comments on past achievements while expressing optimism for the future. He preaches caution, though, recognising that success is as difficult to repeat as it was to achieve in the first place.



The Courier

► *Prime Minister, when we met for the first time a decade ago, the context was dramatically different as it was one of budgetary crisis, austerity, deficits and unemployment. Looking back at the past ten years, although success always has many fathers, you are undoubtedly the key figure in the Mauritius success story. Would you care to comment on this?*

— It is true that when I took over in 1982, the situation was very different from what it is today. We had a lot of imbalances in our economy, deficits at all levels and hardly any foreign exchange reserves. There was acute unemployment and social upheaval and we had to find solutions to all of this. With a bit of luck and with the help of God, we managed to do it. Today the situation is the reverse. We don't have unemployment. On the contrary, we are importing skilled labour from abroad. Our economy is in equilibrium now. We have reduced our budget deficit substantially and our foreign exchange reserves have grown to almost 26 weeks of imports. Whereas, in 1982, we were facing a critical situation, today we face a successful one which has undoubtedly created expectations in the population. As you know, the more sophisticated a population becomes, the more its needs become sophisticated. These needs increase as well. Today the problem we are facing is how to manage the success. As I always tell the population, we have indeed achieved a certain measure of success, but given the international context, with much more competition which is more acute, I consider our economy still to be very fragile.

Therefore we must consolidate, diversify and modernise and to achieve this we have to increase our productivity and be competitive. We must aim at high quality products in order to keep our place in the market. This is not necessarily easy, because, as I have said, the expectations of the population have risen considerably. People talk more nowadays about social justice than about productivity and they think that they can afford to have more leisure rather than adapting themselves to work. The problem is how to mobilise the population in such a way that we can solidify, diversify, modernise and develop new sectors of the economy. For instance, as you know, we have just had a seminar on offshore banking and business and we have to make this a success story too.

I believe that, although at the outset it is difficult to get this message over, people will increasingly understand it. Almost every day, I speak to different people, trying to get over to them the nature of our new situation and explaining to them the challenge that we now face. I am sure that the people will rally round my ideas. Despite the fact that there are bound to be many difficulties and although the political situation worldwide has changed so dramatically that we are facing a completely new situation today, I am still optimistic that we will achieve what we want to achieve.

► *You are spreading your message by telling trade unions that they must keep their wage claims down if the country wants to remain competitive. How does that come across?*

— I must tell you that here in Mauritius, unfortunately, the trade unions have always been competing among themselves. They have a tendency to ask for lots of things and to try make the respective sectors they represent believe that they are more efficient than the others. This is part of the game that they play. But when we get round the table and talk about the economy and about salary claims, we take facts and figures into consideration. What I have been trying to tell the trade unionists is that we have a responsibility as a nation and that they can't, so to speak, work only for the welfare of a particular class of the population — although they may be their clients. What must prevail is the national interest. I am trying to convey this message more and more to the trade unionists. I believe that in the end they will be reasonable and I think we will be able to cope with the situation in a satisfactory manner.

► *Has economic success, in your view, resulted in a greater sense of Mauritian nationhood or Mauritian culture? There are those who consider the country to be something of a 'cultural laboratory'.*

— To speak of a Mauritian culture would, I think, be somewhat misleading, because in Mauritius we have a mosaic of cultures arising from the fact that we have come from different parts of the world. We came with cultures and religions and values which we have always preserved. The people in the different groups and communities pay much more attention to their own culture and religion, which they

want to practice and preserve. So in Mauritius you should not talk of one Mauritian culture, but rather of the cultures of the Mauritian population. We have created a spirit of mutual respect and tolerance, of trying to understand and appreciate one another's culture and religion. In short, we call Mauritius a rainbow nation, not only because of the different skin colours, but also because of the different religions, cultures and languages which coexist harmoniously and peacefully. It is very difficult for me to predict whether some sort of crystallisation will take place one day — resulting in the emergence of a single 'culture'. It may happen one day but I can't see it happening in my lifetime.

► *There is nevertheless a common feeling of pride over the success that has been achieved. How optimistic are you about making a breakthrough with the second stage of industrialisation?*

— I must say it is not easy, because we have been developing so rapidly. Changes have come so quickly and people have had to adapt themselves to the new situation. Now, we are more or less facing another sea-change and it is bound to be difficult at the outset. We have to educate the masses. Those who decide policies must communicate what they want to do and they must create trust and confidence in the population so that the population can follow the objectives which are pursued. This is what we are trying to do. Those who have the tools of production understand that already and they are moving in that direction, but we also have to carry the population and that is the

political side of the work we are doing. We have started modernising our textile industry already and a few enterprises have gone quite far in doing so. But it is not enough to modernise the textile industry, we must also diversify — even in agriculture — which we want to modernise and mechanise. We have a very, very long way to go, but I as Prime Minister, as a politician and as an individual, have a great deal of faith that ultimately the people will understand and will follow. Our immediate problem is one of productivity. We must try to make the population understand that we have to be productive in order to be competitive. That is what I am trying to convey to the people, and I think that once this is understood, we will have made an important step on the road to further success.

► *As you mention competitiveness, there are two events that might possibly affect the competitive edge of Mauritius. On the one hand there is the European Single Market, and on the other, there might eventually be a breakthrough in the GATT negotiations. How do you regard these two major events from a trade point of view?*

— They don't worry me unduly because whatever happens I don't think that the European Community is going to introduce drastic changes which might affect the developing countries, including Mauritius. At the same time we must not forget that there is a new situation in many other regions, for example, with what is happening in South Africa or in Madagascar. Such events will have con-

sequences on neighbouring African countries. There will be a lot of opportunities with countries in our own region. So, whatever disadvantages there may be on the one side, they will be balanced by advantages that will be created on the other.

As regards a future united Europe, I personally feel — and I have already been saying this — that it may cause us some handicap in the short term, but in the long run it will be a bigger market for the whole world. Eastern Europe has got to catch up and that will take some time, but once they have, Europe will be a vast market. That is how I look at it and that is why I am optimistic. I never take a pessimistic view on what is happening. Although the GATT negotiations may appear to be difficult and certain countries may seem to try and give it a course which may cause certain prejudice to others, ultimately in whatever happens I feel there is God's hand and the final result will help everybody.

► *A strong axis seems to be emerging in terms of links between the new South Africa and Mauritius?*

— I must confess that we have very old and traditional links with South Africa and we trade and cooperate with them — more to our advantage than to theirs. I want to be very frank: even at the peak of sanctions, we never completely cut ourselves off from South Africa. We have always kept a certain relationship and a certain amount of trade, although it may have gone down a bit at that stage. But we always kept an opening for South African investors and for tourists coming from South Africa. We have never put any bar to these things.

► *To present an example of a multi-racial society?*

— Exactly. To say that this is an example which even South Africans may copy. But to say today, because of the changes that are taking place, that we have been trying to gain an advantage over other African countries is not exactly correct. There are many other African countries who have started opening up towards South Africa and we are following suit. For example, we have for some time allowed the South Africans to have a trade office here. We also are going to set up an office there through MEDIA, our office for the promotion of investment and industry. In addition, like many others, we are going to establish consular representation on a reciprocal basis



Shop floor workers in one of the Floreal knitwear production plants. 'We must try to make the population understand that we have to be productive in order to be competitive'

between our two countries. So, we are moving very gradually, but I hope that the time will come when the situation, as far as South Africa is concerned, will be normalised.

► *As leader of a strongly democratic country — a prerequisite to economic development in the eyes of many, although some disagree — where do you see the link between development and democracy?*

— As you know, democracy is very lively here. We have a long tradition of multipartyism, free elections, respect for human rights and so on. I think that these factors have helped us a lot to develop the country and to bring prosperity to the population. There may be cases where without democracy there might have been development, but I think development could not have been as rapid as it has been in our country, without democracy. We have a liberal economy within our democratic system. That means another area of freedom of action for the population as a whole, as well as for business people and investors, and I think it creates greater confidence in the population. That is why I always maintain that democracy is an instrument which helps in the development of the country. That is our own experience.

► *What possibilities do you see for a breakthrough in regional cooperation, given that some of the partners — notably Madagascar, with its internal problems — may not live up to expectations, for the time being at least?*

— With what is happening in a number of countries, such as Seychelles where changes are taking place, Comoros with its own problems, Madagascar where we know the situation is more than chaotic, we don't know yet what is going to emerge. Therefore, for the immediate future, however much goodwill there may be, I do not expect much. What we must do is to keep the whole movement alive, because in the long run, I believe that there will be a bigger economic bloc emerging in this region and we must work towards that. And, as I said a moment ago, with the developments taking place in South Africa, I am sure they will be joining the Preferential Trade Area. So there are long-term prospects rather than immediate ones.

► *What is the significance of Mauritius becoming a republic?*

— As you know, with the status that we had after independence, Her Majesty Queen Elizabeth was still the Head of State of our country. Now, with the republic, we have a Mauritian as President. Under the old system, there were certain decisions for which we were bound by the Constitution still to go through London. Now, we are absolutely free to take all decisions and we are completely cut off from London insofar as the management of our affairs is concerned. But this, in itself, is not a very big thing. I think that what we get as a result of republican status is more dignity and prestige because at international fora we have now a status of our own.

For example, take an institution like the OAU. Many African states used to look down on us as if we were not completely independent and sovereign. Now that we have achieved full sovereignty, I think it is a boost for our population; it is more dignifying. But you should not forget that the Queen remains the Queen of the Commonwealth, and we are a member of the Commonwealth. We have also maintained the final appeal from our highest courts here to the Judicial Committee of the Privy Council. These are two major factors which one should not lose sight of. Our partnership with the UK, our cooperation and our relationship has not changed very much.

► *Concern has been expressed by the traditional sectors of the economy, such as tourism and sugar, about what is going to happen to them with all the interest which is being focused on new areas — the high-tech, high-capital investment and offshore businesses. Are their fears about being left out justified?*

— Certainly not, I think they are mistaken. As far as their activities are concerned, they won't be affected at all by offshore business. Offshore means offshore. There will be no competition as such between our traditional local businessmen and the new financial centre which will be only for offshore business. I think our Euromoney Conference on offshore financial operations helped to clarify the situation and people today have a better knowledge of exactly what it means. There was some confusion, I must admit, but I think people have been enlightened now. The more traditional sectors should understand that this new venture is complementary. It will bring us something more but won't deprive the others of anything. So they need not worry unduly.

► *Initiatives like the National Derocking Scheme, with EEC help, show small farmers that modernisation is there for them too.*

— As I mentioned, we want to modernise our agricultural sector. We have given incentives to small farmers for derocking for a variety of reasons. Firstly, because their yield is not as good as it could be and we want to increase it. Secondly, we want to make their work more profitable for them. Thirdly, with the removal of heaps of stones that are found in the fields, there will be a bigger area under plantation and it will also help to mechanise the agricultural sector. This applies to small farmers as well as big ones and sugar mill owners, because we want the whole sector to move forward, modernise and mechanise.

► *Mauritius, perhaps more than any other ACP country, has been able to seize the opportunities offered by the trade advantages of the Lomé Convention, not forgetting the Sugar Protocol, of course. How has this come about?*

— From the very start, my philosophy has been that we must have trade rather than aid. This is because if you have the market then you can produce and set up something that is going to last, whereas if you depend just on aid, it can't take you very far. It can't provide you with a living. That is not to say that we didn't welcome aid. We used whatever aid was available to boost development in the country. But our philosophy was one of trade rather than aid and this is why we tried to get as many concessions as possible from the US, Canada and of course, the European Community so that their markets could be opened to us. As an ACP country, we took full advantage of Europe's trade concessions and that has been a great help in enabling us to achieve what we have achieved today.

► *What sort of Mauritius do you envision by the year 2000?*

— I can see a Mauritius where people live a much better life than even today, although, compared to the 1970s, people are already living a much better life. Their standard of living has gone up considerably. Our economic growth has been quite spectacular and I feel that we have to keep it up so that by the year 2000 the image of Mauritius will have changed completely. It will be a new Mauritius, with new avenues for the future, more prospects and naturally more confidence and faith in the future of Mauritius.○

Interview by R.D.B.

Cooperation between the EC and Mauritius

by Sigurd ILLING (*)

Mauritius is certainly among the countries which make full use of the various instruments provided under the Lomé Convention. The two mainstays of Mauritius' economy, sugar and textiles, are in fact closely linked to the EC. The textile sector takes full advantage of its unlimited, duty-free access to the European market, and the Sugar Protocol enables the sugar industry to operate at a profit.

Technical and financial cooperation financed by the European Development Fund only serves to supplement the other Lomé Convention instruments which apply to Mauritius. That part of the EDF administered by the European Investment Bank, risk capital, mainly concerns the private sector, while the grants and special loans managed by the Commission are of interest to the public sector.

The importance of this cooperation lies not so much in the fact that it makes funding available, even though the amount of financing supplied — ECU 193.3 million over the period covered by the various Lomé Conventions — is far from negligible, as in the standard of the operations which have been or are being carried out. These have been chosen with particular care to meet the special requirements of a thriving economy which nonetheless needs carefully targeted encouragement. As well as setting up the essential infrastructure, it is principally a matter of supporting industrial and agricultural diversification, the long-term importance of which is undeniable.

Lomé I

EEC-Mauritian cooperation got off to a fairly modest start under Yaoundé II, with total funding of ECU 11.3 million;

(*) Economic Adviser to the Delegation in Mauritius.

this rose sharply under Lomé I, to ECU 42.3 million, owing chiefly to increased commitment by the EIB (ECU 12.5 million) and large amounts of emergency and food aid (ECU 4.8 million and 8.8 million respectively). While most of the indicative programme funding went into

building a road, there were also projects in the areas of industrial and commercial promotion, training and rural development which subsequently became the key elements in cooperation between the EEC and Mauritius. As regards the sums made available by the EIB, they were allocated to electricity production and the Development Bank.

Lomé II

Despite a substantial increase in the funds allocated to the national indicative programme or NIP (from ECU 15.3 to 20.5 million), there was a drop in the total amount of aid granted, owing to a sizeable reduction in the volume of EIB credits and of emergency and food aid. Utilisation of NIP resources focused on economic and social infrastructure (hospitals, health centres and a jointly financed road scheme) and on developing production, particularly in the agricultural sector, as well as on building storage facilities for agricultural products. There were also projects to encourage industry and commerce and promote training. A substantial sum, finally, went to micro-projects in various socioeconomic sectors. The EIB contribution was in the form of a further global loan to the Development Bank.

Lomé III

In addition to the ECU 31 million NIP under the 6th EDF, including ECU 10 million in special loans, there was a huge input of ECU 34.5 million from the EIB, plus a STABEX transfer of some ECU 3 million. Food aid, on the other hand, was stopped in view of the high level of development which Mauritius had by then achieved, and emergency aid fell to a negligible figure.

Programmes and projects financed as part of the NIP were targeted especially on diversification and modernisation of industry and agriculture, with 86 % of the total sum available being directed towards that aim. In addition, there was the bulk of the future training programme (11 % of the budget) linked directly to the industrial sector.

The reason for this heavy concentration of resources was the importance the Mauritian Government attached to



Vacoas market, part-financed by the EEC

modernising and diversifying these key sectors, the only way of creating lasting employment and bringing about a steady rise in living standards. As the economy of the country was heavily dependent on world economic trends, Community aid was used to sustain a high level of competitiveness and attract investment, particularly in non-textile sectors such as electronics, jewellery and leather goods, which generate more value added than traditional textiles. The industrial diversification programme backed the various existing institutions in their work to promote industry and commerce and supported product and market diversification. The approach selected involved giving direct, targeted aid for a great many projects in the fields concerned, which made for a complicated programme but in no way diminished its effectiveness.

The same complexity, albeit to a lesser degree, could be seen in the agricultural diversification programme, which in-

**Table 1: Cooperation between the EC and Mauritius:
Lomé I - Lomé IV**

	<i>Lomé I (1976-1980)</i>	<i>Lomé II (1980-1985)</i>	<i>Lomé III (1986-1990)</i>	<i>Lomé IV (1990-1995)</i>	<i>TOTAL</i>
	<i>Amounts in ecus</i>				
Under the Convention					
1. National Indicative Programme (NIP)	15 300 000	20 500 000	31 000 000	34 000 000	100 800 000
2. European Investment Bank (EIB)	12 535 000	4 500 000	34 500 000	20 000 000	71 535 000
3. STABEX			2 950 000		2 950 000
4. Emergency aid	4 850 000	80 000	65 000		4 995 000
5. Centre for the Development of Industry	65 000				65 000
Outside the Convention					
6. Food aid	8 810 000	3 070 000			11 880 000
7. Measures cofinanced with NGOs (EC contributions)	781 000	250 000	50 000		1 081 000
	42 341 000	28 400 000	68 565 000	54 000 000	193 306 000

involved measures such as the rehabilitation of coconut groves, storage depot construction and promotion of farm

crops. At the same time, a more traditional rural development project was carried out on the island of Rodrigues,



The National Derocking Scheme in Mauritius' fields is making a vital contribution to the modernisation and mechanisation of the islands' agriculture

Table 2: Lomé III (6th EDF)

<i>Branch of the economy</i>	<i>Amount in thousands of ecus</i>	<i>%</i>
1. Rural development/ Agricultural diversification	14 600	48
2. Industrial diversification	10 000	32
3. Development of small craft industries	1 900	6
4. Training ⁽¹⁾	3 500	11
5. Microprojects/health	1 000	3
TOTAL	31 000	100

(1) Programme still under appraisal.

Table 3: Lomé IV (7th EDF) ⁽¹⁾

<i>Branch of the economy</i>	<i>Amount in thousands of ecus</i>	<i>%</i>
1. Rural development/ Agricultural diversification	20 000	59
2. Environment	5 500	16
3. Infrastructure	5 000	15
4. Training	1 500	4
5. Miscellaneous	2 000	6
TOTAL	34 000	100

(1) Programming.

the least developed part of the Republic of Mauritius.

All these operations fitted in extremely well with the Government's economic policy, as did the training programme which was shortly to see the light. As for the EIB, its contributions in the form of risk capital (ECU 10 million) were solidly backed by ECU 2 million in loans from own resources. These went both to semi-public and private undertakings and to the Development Bank.

Lomé IV

The NIP for Mauritius under the first financial protocol to the Lomé IV Convention, with a budget of ECU 34 million from the 7th EDF, was signed on 25 April 1991. There is, in addition, a minimum commitment of ECU 20 million from the EIB; this is likely to be greatly exceeded if performance during the Lomé III period is any guide. The structuring of the NIP from the 7th EDF should be seen in a wider context encompassing the 6th EDF NIP, sizeable components of which are still being executed. This is the reason why the industrial sector, although it is in the throes of change, is not explicitly referred to in the NIP and why a certain amount of emphasis has been placed on infrastructure projects, especially in the rural development sector.

The first project, appraisal of which has been completed and which the Commission has taken the decision to finance, is the planned Pamplemousses-Grand Baie road, which is to receive a financial contribution of ECU 5.7 million, with additional funding coming from the national budget. Appraisal of other projects, such as measures to combat fruit flies and protect natural resources on

Rodrigues, has been completed and the Commission is expected to take the necessary financing decisions very shortly. There has, on the other hand, been some delay in appraising the scheme to rehabilitate the Magenta canal, which falls within the irrigation sector. The appraisal of selected programmes and projects is, on the whole, progressing satisfactorily, and the timetable will by and large be adhered to.

Of non-NIP cooperation measures which have been put into effect over the past few years, the anti-AIDS campaign, very effectively run on a budget of ECU 205 500, and the ECU 341 000 study of coastal ecosystems are potentially of special importance to the country, provided that they can be continued.

In November 1990 Mauritius and the Commission signed a fisheries agreement regulating access for European vessels to Mauritius' territorial waters. It covers a three-year period and provides for payment of ECU 1.2 million in compensation; research and training schemes worth ECU 750 000 will also be financed.

As far as the Mauritian economy is concerned, perhaps the most valuable feature of the Lomé Convention is the provision in the Sugar Protocol involving a quota of some 500 000 tonnes a year for Mauritius. The advantage derived from the Sugar Protocol, which guarantees a purchase price substantially higher than the so-called world price, can be evaluated at more than ECU 100 million, or Mauritian Rps 2 billion, per year over the last few years. The sugar industry, one of the key sectors of Mauritius' economy, would clearly not be profitable without that guarantee of a market price which brings a return.

Regional cooperation

Mauritius is a founder-member of the IOC, the Indian Ocean Commission, a grouping of the islands in the south-west Indian Ocean which has become the EEC's main partner in regional cooperation in that part of the world since it was set up in 1982. Since Lomé II, the Indian Ocean has been treated as a separate region and has been allocated a large aid budget. The allocation, which came to ECU 20 million under Lomé II and ECU 29 million under Lomé III, went up to ECU 30 million under Lomé IV (7th EDF). At the same time, a regional strategy has emerged thanks to which contributions can be made on a more regional basis and can be focused on large-scale programmes.

Mauritius' contribution to this regional strategy, which is the outcome of far-reaching discussions between IOC Member States and the EEC, has been a sizeable one; it has also played a major part in identifying projects. The locating of the IOC General Secretariat in Mauritius has facilitated close contact between that body and the Mauritius Government, which acts as a driving force in regional cooperation and is supported in that task by the EEC, and particularly by its Delegation on the spot.

The programmes and projects financed in the context of EEC-IOC regional cooperation are in various sectors of the economy such as fisheries, small craft industries, tourism and the use of medicinal and aromatic plants, though they also cover general areas like new forms of energy, environmental protection and safety at sea. In all these cases, a regional approach has proved to be more effective and economical than a series of operations at the purely national level. ○ S.I



EUROPEAN INTEGRATION

A busy summer

The political landscape of the European Community in the middle of this year has been the scene of many lively encounters between partisans of different notions as to the Community's future. Should it be one big market, the world's largest, perhaps with a single currency, or go politically much further and become a sort of United States of Europe? Should its Member States concentrate on consolidating existing achievements before admitting any new members, or should the Community throw its doors open to the countries now asking to be let in? Should it speak to the world with a single voice on foreign and defence matters? What roles should the Council, the Commission and the European Parliament play in any future developments? And where is the money to pay for all this going to come from?

Behind the debate lies the set of agreements on the future development of the Community reached by the leaders of the 12 Member States in the Dutch city of Maastricht last December and known, for short, as the Maastricht Treaty. This document amends the Treaty of Rome (which set up the EEC in 1957) to establish a European Union, founded on the European Communities but with new powers. It provides for new forms of cooperation, notably in justice and home affairs, and a common foreign and security policy which might in time lead to common defence arrangements. All nationals of the Member States will become citizens of the Union, with new civic rights. As well as creating an area without internal frontiers, the objectives of the Union include strengthening economic and social cohesion between its members, with the help of a special Cohesion Fund to upgrade environmental standards and transport infrastructure in the poorer countries, which are Ireland, Greece, Spain and Portugal. The existing Community institutions will be retained in the Union, and the European Parliament will be empowered to ask the Commission to submit proposals for Community legislation — hitherto only the Commission has held this power of initiative.

The Maastricht Treaty will, by stages, establish economic and monetary union,

the final stage of which will begin at a date to be fixed by the Council when a majority of the Member States have reached a specified level of economic convergence; if no decision is taken earlier, the date will be 1 January 1999. National central banks are to become independent, and a European Central Bank will eventually be set up. There are ground-breaking provisions relating to promoting education and vocational training, fostering culture, ensuring high standards in public health and consumer protection, helping to set up trans-European networks of transport, telecommunications and energy infrastructures and stimulating industrial competitiveness. The Community is to have its own environment policy, and the articles on development cooperation list among the objectives sustainable development, the gradual integration of developing countries into the world economy and the consolidation of democracy.

A fundamental and much-quoted part of the Treaty is the article defining the principle of subsidiarity which is to govern the creation of the Union. This reads: 'In areas which do not fall within its exclusive competence, the Community shall take action, in accordance with the principle of subsidiarity, only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States and can therefore, by reason of the scale or effects of the proposed action, be better achieved by the Community'. In other words, subsidiarity means action should be taken only at the most effective level — Community, national, regional or local.

The debate over who does what has, as one would expect, been going on ever since the process of European integration was first launched, and has lost none of its heat as that process has moved forward. Certain politicians (and journalists) in Europe now regularly refer to the successive stages of European integration in terms of what they call a 'loss of sovereignty to Brussels'. This overlooks the fact that final decision-making power in the Community is not and never has been vested in the Commission in Brussels, or in the European Parliament, but in the

Council of Ministers, which consists of members of the national governments. And those Ministers were careful to include in the preamble to the Maastricht Treaty a statement to the effect that decisions in the Union are to be 'taken as closely as possible to the citizen in accordance with the principle of subsidiarity'. But that has not prevented many ordinary citizens in the Community countries feeling, rightly or wrongly, that the integration process has started to develop beyond their understanding or control.

Some governments, too, have been less enthusiastic than others about the speed or destination of these developments. For example, in the final stage of economic and monetary union a fixed-parity ecu will become the common currency of the Community, so that the countries which meet the criteria for participation in the final stage of EMU, and therefore adopt the single currency, will lose individual control of their monetary policies. The United Kingdom and Denmark are reluctant to go down this path without the possibility, in the first case, of a separate decision by the UK Government and Parliament and, in the second, of a referendum, and they therefore negotiated protocols to the Treaty entitling them, if they so decided, not to participate in the final stage of EMU. The United Kingdom also stood aside from an agreement on social policy, relating to some aspects of living and working conditions, which was signed by all the other Member States.

So the intergovernmental conference which drew up the Maastricht agreements saw a lot of hard negotiation; but once the texts were finally hammered out it was thought by many observers that the questioning and bargaining were over for the time being. All that remained was for the Maastricht Treaty to be ratified by each Member State, in accordance with its constitutional requirements, before coming into force on 1 January 1993. And that is when the upheavals of the summer started.

In Denmark the Constitution required ratification by a popular referendum, in the run-up to which the Government in Copenhagen campaigned strongly for a vote in favour. The poll, taken on 2 June, was a very close-run affair, and when the final result came out that evening it became clear that by a small majority the

country had voted against ratifying the new Treaty.

There is no single explanation for this unexpected outcome. Before the poll, there had been claims from various points on the Danish political spectrum that Denmark under the Maastricht Treaty would lose control over its own affairs to the larger Member States or to the Commission, that it should not become more deeply embedded in a free-market system allegedly alien to Scandinavia's social-democratic traditions, that Denmark could set higher social and environmental standards on its own than in the Union, that it was already putting enough or too much money into subsidising the poorer Member States and certainly could not afford to put yet more into any new members, or that further integration into Europe would swamp the country's particular cultural identity. Perhaps the Maastricht Treaty, which is a long and complicated document, had not been properly explained or understood. Whatever the reasons for the referendum result, it can fairly be said to have taken everyone in Europe by surprise, not least the Danes themselves.

Dismay at the Danish vote in some quarters mingled with jubilation in others, not just in Denmark but throughout the Community, as people began to weigh up what 50.7% of the Danes might have

done to their countrymen and the 340 million other Europeans. Judicially speaking, there seems to be uncertainty as to the practical effects of the Danish 'No', except that in a democratic system like that of the Community a commitment not to bring the Treaty into force until it has been ratified by all the signatory countries has to be adhered to, whatever the relative size of the forces ranged on either side. At all events, at an emergency meeting a few days after the Danish vote, the EC's Foreign Ministers decided the best course would be to go ahead with the ratification process in the other countries anyway, while the Prime Minister of Denmark later said that his Government would submit a White Paper on future relations with the European Community. What proposals Denmark will put forward in this area can only be guessed at, but the Danish Government has said that there can be no Community without Denmark, so the White Paper will no doubt suggest ways of unblocking the domestic impasse.

The Community's next date with destiny was the Irish referendum on 19 June. In Ireland itself the campaign became embroiled in issues not immediately connected with the Maastricht provisions, particularly the question of whether a 'Yes' vote would mean an end to the country's constitutional ban on abortion (despite a protocol to the Treaty

expressly stating that it would have no effect on that part of the Irish Constitution). There were also fears that a common European security policy could jeopardise Ireland's neutrality. But Ireland is a much less prosperous country than Denmark, and it was generally accepted that 20 years of Community membership had brought the country solid material benefits which it would be inadvisable to put at risk. Two thirds of the electorate voted in favour of ratifying the new Treaty, and sighs of relief were heard from partisans of European union all over the continent — including, of course, the European Commission.

Spirits were somewhat raised, then, as the Community went forward at the end of June to its regular six-monthly European Council, hosted this time by Portugal, the outgoing holder of the Council Presidency. The Heads of State or Government meeting in Lisbon stressed that the Treaty on European Union must be ratified within the timeframe planned so that 'whatever happens' it can come into effect on 1 January next year. The door remains open for Denmark, that is, but the fact that the words 'whatever happens' were added to the initial draft of the summit conclusions raises some intriguing questions. Nothing is said in the Lisbon summit's conclusions about redrafting the Maastricht Treaty, so that the requirement for ratification by all the Member States which it contains must still stand. The relevant section of the Treaty (Title VII, Article R) says, in part: 'This Treaty shall be ratified by the High Contracting Parties in accordance with their respective constitutional requirements. (...) This Treaty shall enter into force on 1 January 1993, provided that all the instruments of ratification have been deposited, or, failing that, on the first day of the month following the deposit of the instrument of ratification by the last signatory State to take this step.' If Denmark — or any other High Contracting Party, for that matter — fails to ratify the Treaty, whether before 1 January 1993 or at some later time, the article quoted above would seem to say quite clearly that the Treaty cannot enter into force. Therefore the declaration by the Lisbon European Council that the Treaty will enter into force by next year 'whatever happens' appears to suggest that the Heads of State and Government, in the event of failure to ratify by any Member

Danish voters have thrown a spanner into the works of European integration by saying 'No' to the Maastricht Treaty



KARSTEN WEIRUP COOP PHOTO

State, have in mind some course of action other than that provided for in the Maastricht Treaty as it stands.

What might the options be? There are still some months left to go before 1 January, of course, but commentators have suggested that one way to break the deadlock before then might be to modify the wording of the Maastricht Treaty in such a way as to accommodate sensitivities in Denmark. Poul Schlüter, that country's Prime Minister, has in fact said that Denmark's adhering to the Treaty as it stands today is out of the question. What will happen if Denmark is not persuaded to ratify, or if the ratification process in any other Member State produces a negative result, is not at all clear. Constitutional lawyers suggest that the remaining countries might then decide to go ahead with a Treaty on European Union among themselves, a decision which would require another intergovernmental conference. In that event, whether any countries which failed to ratify could continue to belong to the European Communities under the provisions of the old Treaty of Rome (not, in other words, joining an economic and monetary union or any eventual political union) is open to question. Such a formula, it is argued, would mean opting for the *status quo*, and if the new Treaty enters into force that *status quo* will have ceased to exist. These are questions to which Europe's political leaders are understandably devoting their urgent attention.

The Lisbon summit then turned to other matters, including the financing of the Union. The President of the Commission, Jacques Delors, whose mandate was incidentally renewed for another two years, put forward a set of funding proposals known as the Delors II package, providing for an increase of 30% in the EC budget by 1997. During the talks, Mr Delors himself submitted a compromise which involved phasing expenditure increases over seven years, with no increase in the ceiling on the Communities' own resources until 1995. His original proposal for a doubling of the structural fund resources earmarked for the 'cohesion' countries (those whose per capita GNP is less than 90% of the Community average and who will therefore also receive payments from the Cohesion Fund) was scaled down at German and British insistence; Chancellor Kohl of Germany said it would

endanger ratification of Maastricht in his country. Two of the countries which would have benefited most from a doubling of the funds, Spain and Ireland, rejected the compromise proposals, and decisions on Delors II have been put off until the European Council meeting in Edinburgh in December.

Turning to subsidiarity, the European Council stressed that strict application of that principle to existing and future legislation, by all the institutions, was essential if European integration was to move in a direction in keeping with the common wish of the Member States and their citizens. Observers note that this could cut both ways: a hierarchy of responsibility in which European legislation is the province of the European Parliament, while national and regional governments look after their own affairs, is an attractive prospect to those in favour of a federal European Union; some national governments, on the other hand, might see subsidiarity as an opportunity for restoring power to the intergovernmental level, away from the Union institutions.

Speaking in Lisbon, the Commission's President Jacques Delors said (echoing the Maastricht preamble) that subsidiarity meant taking decisions as close to the citizen as possible and at whatever level was most effective in each case. At his suggestion, the summit conclusions stated that in all new proposals the Commission would explain why it was suggesting measures at Community level; the Commission was prepared to re-examine existing legislation to see if it needed to be adapted to the subsidiarity principle. These commitments, Mr Delors felt, should reassure citizens that 'Europe is for them and not for a minority of technocrats, just as schools are there for the pupils, not the teachers, and hospitals for the patients, not the doctors'.

On future enlargement of the Community, the Lisbon summit made clear that negotiations on the admission of new members would begin as soon as the Maastricht Treaty had been ratified and agreement reached on the Delors II package. It considered that the agreement on the European Economic Area (discussed in the last issue of *The Courier*) had paved the way for an early conclusion of negotiations with the EFTA countries seeking membership of the European

Union — these are Austria, Sweden, Switzerland and Finland. Relations with the other applicants — Turkey, Cyprus and Malta — are to be further developed, especially in the area of political dialogue. The Commission is to evaluate progress made in helping the Central and Eastern European countries in their efforts to prepare for eventual accession to the Union.

This, then, is an outline of the complex situation in which the movement towards European integration finds itself at a busy point in its history. The work of ratifying the Maastricht Treaty is now going ahead in the various Member States' governments and parliaments; the outcome of France's referendum in September will be crucial. Until the Maastricht Treaty actually enters into force, the Budget Council has decided not to earmark money for the Cohesion Fund in the EC's 1993 budget; the European Parliament's budget rapporteur protested at what he called 'a step backward for Europe'. National governments are shouldering the often difficult task of moving towards convergence at a time of economic slowdown, despite protests at the high interest rates and unemployment for which many blame the economic policy stipulations made by Maastricht. Meanwhile, the European Community has been pressing steadily ahead with its immense legislative task of setting up the single market by the start of 1993, a deadline to which it remains firmly committed.

A staunch supporter of the single market is the United Kingdom, which now holds the Presidency of the EC to the end of 1992. The country in the chair cannot, of course, dictate policy, but it does set the agenda for debate and order priorities. An idea of where the British Presidency thinks Europe should be going can be gained from an article by the British Foreign Secretary, Douglas Hurd, published in the UK Parliament's own *House Magazine* at the end of June.

Mr Hurd comes down firmly for enlargement: because the EFTA countries which have applied to join the EC are already politically and economically qualified for membership, he says, the British Government favours rapid accession. He points out that they are more likely to be net contributors to, rather than net beneficiaries from, the EC budget (this should appeal to all Member



Progress towards European union is proving to be tough going. The Lisbon European Council in June tried to smooth the path

States, but especially the 'cohesion' countries, who are not enthusiastic about the idea of certain other potential applicant countries, poorer than themselves, one day joining and thereby diverting funds away from existing members).

On the common foreign and security policy agreed at Maastricht, Mr Hurd says that in areas where the Member States have shared interests they speak with greater authority and have a better chance of protecting those interests when they speak as one. Indeed, he says, 'the Twelve see that their external interests are coinciding'.

To go back to our starting point, Mr Hurd, the current President of the Coun-

cil, admits that the fate of the Maastricht Treaty is not yet clear. A way forward for the Community will have to be found, he says, and that must be for all the Community, including the Danes. Quite what this will mean if Denmark's 'No' to Maastricht stands, Mr Hurd does not explain, though he is less vague on what he believes the Danish vote meant: in his words, it was 'a reaction against an executive with tentacles reaching too far into the life and work of individuals in the Member States'. This shows how determined is at least one national government to safeguard the division of powers between itself and the Community's institutions, particularly the Commission, whichever the direction in which European integration moves.

The Lisbon European Council, too, concluded that the Community's actions and behaviour must fully reflect the approach set out in the Maastricht Treaty of bringing the process of European unity closer to ordinary citizens and reaffirming the importance of the identities of the nations that are part of the future Union. The great merit of the shock to the Community system delivered by Denmark's voters must surely be that it has produced a new awareness of the need to take more notice of the smaller states — and of the electorates in every country. Ordinary citizens are demanding to be consulted and, above all, informed, which is a good sign for the health of a democratic system.○

Robert ROWE

The European Community at the Seville Universal Exposition

The European Community has played a prominent part in the 1992 Universal Exposition in Seville, organised by the Spanish Government to mark the 500th anniversary of Christopher Columbus' discovery of America. This is an important event, being the first such fair since Osaka in 1970 and the first in Europe since Brussels in 1958. But it carries even greater significance for the Community because it is being held in a Community country on the eve of completion of the Single Market at the end of 1992, in a Europe whose shape has changed dramatically, especially following the upheavals in the East. It also comes just before the Treaty on European Union, agreed between the Twelve at Maastricht in December 1991, enters into force (assuming it is ratified).

The Community's presence in Seville has been reflected on three levels:

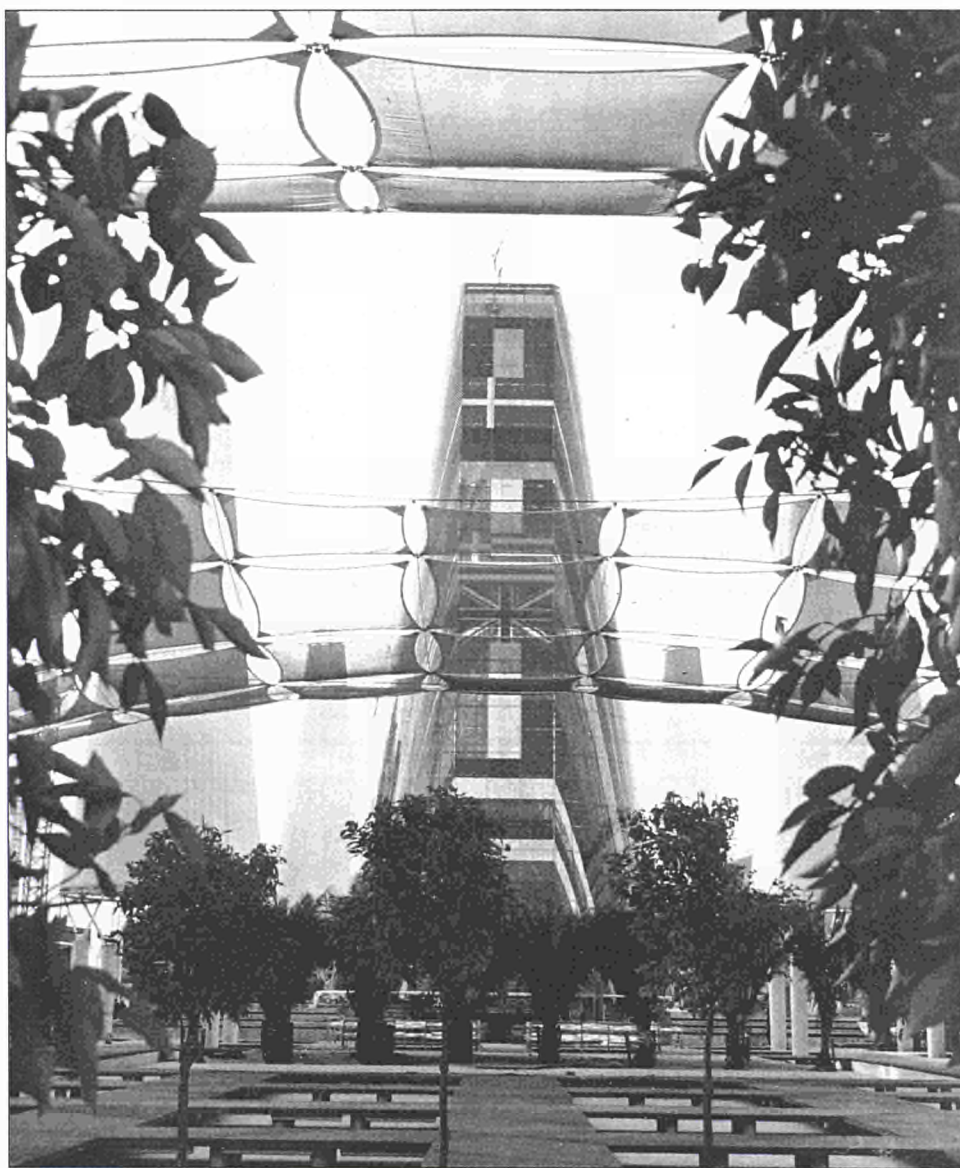
- 1) in the pavilions of the twelve Member States, grouped around the Avenida de Europa;
- 2) in the architectural layout of the avenue, which is designed to enhance the Community identity of the site;
- 3) in the European Community pavilion itself, at the heart of the site.

Grouping of national pavilions around the Community pavilion

For the first time at a World Fair, all the Member States have been represented in Seville with their own pavilions, which they (like practically all the other participants) were responsible for designing and building.

The final arrangements for the grouping of the national pavilions were the outcome of a joint effort by EXPO '92 (the Exposition organisers) and the Commission. They are grouped around the European Community pavilion along the Avenida de Europa, with Spain, as the host country, providing a very substantial contribution — forming what might be called the backbone of the Exposition.

The Community countries thereby present themselves as a coordinated and very visible group in a deliberate effort to show the world a concrete picture of a



EXPO '92, Seville

The European Community pavilion, focal point of the Avenida de Europa

living Community and so shake off the rather abstract view which many people still have of the Community.

Layout and decoration of the Community site

Designed to highlight its Community identity, the site forms a single entity comprising twelve 31-metre towers symbolising the twelve Member States (inspired by the towers of the monastery of La Cartuja on the island where the Exposition is being held) and a 9000 square metre open, sail-like structure,

linking the towers with one another to suggest the unity of the Community countries.

The design, produced by a Franco-German group of architects, Hennin-Normier and Lippsemier & Partners, working closely with EXPO '92, also includes an extensive garden with many pools in an original interplay of colours between soil and vegetation.

The European Community pavilion

The architectural design of the Community pavilion is the work of the



A logo for the European Community's pavilion

The symbol depicts the silhouette of a runner in the starting position for a race; it also represents the number 92 which, for the European Community, will mark a decisive stage in the construction of Europe through the establishment of a 'Europe Without frontiers'.

The dynamism and energy radiating from the stylised athlete illustrate the European Community's determination to approach the 21st century on the best possible footing.

For the Community it is a question of setting off as if on a sprint, while knowing that it will be a long-distance race which should take it from strength to strength until it achieves European Union.

The design is in blue surrounded by the 12 stars.

This logo, has also been used for three other outstanding events in the European Community in 1992, namely: the Olympic Games in Albertville (France) in the winter and in Barcelona (Spain) in the summer, as well as the specialised international Exhibition in Genoa (Italy). For each of these events, at which the European Community is present, playing host to the rest of the world, the name of the town hosting the event has been adapted accordingly.

The logo is complementary to the European Community's emblem of 12 stars on a blue background.

A leaflet showing the logo has been produced and may be obtained on written request.

landmark at the centre of the Community group. Blending in smoothly with the rest of the site, it puts the finishing touch to an impressive architectural layout.

From Renaissance Europe to the Renaissance of Europe

The display inside the Community pavilion echoes the overall theme of the Exposition ('The Age of Discovery'), taking the form of an exhibition entitled 'From Renaissance Europe to the Renaissance of Europe'. This approach was chosen in order to place the European Community in an historical context, the Renaissance being a starting point that ties in with the discovery of America, the 500th anniversary of which prompted Spain to organise the Seville Universal Exposition.

The intention is to underline the principal goals underlying the Community's foundation: to reconcile age-old foes in a peaceful economic endeavour — the 'Common Market'.

With this in mind, the exhibition attempts to show how Europe underwent a major revival during the Renaissance, growing to become one of the most important centres of civilisation in the world and continuing its remarkable development in the principal areas of human endeavour (the arts, sciences, technology, trade, the democratically-based organisation of the State) through to the 20th century; and how, on the other hand, it was constantly torn apart by countless wars, culminating in the last two devastating world conflicts. At the end of this line of development, the creation of the European Community is seen as a source of reconciliation and cooperation by which the countries of Western Europe have radically altered the shape and nature of their relations.

The exhibition does not go into detail but aims to evoke the overall picture by broad brush strokes, relying on stage design techniques, lighting effects and music.

The exhibition rounds off with an audiovisual display devoted principally to the Community in the future, which is one of the highlights of the pavilion: it sketches out the broad lines of possible political and economic developments in Europe and also shows some of the major European scientific and technological achievements which will strongly influence tomorrow's Europe.○



The Commissioner-General of EXPO, Emilio Cassinello, (right) and EC Commissioner Jean Dondelinger, stand between EXPO '92's mascot 'Curro' and the European Community's 'Sirius'

German architect Karsten Krebs, who was selected in a Community-wide competition by a jury chaired by Mr Jean Dondelinger, Member of the Commission and the Community's Commissioner-General for the Seville Exposition.

His design takes the form of a conical tower 50 metres high decorated with a pattern based on the colours featuring in the flags of the Member States. It thus forms a giant 'beacon', bearing the Community's message of unity in diversity and at the same time serving as a

The Pacific in perspective



The Courier

Following on from our Dossiers on the Caribbean and Africa which were published in *The Courier* earlier this year (in issues 132 and 134), we complete the ACP 'set' in this edition, with a more detailed look at the Pacific region. Focusing particularly, but not exclusively, on the eight ACP countries, we consider, in the series of articles which follows, the most important issues currently affecting the Pacific area as well as some of the

institutional mechanisms developed within the region for tackling common problems in a coordinated way.

Institutional contributors to this Dossier include the Forum Secretariat (South Pacific Forum), the Forum Fisheries Agency, the South Pacific Applied Geoscience Commission, the South Pacific Regional Environment Programme and the University of the South Pacific.

The ACP States of the South Pacific⁽¹⁾

The countries and territories of the South Pacific are groups of high islands or atolls scattered over a vast area of ocean. There are, for example, 700 km between the most northerly and the most southerly islands of Vanuatu and the Solomon Islands chain stretches for nearly 1500 km. They are a long way from each other and from any industrial centre. Papua New Guinea is 4500 km from Western Samoa. Sydney and Suva airports are 3200 km apart.

With the exception of Papua New Guinea, which is not much smaller than Spain, land areas range from modest to minuscule. The other seven ACP countries put together represent a smaller area than Ireland.

All are thinly populated. Even Papua New Guinea, which contains roughly two thirds of the region's total population, only has some 3.7 million inhabitants. Numbers are increasing, however: the birth rate, at over 3%, is high.

The South Pacific islands lie between the Equator and the Tropic of Capricorn, and their climate, vegetation and produce are tropical. Some are volcanic in origin, and the interiors of the bigger islands — New Guinea and Bougainville (PNG), Viti Levu (Fiji), Upolu and Sava'i (Western Samoa) — are mountainous. Fiji and Tonga lie in the path of frequent and destructive cyclones. Kiribati and Tuvalu are essentially constellations of atolls, lying so low that erosion is a real threat.

Subsistence farming and fishing is the mainstay of the region's economy. Taro (a starchy edible root), coconut and fish form the staple diet and the main source of income in the rural areas.

Because the coconut palm — one of the world's most useful trees, so useful that the Pacific islanders call it the 'tree of life' — is omnipresent, the whole region produces and exports copra, the commercially valuable oil extracted from the coconut. Cocoa, bananas, timber, sugar (Fiji) and tuna fish (Solomon Islands) are also exported. An oil palm industry has been developed in Papua New Guinea, which derives the bulk of its income from minerals (gold and copper). New Caledonia, which produces nickel and iron, is the other important minerals exporter.

(*) This is an updated version of an article published by the Commission of the European Communities in a brochure entitled 'The South Pacific and the European Community' (Published in June 1989).

After primary products, tourism is the most important source of revenue, particularly for Fiji, where it is second only to sugar.

Development constraints

Distance and isolation are perhaps the greatest barriers to the economic development of the region. They mean high transport costs which inhibit inter-island trade between countries; they increase the cost of providing administrative services and facilities such as schools and health centres; and they are an obstacle to the expansion of the tourist industry. The improvement of air and sea links and telecommunications is consequently a natural priority for national and regional authorities in the South Pacific.

Another constraint is the low level of local food production compared to modern levels of consumption, leading to a relatively high level of food imports (20%

for the region as a whole, and as much as 50% for Tuvalu and 80% for French Polynesia). A scarcity of fertile land, combined with subsistence farming methods and difficulty of access to markets, compounds the problem. South Pacific countries are determined to increase agricultural production, and are now devoting a substantial share of available funds to agriculture and rural development, including rural roads.

The region suffers from a shortage of skilled labour and increasing urban immigration, which has led all Pacific countries to give importance to training in their development strategies.

Future prospects

Land may be limited but the vast expanses of ocean surrounding the Pacific islands are rich in fish and, it is believed, in seabed minerals. The Pacific ACP countries have declared exclusive economic zones — their combined EEZs cover something like 12 million square kilometres of ocean! — but they will need external help to identify and exploit their marine resources.

In their natural beauty and strong cultural individuality, the Pacific islands possess solid tourist attractions, and tourism is an area which is often seen as a potential growth industry, despite the 'tyranny of distance'.

By and large, the economies of the South Pacific countries are carefully managed — there is no major debt problem — and it is generally accepted that properly directed development programmes coupled with external aid could lead to self-sustaining economies, albeit at different levels, everywhere except perhaps in Kiribati and Tuvalu. These countries will continue to require external assistance unless and until their vast marine resources can be more fully exploited. ○

The ACP States of the South Pacific — Basic facts and demographic trends

	Unit	Fiji	Kiribati	Papua New Guinea	Western Samoa	Solomon Islands	Tonga	Tuvalu	Vanuatu
Capital Area	km ²	Suva 18 274	Tarawa 728	Port Moresby 461 691	Apia 2 842	Honiara 28 446	Nuku' Alofa 699	Funafuti 158	Port-Vila 12 189
Population	thousands	764	66	3 874	168	320	95	9	158
Density	inhab/ km ²	41.8	90.7	8.4	59.1	11.2	135.9	57.0	13.0
Annual population growth (1985-90)	%	1.8	1.1	2.3	0.7	3.3	-0.2	2.1	3.0
Infant mortality (1990)	‰	25.5	68	56	28	57.4		35	35
Life expectancy	years	64.8	(1985)	54.9	(1985-90) 63.9	(1981) 58.0	62.9	58.5	55.0
Literacy	%	85.5	90.0	52.0	(1985) 97.8	(1985) 54.1	(1985) 99.6	(1980) 95.5	(1984) 52.9
		(1985)	(1985)		(1971)	(1976)	(1976)		(1979)

Source: L'Etat du Monde ('The State of the World') 1992. Editions La Découverte: 1, place Paul-Painlevé, 75005 Paris

The economy of the island countries on the Pacific rim (*)

With the exception of Papua New Guinea, the countries discussed here are either small coral islands of low soil fertility or high islands of volcanic origin. They are generally grouped in archipelagos and their waters are very rich in fish resources. They are all located in tropical latitudes, often close to the Equator.

Agriculture, in the form of tropical products, and minerals are the principal land-based resources. Fishing is undertaken mainly by foreign vessels.

Through the *Lomé Convention*, the Member States of the European Community are linked with eight countries in the region while other Pacific rim nations from Canada to Indonesia are also actively committed. The policies of Australia and New Zealand reflect their particular sense of historical responsibility in the area.

Regional institutions provide a focus for genuine cooperation. The South Pacific Commission (SPC) was set up in 1947, on the initiative of the United Kingdom, by the six protecting powers of the time — Australia, the United States, France, the United Kingdom, New Zealand and the Netherlands.

(*) Cf: Christopher Browne and Douglas A. Scott, *Economic Development in Seven Pacific Island Countries*, International Monetary Fund, Washington, 1989.
L'Etat du monde ('The State of the World') 1992. Editions La Découverte, Paris.

As regards the northern Pacific, the private sector was instrumental in the establishment, in 1967, of the Economic Council of the Pacific Basin (ECPB).

The South Pacific Forum was created in 1971 to satisfy the desire of the independent island states, including Australia and New Zealand, to have their own specifically political body.

The Economic Coordination Conference of the Pacific (ECCP) was set up in 1980 at the instigation of Japan and Australia. Its function is to act as a focus for cooperation and discussion among state representatives, business people, academics and financial institutions in the region.

In 1990, several of the countries bordering the Pacific Ocean created a new body for regional cooperation. The countries of ASEAN (the Association of South-East Asian Nations) together with Australia, South Korea, Canada, the United States, Japan and New Zealand formed APEC (Asia Pacific Economic Cooperation).

Structural factors

Isolation and distance, natural constraints (caused in particular by climatic extremes) and inadequate resources help to explain why the Pacific islands are so dependent on a limited range of economic activities. Their economic systems are ill-suited to the significant population growth which is currently being ex-

perienced and which is only partially alleviated by emigration.

Natural resources are vulnerable and are not properly controlled. The economic yield of agriculture, fishing and mineral extraction remains insufficient. Markets for the output from plantations, deep-sea fishing vessels, canneries and mining conglomerates develop according to the needs of North America, Western Europe and Japan.

The reason for the predominance of the service sector is that operations in this area provide scope for expansion. Although income from tourism is limited, location — whether it is proximity, isolation or as a relay point — can be put to advantage in different ways.

History and economic situation

At the time of independence, the focus of agriculture was on coconuts, copra, cocoa, bananas, coffee and sugar, while fishing was only for subsistence. As regards minerals, the only known resources were gold, copper and phosphates. Forestry development was limited, industry represented only a small proportion of total national production and tourism was barely developed, owing to the lack of infrastructure. The labour force was engaged primarily in subsistence activities rather than in the formal (monetary) sector. The narrowness of the economic resource base and dependence on foreign trade meant that the island economies were vulnerable, with the situation exacerbated by the lack of diversification on the production side.

Development strategies were aimed at creating economic and social infrastruc-

The ACP States of the South Pacific Economic indicators

	Unit	Fiji	Kiribati	Papua New Guinea	Western Samoa	Solomon Islands	Tonga	Tuvalu	Vanuatu
GDP (1989)	\$m (US)	1218	48	3444	114	181	89	7.1 (1)	131
GDP per - inhabitant	\$	1640	700	900	720	570	910	619 (1)	860
Annual - growth rates									
- 1980-89	%	0.2	3.7	1.8	2.2	7.3	2.1		0.7
- 1990	%	5.2		- 1.2 (2)	- 5.0	1.0	1.0		2.5 (3)
Inflation									
- rate (1990)	%	7.0		8.9	16.0	10.3	12.1		
Trade (1990)									
- Imports	\$m	617 (4)	39 (4)	1184	75	106 (4)	62	6	272 (4)
- Exports	\$m	383 (4)	6 (4)	1141	9	75.4 (4)	12	1	62 (4)

(1) 1984 figures (2) 1991. + 9% (estimate) (3) 1989 (4) 1989

Source: L'Etat du Monde ('The State of the World') 1992. Editions La Découverte: 1, place Paul-Painlevé, 75005 Paris



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'... the limited capacity of the modern sector to absorb the labour force and obstacles to higher productivity in the traditional sector prevent the full development of a monetary economy'

tures but they met with a sluggish response. The result was that productivity in agriculture, industry and the public sector grew slowly. The public sector continued to be the principal source of employment. In some cases, rapid growth and high unemployment went hand in hand.

Investment proved to be the basis of development. In this context, public investment and public enterprises played a major role in the provision of transport, telecommunications, education, and health services as well as in other public sector fields. Despite various efforts to encourage private investment, in particular the creation of a favourable legislative environment, such investment remained weak, notably in the agricultural field. External aid was a more significant element, as compared with other regions of the world.

The results, however, were mixed. In agriculture, exports were hit by depressed commodity prices and this curtailed growth during the 1980s. As regards non-agricultural primary products, domestic fisheries provided just enough to satisfy local needs. Since the introduction of 200-mile exclusive economic zones (EEZs) fishing fleets, notably tuna vessels, have been exploiting the stocks but the competition for catches still primarily involves fleets from outside the region. Mining ventures have been concentrated in Papua New Guinea and Kiribati (phosphates). The industrial sector remains underdeveloped, despite the export op-

portunities available since 1981 in the form of open access to the markets of Australia and New Zealand. Over and above the operations of the private sector in the fields of tourism and financial/trading services, the public sector remains the principal source of job creation.

External economic relations are crucial to the development of the Pacific island countries. Although exports are concentrated on a small number of basic products and there is considerable dependence on imported goods, the balance of payments situation is largely stable. Trade deficits tend to be offset by income from services (tourism) and transfers from overseas (expatriate remittances and international aid).

Historical links continue to be a dominant element in external economic relations. This partially explains why markets in Europe and North America have continued to be stable while there has been only limited penetration of the markets in Asia. Imports come primarily from Australia and New Zealand. In the commercial field, regional integration poses difficulties owing to a lack of complementarity on the production side, inadequate transport systems and the maintenance of certain tariff barriers. Export trends have reflected the price volatility of primary products on the world markets (a boom period during the 1970s followed by a sharp decline which began in the early 1980s). In fact, the economic importance of exports varies

considerably from one country to another. Imports amount to between 40% and 70% of GDP in all the countries under discussion except Fiji. There, dependence on imports is of a lower order.

An overall assessment of progress since the independence period reveals that advances have been based essentially on public investment. It is also possible to identify some product diversification as well as penetration of some new export markets. Although the productive base of the majority of the countries remains narrow, export development, including tourism, has been stimulated. However, dependence on external economic aid for public investment has persisted.

The promotion of *private investment* in conjunction with the measures taken to attract overseas capital should lead to an improvement in the employment situation. Changes to the land tenure system could also lead to an increase in agricultural investment.

However, population growth, the limited capacity of the modern sector to absorb the labour force and obstacles to higher productivity in the traditional sector prevent the full development of a monetary economy.

The future economic role of the Pacific rim

The Pacific rim, consisting of all the countries which border the ocean (Oceania, South-east Asia, North and South America) is expected to be the focus of a continuing economic boom, experiencing a significant growth in population and production, an expansion of transport links, a rapid increase in internal trade (outstripping all other regions of the world) and the formation of a genuine integrated economic area.

The decline of the United States clears the way for the economic power of Japan. The US already has a large deficit in its trade with the other Pacific rim countries and its trans-Pacific commerce exceeds by half its trade across the Atlantic.

According to Jacques Attali, (1) by the year 2000 the GNP of the Asian countries which border the Pacific will equal that of the European Community or the United States, and half of the world's trade will be concentrated in that area. This explains why, in his view, 'the periphery of the Pacific will be infinitely more promising than the European 'Economic Area''. ○

D.D.

(1) Jacques Attali, *Lignes d'Horizon*, Fayard, Paris, 1990.

The South Pacific Forum

An overview of its objectives, roles and activities (*)

The South Pacific Forum began in 1971 with a meeting in Wellington, New Zealand. This stemmed from a common desire by leaders to develop a collective response to regional issues. The seven countries which attended that first Forum — Australia, Cook Islands, Fiji, Nauru, New Zealand, Tonga and Western Samoa — became its founding members.

The second South Pacific Forum in 1972 decided to establish a regional 'Trade Bureau' as a means of consultation on trade and economic matters within the region. The Bureau would also prepare specific proposals in economic areas of special concern to the Pacific island countries. The *South Pacific Bureau for Economic Cooperation* (SPEC) came into being in 1972, with its headquarters in Suva, Fiji, and the arrangement was formalised the following year when an agreement establishing SPEC was signed in Apia, Western Samoa, by the Governments of the seven founding member countries.

At the 1988 19th South Pacific Forum in Nuku'alofa, Tonga, a resolution was passed to rename SPEC, and the *Forum Secretariat* was adopted as the new title. The Secretariat has a mandate to tackle the problems of development facing its island members with a strong emphasis on trade, shipping and civil aviation, telecommunications, energy and economic issues.

Membership

Today, the membership of the Forum comprises the Governments of Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, New Zealand, Niue, Papua New Guinea, the Republic of Marshall Islands, Solomon Islands, Tonga, Tuvalu, Vanuatu and Western Samoa. Only fully independent or self-governing countries qualify for Forum membership.

The formation of the Forum was prompted largely by common concerns amongst island member nations about the trade access into Australia and New

Zealand. Island nations were also concerned about their own economic development and the need to develop a collective response on regional issues.

The Forum, chaired on a rotating basis by the Head of the host Government is unique. Unlike similar international or regional organisations, there are no set rules governing the conduct of the Forum sessions — consensus and informality are the rules of the day. No votes are taken on any issues even if there are disagreements. This unique feature rules out the possibility of leaders making conflicting statements on the Forum's stand on issues of common interest and concern to the region. This, however, does not prevent Prime Ministers expressing views on matters outside the Forum consensus.

The Secretariat

The Secretary General, who is the Chief Executive of the Forum Secretariat, is chosen by the Heads of Government (The Forum) for a three-year term. The Secretary General has two Deputies — one is responsible for policy and services and the other takes charge of programmes.

The purpose of the Secretariat is to facilitate, develop and maintain consultation between member governments on economic development, trade, transport, energy, telecommunications, legal, political, security and such matters as the Forum may direct.

An executive committee known as the Forum Officials Committee, comprising one representative of the each of the member countries, has been established and, among other things, it has the powers and functions to give general policy directions to the Secretary General and to make reports and recommendations to the Forum.

Unlike its political masters, the Secretariat has distinct responsibilities for policies and programmes in many areas covering economic development, legal and political issues, telecommunications and trade/investments, to name but a few. Environment, energy and security issues have also taken on increasing importance in Forum discussions in recent years.

The Secretariat's critical responsibility is the servicing of the yearly Forum to ensure that the summit of political leaders is organised and run in the most efficient and effective manner. Also, it provides advice to Heads of Government.

A gathering that has added a new dimension to the Forum is the Post-Forum Dialogue Partners' Meeting, now in its fourth year. The Post-Forum Dialogue is a meeting between Forum Countries and representatives of metropolitan powers which have an interest in the region's affairs. In 1991, there were seven Dialogue Partners — Canada, China, the European Community (EC), France, Japan, the United Kingdom and the United States.

The Secretariat is financed through a regular budget to which member governments and other sources make annual contributions. In the 1990/91 financial years, this budget was F\$ 2 298 000 (ECU 1.2 million). It also has an extra budget for its regional programmes and activities, with Australia and New Zealand being the major contributors. The level and sources of extra budget assistance to the Secretariat have expanded in recent years with the participation of the EC, CFTC (Commonwealth Fund for Technical Cooperation), Canada and UNDP/ESCAP, and more recently, Japan, the United Kingdom, the United States, Germany and France. The extra budgetary support to the Secretariat has increased from F\$ 1.9 million (ECU 1m) in 1987 to F\$ 9.4 million (ECU 4.8m) in 1991.

As more countries joined the Forum, the demands on the Secretariat's services also increased and expanded beyond the existing parameters of the Secretariat's articles of association. As a result, the Secretariat was restructured in 1988 and its mandate widened to encompass these new activities. The restructuring over the 1988-90 period has seen greater focus given to the Secretariat's role as the Secretariat to the Forum and its associated meetings. It also led to the establishment of new Divisions and functions in order to emphasise the Secretariat's other function as an aid

(*) This article was provided by the Forum Secretariat, GPO Box 856, Suva, Fiji.

intermediary. Along with the newly created Divisions, new positions were established. The number of staff in 1991 stood at 71.

Mission statement

The mission of the Forum Secretariat is to enhance the economic and social well-being of the people of the South Pacific, in support of the efforts of the national governments. The Secretariat has a particular responsibility to facilitate, develop and maintain cooperation and consultation between member governments.

It must pursue its mission in accordance with the directives of the Forum and within its mandated areas of operation. It undertakes political and economic activities which are regional in nature and complementary to the activities of the member governments. Its role requires it to act as the secretariat to the Forum and to disseminate the Forum's view, to coordinate activities with other regional institutions in particular through the South Pacific Organisation of Coordinating Committees (SPOCC) process, and to represent the Forum's interests internationally, as required.

Corporate objectives

The corporate objectives laid down for the Forum Secretariat are as follows:

- 1) To effectively implement the directives of the Forum, and provide it and its ancillary bodies with efficient secretariat and support services;
- 2) To provide timely policy analysis and advice to the Forum and its individual member countries, on political and economic issues;
- 3) To facilitate sustainable regional development aimed at enhancing the well-being of the people of the South Pacific;
- 4) To implement regional policies and programmes that support the priorities of Forum Countries, and to pay particular attention to the most disadvantaged and to the Smaller Island States;
- 5) To manage the Secretariat in an efficient manner ensuring the effective delivery of services and programmes and timely responses to country needs; and
- 6) To further the interests of the South Pacific by fostering regional cooperation, developing effective partnerships with countries and organisations, disseminat-

ing the views of the Forum and representing the Forum's concerns internationally.

In response to these objectives, the Secretariat has a number of Divisions with set work programmes that can be summarised as follows:

Economic Development Division: This Division has a comprehensive work programme that can be divided into four key areas: economic analysis and development planning aid consultations; project and technical advice including fellowships; and environment and disaster preparedness. The Division's work programme is reviewed by the Committee on Economic Issues and Trade (CREIT). A key element in its work programme is the maintenance of a sound understanding of regional development needs and a thorough knowledge of how to utilise international development systems.

The Division provides assistance to planning offices and technical assistance to member countries through the Short Term Advisory Services, Fellowships and Small Island Countries-Shared Financing Facility programmes. It develops and maintains relations with donors, provides advice in areas of economic analysis and development planning, develops economic data bases and resource inventories for the region, and strengthens Forum island countries' (FICs) capability to produce and analyse economic data.

Improving aid consultative mechanisms in the region is a key element in maximising resource utilisation. A meeting of Pacific island countries and their

'The mission of the Forum Secretariat is to enhance the economic and social well-being of the people of the South Pacific'

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major development partners was held in February 1991 and again in March 1992 to discuss development issues and to find ways and means of improving aid consultation and delivery to the region.

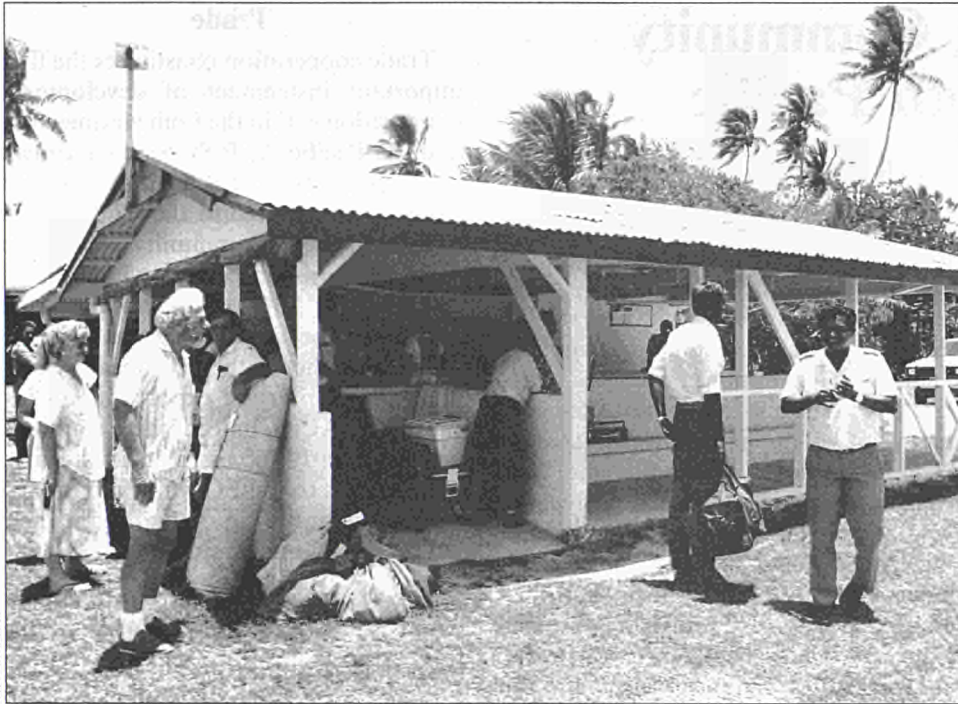
As part of its aid coordinating role, the Division is closely involved in preparation and documentation of the Lomé IV Pacific Regional Programme. It also plays an important role in facilitating consultations between the EC and the Pacific ACP countries. These consultations take the form of a meeting of the Pacific ACP countries at ministerial level, back-to-back with a joint meeting of Pacific Ministers and a high level EC delegation from Brussels.

Energy Division: The basic strategy of this Division is to reduce the region's dependence on petroleum as a primary energy source, through the development of indigenous energy sources and personnel, and to facilitate the development of independent national capabilities in energy planning, management and administration.

The range of activities focus on energy use efficiency, conservation, developing skilled personnel, increasing petroleum expertise and introduction of proven renewable energy technologies where countries have the ability to support these projects. Training is also provided across energy-related disciplines particularly in the electric power sector. There has been a shift in emphasis away from support for capital projects to a more development and support oriented function. This is taking place through the Lomé Regional Programmes, a German Government Technical Assistance project and the Small Energy Projects Programme.

Civil Aviation Division: Pacific island countries face particular problems in developing and maintaining civil air services although these services have evolved to a point where most Pacific island countries have at least one international airport and many also have landing strips on some of their smallest inhabited atolls. The economics of low density traffic over long hauls have made it difficult for many FICs to develop and improve the necessary facilities on their own.

The Secretariat has discussed with member countries a number of initiatives to develop civil aviation in the region, including identification of aviation legislation and regulatory requirements.



*'Most Pacific island countries have at least one international airport'
This is a terminal building at the main airport in Tuvalu*

Other areas of work include provision and installation of equipment for airports.

Legal and Political Division: The main aims of the Division are to provide timely and useful advice on international political and economic developments likely to have an impact on the region, and to provide accurate, timely, in-house legal advice as requested by other divisions. The Division provides assistance to FICs and to the Secretariat on political and legal matters such as contracts and drafting of legislation.

Maritime Division: The Secretariat provides technical and other support to the Pacific Forum Line and is also involved in general maritime development work to do with port and infrastructure planning on a regional basis under the South Pacific Maritime Development Programme.

The small isolated nature of most FICs has been a major difficulty in the development of modern transport services which are also economically viable. Other areas where priority has also been established are in providing basic shipping links for shipping services and in facilitating the continuing upgrading of the domestic and, where appropriate, the intra-regional trading fleets of the FICs.

Telecommunications Division: One of the major objectives of the Division is to promote and assist in an equitable manner the development of efficient, effective telecommunications facilities, equipment, services and human resources, which meet the needs of the island countries in the region as a whole; in particular by the extension of facilities and services to rural areas.

The Division provides assistance to FICs and is developing a comprehensive description of the telecommunications technical assistance requirement for the region. Coordination of suitable training for each country is being pursued. Projects have been designed to provide telecommunications to villages in the Forum countries in order to strengthen the economic and social integration of rural and urban sectors and to improve telecommunications between countries of the region and thus assist projects involving regional cooperation.

Trade and Investment Division: In trade, the Secretariat is mandated to seek opportunities to modify trade patterns and aims at expanding regional trade, including the investigation of ways in which industrial and other development can be rationalised, using the concept of regional enterprise.

The Division's work programme comprises private sector development, pro-

duction and related activities, provision of direct assistance to the FIC's private sector, and facilitating research and training activities. It also provides direct assistance to firms concerned with exports and helps business with their marketing and development of products.

The future

Having undergone a period of rapid expansion, the 1990s are seen as a time to consolidate the Secretariat to ensure effective delivery to member governments. In pursuing this, the important principle to follow will be to support the efforts of national governments and in so doing, the Secretariat must be conscious that the rationale for all its efforts is to enhance the economic and social well-being of the people of the region.

The Secretariat is now working on how to plan in a more systematic way than perhaps it has done in the past. In this context, it is responding to the Forum's directive that all regional organisations take a more strategic approach to their operations. This directive fits in very well with the Secretariat's own emphasis on taking stock of what it is doing and why. The Secretariat needs clearly defined goals and strategies for its work and it must ensure that its budgets and work activities meet these goals.

While the Secretariat is pursuing a more strategic approach, it is also undertaking a broader assessment of how all regional programmes can better meet priorities. This calls for a statement of priority programme needs for the region.

Of critical importance in the development of a regional strategy is the need to define what *is* a regional activity. In seeking a definition, it is important that the Secretariat should not in any way be seen to take over activities that are better pursued nationally. Its role must always be to supplement the work of governments. In the further development of a regional strategy, the Secretariat will not only be working very closely with national governments but also with other regional institutions.

In this last decade of the century, the greatest test for the Secretariat will be to ensure that the principles of regionalism — which have stood fast over the 20 years of the Forum's existence — survive the uncertainties of the future. With the support of its members, the Forum Secretariat will continue to work towards this purpose. ○

The European Community and the South Pacific

by Rolf BRENNER (*)

Eighteenth century geographers divided the South Pacific islands into three major groupings: Micronesia, Melanesia and Polynesia. Although the original reasons for this division have largely lost their validity, modern maps still bear these names. The three groupings cover 25 Pacific island countries and territories with a wide variety of political status ranging from independent state, French or British overseas territory, self-governing or independent state in free association with the USA or New Zealand, US Commonwealth, unincorporated US territory, territory of Australia, Chile or New Zealand to US state.

Of these 25 South Pacific island territories, twelve have special relations with the European Community: eight ACP countries who are signatories of the Lomé Convention, and one British and three French overseas territories with arrangements similar to those set out in the Lomé system.

Since their independence, the eight South Pacific ACP countries have developed close relations with the European Community, both as a result of history and sentiment, but also for objective economic reasons as part of the Pacific region's quest for wider international relations beyond those with their geographical 'neighbours' such as Australia, New Zealand, the United States, Canada and Japan. Europe, on the basis of historic, political, cultural and economic relations, has therefore continued to be a valuable cooperation and trade partner.

Australia, New Zealand, the United States and Japan as well as the European Community, contribute to the political, economic and social stability of the Pacific countries by different aid and trade arrangements. The EC is the second largest donor for these countries behind Australia. As more than 80% of Australia's aid goes to Papua New-Guinea, the EC in fact represents the largest donor for the other seven independent ACP States in the region.

The European Community is involved in several ways in assisting economic development in the Pacific region. In the first place, it is linked with the eight ACP States through the Lomé Convention. Under the Convention, the Pacific countries have had and continue to have an important role to play within the wider ACP framework. Secondly, the four overseas territories (French Polynesia, New Caledonia, Wallis and Futuna, and Pitcairn) receive similar advantages under a separate EC-Council of Ministers' decision. A third source of assistance is through bilateral cooperation with EC Member States, notably France and the United Kingdom. This all adds up to a comprehensive and complex picture, which underlines the deep involvement of the European Community in contributing to the process of economic development in the Pacific region.

The Lomé Convention provides the Pacific ACP States with substantial advantages covering virtually all areas relevant to their development including, in particular, trade, financial and technical cooperation for both national and regional development programmes, and specific aid instruments.

Trade

Trade cooperation constitutes the first important instrument of development cooperation within the Lomé framework, and the Pacific ACP States have drawn substantial advantages from these provisions. Exports from the eight ACP countries to the Community amount to some \$700 million per year. PNG alone accounts for 75% of the total Pacific exports to the EC. Despite the distance separating them, the European Community is the largest export market for the Pacific ACPs. Indeed, these countries are particularly successful in this regard, with exports to the EC which are four to five times more in value than their imports from the Community.

The main Pacific exports are copper (from PNG, with roughly 40% of the total exports to Europe), sugar (from Fiji), coffee, cocoa, coconut, palm products, and copra. The Community has always recognised the importance of these products for the Pacific ACP States. Copper is a product which may benefit from the SYSMIN financing facility whilst, since the time of the first ACP-EEC Convention, a special and very advantageous preferential trade arrangement has been established for sugar. Fiji, the main Pacific beneficiary from the Sugar Protocol has a quota of some 165 000 tons annually. Other agricultural products benefit from the STABEX scheme for stabilising export earnings.



'The European Community is the largest export market for the Pacific ACPs.'
This is a coconut nursery in Vanuatu

(*) Head of the Pacific Division, Directorate-General for Development, EC Commission.

Aid

The Lomé Convention provides substantial financial and technical assistance covering a wide range of different instruments. The total made available under Lomé III to the eight Pacific ACP States in the framework of the National Indicative Programmes was ECU 108m. The corresponding amount under Lomé IV is ECU 117m.

Lomé IV offers a major innovation in the form of support for structural adjustment. PNG, which has embarked on a structural adjustment programme with the World Bank and the IMF, has been allocated a first tranche of ECU 7m from the Lomé IV structural adjustment facility.

Regional cooperation

The Lomé Convention also places strong emphasis on support for regional cooperation, be it between ACP States and/or with neighbouring non-ACP States. This approach corresponds well with the priorities of all the Pacific states who have made efforts for many years to confront their problems collectively through regional and sub-regional organisations, such as the South Pacific Forum (SPF) with 15 members⁽¹⁾, the South Pacific Commission (SPC) with 27 members, the Forum Fisheries Agency (FFA), the Tourism Council of the South Pacific (TCSP), the University of the South Pacific (USP), and others. The European Community has supported these efforts and continues to do so through assisting most of these bodies. Emphasis is also placed upon regional cooperation between ACP States and neighbouring overseas territories. A total of ECU 39m has been made available under Lomé III for regional cooperation. The corresponding amount for Lomé IV is ECU 35m.

Other Lomé instruments

The Pacific ACP States have also benefited since Lomé I from a variety of other instruments available under the Convention. For example, the STABEX mechanism, mentioned earlier, is of vital importance to the Pacific region. The ACP countries have, since 1976, received STABEX transfers under Lomé I, II and III amounting to ECU 270m, in respect of

⁽¹⁾ The eight ACP countries, Federated States of Micronesia, Cook Islands, Marshall Islands, Nauru, Niue, Australia and New Zealand.



The Courier

Transport infrastructure is a development priority. This is a road in PNG which has benefited from Lomé funding

shortfalls in their export earnings from copra, palm products, coffee, coconut oil, and cocoa. The biggest beneficiary was PNG with ECU 160m. For the first year of application under Lomé IV a further ECU 35m in STABEX transfers were made to the Pacific States. The SYSMIN facility has been used to provide ECU 30m to PNG for the copper mining industry.

The Pacific region has also been an important recipient of Emergency Aid, in response to natural disasters, particularly caused by frequent cyclones. More than ECU 11m has so far been provided in emergency aid. The bulk of this has gone to Fiji, which has suffered most from natural disasters but Tonga, Vanuatu, Western Samoa and Solomon Islands have also received emergency assistance.

In addition, the Pacific countries have benefited from other aid instruments, including for instance, cofinancing with non-governmental organisations, aid to refugees and an AIDS control programme.

The European Investment Bank is very active in the region providing risk capital and loans from its own resources in the industry, agro-industry, tourism, energy, transport and telecommunications sectors. The total amount of EIB interventions in the Pacific ACP States since Lomé I has been more than ECU 200m.

The three French overseas territories in the region (New Caledonia, Wallis and Futuna, and French Polynesia) have received a total of ECU 23m in aid over the five year period of Lomé III, for national and regional programmes. The corresponding amount under the first five year period of Lomé IV is ECU 35m.

Summary

The overall amount made available to the Pacific ACP countries and overseas territories in the Pacific between 1976 and 1990, including the various instruments described above and EIB activities exceeds ECU 930m.

The South Pacific region has benefited from the full range of trade and aid provisions available under the Lomé Convention and the related Council of Ministers' decision for overseas territories. It is clear that the European Community's presence in the region is a significant one. The relationship, based on discussion and agreement, provides a stable and reliable framework for development cooperation. It offers a permanent institutionalised dialogue between Europe and the governments of the Pacific ACPs (and OCTs) at both the technical and the political level. It gives the ACP and OCT partners more contractual rights and offers a wider variety of cooperation instruments than most other development cooperation systems. In short, it is a unique pattern of cooperation covering trade and aid.

The interest of the wider South Pacific Region in working closely with the European Community is also underlined by the fact that the South Pacific Forum has invited the EC to participate in the post-Forum Dialogue. This dialogue with selected non-regional parties, which have an active and constructive involvement in the region, began in 1989 with Canada, France, Japan, the United Kingdom and the United States. It was extended later to include China and, from 1991, the European Community. ○ R.B.

Fisheries (*)

Inshore: There is a long tradition, in the Pacific islands, of fishing from small craft operating out of coastal villages. This is not necessarily a full-time activity. Villagers, in their daily lives, may also have crops to gather, livestock to tend and a multitude of other tasks which in the so-called 'developed' world would be the domain of 'specialists'. Despite this, the importance of fish and other marine species in the diet of Pacific islanders should not be underestimated — particularly in the low-lying atolls where the soil is unable to support extensive agriculture.

In looking at the domestic fishing 'sector', a distinction is usually drawn between *subsistence* fishing, which entails catching the fish to eat rather than to sell, and *artisanal* fishing, which is commercially oriented. The latter is usually conducted on a relatively small scale and is aimed at local, rather than international markets. Indeed, the distinction between the two types of fishing is not entirely clear-cut — where a 'subsistence' fisherman has a surplus catch, he is likely to try and sell it.

A feature of both is that the fishing activity usually takes place close to shore.

(*) Much of the information in this article (together with the box article), is drawn from a brochure entitled 'Understanding Fisheries in the South Pacific' by Michael King of the School of Fisheries, Australian Maritime College. The brochure was produced as part of the Fisheries Awareness Project of the Forum Fisheries Agency. It was published by the Institute of Pacific Studies, University of the South Pacific (1991) and funded by the Commonwealth Fund for Technical Cooperation and the International Centre for Ocean Development (Canada).

'A long tradition of fishing from small craft operating out of coastal villages'. Pictured here are Samoan villagers landing the catch



Different species of fish thrive in different environments but, in general terms, there is greater biological diversity in coastal areas and reefs. Thus, breeds such as mullet, sardines and garfish as well as a variety of crustaceans are found in Pacific lagoons while the reef areas are home to parrotfish, surgeonfish, lobsters and giant clams.

Although the inshore fishery offers a wide variety of breeds and an apparent abundance of stocks, care is needed to ensure that overfishing does not take place. Traditional fishing methods using hooks and lines, or the pole and line method, are still employed, but modern equipment (notably nylon lines and outboard motors) is increasingly being utilised and catch techniques are improving. Other factors which may put pressure on inshore stocks include the fact that many Pacific countries are experiencing rapid population growth (more mouths to feed) and commercial fishing is expanding as the tentacles of the cash economy spread outwards. Pacific island governments are aware of these pressures and, while most are involved in efforts to expand artisanal fishing, there is also work being carried out to establish what levels of fishing are sustainable in inshore areas.

Deep sea: On the commercial side, the bulk of fish caught in the Pacific region are trawled by commercial fleets operating further out. Most of the islands have their own domestic operations — and Pacific governments are keen to develop this — but the really big catches are made by vessels of the 'Distant Water Fishing Nations' (DWFNs), notably Japan, Korea, Taiwan and the United States.

Until relatively recently, the activities of these fleets fell outside the jurisdiction of Pacific island governments. Under the old law of the sea, the territorial waters of a country extended to only three miles (although some states claimed six or twelve). Beyond these limits were the high seas, to which all vessels had free access.

During the last two decades, however, the rules relating to jurisdiction over adjacent waters have changed significantly. In the first instance, a number of states made unilateral declarations claiming limited jurisdiction — usually in respect of fisheries activities — over

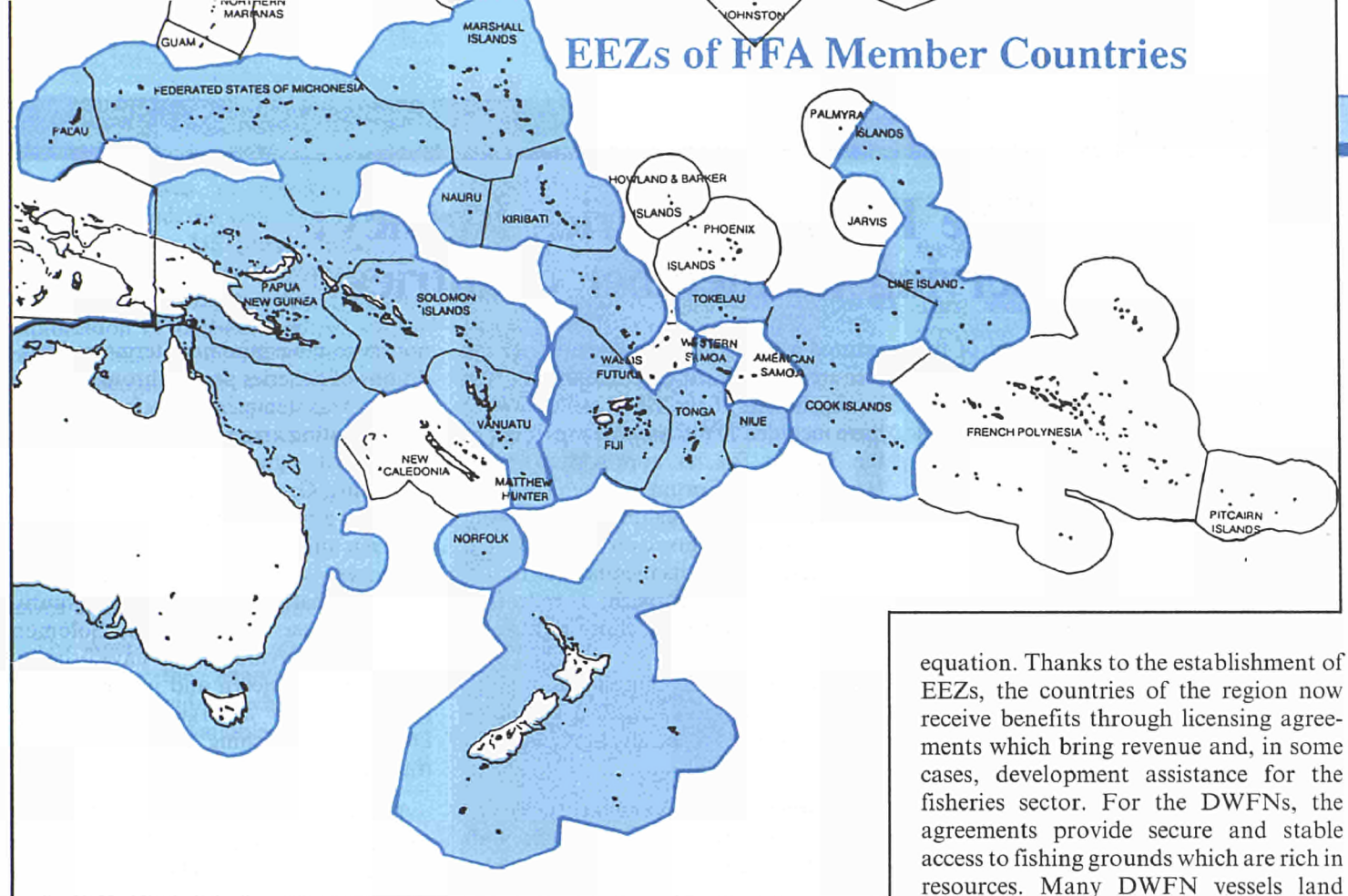
defined areas of sea beyond the territorial limits. The extent of the claims varied, and they were often hotly disputed (one renowned example was in the North Atlantic, where Iceland extended its fishing limits, thereby provoking the 'Cod Wars'). Despite the dubious international legality of these early claims, the floodgates were opened and it was not long before the majority of coastal states were laying claim to an exclusive economic zone (normally of 200 miles) in which they asserted the right to regulate fishing activities. The new state practice is now reflected in the provisions of the UN Convention on the Law of the Sea (UNCLOS) which has been signed by most of the world's nations.

In resource terms, this development was clearly of immense significance for the Pacific island countries, and between 1977 and 1984 all of them formally claimed their 200-mile entitlement under international law.

It is worth noting here that one of the few countries which did not sign the Law of the Sea Convention was the USA and that one of its main objections related to the rules on EEZs. The United States argued that migratory fish were part of the 'common heritage' and hence not susceptible to regulation by coastal states within the area claimed as EEZ. In 1984 this stance brought the United States into conflict with Solomon Islands. In the celebrated *Jeanette Diana* incident, a US tuna boat of that name was arrested for fishing in the Solomons' EEZ. Under United States legislation, economic sanctions were imposed on Solomon Islands with potentially serious consequences. However, following the intervention of the Forum Fisheries Agency, and some lengthy and intensive diplomatic activity, the value of regional cooperation was underlined by the conclusion of a multi-lateral fishing agreement with the United States on one side and the South Pacific countries on the other (see following article).

Now that the small nations of the Pacific have their EEZs, the challenge for their governments is to exploit them in a sustainable way which maximises the benefits to their people. It was in seeking to meet this challenge that, under the aegis of the South Pacific Forum, they established the Forum Fisheries Agency

EEZs of FFA Member Countries



equation. Thanks to the establishment of EEZs, the countries of the region now receive benefits through licensing agreements which bring revenue and, in some cases, development assistance for the fisheries sector. For the DWFNs, the agreements provide secure and stable access to fishing grounds which are rich in resources. Many DWFN vessels land their catches in their home ports but some Pacific states have seen considerable investment, notably by Japanese entrepreneurs, in local tuna processing and canning. Most Pacific island governments have policies designed to expand their domestic fisheries capability with an eye to export markets but, only Solomon Islands is at present engaged in large-scale tuna exporting.

One important area for the Pacific countries is surveillance of their fishing grounds. Illegal fishing is a problem in many parts of the world but it is clearly of particular concern to small countries with limited administrative capacity and huge areas of ocean to police. This is an area where regional cooperation — through the Forum Fisheries Agency — is proving effective.

Other areas which involve close cooperation between the countries of the region include scientific analyses, enforcement of the driftnet ban (which is designed to prevent overfishing and cut down on the capture of non-target species) and the regulation of purse seine fishing. As regards tuna in particular, the importance of maintaining a healthy stock is reflected in the scientific research being carried out in the region. This includes 'tuna-tagging' which is aimed at finding out more about fish movements and stock sizes. ○

S.H.

whose above-mentioned activities were so decisive in determining the South Pacific countries' relationship with the USA in the fisheries sector.

The principal deep-water fish resource in the Pacific is the tuna (see box), a pelagic species which comes in four different varieties. These are skipjack (44% of the total tuna catch in the Pacific region), yellowfin (28%), big-eye (9%) and albacore (8%). Most of the tuna caught in the Pacific find their way to the dinner tables of developed countries — in South-East Asia, North America or

Europe — and it is arguably the single most important renewable resource in the region.

While, from the Pacific island governments' point of view, a strong domestic offshore fishing industry would bring greater economic rewards in the exploitation of tuna (local processing opportunities, employment, better port infrastructure, higher value-added etc), the present reality is that local catch capacity does not match the available resources. Accordingly, the distant water fleets are an important element in the overall

Tuna in the South Pacific

(From 'Understanding Fisheries in the South Pacific' by Michael King)

Tunas are fast-swimming pelagic fish related to marlins and sailfish. Unlike most other fish, tuna are warm blooded and keep their bodies at higher temperature than the surrounding water. A higher body temperature allows increases in muscle power and may account for a tuna's ability to swim at speeds of over 50 kilometres per hour to catch smaller fish.

Tuna are caught by local fishermen in many Pacific islands, usually by trolling lures behind small boats. Foreign vessels fish for tuna in the Pacific region using

three different fishing methods. Longlining is used in deeper water to catch albacore, big-eye tuna and adult yellowfin tuna. Pole-and-lining and purse seining is used to catch surface fish including skipjack tuna and juvenile yellowfin tuna. Over 600 thousand tonnes of tuna per year are caught in the Pacific and this catch is about 35% of the world total.

Some species of tuna, including albacore, appear to move across large areas of ocean to reach new feeding areas or to reach areas where they reproduce (spawning areas).

The Forum Fisheries Agency: serving its member countries^(*)

The need for the establishment of the Forum Fisheries Agency arose from dramatic changes to the management, use and ownership of the ocean's resources proposed by the Third United Nations Law of the Sea Conference in the 1970s. Pacific Island countries appreciated the significance of the proposed changes, particularly the introduction of the 200 mile Exclusive Economic Zone (EEZ).

The EEZs of the Pacific island countries are rich with living marine resources. Thus, the introduction of these zones had profound implications for the economic and social development of countries in the region.

In order to gain reasonable economic returns while ensuring the wise and proper use of their marine resources, the Pacific island countries realised that their only defence against potential economic exploitation by larger and more powerful nations was to band together and form a united bloc.

The premier regional organisation, the South Pacific Forum (the 'Forum'), initiated the process of regional fisheries cooperation that led to the establishment of the Forum Fisheries Agency (FFA). The basic premise was that the sovereignty of the coastal states over their marine resources should remain inviolable. In 1977, the Forum passed a resolution to set up the FFA. It also made an undertaking to '... establish extended fishing jurisdiction to the fullest extent possible under international law, and to apply within the zones of individual island countries, principles for the exploration, exploitation, management and conservation of the living resources of the sea'.

There was a debate about eligibility for membership of the Agency, particularly with respect to participation by distant water fishing nations (DWFNs), who

wanted a part in the management of the resource. A draft convention for the establishment of the FFA, which would have included DWFNs, was presented to the Forum for its approval in 1978. However, the Forum, recognising the importance for its members in exercising full sovereign rights over their fishing resources, directed its members to return the following year with a redrafted convention, confirming those rights and excluding DWFNs. Thus, when the Agency was formally established in 1979, all DWFNs were excluded. That philosophy continues to be strongly enforced today.

In carrying out its annual work programmes effectively, for the benefit of all member countries, the FFA has some notable achievements.

Access negotiations

Given that one of the main aims of the Agency was to generate long term financial benefits from the fisheries resources, it is understandable that assistance to member countries in their access negotiations with DWFNs was identified as a primary task.

Having declared EEZs, the island countries were in a weak negotiating position because they did not have access to the information, which the DWFNs had, on the economic value of their fisheries. They were, therefore, poorly placed to extract a fair financial return from DWFNs for the fish harvested within their EEZs. FFA provided the impetus and opportunity for member countries to pool the information on their negotiations with DWFNs.

It became clear that DWFNs were presenting different information on the same fishery to various member countries, and were trying to play one off against another. The close regional cooperation fostered by FFA outflanked this negotiating tactic.

Standardised, non-negotiable, minimum terms and conditions

One of the most significant results of regional cooperation in fisheries management has been the standardisation of

non-negotiable minimum terms and conditions of fisheries access throughout the region. This stemmed partly from the first implementing arrangement of the Nauru Agreement, signed in February 1982 by the Nauru Group members. (The Nauru Group is a management group originally of seven and now of eight FFA member countries — Federated States of Micronesia, Kiribati, Marshall Islands, Nauru, Palau, Papua New Guinea, Solomon Islands and Tuvalu — who have fisheries of common concern and in whose contiguous EEZs a large proportion of DWFN tuna fishing effort is concentrated).

The minimum terms and conditions of fisheries access that member countries have agreed to adopt in licensing DWFN fleets were endorsed by the Forum in 1982. They cover the Regional Register of Fishing Vessels, licensing conditions such as procedures, reporting and log maintenance, vessel identification and rights of authorised personnel.

The minimum terms and conditions which have been adopted by all FFA member countries require DWFNs to negotiate consistently. This standardisation also makes bilateral negotiations much easier as administrative details can be dealt with expeditiously, so the focus can be on other important issues such as access fees.

Multilateral Treaty on Fisheries with the United States

Perhaps the pinnacle of the region's achievements in access negotiations is the conclusion of a multilateral Treaty on Fisheries with the United States. The Treaty is highly complex and is regarded as a unique fisheries access agreement. It was pursued at the direction of the Forum and was signed in Port Moresby on 2 April 1987 after two years of negotiations. It entered into force, for five years, on 15 June 1988 and was recently renegotiated in Auckland, New Zealand, for a further ten years. All FFA member countries are party to it. The implementation of the Treaty has greatly improved relations between Pacific island countries and the United States.

(*) This article was provided by the Forum Fisheries Agency which has its headquarters in Honiara (PO Box 629), Solomon Islands. Its member countries are Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Solomon Islands, Tonga, Tuvalu, Vanuatu and Western Samoa. The Director of the FFA is Sir Peter Kenilorea.

The objectives of negotiating the Treaty included the cessation of illegal tuna fishing by US purse seiners and avoiding US sanctions for their arrest, as well as maximising benefits from the exploitation of fisheries resources on a regional basis. Generally, the Treaty secures recognition by the United States Government of the jurisdiction of Pacific island states over tuna within their EEZs. In return for access to the EEZs of the Pacific island parties, the United States agreed to pay \$60m over the first five years and \$180m for the next ten years, as well as to comply with comprehensive terms and conditions of fisheries access.

The Agency played a crucial role in coordinating the negotiation of the Treaty. It provided technical expertise which was not available in all member countries. FFA is also the designated administrator of the Treaty. Thus, the Agency handles the various complex components of the Treaty, which would be difficult for the overburdened fisheries administrations of individual member countries to administer effectively. There are considerable tangible and intangible benefits which accrue from the Treaty and it provides an important precedent for other foreign fisheries access agreements, both bilateral and multilateral.

Driftnet ban

At the direction of the forum, the FFA is involved in the question of driftnet fishing in the southern albacore fishery which is located in the sub-tropical convergence zone east of New Zealand and south of French Polynesia. The climate of cooperation fostered by FFA has enabled countries of the region to move quickly to counteract the threat to albacore, marine mammals and bird life caught in the nets.

Surveillance and enforcement

The EEZs of FFA member countries are large, particularly in relation to the land area and the surveillance and enforcement capabilities of the State authorities. There is little point in negotiating specific terms of access if DWFNs know that they can flout these with impunity because countries do not have the capacity to monitor the activities of foreign fishing vessels in their zones and to enforce the agreed terms of access. Therefore, member countries attach high priority to the Agency's surveillance and enforcement activities. One of the first



The Courier

Effective surveillance of fishing activities involves using the newest technologies. This is a satellite telecommunications installation at the FFA headquarters in the Solomon Islands

developments in this regard was the establishment of a Regional Register of Foreign Fishing Vessels. A vessel must be in good standing to be licenced to fish in the EEZs of FFA members. Another significant aspect of the Agency's surveillance activities is the development of more formal ties with the New Zealand and Australian air forces, which undertake surveillance flights within the region as part of their programmes of cooperation with South Pacific countries. The Agency is able to supply fisheries information for surveillance purposes and this has dramatically increased the effectiveness and utility of programmes monitoring fishing activity in the region. Significant progress is also being made in an integrated surveillance programme which incorporates satellite telecommunications, real time positioning and reporting systems, computer tracking and coordination of surveillance activities. Another major achievement is the Agency's recent coordination of the negotiation, drafting and signing of the Niue Treaty on Surveillance and Law Enforcement which will provide the framework necessary for member country surveillance activity, coordination and cooperation.

Legal services

A vital and highly regarded aspect of the Agency's activities is the provision of a wide range of legal advice and services. This, amongst other things, involves provision of advice on the terms and conditions of access arrangements, the review and drafting of fisheries legislation and advice on the incorporation of changes resulting from the Law of the Sea Convention. With the Agency's assistance, fisheries legislation is being tailored to individual members' specific needs, but at the same time, care is taken to maintain regional standards for foreign fishing vessel access and future needs. Thus, the Agency is simultaneously assisting its members in achieving full and independent legislative control of their fisheries resources, and ensuring the regional compatibility and cohesion which has proved such a source of strength in the past.

Management of the Western Pacific purse seine fishery

During the past twelve months, the eight parties to the Nauru Agreement have made substantial progress towards the development of an effective management arrangement for this fishery. The arrangement seeks to regulate purse seine activity through various measures including the placing of limits on the number of licences and set licence allocation criteria. It will also establish observation, surveillance and enforcement procedures consistent with regionally agreed standards.

* * *

The Agency exists to serve the people of its member countries, to promote sustainable fisheries resource development, management and conservation. FFA's Charter, by implication, points to an immense work programme that, combined with the depressed global economic climate and limited member country resources, makes for a difficult and challenging environment for the Agency. In the face of increasing influence from outside the region, there is obviously still a lot for the FFA and the region to do. The Agency has an impressive record and reputation in professional programme delivery, innovation and vision. These achievements reflect member countries' regional solidarity, harmonious cooperation, determination and self-help. ○

Deep-sea mineral resource potential in the Southwest Pacific

by D. L. TIFFIN (*)

Most of the Southwest Pacific countries have limited land-based resources and, for them, long-term economic prospects are seen as linked to the potential resources of the surrounding areas.

Thanks to the UN Convention on the Law of the Sea, each coastal state can now claim certain rights with respect to non-living resources of the surrounding sea floor in the Exclusive Economic Zone. The EEZ of most small island states is much larger than their land areas, in some cases by a factor of 7000 to 1. Where neighbouring countries are not close, the EEZ extends 200 nautical miles from the coastline. Whether marine resources within the EEZs of the South Pacific states will justify their hopes is not yet known, but it is vital to the future of each country that development plans are based on a realistic appraisal of the sea's potential.

In contrast with the land areas, little is presently known about the geology of vast areas of the South Pacific seabed. Since the discovery of just one modestly-sized, commercially exploitable mineral deposit would have a profound impact on any of the small island states in the South Pacific and because a major discovery could affect the entire region, there are clear benefits in improving knowledge of potential marine resources.

Considerable interest in the geology and resources of the Southwest Pacific has been generated in recent years, much of it due to the concerted efforts of the nations of the region which have joined together to form the South Pacific Applied Geoscience Commission (SOPAC — see box).

The Southwest Pacific Ocean within the EEZs of SOPAC member countries is an area covering more than five times the area of the Mediterranean Sea, not counting the international waters between member countries. The study of this huge area is just beginning. Much of it

remains a frontier and information about many areas is very sparse. A great deal more is still to be learned about the nature of the sea floor and the resources it has to offer. Only within the last fifteen years has the economic potential of several minerals of the deep sea been recognised. As new technology becomes available and the mysteries of the deep ocean are revealed, other presently unknown resources may become apparent.

Resources which are currently known in the deep ocean areas are cobalt-rich crusts, manganese nodules, metalliferous sediments, hydrothermal sulphides, hydrocarbons and phosphates. A brief synthesis follows of some of the knowledge gained to date.

Cobalt-rich crusts

The existence of manganese crusts containing a high percentage of cobalt has been recognised as being economically attractive only in the last ten years or so. Samples with up to 2.6% cobalt have

been found on the Southwest Pacific sea floor, whereas ores containing less than 1% cobalt are commercially viable on-shore. The United States has declared cobalt a strategic metal because it is mined in only a few limited places in the world, and it is a vital ingredient for the steel and space industries.

Our knowledge of this potential marine resource is still very scanty. Cobalt-rich crusts grow on rock or other hard substrate where sedimentation is minimal or absent. While the crusts occur over a wide depth range, the highest values of cobalt are found on the sides or tops of ancient seamounts in water depths of about 1500 m to 2800 m. It is, therefore, important to know where such seamounts are.

Because so much of the Southwest Pacific sea floor is not well known, SOPAC reviewed satellite-derived gravimetric data over the region to locate such seamounts. About 60 were found of which no previous knowledge existed.

South Pacific Applied Geoscience Commission (SOPAC)

SOPAC is an independent, inter-governmental, regional organisation. Its secretariat, through which its island member countries have access to modern equipment and experienced marine scientists, is located in Suva (Fiji). SOPAC's work programme is determined by member country requests, with an emphasis on collecting information to assist member countries with their management of the non-living resources and environment of coastal and offshore areas, so that they can be developed, conserved and utilised wisely, and on training island nationals to carry out this work themselves.

Member countries are currently Australia, Cook Islands, Federated States of Micronesia, Fiji, Guam, Kiribati, Marshall Islands, New Caledonia, New Zealand, Papua New Guinea, Solomon

Islands, Tonga, Tuvalu, Vanuatu and Western Samoa. Besides contributions from the member countries, funding support comes from Canada, the European Community, France, Japan, Norway, the USA, the Commonwealth Fund for Technical Cooperation and the United Nations Development Programme.

SOPAC's objectives are to provide information on the physical environment of coastal areas to assist with coastal management; to investigate the resource potential of coastal and offshore minerals; to assess and promote the hydrocarbon and wave energy potential of the region; to coordinate marine geological and geophysical research being carried out in the region; and to train island nationals in the implementation and management of these activities.

(*) South Pacific Applied Geoscience Commission (SOPAC), Technical Secretariat.

Several of these have now been investigated by swath mapping techniques, establishing that some are within the depth range of interest for cobalt.

Dredge hauls for cobalt crusts have been made on a number of seamounts, mainly in the waters of Kiribati, Tuvalu and the northern Cook Islands. Present indications are that the cobalt values increase southward along the Line Islands towards the Society Islands. Good crusts are also found in the Marshall Islands, where it has been proposed that a technique devised by a Japanese consortium for mining cobalt crusts will be tested. Substantially more work is needed, and full evaluation of the cobalt-rich crust potential of the region will probably not come before the end of the decade.

Manganese nodules

Manganese nodules are considered to be an important deep water resource, not so much for their manganese, but for the minor metals which they contain, especially copper, nickel and cobalt.

Manganese nodules of economic value are usually found only in water depths between 4000 and 5600 metres, in areas with deep bottom current and little or no

sedimentation. Deep-sea photographs show carpets of nodules in such areas, covering up to 95% of the sea floor. Although rich nodule fields are found in the North Pacific between Central America and Hawaii in a region called the Clarion-Clipperton Zone, where several governments and consortia have established claims to potential mine sites, areas of considerable interest and importance have also been found in the Southwest Pacific.

A rough guide for an area to be considered a potentially economic resource is that it must contain nodules with a total metal content of more than 2% copper, nickel and cobalt and an abundance of more than 10kg per square metre over an area of approximately 25 000 square kilometres.

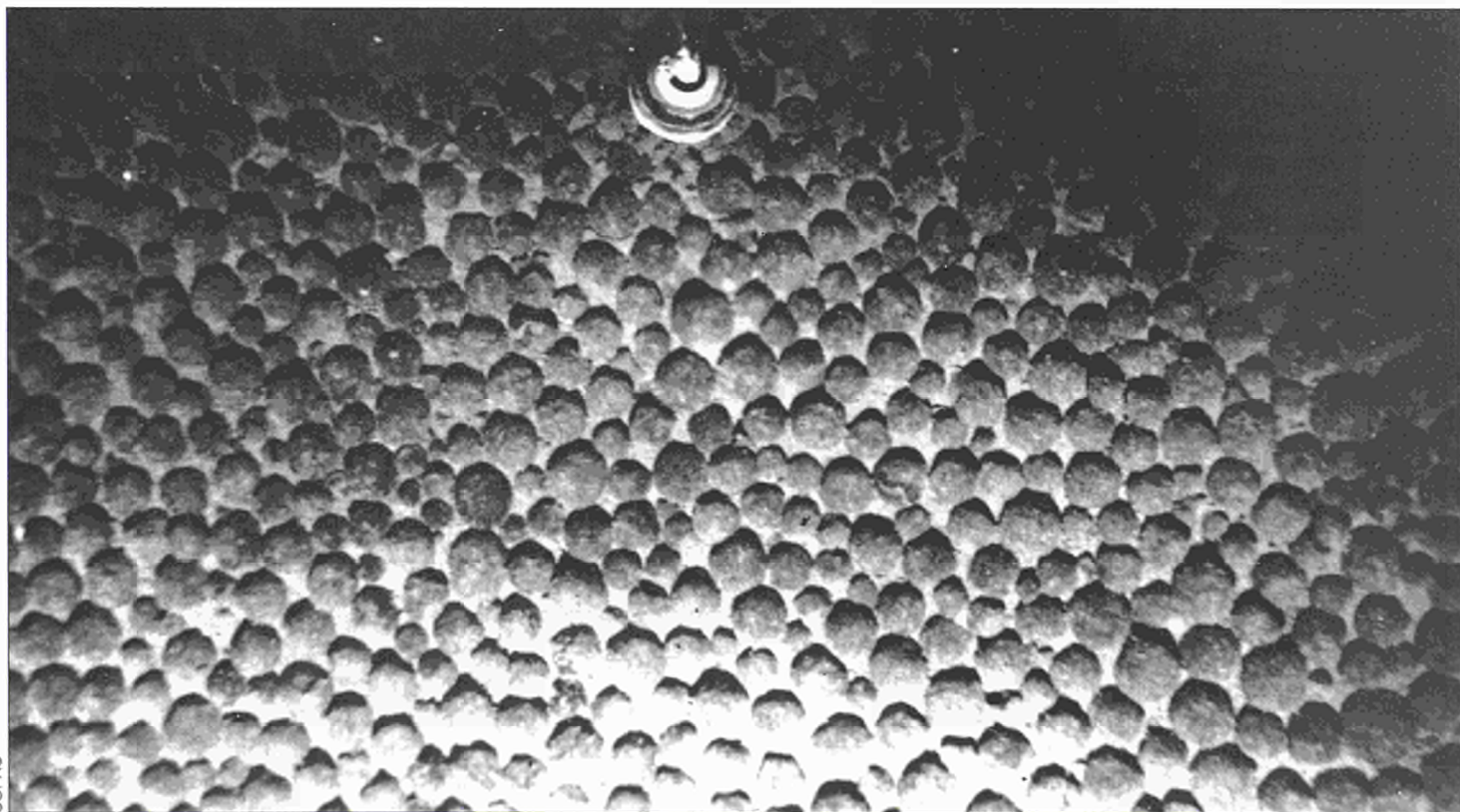
Many manganese nodule survey cruises have been undertaken in the South Pacific, most during the last seven years under a joint Japan/SOPAC minerals programme. The available data are now fairly adequate to appraise most of the potential in the region. Grades and abundance exceed the established minimum economic level in many places in the SOPAC region. The best potential for economic deposits appears to be in the EEZs of Kiribati and the Cook Islands.

While mining may be some time away, claims on the North Pacific international seabed have already been registered with the UN. Of course, deposits within the EEZs are under the jurisdiction of the country concerned. Although the economics of mining manganese nodules and cobalt-rich crusts are not yet comparable to mining on land, this may change before the end of the century.

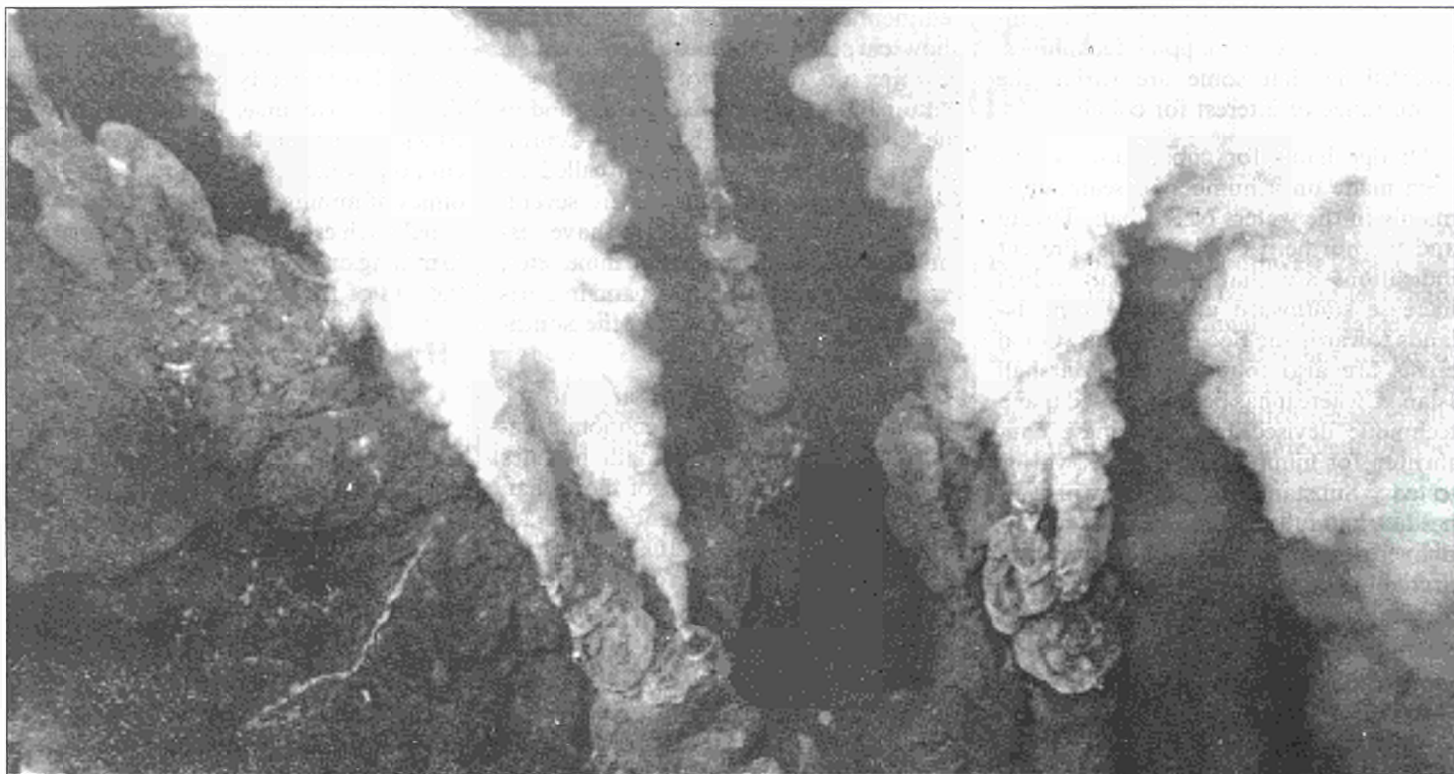
Hydrothermal sulphide deposits and metalliferous sediments

Until SOPAC synthesised all available chemical data on sediments in the Southwest Pacific in 1981, very little was known about hydrothermal deposits and metalliferous sediments within the region. This compilation indicated the geological settings in which they occur, and considerable attention is now being given to exploration of basins behind the volcanic arcs of the region.

Hydrothermal sulphide minerals are associated with newly injected hot sea floor in the back arc basin spreading centres. Volcanic upwelling at these centres brings heat near the surface of the sea floor, driving sea water through the surrounding sediments and rock, from which the super-heated sea water scavenges minerals and carries them to a vent.



Manganese nodules at a depth of 5200 m on the sea-floor of the Penhryn Basin



White smoker vent chimneys, formed by hot hydrothermal waters venting into cold bottom waters at the ocean floor. Hydrothermal circulation is driven by heat from volcanic sources under the ocean floor, bring 'remarkably high concentrations of copper, zinc, nickel, gold and other valuable metals' to the sea floor in back arc basins of the South Pacific

The sudden change in temperature when the hot water discharges from the sea floor into cold sea water causes rapid precipitation of metallic sulphides, and accumulations of minerals are formed in close proximity to the hot water vents. Large vent chimneys extend as high as 30 metres above the sea floor, in places containing remarkably high concentrations of copper, zinc, nickel, gold and other valuable metals.

The back arc basin deposits are generally around 2000 metres deep. Although there is no tested recovery technique as yet, these deposits have created considerable scientific interest and they are being studied in many parts of the world's oceans, including the South Pacific, where submersibles and other high-technology equipment are being used to investigate them closely.

Like cobalt crusts, the sulphide minerals were not known to exist until about 15 years ago, and their occurrence in the South Pacific was not confirmed until about eight years ago when the first deposits were found off Papua New Guinea and Tonga. Metal sulphide occurrences have now been discovered in the Manus Basin and the western Woodlark Basin in PNG, in the Lau Basin

within the Tongan EEZ, and in the North Fiji Basin. There are indications that many more areas will reveal sulphide deposits when there is ship time available to look for them.

At present, such deposits are a scientific curiosity as the forerunners of onshore mines, rather than being looked upon as an economic resource. But it is apparent that they are much more widespread than previously considered and, like many other ore bodies, could become a resource when better understood. They also have potential for geothermal energy.

Hydrocarbons

Sedimentary basins with favourable petroleum prospects are known in Papua New Guinea, Solomon Islands, Vanuatu, Fiji and Tonga — all Pacific island member countries of SOPAC. While the South Pacific is a frontier region with generally marginal prospects, there have been major onshore discoveries in PNG, and oil seeps are known from Tonga.

Work by SOPAC has enhanced the hydrocarbon prospects of the region through a better understanding of the geological setting, source rocks, hydrocarbon generation, reservoirs and seals.

Much of this is due to the acquisition of new seismic data, the reprocessing of older seismic data and the application of new geological concepts.

The technology used for hydrocarbon exploration continues to develop rapidly. Aided by this new technology, and encouraged by strong oil prices, oil companies are exploring in frontier areas worldwide and frequently find oil in areas previously overlooked. South Pacific countries are typical of such areas where oil companies were active in the 1970s and 1980s without success. However, the new technology provides the means by which oil companies may find oil in the region.

Phosphate deposits

Phosphate deposits, of potential use as fertilisers, occur on a number of island groups in the Southwest Pacific. Many small onshore deposits were exploited in the early part of this century. SOPAC has included phosphate exploration as part of its offshore work. In New Zealand, phosphates have been found in abundance on the Chatham Rise in about 300 metres of water, but they have not been found in commercial quality and quantity elsewhere in the deep Pacific. ○ D.L.T.

The tyranny of distance: Transport in the South Pacific

All the Community's eight ACP partners in the South Pacific taken together have a population smaller than that of one of the EC's smaller Member States, Denmark. However, the South Pacific population is thinly spread, across a land surface which is one fifth the size of the Community and consists of many hundreds of islands and atolls separated from each other, and from the rest of the

world, by vast expanses of empty ocean. This obviously creates very special difficulties when it comes to devising, financing and carrying out sensible transport policies. The EC has been doing its bit to help the South Pacific countries solve the problems of moving people and cargoes within and outside the region.

The constraints on the ACP countries in the Pacific where transport is concerned are the same as those which hamper their development in general: isolation and distance. Some of the distances involved are enormous. For example, Papua New Guinea in the west is 4500 km from Western Samoa in the east. Even within countries distances are huge: the Solomon Islands chain, for example, is nearly 1500 km long, with a population, at 1990 estimates, of only some 320 000 people.

The minute land area of many of the territories is another exacerbating factor, particularly in Kiribati and Tuvalu. Just as their geographical configuration divides some of the island states' markets into tiny fragments, making freight operations uneconomical, it makes passenger transport commercially unviable unless it is heavily subsidised or expensive fares are charged. As a result, services to some parts are necessarily infrequent, adding to the inconvenience of long journey times.

Slow, infrequent and expensive are epithets which, on the other side of the world, have sometimes been applied to certain of Europe's railway services. That could not happen in the South Pacific, as it has no railways: all transport is carried out by road, sea and air.

To start on the small scale, because of the region's geography, roads in the Pacific ACP states can, of course, only be local, but their importance in opening up remote areas is considerable, so that much Lomé Convention funding in the region has been devoted to this sector. In Fiji the EC has financed rural road and bridge projects on the two main islands, thus opening up large areas for agricultural development, improving access to markets and giving easier access to social facilities such as health centres and schools. The country now has a fairly

well-developed road system of some 3300 km. In Papua New Guinea, among other road projects intended to develop the economy, domestic markets and hence agriculture, two major roads built with Community assistance have improved links between Port Moresby and previously isolated villages, and the country's road network is now over 21 000 km long, though further expansion is inhibited by the high costs of building and maintenance in hostile terrain.

Elsewhere, roads and road use are in an even less advanced state of development. Of Solomon Islands' 1300 km of government-maintained roads, only 100 km are bitumen-surfaced. Only 1200 of the 4000 registered vehicles (at last count) running on Western Samoa's 1800 km of roads are private cars. Tonga's 155 km of main roads includes 103 km surfaced with

coral. Three quarters of Kiribati's 2000 registered vehicles are motorcycles.

The original inhabitants of the islands arrived, of course, by sea, as did the European traders, missionaries and colonial administrators who followed them, and the maritime routes are still vitally important to the societies and economies of the South Pacific. Some of the ACP countries' merchant fleets are large: Vanuatu had 400 ships under its flag at the end of 1990, not because the country has 70 inhabited islands so much as because of its liberal flag laws, which are similar to those of Liberia. The Vanuatu Government, too, pursues a policy of encouraging boat-building, one of the key industries.

Within countries, inter-island routes are generally operated by small vessels —



The Courier

Roads on many Pacific islands (here, Kiribati) are often simple affairs, but are vital in opening up remote areas

DOSSIER

Solomon Islands, for example, has a large informal fleet of small boats plying between its six large and many lesser islands. Kiribati's own Shipping Corporation visits each island in the chain once a month or so to collect copra, the country's main export product, deliver cargo and drop and pick up passengers. Fiji's harbours, as well as handling large amounts of freight, are ports of call for local cruise ships plying to outlying island resorts. In Papua New Guinea, which is by far the largest country in the group and has terrain which seriously complicates overland transport, coastal as well as inter-island services, operated by more than 200 vessels, are essential to the transport network.

New Guinea, Honiara in the Solomon Islands and back to New Zealand. Other routes run from Australia to Fiji, Western Samoa, American Samoa, Tonga, Fiji again and back to Australia. As aid for these services and to support regional cooperation under the first three Lomé Conventions, the EC has put up special European Development Fund money to finance the supply of over 200 refrigerated containers for PFL, with matching funding from the ACP countries which were shareholders in the line.

Several other shipping lines operate cargo routes, with some passenger facilities, between the South Pacific and further-flung parts of the world — the

most cargoes in the region are not large and there are too many ships vying to carry them. The Dutch Ned Lloyd Line has now withdrawn the cargo services it ran for many years from European ports direct to Tahiti, Fiji and New Caledonia; instead it slot-charters from another company, Bank Line. Companies are expected to rationalise further by replacing their vessels with larger container ships, and meanwhile the islands have been benefiting from the cuts in freight rates brought about by competition. However, larger ships will ultimately mean fewer ships, so services are bound to become less frequent.



The Courier

Tonga's harbours can handle both local craft and ocean-going ships

International links complement the domestic services and give the South Pacific islands a commercial lifeline to the outside world. Services from the region to Australia and New Zealand, Asia and the Americas are operated by several shipping lines, using ships variously equipped to carry general containers, break-bulk cargo, bulk liquid such as oil, refrigerated containers and roll-on/roll-off cargoes such as vehicles.

A major company in this area is the Pacific Forum Line, PFL, a regional venture set up by the governments of ten South Pacific countries in 1977 for the purpose of operating shipping services which are viable and meet the special requirements of the region. It operates a circular cargo route from ports in New Zealand to Brisbane, then on to Papua

Philippines, Indonesia, Thailand, Singapore, Malaysia, Hong Kong and Japan in Asia, as well as Chile, Hawaii and the West Coast of North America. A vital import commodity into the region is petroleum. This accounts, for example, for one sixth of total imports into Fiji, which last year set up a National Petroleum Company to act as middleman in supplying oil to the South Pacific islands from Malaysia. Fiji is a regional success story, in fact: its Ports Authority, responsible for the ports of Suva, Lautoka and Levuka, reports that they handle some two million tonnes of cargo (and more than 50 international cruise ships) per annum.

All the South Pacific freight routes, however, have recently been feeling the effects of intensifying competition, as

Already one important regional link has gone, albeit for a different reason. PFL used until recently to operate a feeder service linking the non-ACP States of Nauru and the Marshall Islands, plus Tuvalu and Kiribati, to Fiji, the main point of maritime interchange in the region, through which of course there is access to Australia and New Zealand. Although subsidised by New Zealand, the operation was too small-scale ever to be economically viable, and some of the resulting loss was borne by the company. Yet one of the reasons why PFL was set up was, precisely, to run services to small, unprofitable ports, carrying small cargoes. It meets that obligation, but that leaves its commercial rivals free to make a killing on the better-paying routes. After unsuccessful approaches to Australia and New Zealand, the South Pacific Forum asked the European Community whether, as a priority under Lomé IV, it would be prepared to finance a purpose-built container ship to continue the feeder service. In the view of the Commission, however, the financial and economic justification of such a proposal would depend totally on the diversion of all cargo from the existing private operator on the Australia-Kiribati service (Karlender Line) and, pending a decision, the governments concerned have been asked to look at possible alternatives, for instance the rerouting of another PFL service to fill the gap.

The air transport scene in the South Pacific is, like maritime transport, complicated by small populations, huge distances and marginal economies. Traf-



The weekly turboprop service from the Marshall Islands after touchdown at Funafuti. Tuvalu is the only Pacific ACP state without its own national flag-carrier

fic is thin and there is little coordination, so that, to quote a draft report on air transport drawn up for the South Pacific Forum by a private consultant last year and financed by the European Development Fund, 'regional air travel remains expensive in local terms, infrequent and unreliable'. Where a journey involves onward connections, travellers can take days to cover a distance which would only involve hours in the developed world. This puts off tourists from North America, Europe and Japan and 'business traffic', the report says, 'struggles around the region'.

However, to ensure their socio-economic (and political) survival in their isolated positions, the Pacific island states feel that they must control their own means of communication and therefore cannot afford not to have their own, national airlines. National pride plays its part, too. So every ACP country in the region, except Tuvalu, has its flag-carrier airline.

The major carrier is Air Pacific, originally formed in 1957 and based in Fiji. Initially set up as a domestic airline, internally it now flies only between Nadi and Suva on Fiji's main island, but operates modern jet aircraft from Nadi on North-South routes outside the region (Japan-Australia) and turboprops on regional routes serving Tonga, Vanuatu, Western Samoa, Solomon Islands, the French overseas territory of New Caledonia and Brisbane. There is a management support agreement with the Australian airline Qantas, and expatriate management is steadily giving way to well-trained nationals. The financially sound company is largely owned by the Government of Fiji, which also has a 25% interest in Fiji Air. This company runs smaller planes to the Fiji Islands and, under contract to the Tuvalu Government, to that country's only operational airfield, at the capital, Funafuti.

The second-largest national airline, Air Niugini, based at Port Moresby in Papua

New Guinea and managed by KLM under contract, uses an Airbus A310 to fly successful North-South routes to Asian and Australian destinations roughly in parallel and to the west of Air Pacific. For internal passenger transport, Papua New Guinea is almost completely dependent on aeroplanes, as it consists of some 600 islands, while mountains and swamp make much of the country impassable by road. All provincial capitals and many other centres have scheduled air services run by Air Niugini or by smaller companies such as the privately owned Talair and Douglas Airways. There are also unscheduled private flights by operators such as missionaries.

But Papua New Guinea, with two thirds of the population of the Pacific ACP countries and a relatively successful economy, is a special case. To look at a more typical situation, in Vanuatu the driving force behind air transport development is political. With 80% of the country's population engaged in subsistence farming, its government sees the



Air Pacific, the region's largest airline, links Fiji to Australia and Japan

encouragement of inbound tourism as an economic priority and is wholly committed to developing its own state-owned flag-carrier, Air Vanuatu, for that purpose. Port Vila airport was upgraded in 1990 and the company operates international services to Australia and New Zealand. In the same year, 40 000 tourists visited the islands, 2000 of them from Europe. Services between Vanuatu and the other Pacific island states, which are not prime sources of tourists, are operated by companies from other countries, but Air Vanuatu has just ordered a second passenger 'plane to run feeder services, with the neighbouring states' airlines, to the international routes via Fiji and Australia.

Another medium-sized parastatal, Polynesian Airlines, is the commercially successful national carrier of Western Samoa, flying from Fuleolo airport near the capital, Apia, to Australia and New Zealand, again with an eye to tourism. There are also domestic services to Western Samoa's other main island. The company is expatriate-managed, by Ansett of Australia. Solomon Airlines, meanwhile, is an example of a company running subsidised inter-island and domestic services but with little natural market, so that air connections are poor and tourism suffers as a result. Instead, the airline follows a strategy of providing capacity for its regional neighbours by selling seats in bulk or leasing its single Boeing 737 jet to other airlines.

One of the takers for this facility is the very small Royal Tongan Airlines, which leases the Boeing for its first-ever international service, to Fiji and New Zealand. Tonga's main airport, Fua'amotu International on Tongatapu island, has been upgraded to international standard with Japanese help, and its second airport, Lupepau'u, is also being improved to encourage tourism, now the country's largest foreign exchange earner. However, the airline is subsidised to cover recurrent operating losses. Domestic flights are operated by Tongair, owned by the Tonga Tourist Development Company, and Friendly Islands Airways, which has a United States company as joint shareholder.

As with maritime transport, Kiribati is an especially difficult country to service: its three island groups, the Gilbert, Phoenix and Line Islands, are hundreds of kilometres apart and thinly populated. All Kiribati's inhabited islands have airstrips (two were built with Lomé I funds) and domestic services have recently improved but are highly subsidised. The very small parastatal airline, Air Tungaru, is reported (in the draft air transport study referred to above) to be the region's weakest airline in terms of management, markets and resources, and the country depends completely for international links on two non-ACP countries' airlines, Airline of the Marshall Islands and Air Nauru, each operating 'to its capital, Tarawa, once a week. A

weekly international flight from Kiritimati (Christmas Island) to Honolulu, financially supported by the Japanese Government (which has a satellite tracking station on the island) and using an aircraft leased from a Hawaiian airline, is said by the report to have 'virtually fallen apart' owing to high costs.

Part of the problem facing Kiribati is that a turboprop aeroplane suitable for local services, and indeed for flights to relatively nearby Tuvalu and Fiji, cannot cope with the unbroken 3200 km stretch of ocean which separates Tarawa from Kiritimati. Air Tungaru once dedicated a Boeing 727 jet to this route but soon gave up in the face of low traffic density, which led to low frequency and under-use of the aircraft.

Another problem associated with aircraft type is that fares within the region are expensive in relation to local incomes. One contribution to reducing them could be for airlines to acquire more modern, fuel-efficient 'planes, which would cost less to run. But in most cases such capital expenditure is out of the question, whatever the running costs. Added to this is the airlines' reliance on expatriate pilots, engineers and senior managers, as there is nowhere to train nationals (except for the Civil Aviation College in Papua New Guinea), and a lack of computer reservation facilities. And the sector is heavily regulated by restrictive bilateral air service agreements.

Regional cooperation would seem to offer the only immediate hope of remedying these problems. The European Community, as one of the region's donors, is urging the South Pacific Forum, whose Secretariat is the regional authorising body for expenditure on Lomé III regional projects (only 65% of Lomé III regional funds for the Pacific ACP states have been absorbed — none have yet been allocated under Lomé IV), to initiate moves towards shared airline operations as part of a longer-term strategic air transport plan for the region. The Association of South Pacific Airlines is an organisation revived in 1986 for the purpose of forging a closer working relationship in the interests of greater profitability, reliability, safety and efficiency; it would have a useful role to play, given more resources and positive support from the region's governments. But they are jealous of their independence, and signs of a wish to work together in this sector have been slow to appear. ○ Robert ROWE

The lure of the islands: tourism in the Pacific ACPs

Emerald isles set in a bed of aquamarine. Pristine beaches of soft white sand. Gently swaying palms and colourful coral reefs. In the South Pacific, the tourist's dream can become a reality.

In their natural beauty and cultural individuality, it is evident that the islands possess strong tourist attractions. However, only a few Pacific countries have, to date, made a significant effort to encourage tourism. Despite this, it already represents an important source of foreign exchange.

Fiji, with its shimmering stretches of coastline and traditional hospitality, has been the only ACP country to develop tourism on a large scale and, as a result, it has captured a sizeable proportion of the total regional market. Prior to the 1987 coup, tourist arrivals reached 258 000, principally from Australia, the USA, New Zealand and Canada. The uncertainty created by the political situation caused a temporary decline, but the sector has since recovered and in 1990 the figures reached 274 000. Although the recession in New Zealand and Australia has had the effect of reducing visitor numbers from these two countries, the loss has been counterbalanced by the growth in arrivals from Japan.

As a result of the emphasis which has been placed on tourism in Fiji, the industry now occupies a crucial position in the country's economic structure, second only to sugar production. Encouragement by the government and initiatives by the private sector, focusing on the country's abundant natural resources and scenic splendour, have brought significant economic returns.

The only other major tourism revenue earner in the area is Tahiti (French Polynesia). The remaining countries and territories have, for a variety of reasons, been slow to transform their local tourist industries into a thriving source of foreign exchange. One major hindrance is the lack of infrastructure in the form of hotels, transport and other basic amenities. A second problem is that most of the Pacific island countries have to rely on international airlines to bring in tourists. The recent withdrawal of US and Canadian carriers, decreasing the number of arrivals from North America, illustrates their vulnerability in this regard. Thirdly, there is the basic problem of cost associated with the distances which have to be travelled and, finally, there is the more fundamental debate about the desirability of increased tourism from an environmental and cultural standpoint.

Despite these constraints and reservations, most of the island governments are keen to see some expansion of their tourist sectors. Solomon Islands hopes to cash in on this year's fiftieth anniversary of the Battle of Guadalcanal — which was expected to bring an influx of American (and some Japanese) visitors — to raise its profile as an attractive tourist destination.

Western Samoa (17 500 visitors in 1989) has placed emphasis on cultural aspects in the marketing of its tourist product. Particular attention is currently being given to the Robert Louis Stevenson connection. The great author spent his later years in the islands and died there in 1894. With the forthcoming centenary of his death, the authorities have decided to convert his last home into a museum.

In the Kingdom of Tonga, the 1990-95 Development Plan prepared by the Tonga Visitors Bureau aims to tackle major problems which currently hold back the tourist sector — inadequate airline services, the shortage of hotel rooms and the lack of outdoor activities and recreation sites.

Vanuatu has only a very small allocation of public funds (about 1% of total government spending) for tourism. This reflects the Government's free-market policy, under which the private sector is expected to take its own investment initiatives.

Tourism to Papua New Guinea is restricted not only by limited infrastructure but also because of the security situation, while the atoll nations of Kiribati and Tuvalu are too small and distant to be able to accommodate large numbers of visitors. For the latter, the best approach would seem to be to target the top end of the market, offering an exclusive product.

To assist development in the tourist sector in the South Pacific, a two-year regional development plan, running from August 1986 to August 1988, was financed by the European Community under Lomé II. Since the beginning of the 1990s, the Pacific Regional Tourism Project has taken shape and been implemented. Under this scheme, infrastructural, training, marketing and development activities are being tackled.

There is also a new trend in the form of increased Japanese investment. Local hotels have been bought and renovated, notably by the Kitano construction company which already owns the main hotel in Honiara (Solomon Islands) and

has recently acquired a leading hotel in Apia (Western Samoa). At the same time, tourism from Japan itself has significantly increased, as reflected in the greater frequency of direct flights from that country.

It is increasingly recognised throughout the world that excessive tourism can have negative effects on the social and cultural fabric of the 'host' societies. This is something of which Pacific island governments are acutely aware. Nevertheless, there remains considerable scope for this sector to make a greater contribution to economic development through the provision of a high-quality, environment-friendly product, and this is what most Pacific islands are aiming to achieve in the future. ○

A.B. & S.H.



*'Most of the island governments are keen to see some expansion of their tourist sectors'
This is the Visitors' Bureau in Tonga*

The South Pacific Regional Environment Programme

Reconciling a fragile environment with economic development

by Wesley WARD (*)

The Pacific is a truly unique region. A vast ocean covering nearly one third of the world's surface holds some of the most unusual and fragile ecosystems on this earth. And they are constantly under threat from man and nature. With tiny islands scattered over the region, many plants and animals have evolved in isolation, resulting in a high degree of endemism among many of the region's species — they are only found in small isolated pockets of reef or land habitats.

The indigenous peoples of the region — Melanesians, Polynesians and Micronesians — lived in isolation for thousands of years, developing sustainable ways of living in these fragile island environments, often encouraging this species diversity through traditional conservation practices.

However, the arrival of European colonists in the 19th century changed the way that islanders lived with their environment. Slash-and-burn mixed subsistence agriculture gave way to plantation monoculture, often leading to serious land degradation and excessive use of fertilisers and pesticides. Forests have been cut down by foreign and local logging companies, and seas and lagoons overfished to provide export income. Islanders want a higher standard of living — education for their children, food of adequate quality and quantity, and access to modern medicine. They are using their natural resources to gain these standards, often to the detriment of their fragile islands.

The South Pacific Regional Environment Programme (SPREP) aims to help regional governments and Pacific islanders reconcile the need to protect the Pacific environment with the desire for economic development and better living standards. It does this by encouraging sustainable development that will also manage the environment.

What is SPREP?

SPREP is based in Apia, Western Samoa, and operates on behalf of 22 Pacific island governments and administrations. It is supported by four other countries — Australia, France, New Zealand and the United States of America.

SPREP is recognised regionally and worldwide as *the* environmental programme for South Pacific countries. It helps island countries protect and improve their shared environment, and to manage resources, so improving the way of life for now and the future.

The South Pacific Commission (SPC) started the programme in 1974 with a project on 'Conservation of Nature'. In 1975, SPC and UNEP (the United Nations Environment Programme) formed a larger programme for environmental management. By 1978, support also came from the Forum Secretariat (then

SPEC) and ESCAP (Economic and Social Commission for Asia and the Pacific). The South Pacific Forum, the political association of South Pacific countries, accepted the need for SPREP. So it was born in 1978 and based in Noumea, New Caledonia. In 1982, the regional Conference of the Human Environment in the South Pacific produced SPREP's first Action Plan for Managing the South Pacific Environment.

In 1986, it was decided that member governments should be more active in setting priorities for, and in managing, SPREP. In 1990, calls were made for SPREP to become an autonomous programme. The Action Plan was revised and, in January 1992, SPREP moved to Apia, Western Samoa, as part of its new independence.

What does SPREP do?

According to its action plan, SPREP's roles are to:

- assess the Pacific environment, especially where humans influence fragile ecosystems, and the effects of humans on their own environment;
- improve national and regional capabilities, links and funding to carry out the 1991-95 Action Plan;
- provide integrated legal, planning and management methods to protect and use natural resources in an ecologically sound way;
- provide more training, education and public awareness for improving the environment;
- encourage development that maintains or improves the environment;
- protect land and sea ecosystems, and those inhabitants in them which need special help;
- reduce pollution in land, fresh and sea water, and air; and
- use Environmental Impact Studies and other methods to stop or lessen the effects of humans on the environment.

SPREP coordinates national and regional efforts to protect the environment, encourages research and non-governmental organisations to help in these efforts, and is a regional 'clearing house' for environmental information used in these efforts.

SPREP in action

SPREP's work falls into a number of programme areas, with professional officers responsible for efforts to:

- conserve biological diversity,
- coordinate efforts in fighting global warming,
- plan and manage the human environment,
- plan and manage coastal ecosystems,
- prevent and manage pollution,
- plan for and respond to pollution emergencies,
- train in and improve environmental education,
- gather and disseminate information on the Pacific and global environment, and
- advise on current regional environmental problems.

(*) Information and Publications Officer, South Pacific Regional Environment Programme.

SPREP works closely with regional universities and other research and training institutions. These carry out studies on behalf of SPREP and Pacific island governments. In 1986, these institutions, which included the University of the South Pacific, University of Papua New Guinea, University of Technology (PNG) and University of Guam, formed the Association of South Pacific Environmental Institutions (ASPEI) to coordinate activities with SPREP.

SPREP and the Earth Summit

As seen in the Action Plan, SPREP is responsible for assessing current common environmental problems around the region. The Earth Summit addressed environmental concerns around the globe, and the SPREP member governments decided that a regional approach was appropriate to display the unique Pacific concerns.

As the environmental organisation for the region, SPREP was called on to coordinate input into and attendance in Rio for the Summit. After a series of workshops, two important documents were produced:

- *The Pacific Way*, which addresses the general environmental and development concerns of the Pacific region; and
- *Environment and Development: A Pacific Perspective*, which outlines the state of the environment and development, and specific national concerns, for fourteen Pacific island countries, and then provides a regional synopsis on the environment and development, and some regional common goals.

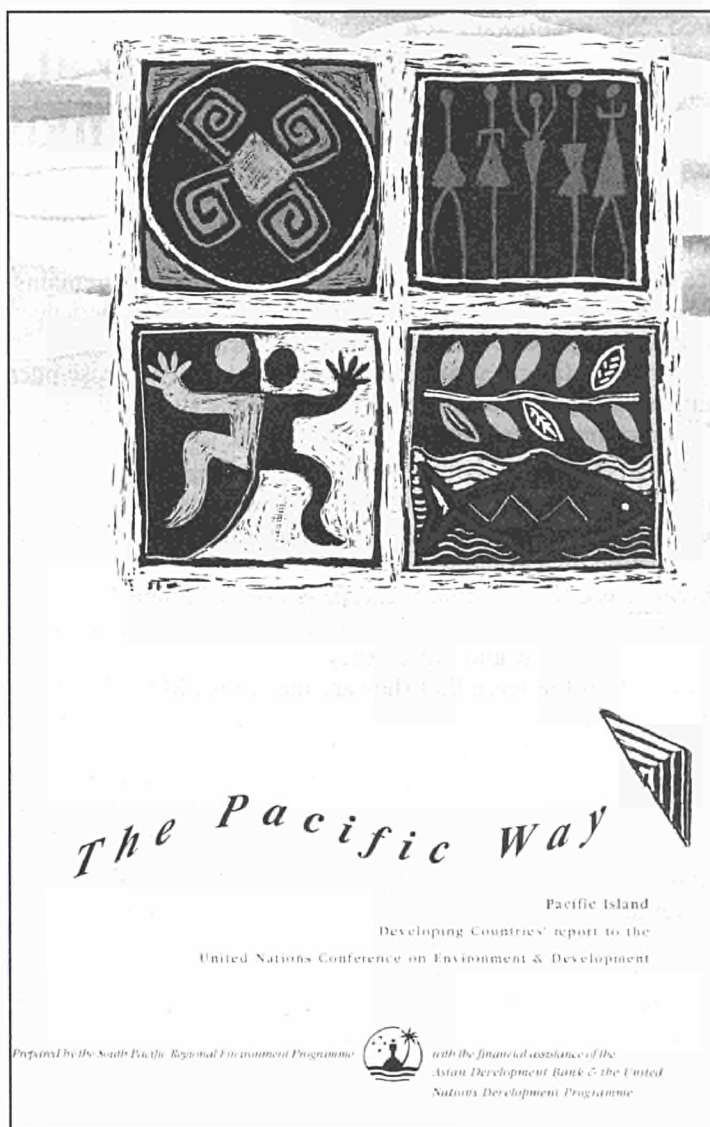
These publications, with an associated video, were used to highlight the unique concerns of Pacific island countries: relatively tiny landmasses; vast, relatively unexplored ocean resources; heavy reliance on fragile coastal ecosystems for fishing, agriculture, mining and tourism; rapidly growing populations; and few accessible resources for earning export income.

These unique problems were highlighted at preparatory negotiations for the various conventions and at the Earth Summit itself, to developed countries and other developing regions alike. Small island nations from other developing regions, particularly the Caribbean and the Indian and Atlantic Oceans, found common ground with the Pacific countries, particularly in mutual concerns for the effects of global warming and sea level rise on their fragile environments and economies. On the basis of this mutual interest, they formed the Alliance of Small Island States (AOSIS), which became an important voting bloc in subsequent negotiations for the Climate Change Convention.

SPREP officers were present at most negotiations prior to the Summit: for the Climate Change Convention, the Biodiversity Convention, and 'Agenda 21' (which outlined the strategies to obtain sustainable global development into the 21st century). SPREP organised Pacific island participation at these negotiations, and provided a common focus for ensuring that other 'interest' groups were faced with a united and coordinated group from the Pacific.

The aftermath of Rio

Most countries saw the Earth Summit as a qualified success for the Pacific region. Some important issues, such as the vast and controversial problem of rapid population growth in



SPREP prepared this Report on behalf of the Pacific island developing countries for the recent UN Conference on Environment and Development ('Earth Summit')

developing countries, were not even addressed. However, one important success at the Summit was in the recognition of the unique developmental and environmental problems of small island states. This was shown by specific references to the special status of small island states in the Conventions and in Agenda 21.

It will now be up to national governments, intergovernmental agencies and donors to address the important issues from the Summit, and to develop policies and procedures to encourage sustainable development into the next century. SPREP's work in this is only beginning: immediate actions include a regional meeting of member governments finding common regional problems that can be addressed in the light of the Conventions and Agenda 21, ensuring the SPREP Action Plan includes these problems, and discussing the guidelines for the use of the extra funding that will flow from the agreements signed at the Summit.○

W.W.

Coping with Val, Zelda and Arthur: the Pacific's most unwanted guests

The tradition of using female names to identify tropical storms has been adapted somewhat in recent years. Male names are now acceptable as well, but the basic incongruity remains. To an outsider who is fortunate enough not to have experienced a Pacific cyclone (or Caribbean hurricane), the familiar appellation may give a false impression, but the Pacific islander knows only too well that when Cyclone Jane strikes his home, the outcome is likely to be calamitous.

The tropical storms of the Pacific (which have a 'season' of six months, beginning in November) are responsible for a great deal of hardship and human misery. They can bring death and destruction on a grand scale and they represent an ever-present threat to economic stability and progress. Although they are a 'variable' in the development equation, to the extent that no one can be sure when and where they will strike, they are also a 'constant' in the sense that they are inevitable. Man, for all his technological achievements, has not yet succeeded in controlling the climate and, until he can, Pacific cyclones will continue to happen, and the people who live in the region will continue to suffer.

The early stages of the 1991-92 cyclone season brought more than the usual share of misery to the Pacific islanders. In mid-November, Cyclone *Tia* caused damage in Kiribati, the Solomon Islands and Vanuatu. Two weeks later, the Marshall Islands were the victims of *Zelda's* fierce winds. In December, *Val* struck both Western and American Samoa, destroying homes and public buildings, and causing serious damage to infrastructure. Almost simultaneously, *Wasu* was progressing across the Cook and Society Islands to Tahiti and beyond. The destructive force of *Arthur* (the fifth Pacific cyclone in a month) was largely expended over uninhabited areas.

Further tropical storms in the early months of 1992 have added to the trail of damage, with New Caledonia, Wallis and Futuna, and Vanuatu suffering particularly badly.

The apparent increase in the frequency of these storms has led to speculation about the possible influence of the greenhouse effect. In an average year, the Pacific region might expect to suffer six to eight cyclones (not all of which will cause serious damage). When five strike in quick succession (indeed, overlapping), this suggests a significant departure from the

norm. However, there is also a recognised phenomenon, known as the *El Nino event*, which is linked to warmer than usual water temperatures in the eastern part of the Pacific. This 'natural' occurrence is known to alter weather patterns and is considered by experts to be the more likely explanation for the recent increase in the number of severe storms experienced by the region.

Whatever the causes, the uncomfortable truth is that there is nothing that can be done in practice to prevent cyclones occurring. Even if the greenhouse effect is partially to blame, humankind is still a long way from tackling the root causes of this, far less reversing the process.

This is not to say that man is completely impotent when faced with the violent forces of nature. Improved meteorological information, with satellite tracking of Pacific storms, means that in the modern age, advance warning about the approach of cyclones can usually be given. The information is by no means perfect, however, as the forces involved are still not fully understood and tropical storms often change direction in an unpredictable fashion.

The organisation with the task of alerting countries of the South Pacific to storm threats is the Tropical Cyclone Warning Centre (TCWC) based in Nadi, Fiji. The bulk of the information it receives is supplied by two satellites — a Japanese-owned one which sits in geostationary orbit above Papua New-Guinea and an American one which covers Polynesia and the eastern Pacific region. Coverage provided by the latter, however, is less than comprehensive since it is 'filling in' for another satellite which malfunctioned. As a result, it is required to scan a huge area, stretching as far as the Atlantic Ocean. The effect of this is that current information about meteorological activity in large areas of the eastern Pacific is often sketchy and sometimes not available at all. A new satellite is planned but, pending its launch, there remains an increased risk that a cyclone will form unnoticed in the eastern part of the ocean.

Despite the fact that this 'gap' has appeared in satellite coverage the TCWC has succeeded in providing an efficient service to the people of the South Pacific islands in the recent, difficult cyclone season. Special bulletins keep the people of the various island communities up to date with the progress of the storms which are being tracked. Where the threat is serious, the islanders are able to take shelter. Protecting one's property may not be so easy but even here, with sufficient notice, it may be possible to take steps to minimise damage and preserve important equipment.

In development terms, damage caused by cyclones — or indeed by any other natural phenomenon — is a source of particular frustration. Development failures resulting from human error can hopefully be avoided in future, but when the destruction is wrought by a strong wind, one can do little but pick up the pieces, in the knowledge that sooner or later another cyclone will come along. Of course, the people of the Pacific have been 'picking up the pieces' for a long time but this does not make the misery and discomfort any easier to bear. ○ S.H.

Cyclones — 'an ever-present threat to economic stability and progress'



The University of the South Pacific^(*)

Providing higher education in today's changing society is challenging enough; providing it in a regional context, catering to the needs of 12 countries with different levels of development, and mediating among competing demands in a situation of static resources is exceptionally challenging. However, a recent World Bank study has concluded that the University of the South Pacific (USP) has excelled as a unique regional university providing cost-effective, relevant, and internationally recognised higher education to its member states. Reaching this level of development has not been without problems and the University is aware of the need to position itself strongly to enable it to become even better. It is in a strong position to do this.

This paper describes the complexities of the context in which the university operates, outlines its main features, identifies its main problems and discusses some of the major initiatives currently under way.

USP member countries vary in land size, geography and resource endowment from the fragile coral atolls of Kiribati and the northern Cook Islands to the larger volcanic islands of Fiji and the Solomons. With the exception of Nauru, the USP member states have agriculture-based economies with per capita incomes ranging from AS 150 (ECU 81) to AS 2500 (ECU 1350). Population sizes vary from 1600 in Tokelau to 715 000 in Fiji. The total population for the USP region is 1.5 million. It is characterised by a high natural growth rate and is predominantly youthful. Furthermore, the region is loosely aligned into cultural groupings with Polynesia comprising Samoa, Tonga, Cook Islands and Tokelau; Micronesia encompassing Kiribati, Tuvalu and Micronesia itself while Vanuatu, Solomon Islands and Fiji are in the Melanesian group. The region's isolation from the main centres of learning has implications both for the University's development and for regional expectations of it.

These are the geographic parameters within which the University of the South Pacific operates. These parameters very much determine the University's development through its responsiveness to the peculiar situations and problems of its member states.

^(*) Article provided by the University of the South Pacific.

Historical dimension

The historical development of higher education adds a further dimension. Contemporary needs and current systems of education are largely the product of missionary and colonial influences. For the first 100 years of higher education in the Pacific, theological colleges were the only real alternative to training in metropolitan universities. The focus moved to medical training in the early part of the 20th century, notably with the establishment of the Fiji School of Medicine. Agricultural colleges were the next to emerge, around the 1960s together with teacher training institutions aimed primarily at primary school teaching.

Throughout this period, and especially after World War II, studying in metropolitan universities was the other option available to Pacific islanders. This avenue was accessible only to a limited few, due mainly to the high costs involved.

The decolonisation of the Pacific region which began with the independence of Western Samoa in 1962 was accompanied by a new and strong desire within the region for expanded access to, and provision of more relevant higher education opportunities for Pacific islanders. In recognition of this need, it was decided in 1966 to explore the issue further and in 1968, the University of the South Pacific was established with its headquarters in Suva (Fiji). The establishment of other institutions of higher education in the region was to

follow, but it was not until the 1980s that a proliferation of national institutions began to emerge; for example, the National University of Samoa (1984), and the Solomon Islands College of Higher Education (1985). This focus at the national level was a response to national problems, but it poses an additional challenge for the University of the South Pacific.

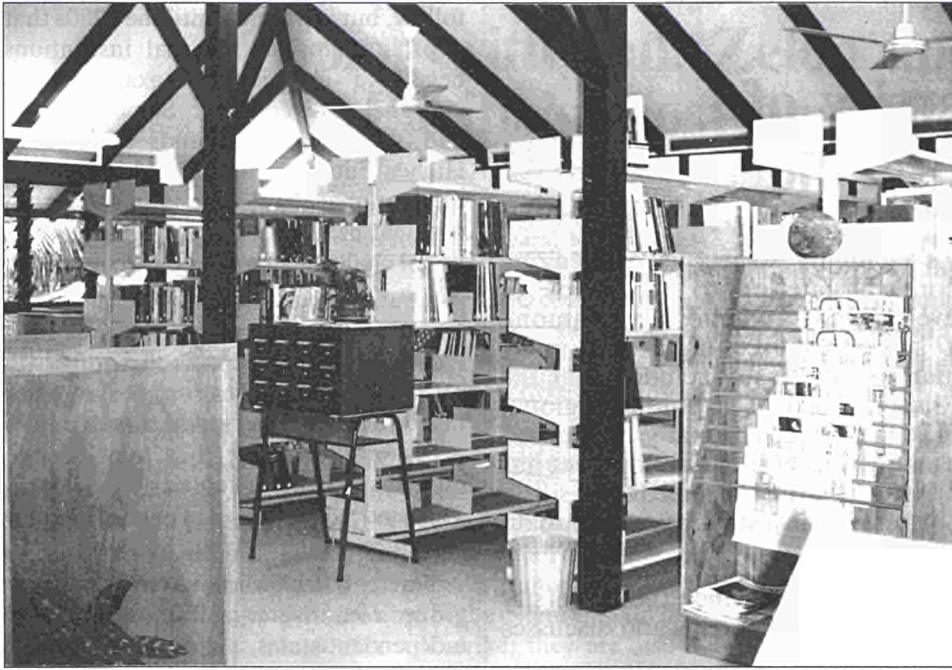
One of the most striking features of the Pacific island countries is their diversity so that higher education programmes that are responsive to the development needs of individual PICs may diverge quite markedly from country to country. This, indeed, is the challenge of higher education in the Pacific.

Whereas Pacific island countries as a group comprise a collection of small independent states, their needs and their ability to respond individually to these needs differ significantly. The establishment of a regional university was an attempt to provide a regional response to the training needs of the Pacific island countries, especially for programmes of a specialist nature framed round the unique circumstances obtaining in the Pacific.

In presenting his report for the 1991 academic year, the Vice-Chancellor



The USP has 'excelled as a unique regional university' according to a recent World Bank study. Pictured here are Sir Geoffrey Henry, Chancellor of the University (left) and the Vice Chancellor, Esekia Solofa



Library at the University Centre, Rarotonga, Cook Islands

stated that the work of the University, as in previous years, '... has continued to focus on the need for (it) to be truly responsive to the communities and the region it serves while developing itself as a centre of excellence in higher education. In doing so, the University, very much aware of the potential it has and its unique position in the region, has extended its services beyond the narrower confines of conventional teaching to offer itself as a major developmental resource base, and to undertake for itself a role in fostering a sense of regionalism'.

Programmes

The University offers degree programmes and courses through its four Schools — the School of Agriculture based at Alafua (Western Samoa) and the Schools of Humanities, Pure and Applied Sciences, and Social and Economic Development. It also offers University extension, via the distance mode. A new law programme, to be based at Port Vila (Vanuatu), is proposed for 1994. The Schools principally offer full degree programmes in their respective disciplines but they also offer degree credit courses at the Certificate and Diploma levels.

In addition, the University has a number of institutes which were established to respond quickly and effectively to member states' requests for assistance by capitalising on the expertise available in the various Schools.

Non-credit courses are offered through the University's Continuing Education Programme. These are coordinated at University Centres in the respective member countries. Communication with University Centres for academic programmes and administration is by high frequency radio transmitter and via satellite.

As of the last academic year, there were approximately 2700 students studying at the two campuses in Suva and Alafua with a further 6000 taking education and training courses through University Ex-

tension and Continuing Education Programmes.

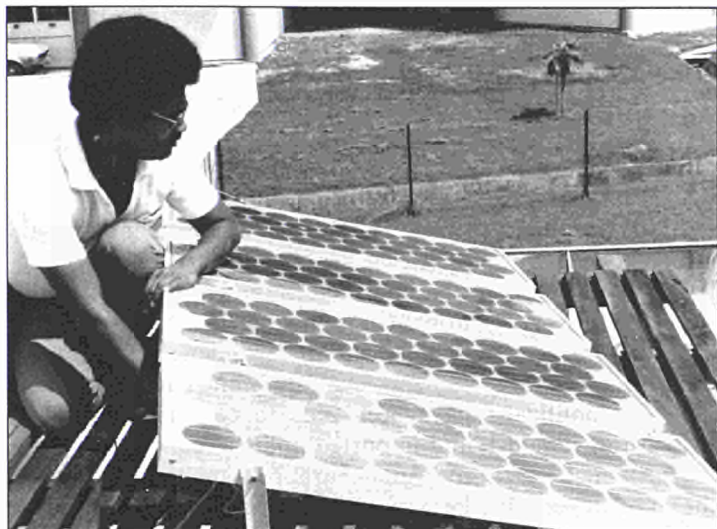
The University is an autonomous institution governed by its own Council comprising representatives of its member states, principal donor governments, regional organisations and institutions of higher learning, its Court of Convocation and staff and student representatives as well as coopted members from the region. The Pro-Chancellor of the University is Chairman of Council. Currently, this position is occupied by Mr Jeremiah Tabai, who is Secretary-General of the Forum Secretariat.

The Senate is the academic authority of the University responsible for teaching, consultancy, research and all academic matters. The Senate comprises senior academic staff with the Vice-Chancellor as Chairman. The current Vice-Chancellor, Mr Esekia Solofa, is the first regional candidate to assume the position since the University's establishment.

Initially, the University's recurrent expenditure was met largely by the Governments of Fiji and the United Kingdom with some assistance from the Governments of Australia and New Zealand. In 1971, the member states established a University Grants Committee (UGC) to advise them on the financial needs of the University over each successive triennium and to indicate the relative financial responsibilities of each member state. These recommendations are then put to regional Finance Ministers for approval.



Teaching a management course at the Institute of Social and Administrative Studies



A technician at the USP's energy unit, testing solar energy apparatus



Dr Kolai Helu Thaman, one of the USP's Pro Vice-Chancellors delivering a speech on women in higher education

The current funding formula divides the University Budget into a Regional Block Grant and a Special Grant to be met by member governments and contributions from aid sources.

Apart from sourcing funds for recurrent costs, the University must also secure funds for all activities and programmes which do not constitute part of its core programmes. Australia and New Zealand have been major contributors to staff development and training as well as to institutional development through their established programmes of assistance to the University.

Given the financial environment in which it operates, the University must continue to seek funds to supplement its development programmes.

External assessment

The University is conscious of the need for continued external assessment of its operations and responsiveness to the needs of member states and has encouraged and participated in a number of reviews and studies of its operations. At least four of these studies were completed in 1991 and these have already brought some changes to the general business of the University. They will no doubt influence the University's approach to its task in the future.

These studies reflect a strong interest in the work of the University as well as a concern for the quality and purpose of its mission. They augur well for a future already containing many challenges. Of course, the University cannot do it all on

its own and it is reassuring for the future to know that, in 1991, both member countries and USP's faithful traditional donor partners and international agencies have lent their support.

This is not to imply that the regional response is without its problems. One of the most obvious is the differing levels of preparation of students for post-secondary education, a fact highlighted by a recent World Bank study into this subject in the Pacific. To counter this, the University has, since its inception, offered courses at the Preliminary and Foundation years to prepare students for degree study.

That this Foundation year is to be withdrawn as of 1992-93 attests yet again to the challenges of the concept of regionalism as against the economic realities of this scheme for the major user. This emphasises even further, the need for a regional entry standard to higher education.

A problem endemic to the Pacific which is reflected in University enrolment and in the students graduating, is the bias towards the arts and humanities which in turn reflects the lack of a strong science background in Pacific Island education.

The University has attempted to redress this with its Science Education Programme under the auspices of its Institute of Education. Working in conjunction with other regional and international bodies, the programme provides advisory assistance and short-term training assistance to secondary school science teachers, targeting in particular, seventh form science and mathematics teachers.

Additionally, the University has secured external assistance to establish science laboratories at its various Centres to strengthen its science offerings through the distance mode.

The University recognises that attempts must also be made within the whole University machinery to make the delivery of its services more effective. The Centre for the Enhancement of Learning and Teaching (CELT) will continue to provide student support in the areas of mathematics and study skills in English as an acquired language as well as support the provision of quality teaching throughout the University. The planning and decision-making apparatus will be strengthened with the appointment of a planning officer and the institution of an integrated computer-based management system linking student, financial and management resources as well as linking the main campus with its regional centres. To counter the external soliciting of potential regional students, the University expects to undertake more progressive marketing of its services and resources within the region.

That there are problems cannot be denied; the University prefers to regard them as challenges. It is, therefore, gratifying to note a World Bank statement on the University. While acknowledging that there are difficulties, it also states that '... the USP stands out as something of an exception in that it has overcome management problems and secured the regional and donor support needed to sustain high quality operations'.

Political systems shaped by many influences

In seeking, within a single short article, to describe and analyse the political systems of countries in a reasonably well-defined region of the world such as the Pacific, it is important to recognise the pitfalls. The way in which a society organises itself, as manifested in its political institutions, is affected by a myriad of influences including social and cultural practices, economic circumstances, historical experiences and ethnic or linguistic factors. Even in the Europe of the Twelve, where the states have recognised a common interest in drawing closer together to create a new political order, there are major differences at national level which are reflected in the way power is distributed, in the institutions which have been created and in the voting behaviour of the different electorates. (1) Generalisations are, therefore, to be avoided.

Having said this, there is one very general statement about politics in the Pacific which might be permitted. To a greater or lesser degree, the characteristics of pluralism — the rule of law, freedom of conscience, free debate and the right to engage in political activity — are present throughout the region.

In this article, we look at the some of the influences referred to above which have helped to shape the governmental systems of the Pacific nations.

Historical background

One might normally expect the cultural context (which is discussed below) to be the decisive element in the definition of a political system. In other words, the decision-making structures created by

(1) For example, Germany's federal system involves a constitutionally entrenched division of powers, while under the UK's unitary system the concept of Parliamentary sovereignty means that power is concentrated at the centre. France diverges from most of the other Member States in having an executive presidency as well as a much more fluid party system. Belgian politics and structures are dominated by the linguistic division between French and Flemish speakers. In Ireland, for reasons which are largely historic, there is no clear 'left-right' split between the two principal parties. In Northern Ireland, the decisive political cleavage is — at least notionally — a religious one. In Spain, the UK and increasingly Italy, nationalist or regionalist parties are part of the political equation.

any organised group of human beings should, above all, reflect the cultural norms and values of the people within it. However, in a world where cultures are constantly coming into contact with each other, there is also going to be 'cross fertilisation'. A look at the political structures in the Pacific region would suggest that historical influences — notably deriving from the colonial period — have had a profound impact on the way in which the nations organise themselves.

This is hardly surprising. Across the world, states emerging from the decolonisation process were given constitutions drawn up largely by civil servants in the former metropolitan powers. Although there may have been local input in the negotiations leading to independence, this would often come from people whose own views had been influenced by the colonial experience. More practically, the colonial institutions would inevitably form the basis for the new order, at least in the initial stages.

What is interesting about the Pacific region is that most of the systems created as a result of the decolonisation process have survived without significant alter-

ation. The same certainly cannot be said of Africa. Despite the existence of long-standing indigenous cultures and traditions (in contrast to the Caribbean region, where independence constitutions have also persisted), the Pacific countries have been able to combine traditional and imported political concepts without too much trauma to their societies. Perhaps Europe and the Pacific have more in common than would seem at first sight!

The main external influence on the political systems of the Pacific is British in origin. The First World War resulted in the removal of what had been a significant German presence and, although the UK's own importance diminished during this century, Australia and New Zealand, whose own constitutions are modelled on Westminster, took on an increasing role. The other powers to have had an impact on Pacific governmental systems are France and the United States. The former, indeed, still has three dependencies in the region while the latter has various territorial interests including, of course, its most westerly state (Hawaii). US influence was enhanced by the decisive part its armed forces played in expelling Japanese forces from the region during the Second World War.

In practical terms, these external influences can be recognised in the governmental models which operate today. Aspects of the Westminster style of parliamentary government are to be found in many Pacific island countries. Papua-New Guinea, Solomon Islands and Tuvalu (as well as Cook Islands and Niue, which are in free association with New Zealand) are constitutional monarchies with Queen Elizabeth as head of state. Each has a cabinet system with a Prime Minister or Premier chosen by the legislature. Parliamentary governments with non-executive heads of state are also to be found in Vanuatu and Western Samoa while Tonga, which was never colonised (it had a treaty of friendship with the UK), is a constitutional monarchy on the British model, with the notable difference that the King retains considerable influence over policy. Fiji



*Shades of Westminster....
This is Tonga's Parliament on the
first day of the new session*



'Traditional social organisation on most Pacific islands centres round the village'

used to have a bicameral Parliament with Queen Elizabeth as head of state, but following the military coup of 1987 it adopted a republican constitution with a single legislative chamber. In most of the Pacific countries mentioned above, constituency-based electoral systems are operated. In some states, the style of political debate also appears to have been influenced by Westminster, with robust debate between 'government' and 'opposition' parties, although the party system as a whole is less entrenched, and personality politics are commensurately more important.

Elsewhere, the influences of other former metropolitan powers can be seen. In Nauru for example, which was a UN trust territory administered by Australia, it is obligatory to vote. Australia itself has compulsory voting. In the more northern islands which are or used to be under US administration, one finds the strict separation of government into three branches (executive, legislative and judicial), mirroring the US Constitution. The main territories in this category are the Marshall Islands, Northern Marianas, Federated States of Micronesia and Palau, which are all now in 'free association' with the USA, and American Samoa and Guam, which are classified as 'unincorporated territories'. The chief executive (President or Governor) is elected by popular vote in all of these except FSM and the political vocabulary commonly

includes terms such as 'Congress', 'Senate' and 'Supreme Court'.⁽²⁾

Kiribati has an interesting constitutional arrangement which appears to be an amalgam of the British and American systems. The country has an elected legislature which chooses the President from among its own membership. He, in turn, appoints ministers from among the elected members of the assembly. The President, who is thus head of both state and government, may serve a maximum of three four-year terms.

Cultural background

While it is clear that the fundamental structures of Pacific government owe much to outside influences, the significance of local inputs should not be underestimated. Before the colonial powers appeared on the scene, there were well established indigenous cultures and systems in many of the islands. Not surprisingly, given the distances between islands and the different origins — Melanesian, Polynesian and Micronesian — of the people concerned, there are as many cultural differences within the region as there are similarities but it is possible, in the context of an institutional analysis, to identify certain common features.

⁽²⁾ For the situation in the French Overseas Territories (territoires d'outre mer), see the article which follows by Sophie Chappellet and Stéphane Dubuis.

Traditional social organisation on most Pacific islands centres around the village. Despite urban drift, the majority of Pacific islanders still live in villages and various forms of communal land ownership are to be found in the region. In terms of indigenous institutional development, the village unit is, therefore, crucial and local chiefs play a prominent part in decision-making at the grassroots level. The way in which chiefs and village councils are chosen varies from one island to another. In some, positions of authority are 'earned' through merit and experience, while in others there is more social stratification, reflected in the existence of hereditary titles. Although some island states have complex hierarchies which have feudal overtones, the fact that traditional social organisation springs from the 'grassroots' makes for a high level of participation. The (political) role of women varies according to the island but generally speaking the systems are male-oriented.

In considering the significance of local cultural aspects for politics and government in the region, it is useful to draw a distinction between the 'municipal' and 'national' levels. It is in the former that indigenous systems have survived with least outside influence. In addition, it is worth emphasising that for many Pacific islanders engaged in a rural and subsistence lifestyle, the village chief and council remain far more meaningful than the authorities based in the national capital (which may be on a different island several hundred miles away).

Even at national level, however, traditional institutions have been given a role in many Pacific countries. Indeed, until very recently, 45 of the 47 members of Western Samoa's Legislative Assembly were chosen by the *matai* (clan heads). This was not as undemocratic as it appeared, since the *matai* were themselves chosen by the *aiga* (extended family). In 1990, this system was replaced by universal adult suffrage. In Tonga, the 33 nobles elect seven of their number to the Legislative Assembly with a further seven being chosen by the people. Also members of the Assembly are the Prime Minister and cabinet members appointed by the King. In Fiji, the new constitution expressly recognises the *Bose Levu Vakaturaga* (Great Council of the Chiefs) and confers considerable powers on it. Among other things, this body, which consists only of native Fijians, appoints

DOSSIER

the President of the country. Vanuatu has a National Council of Chiefs with responsibility for overseeing customary and traditional matters, while Cook Islands and Marshall Islands have similar bodies called, respectively, the *House of Ariki* and the *Iroij*.

Even in those countries which do not formally incorporate customary elements into their national constitutions, such as Papua New Guinea and Solomon Islands, it is important for elected politicians to nurture their village roots. Neglect of customary obligations and traditions is likely to be punished in the ballot box.

Ethnic factors

The influence of ethnic factors on the politics and political systems of countries is well-known. In extreme cases, it can lead to national disintegration. In the Pacific, one can identify two distinct categories of situation where ethnic divisions can impinge on politics and governmental systems.

The first is among the indigenous populations of the region itself. There are, of course, the three broad groupings — Melanesian, Polynesian and Micronesian — and the boundaries of the Pacific states do not all neatly encompass one or other of these categories. Thus, for example, the Solomon Islands and Fiji, whose indigenous inhabitants are predominantly Melanesian, have Polynesian minorities who constitute the majority on certain outlying islands (Rennell and Bellona in Solomon Islands, Rotuma in Fiji). This does not necessarily pose a problem, of course, (the current opposition leader in Solomon Islands is Polynesian) but it is noteworthy that the 'Rotuman question' comes up from time to time in Fiji and the representation of this minority is guaranteed under the Constitution.

At the time of the independence of the Gilbert and Ellice islands, the latter (Polynesian) seceded to form Tuvalu, leaving the former (Micronesian) to become the state of Kiribati.

In addition to possible tensions between the three 'big' categories of Pacific islanders, there is a multiplicity of subdivisions reflecting the fact that the people have lived for centuries in isolated village communities. Nowhere is this more striking than in PNG with its 700-800 languages. Inter-tribal conflict is a

factor in that country which clearly impinges on the political process.

It is generally accepted that the term 'Micronesian' is something of a 'catch-all' for the inhabitants of the northern Pacific islands. In fact, there is a great deal of diversity within this group and local affinities are of greater significance. This obviously has implications for the organisation of countries such as the Federated States of Micronesia.

The second category of ethnic division relates to the non-indigenous inhabitants. Fiji stands out in this regard, with a population which is evenly divided between Indians (many of Fijian nationality) and ethnic Fijians. It is also the Pacific country whose political system has been most influenced by the ethnic factor — at least since the 1987 coup. Fiji is one of only two countries in the world which constitutionally reserves certain major political offices (notably President and Prime Minister) to a specific ethnic group. Ethnic Fijians are also guaranteed a majority of the Parliamentary seats.

In the same category, ethnicity is an important factor in the dispute over the future of New Caledonia, with native Kanaks (Melanesian) tending to support independence and people of European origin seeking to maintain the link with France. In a territory where two groups are of roughly equal size, this poses particular difficulties and a permanent solution has yet to be found. In the meantime, the metropolitan power has successfully been able to put the problem 'on ice' through some imaginative (but temporary) constitutional reorganisation.

Language

Ethnic and linguistic factors are sometimes but not always related. In the Pacific, as in some other parts of the world, one of the arguably positive aspects of the colonial heritage is the use of European languages as a unifying factor in otherwise multilingual societies.

One possible exception to this is Vanuatu (formerly a Franco-British condominium) which is in the odd situation of having rival European languages — French and English. This rivalry is reflected in the party politics of the country. Bislama (Vanuatu Pidgin), which is defined in the constitution as the national language, is, however, the effective *lingua franca*.

It is interesting to note that in PNG, which has 109 parliamentary seats, each Member of Parliament has an average of seven local languages in his constituency!

Geography

Finally, there is the importance of geography, and in particular the distances which separate the islands of many Pacific nations. In a number of states, this has been recognised in the establishment of a provincial tier of government charged with the provision of services and, in some cases, with legislative competences. Few would dispute that 'subsidiarity', as the Europeans are increasingly calling it, is a necessary device to maintain 'unity in diversity', but it does pose problems when one considers the small populations that are involved and the levels of development, notably in outlying islands. To an outsider, the situation in the Solomon Islands, which has nine provincial governments for a total population not much larger than the average English county or French *département*, might suggest a degree of governmental 'overkill'. A similar conclusion could be drawn for PNG and Vanuatu with respectively 19 and 11 regional governments. However, it is difficult to see how decentralisation of this kind can be avoided in a region where the population is so widely dispersed, without undermining the political integrity of the states in question.

Democracy

It is clear from the above that there are many variables which have influenced the evolution of political institutions in the Pacific island countries. However, as indicated at the outset, they are all more or less characterised by a pluralistic approach and this has helped them to maintain an enviable level of stability in the post-colonial era. Most Pacific islanders are free to cast a vote at regular intervals and in so doing to influence or change the policies being implemented on their behalf. Although in some states the advantage may lie with particular ethnic or social groupings, overall the island societies seem comfortable with their democracies, and they have successfully avoided the kind of authoritarian rule which has afflicted other more crowded parts of the globe. Pacific politics may not always be completely peaceful but the islanders seem, by and large, to have arrived at a formula which works.○

Simon HORNER

The French territories of the Pacific

by Sophie CHAPPELLET (*) and Stéphane DUBUIS (**)

In addition to the eight ACP States, there are four further territories in the Pacific region which fall within the ambit of the Lomé system. These are the last remaining dependencies of European metropolitan powers in the area — French Polynesia, New Caledonia, Wallis & Futuna (all France) and tiny Pitcairn Island (UK).

In the following article, the authors describe the current political and economic situation in the two largest of these — French Polynesia and New Caledonia.

The French islands of the Pacific, with a total surface area of 24 000 km² scattered over several million km² of ocean, have a combined population of 360 000. They are overseas territories and comprise New Caledonia, French Polynesia and Wallis and Futuna.

Although the Marquesas were discovered by Mendana the Spaniard in 1595 and the Tuamotus by de Queiros in 1606, it was not until much later, in 1767, that Polynesia first entered the history books, when Captain Wallis set foot on Tahiti. Captain Cook discovered New Caledonia's Grande Terre in his search for the southern continent in 1774 and Dutch navigators discovered Futuna and Alofi, which they called the Hoorn Islands, much earlier, in 1616, while Samuel Wallis, the British circumnavigator, discovered the island to which he gave his name in 1717.

With the Fifth Republic came a special form of organisation for the overseas territories, one which catered for their own particular interests within the body of the French Republic. It was an arrangement vague enough to make a variety of specific systems possible and diversity is in fact the keynote of the way these territories are now organised.

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(**) Special assistant at the 'Mutuelle Assurance des Instituteurs de France'.

Three territories and three different statuses

French Polynesia's current status is the outcome of the Law of 6 September 1984. The move towards autonomy began in 1967 and led first to autonomous management in 1977 and then internal autonomy in 1984, which was amended by the Law of 12 July 1990. With the new arrangement, the French Polynesian authorities have broad powers and handle all matters which the law does not reserve for the State. The Council of Ministers is the Government of the territory. The President of the Government comes from a territorial assembly elected by direct universal suffrage and, since 1990, he has, on certain conditions, been authorised to represent the Republic in the regional organisations of the Pacific and to negotiate treaties on behalf of the State.

The constitutional situation in New Caledonia was unstable from 1957 to

1988 and no fewer than four different sets of arrangements were tried between 1984 and 1988. The object of the last of these, set up by the 'loi référendaire' of 9 November 1988 making statutory and preparatory provisions for New Caledonia's self determination in 1998, was to take account of the aspirations of the Kanak community and give it the means of expressing its particular characteristics. The Law thus defined the organisation of the territory for the period leading up to the vote on self determination scheduled for 1998. The territory was split into three provinces which are run, freely, by assemblies elected by direct universal suffrage and these three provincial assemblies form a territorial Congress. Executive power is vested in the State representative, assisted by an Advisory Committee consisting of the President and one of the Vice-Presidents of each of the three provincial assemblies and of the Congress. Custom, a fundamental of Melanesian society, is expressed through the traditional Advisory Committee of the representatives of the eight traditional areas.

The present status of Wallis and Futuna was fixed by the Law of 29 July 1961, which reproduces the system of overseas territories as it emerged from the framework Law of 1956. The territory is represented by a deputy and a senator in Parliament and by an adviser on the Economic and Social Committee. The head of the territory, the high administrator, represents the Government in the islands and chairs the territorial Council, which is made up of the three traditional leaders, the Kings of Wallis and Futuna, and three members appointed by the high administrator, with the agreement of the territorial assembly, a body of 25 members elected by universal suffrage.

Thanks to their special statuses, the Pacific territories have greater autonomy than the Republic's other territorial

Table 1: Demographic characteristics

	French Polynesia		New Caledonia	
Population	189 000 (1988)		164 000 (1989)	
Growth rate	2.5%		2%	
Ethnic make-up	Polynesians	66.3%	Melanesians	44.8%
	Mixed race	16.4%	Europeans	33.6%
	Europeans	10.5%	Wallisians	8.6%
	Chinese	4.0%		

communities. The only powers left to the State are the traditional ones over money, defence, public order, justice and so on and French laws only apply where specifically mentioned and then only after the local assemblies have been consulted.

The French Pacific territories are also different demographically, all three of them having a very young population which is expanding particularly fast.

Common demographic features

At the most recent census (1988), French Polynesia had a population of 188 814, compared with the 166 753 in 1983. The increase can no longer be put down to migratory movements which were responsible for the present racial mix — 66.3% Polynesian, 16.4% mixed race, 10.5% European and 4% Chinese. It has all been caused by the natural growth rate which amounts to roughly 2.5% *per annum*. With a birth rate of close to 30‰ and a death rate of less than 6‰, the islands have a population explosion on their hands.

The trend in New Caledonia, with 164 173 people in 1989, is much the same. Although declining, the birth rate is still high (24‰) and the natural growth rate is about 2% annually. 44% of the population is under 20. The proportion of the population which is Melanesian is rising steadily due to a higher birth rate. In 1988, they made up 44.8% of the total with Europeans at 33.6% and Wallisians 8.6%. One particular feature is that the ethnic spread is very uneven — the South Province has a majority of inhabitants of European origin and the North and Island provinces have a majority of Melanesians.

The growth rate in Wallis and Futuna is lower. The October 1990 census put the islands' population at 13 705, about 9000 of them on Wallis and 4700 on Futuna, a natural annual increase of 1.4% since the 1983 census. There is also a large Wallisian community in New Caledonia (14 184 in 1989), many of them encouraged to move there by the development of the nickel industry, which began in the 1960s. The population dynamics and the youth of the people of the French Pacific islands are already proving a considerable challenge in terms of training and employment. The gradual disappearance of traditional farming, the difficulty of developing industry in a highly competitive international environ-

ment and the saturation of the public sector mean that absorbing much labour is a problem. But unemployment rates are still fairly low (9% in New Caledonia and 8% in French Polynesia) because, for cultural and geographical reasons, many people do not actively look for work and cannot therefore be considered as unemployed according to the ILO definition. Youngsters are the first to be affected — under-30s make up 76% of the unemployed in New Caledonia and 65% in French Polynesia — and only one in five jobless has any sort of qualification. The authorities, aware of the urgency and importance of the issue, have made education and training a priority.

Production still limited

Despite the many instruments to support investment and industrial promotion (the Law on tax withdrawal etc.), industry and production in New Caledonia and French Polynesia are still underdeveloped with little diversification.

The New Caledonian economy has long been dominated by the nickel industry, which began developing in 1960 to the detriment of the traditional farming and herding. Only a few nickel mining companies are still in business, but 23% of GDP still comes from mining and metallurgy, by far the most dynamic sector and one reaping the benefit of the rise in commodity prices which began in 1988. The tertiary sector is also very strong, with trade, in particular, accounting for 21% of GDP. Industrial activity, at 16.2% of GDP, is on a modest scale and most of this is undertaken by small and medium-sized businesses and industries. The bulk of these (35%) are construction firms, followed by companies engaged in food and agriculture (26%). Two thirds of these firms have fewer than 10 people on their payroll and they are geared mainly to the local market. Building and public works is the second biggest sector of production, with more than 6500 employees in late 1991.

The Polynesian economy reflects the general geographical constraints (scattered islands, tiny amounts of land etc.), which are a major handicap to development. As in New Caledonia, production was, for a long time, confined to traditional activities but the siting of the Pacific Experimental Centre there in 1963 heralded the change to a modern economy. The way the population is

spread over the different sectors is a good illustration of the present structure of the economy — of an active population of an estimated 64 000 (1988 census), 45 000 are employed in the tertiary sector, 11 500 in the secondary sector and 7500 in the primary sector. The tertiary sector is expanding, with non-commercial services (29.2% of total value added) now preponderant. Trade (21.1% of GDP) is the third biggest sector of the economy, while industry remains small, with only 7.2%, half the New Caledonian figure. The territory's industry is mainly represented by small craft firms with fewer than 10 staff, most of them in manufacturing (61%) or food and agriculture (30%). Building and public works have lost ground — accounting for only 6.1% of GDP in 1990, as compared with 12% in 1985. The sector remains very dependent on the weather (cyclones) and on public contracts.

Traditional occupations form the basis of the economy of Wallis and Futuna. The main activities are growing fruit and food crops and copra, with home consumption accounting for the bulk of the output. Fishing, with which the authorities are making a particular effort, cannot yet meet local demand.

These Pacific overseas territories have maintained close links with metropolitan France and their privileged relations with it are apparent in both economic and financial affairs.

Severe trade imbalances

There is a structural imbalance in French Polynesia's trade dictated by the features of the economy, with imports averaging ECU 700m and exports down at ECU 100m or so at best (1991). Exports, in fact, have managed to cover only 6% to 14% of imports over the past six years. The main exports are copra oil, shells (for mother-of-pearl), vanilla and fruit, but cultured pearls have come to the fore recently and now account for 85% of the territory's export earnings.

New Caledonia's trade position is much more balanced although there has been a deterioration since 1989. Imports, which were worth ECU 700m in 1990, had risen considerably in 1989 because of all the finance ploughed into the territory. Trends in export values have a lot to do with the fluctuating price of nickel, which makes up 90% of exports. In 1988, for example, high world prices generated a

considerable amount of revenue, leading to the first positive trade balance since 1979. Exports covered imports by 103% that year. This performance has not been repeated, however, and dwindling prices had reduced export coverage to 53% by 1990. Other exports, primarily coffee, copra and fisheries products, remain very marginal.

Geographically speaking, the two territories' external trade is geared to Europe, with France very much to the fore as both the main supplier and the main customer. Trade with other countries in the region is minimal, largely because of the currency exchange risks and the fact that the economies are not complementary.

Wallis and Futuna's (negligible) export trade revolves around shells for Italy. It imports mainly from New Zealand, Fiji and New Caledonia.

Hefty public transfers

The Matignon agreements of June 1988 are behind the large flow of finance into New Caledonia. The State and each of the territory's three provinces signed development contracts for 1990-92, providing for an ECU 107m financial contribution from the State. Special agreements complete the arrangements. The State channelled a total of ECU 371m into New Caledonia in 1991 and ECU 385m has been earmarked for 1992, with the biggest allocations for education and training.

Over and above the grants which the State makes via its contractual policy and the various ministries, there are EEC contributions from the European Development Fund — ECU 7.8m under the 6th EDF and ECU 12.4m under the 7th.

France has channelled similar amounts into French Polynesia (ECU 396m in 1991 and ECU 384m earmarked for 1992) and, here too, the Ministry of Education is the biggest contributor, with almost 47% of the total. The State-Territory Planning Contract signed in January 1990 committed the State to providing ECU 73m and there are various programmes and operations on top of this, in particular to do with low-cost housing and the building of a fishing base, plus schemes provided for under associated agreements.

There is a considerable amount of EEC assistance too — an ECU 8.2m grant from the 6th EDF and ECU 13m from the 7th.

Development potential

Despite their limited potential, French Polynesia and New Caledonia do have assets which could be the basis for economic development of a more independent kind.

French Polynesia has to diversify now that the tourist trade, long the driving force of the economy, is on the wane, with far fewer visitors arriving. In 1991, 121 000 holiday-makers came to the islands, but it would actually take 300 000 to balance the external accounts, so it is vital to come up with a tourist policy which is more in line with demand. World demand for pearls, an increasingly important part of the economy, is expanding, but the industry must be careful about the way it develops, to avoid pearl farms mushrooming uncontrollably with no reference to general profitability or concern for environmental protection. If this activity is to last, the quality of the pearls going onto the market must be kept up. Not enough is made of the resources of the territory's vast EEZ and fishing is still too marginal an activity, so a major development scheme would be useful in this sector too.

In New Caledonia, mineral resources will be the main source of wealth for some time to come and, encouraged by the prospect of an increase in world demand, the miners have made major investments in the industry over the past year or two. There is also sound potential in the as yet underdeveloped tourist sector, but boosting the holiday trade means improving

both the quantity and the quality of the hotel infrastructure and having an active promotion policy. Fish farming is attracting a good deal of attention these days and several years of research have built up a sound knowledge of the climatic environment and brought biotechnological processes under control. The output of the shrimp farms is very encouraging and this particular activity now represents a decent source of income for the territory. Livestock has also been developed a lot, with local production now being substituted for imports.

In Wallis and Futuna, micro-economic priorities are to develop and rationalise local production (farming, fishing and craft) and the macro-economic ones to open up the territory and get it better integrated into the regional economy, in particular by improving air and sea links — which could help the tourist trade.

All these territories have embarked on a new phase of development since the 1980s and social and economic demands are such that structures have to be adapted and activities diversified. The development of regional cooperation, backed by metropolitan France and the EEC, is an interesting way forward in that it enables the overseas territories to export their firms' know-how, but it does mean making a considerable effort with both basic and vocational training and with occupational integration. This is the biggest challenge these territories have to face in the closing decade of the century. ○ S.C. & S.D.

Pitcairn Islands

It used to be said that 'the sun never sets on the British Empire'. Surprisingly, a look at the geographical location of the UK's few remaining non-metropolitan territories suggests that this may still be true, but Pitcairn obviously plays a key role in maintaining this dubious distinction. The only remaining British territory in the Pacific, Pitcairn is in one of the most isolated spots on the planet. Its population is 'about 58' — mainly descendants of the Bounty mutineers who, under the leadership of Fletcher Christian, settled there in 1790. (Over half of the 'local' inhabitants bear the surname

'Christian'). The main island has a number of uninhabited dependencies.

Postage stamps make a significant contribution to the Island's revenue. In addition to subsistence economic activity, the islanders supplement their income through sales of artefacts and curios to passing ships. There has also been some income from the sale of fishing licences (to Japanese vessels).

The population of Pitcairn has been in decline for some time, owing to emigration. One can only speculate whether future generations of Pitcairn Islanders will be in a position to watch the rising and setting of the sun from their remote Pacific outpost.

Tuning into the global village — the media

by Anjalika BHASKAR (*)

In the island mini-states and dependent territories that dot the South Pacific, the lack of a developed infrastructure, the legacy of the colonial era and the absence in many instances of a viable national market have greatly hindered the growth of an independent media. Thus, the development of the press, radio and television has been slow.

Radio — the vital link

Of the three, it is radio which has the maximum reach in the region. The transformation of communications brought about by radio, which took place in the 1920s in developed western countries, did not reach the Pacific until the late 1940s. Western Samoa was one of the first Pacific countries to begin radio operations in 1948. Since then, the immense distances between remote islands have gradually been bridged — at least over the air waves — with listeners tuning in to both local and foreign stations.

In the Pacific, local radio broadcasting is largely controlled by state corporations although in New Caledonia, an independent Kanak radio station challenges the state network in providing a service which caters to the nationalist viewpoint.

Clearly, the media in the Pacific today, as elsewhere, is a key to understanding and imparting knowledge. It is increasingly recognised that an open and democratic media, reflecting a diversity of opinion, is a precondition of democratic society and an integral part of national development. In the wrong hands, by contrast, the power of the media can be wielded to deaden people's awareness of the issues and realities.

In general, the Pacific countries have been fortunate. Despite the practical constraints which limit media diversity, and, in

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some places, cultural norms which inhibit criticism of traditional leaders, press and broadcasting services are normally able to provide reasonably free debate.

Obviously, media freedoms in any country may be susceptible to pressure, particularly where the networks are owned or controlled by the state, or where they are too weak to withstand long-term conflict with the government. In Fiji, following the 1987 coup, it was said that news reports were halted, journals closed and the work of foreign journalists controlled. The Fiji Constitution which was subsequently adopted guarantees freedom of expression. At the same time, Article 13(2) appears to set certain limits. Laws designed to protect 'the reputation, dignity and esteem of institutions and values of the Fijian people, in particular the (Great Council of Chiefs) and the traditional Fijian system and titles, or the reputation, dignity and esteem of institutions and values of other races in Fiji ...', are deemed to be consistent with the Constitution. This might suggest that the constitutionally guaranteed freedom of expression does not necessarily extend to criticism of the establishment!

In PNG, under the 'Media Bill', all news organisations require a licence to operate which is valid for a period of six months, renewable at the discretion of the media tribunal.

Clearly, in a situation where the freedom of the press and broadcasters is not absolute, the journalist is under pressure to engage in 'self-censorship' where controversial issues are involved. However, social change and urbanisation coupled with at least the partial adoption of western models of government has led to the erosion of certain cultural traditions. Thus, while most Pacific societies function according to a clearly defined hierarchical community structure and, in some at least, open criticism or public questioning of high ranking leaders is still viewed with some disapproval, the journalistic environment (from what is admittedly a Western viewpoint) is improving.

The press — a limited reach

More than 90% of the total circulation of newspapers in the South Pacific island states is estimated to be effectively under the control of media giants such as Rupert Murdoch and Robert Hersant. The Murdoch organisation controls the major daily in Port Moresby, the *Post Courier* as well as the *Fiji Times* (the only English language daily to survive the coup) and the *Pacific Island Monthly*. In the vanguard of independent publications is the *Times of PNG*. Newspapers in other Pacific nations include the *Solomon Star*, the *Solomon Toktok*, the *Samoa Times* and the *Samoa Observer*. Government newsheets include the *Vanuatu Weekly* and the *Cook Islands News*.

One of the most dynamic of the independent newsheets in the region is the controversial 'Kele'a' in Tonga. This is edited by opposition politicians A. Polriva and V. Fukofuka. Polriva was dismissed from Parliament in 1988 following his exposé of alleged corruption and his criticism of the 'excesses' of the feudal system, on a radio programme.

There is considerable church involvement in the ownership of local newspapers and local vernacular languages are widely used.

In most of the island states, there is an absence of competition in the press. It is also the case that newspapers are more likely to reflect the views of the Government. Additionally, the potential of the various mass media has not yet been fully exploited.



Further utilisation of the media to disseminate information on education, agriculture, the economy and political aspects is needed. As most of the eight ACPs (and three OCTs) have an agriculture-based economy, the media can be used effectively to explain new methodologies.

The presence of the big four international news agencies — Reuters, AFP, UPI and AP in the Pacific region is geared primarily to their northern hemisphere markets in Europe and the United States. Their coverage of the Pacific from offices in Sydney, relying on a network of stringers, is very similar to their approach elsewhere in the developing world. There is a view in the Pacific that this coverage is based on what they perceive the developed world wants to know, and all too often on northern 'prejudices' about what the developing world is like. Part of their news output is fed to countries such as Fiji and PNG after being edited in Australia. Often, the stories produced in Pacific newspapers are exactly as they were written for readers on the other side of the world.

The linkage between mass communications and development seems to have been established during the period of colonial rule. Both the technology of the mass media and the modernisation of equipment are clearly products of western industrialisation.

According to McLuhan, 'Humanity is living in a *global village* created by electronic interdependence'. In his view, the electronic media has brought all social establishments into an organic mutual interdependence. Certainly, amongst the numerous island states in the Pacific, this development has bound them more closely together.

Television — a growing medium

Television in the region is still in its infancy. With the exception of Fiji, PNG and some of the French territories, broadcasting facilities are rudimentary. In PNG, EMTV is the only local station available. 70% of its shares, however, are held by Bond Media of Australia with the remainder owned by local interests. By contrast, in the Kingdom of Tonga, the local TV station is owned by a family company. The programmes broadcast are mostly pre-recorded from TV stations in the United States, with hardly any local or live items. Even on islands with no television service, however, video-viewing is gaining popularity, thereby creating a new market.

The staple diet for the TV audience in the Pacific is the American soap opera and there is some unease over the fact that the heritage and rich culture of the region is not reflected in the output. This is probably due to the current lack of infrastructure and training programmes for local producers. However, it is also heartening to discover that there are various cultural and traditional forums and societies which are involved in the preservation of the heritage. In October 1992, the Festival of Pacific Arts will be held in Rarotonga, Cook Islands. There is also the recent participation of the Pacific countries in Expo-92 in Seville which has helped to promote Pacific culture more widely (notwithstanding the fire which severely damaged the South Pacific regional pavilion).

Assistance by the EC in the 'Singing Tumbuan' project for the PNG national museum is a step in the right direction — towards the promotion of culture through the medium of film.

The media in the Pacific ACP Countries

Country/ capital	Press	Radio	Television
<i>Fiji/Suva</i>	Fiji Times Shanti Dutt Nai' Lalakai Island Business Daily Post	3 stations Radio Fiji 1-3	Local station began broad- casting recently
<i>Solomon Islands/ Honiara</i>	Solomon Star Solomon Toktok	Solomon Is. Broadcasting Corporation	Not as yet
<i>Western Samoa/ Apia</i>	Samoa Times Samoa Observer Savali	Voice of Western Samoa (2AP)	No local TV but US station can be received
<i>Vanuatu/ Port Vila</i>	Vanuatu Weekly, in 3 languages	Radio Vanuatu	No local station
<i>Tonga/ Nuku'alofa</i>	Chronicle Matangi Tonga Ko'e Kele'a Tonga Today	Tonga Broad- casting Commission (A3Z — known as 'Call of the Friendly Is- lands')	Available only to members of private club
<i>Kiribati/ Tarawa</i>	Te Uekera pub- lished by the Broadcasting and Publi- cations Authority	Radio Kiribati owned by BPA	No local station
<i>Tuvalu/ Funafuti</i>	Tuvalu Echoes Sikuleo o Tuvalu	Radio Tuvalu	No local station
<i>Papua New Guinea/ Port Moresby</i>	Post Courier Times of PNG PNG Business Times Wantok	National Broadcasting Commission 3 networks — Kundu, Karai & Kalang 19 provincial stations	Media Niugini EMTV

It is also interesting to note that, during this era of the 'information explosion', there is a multi-million dollar battle going on in the field of information networks. The boom in the satellite business has spawned a variety of organisations offering satellite services which are guaranteed to bewilder novice buyers. However, the PACT (Pacific Area Cooperative Telecommunications) provides for an effective communications system linking Pacific island nations with their own communities and other destinations. Another example of media enterprise in the region — notably in PNG — is the investment by private individuals and business people in parabolic dishes. With this equipment, the investors receive by satellite, programmes broadcast by Australian and US television stations.

From this, it is clear that the island states of the Pacific are witnessing a major communications revolution. The villagers of the Pacific are truly on the way to becoming 'global villagers' ○

A.B.

NGOs and Government working together Lessons from Papua New Guinea

by David HOWLETT (*)

Non-Governmental Organisations (NGOs) — with their experience of working at the grassroots — are very often at the 'cutting edge' of the development process. In the Pacific region, as elsewhere, they are involved in a wide variety of activities, working closely with Government and donor agencies. In this article, David Howlett of the International Institute for Environment and Development describes, from an NGO perspective, the growing relationship, as well as some of the problems which can arise, between Government and Non-Governmental Organisations operating in Papua New Guinea.

Papua New Guinea (PNG) must be one of the most culturally diverse countries in the world, with a population of under four million and a reported 800 different languages. PNG is made up of many small and frequently isolated communities where a majority of land is held under customary ownership (only 3% of the country has been 'alienated' ⁽¹⁾ by Government). In PNG, grassroots communities do own their land and resources; it is a country of customary landowners from Prime Minister downwards. Many of these communities have only relatively recently become exposed to the cash economy and this transition has presented many problems and challenges to the traditional structures and ways of doing things.

The country is similarly rich in physical and biological natural resources with a tremendous potential for agriculture, forestry and mineral developments, and conservation. In the past, many of these developments have not fully met the needs and aspirations of grassroots communities nor recognised their full rights and claims. The capacity of Government to deliver services and 'development' to the majority of Papua New Guineans has decreased over the past decade. For instance, the deterioration in the traditional agricultural extension services has led the Government to promote 'alternate' extension services through the semi-independent coffee and oil palm agencies; plans are underway for the 'privatisation' of the extension for other cash

crops. The capacity for NGOs to play a role in agriculture and forestry-related extension and development activities is still to be fully explored but holds great promise.

Non-Governmental Organisations in PNG

In the past, the mainstream Churches have provided a range of services with Government support, principally in the health and education sectors. In recent years, a wide range of newer NGOs with an environmental and development focus has emerged. These NGOs are now starting to work with the Government to provide development opportunities for grassroots communities.

Over the last two years, a national network covering a wide range of NGOs has evolved. The network is known as the

National Alliance for NGOs in Papua New Guinea (NANGO-PNG). Its principal roles are to allow NGOs to exchange ideas and information on a wide range of environmental and development issues. The Government has recognised the benefits of this network, has supported it with a financial grant and is using the network as a channel for information on Government initiatives and projects.

The Foundation for the Peoples of the South Pacific (FSP) has helped develop an Ecoforestry Programme. This offers to villagers the prospect of a real alternative to logging, and is one avenue for the sustainable management of the forests of PNG by grassroots communities. Other NGOs have developed environmental and community awareness programmes. The PNG Trust has embarked on a programme to help communities plan the use of their own resources and tap into the strengths of village life. Locally-based landowner groups — people's organisations — are increasingly active in promoting their communities' interests; links between these groups and NGOs are rapidly expanding.

These grassroots initiatives are one of the best ways forward for the sustainable and equitable development of PNG's natural resources. Although people in PNG own and control their land, they have often lacked an awareness about the consequences of different development options. NGOs, in partnership with



Much of Papua New Guinea is covered by forests, of which 97% remain under customary ownership

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⁽¹⁾ Land surveyed, demarcated and held under a Western-style tenure system.

Government, can begin to address this imbalance. Only through local communities acquiring a genuine knowledge of what different types of development mean, and of others in Government acquiring an understanding of the aspirations of these communities, can sustainable development be achieved. Some of the roots of the secession crisis in Bougainville owe much to a lack of knowledge and understanding by local people about what was happening at the large Panguna copper mine. Similarly, the excesses and environmental destruction by unscrupulous loggers, highlighted by the official Barnett inquiry into the forestry sector, might have been avoidable had the communities known about the consequences and poor returns from these operations before they agreed to them. (2)

One of the potential advantages of NGOs is their closeness to and understanding of the needs and aspirations of grassroots communities. Many of the environmental and development NGOs have been formed as a direct response to the problems experienced by local communities in the mining and forestry sectors. In the past, 'landowners' have frequently been seen as impeding development because they own the land and hindered 'progress'. But surely the local ownership of the land and its resources is a benefit; the problems of poverty experienced by some of the countries in Africa and Asia are in part due to the landlessness of many of their people. NGOs such as the Village Development Trust and the PNG Trust are tapping into the strengths of grassroots communities and turning landowners into the solution, not the problem.

Government-NGO partnerships

A number of Government projects have started to encourage NGO participation. This approach presents a real potential for delivering goods and services to local communities but it is not without its pitfalls. Elsewhere in the world, the record of governments and NGOs working successfully together is not that promising. However, given the unique situation in PNG as regards land ownership and democratic and open government, there is every chance of a successful partnership. = Already in East

(2) See issue number 133 of The Courier. Country Report on Papua New Guinea, pages 26-40.



PNG is a land rich in cultural diversity

Sepik province, the 'Provincial Council of Women' NGO is playing a major role with the Provincial Government in a wide range of development issues.

The Tropical Forest Action Programme (TFAP) has a chequered reputation for public and NGO participation. In PNG, the TFAP has laid the foundations for a partnership between NGOs and Government in the forestry and conservation sectors. In April 1990, NGOs were invited by the Government to participate in a round table meeting to discuss the National Forest and Conservation Action Programme (3).

Since this meeting, NGOs have begun to develop a working relationship with Government. The scope of a technical support project for the NFCAP was broadened to include an NGO component executed by the International Institute for Environment and Development with funding from the British Overseas Development Administration. Developments to date have been too slow for some and not without a degree of mutual suspicion from Government and NGOs. But progress has been made, with NGO representatives on the National Steering Committee. Under the new Forest Act, NGOs have official represen-

(3) The NFCAP is the national tropical forest action programme for PNG. The inclusion of 'and conservation' in the title implies a much wider focus and recognition of an even greater need for public and NGO participation.

tation on the National Board and Provincial Forest Management Committees. This is a significant first step with little precedent. It will allow the NGO community to have a direct input into the workings and management of the new Forest Authority designed to bring the logging and forest sector under control. The door is now ajar; NGOs have the opportunity to push it open further and work with the Government to develop policies and actions which will benefit grassroots communities.

The potential for greater involvement of NGOs is still to be fully realised. NGOs are developing a series of alternative income-generating initiatives which can offer real options to resource owners other than a 'once-in-a-lifetime, log-harvesting operation'. ESP has prepared an orchid project called the Flora Conservation Project to be funded by the European Community. The Department of Environment and Conservation has explicitly stated, in its recent strategic plan, its intention to work with NGOs in the conservation and environmental management of PNG.

Problems

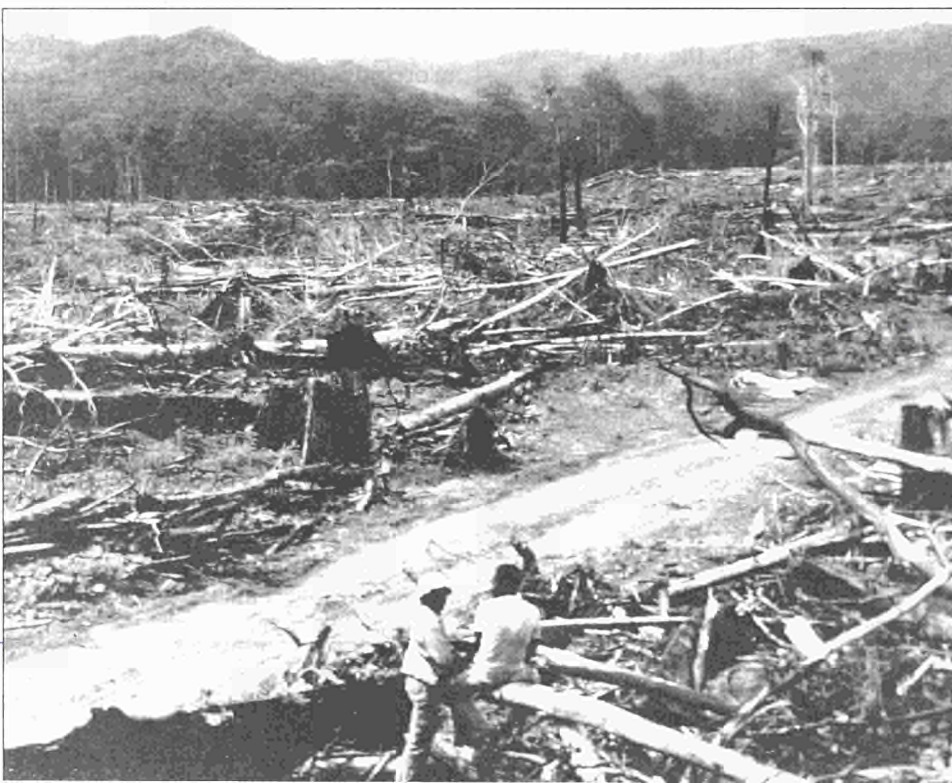
But there are problems in developing Government and NGO partnerships. If the latter are just seen as an efficient and cheap means to deliver services, a view held by some donors, they run the risk of becoming nothing more than extended arms of Government. The other ad-

DOSSIER

vantages of NGOs — their independence, high level of commitment and new thinking — will be lost. The challenge is for Government and NGOs to work together to meet commonly held objectives. For this, the Government needs to recognise that NGOs are not there to be controlled and used. NGOs, for their part, will have to take a less adversarial role with the Government than in the past, though they should still retain the freedom to play an independent role.

There is also a danger in responding too quickly to the pressure from donors on the Government for greater NGO involvement in projects, without an adequate understanding by donors of the country's priorities, from both the Government and the NGO perspective. Currently, there are plans by the World Bank and the Asian Development Bank for NGO involvement in family planning and fisheries respectively. With many such projects, the intention is to involve the same organisations and, often, the same individuals. The capacity of NGOs is not going to increase overnight and there is a danger that they may end up being 'swamped'. For NGOs to be effective, there will have to be a parallel programme of capacity-building and strengthening. A small start to this has been made by Government and NGOs with support from the United Nations Development Programme (UNDP). More assistance will be needed and NGOs will have to be included in capacity-building and training programmes.

The forest after clear felling — NGOs and Government are working together to provide viable alternatives



The agenda of donors and Government may not be the same as that of non-governmental organisations. Over the past two years, the Government's focus on the forest and conservation sectors through the NFCAP — important as it is — has tended to dominate the activities of a number of NGOs and the NGO network. It is, therefore, important that NGOs develop a common agenda with the authorities. The dangers of their responding to every Government initiative and spreading themselves too thinly are very real. There is a need for links with NGOs to be built up gradually and this must go hand in hand with measures to develop and strengthen NGO capacities.

Government policy and mechanisms

When it comes to involving NGOs in Government projects, there is a clear need for policies and efficient processes. Presently, any Government or donor funding for NGOs has to be tied into the national budget cycle. Government line agencies who want to work with NGOs find this difficult within the present structure. The example of the NGO-led Flora Conservation Project is a case in point. This project has secured funding in principle from the European Community and support from Government line agencies. Yet, after two years, it is still to be processed through the bureaucracy. Government has recognised the need to develop a policy framework and mechanisms for the involvement of NGOs. This

will take time, but it has to be a prerequisite for any real partnership between NGOs and Government to succeed.

Participation versus consultation

There is more to NGO-Government partnership than funding and the contracting of NGOs for the delivery of goods and services. NGOs, through their proximity to grassroots communities, are in a position to play a valuable role in the development of policies and projects. For them to have an equal partnership with Government, they will have to have some 'ownership' in the projects in which they participate.

A recent example highlights the need to go beyond consultation to participation. Under funding from the Global Environment Facility, (4) the Government is developing an Integrated Conservation and Development Project. NGOs were invited to play a part in the formulation of the project, and together with other agencies, were extensively consulted by the Formulation Mission. At the end of the day, there was some frustration amongst the NGO community that their views were not used by the Mission in the final design of the project. There is clearly an extra step which needs to be taken by Government before NGOs can genuinely be said to be participating in the preparation of projects. NGOs too need to develop their capacity to present well-thought-out, viable alternatives and designs for projects and policies.

There are still reservations on both sides of the fence in PNG on whether NGOs and Government can work together but there are the beginnings of a genuine effort on the part of a number of Government agencies to work with NGOs. The attempts of recent years are slowly starting to bear fruit and the prospects for more successful partnerships are high. If PNG succeeds, the role of NGOs' partnership with Government in helping grassroots communities to promote sustainable development will have many parallels and lessons in the development of other communities in the Pacific ○ D.H

(4) The GEF is a fund established by the World Bank, UNDP and bilateral donors for the funding of projects for the benefit of the global environment.

EEC activities on Zanzibar

by John HAULE (*)

Rehabilitation of ports

The Zanzibar economy, for which sea transportation plays a vital role, has received a shot in the arm with the completion in 1991 of major rehabilitation works of port facilities on the islands of Unguja and Pemba.

The rehabilitation project of US\$ 31 million financed by the European Development Fund (EDF) of the European Economic Community (EEC), included the demolition of the old wharf in Zanzibar, the construction of new west and north wharves and the construction

of a new container storage area of 5,500 square metres. At both ports, Malindi in Zanzibar town and Mkoani, Pemba, dredging has been carried out for sea-going vessels and dhows.

The improved port facilities now allow ocean-going vessels to sail direct to the two islands, thereby reducing transit times, eliminating lighterage costs and saving the expense of transshipment in the port of Dar es Salaam. Additionally, after cargo handling equipment, for which Italy has allocated US\$ 4.25 million, is installed at the two ports, the increasing traffic in containerisation will be handled much more efficiently.

The Zanzibar Minister for Finance, Amina Salum Ali, in an interview, praised the EEC for supporting development projects in the Isles. She said the com-

pleted port works will facilitate the government's plan to make Malindi a free port. A feasibility study for this purpose will be carried out beginning next January and the free port, for whose services users will pay a minimum of taxes compared to present shipping rates, could be operational before the end of 1992.

Already a significant increase in shipping movements has been observed, including regular calls by cruise ships operating out of Mombasa, Kenya. The general manager of the Zanzibar Tourist Corporation, Alphonse Katema, said the new berths at Malindi port have facilitated the disembarkation of tourists, who often cancelled their visits in the past, owing partly to the inconvenience of having to disembark offshore to barges and lighters. 'On the whole, tourism in Zanzibar is on the increase,' the general manager said. During the past five years an average of 30,000 tourists have visited the Isles annually; the figure for 1990 alone was a total of 65,000 tourists.

(*) Freelance journalist



Dr Salmin Amour, President of Zanzibar and Chairman of the Revolutionary Council, inaugurating the Zanzibar Port in October 1991

The old port facilities at Malindi, Unguja and Mkoani, Pemba had been constructed in 1925-26. The wharf at Malindi and the jetty at Mkoani were, by the 1980s, in extremely poor condition. The limited draught of only four metres at the Malindi wharf allowed vessels of up to 6 000 deadweight only to berth. Any larger vessel had to anchor offshore in the roadsteads and was serviced by lighters. At Mkoani there was no berthing alongside the jetty for sea-going vessels and therefore all cargo was handled by lighters. Dhows could only use it during high tide when, even then, the water was only two metres deep.

Prior to independence and for a number of years after, Zanzibar was an important transshipment port for goods to and from Mombasa and Dar es Salaam in mainland Tanzania. But, owing to the dilapidated nature of the port, this role diminished and cargo destined for Pemba often had to be transferred to smaller vessels in Zanzibar town.

Following an international tender early in 1988, an Italian firm, Cogefarimpresit, was awarded the contract for construction of the works at Malindi and Mkoani. Work commenced in July 1988 with an initial completion date of October 1990. Because of design modifications at both Malindi and Mkoani and the reintroduction of the north wharf at Malindi, the final completion date was extended to September 1991. Works were completed in June at Mkoani and according to schedule in September at Malindi.

The new wharf area at Malindi covers a total of 8,500 square metres, and the width of the wharf from the warehouse is 27 metres. The depth of the water at Malindi after dredging now ranges at average tide from 7.5 metres to 11.5 metres.

Construction of the port facilities in Zanzibar was a major engineering feat. The works at Malindi represent the biggest steel piling job ever carried out in East Africa, according to Mr. John Appleby, the British contracts engineer for Cogefarimpresit. A total of 543 steel piles were driven 60 metres deep through the ocean floor at Malindi. Each pile was filled with reinforced concrete and had to accept a theoretical load of 200 tons. This had to be done after a scientific soil investigation revealed that it would be impossible to construct the deck by

drilling bore holes onto the ocean floor since the coral limestone would not be able to sustain the pressure.

The soil investigation also revealed that the coral limestone at the new port at Mkoani was unsuitable for building a causeway 300 metres long from the shore out to the sea and a jetty head including dhow berthing facilities, followed by dredging down to 9.5 metres deep. But the soil investigation determined that a pile job similar to that at Malindi would not be feasible because it could not support the new jetty. The works at Mkoani were completed by using a gravity solution which consisted of concrete with sheet piles as the outer lost shutter. The inner shutter was rock-filled gabions with a rock central core and concrete deck.

The EDF financing also covers technical assistance and training of the port administration. This will take place in 1992 after a study is carried out aimed at merging the two authorities presently responsible for port operations, Zanzibar Shipping Corporation and Zanzibar Wharfage Corporation.

Rehabilitation of hospitals

The EEC has also financed the rehabilitation of Mnazi Mmoja Hospital in Zanzibar town and Chake Chake Hospital in Pemba. Mnazi Mmoja Hospital is the only hospital on Unguja and is the main referral hospital for the islands of Pemba and Unguja, whose total population is estimated at 682,000, with about 405,000 inhabitants living in Unguja, the bigger island.

The 362-bed Mnazi Mmoja hospital, which was built in 1927, handled 90 119 outpatients and 27 715 inpatients in 1986. Despite the importance of the hospital and others in Pemba, more attention has been given by the government to the development of preventive health care. This praiseworthy emphasis combined with the difficult economic situation have unfortunately led to a rapid deterioration of the facilities and services in the hospital.

The rehabilitation of the hospital has involved the building of a completely new kitchen and a new mortuary, including cooling facilities for bodies, and the renovation of the paediatric ward. New laundry equipment includes washing

machines, driers and a boiler. The EEC allocated US\$ 1.6 million for the project.

However, Mr. Wiland Pauli of Wiedleplan, a German consulting firm which is overseeing the rehabilitation programme, said, 'The whole Mnazi Mmoja hospital needs to be completely renovated, especially its electrical, mechanical and water systems.' He said the hospital also needs new medical equipment.

Originally built in 1914, Chake Chake hospital is one of three general hospitals in Pemba. Being in the principal town and at the focal point of the island's trade, Chake Chake hospital has the highest number of admissions and outpatients of the three hospitals. The others are located in Wete (95 beds) and Mkoani (79 beds).

Construction of the new 126-bed Chake Chake hospital was necessitated by extensive deterioration of the old hospital, which reached such an extent that major demolition and reconstruction was the only viable solution. Major works include a new outpatients block, an X-ray and laboratory block, an operating theatre, a maternity ward and a children's ward, together with administration and pharmacy buildings. There are also new female and male wards. The EEC has allocated US\$ 4.66 million for the hospitals' rehabilitation. An Italian company, Futura, has supplied new medical equipment at the hospital, for which the Italian government has allocated US\$ 816 000.

Chake Chake hospital was to become operational by mid-1992, when the water and electricity problems now preventing the hospital from resuming services should have been solved. The Minister for Finance, Amina Salum Ali, said Chake Chake hospital is to become a referral hospital for Pemba island and the government has provided TShs 12 million (US\$ 52 174) to help meet the cost of installing water and electricity supplies to the hospital.

Conservation of historical buildings in the Stone Town

The Stone Town in Zanzibar was built more-than 100 years ago and parts of it have experienced large-scale physical

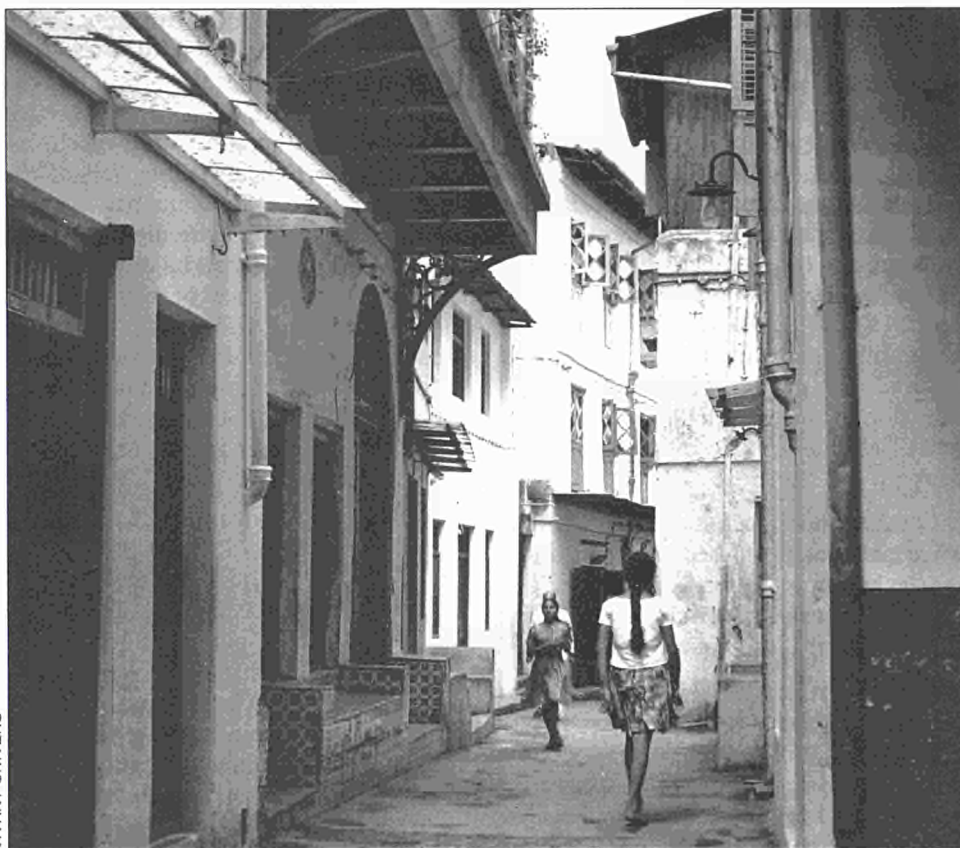
deterioration over the past quarter of a century. It is now getting a facelift, thanks to the European Economic Community and other donors.

The Stone Town dates back to 1832 and grew around an older Omani fort which contains part of an even older Portuguese settlement. The Sultan of Zanzibar built his palace on the sea front and the surrounding area was settled by Arabs, Indians and a few Europeans, creating a mixture of architectural styles. In 1890 Zanzibar became a British protectorate, until 1963 when the clove-rich islands became an independent state.

A bloody revolution in 1964 displaced the Arab aristocracy and most of Stone Town was deserted. The new government subsequently confiscated abandoned buildings, converting them into multi-family housing units and allocating them to low-income residents and newly arrived rural migrants. For over 20 years the result was a rapid deterioration of Stone Town since the tenants lacked knowledge and the means of maintaining the stone buildings, which were built with lime. Some buildings began to collapse, and some occupants were even killed.

In the early 1980s, however, the Zanzibar government began to show increasing interest in the cultural heritage of Stone Town. In 1982 the United Nations Center for Human Settlements (HABITAT), an executing agency of the United Nations Development Programme (UNDP), was commissioned to prepare a strategic plan to restore and conserve the Stone Town. In 1985 the Stone Town Conservation and Development Authority (STCDA) was established to implement HABITAT's recommendations, which, among other things, called for continuity in the conservation of the building environment in Stone Town and thus keeping alive the cultural heritage of Zanzibar. STCDA started its work with the renovation of a fine Arabic building for use as its offices.

Stone Town has a building stock of 2 700 individual structures, which provide accommodation for 18 000 people. Others are government offices, 40 per cent of all classrooms, some 54 religious buildings including 48 mosques, four Hindu temples and two Christian churches and a number of other public buildings. Stone Town also contains numerous shops and workshops, the main market, banks, cinemas, hotels and restaurants.



Restoration of the Stone Town will keep alive the Cultural heritage of Zanzibar

The European Economic Community has allocated US\$ 828 000 from its European Development Fund (EDF) for the restoration of historic buildings in Stone Town and in Bagamoyo on the mainland. US\$ 336 000 out of the total amount has been provided for conservation works in Stone Town, which include urgent repairs to the House of Wonders and the restoration of the Old Fort. Implementation of both projects by the STCDA began in November 1991 and is scheduled for completion at the end of 1993. Project management is being carried out by Professor Erich Meffert, who is UNDP's Chief Technical Adviser to STCDA.

Repairs to the House of Wonders involve the rebuilding of certain slabs and the replacement of part of the roof. The marble floors will be reworked and balustrades refixed.

Professor Meffert noted that the House of Wonders is a landmark building 'because of its architectural significance'. The Zanzibar government and the ruling party, CCM, have accepted a proposal by the EEC that the House of Wonders should be used as a public museum. A British consultant is now investigating

the possibility of utilising the House of Wonders and the People's Palace for scientific, historical or cultural exhibitions.

The House of Wonders was built in the 1870s by Sultan Barghash, who ruled Zanzibar from 1864 to 1880 and used it as private residences. After his death, the building was used for official functions, and, later, as an office for government departments. The House of Wonders was closed to the public after the Revolution.

The Old Fort, as the name suggests, is one of the oldest buildings in Stone Town, built on a site previously occupied by a Portuguese chapel which later became part of the fort. It has served a multitude of purposes, as a prison, customs offices and government workshop; most recently, it was used by the Zanzibar Women's Association and the Girl Guides.

The restoration works at the Fort will consist of repairs to all damaged areas of external and internal walls and floors, repairs to the crenellations of the walkway, demolition of existing sheds in the courtyard and the construction of an open-air theatre. Plumbing, electrical and drainage works will also be undertaken.

The EEC-funded projects will contribute to the conservation of historical buildings in Zanzibar and Bagamoyo supported by UNDP-HABITAT and the Norwegian Agency for International Development (NORAD). The latter has renovated a building on Gizenga Bazaar street in Zanzibar for a demonstration workshop of the trade school famous for its production of carved Zanzibar doors. The UNDP-HABITAT conservation programme launched five years ago has covered five projects, including the renovation of the town hall and a primary school and the replacement of the balcony on the sea shore.

Other donors include Great Britain, whose assistance has been in the form of the technology for handling materials, and which has provided an expert in the proper preparation of lime.

STCDA has so far sold 300 buildings to the private sector on the condition that the owners renovate the houses according to STCDA standards within two years. The government has contributed TShs. 40 million (US\$ 173 913) to renovating important public buildings. Funds from the sale of houses are used by STCDA for its own operational expenses and to continue the restoration of public buildings. In future, funds to be obtained from ticket sales to cultural performances at the open-air theatre in the Old Fort and from tourist fees to visit the House of Wonders will be used for the same purpose.

Other private property owners are responding positively to efforts by STCDA to increase awareness of the cultural heritage of Stone Town and maintenance standards are improving. The Zanzibar government reinforced its commitment in 1988 by gazetting Stone Town as a conservation area.

Pemba North Feeder Road project

Villagers in north Pemba, one of two islands which make up Zanzibar, are now able to transport their goods and to travel efficiently with the near completion of a new 38-kilometre road from Maili Tano near Chake Chake to Konde.

Pemba's population, estimated at 277 000, is mainly rural and is scattered

throughout the island, with only 15 per cent living in the island's three towns of Wete, Chake Chake and Mkoani. The economy of Pemba has in the past been dominated by the cultivation of cloves, the islands producing almost all of the cloves exported from Zanzibar. Declining world prices and difficulties of access to international markets have reduced the economic importance of cloves. Food production and fishing now assume greater importance for the rural population. All services and commerce of the widely scattered population depend totally on the feeder road network.

The rehabilitation of the north feeder road in Pemba forms part of the EEC's Agricultural Sector Support Programme (ASSP) for Tanzania. A total of US\$ 11.5 million has been allocated to the north feeder road, plus assistance to the Maintenance Department of the Zanzibar Ministry of Communications and Transport, to repair existing plant and equipment and purchase essential equipment to upgrade its maintenance capability.

The Zanzibar Minister for Finance, Amina Salum Ali, has said completion of the feeder road will help the development of the region's 'great agricultural potential'. It will facilitate the transportation of various agricultural products such as rice, bananas, vegetables and sweet potatoes from rural communities to Chake Chake and Wete, the Minister said.

The original road, which was little more than a footpath, was passable only with four-wheel-drive vehicles and only with great difficulty in the rainy season. Journey time from Chake Chake to Konde was four and a half hours. With the new road, travel time is now less than an hour, irrespective of the season. With a secure transport link, farmers and fishermen will have reliable access to domestic and export markets, which will lead to greater food production and a decrease in post-harvest losses. The population at large also has year-round access to health and education facilities.

Prior to the 1964 Revolution in Zanzibar, the majority of the feeder roads in Pemba, while narrow by present standards, were well constructed, bitumen-surfaced and maintained. Since the Revolution, the feeder road network has deteriorated through lack of maintenance to a condition where many roads are impassable in the rainy season to all but four-wheel-drive vehicles. Construction

of the Pemba North Feeder Road represents a new recognition by the Zanzibar government of the importance of all-weather feeder roads to agricultural development. The Finance Minister noted that the EEC has already agreed to finance construction of the proposed South Pemba Feeder Road.

The original design for the Pemba North Feeder Road by an Irish firm, Nicholas O'Dwyer, was for a pavement width of 4.5 metres and 38 centimetres of shoulders. But the Ministry of Communications and Transport decided to widen the original design from 4.5 metres to a pavement width of 5.5 metres and a shoulder width of one metre, giving a total road width of 7.5 metres. The road pavement is double asphalt-coated with gravel chipping.

The contractor for the road project is Cogefarimpresit, an Italian firm which has also carried out road projects and built a hydroelectric power station on the Tanzania Mainland in the 1980s. The consulting engineers for the Pemba road are Hellenconsult, a Greek firm. Although the original tender sum for the road project was US\$ 6.199 million, the final tender sum is more than double at US\$ 12.604 million. The increased costs have been attributed to major design changes during road construction, the increase effected in the overall road width and additional drainage culverts.

In addition to the 38-kilometre road, two spurs were constructed: a five-kilometre stretch from Chwale to Mazambarauni, and a three-kilometre road from Konde to Kiuyu cha Manda.

The road project began in April 1990 and the duration of the contract is 24 months, but the contractor has undertaken to complete the works within the original contract period.

In order to maintain an adequate supply of fuel for its port and road projects in Pemba, Cogefarimpresit built an oil sealine at Weshi, Pemba in July 1990, as the existing sealine was rotten. The new sealine is used to pump fuel from ship tankers to main storage tanks on the island. It is the only fuel supply line in Pemba and its construction was financed by the EEC, which allocated US\$ 35 500. ○ J.H.

Conservation and utilisation of wildlife in Botswana

by Jean-Paul JACQUEMIN (*)

Few would nowadays dispute the need for measures to protect our natural environment. But when it comes to deciding the right measures, the complexity of the issues makes consensus difficult to achieve. In developed countries, more and more people are refusing to buy products on environmental grounds. Handbags and shoes made from the skin of an 'exotic' animal used to be fashionable — now, it is almost anti-social to be seen with such items. Governments are under pressure to ban imports of environmentally sensitive products and this pressure is passed on to the governments of exporting (and usually developing) countries. The latter may also be criticised for adopting policies which are perceived as damaging the ecological balance of their wilderness areas.

There is no doubt that many of the concerns which lie behind these pressures are valid ones. But there are also times when the environmental reflex of concerned outsiders may be misplaced. In this article, the Head of the EC Delegation in Botswana argues against condemning policies (in this case, in Botswana) without a full understanding of the issues.

Botswana should certainly be included among those countries whose wildlife sector has been well-maintained. It is the wealth and diversity of its flora and fauna which create the wonder experienced by the many tourists who visit the Okavango Delta and Chobe National Park each year.

The people of Botswana are traditionally cattle owners. Under the Lomé Conventions, the Community has given the country preferential access to its markets for up to 19 000 tons of deboned meat every year. To meet the public health conditions required for the export of this meat, the Government has erected hundreds of kilometres of fencing which has periodically disturbed the migration routes of certain wild animal species. Likewise, in some areas, grazing land has become the subject of competition between cattle and wildlife.

Challenge

To protect, conserve and develop one sector without detriment to the other has, for several years, been the challenge to the Botswana government. Under the Lomé Conventions, the Community has helped it in its efforts by financing studies and projects, and by providing a range of experts in the field of nature conservation and its sustainable utilisation. The latter

is the key to the future. During the last few years, it has become increasingly apparent that the utilisation of wildlife on a sustainable basis can be an important source of revenue, particularly to people living in remote areas. In this manner, a means is provided for Botswana to diversify its economy which is currently heavily dependent on the non-renewable mining sector.

Traditionally, the cattle and wildlife sectors have tended to be in conflict, but it is now being demonstrated that they can coexist and even complement each other. Under the Lomé III and Lomé IV National Indicative Programmes, the Community and the Botswana Government agreed to concentrate financial and technical cooperation on the conservation and development of natural resources — 90% of the funds provided by the Community are directed to this focal area.

It will be appreciated that the resolution of problems in the wildlife sector cannot be achieved without the involvement of the people directly concerned. In this regard, the Government, assisted by the Community, has made particular efforts, both to listen to local populations and to develop grassroots attitudes to ensure that the enabling measures and accompanying legislation are appropriate. Against this background, the investments made by the Community facilitate the reconciliation of ecological and economic interests.

An important project which is presently being implemented is designed to improve the management, equipment and organisation of the National Parks in the north and north-western parts of the country (EC contribution, ECU 6.8 million). Under Lomé IV, a similar project will be implemented in the central and southern areas.

Complex issues

Environmental problems tend to raise complex issues. Their resolution requires recourse to highly specialised multi-disciplinary teams. Only rarely are perfect solutions obtained and it is always difficult to justify the decisions taken to the general public (even to well-informed people). This is, in large part, due to the nature of the problems and the fact that they provoke strong emotional responses.

It is difficult, for example:

- to convince people that in order to maintain an ecological balance in the north of Botswana, it may have become necessary to cull 3000 elephants a year;
- to explain that a tourist visiting Botswana who buys a zebra skin makes a contribution to the protection of zebra as a species in the country;
- to demonstrate that correctly managed hunting provides not only income for local people, but contributes to the balance of the animal population in the area in question.

Botswana is a country which is extraordinarily well-endowed from the point of view of natural resources. The Okavango Delta in particular, is an area which must be protected. The Government is well aware of its responsibilities in this regard and, to demonstrate this, 17% of its territory is given over to game parks and reserves with a further 22% devoted to what are termed 'Wildlife Management Areas'. The country has an approved 'National Conservation Strategy' which is considered to be one of the best in the world. Over a period of ten years, many studies have been undertaken in the country with foreign assistance, notably that of the European Community.

Important projects likely to have repercussions on the environment involve, from their conception, studies that include an ecological aspect. Botswana is one of the authentic democracies in Africa and, by tradition, projects are widely discussed by those who are

(*) Head of EC Delegation in Botswana.



Botswanan livestock. 'Cattle represent the principal, and frequently the only resource of rural populations'

directly involved before any decisions are taken. Financial sacrifices are increasingly being made in the interests of the environment. This is particularly praiseworthy in a developing country a large part of whose rural population is desperately poor.

Responsibilities

The Botswanans are conscious of their responsibilities in the struggle to protect the environment and the Government's present policies are aimed at safeguarding one of the most beautiful parts of Africa. It is thus not difficult to see why Botswana is disappointed by the repeated and frequently unjustified accusations, made from outside its borders, that it is not doing all that is necessary. There is certainly a problem of communicating information and the Government is seeking to remedy this.

Currently, there are a number of widely-held, preconceived ideas that need to be clarified. For example:

— A fence is not always, in itself, a bad thing. In certain cases, it protects wild game and their lands (this is the case with the buffalo fence in the Okavango). Fences allow for better grazing management and help to prevent overgrazing and soil erosion.

— It is not necessarily the large cattle owners who cause the ecological damage. In general, their management is better than that of smaller-scale owners.

— Cattle raising in Botswana is a traditional practice. The rearing zones are free range. Cattle represent the principal, and frequently the *only* resource of rural populations. The problem is to adapt the number of animals to the carrying capacity of the pasture lands. Following on from this, there are the issues associated with sound management of marketing

and distribution systems. The Beef Protocol, in this regard, plays a positive role.

— The experience of other African countries has shown that it is not possible to preserve wildlife if the people living in the surrounding areas do not find it in their interests to conserve and protect the animals. The populations involved must be able to obtain an income from the resources that one wishes to protect. This income can come from jobs generated by tourism or by controlled hunting, and from the sale of meat, skins, trophies and live animals.

It is essential that the public in Europe and other developed countries understand the concept of *wildlife utilisation* — the most efficient, indeed, perhaps the only means of protecting the wildlife, flora and wilderness areas in this part of the world. This should be taken into consideration when imposing limits on the trading of wildlife products. ○ J.-P.J.

KINGS OF AFRICA

This was the title of an exhibition of art from the palaces of the Kingdoms of Central Africa held in Maastricht (Netherlands) from 26 June to 27 August 1992, when 200 world-famous works from the Ethnological Museum in Berlin were displayed in an exciting labyrinthine setting by the well-known Italian designer Ettore Sottsass. Included were works by Lema, high priest of the sublime, Mavinga, rebel in colour, and N'Damva, aesthete of the true body. It was reminiscent of the Kingdoms of Cameroon, as one multimedia show put it.

An exhibition of 170 paintings and 50 carvings from Zaire ran concurrently. This focused on the *Grand Atelier* and Lubum-



bashi schools, featured works by Bela, Pili-Pili and Mwenze, the *Autodidactes* (Banza, Nkusu, Safi and Moseka), the sculptors Kamanda, Mava, Ngynamau and Wuma, the *Peintres Populaires* (Art Bodo, Lalo, Moke, Cheri Samba, Syms and Sinsimaro) and Mambengi and was organised by the private Louis van Bever Gallery of Kinshasa (Zaire) in conjunction with the European Centre for Development Policy Management and the Hôtel Maastricht.

The twin event prompted Raymond Chasle, Mauritian Ambassador and Secretary-General of the ACP-EEC Cultural Foundation, to say that 'African art has at last been recognised in its own right rather than just as a relic of an exotic past'.

Dieter Frisch, Director-General of Development, took the opportunity of a conference in Maastricht to visit the galleries and The Courier met him as he completed his tour of Kings of Africa.

► *Mr Frisch, we see you took the opportunity of the conference in Maastricht to visit this Kings of Africa exhibition. What do you like about African works of art?*

— They are strong, they are abstract and they are beautiful.

► *Is it art in the European meaning of the word?*

— No, it isn't. It's very strange, but what we see as art — by which I mean

artistic expression solely aimed at conveying an emotion or an impression or an aesthetic concern, art for art's sake that is to say — is in fact things which have always had a ritual function in African society, initiation and fertility masks, for example, statues for ancestor worship, figures to watch over remains, ritual drums and so on. It is very rare to see purely decorative carvings such as those on the houses of Bamoun chiefs — and

even they represent more than just decorations.

► *So why do you admire as art something which is not art as we see it?*

— You can't stop me, with my own way of looking at art, from finding something beautiful! I discovered African art for myself, without any form of preparation, when I first went to Africa. It was in Côte d'Ivoire in 1964 and I was



*Sculpture in relief:
Fang, Gabon and Cameroon*

overcome by the beauty of Baoulé and Senufo carving. I've read a lot since then, I've been to museums and it's become a real passion with me... although I do realise that it is a little bit odd, although by no means reprehensible of course, to treat a ritual object, even one artistically fashioned, as a pure work of art.

► *Have you tried to plumb the deeper meaning of the objects you like?*

— No, I haven't. I'm no ethnologist. And I should find it rather tactless of me to try and get into a way of thinking and belief which are completely foreign to me. I tried to understand Dogon cosmogony through the work of Marcel Griaule once and it didn't work. Ultimately all I need to know is what a society uses a particular object for. All the rest is a matter of aesthetic sensibility.

► *When it comes to sculpture, have you any preferences between the tribes?*

— I certainly have. I still admire the Baoulé carvings of Côte d'Ivoire and the Baluba carvings of Zaire. They appeal most to my sense of the beautiful — although it's all highly subjective!

What I don't like are objects which have been so spoiled by the elements that you can just about guess what they were. I leave that to the ethnologists.

► *But can African art really be compared to the great works of art of European and Asia?*

— I think they can. Why would our great expressionist painters have found



'Chief's sword': Congo, Bas-Zaïre

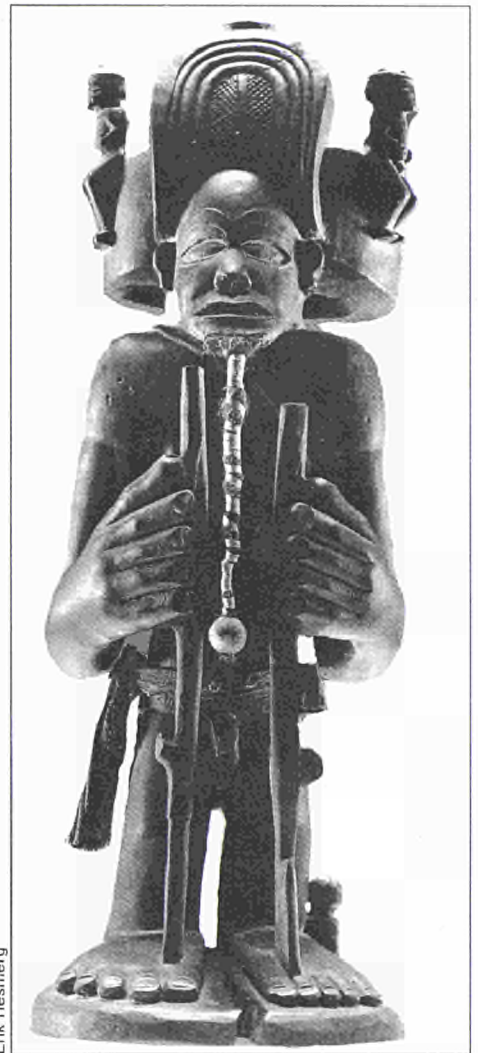
inspiration in African art otherwise? Have you seen their works side by side with their models? There are Modiglianis and Picassos which immediately put you in mind of particular African masks or carvings.

► *Don't you think we should leave the Africans their works instead of putting them in our own museums and private collections?*

— Obviously the Africans should keep the most representative examples of their artistic heritage in their own museums. But I can see nothing wrong with having African works of art in our museums over here — provided it is as something to look at and not as an investment. That is part of cultural exchange and respecting other people's values. A lot of our own canvases and sculptures are outside Europe, after all! What I object to, and very strongly, is pillage. If the Europeans have taken too many objects, then they have to put some back. It's not a legal issue. It's a moral duty.

► *Are many of your colleagues who are interested in the development of Africa also interested in its art?*

— Not many, no. I am quite surprised that most of those who have spent a long



Tcibinda Ilunga. Tcokwe, Angola, 19th century

time in Africa, particularly those who lived there before independence, are not more open to African art. But it's more those, like me, who have discovered Africa since, with fresh eyes, who discovered all the wealth of its art and culture at the same time. I am even more surprised at my African friends. Many of them have no awareness of their artistic heritage. Look at the embassies there are without a single worthwhile piece of their national art in their reception rooms!

► *Does African art bring anything to your professional life?*

— Since many African works exude serenity and strength, they do help me press on and not despair of a continent which is of course in crisis, but not in decline as the media would have us believe. There are times when I would like to see more of the creativity displayed in these works of art reflected in economic and social matters too. ○ D.D.



Financing rural and agricultural development in Africa The state of play

by Félix BASSELE (*)

I. Introduction

Africa has two, long-standing crises to contend with, one economic and one agricultural. Agriculture accounts for more than 50% of GDP, employment and foreign exchange earnings, so its effect on the African economies is strong, but with farm exports declining and debt repayments weighing heavily, imports have to be reduced and agriculture is starved of the means it needs to develop.

The population of Asia (not including China) is growing at 2.2% p.a., Latin America scores 2.3%, but Africa's 3% makes it the world leader.

Another obstacle to Africa's agricultural development is the rural exodus. A third of the continent's population is now urban and, by the year 2010, one out of every two Africans will live in a town. So the countryside has lost the manpower which is so vital if Africa is to get its agriculture off the ground again.

Yet theoretically, despite all the ills — certainly no cause for optimism — most African countries could actually feed themselves. They would only need to gear their policies to agriculture, spend more on agricultural development, encourage applied agricultural research, use more inputs, teach producers to work to technical standards which would make their efforts profitable and so on.

This article looks at the achievements of rural financing in Africa so far, at the machinery set up, the problems encountered and the prospects for the future. But it must be emphasised from the outset that while rural financing facilities are one way of developing African agriculture, they will only work if all other means deployed, as a whole, are efficient too.

(*) Secretary-General of AFRACA, the African Regional Agricultural Credit Association.

II. Who is involved?

1. The State

The African State helps finance farming, directly or indirectly, through the administration. The Organisation of African Unity has recommended that African Governments spend 20-25% of their annual budgets on agricultural development, on which the whole development of the continent inevitably depends, but few of them manage to do so. Most of them put far more into their defence and security budgets than they ever do into farming or health. According to the FAO, *per capita* public spending on the rural sector has declined, with 5.9% of the total outlay going to food and farming in Central and Western Africa and 13.4% in Eastern and Southern Africa.

Direct State financing

This occurs when agricultural structures and projects are set up. These may be product marketing boards or distribution agencies, farm machinery repair workshops, improved seed centres and so on and they are usually underwritten by the State or with financial assistance from funders or donor agencies. The nature of the State budget and the uncertainties of its implementation are such that funds are not always paid in full and, when they are, arrive at the end of the agricultural year, which leaves many organisations — marketing boards, for example — stuck without money and unable to operate. A number of rural projects include credit facilities.

Indirect State financing

This means the operating budgets of the Ministry departments which run, promote and extend agricultural ac-

tivities centrally and in the regions. The agricultural research programmes and the State salaries paid to agricultural staff also make up a large part of official agricultural financing.

But a look at what is happening in the field shows that the amount of financing, be it direct or indirect, is so small that the farmers cannot do their job properly. Agricultural extension work all over the continent is hampered by the perennial shortage of tools and transport and the state of the roads and farm tracks.

Then of course, low wages do not endear farming to its workers. With his particularly difficult working conditions, the farmer's income compares unfavourably with earnings in other sectors and there is no incentive to perform well.

The salient features of State-financed agriculture are as follows.

— The structures set up to help provide financing are confused with the central administration and are not stringently managed.

— These structures depend on the State budget.

— Officials in the central administration interfere in management, recruitment etc.

— There is a general tendency to design and implement projects without popular involvement at grass roots level.

— Project budgets may be diverted for central administrative purposes.

— In some countries, the State monopoly stifles private initiative.

2. The development banks.

This means all development banks, be they specialist (national agricultural credit funds, agricultural development banks, cooperative banks etc) or multi-sectoral, which are involved in, *inter alia*, the financing of farming.

**Public spending, by sector in a selection
of African countries 1982-1983 (%)**

Country	Agriculture	Health	Defence	Education
Morocco	5	2.8	16.50	16.20
Mali	4	2.8	8.40	10.40
Cameroon	6	2.7	6.10	7.50
Ghana	5	5.8	6.20	18.70
Kenya	10	7.3	13.20	19.90
Malawi	15	5.2	7.70	14.20
Tanzania	8	5.5	11.20	12.10

Source: FAO Agriculture Atlas, 1986.

On independence, the African States turned the systems inherited from the colonials into development financing institutions to provide the rural world with organisations which would make the loans vital to progress and collect any savings. There was a problem over what type of organisation should finance rural and agricultural development to begin with. The banks were not keen because of the risks inherent in the farm sector, so, in many countries, multisectoral development banks or financing companies were invited to pay special attention to the farm sector when allocating loans. But with such things as mounting arrears and no material guarantees, they were soon neglecting agriculture. The international community took stock of the situation at the world conference on farm loans in Rome in 1975. It was aware how important rural and agricultural financing was for the developing countries and recommended that specialised agricultural financing institutions be set up, with flexible, efficient machinery which would make farm loans available to the peasant masses.

So specialised agricultural credit institutions were set up all over Africa and countries, such as Rwanda, which did not have them were rare. The French system (CNCA, BNDA) was soon adopted in the French-speaking parts of the continent, while cooperatives (cooperative banks and agricultural finance corporations) were the rule in English-speaking parts. Despite technical and financial assistance from the funders, cracks began to appear in most of these establishments after a few years:

- Internal organisation was poor.
- Arrears had mounted.
- The collection of savings was neglected.
- Professionalism was wanting on the part of some administrators.

— Technocracy took over and the peasants were distanced from the financing facilities.

— There was recourse to successive State grants and all administrative and financial autonomy was lost.

— The credit award machinery was cumbersome and not what the peasant masses wanted.

— Peasants produced most agricultural goods, but most of the loans went to a category of civil servants skilled in diverting funds from agriculture to trade.

The development banks, particularly the agricultural ones, did not provide normal banking services, but they did play an important part in transferring resources to the rural sector.

State directives and mandatory targets forced these institutions to pursue ambitious expansion policies and run risks in the course of operation — and, ambiguously, to maintain their banking functions.

There are many reasons for the general failure and the main ones are given below.

(a) The problems were not always caused by a shortage of funds, but rather by Governments (and in some cases funders too) who allowed the banks to exceed their real management potential in supplying the rural population with resources.

(b) The banks were given tasks (extension work, input supply etc) which were incompatible with the role of financiers.

(c) The banks could not cover the territories arbitrarily forced upon them, so they sought and found loan distribution networks without the staff of these networks (administrative services, cooperatives etc) having the ability or the desire to be properly involved.

(d) Easy recourse to external funds also had a negative effect on the mobilisation of the resources of the local market.

(e) Agencies were opened in the interior of countries on an administrative basis, without reference to the volume of business to be handled or, above all, to the potential number of clients.

Despite the difficulties, the banks have to be involved in rural financing. Faced with the constant desire to solve the continent's agricultural crisis, most African leaders have embarked upon programmes reorganising their financial system and, therefore, the agricultural financing system too. Today's restructuring, in contrast with the old system, is based on the function of rural development financing, guaranteeing the viability of the financing institution.

In this way, Africa can have finance institutions which will both last and adapt to the ongoing economic situation.

3. Commercial banks

Few of Africa's commercial banks are interested in anything to do with rural or agricultural financing other than produce marketing. The risk inherent in the rural sector, agricultural especially, the nature and origin of resources and the fact that countries do not have internal agency networks to control operations are just some of the reasons they put forward for their general lack of enthusiasm about providing loans for rural purposes.

Over the past few years, the monetary authorities have taken steps to force the commercial banks to earmark a considerable percentage of their loan portfolios to the rural sector. Other measures — banks becoming more common, the determination of rediscount terms, the deregulation of interest rates and the granting of soft loans to the rural sector — are intended to limit the risks of financing and attract the commercial banks. But despite this, alas, their reluctance remains.

The economic environment of rural loan transactions will have to be improved — i.e. prices must be liberalised, input supplies assured, agricultural roads and tracks improved, products marketed in time, the monopolies on some imports removed and so on. Several countries have in recent years organised customs duty exemptions for material intended for agricultural activities — notwithstanding the loss which this represents for the

State budgets concerned — and this has enabled producers to cut the cost of their operations and be optimistic about making a profit. Until the economic environment is improved, commercial banks will continue to shrink from rural financing, whatever the monetary authorities do.

4. The central banks

There are two kinds of central bank in Africa — national central banks and regional central banks — and both fulfil the same traditional functions. In this section, we shall concentrate on what they do towards rural financing. Although not directly involved in financing, they guide the primary banks and provide loan facilities on specific terms. Given the importance of rural and agricultural development, several central banks run schemes to encourage the financing of special key sectors, such as agriculture, and make the primary banks allocate part of their loan portfolios to the rural sector. The Kenyan central bank, for example, recommends that the figure be 14%. The Central Bank of Central African States has decided to popularise banks, deregulate interest rates, do away with preferential discount rates and so on.

5. Savings and credit cooperatives

These have been relatively successful in mobilising savings in the African countryside. Their contribution to the sector may be summarised as follows:

- they are firmly rooted in the cultural context;
- participation in them is on a popular and voluntary basis;
- they accept small amounts of savings;
- they are managed democratically;
- they have needs based on local concerns;
- they have flexible loan and easy recovery arrangements;
- they tend to have high recovery rates.

However, they have a number of drawbacks:

- no security for savings;
- no legal status;
- rudimentary accounting;
- no financial or agricultural supervision;
- small loans;
- a tendency to give preference to non-productive credit.

Most loans made under this system are for social activities and in many cases agriculture gets less than 20%. And agricultural loans go to finance small

amounts of seed or an animal or a labourer's wages etc. However, it would be wrong to have these bodies specialise in agricultural loans, because they in fact finance what their members need and, by providing small loans which the banks would not be in a position to cover, they are helping rural development. But they would be more efficient if the know-how of their managers were improved — without interfering in their organisation or activities.

III. The future of agricultural and rural financing in Africa

There are two questions here. First of all, can one be optimistic about the future of rural and agricultural financing in Africa. Second, how can such financing be made efficient? The answer to the first question is yes. As regards the second, Africa and the Africans are right to be optimistic because African leaders in the OAU and in the States themselves currently have the political will to develop agriculture. The question is more one of knowing how to make sure that agricultural development is in harmony with the other sectors of the economy and how to achieve self-sufficiency in food.

Financial reorganisation looms large in the structural adjustment programmes of several African States.

Some of the measures and conditions aimed at improving the performance of the finance institutions are set out below.

1. Administrative and financial autonomy

This will mean that heads of finance institutions can actually shoulder responsibility instead of hiding their weaknesses behind the State's intervention in management — on which basis they can now be assessed objectively. Viability must also be a constant objective, because on it hangs the future of the institutions and, therefore, the permanency of rural financing.

2. Savings

The finance institutions should be collecting local savings instead of waiting for funds from abroad. An institution funded solely from abroad is bound to collapse in the end. External resources are vital, but there is increasing awareness as

to their drawbacks — they cost a lot, they have a negative effect on the balance of payments, they are 'dirigiste' and so leave national leaders little room for manoeuvre (lines of credit, for example) and they are unsuitable for the vital short-term financing schemes. Agricultural credit in Africa has been developed with foreign funds rather than domestic savings.

Without an information campaign to tell him any different, the African peasant thinks credit is a gift and, if agricultural credit facilities are to work properly, he has to start putting money away in a savings institution so as to grasp the reasons for the terms of loans. In this way, saving can become a way of learning which helps development.

3. Cooperation with finance institutions through intermediaries

African peasants have a problem of credit accessibility mainly because, given the high cost of loan allocation and recovery, the banks cannot meet thousands of small requests from the rural community.

In the interests of all concerned, banks and their intermediaries have to cooperate to minimise the cost of transactions and reach more rural producers. The intermediaries, which may be production cooperatives, product marketing cooperatives, savings-credit cooperatives, village groups etc, can distribute loans to their members more cheaply and quickly than banks can. Banks need to set up financial services which are better suited to the rural world, ensure that transactions are transparent, use intelligible language and, ultimately, treat customers as partners rather than sparing partners — i.e. consider the peasant as both client and partner.

Experience suggests that it would be better to avoid calling on extension workers and supervisors from State departments.

4. Interest rate policy

Low interest rates may attract farmers, but they involve the risk of the resources being diverted to other sectors. The interest should reflect the real cost of the capital, which is why it is better to align it with the rates obtaining in the economy. And if the banks offer low rates of interest on loan accounts, then the rates on



Banks should look upon peasants as both clients and partners

deposit accounts are going to be low too, which discourages people from saving.

5. Careful, justified decentralisation of activity

'Having credit facilities handy' is the philosophy which lies behind the decision of rural finance institutions to adopt the risky policy of setting up agencies nationwide. Although decentralisation is a way of giving the rural world a better service, it has to conform to the rules of profitability and viability of finance institutions. It must reflect the volume of business to be handled and the nature and the number of clients to be served. If a particular area cannot generate enough business to make an agency viable, the answer is to use financial or technical intermediaries.

6. Training cadres and other staff

With the new idea of adapting the financial services of finance institutions to the conditions of the rural world, it would be a good idea to provide training to change the whole behaviour of bank staff. Cadres and other banking personnel should undertake to work in a particular type of structural organisation. Peasants, for example, are at work in the fields during normal banking hours and, when they get home, the banks are closed, so bank staff should adapt to this. And there is more to it than training the people in the banks. The peasants have to be trained too if operations are to be efficient. But this would be very expensive — which is where the technical and financial assistance bodies can come in with the funds required for this type of activity.

7. Cooperation and consultation

The experience of 30 years of independence in Africa has shown that the financing of agricultural activity is a very delicate matter. There have been good performances here and there, but there are no leaders — countries or institutions — in the field of agricultural credit.

The subject is vast and the operations to be run are complex. Cooperation and consultation alone, we feel, will enable us to avoid the failures which have been the lot of other peoples.

The CTA ran an international seminar on the decentralisation of financial services in rural Africa in October 1990 to encourage cooperation between the various people involved in rural financing. A report of this major event can be obtained from the CTA.

THE CONVENTION AT WORK

EUROPEAN DEVELOPMENT FUND

Following favourable opinions from the EDF Committee, the Commission has decided to provide grants and special loans from the 5th, 6th and 7th EDFs to finance the following operations:

ECONOMIC INFRASTRUCTURE

Tanzania, Zaire, Burundi, Rwanda and Uganda: 7th EDF, ECU 33 million to reorganise the railways.

The railway from Dar es Salaam to Kigoma (on Lake Tanganyika) and Mwanza (on Lake Victoria) is the backbone of the central corridor between the coast and inland Rwanda, Uganda and Zaire and links up all the main urban areas of northern and central Tanzania, which uses it to shift 40% of its agricultural produce and the bulk of its export crops.

The railways have deteriorated since the early 1970s. The project to reorganise them, inspired by the success of the emergency programme launched in 1987, has two main objectives — to improve and reorganise the Tanzania Railways Corporation, to make it commercially viable and to rehabilitate the infrastructure to cope with domestic and transit traffic.

Mali: 7th EDF, ECU 900 000 for a study of the Diema-Didieni road.

The idea here is to produce technical studies of the Diema-Didieni section (160 km approx.) of the RN1, estimate the cost of the works, update the economic feasibility study and prepare the invitation to tender dossiers.

The RN 1 Bamako-Nioro is the only road to the northern part of the first region (a tenth of the national territory, a million people and 250 000 t p.a. of

agricultural output). Diema-Didieni is no longer practicable in the rainy season, but if turned into an upgraded unsurfaced road, it will mean the region is open throughout the year and ensure an international link, via Nioro and Kayes, with Mauritania and Senegal.

Swaziland: 7th EDF, ECU 10 million to improve the Matsapha-Manzini road.

This involves developing the 7.65 km, two-lane Matsapha-Manzini section which is part of the 38.5 km Mbabane-Manzini road between the capital and the country's industrial and commercial centre. It takes a large proportion of the international truck traffic between Swaziland and the neighbouring countries and it is also part of the SADCC regional network linking landlocked Swaziland with the port of Maputo in Mozambique.

Mauritius: 5th and 7th EDF, ECU 6.7 million for the Pamplemousses-Grande Baie road.

In accordance with the public sector investment programme, a new road is to be built to improve access to the main tourist area on the north west coast and ease the pressure on the existing roads where they cross heavily populated built-up areas.

The project involves building a new 11.8 km road between Pamplemousses and Grande Baie, in two sections:

— a single carriageway for a future two-lane motorway between Pamplemousses and Forbach (7 km);

— a new road between the Forbach roundabout and the Grande Baie area (4.8 km).

Jamaica: 7th EDF, ECU 13.6 million for road repairs.

Heavy flooding in 1986 badly damaged roads and bridges in rural Jamaica and various rural road improvement programmes, financed by foreign donors, were run to cope with this. At that stage,

the EEC gave ECU 7 285 000 to repair roads and bridges in the southern part of central Jamaica and the new project follows on from this with repairs and improvements to 20-25 sections (roughly 200 km in all) and a supply of equipment to the Ministry of Construction (Public Works) for road maintenance, control and communications and spare parts.

STRUCTURAL ADJUSTMENT

Tanzania: 7th EDF, ECU 30 million for structural adjustment support.

Tanzania has gradually changed political and economic directions since the early 1980s, moving from planned socialism over to a liberal, free-market system by means of structural adjustment programmes backed by the Community and other donors.

The results are positive, particularly when it comes to the supply of some products, but there are still serious shortcomings in the management of economic affairs and inflation, the currency is still overvalued and the country's position vis-à-vis the outside world is fragile.

This proposal is for a general import programme as part of the Lomé IV structural adjustment machinery. The counterpart funds accruing from it will be used to combat the negative social effects of reform by ensuring more efficient management of the health and education budgets.

Jamaica: 6th and 7th EDF, ECU 8.4 million from the structural adjustment facility.

The Community contribution, which represents about 0.5% of the country's export revenue, 1.5% of its debt servicing and 1% of the deficit in the balance of current accounts payments, is to be paid through a general import programme. It will help finance the anticipated \$110 million balance of payments deficit.

The counterpart funds accruing from the programme will be used mainly to reduce the need for borrowing in the public sector and, therefore, to slow down monetary expansion. As an integral part of the national budget, they will be spent on revenue support and promotion

measures in health and education, thereby helping soften the impact of structural adjustment on the social sectors and most underprivileged sections of the population.

Togo: 7th EDF, ECU 17 million as structural adjustment support.

This is part of the structural adjustment programme and economic reform which Togo is running with the support of the IMF and the World Bank and will be used to finance a general goods import programme generating counterpart funds to spend on targeted budget aid.

The main things to be covered are:

- priority spending on primary education (pupils' textbooks, teachers' handbooks, the manufacture of desks and benches, the construction of school laboratories and the rehabilitation of classrooms);

- priority spending on basic health care (essential medicines, vaccines, rehabilitation of premises and provision of basic equipment for health establishments);

- a programme for jobless youngsters.

Zambia: 7th EDF, ECU 41.5 million for structural adjustment.

Zambia's new Government, democratically elected in October 1991, has clearly stated that it will be reviewing its programme of economic reform and speeding up the move to a market economy. Its top priority was to restore the main economic balances to make for a return to internal growth in the long term and thus reduce the country's dependence on its copper earnings.

The structural adjustment programme, worth a total of ECU 41.5 million, will be in the form of a general import programme, with priority on bringing in goods eligible under the system of automatic general licences to encourage the freeing of trade and the development of the productive sector. It will be managed by the Bank of Zambia (whose procedures will be used to allocate the foreign exchange). The counterpart funds, generated by local currency securities which importers deposit with the central bank, will contribute to the budget and enable the Government to finance the extra spending which, it has been agreed with donors, should cushion the social effects of adjustment.

Burundi: 7th EDF, ECU 12 million for structural adjustment support.

This is for the financing of an import programme expected to have a significant effect on the Burundian economy — which, despite six years of reform, is still fragile and dependent on the outside world. The injection of foreign exchange will help improve the country's external position and keep up the imports needed to develop the production base.

The counterpart funds will help finance the State budget in the priority sectors of the national indicative programme, i.e. health, education, training and rural development. They will also be channelled into private sector incentive schemes and projects to support conversion programmes for people made redundant by the public and semi-public sector. They could also provide indirect support for private bodies and local communities.

SOCIAL DEVELOPMENT

Gambia: 7th EDF, ECU 800 000 for a training programme.

This is to provide better training in management, finance and economics, since Gambia has no university or equivalent establishment and both private and public sectors are in need of qualified staff.

Gabon: 7th EDF, ECU 485 000 for a general population census.

This is to produce the administrative maps which are the basis of the general census and the drawing of the electoral boundaries.

All ACP countries: 7th EDF, ECU 20 million for the AIDS control campaign.

This follows on from the scheme started in 1987 (for which ECU 39 million have already been given).

The idea is to support and improve the national AIDS programmes, with priority on primary prevention schemes. This is a long-term aim and achieving it will mean improving the existing health service structures, making the AIDS campaign an integral part of primary health care, backing up the drive with educational operations and forging links

with other all-important schemes such as family planning and women's promotion. The programme should gradually be coordinated with the health policy as a whole. The policy should include the private sector and religious bodies which do so much for health in Western and Southern Africa. In many developing countries, first aid is provided by traditional healers and midwives — who can help spread the word about preventing HIV transmission and do a lot to advise HIV-positive and full-blown AIDS patients. Taking safety measures with sharp knives etc can also prevent HIV from being transmitted in blood in the course of traditional healing practices.

MOVE TO DEMOCRACY

Angola: 7th EDF, ECU 2 million as logistical support (supplies) for the elections.

The Community platform for the support of reconstruction in Angola (as adopted by the Development Council of 28 November 1991) and especially the two-year programme for 1992-1993 announced by Manuel Marin on 27 February this year provide for the Community and the Member States to give a substantial amount of assistance with the run-up to the elections.

The Community contribution is closely related to the work of the Government and other funders.

The project which the Commission has decided to run is to provide the National Electoral Council with:

- logistical support in compiling the electoral register and holding the elections, in all provinces and within the prescribed time;

- the means to run the civil information and education campaign.

Angola: 7th EDF, ECU 1 million to support the move to democracy.

This is supplementary to a scheme already providing logistical support with the electoral process in the shape of a national census. It involves basic equipment (booths, chairs, tables, paper etc) for the polling stations.

RURAL DEVELOPMENT

Equatorial Guinea: 7th EDF, ECU 4.5 million for rural development in the south east.

Development in the Rio Muni, the continental part of Equatorial Guinea, is based on a series of agricultural intensification projects geared to self sufficiency initially and the export of (mainly) food, products at a later stage.

The Evinayong area has been selected for the programme as it does not currently have the benefit of foreign aid and, despite sound agricultural potential, has been completely abandoned.

The operation focuses on the development of food production, for which there is a sure outlet in Libreville, and on rehabilitation of the Niefang-Acurenam-Medouneu highway which links up with the Gambian road system.

Swaziland: 7th EDF, ECU 950 000 to support small farmers.

This is to provide agricultural input for small farmers and encourage them to set up production-marketing cooperatives and credit-assistance associations.

Jamaica: 7th EDF, ECU 1.7 million to develop bee-keeping.

This is phase two of a project to provide training in all areas of production and marketing, now extended to all the island's producers, who are currently turning out 800 tonnes of high quality honey annually.

Burundi: 6th and 7th EDF, ECU 5.5 million for the Rutana Province water supply.

This is to lay 17 water supply systems serving 30% of the population (60 000 people) in Rutana Province. There are currently 15 systems serving 30 000 people.

The project includes tapping facilities, the supply and installation of 317 km of pipes and the construction of reservoirs and public fountains.

ENVIRONMENTAL PROTECTION

Nigeria: 7th EDF, ECU 16.5 million for the Cross River State National Park (Oban Hills Programme).

The general concern at the rate at which the tropical forests are being destroyed is mounting, for deforestation in Africa is speeding up under the pressure of demographic growth of more than 3% p.a. An estimated 90% of Nigeria's tropical rainforests have already gone and the rest is under direct threat. The recent national parks decree (1991) provides a legal framework for several of the remaining tropical forest sites in need of protection, including the Cross River State National Park, which is in three parts, one of them being Oban Hills.

The Oban Hills Programme has two related aims — to protect one of the last remaining rainforests in Nigeria and the region and to raise the standard of living of the rural communities around the Oban Hills Division, where life is closely linked to and dependent on the forest.

Botswana: 7th EDF, ECU 3 million to protect the forests.

This covers the setting up of agro-forestry research and demonstration sites, natural forest management and species selection, improvements to existing tree nurseries and advice, technical training and assistance for NGOs and the private sector. Special attention will be on northern Botswana, which has the greatest potential for lasting commercial exploitation of forest resources, and on the eastern parts of the country, where the population is concentrated and the deforestation problems are perhaps the worst.

STABEX

Commission decides on transfers

The price of raw materials, and coffee and cocoa especially, continued to be bad in 1991, alas, and in some cases even dipped below the already low level of 1990. This meant that the financial difficulties which Stabex, the Lomé IV export revenue stabilisation system, had to contend with in its first year of application (1990) have been repeated for 1991, currently under examination.

The ECU 315 million Stabex funds available for 1991 indeed will not cover all the eligible transfers, which in fact amount to something like ECU 1000 million.

The Commission has decided to transmit its usual report to the ACP-EEC Council and to suggest that available resources be increased by ECU 75 million (25% of one annual instalment) via two exceptional, early, equal withdrawals from the instalments for 1993 and 1994.

EEC and Portuguese-speaking nations of Africa sign outline cooperation agreement

Angola, Cape Verde, Guinea Bissau, Mozambique and Sao Tome & Principe, the five African nations whose official language is Portuguese, signed an outline cooperation agreement with the European Community, under Lomé IV, in Brussels on 29 June.

Development and Fisheries Commissioner Manuel Marin signed it for the Commission, Planning Minister Emanuel Moreira Carneiro for Angola, Foreign Secretary and Cooperation Minister José Luis Monteiro for Cape Verde, Planning and Cooperation Minister Bernardino Cardoso for Guinea Bissau, Trade Minister Daniel Filipe Gabriel Tembe for Mozambique and Cooperation and Development Secretary Mateus Meira Rita for Sao Tome & Principe.

The agreement, based on Article 156 (4) of Lomé IV, provides the possibility of regional cooperation going beyond the concept of geographical unity. The five countries in question, which are not only bound by historical, cultural and linguistic ties, but have legal and administrative points in common and similar processes of democratisation and economic liberalisation, have asked the Community if this broader concept of regional cooperation can be extended to them.

The Community is making ECU 25 million available to these five Portuguese-speaking nations for the period of the first financial protocol of Lomé IV and this will cover joint schemes, particularly to do with developing human resources, focused on:

— improvements to the education systems, with emphasis on primary schools;

EUROPEAN COMMUNITY

- health training;
- training for the public administration and in economic affairs;
- cultural cooperation.

Joint projects and programmes will be run on a coordinated basis in one of the five countries (such operations may deal with, say, improvements to existing health training and research institutes and be open to takers from all five countries) or on a parallel basis in all five.

This cooperation also ties in with the political and economic cooperation under way since independence in these countries, which have voluntarily set up flexible coordination and consultation structures at various levels, including annual summits of their Heads of State and six-monthly meetings of Ministers, particularly of Foreign Affairs, Economic Affairs, Justice, Transport, Health and Education.

They clearly display the political will to cooperate to meet their common development needs and the Community's support for regional cooperation schemes between them is intended to boost the cooperation efforts which they themselves have initiated.

VISIT

The Prime Minister of Madagascar

Guy Razanamaby, Madagascar's Prime Minister, and Foreign Minister Césaire Rabenoro were received by Vice-President Manuel Marin and Dieter Frisch at the Commission recently.

This was the opportunity for Prime Minister Razanamaby to ask the Commission to step up the financial aid it had decided to provide for Madagascar — i.e. to back up the move towards democracy with ECU 800 000 to cover the cost of observation facilities, awareness campaigns and food aid for drought victims in the southern part of the island.

Manuel Marin confirmed that the Commission was keen to help Madagascar with support for a transparent electoral process and with humanitarian relief for people in the south east — provided it received precise requests based on a realistic assessment of the situation.

EUROBAROMETER

INRA (Europe) organised the 37th survey in the Eurobarometer series between 18 March and 15 April this year, at the request of the Commission of the European Communities, with the following main results.

Yes, Maastricht is important, say Europeans

In March-April 1992, 44% of the citizens of the European Community had recently 'heard about' the Maastricht Treaty and 74% of them thought it was 'important' or 'very important' for their countries and 54% that it would have a positive effect.

European construction should go faster

Overall, people throughout the Community, barring Denmark, wanted to see the construction of Europe speeded up.

The four standard indicators of Community support slide, but support still strong

The drive to unify western Europe gets the approval of 76% of Europeans — 65% think that belonging to the EC is 'a good thing' and 53% that their country has benefited from it, while 48% would be very sorry to drop out.

Social measures to accompany the internal market a popular move

An absolute majority of subjects in all the Community countries says that the social dimension of the internal market is a 'good thing'.

European public firmly behind a common foreign-defence policy

The EC, as a political union, should be responsible for foreign policy vis-à-vis non-Member countries, say 59% of its citizens, while 70% are in favour of a common security and defence policy. There was a majority, either absolute or relative, in every Member State on this issue.

Should EC citizens get the vote in other Member States?

Here, 47 of subjects (as against 46%) were in favour of citizens resident in Member States other than their own getting the vote in municipal elections and 68% (as against 24%) in favour of them getting the vote in the European Parliament elections. There was considerable variation from one country to another.

EFTA entry widely accepted

An absolute majority in all countries wanted to see the Community expanded to include Sweden (average, EC 12 = 80%), Switzerland (79%), Norway (78%), Finland (77%), Austria (77%) and Iceland (71%).

Environmental protection, great cause for concern, should be Community's responsibility

At least seven out of 10 people across the Community think that protecting the environment and controlling pollution is an 'immediate and urgent' issue and at least six out of 10 would like to see it dealt with by the Community instead of the national Governments.

MAASTRICHT

Jacques Delors welcomes ratifications

Luxembourg

The European Commission has welcomed the adoption, by the Luxembourg Parliament, of the law to ratify the Maastricht Treaty. It said that the result of the vote demonstrated the wide support which existed for the Treaty among the main political groupings in the Principality.

In expressing its satisfaction, the Commission noted that the people of Luxembourg had always opted for the building of a dynamic Europe and had demonstrated on this occasion, their confidence in, and commitment to a strengthened European Union. It also welcomed the news for the Community as a whole, saying that each new ratification moved it closer to the target which had been set in Maastricht.

The Commission takes the view that the ratification process provides a unique opportunity for each Member State to involve its citizens in the debate on the great issues which affect their future. In a sovereign expression of its own will, and fully respecting its own national identity, Luxembourg had opted for progress in a Europe of diversity, generosity and solidarity.

Ireland

The Commission, on receiving notification of the final result of Ireland's referendum on the Maastricht Treaty, also issued a statement welcoming the outcome (a clear-cut majority in favour).

It was pleased that the people of Ireland had opted for active participation in European integration as against isolation with no prospects. The effect of the result on the general climate of opinion in Europe — at a time when each country is being asked to pronounce on the latest step forward represented by the Maastricht Treaty — was a source of particular satisfaction.

The Commission reiterated its view that the ratification period provides a unique opportunity to involve the people in the debate on the great issues which affect their future. That future, it believes,

involves a Europe which is united, but which respects its own internal diversity; a Europe based on prosperity but also on generosity and solidarity.

EUROPEAN PARLIAMENT

Meeting with Lady Chalker

Lady Chalker, currently heading the Development Council (which meets under the British presidency on 18 November), told the European Parliament's Committee on Development what the priorities of these six months were. She stressed the respect for fundamental rights and the support the Community should be giving to Governments which have chosen to promote them, the anti-poverty campaign, family planning, following up the Rio Summit (with particular reference to energy) and the NGOs role in the developing world.

MEPs also had the opportunity to talk to:

— Louis Blanc, the Chilean MP, who said how important Community support was to the development of democracy in his country;

— Mrs von Metsch, from the cooperation inspection and evaluation department in the Netherlands, who gave examples of how her department sought to improve the efficiency of development aid;

— Aroudeiny Ag Hamatou, the traditional Tuareg Chief, who talked about the special character of the nomadic Tuareg people — there are more than a million of them, speaking the same language and locked into a similar economic system, in several countries, particularly Mali, Niger and Algeria but also Libya, Mauritania and Burkina Faso. Chief Aroudeiny called for their massacre to stop (there had been civilian victims recently), for the national pact signed in Bamako in April to be applied, for emergency aid to be sent to Tuareg refugees, for a Tuareg cultural survival

programme to be launched and for Tuareg cadres to get administrative posts in their various countries. Henri Saby was in favour of emergency aid going to these people, since, he maintained, the food and health assistance programmes already under way (with the UNHCR in Mauritania and with the Red Cross in Mali, not forgetting the various NGO schemes) were proving difficult to implement.

European Parliament Working Group on Population and Development

President of IPPF addresses European Parliament

Dr Sai, President of the International Planned Parenthood Federation, addressed the first plenary meeting of the European Parliament Working Group on Population and Development, on Tuesday 9 June 1992 in Strasbourg. The presentation was entitled 'Why should parliamentarians be interested in population?' The meeting was well attended by approximately thirty people, including seven of the nine Co-Presidents of the Working Group. In the Chair was Christopher Jackson MEP.

After making a distinction between population and family planning, Dr Sai focused on the major issues of poverty, health, human rights, education, abortion, the environment, the status of women and the role of NGOs.

European expertise and leadership were invaluable in the emergence from colonialism to an era of collaboration, he remarked. There was a historical relationship between some European countries and Africa, and these cultural and linguistic links should be recognised as opportunities for collaboration. European knowledge and technology were of particular use where AIDS and sexually transmitted diseases were concerned. 'Europe has got the technology, be it communication technology or medical technology', Dr Sai pointed out. 'Through a collaborative arrangement,

through a fostering, these technologies and these approaches could be transferred to the developing countries with suitable modifications.'

Family planning was a way of slowing down the increase in population growth rates 'whilst buying time to deal with the other issues of development.' Family planning had proved itself to be one of the most cost-effective development inputs: 'I believe that as a Parliamentary Group you have a responsibility to help us discuss with governments how this money can be forthcoming,' he stated. The recommended target of official development assistance that should be earmarked to finance population activities was 4%.

Summing up, he called for Members of the European Parliament to visit family planning projects in developing countries in order to see at first hand the realities of maternal and child health and how family planning can make a real impact on improving people's lives.

Interventions from MEPs ranged from the failure to address population issues adequately at UNCED in Rio de Janeiro in June to the need to take into account the theological approach to family planning. Simone Veil MEP underlined the importance of education for women and girls. Enrico Falqui MEP referred to the complex nature of the relationship between population, development and the environment. Marijke van Hemeldonck MEP encouraged the European Commission to ensure that existing funds under the Lomé Convention for population programmes were fully utilised.

The Working Group declared its intention to table an urgency resolution on population to mark World Population Day on 11 July. There are also plans to hold a discussion in the autumn on various religions' attitudes to family planning.

EUROPEAN POLITICAL COOPERATION

The Ministers for Foreign Affairs of the Member States of the European Com-

munity adopted the following declaration on the date indicated:

Declaration on Rwanda (20 July)

The Community and its Member States welcome the Rwandese Government-FPR signing of the Arusha Agreement arranging a cease-fire and opening the way for political negotiations and a peace agreement.

They welcome the desire for peace which motivated all those who contributed to this agreement.

They call on all the parties concerned to do their utmost, in this spirit of peace-making, to see that the commitments of the Arusha Agreement are respected and applied in such a way as to bring back peace to Rwanda.

GENERAL INFORMATION

HUMANITARIAN AID

The Commission has decided to finance food aid and emergency aid as follows. In Malawi's case, aid came from the resources of the 7th EDF.

Malawi: 7th EDF. Refugee relief. ECU 5 224 000.

In the last quarter of 1986, there were 70 000 refugees from Mozambique in Malawi, but this has now gone up to 950 000, more than 11% of Malawi's 8 500 000-strong population.

The EEC has been contributing to refugee relief operations and providing food aid and medical and other assistance since 1986.

This latest programme, which combines a number of complementary schemes to help refugees in Malawi, will be run by the UNHCR, the Red Cross (the Red Cross of Malawi, the League of Red Cross Societies and the Red Crescent), Médecins sans Frontières and Universal Concern and should improve access routes and therefore supplies to refugees, provide more jobs, education

and training and make drinking water more easily available.

The logistical support involves leasing helicopters and small planes for use where the roads are not practicable in such areas as Moxico (45 survey teams), Cuando-Cubago (20), Cabinda (20) and Huambo (210). Some 200 of these 295 teams are flying teams.

Madagascar: 3 000 t cereals and ECU 650 000 to purchase other products following drought in the southern part of the country.

Yemen: Emergency aid of ECU 500 000 for Somali refugees in Yemen.

Romania: ECU 12 million for a programme to privatise agriculture and agro-industry. ECU 5 million for a financial sector development programme. ECU 16 million for a general technical assistance programme.

Czech and Slovak Federal Republic: ECU 30 million as a Community contribution to a general technical assistance system.



Famine Relief

THE EUROPEAN COMMUNITY'S RESPONSE

Progress Report

N° 1 • JULY 1992

Southern Africa is in the grip of its worst drought in decades, the Horn of Africa is still plagued by drought and civil war, Peru has lost 50% of its harvest through drought. More than six million tonnes of food aid are needed this year to avert widespread famine.

What is the European Community doing in response to such a situation? The answer is simple. It is giving more than one and a half million tonnes of food to the worst affected countries - some 25% of all the food aid needed. This progress report explains the Community's response in more detail and sets out the situation now, halfway through the year. Subsequent reports will record the progress of the relief effort over the coming months.

BACKGROUND

Last year continuing civil strife in the Horn of Africa, Angola and Mozambique, combined with poor harvests in some areas, raised the very real prospect of mass starvation. The Community, by mounting a special food aid programme - 400,000 tonnes on top of its annual allocations, purchased and shipped within the space of six months - was able to provide over a million tonnes of food in all. This undoubtedly helped to avoid the worst, although it was clear that the food situation in those countries would remain precarious in the absence of lasting peace.

When planning its food aid for this year, the Commission therefore allocated the bulk of what was available for Africa to Ethiopia, Sudan, Somalia, Angola, Mozambique and Malawi (host to a million Mozambican refugees), to ensure that there would be no break in food supplies to these troubled areas.

Then came February, and reports of an unprecedented drought in Southern Africa: up to 60% crop losses in many areas, with even South Africa and Zimbabwe, traditional exporters of maize,

having to face the prospect of massive cereals imports.

Confronted with this unexpected development, and worrying reports from Peru and other countries in Latin America and Asia, the Commission and other food donors and agencies met to identify the worst affected countries, assess needs and clarify donors' intentions. The picture to emerge was alarming: thirteen countries in Africa and five elsewhere would need between them a total of 6.5 million tonnes of food aid in 1992. Less than one third of that amount was secured by donors' commitments.

THE SPECIAL PROGRAMME

In the light of this new situation, the Commission proposed a substantial extra effort - a special programme to provide the equivalent of 800,000 tonnes of cereals for the worst affected countries, and funds to cover transport costs to final destination. The cost was put at 220 million ecus: 100 million to buy the food, and 120 million for transport.

In the Commission's eyes, this additional effort was both essential for humanitarian reasons and important politically, since

some of the worst hit countries had only recently adopted multi-party systems of government, and these could be undermined if hunger was equated with democracy.

The Special Programme was formally approved in May, bringing the Community's total food aid for the worst affected countries in 1992 to 1.68 million tonnes (800,000 from the Special Programme, 880,000 from normal resources). Together with the quantities pledged by the Member States (350,000 tonnes), the United States and other donors, this brought the overall total promised so far to just over 3 million tonnes.

Famine Relief 1992: EC Food Aid

Worst affected areas	Allocations (000t cereals equivalent)		
	Normal aid	Special aid	Total
EAST AFRICA	497	323	820
SOUTHERN AFRICA	320	372	692
ASIA	10	60	70
LATIN AMERICA	54	45	99
TOTAL	881	800	1681

Community responds to world famine emergencies

In recent months the international media have been drawing public attention to the threat of starvation facing millions of people throughout the world. Southern Africa, the Horn of Africa, Peru and Cambodia are among the areas at greatest risk. The European Community has responded to this imminent tragedy by adopting a Special Food Aid Programme worth ECU 220 million, to bring the worst-affected countries nearly 1.7 million tonnes of food in 1992. In the

words of Manuel Marin, Vice-President of the EC Commission, this is 'an impressive effort which highlights the solidarity of European citizens with Third World populations'. Mr Marin also asked the Commission to produce a monthly information bulletin to keep the public informed of progress in implementing the food aid programme. The first, four-page issue of *Famine Relief* came out in July. (See front page, above)

Famine Relief is produced by the Development Information Unit (DG X/B/3) in conjunction with the Food Aid Unit (DG VIII/B/1) and published by the

Commission of the European Communities, 200 rue de la Loi, B-1049 Brussels, Belgium.

OTHER DECISIONS

Following favourable opinions from the Article 6 Committee, the Commission has taken decisions to finance the following from the European Community budget.

Ciheim: (Grant of ECU 1 000 000).

Support for the CIHEAM programme for agricultural research and training institutes in the Mediterranean countries.

Jordan: (Grant of ECU 50 000 000).

Support for economic reform as part of the structural adjustment programme.

Euronews Development Group: (Grant of ECU 3 000 000).

Support for the Arabic service of the Euronews satellite channel.

MED URBS: (Grant of ECU 5 500 000).

Support for cooperation between local communities in Europe and third countries in the Mediterranean area.

Following favourable opinions from the Committee for Aid to the Developing Countries of Asia and Latin America, the Commission has taken the following financing decisions.

China: (Grant of ECU 4 000 000).

Jiangxi Sandy Wasteland Development Project.

Bhutan: (Grant of ECU 2 600 000).

Integrated development of plague-control management.

Philippines: (Grant of ECU 15 000 000).

Agricultural resource development programme.

El Salvador: (Grant of ECU 3 000 000).

War-wounded occupational resettlement programme.

El Salvador: (Grant of ECU 10 000 000).

Basic health and hygiene programme in the paracentral region.

El Salvador: (Grant of ECU 15 000 000).

Emergency programme to resettle demobilised military personnel in agriculture.

El Salvador: (Grant of ECU 5 500 000).

National vocational training programme.

Somalia: Faced with the deteriorating situation in Somalia, the Commission has just decided to provide additional aid consisting of 10 000 tonnes of food products and a credit of ECU 4 million for non-food operations to be carried out through humanitarian organisations, notably the ICRC.

This decision brings the Community assistance since the beginning of the current year to 148 000 tonnes of food products plus ECU 9 million of non-food aid. To this should be added other operations in favour of Somalian refugees in Kenya and Yemen.

The Commission is considering the mobilisation of a further 20 000 tonnes of food aid and a substantial credit for the logistics of humanitarian organisations in case the security situation on the ground improves and allows them to strengthen their activities.

Humanitarian relief for the former Yugoslavia — another ECU 120 million

On 2 July, the Commission decided to send ECU 120 million more in humanitarian relief to the former Yugoslavia, thereby applying the decision reached at the Lisbon Summit, when the European Council had said it was seriously concerned at the increasingly intolerable situation in which there were hundreds of thousands of victims displaced on former Yugoslavian soil. Despite schemes already run by the UNHCR in particular, the European Council felt that a great deal more financial aid would be required. The Commission would be coordinating these efforts with those of the other countries in G24.

The Commission had channelled emergency aid worth ECU 49 million into the former Yugoslavia since the fighting

began. This had enabled a 'road bridge' equivalent to 1023 trucks shifting 20 700 t of emergency food aid to Zagreb to be set up, via the EC humanitarian office — an operation scheduled to continue to the end of July.

At a Community coordination meeting on the Sarajevo operation in Brussels on 30 June, the Member States were willing to provide up to 10 aircraft for an air bridge between Zagreb and Sarajevo. This went into operation on 2 July.

The latest instalment of ECU 120 million, which was to be matched by another ECU 120 million from other members of G24, would go to help victims of the fighting.

There were 1 710 000 refugees and displaced persons at the time of writing and the figure was rising by something like 10 000 every day.

EC and Andean Pact initial new agreement in Brussels

The new cooperation agreement between the EC and the Andean Pact nations (Bolivia, Colombia, Ecuador, Peru and Venezuela) was initialled in Brussels on 26 June after a cooperative and amicable set of negotiations.

The new agreement, reflecting the Community's strategy of stronger ties with Latin America, is broader than the 1983 agreement in that it extends cooperation to a whole series of fresh fields.

Its aims, structures and systems, overall, are like those of agreements with other countries of Latin America, particularly the one recently negotiated with Brazil, but it does contain variations and innovations to cater for specific features of the Andean nations — which clearly identify it as a 'third-generation' agreement.

Like the Brazil agreement, it is based on respect for democratic principles and human rights, and states that these principles are an essential part of it.

It broadens the scope of cooperation, in particular in economic and development matters, and aims to encourage trade relations and it increases the areas of cooperation, expressly mentioning social development, health standards and the protection of intellectual property. Particular emphasis is placed on the regional dimension — proof of the

interest both parties have in Andean integration.

Environmental protection is a specific priority at this new stage of cooperation and one which both parties expect to intensify, seeking to combine it with lasting economic and social improvements.

Trade-wise, the idea is to develop and diversify import-export between the Community and the Andean countries and they will have to investigate ways of lowering and removing commercial barriers to ensure that this happens.

The evolutive nature of this new agreement is clear from Article 39, which provides for developments and improvements where they are both necessary and wanted.

TEXTILES

The Commission has forwarded to the Council texts authorising it to negotiate extensions to the Multifibre Arrangement (the international textile trade regulator) and the MFA bilateral textile agreements with some third countries, due to expire on 31 December.

The agreement discussed during the Uruguay Round cannot be implemented in time to take over from the MFA on 1 January of next year and the simple answer would be to extend the Arrangement, without prejudice to the conclusion and implementation of the Uruguay Round.

The MFA bilateral agreements should last two years, renewable for a further year, to ensure that trade is secure, and become null and void as soon as the Uruguay Round is applied.

Erratum

The CTA tells us that it has in fact brought out 393 titles since its inception rather than the 36 mentioned in the interview with its Director, Mr Assoumou Mba (The Courier No 133, page 3).

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DOSSIER : THE CDI AND THE FINANCING OF ACP PROJECTS

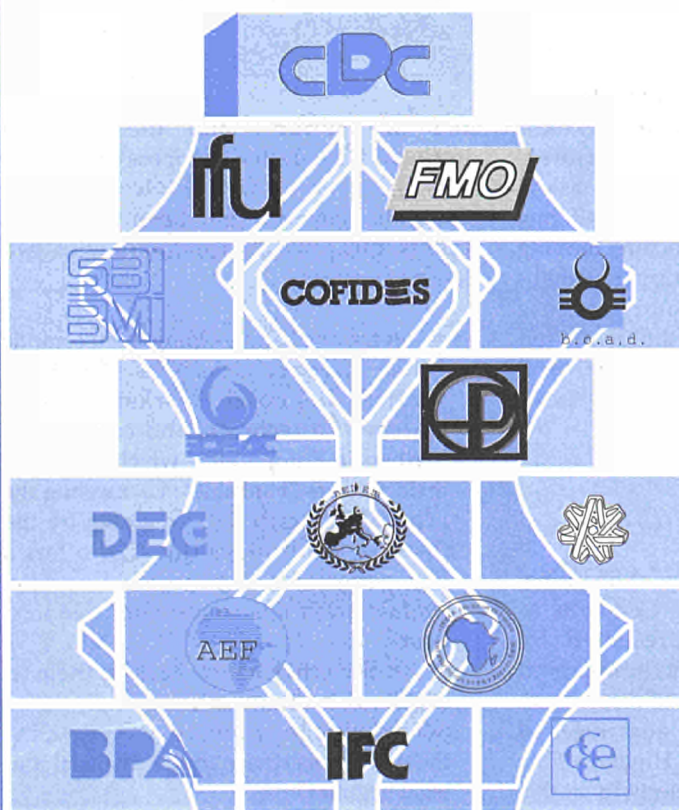
A crucial interface role

The development of industrial companies in many ACP countries has been suffering a worrying decline over the last few years. The reasons for this have been mentioned on numerous occasions. It is due, firstly, to the unfavourable changes in trading patterns and the world economic environment and, secondly, to the internal disruption - often very painful - brought about by the structural adjustments introduced in the ACP countries themselves.

However, we must not dwell on this gloomy scenario. Despite the difficult context surrounding industrial investment in these countries, we are seeing the

emergence of a new climate in which the dynamics of private enterprise have found their place once more. All those involved in development - authorities, institutions, private operators - have been revising their ideas on the financing of industrial projects in order to adjust to this positive development. Such is the case with the CDI. Lomé IV gave the Centre a very clear mandate to help private enterprises in the ACP countries to find suitable financing for their development projects and to meet the criteria allowing them to gain access to this financing. And the Centre's new strategy in this field includes closer and closer cooperation with the financial institutions.

The leading DFCs cooperating with the CDI



EIB : European Investment Bank, Luxembourg.
 SBI : Société belge d'investissement, Belgium
 IFU : Industrialiseringsfonden For Udviklingslandene, Denmark.
 CCCE : Caisse centrale de coopération économique, France.
 PROPARCO : Société de promotion et de participation pour la coopération économique, France.
 DEG : Deutsche Investitions- und Entwicklungsgesellschaft, Germany.
 FMO : Nederlandse Financierings- Maatschappij voor Ontwikkelings- landen, Netherlands.
 BFE : Banco Fomento e Exterior, Portugal.
 BPA : Banco Português do Atlântico, Portugal.
 COFIDES : Compañía Española de Financiación de Desarrollo, Spain.
 CDC : Commonwealth Development Corporation, United Kingdom.
 IFC : International Finance Corporation, Washington D.C.- USA (1).
 AFDB : African Development Bank, Abidjan - Ivory Coast.
 BOAD : Banque ouest-africaine de développement, Lomé - Togo.
 BDEAC : Banque de développement des Etats de l'Afrique centrale, Brazzaville - Congo.
 (1) CDI is also cooperating with the AEF (Africa Enterprise Fund) - an offshoot of the IFC - through its branch offices in ACP countries.

The public debt burden, balance of trade and balance of payments deficits, collapse of certain commodity prices, falling local purchasing power, market fragmentation, lack of domestic savings, withdrawal of investments by foreign companies... the list of macroeconomic handicaps weighing on the economies of many ACP countries is very long indeed.

At the same time, however, several of them have launched difficult "structural adjustment" programmes aimed at easing bureaucratic State interference in the economy with a view to creating an environment more conducive to private development and economic efficiency. But the paradox is that these adjustments - taking the concrete form of measures such as the liberalization of trade and the abolition of various incentives and protective mechanisms - are placing private companies in particularly trying situations.

*Important !
 The CDI has changed
 address (see page 8)*

Dossier : the CDI and the financing of ACP projects

Gap between supply and demand



Eckhard Hinzen, Head of the Economic And Financial Studies Department at CDI.

"There is yet another paradox", underlines Eckhard Hinzen, in charge of economic and financial studies at the CDI. "At present, we are witnessing a gap between the available supply of financing among the traditional financial

institutions - which remains largely underused - and a pressing demand for capital resulting from the privatization and rehabilitation of companies - which remains unsatisfied. This imbalance comes from both sides : the conditions for access to financing imposed by the institutions (project size, guarantees required, repayment terms laid down, etc.) are often ill-suited to the possibilities offered by projects and the financial capacities of the promoters, whilst too many projects that are proposed fail to meet sufficient profitability and management quality criteria to obtain financial support."

So how is it possible to break this vicious circle and help regenerate the dynamics of private investment ? The economic conditions prevailing in the ACP countries call for a new approach to the problems of company financing. In most cases, these countries are faced with a chronic shortage of venture capital, both private and institutional. Whether it be to set up new companies or to rehabilitate existing firms, particularly within the context of privatization of public corporations, this form of financing - much more flexible and less demanding in terms of "guarantees" - seems the best suited to the difficulties confronting the ACP countries.

On the other hand, for an industrial project to be able to attract venture capital, certain prerequisites must be met, especially in terms of the quality of the projects submitted and their management. It is therefore essential for the efforts to find appropriate resources for ACP companies to be accompanied by active support in the selection and implementation of projects.

Two priorities under Lomé IV : financing for companies and technical assistance for entrepreneurs

The fourth Lomé Convention places ample emphasis on this new approach to company financing.

◆ For instance, the financial protocol to Lomé IV provides for 825 million ECU to be allocated from the resources of the EDF (European Development Fund) to acquire holdings in ACP companies in the form of risk capital. The management of this type of financing has been placed in the hands of the EIB (European Investment Bank).

◆ Another part of the EDF budget, amounting to 280 million ECU, has been earmarked for interest subsidies on loans financed through the EIB's own funds.

◆ Finally, the present Convention gives the CDI a very clear mandate to play an interface role between companies and financial bodies likely to finance projects (see box : "Lomé IV, company financing and the CDI").

"It must be clearly understood that the CDI is not a financial body itself", Eckhard Hinzen points out. "It is not there to provide its own funds or to grant loans. Its task in this field is to act as an intermediary offering services. We are a pivotal structure, meeting both the needs of those requiring capital - companies - and the demands of those offering it - the financing institutions. And we intervene at two levels : in the "pre-investment" stage and then in the "post-investment" stage.

Services for companies...

Before it comes to the question of financing, the first step taken by the Centre is to identify valid projects presented by competent promoters. "To make optimum use of our resources, we try to direct them towards projects with solid guarantees of success", explains Eckhard Hinzen. "Our credibility depends on our selectivity at this stage, in the eyes of both the ACP promoters

Lomé IV, company financing and the CDI

Article 89 of the Lomé IV Convention stipulates that "the CDI shall help to establish and strengthen industrial enterprises in the ACP States, notably by encouraging joint initiatives by economic operators of the Community and the ACP States.

As a practical operational instrument, the CDI shall give priority to the identification of industrial operators for viable projects, assist in the promotion and implementation of those projects that meet the needs of ACP States, taking special account of domestic and external market opportunities for the processing of local raw materials while making optimum use of the ACP States' endowments by way of factors of production. Assistance shall also be given to the presentation of such projects to the financing institutions."

In Article 90 1-e, the Lomé IV Convention also specifies that the priorities of the CDI are, in particular, to : "identify and provide information on possible sources of financing, assist in the presentation for financing, and, where necessary, assist in the mobilization of funds from these sources for industrial projects in ACP States".

that we support and the financial institutions to which we propose projects".

Once the selection has been made, the Centre can provide promoters with two kinds of services :

◆ on the one hand, helping them compile all the necessary documents - feasibility studies, diagnoses, market surveys, searches for technical and commercial partners in Europe, etc. - which will make their dossiers "bankable", i.e. meeting the profitability criteria laid down by the financial institutions (the CDI offers a high-performance software tool for project evaluation in this connection : see next issue);

◆ on the other hand, putting them in touch with organizations likely to be interested in their profile, and providing them with assistance in the financial and legal negotiations.

Dossier : the CDI and the financing of ACP projects

SYNERGIES BETWEEN THE CDI AND THE DEVELOPMENT FINANCE CORPORATIONS (DFCs)

SCOPE OF COOPERATION	CDI : PRACTICAL MEANS AND FACILITIES	DFCs : PRACTICAL MEANS AND FACILITIES
<p>1. Identification of investment conditions and industrial development trends in ACP countries. Regular exchanges of information (direct observations, surveys, studies).</p>	Collection and distribution by CDI regional officers and ACP antennae.	Ditto for DFC regional officers and affiliated financial intermediaries.
<p>2. Systematic project identification. Missions and surveys on specific resource potentials, selected branches of industry and target markets.</p>	Organization, co-financing and monitoring of surveys and entrepreneurs' missions in ACP countries and EC countries, offering the support of the CDI's ACP and EC networks.	Participation, advice and guidance with regard to target sectors and markets.
<p>3. Specific project proposals. Exchange of information on projects identified with a view to possible cooperation.</p>	After screening, presentation of identified projects to the DFCs.	Communicating project proposals detected by the DFC that could receive CDI assistance.
<p>4. Initial appraisal of projects and promoters. Consultation on the economic validity of project concepts and the capacities of promoters.</p>	Advice based on industrial sector knowledge; sponsorship of entrepreneurs' exploration missions; substantiation and diagnostic missions by independent experts.	Assistance with assessment of promoters, especially of EC partners involved in projects.
<p>5. Identification of industrial partners. Search for EC and ACP technical and/or financial partners, according to project requirements.</p>	Partnership proposals identified in its networks; organization of experts' assignments for such identification.	Assistance in identification, especially through DFC contacts in EC industries.
<p>6. Feasibility studies (new ventures), diagnostic studies and restructuring plans (existing enterprises). Joint monitoring and evaluation of studies.</p>	Contribution to cost of studies; supervision and critical evaluation with a view to producing bankable dossiers.	Assistance in analysing eligibility criteria for DFC financing; possible participation of DFC staff in project appraisal.
<p>7. Investment finance and implementation. Submission of feasibility or diagnostic studies for equity or loan financing from a DFC.</p>	Presentation of project documents and assistance for promoters in negotiations; commitment to assistance in the implementation stage (see 8).	Decision on investment funding by the DFC, together with practical terms and conditions.
<p>8. Assistance for newly established or ongoing enterprises. Cooperation in project implementation.</p>	Making expertise available and possibly subsidizing interventions in favour of ACP enterprises (1).	Proposing enterprises requiring assistance; help in defining assistance needs and monitoring the assistance provided.
<p>9. Assistance in establishing and/or strengthening ACP intermediary structures (for financing and/or management support/advice).</p>	Assistance in improving the operation and diagnosis and evaluation capacities of such structures (particularly when EC DFC risk capital is involved).	Proposing intermediary structures likely to benefit from additional CDI assistance.

(1) These may cover fields as diverse as technical and general management of start-up and/or consolidation of enterprises, operational training in the ACP enterprise or at an EC industrial partner, marketing assistance, diagnostic studies, financial and technical audits, assistance in restructuring, etc.

Dossier : the CDI and the financing of ACP projects

Subsequently, the Centre also intervenes after the projects have been launched - in the start-up stage but also during the operational phase : technical assistance, management, training, marketing policy, etc.

... but also for financiers

"Throughout this process of support for promoters, the action taken by the CDI also represents a service to the financial institutions", stresses Eckhard Hinzen. "The initial work of selecting projects and helping compile dossiers often allows interesting small-scale projects to be identified. For the financial institutions, prospecting and in-depth analysis are impossible with companies of this type, given the profitability levels concerned. The assistance provided by the Centre therefore opens the doors of these organizations to a whole new SME clientele which would otherwise be left by the wayside."

The same applies to post-investment assistance : the support provided often conditions the implementation of the project and thus constitutes a factor that can have a positive influence on the risk evaluation conducted by the organizations providing the capital. And it frequently gives a project the necessary breathing space in which to reach break-even point. In many projects, the cost of the technical assistance or training taken in hand by the CDI represents a significant proportion of the company's initial operating expenses. For Eckhard Hinzen, "it is clear that without these interventions the cash flow of these incipient companies would never be sufficient to bear this burden.



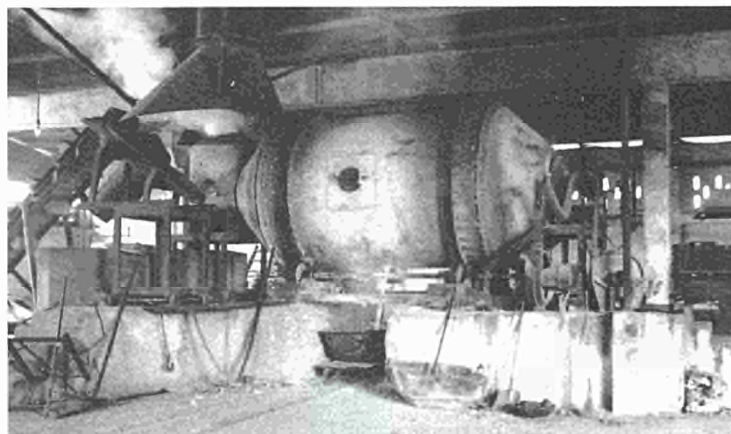
Belize: a "made-to-measure" solution for the rehabilitation of the match company, Toucan Match, financed by a local bank.

The modernisation plans of this wood-processing company (wood being an important resource in Belize) had run up against the prohibitive high cost of investment in new equipment. Assistance from CDI produced an original solution. Using the services of a German engineering firm, the company succeeded in finding adequate second-hand equipment, a formula which sharply reduced finance needs. Finance was in turn obtained from a local bank after CDI had undertaken an assessment of the plant conducted by an independent consultant, and had promised to subsidise technical assistance for the project's completion.

The sole aim of the Centre's interventions is to act as a catalyst, wherever possible, to provide the helping hand that a dossier may need if it is to make progress."

The synergies between the Centre and the world of finance are therefore systematized.

the size, objectives, priorities, geographical areas of influence and operating methods of these organizations are all different. For promoters and for these bodies themselves, the CDI's familiarity with this network is invaluable since it ensures that the right connections are made.



EIB/CDI cooperation : major expansion of Aluminium Enterprises Limited (AEL) in Ghana

This project is enabling a small firm to step up to major semi-industrial production (from 1,800 to 15,000 tonnes) on a buoyant economic market. The EIB has agreed to contribute part of the finance (to the tune of 3 million Ecus in two phases), and has asked CDI to collaborate on the negotiation of a technical assistance contract and help finance the services of a British engineering consultant appointed to assist AEL.

"At present, we are working in close cooperation with a network of around fifteen bodies, either development finance corporations (DFCs) based in eight EC member countries or various multinational or regional banking institutions" (see article in our next issue).

These structures, all involved in the financing of projects in ACP countries, have the capacity and the mandate to take commercial risks, either by acquiring capital holdings or offering more favourable interest rates than those available on the market, or by accepting more flexible guarantees. But

The importance of local contacts

Whilst the overall industrial development context in the ACP countries is difficult, considerable efforts have been made by the world of finance to adapt to the specific characteristics of the local conditions. Many financing bodies have realized that to invest effectively on the ACP market two innovations are required :

1. Firstly, by making more use of contacts on the spot capable of intervening financially and then monitoring the results achieved.

◆ Some institutions set up

80 PROJECTS SUPPORTED IN 5 YEARS

their own specialized agents, such as the International Finance Corporation, a subsidiary of the World Bank, which has just created a special enterprise fund for sub-Saharan Africa with the task of financing small-sized projects (from 180,000 to 3.5 million ECU) through loans or capital investments.

◆ Local structures are being established in different ACP countries to act as local venture capital funds and also to provide management assistance, such as the FIARO in Madagascar, the PREFUND/RAS (Rehabilitation Advisory Service) in Kenya and the Venture Fund in Jamaica.

◆ Another method is to create service companies operating independently of the local political powers and working in close cooperation with one or more autonomous investment funds which, in particular, can provide the venture capital that companies require.

2. Secondly, by introducing greater risk-sharing : there has been an increase in joint financing operations in which several financial sources (DFCs, multinational organizations, local commercial banks, venture capital funds, etc.) are involved in supporting a project.

The CDI has made the decentralization of its activities and cooperation with institutions the two central planks of its new strategy for Lomé IV.

IN THE NEXT NUMBER OF
"PARTNERSHIP"

No. 4 November-December 1992

Financing Dossier
(part two)

- ◆ The financial evaluation software proposed by the CDI
- ◆ Main sources of financing for ACP projects in the EC and among the multinational and regional institutions

Five years after the cooperation agreement was signed between the ICEP (Instituto do Commercio Externo de Portugal) and the CDI, it is well worth mentioning the positive results achieved through the joint actions taken by these two organizations : 80 industrial ACP projects have benefited from interventions to date. The large attendance at the seminar organized on this occasion in Espinho (Portugal) on June 17th 1992 confirmed the interest shown by Portuguese industrial circles and institutions in cooperation with ACP companies.



Signing of the agreement between ICEP, FCE and CDI at the Espinho seminar on 17 June last

L-R : Mr. Paul Frix, Director of CDI; Mrs. Isabel Pinto Correia, President of FCE; Mr. Ajhayde Marques, President of ICEP; Mr. Fernando Matos Rosa, Head of the Department of Institutional Relations in Europe representing CDI.

The CDI and ICEP officials who organized this day of presentation and deliberations were expecting 200 participants. In fact, 430 turned up... Among them were representatives of some 60 Portuguese economic and financial organizations or institutions. The CDI was represented by Mr P. Frix, Director, and Mr A. Leitão, member of the Centre's Executive Board, together with Mr F. Matos Rosa, in charge of Institutional Relations in Europe.

The seminar allowed an analysis to be made of the major aspects of ICEP/CDI cooperation in favour of ACP companies (see graph). The most frequent forms of intervention are feasibility studies and market surveys (27.4%), followed by staff training (21.1%) and technical assistance (17.9%). Over half the support provided concerns agro-industrial companies and the chemical and pharmaceutical industries (benefiting from 28.2% and 24.7% respectively of the joint interventions).

Of course, most of the ACP companies that have received assistance are in the five main Portuguese-speaking African coun-

tries - Mozambique (22.5% of interventions), the Cape Verde Islands (16.3%), Angola (15%), Guinea-Bissau (13.9%) and São Tomé e Príncipe (6.3%), with the balance spread among the other ACP countries.

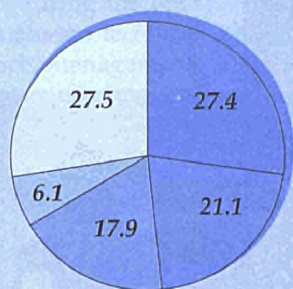
On the occasion of this fifth anniversary of the agreement, the two organizations selected three Portuguese companies involved in particularly fruitful partnerships with ACP enterprises, and the CDI awarded them "Distinctions in Industrial Cooperation". The second half of the seminar was focused on an analysis of the factors behind the success of these three award-winning partnerships (see boxes on following pages).

Enlarged agreement
with the FCE

The seminar also paved the way for further consolidation of the Centre's policy of creating synergies with Portuguese institutions interested in industrial development in the ACP States, with the signing of a new

Portugal : ICEP/CDI Agreement

ICEP/CDI cooperation: types of project assistance



- Market feasibility studies
- Staff training
- Technical assistance
- Securing of finance
- Other assistance

agreement. Under this agreement, the FCE (Fundo para a Cooperação Económica) is associated in the existing ICEP/CDI agreement. The contribution from this new institutional partner opens up new support possibilities, either in the form of interest subsidies on loans from Portuguese banks or through the co-financing of CDI interventions.

It has also been agreed that the ICEP will act as a "clearing house" through which will pass all interventions linked with the agreements that the CDI has with other Portuguese bodies - FCE, BFE (Banco de Fomento e Exterior) and BPA (Banco Português do Atlântico). These arrangements will provide for better coordination of all requests for assistance in the creation of partnerships between Portuguese companies in ACP projects.

The main points of the ICEP/CDI Cooperation Agreement

- ◆ ICEP/CDI cooperation in favour of projects in ACP countries covers identification of Portuguese partners, the organization of seminars and fora to promote projects in Portugal and in the ACP States, assistance in preparing dossiers requesting assistance and their preliminary evaluation, the co-financing of interventions and advice in the implementation of projects. In the ACP countries, cooperation has also been established between the ICEP delegations and the CDI antennae.

Three Portuguese firms receive an award for their cooperation with ACP companies

NUTRINVESTE

Nutrinveste is a holding company within the IPE Group specializing in the creation, management and development of enterprises in the food sector. It is pursuing a sustained policy of investments in projects based in ACP countries.

The distinction awarded to Nutrinveste is in recognition of the investments that it has made in two joint ventures in Guinea-Bissau and Mozambique. Both of these partnerships represent significant developments in the food sector, with substantial benefits for the export earnings of these two countries.

- ◆ Formed in 1990, **Guiné Pescas LDA** in Guinea-Bissau is an industrial fishing and first-stage processing company for the local market and for exports. This joint venture between Guinean and Portuguese partners is a model example of an industrial cooperation agreement based on the use of the country's natural resources. In addition

to the investment in cold stores, the project has also built a service and maintenance workshop not only for its own fleet but also for other fishing boats based in the port of Bissau.

When it is fully on stream, the project will have an annual turnover of some 3 million ECU, and it already employs about 120 people. It has had a significant impact on the development of the local fishing industry and meets the objectives of the Guinean government, which hopes to use this sector to reinforce self-sufficiency in foodstuffs and to increase the country's foreign exchange earnings.

The Guiné Pescas project has been jointly supported by the ICEP and the CDI through technical assistance and vocational training.

- ◆ The second award-winning project concerns **Companhia de Caju de Nacala SARL**, a joint venture involving Nutrinveste, the Entrepósito Group

(Portugal) and **Cajudu Mozambique - Empresa Nacional de Caju** for the creation of a cashew nut treatment and processing plant in Mozambique with a capacity of 6,000 tonnes each year. The total investment of around 4.8 million ECU will allow the creation of 700 jobs, direct and indirect, in the first stage alone. At local level, this project is extremely important for the economy of Mozambique, recovering by-products and increasing the added value of a commodity grown on a large scale in this country but so far exported without processing.

The ICEP and the CDI have assisted this project of national interest in the search for financial resources, especially from the EIB, which is shortly to make a loan available for its implementation.

Portugal : ICEP/CDI Agreement

SAHS (Sociedade Aveirense de Higienização de Sal, LDA)

With over 30 years' experience in the production, processing and marketing of salt, SAHS was contacted by the CDI to study and develop salt production at the pilot plant of SSW (Surinam Salt Works) based in Paramaribo, Surinam (1). This salt production project, in open-air tanks, was experiencing difficulties due to the very rainy local weather conditions.

With the joint assistance of the ICEP and the CDI, SAHS has developed and adapted a special crystallization system for the pilot plant taking these meteorological constraints into account. This intervention, for which the Portuguese

(1) This SAHS/SSW cooperation is even more impressive when one considers that Surinam is not a traditional country for Portugal and the two partners have also had to overcome a language barrier (the official language of Surinam is Dutch).

firm provided part of the equipment, at its own cost and without any contractual obligations, has proved that the production of sea salt by evaporation is technically feasible.

The changeover from pilot project to industrial-scale plant is currently the subject of an evaluation based on the economic results of this initial stage.



First batch of salt from the Surinam Salt Works pilot plant.

CIN (Corporção Industrial de Norte, SA)

Manufacturers of paints and varnishes since 1926, CIN have widely recognized technical and commercial experience. The company bases its production and marketing on a network of subsidiaries not only in Europe (Portugal and Spain) but also in developing countries, in the form of joint ventures. This is the case in Mozambique and Angola, and CIN is also considering further investments in Guinea-Bissau and the Cape Verde Islands.

The distinction awarded to CIN is a reward for the efforts that it has undertaken within the framework of the

paint manufacturing company Tintas CIN-Mozambique (TCM). The Portuguese firm has had a majority holding in this company's share capital since 1973. To relaunch TCM, whose market has so far been limited to the area around the capital, Maputo, and is under growing competition from South African products, CIN decided, after a diagnostic study, to invest in new equipment and to back up this modernization with additional technical assistance and vocational training. CIN is thus making a substantial financial effort to ensure that its subsidiary in Mozambique is well supplied with raw materials.

This initiative has received the joint support of the ICEP and the CDI, both in the launching of the project and in the post-investment phase.

Tintas CIN-Mozambique production has been stepped up by around two thirds (from 600 to 1,000 tonnes a year). The ultimate objective of this rehabilitation is to reach a production level of 4,000 tonnes a year to supply the needs of the domestic market and, if possible, to export to other markets.

NEWS IN BRIEF

Dakar '92 : the EC/West Africa industrial meeting

Held every two years, the EC/West Africa Industrial Forum - organized under the aegis of the Economic Community of West African States (ECOWAS) and the Commission of the European Communities (CEC), with the help of the CDI, UNIDO (United Nations Industrial Development Organization) and the CICES (Senegalese International Centre for Foreign Trade) - is to take place in Dakar from December 1st to 4th 1992. Following a year of preparations, 432 projects and business proposals presented by promoters in 16 West African countries and 84 offers of cooperation from EC companies have already been placed on the agenda for this inter-firm cooperation meeting.



The CDI, which has helped in the identification and selection of several of the projects presented, is also supporting the Forum by mobilizing European companies likely to participate in this meeting in Dakar and contributing towards the travel costs of selected African promoters and European industrialists. During the Forum, the Centre will also be offering promoters assistance in their negotiations with European businessmen.

The CDI will also be leading the "Debate on industrial partnerships", which will open the Forum. In addition, the CEC has given the CDI the task, when the meeting is over, of coordinating the follow-up to the various promising industrial contacts that will have been made over this period.

For further information, contact :

- ◆ either the CDI - Contact for the ACP countries : Mr Tatepo, Projects and ACP Network Division - Contact for the EC : Mr Matos Rosa, Interventions and ACP Network Division;
- ◆ or the CICES - Contact Mr T. Diagne, Commercial Director, or Mr S.O. Sow.
Tel. : Dakar (221) 23 10 70 / 20 04 54 / 20 13 75
Fax : (221) 35 07 12

Paint industry : Snapshot of CDI projects

The CDI has supported ten projects in the paint industry in eight ACP countries since 1982. It is important, therefore, to make use of the know-how acquired in this way in a sector where there is significant domestic demand in a number of ACP countries and sometimes even interesting regional export possibilities. With this in mind, the Centre's "Interventions and EC Network" Division has conducted an evaluation of its different interventions in this field, which have included diagnostic studies on existing companies, technical training, equipment installation, laboratory tests, marketing assistance, participation in fairs, etc.

The report drawn up by the consultant carrying out the study indicates that most of the projects assisted so far have been concentrated on the production of decorative paints for the building industry. Developments could be sought in the market for industrial paints for metal surfaces and in the production of resin-based adhesives. This approach will be combined with efforts to enlarge the network of European firms that could be potential partners in ACP projects.

The report also underlines the interest of developing solvent-based paints, which have better performances (resistance, gloss, adhesion, washability) than water-based emulsions. However, it draws attention to the problems posed by solvents in terms of price and protection of the environment. The experts therefore recommend that when analysing projects in this field the safety standards laid down for solvents by the EC regulations should be observed in any transfer of technology.

Finally, it should be noted that the industrial franchise formula encouraged by the CDI has proved to be particularly suitable for this type of product.

Information available from the CDI : Technical Resources Department, Interventions and EC Network Division.

Partnership is a publication by the Centre for the Development of Industry (CDI), created under the EEC-ACP Lomé Convention.

Publisher : Paul Frix, Director of the CDI

Editing and production by :

European Service Network
Brussels

Tel. : +32 2 646 40 20

Fax : +32 2 646 53 57

Layout :

Made in V.

Printing :

Van Muysewinkel

Mauritania Seminar on Fishing, Processing of Fishery Products and Exports

Having coastal waters with one of the largest fish stocks in the Atlantic, if not the world, one of Mauritania's main problems is how to make optimum use of this key resource. At present, it is threatened by a tendency to over-exploit its resources without sufficient benefits for the Mauritanian economy.

Developing the local fishing industry, even though there are growing export markets - especially in the European Community - calls for some major renovations. This means not only modernizing the fishing and fish processing companies but also organizing the marketing of these products and building up and maintaining the fishing fleet. The Mauritanian authorities, aware of the need to apply a coherent policy in this sector and to introduce suitable incentives, have decided substantially to encourage private investment, both foreign and domestic, and have called upon the CDI to promote the creation of technical, commercial and financial partnerships between Mauritanian and European operators.

Between November 15th and December 10th 1992 (1), the CDI is organizing a seminar of 3 to 4 days in Nouadhibou, the country's main fishing centre, to which will be invited twenty or so Mauritanian and European partners likely to conclude partnership agreements, fishery experts and Mauritanian government officials. A firm of consultants designated by the Centre to prepare this seminar has been given the task of selecting the enterprises that will be invited to participate and of conducting a systematic analysis of the problems involved and an identification of possible solutions for the development of this sector.

(1) The final date for the seminar will be fixed on the 15/9/92.

Information available from the CDI : Technical Resources Department, Interventions and EC Network Division.

The CDI has changed address

To cope with the increase in the number of staff, the CDI moved to new offices on August 1st 1992, in the South of Brussels.

New address :

CDI

Avenue Herrmann-Debroux, 52

B-1160 Brussels

Tel. : +32 2 679 18 11

Fax : +32 2 675 26 03

Telex 61427

Operational Summary

No. 70 — September 1992

(position as at 18 August 1992)



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), Lomé III (8 December 1984) and Lomé IV (15 December 1989), 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 since 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
G 12 4-14
200, rue de la Loi
B-1049 Brussels

Please cover only one subject at a time.

DESCRIPTION SECTOR CODE

A1	Planning and public administration	A5B	Industrial development banks
A1A	Administrative buildings	A5C	Tourism, hotels and other tourist facilities
A1B	Economic planning and policy	A5D	Export promotion
A1C	Assistance to the normal operations of government not falling under a different category	A5E	Trade, commerce and distribution
A1D	Police and fire protection	A5F	Co-operatives (except agriculture and housing)
A1E	Collection and publication of statistics of all kinds, information and documentation	A5G	Publishing, journalism, cinema, photography
A1F	Economic surveys, pre-investment studies	A5H	Other insurance and banking
A1G	Cartography, mapping, aerial photography	A5I	Archaeological conservation, game reserves
A1H	Demography and manpower studies		
A2	Development of public utilities	A6	Education
A2A	Power production and distribution	A6A	Primary and secondary education
A2Ai	Electricity	A6B	University and higher technical institutes
A2B	Water supply	A6Bi	Medical
A2C	Communications	A6C	Teacher training
A2D	Transport and navigation	A6Ci	Agricultural training
A2E	Meteorology	A6D	Vocational and technical training
A2F	Peaceful uses of atomic energy (non-power)	A6E	Educational administration
		A6F	Pure or general research
		A6G	Scientific documentation
		A6H	Research in the field of education or training
		A6I	Subsidiary services
		A6J	Colloquia, seminars, lectures, etc.
A3	Agriculture, fishing and forestry	A7	Health
A3A	Agricultural production	A7A	Hospitals and clinics
A3B	Service to agriculture	A7B	Maternal and child care
A3C	Forestry	A7C	Family planning and population-related research
A3D	Fishing and hunting	A7D	Other medical and dental services
A3E	Conservation and extension	A7E	Public health administration
A3F	Agricultural storage	A7F	Medical insurance programmes
A3G	Agricultural construction		
A3H	Home economics and nutrition	A8	Social infrastructure and social welfare
A3I	Land and soil surveys	A8A	Housing, urban and rural
A4	Industry, mining and construction	A8B	Community development and facilities
A4A	Extractive industries	A8C	Environmental sanitation
A4Ai	Petroleum and natural gas	A8D	Labour
A4B	Manufacturing	A8E	Social welfare, social security and other social schemes
A4C	Engineering and construction	A8F	Environmental protection
A4D	Cottage industry and handicraft	A8G	Flood control
A4E	Productivity, including management, automation, accountancy, business, finance and investment	A8H	Land settlement
A4F	Non-agricultural storage and warehousing	A8I	Cultural activities
A4G	Research in industrial technology		
A5	Trade, banking, tourism and other services	A9	Multisector
A5A	Agricultural development banks	A9A	River development
		A9B	Regional development projects
		A10	Unspecified



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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

Road rehabilitation — Section A: Lubango — 41 km — Section B: Serra de Leba — Lubango. Resp. Auth.: Ministère de la Construction. Estimated total cost 15 mECU. EDF 12.5 mECU local 2.5 mECU. Works by int. tender. Works supervision: short-list done. Project in execution. 6th EDF.
EDF ANG 6011 A2d

Supply of 5,000 'kits' to facilitate the development of micro-enterprises and handicraft in rural or urban environment. 2 mECU. *Project in execution.* 7th EDF
EDF ANG 7002 A4a, A5

Supplies logistic support for electoral course. 2 mECU. *Project in execution.* 7th EDF
EDF ANG 7003 A1c

Basic equipment for vote offices. 1 mECU. *Date financing July 92.* 7th EDF
EDF ANG 7004 A1c

ANTIGUA AND BARBUDA

Road Rehabilitation Programme Phase 2. Resp. Auth.: Ministry of Works and Communications. 3,100 mECU. Reconstruction of the road from Golden Grove to Urlings (11.75 km). Project on appraisal.
★ *Date foreseen for financing October 92.* 6th EDF.
EDF AB 6001 A2d

BARBADOS

Hospitality Studies Project. Resp. Auth.: Ministry of Education and Culture. Total estimated cost 2.5 mECU. EDF 1.6 mECU, local 0.900 mECU. Construction of Tourism Training Centre-cum-Hotel. Project on appraisal. 6th EDF.
EDF BAR 6006 A5c

Livestock Development. Resp. Auth.: Ministry of Agriculture. 2,475 mECU. Renovation and construction of administrative buildings, supply of vehicles, equipment and computers. Line of credit and T.A. Project in execution. 5th and 6th EDF.
EDF BAR 6004 A3a

BELIZE

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

Fish breeding. Applied research and popularization actions. Resp. Auth.: MDRAC. Estimated cost 2 mECU. Project on appraisal. 6th EDF.
EDF BEN 6009 A3d

General Import Programme — S.A.P. II. 24 mECU. Hard currency allowance to import ACP and EC goods. There is negative list of items not eligible (military-luxury items). Project in execution. 6th and 7th EDF.
EDF BEN 7200 A1c

BOTSWANA

Wildlife Conservation in Northern Botswana. Resp. Auth.: Department of Wildlife and National Parks. (DWNP). 6,800 mECU. New tracks, construction of administrative office quarters and accommodation. Supply of equipment (earthmoving — tractors — 4x4 pick-ups). T.A. and training. Project on appraisal. Date foreseen for financing 2nd half 92. 6th EDF.
EDF BT 6026 A3e, A5i

Airborne Electromagnetic survey in the Ghanzi-Chobe fold belt and Shinamba Hills. Resp. Auth.: Dept. Geological Survey. 1.6 mECU. Investigate mineral deposits and water potential. Production of geological maps. Project in execution. 7th EDF.
EDF BT 7001 A1g

Forestry protection and development. Resp. Auth.: Ministry of Agriculture. Division of Forestry and Range Ecology (DFRE). 3 mECU. T.A. and supplies (computers, vehicles, tractors). *Date financing July 92.* 7th EDF
EDF BT 6021 (7002) A3c

BURKINA FASO

Structural Adjustment Support — General Import Programme. 22,500 mECU. Hard currency allowance to import ACP and EC goods. There is negative list of items not eligible (military-luxury items). T.A. for monitoring, auditing and follow-up. Project in execution. 7th EDF.
EDF BK 7200 A1c

Water resources development programme in the South-West. Resp. Auth.: Ministère de l'Eau. Estimated total cost 15 mECU. Drillings, water supplies, water points, hand pumps, vehicles, various equipments, T.A. for works supervision and programme implementation. Training. Project on appraisal. *Date foreseen for financing October 92.* 5th and 7th EDF
EDF BK 6020 (7001) A2b, A3c

Douana plain development. Resp. Auth.: Ministère de l'Agriculture et de l'Elevage. 2,050 mECU. EDF 2 mECU, local 0.050 mECU. Works, supplies, T.A. Project on appraisal. 7th EDF.
EDF BK 6005/7002 A3a

Electrification of 3 secondary urban centres. Resp. Auth.: SONABEL — Soc. Nat. d'Electr. 9 mECU. Power center and distribution network in Diébougou, Kongussi, Nouna. Works, supplies and T.A. for supervision and control. Project on appraisal. 7th EDF.
EDF BK 7001 A2ai

BURUNDI

Rutana province water supply. Resp. Auth.: Ministère du Dév. Rural. Dir. Gén. de l'Hydraulique et de l'Energie. 5.5 mECU. Construction of 17 water supply networks. Works and supplies by int. tender (conditional) n° 3533 launched on April 3rd 92. Opening 10.6.92. *Project in execution.* 6th and 7th EDF.
EDF BU 6002 (7001) A2b

Structural Adjustment Support. General Import Programme. 12 mECU. Hard currency allowance to import ACP and

EC goods. There is negative list. Evaluation after 1st phase. Project on appraisal. *Date financing July 92.* 7th EDF.
EDF BU 7200 A1c

Development of the health sector in the Mosso and Imbo regions. Resp. Auth.: Ministère de la Santé Publique. Total estimated cost 24,877 mECU. EDF 18 mECU, local 5,413 mECU. Counterpart Funds for G.I.P. 1,464 mECU. Health centres staff training, supply of equipments and health services rehabilitation. Constructions, T.A. Project on appraisal. *Date foreseen for financing September 92.* 7th EDF.
EDF BU 7003 A6bi, A7

Training for rural development programmes. Resp. Auth.: Ministère de l'Agriculture et de l'Elevage. 1,910 mECU. Management, planning, know-how, evaluation, maintenance. T.A. 6 months. *Date financing July 92.* 7th EDF.
EDF BU 7000 A6c, i

Improvement of the Kirundo city Access. Resp. Auth.: Ministère des Travaux Publics et du Dév. Urbain (MTPDU) — Direction Générale des Routes. 15 mECU. Works 31.5 km between Muyange and Kirundo — R.N.14. Works: int. tender launched (conditional). Supervision. Project on appraisal. *Date foreseen for financing October 92.* 7th EDF.
EDF BU 7005 A2d

CAMEROON

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

Rural development poles: Saa-ntui, Sang melima, Bafut. Resp. Auth.: Ministère de l'Agriculture et du Plan et de l'Aménagement du Territoire. Total estimated cost 14,625 mECU. EDF 10,300 mECU, local 4,325 mECU. Strengthening of the monitoring structures, improvement and extension of basic socio-economic infrastructures, training, education, popularization of rural development, health. Works: tracks, buildings; supplies for civil works, vehicles, crop inputs, rural equipment. Project on appraisal. *Date foreseen for financing 2nd half 92.* 6th EDF.
EDF CM 6012 A3a

Creation of a medicines provisioning unit. (to prepare the programme: Social Dimension Adjustment — S.D.A.-Health) Resp. Auth.: Ministère de la Santé Publique. 0,265 mECU. T.A. short-term by G.T.Z. (F.R. Germany) who will purchase essential medicines. *Project in execution.* 7th EDF.
EDF CM 7003 A7

Support to the Structural Adjustment Programme. General Import Programme. Hard currency allowance to import ACP and EC goods. There is a negative list. 29.5 mECU. T.A. for starting and follow-up. *Project in execution.* 7th EDF.
EDF CM 7200 A1c

Support to the health services. Resp. Auth.: Ministère de la Santé Publique. 8.5 mECU. Works, supplies of medicines by int. tender, T.A. by G.T.Z. Project on appraisal. *Date foreseen for financing October*

92. 6th and 7th EDF.
EDF CM 6030 (7004) A7e

CENTRAL AFRICAN REPUBLIC

Support to the National Laboratory for Buildings and Public Works. (LNBTP) Resp. Auth.: Ministère des T.P. 1.200 mECU. Works, supplies training.
★ Project on appraisal. *Date foreseen for financing September 92.* 6th EDF
EDF CA 6011 A1a

CHAD

Support programme to revitalize primary education. Resp. Auth.: Ministère de l'Education Nationale. 10 mECU. Works by acc. tender or direct labour. Building materials, equipment, and educational equipment, by int. tender. Training programmes and support infrastructures. Project in execution. 7th EDF.
EDF CD 7001 A6a

Support Project to the National Authorizing Officer. (NAO). Resp. Auth.: N.A.O. 1.8 mECU. T.A. to the N.A.O. (2 experts). *Project in execution.* 7th EDF.
EDF CD 7002 A1f

Environmental conservation in the South-East. Resp. Auth.: Ministère du Tourisme et de l'Environnement. 3,5 mECU. Flora and fauna reconstitution in the Zakouma region. Integration, growing public awareness and participation of population for conservation of natural resources.
★ *Project in execution.* 7th EDF.
EDF CD 7001 (4017) A8f

Support programme to improve maintenance and road infrastructure. Resp. Auth.: Ministère des T.P. 15 mECU. Works, bridges, Moundou-Touboro road study, institutional support to the Ministère des T.P. Training. Road study: short-list to be done. Project on appraisal. 7th EDF
EDF CD 6001 (7003) A2d

CONGO

Support to the private sector and S.M.E.'s promotion. Resp. Auth.: National Authorizing officer, Ministère for SME, EEC delegation, Associations. 10 mECU. Lines of credit, development, promotion, viability of micro — small and medium enterprises. T.A., supplies and line of credit. Project on appraisal. *Date foreseen for financing October 92.* 6th and 7th EDF.
EDF COB 6005/7001 A4, A5

COTE D'IVOIRE

Central Region food crops programme. Resp. Auth.: Ministère de l'Agriculture. EDF 40 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 2nd half 92.* 6th EDF.
EDF IVC 6009 A3a

Support to the Structural Adjustment Programme. General Import Programme. Hard currency allowance to import ACP and EEC goods. There is a negative list of items not eligible (military-luxury products). 15.5 mECU. T.A. for the Ministère de l'Economie et Finances and T.A. for the Ministère de la Santé. Project in execution. 7th EDF.
EDF IVC 7200 A1c

Health sector support programme. 11.2 mECU. Strengthening basic cares, correcting unbalances between regions and support to decentralization. Project on appraisal. *Date foreseen for financing October 92.* 7th EDF.
EDF IVC 6011 (7001) A7

Support programme to coastal cities. 28.5 mECU. Social and economic infrastructure, planning and management of municipalities. Project on appraisal. *Date foreseen for financing September 92.* 7th EDF.
EDF IVC 7001 A8a, b

Research — development programme for garden-market, agro-forestry and fruit-trees sectors. Resp. Auth.: Ministère de l'Enseignement Supérieur et de la Recherche Scientifique and IDESSA-IDEFOR/IDFO and IDEFOR/DFA. Ministère de l'Agriculture. 8.760 mECU. Supplies and T.A. Project on appraisal. *Date foreseen for financing October 92.* 7th EDF.
EDF IVC 7003 A6f, A6c, i

DJIBOUTI

Urban development programme. Phase II. Resp. Auth.: Ministère des Travaux Publics. 8.750 mECU. To finish works in bloc 4 and sanitation and road works in bloc 1 and 2. Project in execution. 7th EDF.
EDF DI 6002 (7001) A2d

Fight against desertification and development of livestock husbandry in Western-Djibouti. Resp. Auth.: Ministère de l'Agriculture et du Développement Rural. 1.665 mECU. Supply of equipments, studies, T.A. Project on appraisal. 7th EDF.
EDF DI 6008 A3a

Handcraft promotion. Resp. Auth.: Office National du Tourisme et de l'Artisanet. Estimated total cost 2.371 mECU. EDF 1.960 mECU, local 0.071 mECU, France (Volontaires du Progrès) 0.340 mECU. Training, trade and technical advise, incitement for professional grouping, financial assistance. Works, supplies, T.A. for training, monitoring and technical support. Project on appraisal. 7th EDF
EDF DI 7001 A4d

DOMINICAN REPUBLIC

Sectoral Import Programme for Petroleum Products. Resp. Auth.: Oficina del Ordenador Nacional — Secretaría de Estado de Finanzas y el Banco Central. Refinería Dominicana de Petróleo, S.A. 22 mECU. Purchase by int. tender. Specialized T.A. for preparation tender dossier, evaluation, follow up. *Project in execution.* 7th EDF.
EDF DO 7200 A1c

EQUATORIAL GUINEA

Essential goods import programme. Resp. Auth.: Presidency of the Republic. Estimated cost 1.5 mECU. Hard currency allowance to import essential goods. Project on appraisal. 5th and 6th EDF.
EDF EG 0000 A1c

Conservation and rational utilisation of the forest ecosystems. Resp. Auth.: Ministry of Agriculture, Livestock farming, Fisheries and Forests. Directorate General for Forests. 5.070 mECU. Land Classification and Use Master Plan — National System of Conservation Units — Forest Training and Research Centre. T.A. and supply of equipment. Project on appraisal.

Date foreseen for financing 2nd half 92. 6th EDF.
EDF EG 6001 A3c, e, i

M'Bini — Akalayong road. Rehabilitation and improvement of the road. 65 km. Int. tender for works (conditional) foreseen 2nd half 92. Estimated cost 1.6 mECU. Project on appraisal. *Date foreseen for financing October 92.* 6th EDF.
EDF EG 6006 A2d

Rural development programme in the South-East. Resp. Auth.: Ministère de l'Agriculture. 4.500 mECU. Works, supplies and T.A. *Date financing July 92.* 7th EDF.
EDF EG 6005 (7001) A3a

ETHIOPIA

South Shewa conservation-based rural development. Resp. Auth.: Ministry of Agriculture. 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 equipment, 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, Fisheries Dept. 7.5 mECU. Provision of inputs to fishermen, development of cooperatives, establishment of marketing organisation and infrastructure, training, research and fingerling production centres. Works, supplies and T.A. Project in execution. 6th EDF.
EDF ET 6008 A3d

Foreign trade development. Resp. Auth.: Ministry of Foreign Trade (MOFT). 1.5 mECU. T.A.: two-years marketing expert, a team of marketing specialists (short-term consultancy services in Ethiopia). Market research, training in international marketing and international trade, technical seminars. Equipment and supporting services Project in execution. 6th EDF.
EDF ET 6010 A5de

Sectoral Import Programme IV. Resp. Auth.: AISCO and ESC for agricultural inputs. Vice Minister of Industry in charge of private sector and handcrafts development, the National Bank, the Commercial Bank of Ethiopia, and the EDF Nat. Auth. off. for the hard currency line for the private sector. Fertilizers, seeds and chemicals by int. tender. Procurement Unit for 3-4 years. 27 mECU. *Project in execution.* 7th EDF.
EDF ET 7200 A1c

Short-term support programme for the reconstruction and development of Erytraea. 19.800 mECU. Dams for irrigation, rural hydraulics, road rehabilitation. Works by direct labour, supplies by int. tenders, T.A. Project on appraisal. *Date foreseen for financing October 92.* 7th EDF.
EDF ET 7001 A9f

FIJI

Investment and export development. Resp. Auth.: Ministry of Trade and Commerce (MTC) and Fiji Trade and Investment Board. 7.2 mECU. Land purchase for the Tax Free Zone, works, supply of equipment, T.A. and training. Project in execution. 6th EDF.
EDF FIJ 6007 A5d

GABON

Population general census. Resp. Auth.: Ministère de la Planification. EDF part 0.485 mECU. Payment of specialized temporary staff and supply of equipment. **Date financing July 92.** 7th EDF
EDF GA 7001 A1g, h

GAMBIA

Rural Development Programme. Resp. Auth.: Ministry of Finance and Economic Affairs. 14.5 mECU. Rehabilitation of Water schemes, supply of road equipment and materials, T.A. and supervision. Project in execution. 6th EDF
EDF GM 6004 A3a

Training programme. Resp. Auth.: Office of the President. 0.800 mECU. Institutional linkage of the Management Devpt. Institute with a European institution for training in financial and economic management and administration. **Date financing July 92.** 7th EDF
EDF GM 7001 A6b

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

Second microprojects programme. (Lomé III). Total cost 9 mECU, Ministry of Finance and Economic Planning 2 mECU. District assemblies - communities 1 mECU. Construction of schools, clinics, wells, sanitation facilities, markets. Local T.A. Project on appraisal. 6th EDF.
EDF GH 6102 A6, A7, A8

Structural Adjustment General Import Programme. Hard currency allowance to import ACP and EEC goods. There is a negative list of items not eligible (military-luxury and environmentally hazardous product). 20 mECU. T.A. for procurement agent possible. Project in execution. 7th EDF.
EDF GH 7200 A1c

GRENADA

Farm and feeder roads project. Resp. Auth.: Ministry of Agriculture. 1.580 mECU. Construction or rehabilitation. Works by direct labour. Project on appraisal. **Date foreseen for financing September 92.** 7th EDF.
EDF GRD 7002 A3a

Microprojects programme. Resp. Auth.: Ministry of Labour, Social Service, Community Development. 0.220 mECU. Water supply, road improvements, repairs and extension of schools, medical and community centre and sports grounds. Project on appraisal. 7th EDF.
EDF GRD 7102

GUINEA

Contribution to the Rubber and Palm Tree and Rice Programme in 'Guinée Forestière'. Resp. Auth.: Ministère de l'Agriculture and SOGUIPAH. EDF part 5 mECU. Intensification of village rural production. Soil preparation, feeder roads, rice inputs. Project in execution. 6th EDF.
EDF GUI 6008 A3a

Support to improve electrical sector. Resp. Auth.: Ministère de l'Industrie and ENEL GUI. 6.145 mECU. Supply of equipments: 30,000 sets of power-meters and fittings, spare parts for hydro-electric powerstations, generator sets, tools, work-shops equipments, radio-sets, vehicles. Project in execution. 5th EDF.
EDF GUI 5042 A2ai

General Import Programme. Hard currency allowance to import ACP and EC goods. There is a negative list of items not eligible (military, luxury and environmentally hazardous product). 14 mECU T.A. for implementation and follow-up. Project on appraisal. **Date foreseen for financing September 92.** 7th EDF
EDF GUI 6009/7001 A1c

Improvement of living conditions in backward areas. Resp. Auth.: Ministères de Santé de l'Enseignement et de l'Agriculture. 20 mECU. Building, rehabilitation and equipping of health infrastructures (regional hospitals and health centres) education (teacher national schools, primary schools). Water points. Work, supervision. Project on appraisal. 7th EDF
EDF GUI 6022 (7002) A6, A7, A8

Road Infrastructure Programme. Resp. Auth.: Ministère des Transports. Ministère des T.P. Building, reconstruction of national and secondary road. 50 mECU. Works, supervision, several T.A. Project on appraisal. 7th EDF
EDF GUI 6021 (7003) A2d

Rural Development Programme - Western Upper Guinea. Resp. Auth.: Ministère de l'Agriculture et des Ressources Animales. 10 mECU. Cotton, crop, stock-farming, rice-growing, bee-keeping, draught farming, market-garden, rural credit, processing, feederroads, Works, supplies, line of credit. Project on appraisal. 7th EDF
EDF GUI 6002 (7004) A3a

GUINEA BISSAU

Rural development programme. 23.8 mECU. Improvement of food and fisheries production, line of credit, micro-projects, T.A. and training. Project in execution. 6th EDF.
EDF GUB 6001 A3a

Project for the rehabilitation of social and economic infrastructures. Resp. Auth.: Ministry of Public Works. 7.8 mECU. Road rehabilitation, schools, health centres, urban roads, markets, water and sanitation. Construction of secondary bridges, access roads, supply of a ferry. Works, supplies and T.A. 2 Projects on appraisal. 5th and 6th EDF.
EDF GUB 6013 (PRI) - 6014 (PASI) A7, A8

GUYANA

Structural Adjustment Support - General Import Programme. Foreign currency facility to the Bank of Guyana for importation of goods for the non-traditional and traditional productive sectors.

4.5 mECU. T.A. to the Bank (procurement expert) and evaluation. Project in execution. 7th EDF.
EDF GUA 7200 A1c

Sea defence programme. Resp. Auth.: Hydraulic Division. 12 mECU. Rehabilitation of 11 km of sea defences procurement of materials and equipments. T.A. and training. Project on appraisal. 7th EDF.
EDF GUA 6003 (7001) A8g

Immediate action programme for the Demerara Harbour Bridge. Resp. Auth.: Ministry of Finance. 3 mECU. Works, supplies, T.A. and training. Project on appraisal. 7th EDF.
EDF GUA 6011 (7002) A2d

New Amsterdam water supply. Resp. Auth.: Ministry of Finance. 4 mECU. Construction of the ring main system, reservoir, supplies T.A. and training. Project on appraisal. 7th EDF.
EDF GUA 6012 (7003) A2b

JAMAICA

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

Support to the Structural Adjustment Programme. General Import Programme. Hard currency allowance to import ACP and EC goods. 8.4 mECU. T.A. for following, evaluation and procurement Agent. **Project in execution.** 6th and 7th EDF.
EDF JM 7001 A1c

Road rehabilitation and Institutional Strengthening Project. Resp. Auth.: Ministry of Construction - Works (MOC-W) 13.5 mECU. Rehabilitation and maintenance. Supply of equipment, T.A. to the Ministry. Works by acc. tender and direct labour. Supplies by int. tender. T.A.: short-list done. **Date financing July 92.** 7th EDF
EDF JM 6001 (7001) A2d

Return and reinstatement of qualified nationals. **Project in execution.** 7th EDF
EDF JM 7002 A1c

All-island beekeeping development. Phase II. Resp. Auth.: Ministry of Agriculture. EDF 1.700 mECU, local 0.230 mECU. Supply of equipment, vehicles, specialized T.A. research, training. **Date financing July 92.** 7th EDF
EDF JM 7003 A3a

KENYA

Conservation and Management of indigenous forests. Resp. Auth.: Ministry of Environment and Natural Resources. Estimated total cost 67.5 mECU. EDF 4.4 mECU, ODA (UK) 11 mECU, World Bank 16 mECU, SDC (Switzerland), FINNIDA 17.7 mECU, local 18.4 mECU. EDF part: T.A., supplies and materials to the Kenya Forests Dept. (KFD). Works, supplies, T.A., training and evaluation. Project on appraisal. **Date foreseen for financing September 92.** 7th EDF
EDF KE 6025 (7001) A3c

Assistance to 1992 Electoral Process. Resp. Auth.: Parliamentary Electoral Com.

Total cost estimates 27.8 mECU. EDF 1.96 mECU, EEC Budget 0.5 mECU, ODA (UK) 0.4 mECU, Kenya — Austria — EEC Member States 24.94 mECU. Promotion of human rights and democratisation through support to the preparation and execution of general legislative, presidential and local elections. EDF part: provision of security printed ballet papers and technical expertise. Date financing July 92. 7th EDF. EDF KE 7001 A1c

LESOTHO

'Lesotho Highlands Water Project' — Muela Hydropower Project (MHP). 44 mECU. Engineering supervision and part of the civil works. Project in execution. 7th EDF. EDF LSO 6001-7001 A2ai

MADAGASCAR

Rice and fish-breeding promotion and popularization. Resp. Auth.: Ministère de la Production Animale, des Eaux et Forêts (MPAEF). 2.300 mECU. Fish-breeding and research centres, excavation, rehabilitation, reclaim of swamps, access roads, supply of equipments and T.A. T.A.: short-lists done. Project in execution. 6th EDF. EDF MAG 6023 A3a

Livestock development in the South-West. Resp. Auth.: Ministère de la Production Animale. Estimated total cost 6.850 mECU. EDF 5.700 mECU, local 1.150 mECU. Buildings and feeder roads. Supply of equipments and T.A. Project in execution. 6th EDF. EDF MAG 6013 A3a

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

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

Aid for refugees. Resp. Auth.: Food Aid Coordination Unit in the Office of the President and Cabinet (OPC). 5.224 mECU. The programme concerns basic needs for refugees from Mozambique. Roads, wells, drinking water, health, education. Management by UNHCR, Red Cross, MSF, Concern
★ Universal. Project in execution. 7th EDF. EDF MAI 7255 A6, 7, 8

MALI

Support for Structural Adjustment Programme. 31 mECU. Project in execution. 7th ADF. EDF MLI 7200 A3a

Support programme to S.M.E. creation. Lines of credit, T.A. and follow up. 13 mECU. Project in execution. 7th EDF. EDF MLI 6001 (7001) A4,A5

Health programme and population. Resp. Auth.: Ministère de la Santé Publique. Estimated total cost 51.7 mECU. EDF 12 mECU, F.R. Germany and France 6.4, World Bank 21.6 mECU, local 3.5 mECU, USAID 8.2 mECU. Rehabilitation of health

centres. T.A. for pharmaceutical sector, supply of medicines (with anticonceptionals and condoms). Project on appraisal. 7th EDF. EDF MLI 7022 A7

Diema-Didieni Road Study. Resp. Auth.: Direction T.P. Road study. 160 Km on RN1. 0.900 mECU. Short-list done. Project in execution. 7th EDF. EDF MLI 6015 (7003) A2d

MAURITANIA

Support programme for the development of the Gorgol region (PDRG). Estimated cost 35 mECU. Improvement of the irrigated areas, support for traditional crops, regeneration of natural habitats, rural infrastructure, sanitation of Kaedi. Project in execution. 6th EDF. EDF MAU 6007 A3a

First road programme. Resp. Auth.: Ministère de l'Équipement et des Transports. 17.5 mECU. Strengthening works, training works supervision. Works by int. tender.
★ Project in execution. 7th EDF. EDF MAU 7001 A2d

Rehabilitation of Nouakchott and Aviou Hospitals. Resp. Auth.: Ministère de l'Équipement et des Transports. 8 mECU. Works, supply of equipment, staff training. Supervision and audit. Project on appraisal. 5th, 6th and 7th EDF. EDF MAU 6009 A7a

Gold-field prospection programme. Resp. Auth.: OMRG 2.5 mECU. Site identification in the Tasiast and South-Mauritanides regions. Equipments, T.A. and training. Project on appraisal. Date foreseen for financing September 92. 7th EDF. EDF MAU 7002 A4a

MAURITIUS

Pamplemousse — Grand Baie Road. Resp. Auth.: Ministère des Travaux Publics. Road construction. 11.8 km. Works and supervision. Works by int. tender (conditional). Supervision: short-list done. Total cost 7.4 mECU. EDF 5.7 mECU, local 1.7 mECU. Date financing July 92. 5th and 7th EDF. EDF MAS 5014 (7001) A2d

MOZAMBIQUE

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

Moamba region food self-sufficiency. Rehabilitation of infrastructures, supply of agricultural inputs. T.A. for 18 months. 2 mECU. Project in execution. 7th EDF. EDF MOZ 6034 (7001) A3a

Structural Adjustment Support Programme. General Import Programme. Resp. Auth.: Ministères du Commerce et des Finances. 54.7 mECU. hard currency allowance to import ACP and EEC goods. There is a negative list of items not eligible (military-luxury and environmentally hazardous products). T.A. for management, follow up and evaluation. Project on appraisal. Date foreseen for financing October 92. 7th EDF. EDF MOZ 7200 A1c

NAMIBIA

In-Service Training and Assistance for Namibian Teachers (INSTANT). Resp. Auth.: Ministry of Education and Culture. National Institute for Educational Development. 4.500 mECU. T.A. training, works and supply of pedagogical equipment. T.A.: short-list done. Date financing July 92. 7th EDF. EDF NAM 7001 A6b, d

NIGER

General Import Programme. Support for structural adjustment. 27 mECU. 2 T.A. foreseen. Project on appraisal. Date foreseen for financing 2nd half 92. 7th EDF. EDF NIR 7001 A3a

Training Centre and music promotion (CFPM). Resp. auth.: Ordonnateur National Ministère du Plan. 1 mECU. Supply of equipment, T.A. Recurrent costs. Project in execution. 7th EDF. EDF NIR 7002 (6101) A6d

Support to the development of the private sector (S.M.E.). Resp. Auth.: AFELEN (Agence pour le Financement et l'Encouragement de la Libre Entreprise au Niger) - Niamey. 12 mECU. T.A. for the AFELEN and line of credit. Project in execution. 7th EDF. EDF NIR 6023 (7002) A5b

Re-arrangement of the health services located in the ancient 'Maternité Centrale' in Niamey. Resp. auth.: Ministère de la Santé Publique. Estimated total cost 9.650 mECU. EDF 3.150 mECU, Spain 6.500 mECU. Works by acc. tender (EDF part), supply of equipments and T.A. by Spain. Project in execution. 5th EDF. EDF NIR 6027 A7a

NIGERIA

Export Development Programme. Resp. Auth.: Nigerian Export Promotion Council. 37 mECU. To transfer export know how to ± 250 Nigerian firms. Components: sectors, market, human resources and institutional development. Others: T.A. for management and supervision. Project on appraisal. 7th EDF. EDF UNI 6011 A5d

General Import Programme. 55 mECU. Hard currency facility to import goods and equipment not specifically excluded via a negative list. T.A. foreseen. Project on appraisal. Date foreseen for financing 2nd half 92. 7th EDF. EDF UNI 7200 A1c

Oban Hills Programme. EDF 16.5 mECU, Germany (KfW) 11 mECU. Park management and conservation, support zone development, park research and monitoring. To give the local people an incentive to protect — support the park. Buildings-peripheral facilities, supply of equipment and vehicles, T.A. and research studies. Villages Development Funds and recurrent costs. Date financing July 92. 7th EDF. EDF UNI 7001 A3c, e-A8f

Rubber Research Institute of Nigeria (RRIN). Resp. Auth.: R.R.I.N. 8 mECU. Works, infrastructures, rehabilitation of building, repair of roads, water supply. Supply of vehicles, tractors, laboratory and comp. equipment. T.A. and training. Project on appraisal. 7th EDF. EDF UNI 6012 (7002) A3a

University Libraries Project. Resp. Auth.: National Universities Commission. 11.500 mECU. Small repairs work, supply of book, and scientific journals, equipment, * T.A. and training. Project on appraisal. **Date foreseen for financing September 92.** 7th EDF
EDF UNI 7004 A6b

Katsina Arid Zone Programme. Resp. Auth.: Governor of Katsina State. 25 mECU. Soils and forests protection, livestock, increase agricultural productivity, irrigation, rural and social infrastructure, management and coordination, training. T.A.: restr. tender after prequalification. Project on appraisal. **Date foreseen for financing September 92.** 7th EDF
EDF UNI 7005 A3a

Urgent assistance to the News Agency of Nigeria (N.A.N.) Resp. Auth.: N.A.N. 1.300 mECU. Repair-reconstruction of N.A.N. communication building, procurement — installation of new telecommunication equipments. Works, supplies and T.A. Project on appraisal. 7th EDF.
EDF UNI 7007 A5g

PAPUA NEW GUINEA

Second Structural Adjustment Programme. General Import Programme. 11 mECU. Foreign currency facility to the Bank of PNG. There is negative list of items not eligible (military-luxury items). Project in execution. 7th EDF.
EDF PNG 7200 A1c

RWANDA

Institutional Support. Resp. Auth.: Ministère du Plan. 3.5 mECU. T.A. by 4 experts for 4 years to strengthen administration capacities to implement Lomé IV. Project on appraisal. **Date foreseen for financing September 92.** 7th EDF.
EDF RW 7001 A1f

Drinking water supply in the Bugesera East. Resp. Auth.: Ministère de Travaux Publics. 9 mECU. Pumps, treatment, tanks, renovation existing network. Works, supplies and supervision. Project on appraisal. 7th EDF.
EDF RW 6007 (7002) A2b

ST. KITTS AND NEVIS

Development of Social Infrastructure — Phase II. Resp. Auth.: Ministry of Education and Ministry of Works, Communications and Public Utilities. 0.872 mECU. Construction and supply of furnitures for primary schools, supply of equipments, T.A. for supervision of works. Project on appraisal. 5th and 6th EDF.
EDF SCN 6001 A6a

ST. VINCENT AND THE GRENADINES

Mount Wynne — Peter's Hope Land Resettlement Project. Resp. Auth.: A.R.D.P. — Agricultural Rehabilitation — Diversification Programme. Total estimated cost 3.329 mECU, local 0.129 mECU. Road realignment, cadastral surveys, allocation of small holdings on leasehold bases, works, supplies and T.A. for supervision. Project on appraisal. 7th EDF.
EDF SUG 7001 A36, A84

SAO TOME & PRINCIPE

Sectoral Import Programme for Structural Adjustment Support. Resp. Auth.: Secrétariat d'Etat à la Coopération — Délégation de la Commission à Libreville et Antenne de la Commission à Sao Tomé. 1.5 mECU. Medical supplies, school equipment, foods and T.A. Project on appraisal. **Date foreseen for financing October 92.** 7th EDF.
EDF STP 7200 A1c

SENEGAL

Consolidation of the livestock development programme. Resp. Auth.: SODESP. Estimated cost 1.6 mECU. Study under way by Bessel Ass. (UK). Project on appraisal. 5th EDF.
EDF SE A3a

Support to the Sectoral Adjustment Programme for Transports. Resp. Auth.: Ministère de l'Équipement, des Transports et de la Mer. M.E.T.M. 70 mECU. Works by int. tender for 4 roads. Supervision: short-lists to be done. Training. General Import Programme (10 mECU). **Project in execution.** 7th EDF.
EDF SE 5046 (7001) A2d

Tourism promotion. 1.960 mECU. **Project in execution.** 7th EDF
EDF SE 5046 (7003) A5c

Support programme to the senegalese phosphate sector (2nd phase). Resp. Auth.: Industries Chimiques du Sénégal (I.C.S.). 10.500 mECU. Construction of a recuperation plant for schlamms — 20 T/h in Daran. Project on appraisal. **Date foreseen for financing September 92.** 6th EDF.
EDF SYS A4a

SEYCHELLES

Tuna quay rehabilitation. Resp. Auth.: S.F.A. 1.200 mECU. Supply of equipment and works. Project in execution. 6th EDF.
EDF SEY 6008 A2d

SIERRA LEONE

North Western artisanal fisheries and community development programme. Resp. Auth.: Ministry for Agriculture and Natural Resources (Fisheries Division). 6 mECU. Infrastructure, supply of equipment, 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. T.A.: BRITISH TELCONSULT (UK)
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

Agricultural Sector Support Programme. Resp. Auth.: Ministry of Agriculture. Total estimated cost 16 mECU. EDF 14 mECU, local 2 mECU. Construction of stores, rehabilitation of feeder roads, vehicles, agricultural inputs, materials, T.A. for project management, training. Project on appraisal. **Date foreseen for financing September 92.** 7th EDF.
EDF SL 7001 A3a

SUDAN

Sudan Railways Support Programme (SRSP). Resp. Auth.: Sudan Railways Corporation. 19 mECU. Supply of materials, tools and replacement parts, 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 (PFRFP). Resp. Auth.: agricultural part: Agricultural Bank of Sudan. Transport infrastructure: Roads and Bridges Public Corporation (RBPC) and Sudan Railways Corporation. 15 mECU. Agricultural sector: supply of spare parts for repair and replacement of 2500 pumps. Int. tender and direct agreement. Supply of maintenance parts for 100 trucks (6t); by int. tender. Supply of 100 pumps by int. tender. T.A. for repair, control and credit allowances. Transport sector: bridges repair and work supervision. Supplies for railways, gabions, pipes by int. tender. Project in execution. 6th EDF.
EDF SU 6020 A2d

SURINAME

Rehabilitation Road Section Jenny — Ingikondre. Resp. Auth.: Ministry of Public Works. Estimated cost 4.4 mECU. New asphalt surfacing on 37 km and ancillary works. T.A. for supervision and tender dossier preparation. Short-list done. Project on appraisal. 5th EDF.
EDF SUR 5011 A2d

SWAZILAND

Upgrading of the Manzini-Matsapha Road. Resp. Auth.: Ministry of Works and Communications. 10 mECU. 8 Km dual carriageway. The existing 2-lane road is to be upgraded to a 4-lane highway. Works by int. tender launched 1st half 92. Short-list done for supervision. **Project in execution.** 5th and 7th EDF.
EDF SW 5016 A2d

Technical Cooperation programme. Resp. Auth.: Government of Swaziland (N.A.O.) 1.860 mECU. T.A. 12 person-years to selected agencies in the public and parastatal sectors. Project on appraisal. 7th EDF.
EDF SW 7001 A1f

Support to Smallholder Agricultural Production. Resp. Auth.: Central Cooperative Union (C.C.U.) Total cost 1.315 mECU. EDF 0.950 mECU, local 0.365 mECU. Completion — renovation of 18 forming inputs — crop marketing depots. Supply of equipment, supervision and training. **Date financing July 92.** 7th EDF
EDF SW 5005 (7002) A3a

TANZANIA

Management Assistance To Morogoro Canvas Mill. Estimated cost 2 mECU. Continuation of T.A. for the management. Project on appraisal. 7th EDF.
EDF TA 6002 A4b

Port development Zanzibar and Pemba ports, phase II. Resp. Auth.: Ministry of Works, Zanzibar. Estimated total cost 13.4 mECU. EDF 10 mECU, Italy 3.4 mECU. Procurement and rehabilitation of cargo handling equipment. Rehabilitation

of transit sheds, construction of passenger terminal with RO-RO facilities. Study: design of passenger terminal with RO-RO facilities for Zanzibar port. Short-list done. Project on appraisal. 7th EDF. EDF TA 6009 A2d

Structural Adjustment Support – General Import Programme. Resp. Auth.: Central Bank of Tanzania. 30 mECU. Importation of goods in the context of Tanzania's open general licence system, ★ subject to a negative list. T.A. *Date financing July 92.* 7th EDF. EDF TA 7200 A1c

Support for Aids Control in Tanzania. Resp. Auth.: Ministry of Health. 3 mECU. To strengthen health and other support services. Supply of equipments and T.A. Project on appraisal. 7th EDF. EDF TA 08000/000 (7001) A7c

Southern Telecommunications Project. Resp. Auth.: Ministry of Communication. 25 mECU. Supply and installation of telecommunication equipment. T.A. short-list done. Supplies: int. tender (Conditional) n° 3557 launched end of June 92. Opening date 28.9.92. Project on appraisal. *Date foreseen for financing October 92.* 7th EDF. EDF TA 6011 (7003) A2c

Serengeti Conservation and Development project. Resp. Auth.: Ministry of Tourism, Nat. Resources and Envir. 9 mECU. Road and water supply rehabilitation, supply of equipments, studies and T.A. Project on appraisal. 7th EDF. EDF TA 7002 A3a

TOGO

General Import Programme. Hard currency allowance to import ACP and E.C. goods. T.A. for management and implementation. 17 mECU. *Date financing July 92.* 7th EDF. EDF TO 7200 A1c

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

Vava'u development programme. Resp. Auth.: Vava'u Committee. 5 mECU. Construction of new market, road improvement and maintenance, education and health facilities, training. Project in execution. 6th EDF. EDF TG 6002 A8b

TRINIDAD AND TOBAGO

Sectoral import programme: industry. 12 mECU Allocation of currencies to import raw materials and intermediate products. Project in execution. 6th EDF. EDF TR 6002 A4b

TUVALU

Electrification development programme. Upgrade existing diesel power station – extend provision of electricity for home lighting to households on the outer islands. Supply of photovoltaic systems. ★ 1.020 mECU. Project on appraisal. *Date foreseen for financing October 92.* 6th EDF. EDF TV 6004 A2a, i

Tuvalu fuel import programme. Resp. Auth.: Tuvalu Electricity Authority Corporation (TEAC) 0.900 mECU. Diesel fuel purchase. Project on appraisal. *Date foreseen for financing October 92.* 7th EDF. EDF TV 7001 A1c

UGANDA

Rehabilitation of Kampala City Roads. Phase II. Resp. Auth.: Ministry of Local Government. 23 mECU. Rehabilitation of some 33 km of roads in the Kampala City network, improving drainage, construction of side walks and parking areas. Works and supervision. *Project in execution.* 7th EDF. EDF UG 6011 A2d

Structural Adjustment Support – General Import Programme. 35 mECU. Hard currency allowance to import ACP and EC goods. There is negative list of items not eligible (military-luxury items). T.A. procurement agent. Project in execution. 6th and 7th EDF. EDF UG 7200 A1c

ZAIRE

Apek Programme, roads section. Resp. Auth.: Office des Routes. 35 mECU. Rehabilitation of 111 km of surfaced road on the Kinshasa-Kikwit route with works supervision – upgrading of 384 km of major earth roads managed by Office des Routes. Rehabilitation of 496 km of country earth roads managed by local authorities. Bridge repairs, additional technical and economic studies, training programme. Supply of equipment. Project on appraisal. *Date foreseen for financing 2nd half 92.* 6th EDF. EDF ZR 6006 A2d

ZAMBIA

Smallholder development in copper belt region. 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

General Import Programme. Resp. Auth.: Bank of Zambia. 41.5 mECU. Hard currency allowance to import ACP and EC good. T.A. already financed on previous funds still on the spot. *Project in execution.* 7th EDF. EDF ZA 7200 A1c

ZIMBABWE

Human resources development programme. Resp. Auth.: Ministry of National Scholarships. 3.4 mECU. T.A. and scholarships, awards, seminars. Project in execution. 6th EDF. EDF ZIM 6020 A6

OMAY land use and health programme. Resp. Auth.: A.D.A. 6.031 mECU. Raising the standard of living of Omay rural population. Conservation and improved utilisation of the Wild Life resource, support to agriculture and improvement of social infrastructure. Road network,

water, sanitation, building of a district hospital, equipments and supplies. Project on appraisal. 7th EDF. EDF ZIM 6004/7002 A3a

Overseas Countries and Territories (OCT)

ANGUILLA

Water Development Project. Resp. Auth.: Ministry of Communications, Works and Public Utilities. Total cost 2.905 mECU. EDF 1.710 mECU, UK 0.968 mECU, local 0.227 mECU. EDF Pert: works by direct labour, supplies by int. tender. T.A. by U.K. Project on appraisal. 7th EDF. EDF AG 7001 A2b

ARUBA

Airport extension. Extension of airport facilities. Apron, taxiway, new arrival building, car park, access roads, platform buses, fencing, security, peripheral road, technical studies. Estimated cost 14.5 mECU. EDF 6.3 mECU, The Netherlands ± 8.2 mECU. Works, supplies and T.A. (final design, tender dossier, supervision). Project on appraisal. 6th EDF. EDF ARU 6003 A2d

ST. HELENA

Sea defences. Resp. Auth.: Public Works and Services Dept. 3 mECU. 2.5 mECU EDF, 0.500 mECU UK. To protect shore facilities at James and Rupert's Bay. Rehabilitation and reinforcement of existing sea walls. Project in execution. 5th and 6th EDF. EDF SH 5001 A8g

Regional Projects

BENIN — BURKINA — NIGER

Regional project for the management of the 'W' national park and adjoining game reserves. Estimated total cost 10 200 mECU. To establish three management units and 10 bridges and 20 observation posts with their equipment. Building and rehabilitation of administrative, technical and social buildings, tracks and bridges. T.A., training and studies. Project on appraisal 6th EDF. EDF REG 6122 A5i, A8f

TANZANIA — BURUNDI — RWANDA — UGANDA — ZAIRE

Tanzania Railways Corporation. Railway Restructuring Project. Resp. Auth.: Ministry of Communication and Transport. T.R.C. 33 mECU. Flood prevention works, quarry development, procurement of track maintenance and accident relief equipment, fuel tank wagons and trolleys. T.A. for supervision of works, tender donier and training. T.A. short-list to be ★ done. *Date financing July 92.* 7th EDF. EDF REG 7003 A2d

MEMBER COUNTRIES OF CILSS

Regional programme for soil protection and reforestation. Resp. Auth.: Cape Verde Ministry of Rural Development and Fisheries. 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 the environment. Resp. Auth.: CILSS Secretariat. 10 mECU. Supply of pedagogical equipment, T.A. and training. Project in execution. 6th EDF. EDF REG 6147 A8f

EAST AFRICAN COUNTRIES

Statistical training centre for Eastern Africa in Tanzania. Resp. Auth.: Secretariat of the centre. 2.0. mECU. Widening of capacity. Construction of classrooms, offices and housing. Project stage: identification. 5th EDF. EDF REG 5311 A6b

Institutional support to Eastern and Southern Africa Management Institute (ESAMI). Resp. Auth.: ESAMI, Tanzania. Estimated cost 4.5 mECU. Extension of ESAMI installations plus provision of library, audio visual and printing equipment and improvement of kitchen and laundry facilities. Project on appraisal. 6th EDF. EDF REG 6311 A6b

BURUNDI — RWANDA — TANZANIA — UGANDA — ZAIRE — KENYA

Northern Corridor-Rwanda. Rehabilitation of the road Kigali-Butare-Burundi border. Resp. Auth.: Ministère des Travaux Publics. Estimated cost 8 mECU. Project on appraisal. Date foreseen for financing 2nd half 92. 6th EDF. EDF REG 6310 (RW....) A2d

Northern corridor alternative. Kericho-Isebania road Kenya. Resp. Auth.: Ministry of Transport and Communications, Kenya. 24 mECU. Rehabilitation of bituminized road of 170 km in the Lake Victoria region. 6th EDF. Project on appraisal. Date foreseen for financing July 92. EDF REG 6315 (KE) A2d

Musoma — Sirari Road. Resp. Auth.: Ministry of Works — Tanzania — Estimated cost 24 mECU. Upgrading to bitumen standard of existing road. Works, equipment and supervision. Project on appraisal. Date foreseen financing July 92. 6th EDF. EDF REG 6315 (TA 6005) A2d

MEMBER COUNTRIES OF EIER-ETSHER

EIER-ETSHER — Housing and accommodation for teachers. 20 teacher's houses for EIER and 9 for ETSHER and 1 common for ETSHER. Works, by acc. tender. Studies and supervision. Project on appraisal. Date foreseen for financing September 92. 7th EDF. EDF REG 7103 A8a

MALAWI — MOZAMBIQUE — ZAMBIA — ZIMBABWE

Regional Tsetse and Trypanosomiasis Control Programme: extension of preparatory phase. Resp. Auth.: Departments of Veterinary Services.

22.700 mECU. Research and development, training, environmental monitoring and assessments of the economic and land-use implications of tsetse control, T.A. and supply of vehicles, field, scientific and camping equipment. Project in execution. 6th and 7th EDF. EDF REG 5420 A3a

MEMBER COUNTRIES OF ECOWAS

Improvement of postharvest utilization of artisanal fish catches. Resp. Auth.: Sierra Leone National Authorizing Officer as Regional Auth. Off. Technical Secretariat in Abidjan. 8 mECU. Interventions in 16 countries. Project on appraisal. Date foreseen for financing September 92. 7th EDF. EDF REG 6126 (001) A3a

SADCC

International Baccalaureate Studies. Resp. Auth.: SADCC Regional Training Council. 1.695 mECU. Supply of scholarship programme for selected secondary school graduates from Angola and Mozambique to study for the International Baccalaureate Diploma in Swaziland. T.A. and evaluation. Project in execution. 7th EDF. EDF REG 6440 (7016) A6a

Senior Managers' Training in Road Traffic and Transport. Resp. Auth.: SATCC. 1.900 mECU. Supply of equipments, T.A. evaluation. Fellow ships. Project on appraisal. 7th EDF. EDF REG 6426 A6d

SADCC — MOZAMBIQUE

Limpopo line rehabilitation. Resp. Auth.: Mozambique Ministry of Transport. 15 mECU. Community contribution to an overall rehabilitation programme for the Limpopo railway line. Project in execution. 6th EDF. EDF REG 6421 A2d

Beira port dredging contract. Resp. Auth.: Ministry of Construction and Water. Estimated cost 9 mECU. Dredging for two years of the access channel to the port of Beira. Works: 2 years, 4 million m³/year. Supervision and training. Project on appraisal. 6th EDF. EDF REG 6401 A2d

BENIN — COTE D'IVOIRE — GHANA — GUINEA — GUINEA BISSAU — TOGO

Regional programme to increase awareness in western coastal African countries of natural resources protection. Resp. Auth.: Ministère de l'Environnement-Togo. Estimated cost 10 mECU. Priorities: fight against bush fires and deforestation and for soil protection. Project on appraisal. 6th EDF. EDF REG 6113 A3e

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

ACP COUNTRIES

Fight programme against AIDS. Funding of regional actions. 20 mECU. Support to regional structures, improvement of information, funding of research and training actions. Supplies, T.A. and training. Date financing July 92. 7th EDF. EDF REG 8000 A7

ACP AND OCT COUNTRIES

OCT's and ACP's participation in trade and services development actions. 6.650 mECU for ACP's and 0.950 mECU for OCT's. Participation in fairs, seminars, trade missions, documentation, T.A. and follow-up-evaluation. Project on appraisal. Date foreseen for financing October 92. 7th EDF. EDF REG 70001/002 A5c, d, e

MEDITERRANEAN COUNTRIES

ALGERIA

Financing of artisanal enterprises from 'Société Nationale de l'Électricité et du Gaz (SONELGAZ)'. Resp. Auth.: Ministère de l'Industrie et de l'Artisanat and SONELGAZ. 9.060 mECU. Supply of line of credit for artisanal enterprises, supply of pedagogical equipment, T.A. for bank-office in charge of credits. Project in execution. SEM AL A4d

Support to the development of the artisanal fishery in the Centre and West. Resp. Auth.: Ministère de l'Agriculture. Agence Nationale Pour le Développement de la Pêche. Estimated total cost 15.6 mECU. EEC contribution 12.6 mECU. Works by acc. tender. Supply of equipment by int. tender. T.A.: short-lists done. Project in execution. SEM AL A3d

Structural Adjustment Support Programme. Sectoral Import Programme for building materials to finish 100,000 social houses. 70 mECU. hard currency allowance to cover CIF imports. Management by Crédit Populaire d'Algérie (C.P.A.). Special accounts in the Central Bank. Banque d'Algérie (B.A.). Purchase by a positive list (electrical equipment — spare parts). Projects on appraisal. Date foreseen for financing September 92. SEM AL 688-92 A1c

EGYPT

Bardawil Lagoon development project. Resp. Auth.: Ministry of Agriculture and Land Reclamation (MOALR) and the General Authority for Fish Resources Development (GAFRD). 3 mECU. Protection of natural resources by controlling and improving the salinity of the lagoon. Improvement of the marketing of fish and reduction of losses. Construction of an additional landing place with basic marketing facilities and improvement of the existing one. Installation of a cool chain including an ice-making machine. Improvement of fishing methods. T.A. for the development and implementation of training and extension

programmes. Purchase of equipment and vehicles by int. tender. Project in execution. SEM EGT 510/90 Aai

Ras Mohammed National Park Sector Development Project. Phase II. Resp. Auth.: Egyptian Environmental Affairs Agency (EEAA). 2.5 mECU. Supply of equipment, transport, T.A. and training. Project in execution. SEM EGT 692/91 A8f

Oil pollution combating emergency centre at the entrance of the Gulf of Aqaba. 4.300 mECU. Project in execution. SEM EGT 771/91 A8f

JORDAN

Ground water investigation in the Hammad and Sirhan basins. Resp. Auth.: Ministry of Water and Irrigation, Water Authority. 4 mECU. Initial studies, drilling exploration, surveys and analysis. Project on appraisal. SEM JO 589/90 A2a, A9a

Cooperation project in science and technology. Resp. Auth.: Higher Council for Science and Technology (HCST). 3.5 mECU. Supply of specialized equipment, staff exchanges, T.A. training, evaluation. Project on appraisal. SEM JO A6f

Social Development Project — Development and Employment Fund. DEF. Resp. auth.: D.E.F. EEC contribution 4 mECU. T.A. and lines of credit. Project in execution. SEM JO 932/91 A3b

Structural adjustment programme support. Hard currency allowance with negative list. 50 mECU. T.A. for following and evaluation. *Date financing July 92.* SEM JO 440/92 A1e

LEBANON

T.A. to prepare reconstruction works. 2nd phase. Resp. Auth.: *Conseil pour le Développement et la Reconstruction (CDR).* EEC contribution 3.4 mECU. War damages evaluation, preparation tender documents, T.A. to establish execution programme. *Project on appraisal. Date foreseen for financing September 92.* SEM LEB 702.92 A8a

MALTA

Protection of Malta's coastline against oil pollution. Resp. Auth.: Oil Pollution Executive 2.4 mECU. Supply of specialized equipment, training and T.A. Project in execution. SEM MAT A8f

Upgrading of standards laboratories. Resp. Auth.: Maltese Government. 2.2 mECU. Identification by European T.A. of the present situation of standards laboratories. Training and organizational matters, purchase of equipment. Restructuring of some laboratories. Supply of analytical, microbiological and calibration equipment. Project in execution. SEM MAT 1012/90 A1c

Strengthening educational and economic relations with the Community. 1.7 mECU. Scholarships and traineeships, establishment of a Euro-Information Centre, integrated marketing programmes and tourism promotion. Differents

T.A. and purchase of equipments. Project in execution. SEM MAT 91/431 A5c, d

SYRIAN ARAB REPUBLIC

Water Supply Bseira and Hama Rural Regions. Resp. Auth.: Ministry of Local Administration. Governments of Deir Ez Zor and Hama. EEC contribution. 7.5 mECU. Drinking water supply. Supply of pipes and fittings and electrical-medical equipment. T.A. Project in execution. SEM SYR 662/91 A2b

TUNISIA

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 equipment— Italy. Electrical equipment: Italy. Irrigation equipment: int. tender. T.A. Italy Project in execution. SEM TUN A3a

Mobilization of water resources in the Kasserine Governorate. Resp. Auth.: Ministère du Plan et du Dév. Régional. Commissariat Régional de Développement Agricole de Kasserine. EEC Contribution 7 mECU. Water schemes, dams, drilling. Works by acc. tender. Project in execution. SEM TUN 254/91 A3c, A9b

Support to the Structural Adjustment Programme. General Import Programme. Hard currency allowance. T.A. for follow-up and evaluation. EEC contribution 40 mECU. Project in execution. SEM TUN 000/92 A1v

Waters and soil conservation. Resp. Auth.: Ministère de l'Agriculture — Direction de la Conservation des Eaux et des Sols, EEC contribution 45 mECU. Works by acc. tenders or direct labour. Supplies by int. tender. T.A.: ORSTOM (F) funded by France. Project in execution. SEM TUN 000/92 A3c

TURKEY

Improvement of health services. EEC contribution 5.8 mECU. Master plan, specialized medical equipment, 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 water, air, surface and soil pollution. Supply of laboratory equipment, T.A. Project in execution. SEM TU A8f

Vocational training programmes 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 broaden 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 the

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 10 mECU. Various projects, lines of credit, supply of equipment, T.A. and training. Project in execution. SEM OT 91 A8a, b, e

Exceptional Aid for the benefit of the Palestinian population of the Occupied Territories. 60 mECU. To counteract the negative consequences of the Gulf war. Grants to extend credit and to create revolving funds, supplies of equipment and other materials and contributions to operating costs, technical assistance and training. Project in execution. SEM OT 91 E A5e, A8a, b, c

EURONEWS DEVELOPMENT GROUP

Support to the arab service for the EURONEWS satellite channel. Resp. Auth.: Euronews Dev. Group-Lyon. EEC Contribution 3 mECU. To improve knowledge and comprehension of Europe in the arab world, and in the immigration world in the EC member sates. Purchase of equipment by int. tender. *Date financing July 92.* SEM REG 441/92 A1e

EURO-MAGHREB COMMUNICATIONS S.A.R.L. PARIS

Euro-maghreb training programme in communications. EEC contribution 1.400 mECU. Seminars, scholar-ships for young professionals from maghreb. *Project on appraisal. Date foreseen for financing September 92.* SEM REG 687.92 A5g

SOUTHERN AND EASTERN MEDITERRANEAN COUNTRIES

Support to I.P.P.F. (International Planned Parenthood Federation) to provide family planning services to reduce fertility. Resp. Auth.: I.P.P.F. (UK). EEC contribution 10.500 mECU. *Project on appraisal. Date foreseen for financing September 92.* SEM REG 680-92 A7c

MED-URBS PROGRAMME

Support programme to the cooperation between european local collectivities and mediterranean third countries ones. EEC contribution 5 mECU. Transmediterranean cooperation network to solve actual problems about urban development: water management, transports, environment and waste-products, energy, urbanism, financial management, local fiscal system. *Date financing July 92.* SEM REG 480/92 A8a, b

MED-CAMPUS

Support programme to development cooperation actions among Universities and High Schools from Europe and Mediterranean Third countries

Ones. EEC contribution 6.500 mECU. Teacher's training and continuing training. 62 networks already selected. Project on appraisal. Date foreseen for financing September 92.
SEM REG 729-92 A6b, f

A.L.A. developing countries ASIA and LATIN AMERICA

BANGLADESH

Population and Health IV: Upazila Functional Improvement Pilot Project (UFIPP). Resp. Auth.: Ministry of Health - Project Implementation Unit - P.I.U. and 4^e Functional Improvement Teams - F.I.T. EEC contribution 18.75 mECU. Training, specialised T.A. supply of equipments, furnitures, vehicles, drugs and medical supplies, monitoring and evaluation. Project on appraisal. ALA BD 9112 A7b, c

Population and Health IV: Contraceptiva Supply Project (C.S.P.). Procurement of approximately 840 million condoms during the period from January 1993 to December 1996. Phase I approximately 30 million pieces at the rate of about 10 million pieces a month, followed by eighteen subsequent shipments up to 1994. The total quantity for phase 1 is 210 million pieces. Second phase (210 million pieces) in 1995-96. The project would continue to supply the Social Marketing Company 'S.M.C.' with the existing 'Panther' and 'Raja' type condoms. Given the magnitude, complexity and specialised nature of the procurement and supply operation and in order to minimise risks of delays or other supply problems, the project will be implemented with the assistance of a specialised European Procurement Agency (P.A.). Condoms will be procured by the P.A. through restricted tenders after prequalification of EC condom manufacturers as well as from India, Indonesia, Malaysia, Sri Lanka, Thailand and Vietnam. EEC contribution 20 mECU. Project on appraisal. ALA BD 9113 A7c

Cyclone Shelter-cum-Primary Schools Project. Resp. Auth.: Ministry of Education. EEC contribution 10.716 mECU. Constructions and equipment, of about 150 cyclone shelters-cum-primary schools. Work, by acc. tenders. Supply of equipments and radio communication equipments. T.A. Project on appraisal. ALA BD 9116 A8g

Import and Internal Resources Support Project. Resp. Auth.: Bangladesh Bank. EEC contribution 16 mECU. The foreign exchange will be made available in ECU to and through the Central Bank to import by private importers vegetable oils, seeds and cement. T.A. for monitoring evaluation and audit. Project on appraisal. ALA BD 9117 A1c

Cyclone Protection. Project II. Resp. Auth.: Bangladesh Water Development Board. Estimated total cost 78 mECU. EEC contribution 3.2 mECU. The EC will finance the existing T.A. composed by Kampsax International - BCEOM and Danish Hydraulic Institute. The investments costs of

the project will be financed by: Bangladesh (2.4 mECU), I.D.A. (19.6 mECU), Japan (17 mECU), Saudi Fund for Development (11.3 mECU). Project on appraisal. ALA BD 9118 A8g

BHUTAN

Support to the Ministry of Agriculture (MOA) on Human Resources Development. (HRD). Resp. Auth.: Ministry of Agriculture, Human Resources Development Unit, Planning and Policy Division. EEC contribution 55 mECU. T.A. to define the training structure and to implement the necessary action, to coordinate and assist and for management and administration locally and abroad. Overseas training. Project on appraisal. ACA BHU 9105 A6c, i

Integrated Pest Management Development. Resp. Auth.: Ministry of Agriculture-Dept. of Agriculture (D.O.A.) EEC contribution 2.6 mECU. Works by acc. tender. Supplies by int. tender. T.A. short and long term. **Date financing July 92.** ALA BHU 9212 A3a

Cultivation of Medicinal Plants for Traditional Medicine. Resp. Auth.: Ministry of Agriculture (MOA) - Dept. of Agriculture (DOA) - EEC Contribution 3.5 mECU. Short-term and long-term T.A.: coordination, agronomist, economist, pharmacology, processing. Supply of equipment by int. tender. Project on appraisal. Date foreseen for financing September 92. ALA BHU 9222 A3a

BOLIVIA

'Quinoa Projects' - Potosi. Resp. Auth.: CORDEPO. EEC contribution 6.100 mECU. Actions to develop Andean crops. T.A., supply of equipment, works by direct labour, research, studies, lines of credit. Project in execution. ALA BO 9109 A3a

BRAZIL

Pilot programme for the conservation of Tropical Forests. EEC contribution US\$ 15 million (equivalent to approx. MECU 11.9. Contribution to Rain Forest Trust Fund. Project on appraisal. ALA BR 92/4 A3c, A8f

CHINA (P.R.)

Intensification of crop production in Xinjiang Province. Resp. Auth.: Steering Committee: Provincial Foreign Economic and Trade Bureau, Agricultural Bureau, Changji Prefecture, Xinjiang Planning Committee and The Financial Bureau. EEC contribution .6 mECU. Supply of equipments by int. tender and T.A. (short and long term). Overseas training. Project in execution. ALA CHN 9120 A3a

Land reclamation in Ningxia Hui autonomous region. Resp. Auth.: Coordinating Committee from Provincial Foreign Economic Relations and Trade Bureau, Agricultural Bureau, Water Resources Bureau and the Financial Bureau. EEC contribution 3.8 mECU. To reduce water infiltration in the fields, improve drainage, leach out the salt, improve the soils, water management and husbandry practises. T.A. and supply of equipment, training and evaluation. Project on appraisal. ALA CHN 9132 A3e

Jiangxi Sandy Wasteland Development Project. Resp. Auth.: Nanchang Municipal Science and Technology Commission (NMSTC). Institute of Desert Research (IDR). EEC contribution 4 mECU. Supply of equipments, irrigation system, ★ overseas training and T.A. **Date financing July 92.** ALA CHN 9214 A3a

COLOMBIA

'Job creation' for urban youth. Resp. Auth.: National Planning Dept. Consejería de la Juventud, Mujer y Familia - Codirección with European expert. 6.3 mECU. T.A.: 3 European experts, supply of equipment, lines of credit and guarantee, operating costs and training. Project in execution. ALA CO 9115 A8e

Silk production development. Resp. Auth.: Secretaría de Integración Popular and Unidad de Gestión composed by an european co-director and a colombian co-director. EEC contribution 8 mECU. Specialised T.A., supply of equipment for silk plants, revolving funds. Project on appraisal. Date foreseen for financing 2nd half 92. ALA CO 9131 A3a

ECUADOR

Rural development in the Bolivar region. FOEDERUMA 2nd phase. Resp. Auth.: FODERUMA - Fondo de Desarrollo Rural Marginal. Central Bank and co-directors (ecuadorian and european). EEC contribution 8.7 mECU. Supply of T.A. (director-expert in integrated rural development programmes, civil works engineer and administrative expert), equipments for road maintenance, medicals, transport, infrastructures, line of credit. Supplies by int. tender, works by acc. tender. ALA EQ 9126 A3a

EL SALVADOR

Support programme to the micro-enterprises in the marginal areas. 7 mECU. Project in execution. ALA SAL 9129 A5e

Programme for productive reinstatement of war's mutilated people. EEC contribution 3 mECU. Supply of equipment. ★ T.A., training, limes of credit. **Date financing July 92.** ALA SAL 9216 A8e

Basic health and hygien programme in the paracentral region. EEC contribution 10 mECU. Improvement of hygienic and sanitary conditions. Supply of equipment and T.A. Works by direct labour. **Date financing July 92.** ALA SAL 9217 A7e

Urgent programme for productive reinstatement of demobilized people in agricultural activities. EEC contribution 15 mECU. For about 3,000 families of demobilized people from army and from FMLN, in the Usulután department. Rural credits via Banco de Tierras, supply of ★ equipment and expatriate T.A. **Date financing July 92.** ALA SAL 9218 A8h

National programme for vocational training. EEC Contribution 5.500 mECU. Supply of equipments, T.A., training and ★ lines of credit. **Date financing July 92.** ALA SAL 9219 A6d

GUATEMALA

Rural development programme in the Huehuetenango department. Resp. Auth.: Ministerio de Desarrollo Urbano y Rural (MINDES) and local and european co-directors. EEC contribution 12 mECU. Supply of T.A., infrastructures, equipments and vehicles. Works by acc. tender. Supplies by int. tender. Project on appraisal. ALA GUA 9121 A3a

Support to the agricultural reform in the Pacific Region (Coatepeque). Resp. Auth.: Ministerio de Desarrollo (MINDES). EEC contribution 9 mECU. supply of equipments, line of credit, T.A. Project on appraisal. Date foreseen for financing October 92. ALA GUA 9228 A3a

HONDURAS

Credits and T.A. to the rural micro-enterprises (PROCATMER). EEC contribution 9.6 mECU. Project in execution. ALA HO 91/24 A3a

INDIA

Kerala Minor Irrigation Project. Resp. Auth.: Irrigation Dept. of Kerala State. EEC contribution 11.8 mECU. Improvement of irrigation systems. Tank and lift schemes. Supply of equipment and T.A. Training, environmental impact studies. Project in execution. ALA IN 9111 A3a

Sidmukh and Nohar irrigation project. Resp. Auth.: Kajasthan State Government. 45 mECU. Extensive irrigation network. Works in irrigation and associated agro-forestry and livestock activities. Work by acc. tender. Supplies (equipments and vehicles) by int. tender. T.A. for project monitoring, agricultural development, animal husbandry and forestry and evaluation. The EC financing, except for expatriate expertise and contingencies, will be transferred as counterpart funds of commodity aid in a fast disbursement procedure (38 mECU). Project on appraisal. ALA IN 9135 A3a

INDONESIA

Irrigation and water supply programme in Bali North. Resp. Auth.: Directorate General of Water Resources Development (DGWRD), of the Ministry of Public Works. EEC contribution 10.300 mECU. Drilling works and supply of equipments. Specialized T.A. and training. Works by acc. tender. Supplies by int. tender. Project on appraisal. ALA IND 9119 A3e

IRAN

Rebuilding of the Manjil and Abbar Tarum Hospitals. Resp. Auth.: Ministry of

Health and Medical Education. 13 mECU T.A. for architectural and technical studies and work supervision. Building and equipment by int. tender. T.A. by Studio Bichara ((1)). Project in execution. ALA IR A7a

MONGOLIA

Strengthening of the Veterinarian Services. Resp. Auth.: Ministry of Agriculture. Dept. of veterinarian medicine. EEC contribution 2.3 mECU. Purchase of equipments by int. tender. T.A. and training. **★ Project in execution.** ALA MNG 9209 A3a

NICARAGUA

Agricultural reform and integrated rural development in the Rio Blanco region. Resp. Auth.: I.N.R.A. Instituto Nicaragüense de Reforma Agraria. EEC contribution 13.500 mECU. Transport and communication infrastructures, rehabilitation and creation of built-up areas, schools, health centres, administrative and technical infrastructures. Supply of equipments, vehicles, materials. Line of credit. T.A. Works by acc. tender, supplies by int. tender. Project on appraisal. ALA NI 9136 A3a

PAKISTAN

Rural roads in the Buner Area. Resp. Auth.: Provisional Government's Construction and Work Dept. (C & W) and District Council. 5 mECU. Construction of new sections of rural roads, upgrading of existing roads. Works by acc. tender. Supervision by European Consultant. Project on appraisal. ALA PK 9106 A2d

Rural Electrification in Punjab. Resp. Auth.: WAPDA Project Management Unit. EEC contribution 21 mECU. Electrification of 540 villages. Equipments by int. tenders, T.A. and training. **★ Project in execution.** ALA PK 9211 A2ai

Institute for Educational Development (IED). EEC contribution 5.4 mECU. Training and university cooperation. Management by Aga Khan Foundation-Karachi and Aga Khan University. Project on appraisal. Date foreseen for financing September 92. ALA PK 9208 A6a, b

PANAMA

Rehabilitation of Santo Tomás Hospital. Resp. Auth.: Ministerio de Salud. EEC contribution 4 mECU. Works, supply of equipment and T.A. for maintenance, training and management. Project in execution. ALA PAN 9017 A7a

Cooperation with the Social Emergency Fund (FES). Resp. Auth.: Co-directors (national and european). EEC contribution 4.600 mECU. social infrastructure, micro-enterprises, line of credit, T.A. and technical support to NGO's. Project on appraisal. Date foreseen for financing October 92. ALA PAN 9229 A5, A8

PANAMA — COSTA RICA — NICARAGUA — HONDURAS — EL SALVADOR — GUATEMALA

Regional programme for the collection and treatment of the hospital waste. Resp. Auth.: Ministry of Public Health in each country. EEC contribution 4.900 mECU. For the town-capitals hospitals in each country. Supply of equipments, incinerators, vehicles and tools. Training and european T.A. Supplies by int. tender. Project on appraisal. ALA REG 9133 A7a

Regional support programme to the Phyto-Sanitary Health. Resp. Auth.: O.I.R.S.A.-Organismo Internacional Regional de Sanidad Agropecuarias in San Salvador. EEC contribution 6.4 mECU. Supply of equipments, vehicles, tools by int. tender. Works by direct labour or acc. tender. T.A. long and short term. Training. Project on appraisal. ALA REG 9137 A3a

PARAGUAY

Rural settlement. San Pedro and Caaguazu. Resp. Auth.: Instituto de Bienestar Rural. 10.4 mECU. Settlement of 4 000 families. Basic infrastructure, equipment, training and T.A. Project in execution. ALA PAR 90/24 A3a

PERU

Micro-enterprises — Informal sector. Resp. Auth.: Banco Central de Reserva del Perú (BRC). EEC contribution 13.200 mECU. To improve capacities of the micro-enterprises. Lines of credit, revolving funds, T.A. and training. Project in execution. ALA PE 9124 A8d, c

Drinking water / Pueblos jovenes / Lima. EEC contribution 7.8 mECU, France 2.350 mECU. Works by acc. tender. T.A. by France. **★ Project in execution.** ALA PE 92/7 A2b, A7

PHILIPPINES

Western Samar — Agricultural Resources Development Programme (WS-ARDI). Resp. Auth.: Department of Agriculture (DA). Department of Environment and Natural Resources (DENR). Department of Public Works and Highway (DPWH). EEC contribution 15 mECU. Works, supply of equipments, agricultural inputs, vehicles long term T.A., training, **★ evaluation.** Date financing July 92. ALA PHI 9215 A3a

Agricultural Support Services for Small Islands (ASSSI). EEC contribution 20 mECU. To support local community oriented micro-project, in agriculture, fisheries, livestock, marketing, training, T.A. and line of credit. Project on appraisal. Date foreseen for financing October 92. ALA PHI 9232 A3a

SINGAPORE

EC — Singapore Regional Institute of Environmental Technology. EEC contribution 2.7 mECU. T.A. and Staff: Director, 1 Head of Division, part-time expatriate services. **★ Project in execution.** ALA SIN 9202 A8f

**COSTA RICA — EL SALVADOR —
GUATEMALA — HONDURAS —
NICARAGUA**

Establishment of a payment system. Reorientation to create a trust fund to promote export trade in Central America. Resp. Auth.: Banco Centro Americano de Integración Económica (BCIE). EEC contribution estimated for non committed funds to 34.3 mECU. Lines of credit, training and T.A. to the Bank system. Project on appraisal. Date foreseen for financing September 92.
ALA REG 8912 A5d

SRI LANKA

National Irrigation Rehabilitation. Resp. Auth.: Project Coordination Committee. Total estimated cost 41.5 mECU. EEC 3.34 mECU, World Bank 24.67 mECU, counterpart funds from EEC Food Aid 7.59 mECU, local 5.9 mECU. Works, supplies and T.A. Project in execution.
ALA SRL 9107 A3a

YEMEN

Fourth Fisheries Development Project. Resp. Auth.: Ministry of Fisheries. EEC contribution 13.900 mECU. Construction of access roads, facilities for fish handling, supply of equipments, engines and fishing gear. T.A. Project in execution.
ALA ROY 9122 A3a

ASEAN

EC-ASEAN Radar Remote Sensing, ER S-1 Project. Resp. Auth.: European Space Agency (ESA). EEC contribution 3.9 mECU. To improve radar data acquisition for receiving stations. Supply of equipment by int. tender. T.A. for training and management. Project on appraisal.
ALA/ASN/REG 9128 A1g, A8f

EG-ASEAN patents and trademarks programme. Resp. Auth.: EPO — European Patent Office. EEC contribution 6.5 mECU. T.A. and training. Project on appraisal. Date foreseen for financing September 92.
ALA/ASN/REG 9223 A4g

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COMMISSION OF THE EUROPEAN COMMUNITIES



Third Research and Technology Programme in the Field of Life Sciences and Technologies for Developing Countries (STD3) (1991-1994)

SECOND CALL FOR PROPOSALS

On 7 June 1991 the Council of Ministers of the European Community adopted a programme of research in Life Sciences and Technologies for Developing Countries, 1991-1994. This, the third such programme in the field to be launched, forms part of the European Community's Framework Programme for Research and Technological Development, 1990-1994, and has an overall budget of 109.89 million Ecus. Eligible institutes, universities or private companies are now invited to submit research proposals. These proposals should match the objectives set out below.

GENERAL OBJECTIVES

1. Further strengthening of the research capacity in both Developing Countries and in the Community Member States in areas defined as having priority for Third World Countries' Development (Agriculture, Medicine, Health and Nutrition in Tropical and Subtropical areas) by means of joint research projects.
2. Improvement of coordination within the European Community, development of cooperation between Developing Countries and consolidation, strengthening and extension of the links between Community and Developing Country partners which were created in the first two programmes.

SPECIFIC OBJECTIVES

Area 1: Improvement of living conditions

1. Reduction of food shortages.
2. The development of agricultural production of high economic value.

Area 2: Improvement in health

1. Prevention and treatment of the predominant diseases in Developing Countries.
2. Health care systems appropriate to the rural and urban environment of the Developing Countries.
3. Nutrition.

SECOND CALL FOR PROPOSALS

Eligible organisations are invited to submit proposals before 30 November 1992 at 17.00.

Organisations that are considered as eligible are research institutions, universities and companies which are located in the Community or in Developing Countries. Each project must include at least two mutually independent partners established in different Member States as well as at least one partner established in a Developing Country.

Detailed information about procedures for submission of proposals, the contract that may be established with successful proposers and background material on the research topics is available on request from the Commission's services.

A further call is planned for 1993 and will be announced in due course.

Request for information concerning this call should be sent to:

the local Delegation of the Commission of the European Communities situated in most Developing Countries

or

Commission of the European Communities, Scientific and Technical Cooperation with Developing Countries, DG XII/G-4, SDME R2/132, Rue Montoyer 75, B-1040 Brussels, Belgium, Tel: 32-2/235.17.31 Telex: 32-2/21877-COMEU B. Fax: 32-2/236.62.52

Guy GEORGY — **Le petit soldat de l'Empire** (The Emperor's Little Soldier) — Flammarion — 271 pages — FF97 — Bfrs 669 — 1992

Georgy brings us a documentary of native customs, everyday life in the colonial administration, trends in outlook in 1944-1945, at the end of World War II, the outline law of 1956 and the early years of independence. It is both tied to its time, to that particular period at the end of the French colonisation of Africa, and, in its thought-provoking contrast of very different societies, a somehow timeless book.

The author, who, let us not forget, is a French Ambassador and former Overseas Governor, begins his tale in November 1944 with young graduates from the Ecole Nationale de la France d'Outre-Mer joining other officials on board an old ship bound for darkest Africa to relieve weary staff out there on their own for nearly five years. Most of the action takes place in Cameroon and Congo-Brazzaville.

The nicely written narrative has its highly amusing moments, from witch doctors who go in for long-distance thought transference and all but make cars fly, to the man Father Fulbert Youlou sent to watch the atom bomb go off at Meggane and who 'didn't notice a thing' and, best of all, the UN delegation's political and socio-economic fact find of the Kimas, the famous tribe of wind breakers who welcome visitors bottoms up, 'all the better to hear us with, my dear'.

But there are more serious considerations, they too with their humorous side — the subtle and pragmatic comparison between English and French colonisation (pages 216-221), for example, is a delight. For many, there will be nostalgia, for others, irritation, and, for everyone, the professionalism and profound humanity of the author. His philosophy of development, he says at the end, is the 'only formula in the world, that time-honoured law of the species — work, work and more work, a strong will to succeed, self-denial and the art of choosing the right leaders'.

I could not put it down.○

Alain LACROIX

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Jean-Christophe RUFIN — **L'Empire et les nouveaux barbares** (Empire and the new barbarians) — Edition Jean-Claude Latès, Paris — 253 pages — FF 99 — 1991

The collapse of the Soviet Union and Marxist-Leninist ideology has reshaped the international scene. But, as Cato said

when Carthage fell, what will Rome do without its enemies? That is the question, and Jean-Claude Rufin tackles it straight away in the introduction. Was that the only historical precedent for the present situation? It was a neat turn of phrase, of course, which failed to satisfy the historians, but it does serve to underline Rufin's demonstration of the fact that the East-West conflict of the cold war has been replaced by a North-South conflict in which the South is seen as the source of every danger. In other words, we are living in an era of growing international imbalance, in an ever-widening gap between the haves in the industrialised world or empire or North and the have-nots in the South, a latter-day version of the barbarians who once hurled themselves against the frontiers of the Roman Empire where the legions patrolled.

This is a simplified way of presenting the subject, of course, and should not mask the fact that the author, who teaches at the Paris Institute of Political Studies and wrote the book at the age of only 39, is a specialist in North-South relations and has been involved in cooperation in Latin America, Africa and Asia. It is a well written, soundly constructed work, dealing with the North-

South divide in part one and the ideology of boundaries in part two. In a recent interview in 'Le Nouvel Observateur', the French weekly, Jean-Christophe Rufin said this: 'We now have a cultural boundary cutting the world in two, in the manner of the military boundary around the Roman Empire, and running, roughly, through northern Mexico, the middle of the Mediterranean basin and southern Russia, up the Amur River and around Japan. The security conferred by this as yet ill-stabilised line is all to the countries of the North'. At the end of this latest book, he offers the reader a choice of three futures — safety, as represented by Marcus Aurelius, justice, as represented by the French General Kléber, and revolution, as represented by the little-known Tsarist officer Von Ungern.

As far as we are concerned, the choice is made, for we reject the egoistical ideas of boundary and empire, knowing that, wherever he may be, man is entitled to dignity, to success through his own efforts and to the international cooperation so vital to us all. Yet this is a well-written, soundly constructed work, which highlights recent international trends which must be reversed today if the world is to be viable tomorrow.○

Alain LACROIX

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The Courier team moved to new premises in early 1992. Visitors are welcome to call at our new offices. Correspondence should continue to be sent to the Commission's postal address.

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AFRICA - CARIBBEAN - PACIFIC
- EUROPEAN COMMUNITY

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