

# *the* Courier

**Africa - Caribbean - Pacific - European Union**

**The private  
sector**

**Country reports  
Eritrea  
Chad**

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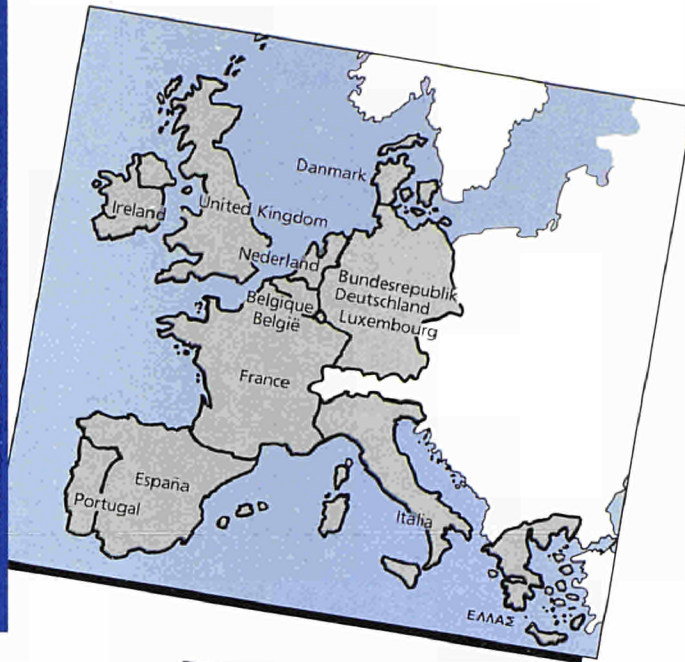
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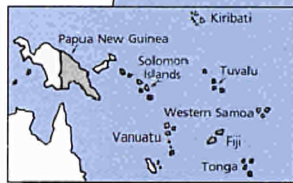
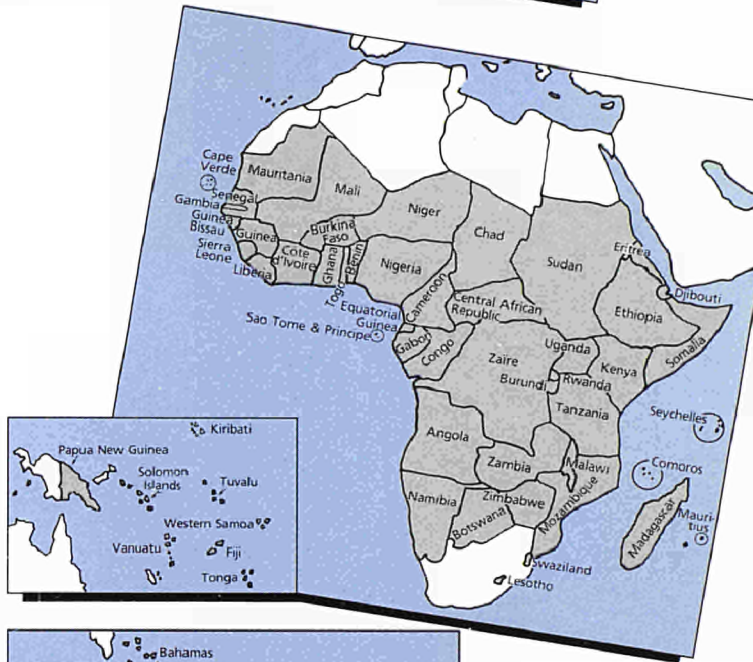
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**THE EUROPEAN UNION**



**THE 70 ACP STATES**



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Stone cutting in Ethiopia  
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**MEETING POINT**

**Mauricio de María y Campos**  
UNIDO Director-General



Heading UNIDO since April 1993, Mauricio de María y Campos — a former Vice-Minister for Industrial Development in Mexico — first of all had to oversee a complete overhaul of UNIDO's objectives, tasks and staffing, a difficult job which is now nearing completion. Known to be a critic of the ambitious yet disappointing First Industrial Development Decade for Africa (IDDA I), in his interview with the Courier he pleads at the outset of IDDA II for a serious rethink of Africa's industrial development strategy. He also gives his views on how the private sector could try to adapt to rapidly changing conditions.

Pages 2 to 5

**COUNTRY REPORTS****ERITREA**

The ACP Group's newest member is a nation forged in battle. After 30 years of guerrilla war which went largely unobserved by the outside world, Eritrea drove the Ethiopian army out in 1991 and won international recognition as a sovereign state in May last year. Peace and stability reign, but the ex-fighters now in government face a new challenge: rebuilding a ruined economy. And famine is an ever present threat. Though the war is over, self-reliance is still the guiding principle.

Pages 9 to 27

**CHAD**

Contrary to popular belief, the Republic of Chad is more than just a huge, poverty-stricken expanse of land, 1 280 000 square kilometres in size and with a population of some six million souls. Our country report points to some aspects of its enormous economic potential — and to one of the main obstacles to real development: the absence of a state apparatus, and the ongoing war. But with democratisation under way and many Chadians apparently firmly committed to democratic change, hope is springing anew.

Pages 28 to 47

**DOSSIER**

Whether part of a 'liberal' sea-change, or just a passing fashion, privatisation is sweeping across the globe. Between 1984 and 1991 the governments of a hundred countries — above all developing ones (particularly in South America and Africa) — have sold \$250 billion-worth of public enterprises. And the key conclusion of many experts is that this process of economic liberalisation and privatisation in the productive sector needs to be stepped up. It is widely believed that private investment, whether internally generated, or coming from outside, is essential for the successful relaunch of the developing countries' economies. Following a brief resumé of the impact of privatisation, the aim of our Dossier is to give a general analysis of the conditions for private sector participation in development.

Pages 52 to 96

**NEWS ROUND-UP****ACP-EU Council of Ministers**

Against the background of tremendous hope for southern Africa engendered by the successful transition of South Africa to majority rule, the 19th session of the ACP-EU Council of Ministers took place in Mbabane, Swaziland, from 18 to 20 May 1994. It examined progress in the implementation of the Conventions and formally launched negotiations for the mid-term review of Lomé IV.

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## Mauricio de Maria y Campos

UNIDO Director-General

### 'We have to rethink all our strategies towards Africa'

There is no way around it. When talking of Africa's industrial performance, it is all doom and gloom. Whereas other developing continents have succeeded in producing 'tigers' or 'NICs', virtually none of this category of high industrial performers can be found in sub-Saharan Africa — the possible exception of Mauritius serving only to prove the wider rule. While Africa's contribution to world industrial production has regressed, pressure is nevertheless growing on its private sector to adapt to rapidly changing conditions. Indeed, as democratisation seems to go hand in hand with economic liberalisation, privatisation has become a must alongside the need to achieve international competitiveness. But is sufficient entrepreneurship available in a proper 'enabling environment'? And what about restructuring currently underutilised industrial capacity to show, perhaps, that 'things can be made to work' and thereby impress potential investors? And then there is the informal sector. Is this the 'goose that lays the golden eggs' or is it too ineffective to contribute to industrial growth?

These were some of the questions that *The Courier* put to Mauricio de Maria y Campos, who has been heading UNIDO since April 1993. A former Vice-Minister for Industrial Development in Mexico, his first, and perhaps most difficult challenge, was to oversee a complete overhaul of UNIDO's objectives, tasks and staffing — a job which is now nearing completion. Known to be a critic of the ambitious yet disappointing First Industrial Decade for Africa, he pleads at the outset of IDDA II for a serious rethink of Africa's industrial development strategy, arguing the need for a 'local private sector ready to invest and to generate wealth' against a background of greater market integration.

■ *Mr Director General, you are now in the process of fine tuning UNIDO's restructuring. What is the main philosophy behind this? How far have you been able to carry it out and what will be the direct operational consequences, particularly as regards the developing world?*

The Courier



— UNIDO, like any other international organisation, has had to undertake a major change to adapt to the new world conditions — the whole process of globalisation, the changing roles of the private and public sectors, the growth of private sector development and so on. There are also new environmental issues, not to mention the changes that have occurred at the political level with the collapse of the former Soviet Union. All these elements pointed to a need to reform UNIDO.

It was also clear, taking account of recent experience, that UNIDO had to become a different kind of organisation and one which was more efficient and healthier in financial terms. We reduced personnel, as you know, by 10%. Eighty-five per cent of our expenditure is personnel-related, so this was something that could not be avoided. At the same time we had to undertake the major reforms

needed to get UNIDO on the right track in the medium and longer term. And, as a result of all the consultations with Member States, we got approval for more fundamental changes in terms of work priorities and restructuring of the organisation. Since January (following last December's Yaoundé conference), I have been implementing these reforms. These have involved a very rapid reorganisation of available resources and that has implied a redefinition both of our programmes and of the terms of reference of the various organisational units.

We have also established new mechanisms for project management — an area that certainly needed reforming given that our technical cooperation was not as effective as one would have wanted. We decided to review the whole project cycle and to establish for the first time, I think, in the history of UNIDO, a complete new set of guidelines to deal with our technical

cooperation. This covers the whole process from the time a project idea is identified, through formulation and execution to the subsequent evaluation exercise. And I should say that I am very happy with what we have achieved.

But more important than this is the fact that the Member States always wanted UNIDO to be a much more focused organisation, concentrating the expertise that it undoubtedly has on sectors and topics that are a priority for the developing countries. In this regard we have made big improvements.

To summarise, at the Yaoundé conference, UNIDO was asked to concentrate on five major objectives. First of all, to assist developing countries in their process of industrialisation, giving special attention to international competitiveness, since these countries are now participating in a more globalised world with economies that are more open. Second, to pay particular attention to human resources in industrial development — not just traditional technical expertise, but also the acquisition of management skills. Third, to focus more on the private sector. Of course we continue to support public-sector enterprises, although our work in this area increasingly has to do with restructuring and privatising these enterprises. But the basic emphasis is on private enterprise and, in particular, small and medium — scale companies. Fourth, to promote international cooperation in the technological field — technology transfers and so on. Finally, there is the field of environmental protection and energy efficiency as it relates to the industrial sector. Here, UNIDO is expected to play a greater role, as, indeed, it is already doing.

We expect UNIDO activities in the future to be geared more towards the specific needs of the countries concerned. In particular, we feel that we can be more effective in our technical cooperation. Of course there is a feeling of donor fatigue and everyone would like to see better results from their contributions to UNIDO. On this question of technical cooperation, I fully recognise that an organisation such as ours has to contribute in a way that allows developing countries to acquire local capabilities — so that the industrial development process can continue in the

future. So building up local capacity will be a key objective of our future work.

■ *At the beginning of the year you declared, 'we cannot afford to allow any region of the world to be left behind'. In the same statement, you spoke of the industrial progress of Latin America and Asia. Is this an indication of a concern on your part that Africa is becoming marginalised?*

— Yes, I am very worried about Africa and particularly about the least developed countries of that continent. Over the last few years — indeed, going right back to the 1980s — Africa has not just been lagging behind but has been slipping back in terms of industrial development. It is true that the level of participation of developing countries in the world's industrial output has increased, but if you look in more detail at what has happened you see that most of this is due to a few countries in Asia — notably South-East Asia — not to mention China, which has grown very quickly in the past few years. Latin America's contribution to world industrial production has remained more or less stable while Africa has fallen back. I think that in an increasingly interdependent world, problems in one part must concern us all. It is important to have stability in global development. We have rising expectations fostered by the global communications revolution but it is clear, particularly in the case of Africa, that the lack of economic and social development is increasingly the source of potential or actual political and social conflicts. This is something that we have to take into account.

■ *But it is no secret that you have been highly critical of Africa's so-called first industrial development decade (IDDA). What can realistically be expected from the second one, which was launched with some fanfare?*

— I have been saying very clearly to African countries that we have to rethink all our strategies towards Africa and towards the second industrial development decade. What we have to do is to review very carefully what Africa really is, what has or has not been achieved in recent years in terms of both macro-economic and industrial parameters, and

to make some fundamental changes if we are to make realistic progress. If programmes are to be successful, there have to be some major changes in the way things are done. Of course, the role of an international organisation such as UNIDO is really quite modest. We can only have a limited impact in one sector — industry — which itself is small in most African economies. Other areas, such as agriculture, are obviously more significant. But I believe, nonetheless, that industry can and should have a role to play.

Most countries have recently undergone a process of macroeconomic adjustment. The results have been varied but, realistically, one can only speak of a few places where the economy has started to move. Look at the situation in the francophone countries in the CFA zone. There has recently been a major change — one that was expected, and, indeed, inevitable — but we have to ask how one can capitalise on the new situation in terms of achieving effective industrial development. We will shortly be having a meeting in Bamako to discuss this very subject, in close cooperation of course with developed countries as well with the states of the region that are directly affected.

■ *Given the rapid sequence of events in Africa over the past few years — in particular, the democratisation process and the transition towards free market economies — most people recognise the need for these countries to achieve international competitiveness. Yet the changes seem to have taken the private sector by surprise, the 'enabling environment' appears largely to be lacking and there is still an absence of entrepreneurship. There are a lot of very good, efficient traders in Africa but they seem reluctant to invest in their own countries, even where they are potentially very productive.*

— I think you put it very accurately, although there is certainly a commitment to an enabling environment. This was the clear message from the countries that participated in the Mauritius meeting last year. But this cannot be achieved overnight. There is no doubt that in many countries, the private industrial sector is very limited, with a wide spread of small family industries. But, as a result of

past industrial policies, what you also have in Africa is a lot of big or medium-sized state enterprises which grew up in a very protected environment. They lack efficiency and need to be restructured and privatised. There are two basic problems here. There isn't much of a private sector to start with and many of the entities involved have not been properly prepared for privatisation.

■ *Which presumably explains the criticisms levelled by African experts against the privatisations that have taken place up to now.*

— That's right. From the UNIDO standpoint, we are just starting our work in the field of privatisation. We have been doing some very good work in countries like Peru and Poland and we will be tackling this shortly in Sudan. And what we have seen is that too much emphasis has been put on the process of privatisation *per se*. What is more important is to ensure that the process takes place within the framework of a wider economic and industrial policy. Insofar as it relates to the industrial sector, adequate consideration needs to be given to the pre- and post-privatisation measures. This, of course, is something which applies in other parts of the world as well. We see, for example, in Poland that, very often, there is no private capital available for a successful privatisation, so mobilising local or external investment funds takes on added significance. There is also the issue of training people so as to ensure that the privatised company will succeed. These problems exist elsewhere but they are, let us say, accentuated in the case of Africa.

■ *How do you make entrepreneurs?*

— That really is the big question, isn't it, and it is something to which we now attach great importance. In the past people used to talk about the various approaches — of the World Bank as opposed to that of UNIDO, or of the UN as opposed to that of the European Community. Now all the organisations are involved in learning from and working with each other. Something we are now trying to do is to work more closely with the other organisations such as the EC or financial institutions. For instance, in the case of Sudan, there is a major project to

assist the country in the privatisation of industrial enterprises but it is going to take place with World Bank funds. So we are trying to learn positive lessons from our experience and ensure that, in future, privatisation genuinely includes restructuring, training and other general policy aspects that have to be coordinated within the process. That means strengthening private-sector institutions and creating new mechanisms, in particular to support new small enterprises. These sometimes have to be stimulated in a special manner to absorb those who have lost their jobs through the processes of restructuring and privatisation.

■ *But isn't there a dichotomy here? The emphasis today is very firmly on the private sector but, if you look at those places that have achieved newly-industrialised country (NIC) status, you see that in virtually all of them the state played a major part in stimulating economic activity and growth.*

— Well, I think this is precisely one of the areas where international organisations now have to do a lot of rethinking. It is very clear that in the past, most of the industrial development leading to import substitution took place with a very high level of government participation. Now, the emphasis is on deregulation in private sector development. I think, bearing in mind the experience of privatisation, that the state and the private sector both have a role to play. What is important is that there is efficient participation in both cases. As regards industry, the private sector should play a major and fundamental role in investment and growth but there has, nevertheless, to be an understanding with the government. The latter has to provide a general framework as well as giving support in some specific areas: areas such as human resource development, support for small and medium in scale industries, regional development and so on.

In the provision of a general framework for stimulating growth, the private sector should, of course, play an increasing role to the extent that it can, but we should beware of what has happened in some places. Many institutions and frameworks have been de-

stroyed without adequate substitutes being created by the private sector because the latter was simply not ready to assume the new functions. We have discovered, perhaps, the merits of a more gradual approach in this regard.

■ *Still on the role of the private sector, there is widespread agreement on the importance of attracting foreign investment. If you look at sub-Saharan Africa, existing industrial capacity is extremely underutilised. It also badly needs to be rehabilitated and restructured. If what is already there could be made to work efficiently, would that not encourage foreign investors, who seem very reluctant to get involved at the moment?*

You have an important point there. It is a basic fact that foreign investment will go to a country where local investors are also active. You will very seldom find countries where foreign investment can do the work by itself. In the final analysis, there has to be a local sector that can generate wealth and that is ready to invest. That is why it is so important to emphasise the development of the private sector itself. The other thing that is fundamental, of course, is the existence of a market. I think that support for industrial development in Africa in the recent past has been based on a wrong assumption. You can't simply change from a substitution model to an open one in industrial development without taking into account the weakness of the African markets. Look at my own country of Mexico, which has 90 million people. It is obvious to them that to achieve industrial growth, they have to be part of a bigger trading area — in this case, NAFTA. We are seeing the same thing in Europe. It is unrealistic to believe that small countries with limited purchasing power in their local markets can achieve real development. It is important to start thinking in terms of bigger markets, especially for certain industries. There may be room for small enterprises, for example in the food sector, but if we are really thinking of or helping Africa to industrialise itself, this has to be done more and more within a context of greater market integration. Exports, of course, can also play an important role and the Lomé Convention and other preferential systems are import-

ant in this respect. I am glad to say that people are beginning to recognise the need for wider markets.

■ *So you support development of inter-African trade?*

Yes. But moving from the position of realising that you need some market integration to actually being able to do something about it is a long process. And, let's face it, it is not just a matter of economic integration. The political aspects have to be tackled as well in order to have stable integration.

■ *Your own country, Mexico, has a large informal sector, although it is gradually diminishing. There seems to be a divergence of view about the informal sector in Africa. Some see it as an important and dynamic area while others take the view that it does not really contribute to economic growth.*

— In this debate, I think there are important distinctions that need to be drawn. In the trade sector in particular, informal activities often do not really produce any additional value to society. On the other hand, in the industrial sector and in some services they can make an important contribution in terms of production and job creation. From the standpoint of UNIDO, it is the informal sector in industry that interests us. The reality is that this informal economy exists, for whatever reason, and what I would say is that we should be better equipped to deal with this reality. We need to be able to design mechanisms to support the development of enterprises even in the informal economy. My experience from Mexico and of other countries in Latin America is that the existence of an informal economy is often linked to the fact that the regulations in place are sometimes excessive. Most of them are only suitable for larger companies. So it is important to have specific and simplified rules and mechanisms to deal with the informal industries. Enterprises that are ready to operate within the system have to be given a realistic opportunity to do so.

When I was the Vice-Minister of Industrial Development in Mexico, we decided on legislation to promote small and micro-scale industries. In order to start operating, enterprises only had to go

through one 'window' to get all their approvals and so on. We also simplified tax schemes for small companies. This was a very important change and many enterprises decided to formalise as a result. But even then, you have to recognise that only a part of the informal economy will react. In this respect, it should be possible in Africa to establish legal and institutional conditions that promote the formalisation of part of the informal economy. At the same time, we have to be ready to work with informal enterprises because, at a certain stage in their development, if they want to continue growing, they will have to make the transition into the formal system.

■ *Do you see agriculture and the rural populations as the basis for future industrial development in Africa?*

— They have to be. I think that in the next few years, capacities in the agricultural area, and indeed in other natural resources such as minerals, have to be reassessed in the context of present world conditions — trade patterns, price and market expectations and so on. But it has to be recognised that these are very basic assets which offer the best basis for development. I think it is becoming increasingly clear that we cannot make big jumps in terms of industrial development other than in a few selected areas. Having said this, there are some countries that can have a different perspective, whether because of their geographical position or because they have good training and a well-developed human resource base. We have, for example, just had a meeting on investment promotion in Madagascar and it was impressive to see how many foreign investors were interested in the country. Madagascar has just had a change of government, but it is also a country that has an interesting population mix, as well as being close to Mauritius. It could well be a base for some industrial development and the possibilities are worth exploring.

■ *Mauritius is obviously one of the best performers among the ACP States. Two years ago, when I asked the President of Mauritius to explain his country's success, he gave me a very short answer. He said*

*'we educated our people'. Do you agree that this is the key?*

— I think that is a basic condition.

In general there is a reassessment of the importance of investing in human resources. This is an area where a lot of investment is clearly needed in Africa, particularly with a view to industrial development. The other big area, of course is infrastructures. In general, these have deteriorated and obviously roads, railways, telecommunications and so on are vital for industrial development. I would place particular emphasis on good telecommunications. Nowadays, if you want to work efficiently, and participate in world production and trade, then you need to have good telecommunications links.

■ *Many people see the new South Africa as offering hope for the development of the wider region and indeed the continent as a whole. Do you see South and Southern Africa as having a 'pilot' function in Africa's future industrialisation?*

— Definitely. We have high hopes that South Africa will join UNIDO soon. They have a very important role to play both generally and more specifically in industrial matters. Of course, South Africa has its own problems of regional development but they have a clear idea of what needs to be done. This is one area where UNIDO can help, in terms of technical cooperation, and we would envisage that effective results could be achieved within a reasonable time.

But, more important, I think that South Africa can have a very dynamic part to play as a catalyst for industrial development, initially in the southern part of Africa, but, over the longer term, in the continent as a whole. I think it can play a big role through its investments and through its technical expertise. Moreover, it can offer a bigger show case than what we have seen up to now — showing that industrial development is a possibility in Africa as long as the basic issues that we have just been discussing can be overcome. ■

Interview by Roger De Backer

# The enlargement of the European Union and the ACP countries

by Francisco Granell\*

Following applications made by Austria, Sweden, Finland and Norway to join the European Communities, accession negotiations with Austria, Sweden and Finland were opened officially on 1 February 1993 and with Norway on 5 April 1993. The negotiations with the candidates which started in February 1993 were conducted in parallel, at various levels, in separate Conferences meeting at ministerial or deputy (ambassadorial) level. The negotiations on a considerable number of chapters were facilitated by the existence of the Free Trade Agreements between the Community and the candidates, and the entry into force of the European Economic Area Agreement as from 1 January 1994, whereby the applicant countries were already committed to transposing into national law most of the existing EC legislation on the Single Market. A basic principle of the negotiations was the requirement that the applicant countries should accept the actual and potential rights and obligations attaching to the Community system, its legislation and its institutional framework — known as the Community 'acquis' — subject (if necessary) to technical adjustments and, in exceptional cases, to temporary exemptions and transitional arrangements.

The negotiations were concluded at the political level with Austria, Sweden and Finland on 1 March 1994 and with Norway slightly later, on 16 March, owing to the need for further negotiations on some outstanding issues, notably fisheries. Following this political agreement between the European Union and the applicants on all points raised by both sides, the final outstanding chapter, Institutions, was settled by the Union at Ioannina on 27 March 1994. The Accession Conferences then agreed on all negotiating chapters on 30 March.

The final texts (a Treaty, an Act of Accession with Annexes and Protocols,

declarations) were agreed upon at the final session of the Accession Conferences at deputy ministerial level on 12 April 1994. This meant that negotiations which took Spain and Portugal more than six years and Greece more than three were completed in little over 12 months.

The European Parliament gave its assent on 4 May and, after the signing of the Treaty and Acts by the Sixteen in Corfu during the European Council, the ratification process can now go ahead with a view to admitting the new members into the European Union by 1 January 1995.

## The impact of enlargement on LDCs: the main factors

This first enlargement of the European Union will have a major impact on both current and acceding members of the Union, as well as an effect on less developed countries (LDCs).

This impact will depend on many factors. An attempt to assess the effect and some of the most significant factors involved is set out below.

### *The interest shown by the acceding countries in developing countries.*

The interest of the new would-be member countries has manifested itself in both their trade and their cooperation policies towards the developing countries.

As regards trade policy, each of the potential new Member States has had a long history of preferential mechanisms to improve market access for developing

countries. These mechanisms, which are part of the United Nations-devised GSP schemes date, as does the European Community's, from the early 1970s and have brought significant gains to developing countries.

As regards development cooperation, these countries are among the most committed donors of Official Development Assistance (ODA). It is true that because of the relatively small size of the applicants the volume of their assistance is not particularly large compared to that of the current European Union as a whole.

Nevertheless, at the beginning of the decade their total ODA accounted for about US\$ 4,500 million per year, which, in 1991, exceeded the ODA flows from the European Community (as distinct from its Member States) at that time. Furthermore, Sweden's ODA is of the same order of magnitude as that of the Netherlands, and Norway's is about the same as Spain's or Denmark's.

More significantly, the commitment of the three Nordic countries to funding ODA, when measured in proportional terms, is among the highest in the world. Thus, while ODA as a proportion of Gross National Product (GNP) is barely 0.20 % in the case of the United States and 0.43 % in the case of the European Union, the Nordic countries reach, and even exceed, the United Nations accepted target of 0.7 % of GNP. There are only two European Union members, the Netherlands and Denmark, that meet those targets. Likewise, except for Austria, their ODA in *per capita* terms is two or three times as large as the European Union's average (see Table 1).

Furthermore, the political sensitivity of these potential new Member

\* Director, Task Force on Enlargement European Commission.



States to development cooperation runs parallel to that of the European Community, particularly as regards some of the issues it considers of priority interest for the Lomé Convention.

More precisely, the Nordic countries in particular have been at the forefront of support for good governance and for human rights and democracy issues in developing countries. They are also particularly sensitive to income distribution and other social agenda issues. Finally, they make strong use of, and offer substantial support to, non-governmental organisations in development cooperation. On all these grounds, we can expect these countries to be good supporters of Community action in these areas of cooperation with ACP countries.

#### *The enlargement of the Internal Market*

The enlarged market which membership of the acceding countries will create will provide additional export opportunities for the developing countries.

This effect should not, however, be exaggerated. First of all, these countries only add 25 million additional consumers to the Union (i.e. fewer than 10% of the existing consumers in the Union). Secondly, most of the trade effects associated with the accession have already taken place or are already taking place as a result of the

implementation of the European Economic Area, which has removed virtually all barriers between the present Union members and the former EFTA countries (of which the acceding countries were the core).

Furthermore, membership of the Union will not create trade in all sectors. For example it will not affect some agricultural subsectors with strict regulations governing the question of intra-Community preference.

In spite of all that, the opportunities created by the enlarged market should not be discounted. Firstly, in spite of the already low trade barriers between current and acceding Members of the European Union, there is still room for additional trade benefits to be derived from the elimination of remaining barriers and from the implementation of others. Secondly, the Blair House arrangement, the Final Uruguay Round agreement and the impending solution of the 'banana problem' are leading to a convergence of agricultural policies as between the current and acceding Member States of the Union, thus reducing the potential for trade diversion effects.

As developing countries enjoy preferential treatment under each of their industrialised partners' GSP schemes, the trade effects of the accession have implications that go beyond what is said in the

paragraphs above. The main implication here is that because, as part of the accession negotiations, the acceding countries have accepted that the European Union's GSP scheme is part of the 'acquis communautaire', the scheme will become part of the policies of the acceding countries.

As a result, the benefits from the enlarged market will be compounded by the fact that, as argued below, the benefits currently enjoyed by ACP countries, in terms of market access to the European Union, and embodied in its GSP scheme are superior to those they enjoy in their trade with the acceding countries.

The explanation for this is as follows. While acknowledging the difficulty of making precise comparisons, it is probably true that the Community's GSP scheme and that of the acceding countries are similar in general terms: they are similar in country and product coverage (as regards manufactures, and particularly textiles, the European Community's coverage is wider), even though the acceding countries do not set quantitative limits on GSP benefits. Instead, their GSP schemes often exclude some countries or certain imports from some countries.

Roughly speaking, then, both sets of GSP schemes seem to be comparable in the benefits they grant. As a result, developing countries trading with the acceding countries are unlikely to be made significantly better off, or worse off, by the adoption of the Union's GSP scheme from the moment of accession.

Yet, the acceding countries do not have, as regards ACP countries, the particularly generous special GSP schemes which the European Union has granted covering, in particular, most of their agricultural exports, and including the removal of all quantitative limits on their preferences relating to industrial products.

#### *An increase in the external actions of the enlarged Union*

The new members of the Union are upper-income countries and are likely to be relatively significant contributors to the European Union budget and the European Development Fund (EDF). The

**Member Countries of the European Community and the Accession Countries**

Countries	Population (million)	GNP (billion \$)	GNP (per capita \$)	Members of the European Parliament	Number of votes in the Council	% Development effort: ODA/GNP
Germany	79.8	1846.0	23 030	99	10	0.43
Belgium	9.8	209.5	20 880	25	5	0.39
Denmark	5.1	133.9	25 930	16	3	0.99
Spain	39.1	547.9	14 020	64	8	0.28
France	57.0	1278.6	22 300	87	10	0.63
United Kingdom	57.3	1024.7	17 760	87	10	0.31
Greece	10.3	75.1	7 180	25	5	—
Netherlands	15.0	312.3	20 590	31	5	0.86
Ireland	3.5	42.8	12 100	15	3	0.14
Italy	57.7	1186.5	20 510	87	10	0.31
Luxembourg	0.4	13.7	35 260	6	2	0.38
Portugal	10.6	73.3	7 450	25	5	0.32
Austria	7.8	174.7	22 110	21	4	0.29
Finland	5.0	116.3	22 980	16	3	0.59
Norway	4.3	110.4	25 800	15	3	1.13
Sweden	8.6	233.2	26 780	22	4	1.00

Data from the World Bank Atlas 1994, Treaty and Act of Accession and Development Assistance Committee of the OECD.

new members will also participate in the European Investment Bank (EIB).

As the acceding countries' combined GDP amounts to about 9% of the combined GDP of the enlarged Union, the expectation is that the Community budget of future years will increase by about that amount and that the EDF will also be increased. In that case, and even acknowledging that a major part of the new resources will be directed to the financing of intra-Union expenditure, it can be expected that, purely as a result of the accession, the resources available for external policies might increase.

The effects of accession on 'external' budgetary expenditure are harder to gauge as the matter will not be settled for several months yet.

Nonetheless, it is almost certain that the accession of the applicant countries will result in an increase in the resources available for external policies, rather than a reduction in the contributions made by the other Member States to the Union budget and, as regards the signatories to the Lomé Convention, the European Development Fund.

In the worst-case scenario, namely that much of the increase in the budgetary resources of the Community will be used for the financing of 'internal' policies, an increase in development cooperation expenditure seems reasonable.

While it is not possible at this stage to foresee where these increased funds for 'external policies' will be allocated, it is safe to infer that a part of them will go to the additional budgetary financing of cooperation activities with ACP countries: food aid, NGOs, environmental issues, etc.

## Focusing on ACP countries

During the enlargement negotiations the applicant countries accepted the Lomé Convention 'acquis' in its entirety as it stands today and also agreed to the lines laid down for the mid-term review of the Lomé Convention

Foreign trade of applicant countries 1992 (million ECU)

TABLE 2

Applicant countries	IMPORTS			EXPORTS		
	From World	From EC-12	From ACP	To world	To EC-12	To ACP
Austria	41 783	28 364	311	34 293	22 658	155
Finland	16 356	7 714	193	18 506	9 841	150
Norway	20 135	9 824	364	27 154	18 041	
Sweden	38 230	21 233	139	40 128	22 537	224

Source: EUROSTAT-COMEXT.

approved by the Council in line with the proposals from the Commission.

Concerning the participation of the four new Member States in EDF funding, it must be said that only at the end of 1994 or the beginning of 1995 will the EU negotiate a new financial protocol determining the 8th EDF. It will only be appropriate at this stage to establish the global amount of the EDF quota for new members.

Since the GDP/official development assistance ratio of the new members is higher than the Union's present average and since the new members have expressed their willingness to maintain some leadership in development cooperation, they are expected to contribute more than 10% of the 8th EDF.

The new members will also participate fully in the capital and reserves of the European Investment Bank, which plays an active role in financing activities in the ACP countries.

None of the new members of the Union has traditionally been specially interested in ACP countries: neither migration flows nor cultural ties have been significant and economic and trade relations are relatively small.

These countries' trade flows with ACP countries are rather limited: this region accounts for only 1% of the applicant countries' trade, which is well below the European Union average (Table 2).

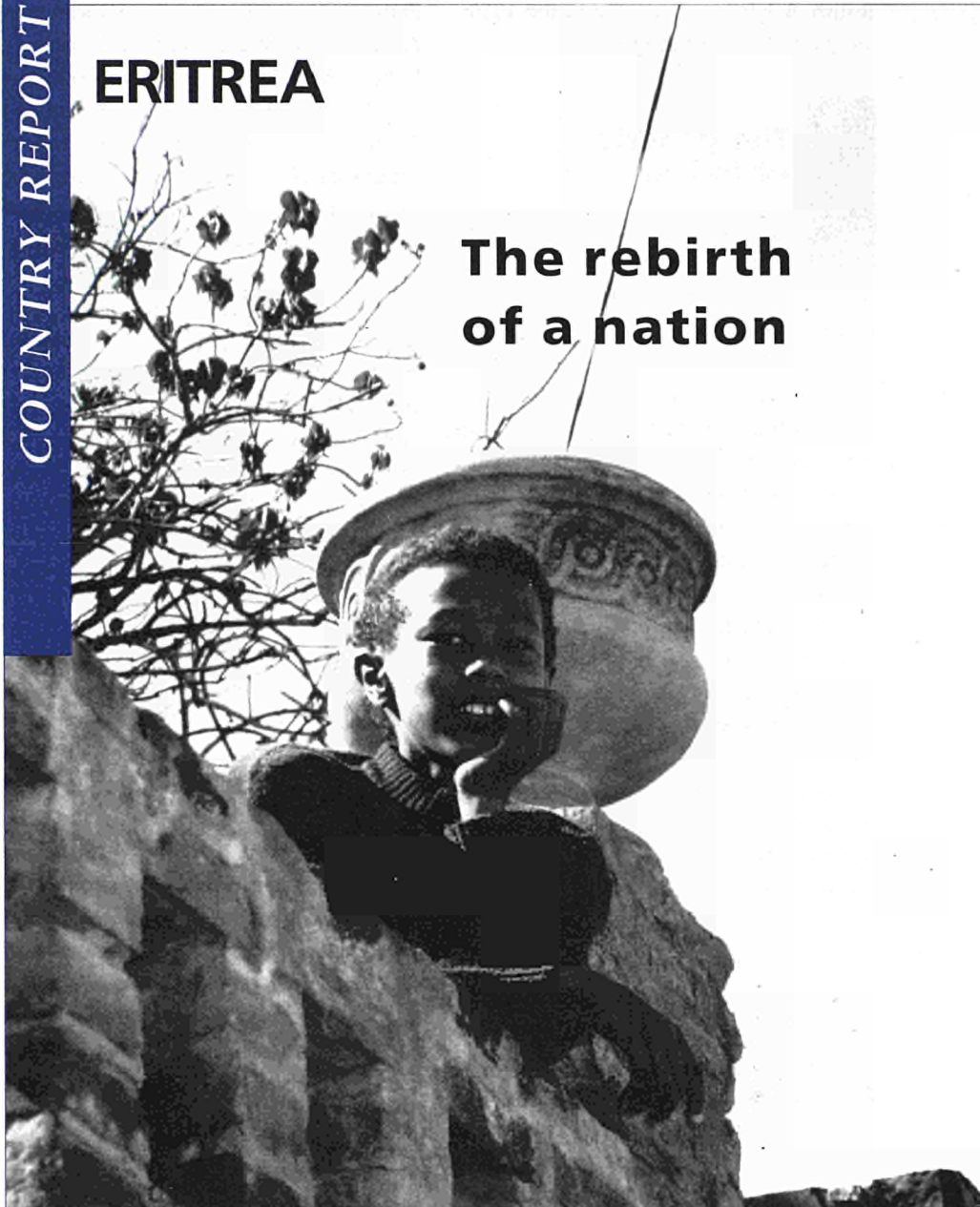
The full participation of the acceding countries in Lomé institutions and in the 8th EDF will be positive for ACP countries considered as a group. Furthermore, the acceding countries' concern for

efficiency and accountability in the use of public funds, as well as their support for untied aid, will contribute to a better quality of development assistance from the enlarged European Union through the Lomé Convention. ■ F.G.

## ERITREA

Eritrea has at last rejoined the world's community of nations. Those who have watched the long, resolute, sometimes bitter and now victorious struggle for freedom can only congratulate its people on their success, and say welcome back to the map. After a generation of war and suffering, Eritrea threw off foreign occupation and rule three years ago, and became officially recognised as a sovereign state after a referendum on independence from Ethiopia in May 1993. The country has now joined the United Nations and the Organisation of African Unity and, since it was admitted to the Lomé Convention as of independence on 24 May 1993, it has been the 70th member of the ACP group.

Eritrea is a country of some 120 000 square kilometres situated north east of Ethiopia and bordering the Red Sea between Sudan and Djibouti, facing Saudi Arabia and Yemen. Sandy plains stretch along a seashore of 1080 km, where salt-panning and fishing are the main economic activities, giving place inland to deserts in the north and west, while in the middle the land rises abruptly to a plateau which is the continuation of the Ethiopian highlands and on which stands the capital, Asmara. The variations in altitude produce wide differences in climate within short distances and a variety of crops is grown. The population of the highlands consists largely of settled farmers professing Christianity and speaking Tigrinya, a Semitic language, while the lowlands and northern mountains are inhabited by nomadic or semi-nomadic herders who speak a related language, Tigre, and several others, and who are Moslem by religion. Altogether there are nine ethnic groups with distinct customs and cultures, and the numbers of Christians and Moslems are roughly equal. The population is 85% rural, and is estimated at 2.5 million altogether, while up to a million more are believed to be living abroad. Statistics have generally to be treated with circumspection, however: those that exist were compiled by the Ethiopian authorities before independence and are said by the Eritrean Ministry of Finance and Development to be either incomplete or misleading.



## The rebirth of a nation

One statistic (emanating from the World Bank) which the evidence of the eyes suggests is reliable is that 41% of the population is under 16, and 17% of it under six. Eritrea is certainly full of young people, a sad reminder of the sacrifices borne by the previous generation in the war — in which 150 000 people lost their lives, 60 000 of them combatants and the rest civilians. So it would be tempting to talk in journalistic clichés of 'the young nation taking its first faltering steps', its institutions 'in their infancy' or coping with 'teething troubles' and so on. But the country is old in experience — and in years. As a geopolitical entity in its own right Eritrea has existed for more than a century, which gives the territory a longer history of

unity and organisation, albeit under foreign domination, than most countries in Africa can boast. Like almost all African countries, indeed, it is a by-product of European colonialism, and perhaps the most coherent way of making sense of Eritrean history has been suggested by two writers to whom anyone interested in the subject is indebted, Cahsai Berhane and Elisabeth C. Williamson: they believe that the country's struggle for freedom should be regarded as first and foremost a matter of completing the process of decolonisation.<sup>1</sup> In that sense, Eritrea has simply achieved what other ex-colonies — French,

<sup>1</sup> In *Erythrae: un peuple en marche*, published by L'Harmattan, Paris, 1985.

British, Belgian — managed in the 1960s. Why did it take so long?

## The genesis of Eritrea

Eritrea's existence as a single unit began in 1889, during the European powers' 'scramble for Africa'. This undeveloped, amorphous territory was not a prime cut in the carve-up of Africa, but the opening of the Suez Canal had brought the Red Sea and, through it, the rich trade routes of the Indian Ocean within easy reach of European navies, giving the Horn of Africa huge strategic interest to potential competitors in the game of imperial expansion. Of these, France and Britain were the chief rivals for control of the region, and it was to minimise French influence that Britain encouraged a smaller power, Italy, which already had a military toehold on the Red Sea coast, to establish its first full colony there. The new colony, Eritrea, was officially proclaimed in 1890 under a name derived from the ancient Greek word for 'red'.

The main attraction of Eritrea for Italy was as a beachhead from which to seize a much larger and more profitable prize, the empire of Ethiopia to the south. After a steady military build-up, the attack was duly launched in 1896, but failed immediately when Emperor Menelik II routed the Italian invasion force and became the only African leader of the time to repulse a European army. The defeated Italians retreated to their colony, and for the next generation Eritrea was quiet. In the interests of settlers brought from Italy, large expanses of land previously held by native Eritreans had been confiscated and agriculture, for self-sufficiency and export production, was now expanded, while roads and railways were built, a power supply was established and light industry began to operate on a modest scale.

## Economic growth and the first stirrings of political life

The early 1930s saw the rise of fascism in Italy, its dreams of a new Roman

Empire were revived, and in its colony in Africa a new phase of economic growth began. Mussolini's armies realised the Duce's imperial ambitions by conquering Ethiopia in 1935, and Rome poured thousands of colonists and huge amounts of capital into Eritrea to turn it into a base for the exploitation of Italy's new possessions. So the first economic foundations of a modern state were laid in Eritrea, though the benefits were largely enjoyed only by its Italian colonists; for the natives of the country it meant further subjection and dispossession, disrupting their traditional social, economic and political structures in the countryside, leaving many without land and creating, for the first time, an urban proletariat in the newly expanding towns.

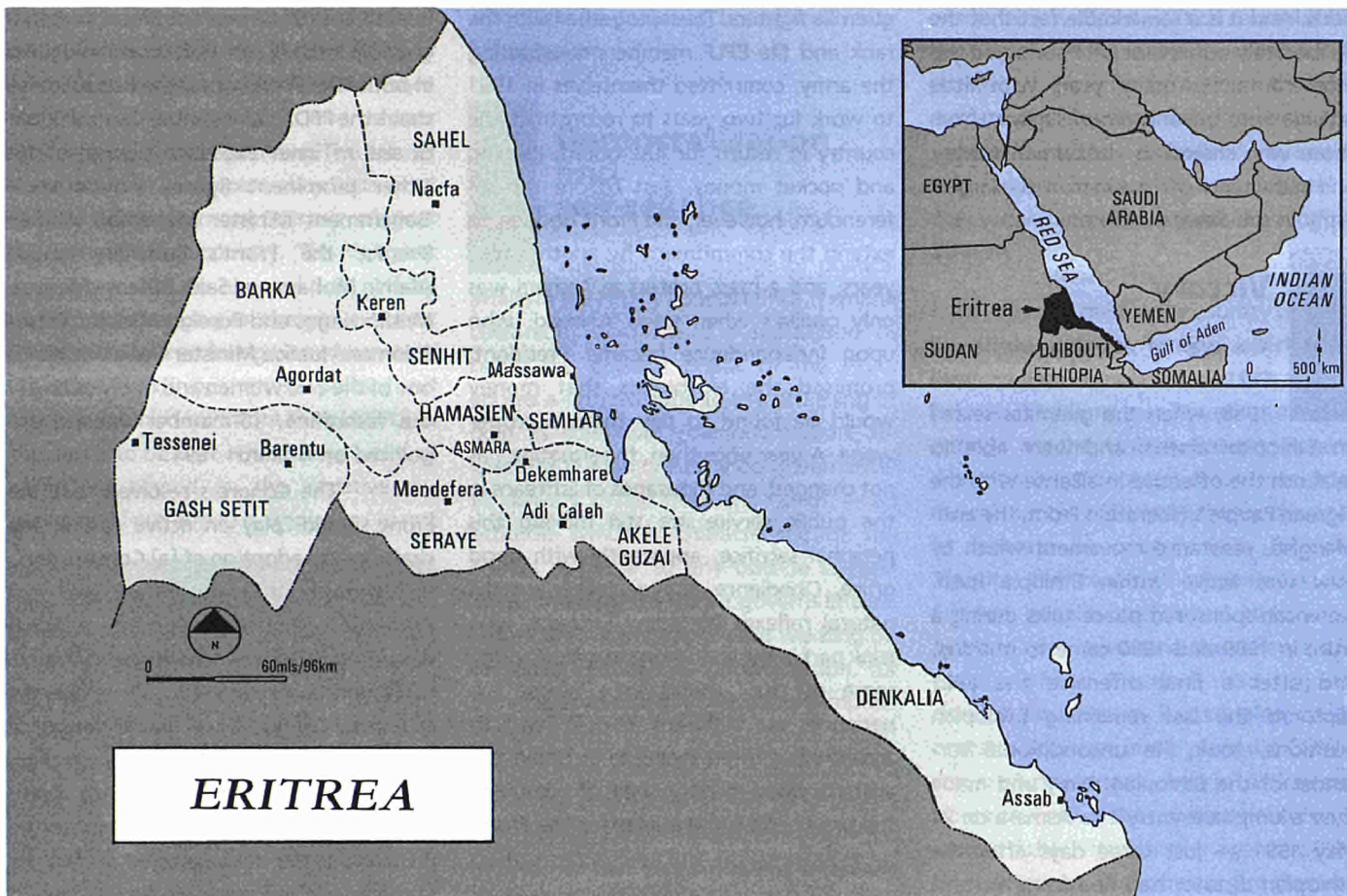
Far-reaching change came with the Second World War. When Italy entered the war on Nazi Germany's side in 1941, the Allies determined to break up Italy's African empire, and Eritrea was occupied by British forces under United Nations mandate in that year. Political reforms in the British period included the abolition of racially discriminatory laws, an expansion of education and the establishment of councils of Eritrean notables to advise the British authorities on the concerns and needs of the local population. Early promises of eventual self-determination were not kept, however. On the economic front, the heavy investment by the Italians in infrastructure came to a halt and much of the industrial sector was run down. New taxes hit particularly hard at the settled peasantry in the highlands. Economic distress combined with political frustration to foster the emergence of Eritrea's first political parties. As the British mandate was only seen as temporary, for a permanent solution some advocated independence, while others began to call for federation with Ethiopia. The Coptic Church, to which Christians in both countries belong, took up the call and the United States and Britain urged federation strongly in the United Nations. The Emperor of Ethiopia, Haile Selassie, argued that his country had geographical, historical, ethnic and economic claims to Eritrea, on the basis of flimsy evidence that the two places had been united over a thousand years earlier. He took care,

however, to make this irrelevant claim more convincing by offering the US the use of a military and intelligence-gathering base in Asmara from which to monitor political and military developments in the Middle East and the Horn. A United Nations resolution federating Eritrea and Ethiopia (and specifically overriding Eritrea's right of self-determination) was duly adopted in 1950 and the Federation came into being two years later.

## Recolonisation and resistance

Eritrea was given a constitution entrenching democratic principles and civil rights but its partner in the federation was governed by an absolutist monarch who soon set about dismantling these liberal provisions. Freedom of expression and freedom to organise labour unions were abolished; the heads of the Eritrean Government and legislature were replaced with appointees of Haile Selassie; public meetings and all political parties except the one favourable to union with Ethiopia were banned. All vestiges of Eritrea's autonomous status were eventually stripped away and in 1962 its Assembly was forced at gunpoint to abrogate the Federation. Eritrea was absorbed into Ethiopia as a mere province. For Eritrean nationalists this was not reunion with a mother-country but a transfer from one form of colonisation to another.

There was no reaction from the United Nations, but resistance was already being organised inside and outside Eritrea. A guerrilla group known as the Eritrean Liberation Front (ELF) became active within the country from 1961, and clashes with the regular Ethiopian Army began in 1964, when a new regime in Sudan allowed the ELF to set up bases on its territory. Ethiopia had meanwhile adopted a pro-Israeli policy, the two countries seeing themselves as islands in a hostile sea of Moslems, and Arab countries began to supply the ELF with money and weapons. From its starting point in the western lowlands, the ELF extended its operations as far as the densely populated high plateau.



Eritrea, showing autonomous provinces and main towns.

Source: Ministry of Finance and Development

The movement was led, however, by Eritrean exiles abroad whose inexperience of the situation in the field prompted them to divide the military operation into separate commands on a tribal basis. In a major offensive launched in 1967, Ethiopian forces, equipped by the United States, were able to pick these units off one by one and drive the resistance back to its bases — the start of perhaps the lowest point in its fortunes. Three years later, when ethnic, religious and political differences within the ELF became impossible to reconcile, a progressive wing of fighters who advocated involving the civilian population fully in the struggle and, in the process, radically reorganising Eritrean society on a non-feudal basis, split off to form the Eritrean People's Liberation Forces (EPLF).

### Struggling for freedom

The ELF decided to eliminate this rival by force, and from 1971 to 1974 the opposing sides fought a civil war.

In 1974, a military coup in Ethiopia overthrew the Emperor. The new regime in Addis Ababa, however, despite professing the same revolutionary principles as the EPLF, proved as committed to Ethiopian unity as the old. Even so, attempts to patch up relations between the resistance factions for concerted action against Ethiopia ultimately failed, and by 1977 the EPLF, reconstituted as the Eritrean People's Liberation Front, finally emerged as the dominant military and political force in the liberation struggle. In that year Ethiopia became embroiled in a border dispute with Somalia, and the EPLF was able to take control of nine tenths of Eritrean territory. But in 1978, supported now by the Soviet Union and with Cuban troops, Mengistu moved his army back into Eritrea and drove the EPLF back to the Sahel region in the far north. Many civilians from the towns and villages recaptured by the Ethiopians left their homes and retreated with the Front, which then embarked on a remarkable social revolution involving mass literacy campaigns and agrarian reform in the liberated areas.

The EPLF's skill in mobilising and training its forces for 'people's war' and winning the civilian population over for 'people's revolution' has often been admired as a display of determination, discipline and organisation. Without romanticising what was achieved, it has to be said that the strategy of involving the ordinary people for the first time in consultations and decision-making, successfully organising education, health and transport systems with minimal resources and under constant bombardment from the air, reorganising land ownership on a collective basis, emancipating women and educating the population for a society free of class, ethnic or colonial oppression did an enormous amount to consolidate national feeling among a population of many different ethnicities, cultures, languages and religions. It is difficult to see what other policy could have cemented them together so successfully and trained them for final victory in the face of such overwhelming

odds. And it is a remarkable fact that the deliberately self-reliant EPLF sustained this momentum for many years with little outside help beyond moral support from those who shared its radical convictions, and in the teeth of attacks from the largest army in sub-Saharan Africa.

## Victory

The war of attrition with small EPLF advances continued until 1988, when the guerrillas seized an Ethiopian arsenal and were able to relaunch the offensive in alliance with the Tigrean People's Liberation Front, the anti-Mengistu resistance movement which by now was active within Ethiopia itself. American-sponsored peace talks during a truce in 1989 and 1990 came to nothing, and after a final offensive the EPLF captured the last remaining Ethiopian positions, took the unconditional surrender of the Ethiopian Army and made their triumphant entry into Asmara on 24 May 1991 — just three days after the Ethiopian dictator had fled from his own country. After 30 years of war, peace was declared at a national reconciliation conference in July. Eritrea's right to self-determination was recognised, subject to a referendum to be held in 1993. Ethiopia's continued right of access to the sea through the Eritrean port of Assab was also guaranteed.

Although Eritrea was still not officially independent, the EPLF under its leader, Isaias Afwerki, took *de facto* control of the country and set about the awesome task of rebuilding the economy. At its congress in 1987, the Front had dropped Marxism-Leninism as its guiding philosophy and opted for Western-style democracy with a free-market economy. However, on attaining power it decided not to allow other political parties to form at least until independence had been achieved after a two-year transitional period. In any case there were no other organised political forces within the country seeking power. The referendum on self-determination was held on 23 to 25 April 1993: more than 99% of votes were in favour of independence, which was officially proclaimed on 24 May.

The new government and much of the civil service was formed of ex-

guerrilla fighters. These, together with the rank and file EPLF members constituting the army, committed themselves in 1991 to work for two years to reconstruct the country in return for just board, lodging and pocket money. Just before the referendum, however, the Front decided to extend the commitment by another four years, and a mass protest in Asmara was only quelled when Isaias Afwerki, who upon independence became President, promised the ex-soldiers that money would be found to pay them a proper wage. A year since then, the situation has not changed, and thousands of Eritreans in the public service are still making this personal sacrifice, apparently with good grace. Obedience and discipline are still natural reflexes for many Eritreans who took part in the liberation struggle, though some of their countrymen whose experiences are different find it hard to accept what often seems to outsiders the austere, quasi-military style of command still practised by the leaders of the Front.

## A single party

Economic recovery is making slow progress against daunting obstacles (which are described in another article) and in the three years since liberation there has been little change in the political power structure either. Fighters with impeccable EPLF credentials have been put in positions of influence in preference to technocrats, and leaders of the Front have said that when a multi-party system finally comes, it will emerge from within the EPLF. Development partners in the North, impressed by the determination of the people to solve their own problems, have come forward with short-term aid but have pressed for signs that democratisation as they understand it is taking place before they will agree to make larger commitments. In February this year the EPLF held its 3rd Congress and voted to transform itself into a 'mass' political party, the People's Front for Democracy and Justice (PFDJ), the necessary first step towards multi-party elections at some as yet unstated time in the future. Government and party are thus in theory separate entities, but the leading positions

in each are still shared out among veteran guerrilla leaders, some of whom hold posts in both. The President of the Republic also chairs the PFDJ's 75-member Central Council and its inner Executive Council of 19. Other prominent figures include Local Government Minister Mohamud Ahmed Sherifo, the Front's Secretary-General Alamin Mohammed Said, Defense Minister Mesfin Hagos and Foreign Minister Petros Solomon. Justice Minister Fozia Hashim is one of the two women and five Moslems in the reshuffled, 16-member Cabinet appointed on 4 March 1994.

The Congress resolved that the Front should 'play an active role in the drafting and adoption of [a] Constitution', though without setting a date, and that Eritrea's legislative body, the National Assembly, should be constituted out of 75 representatives of the PFDJ, all members of its Central Council, and an equal number of representatives elected by the population — at no specified time. Until these elections are held, members of the existing Provincial Assemblies, elected under the auspices of the Front, will occupy the 75 seats not occupied by its direct appointees. Before the elections, in other words, there will be no parliamentary opposition to the single party, and after them the balance will still be such that even if all 75 elected members oppose the Front, they cannot outvote it. At least now that the Front is a political party, rather than a movement to which only fighters in the liberation struggle could belong, aspiring politicians from other backgrounds have a potential outlet for their points of view — if they are prepared to join the party.

## Opposition excluded

A National Charter promulgated at independence banned other political parties for a four-year transitional period due to end in May 1997. The February Congress resolved that the Front should participate in drafting, adopting and applying a law on political parties, but meanwhile the ban remains in force. Several leaders of ELF offshoots have sunk their differences and joined the Government in Asmara, leaving four opposition groups still operating, all of them outside

the country. These are respectively Marxist-Leninist (but claiming, like the PFDJ, to favour a mixed economy), Albanian-style Stalinist, Arab nationalist and Islamic fundamentalist in inspiration. The last of these is said to be supported by Sudan and to have influence among Eritrean refugees still living in that country. The Congress resolutions exclude any political activity with outside backing on the grounds that 'there should be no foreign interference, in whatever form, in our national politics' and any group which split from the old EPLF in the past is to be kept out because 'political affiliations hinged on the negative experiences of our armed struggle should not

affairs is to be drawn up, but again no date has been set.

## Democratisation and self-reliance

The official in charge of political affairs in the PFDJ's Council Office, Yemane Ghebreab, who has the reputation of being the political brains of the PFDJ, adopts a firm attitude to the attaching of political conditions (democratisation, respect for human rights, good governance) to delivery of aid from the North — an attitude which is characteristic of the Front's response to any outside suggestions regarding the way it governs Eritrea. 'Those are issues that we are working on ourselves,' he says. 'Democratisation, for instance, is something that is more important to us than it is for any particular donor. We feel democratisation, not just in Eritrea but everywhere, should not be a ruse, a ploy to receive outside assistance but that it should be home-grown, internally driven, because we see many instances where supposed democratisation, multi-party elections, have taken place just to satisfy donors, and those elections have not changed the governments in those countries in any way. Democratisation is important for us not as a means of receiving assistance but as a means of building a healthy society in our country. We fought for it all these years.'

Building a healthy society involves, in the words of the 3rd Congress, 'reinforcing the unity of the Eritrean people', and that means reconciling the interests not just of several disparate ethno-linguistic cultures but of societal groups who have quite different expectations, depending on whether they spent the period of the liberation struggle at home or abroad, in the EPLF-liberated or Ethiopian-controlled areas in Eritrea or in poor or rich countries in exile. The country has been divided into ten theoretically autonomous provinces (Asmara, Sahel, Barka, Gash Setit, Senhit, Semhar, Hamasien, Seraye, Akele Guzai and Denkalia), each run by a provincial assembly through which the people are encouraged to find solutions to their own problems. On a practical level this decentralisation policy

works fairly well, but political control is still kept by the Front and exercised through provincial governors appointed from Asmara. For the time being, a few more years of 'democratic centralism' may be the best way of maintaining and deepening the social harmony it took so long to achieve.

Eritrea's leaders feel that they have a right to guide their country towards its future without foreign interference because they liberated it without foreign help. As President Isaias Afwerki put it in an address to the United Nations General Assembly on 30 September last year, from the moment in 1950 when that body voted to federate his country with Ethiopia, 'despite the repeated appeals of the Eritrean people, the United Nations refused to raise its voice in the defence of a people whose future it had unjustly decided and whom it had pledged to protect. Not once in 41 years did Eritrea, scene of the longest war in Africa, and victim of some of the grossest violations of human rights, figure in the agenda of the United Nations.' As Eritreans gird themselves up to rebuild their country, the President went on to say, 'Ultimately, deliverance will depend on our own efforts, on the mobilisation and efficient utilisation of our resources.' Now that foreign aid is being offered, it is welcome, indeed essential, but international donors, including the European Union, have had occasion to observe that Eritreans accept money, like advice, only if it will help them achieve *their* priorities, not, in the President's words, 'on the basis of the interest and agendas of donors'.

Top item on the PFDJ's agenda for the mid-term future is putting the country back on its feet and providing a decent life for Eritreans. 'The building of a strong and effective national government is a vital instrument for [...] the attainment of stability and development', the 3rd Congress resolutions say, adding that the success of such a government depends on institutional capacity building, which 'requires resources, effort and time'. In Eritrea today resources are few, but effort and time are commodities of which the country's liberators are clearly prepared to put in even more than they have already, to make sure that they get the society they want. ■

Robert Rowe



'Ultimately, deliverance will depend on our own efforts.'

Isaias Afwerki, leader of the liberation struggle and now President of the Republic

be tolerated as they are contrary and detrimental to the beginning of a new political chapter and the development of a healthy and democratic political culture'. The opposition groups variously accuse the EPLF/PFDJ of running a dictatorship, holding political prisoners, violating human rights, betraying and oppressing the people of Eritrea and simply running the country incompetently. Their views do not reach the general public in Eritrea, however, as the one newspaper and one radio station in the country are run by the PFDJ. A press code which may alter this state of

## A careful balance

# Eritrea's foreign relations

Relations between Eritrea and Ethiopia today are excellent. During the war, there was close cooperation between the EPLF and Ethiopia's liberation movement, which originated in Tigray, a province of Ethiopia bordering on Eritrea. Their membership is drawn from the same groups and their ideological attitudes, in resistance and then in government, have developed along comparable lines.

Yemane Ghebream, a former Deputy Foreign Minister who is now responsible for political affairs in Eritrea's ruling party, says the war left no acrimony on either side of the border. 'We have not raised the issue of reparations or the division of assets. Ethiopia itself is in bad shape because of the war and the policies of the previous government, and instead of looking back we feel we should be looking towards the future.' A joint commission looks at cooperation in agriculture, industry, energy, transport, communications, finance and banking, and there are positive signs of progress: 'The volume of goods passing through the port of Assab to and from Ethiopia is five times higher now than it was during the highest period under the Mengistu government. So it shows that Eritrea's independence has not in any way choked Ethiopia.'

There is freedom of movement across the border, and Ethiopian Airlines has resumed flights between Addis Ababa and Asmara. Many Eritreans employed in the Ethiopian administration before independence have gone home to work in the Eritrean public service, and Ethiopian nationals in similar positions in Eritrea were allowed to stay on, provided they were fluent in the new official language, Tigrinya. The 85 000 Ethiopian military personnel taken prisoner when the EPLF took over Eritrea were expelled, with their families.

Eritrea's economic, as well as political, links with Ethiopia are so close

that President Meles Zenawi of Ethiopia has said he could not exclude the possibility that one day the two countries might form a confederation, though there are no plans for this at the moment. A potential cause of friction is the *de facto* currency union between Eritrea and its former oppressor. It means that Eritrea has to keep in step with the fiscal and monetary policies of Addis Ababa although it does not fully agree with some of them, including deficit financing. Ethiopia has also adopted a structural adjustment programme, which affects Eritrea's economic options. The ultimate solution might be a regional currency, and a technical team has been set up by the Bank to consider that and other ideas.

Relations with Eritrea's other large neighbour, Sudan, are poor. It is up to Sudan to decide its own internal policies, says Mr Yemane, 'but unfortunately the government in the Sudan has not limited its ideological orientation to its borders. It has been actively supporting an extremist fundamentalist movement, the Islamic Jihad, in Eritrea. We have told them this is not consistent with developing positive bilateral relations.' Islam, he points out, was introduced to Eritrea before the Sudan, and its adherents, who constitute half the population, have always lived peacefully alongside the country's Christians, so attempts to radicalise Islamic opinion in Eritrea will only destabilise the country. Matters came to a head early this year when a subversive mission from the Sudan was intercepted at the border and the gun battle which ensued left 20 dead. Of equal concern is that the Sudanese government is forcing Eritrean refugees there to join the Sudanese Army and the people's defence forces, which Eritrea

regards as a violation of the refugees' human rights.

A cooling of relations with Sudan may also help persuade certain foreign donors which object to that country's militant Islamism, notably the United States and Britain, to respond more generously to Eritrea's requests for aid.

Eritrea would like to resume the role it had in the 1950s as a trade and services centre for Arab countries, and there has been some interest from Arab investors. President Isaias Afwerki has visited Saudi Arabia and relations with that country are now cordial, despite Saudi support in the past for the opposition ELF movement. This piece of fence-mending is seen as an important sign of Eritrea's wish for good relations with the whole of the Arab world, which had been irritated by the President's decision to visit Israel for medical treatment last year. Eritrea shares security interests with neighbouring Arab countries and has adopted common policies with them. At the same time, its good relations with Tel Aviv reassure the United States, in particular, that Eritrea will not be drawn into any attempt to turn the Red Sea into an Arab or Islamic lake.

On the African scene, Eritrea has made forthright criticisms of what it sees as failure by the Organisation of African Unity to champion unity, cooperation, human rights and development, but has nevertheless joined the OAU and seems determined to remind it of the high ideals it was set up to serve. The country would like to see the Intergovernmental Authority on Drought and Desertification revised into an effective instrument for regional cooperation on infrastructure and some form of economic integration evolving gradually with the other member states (Sudan, Ethiopia, Djibouti, Somalia, Kenya and Uganda). As a member of the Preferential Trade Area it seeks closer trade ties with eastern and southern Africa. ■ R.R.



'Starting from below zero'

## Repatriation, reintegration, reconstruction

Few newly independent countries can have inherited such a legacy of destruction as Eritrea. The cost of freedom in terms of loss of human life, displacement of population, economic and social disruption and environmental degradation was enormous, and the return to normality will be long and painful. But despite limited resources, Eritrea has embarked on the task of its own recovery with its customary efficiency and determination.

As one member of the Government contemplating Eritrea's economic situation put it, 'We are starting from below zero'. A large proportion of the country's population — about one in five of all Eritreans — still lives in exile and most of them will some day want to return. The statistics have to be treated with caution, but the Commissioner for Eritrean Refugee Affairs, Gerense Kelati, puts a tentative figure of between 700 000 and 900 000 on the numbers of Eritrean refugees scattered all over the world. The more fortunate of these, perhaps, are in the economically advanced countries of Europe, America, the Middle East and Australia, and may choose to stay there, at least until they can be sure of better economic prospects at home; but the bulk of the diaspora share with their countrymen in Eritrea the difficult economic and political conditions of the Horn of Africa. Of these, some 420 000 are estimated to be living in one country alone, Sudan.

The flow of refugees to Eritrea's eastern neighbour started as soon as the armed liberation struggle broke out in 1961/62, with the biggest influx occurring in 1967, when the imperial Ethiopian government set about destroying hundreds of villages in Eritrea's eastern, northern and western lowlands, to smash the economic and political base and source of information of the liberation movement. Many thousands more fled in 1975,

this time from the highlands, when the liberation fighters encircled Asmara and the Ethiopian Derg terrorised the surrounding villages to flush them out. With successive offensives (for example, the attacks launched with Soviet help in 1978), more people were driven out of their homes, for wherever the liberation movement was fighting, the civilian population was in danger. Drought also forced many nomads and villagers out in search of food. The ones who were able to settle in the Sudan were lucky: others had to walk all the way to Libya, many died in the deserts on the way, and some who went the other way drowned in cyclones as they tried to escape across the Red Sea.

Eritrean government policy is to allow anyone who wants to return to do so freely, and some 80 000 have so far come back from Sudan of their own accord. They report that the Eritreans there are settled in five zones, including the capital, Khartoum, but mostly in the east near the Eritrean border. Some of the refugees, mostly old people, women and children, live on food aid in camps run by the United Nations High Commissioner for Refugees; 35% of these households are mother-headed families, the able-bodied men having joined the liberation movement in the past or gone further afield to look for work. The Sudan also runs a settlement programme whereby refugees from the



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camps (about half the total, according to the World Refugee Survey of 1993) are moved on to land which they are then allowed to cultivate together with the local population, using inputs provided, at least to begin with, by international donors, in what is intended to be a form of integrated rural development. Others are settled, without land, in areas where they can sell their labour to local farmers. (One commentator has wondered, however, whether the main effect of such schemes has really been to develop Sudanese agriculture on the backs of cheap Eritrean labour and international aid, rather than

home? Family loyalties and ties of friendship are traditionally close in Eritrea, but many exiles no longer have anyone close to them left at home. And the society at large has little more than goodwill to spare. The urban centres cannot take any new arrivals: the existing population already stretches services to the limit, and there are no spare jobs or affordable housing. Instead, the Provisional Government has started settling returnees from Sudan as farmers in fertile but under-occupied lowland areas in Gash Setit and Barka provinces, in the West. There, of course, they need water, medical services, roads,

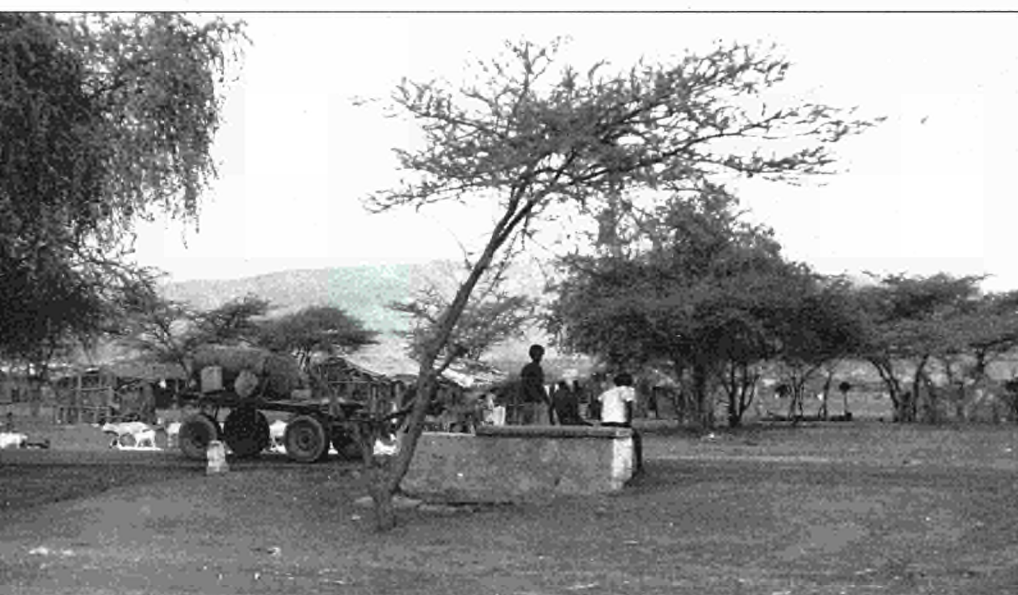
they have been helping to develop), but prospects in Eritrea are so poor that for the moment the refugees are better off staying where they are.

## Relief and rehabilitation

Returnees will find they are not alone in needing, and receiving, government help. The war has left thousands within Eritrea displaced, disabled or bereaved of parents and breadwinners. Eritrea's Social Affairs Authority says that a survey in 1992, after liberation, found, for example, that 90 000 children in the country had lost one or both parents — one sixth of them were the children of fighters lost in the war. One in five orphans had also been disabled. For orphans without other support, the government runs a number of homes, the aim being to reunite the children with near relatives so they can leave and grow up in their own communities; 3000 children have been reunited with their families in this way since liberation, and more could be done if there were more international aid. And there is a special programme to help the 5000 children living on the street.

There are 60 000 disabled people in Eritrea altogether, 13 000 of them ex-fighters and the rest civilians with congenital deficiencies due to malnutrition and illness. For them, too, the Social Affairs Authority is introducing community-based rehabilitation, and runs a vocational training centre so disabled people can become self-supporting. Those who cannot manage for themselves (the paraplegic and critically injured) are looked after in special camps for the bedridden which existed even during the liberation struggle. There are also workshops making artificial limbs for the country's 4000 amputees, as well as physiotherapy centres and schools for the blind and deaf.

Another camp caters for Eritrea's 'internal refugees', the estimated 10 000 people displaced within the country. The elderly with no means of support are looked after here, while the young are given jobs or helped to set themselves up in farming or other activities. The ultimate aim is to return displaced people to their



Returnees from exile wait their turn for resettlement at a temporary place of refuge in the lowlands

promote refugee self-sufficiency and integration into the local population.)<sup>1</sup> The remaining Eritrean refugees have settled in towns and villages, where they have low-paid casual jobs but few prospects of any better work in the Sudan or of getting exit visas to richer parts of the world. Conditions for all are hard, especially in the camps, where some have been living lives of enforced dependency for many years — more than 25 years in one camp visited recently by a voluntary aid agency, the Eritrean Catholic Secretariat.

## Returning home

So what are the prospects for the 95% of Eritrean refugees who, according to Gerense Kelati, want to come

<sup>1</sup> Shoa Asfaha, *Un espace agricole loti au Soudan: les sites d'installation des réfugiés érythréens*, in 'L'espace géographique', 1992, No 4, pp. 347-356.



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Food aid is arriving at Eritrea's main port faster than the infrastructure can cope with it...

places of origin and, as with other categories, rehabilitate them in the community.

## Taking responsibility

Eritrea has a parastatal Relief and Rehabilitation Agency, ERRA, which has special programmes for fitting demobilised liberation fighters back into society and the economy. ERRA's Deputy Director, Teclmichael W. Giorgis, says 26 000 combatants have already been demobilised, on the basis that the youngest and most recently recruited are discharged first, since they are the best able to adapt to civilian life. Many have gone on to higher education and some will be able to go into the civil service or the regular army depending on their abilities and skills. Among the older fighters there is a complex mix of backgrounds, from illiterate former nomads to educated town dwellers, but the agency's object, again with very limited resources, is to help them all acquire a training in a specific trade and take responsibility for themselves.

Inescapably, people who have survived in these exceptional circumstances for years can find it difficult to lead normal lives again now the emergency is over. Tight discipline and military organisation which were assets in wartime have tended

to make those who lived under the umbrella of the Front so institutionalised that having to fend for themselves can come as a severe shock. 'It isn't easy,' says Mr Teclmichael, 'but the purpose of reintegration is to put people into a different situation, where they can support themselves, rather than making them lead the collective or regimented social existence in which we were all taken care of

by the Government or by the Front. That means fitting oneself into the normal social and economic settings.' Once that is achieved, ERRA will be one step nearer being able to concentrate on long-term sustainable development.

## Food emergency

What Eritrea, through self-help and discipline, has managed to achieve for these 'problem' groups, both before and since liberation, is impressive. But there are limits to what can be done with mere admiration. There is a crying need for money, especially to pay for the most basic necessity of all: food. Four out of five Eritreans depend for a living on subsistence agriculture, yet such were the upheavals of war that at liberation, according to the Minister of Agriculture, Tesfai Ghermazien, most inputs and means of production had been lost and most smallholders were producing virtually nothing, let alone enough to feed the country. A national agricultural rehabilitation programme devised by the Ministry and financed primarily by NGOs was immediately launched. It involved providing smallholders with seeds, fertiliser, farm tools, oxen and camels. What could be

... but bad harvests this year mean still more is needed



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Eritrea's peasant farmers work together to terrace their hillsides and dig reservoirs...

done was limited: for a village of 200 households, the Government could only afford to provide three or four oxen. Nevertheless, thanks to hard work and the good rains of 1992, the programme had considerable social and economic impact.

Last year, however, was a different story: after erratic rains, followed by plagues of locusts, grasshoppers and rats, an estimated 80% of crops failed, and two-thirds of the population had to survive on food aid. This year pests and late rains have struck again, and Eritrea is back on panic stations. The United Nations Children's Fund, UNICEF, said recently that 1.5 million Eritreans were threatened with famine, but the country could not afford to import the 400 000 tonnes of food it needed to make up its cereal shortage. To cap it all, the harvests in October and November this year are also expected to be poor. Politely, though with more than a hint of reproach, officials point out that food shortages in Eritrea are well known to be chronic, not cyclical, so appeals are made regularly every year, yet the international community's response has never covered more than about half of the country's requirements annually. Some countries and organisations were reluctant to help Eritrea separately as long as it was officially still a province of another country (though the European Community has aided it since effective liberation in 1991).

'But now the sovereignty issue is resolved,' the head of ERRRA says, 'we have to step up into regular structural food aid from now on.'

The Government has set up 112 food distribution sites all over the country, and an early warning system through which local administrations alert the central ministries to shortages. But an efficient

administrative structure is let down by weaknesses in the physical infrastructure. Ships laden with sacks of food for both Eritrea and Ethiopia are actually arriving at the war-damaged port of Massawa faster than the cranes can unload them or the lorries carry the deliveries away, and some of the food has been spoiling as it waits. The railway which might have carried the food inland from Massawa was wrecked in the war and is said to be beyond repair. Eritrea's other port, Assab, is separated from the main centres of population by hundreds of kilometres of near-desert, with no practicable road for goods traffic across it. Apart from the Massawa-Asmara road, most of the roads in the interior are in poor condition. The main problem in the highlands, consequently, is not the amount, which is adequate, but distribution. In the lowlands the problem is both at once.

All this in a country which between the world wars was a food exporter. Well-organised commercial farms used to send fruit and vegetables to the Middle East and Europe, and the Minister of Agriculture says there are actually good prospects for reviving the commercial sector, and improving conditions for subsistence farmers, provided the country's

... so once arid land will produce enough to feed them, and a little extra to sell



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water resources can be brought under proper management. In 1993, for example, rainfall was average for Eritrea, but did not come when the crops needed it most. Yet at the same time several seasonal rivers were flowing, and continued to do so for half the year. If there were reservoirs to catch the river water, Eritrea, the Minister believes, might be able to produce enough to feed its people even in critical drought years. 'If we can develop our water resources', he enthuses, 'given the sunshine duration that we get in Eritrea — and there is seldom a frost — we can possibly grow two or three harvests a year'. This conviction has been the spur to yet another display of solidarity and hard work by Eritrea's people: the dam and irrigation schemes. Under government supervision, whole villages have worked with basic tools to build earth and loose stone dams across highland valleys so as to trap water at the upper end and use it in the dry season to irrigate fields of crops planted lower down. The area of land under cultivation in Eritrea has been expanded by a quarter since liberation. Some villages have started to diversify from subsistence cereals into crops such as tomatoes and onions which not only improve the diet but can be sold to buy fertiliser and pesticides. Trees are also being planted and terraces built to stop soil erosion on hillsides. These schemes are still new and relatively modest compared to the needs, but, subject to proper study of their possible side-effects on the environment, they offer a real hope of improvement for the future.

Three busy men:  
Ogde Abraha, Minister of Trade, Industry and  
Tourism...



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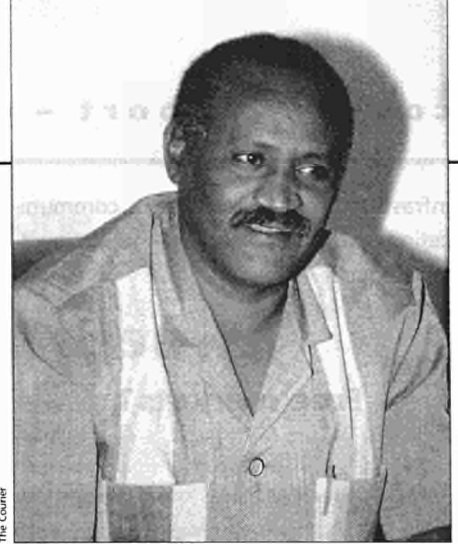
## Reviving the economy

Looking beyond the rehabilitation required for mere survival of the population, Eritrea has the rudiments of an industrial sector which it hopes to restore to at least its former position. Thirty years ago, light industrial plants set up in the Italian colonial period used to produce textiles, leather products, food, glass and beer for the local and export markets, but the war and the Ethiopian Government's policy, from federation in 1952 onwards, of deliberately wrecking the macroeconomic prospects of its recalcitrant province had shattering effects. Under the Derg almost all factories were nationalised: some were



Tesfai Ghermazien, Minister of Agriculture...

closed and turned into barracks, their machines dismantled and transferred to Addis Ababa, others were merely allowed to run down through neglect. The average age of the plant and machinery Eritrea inherited at independence is 38 years. Through lack of foreign exchange for spare parts and introduction of new technology, most surviving factories are operating below capacity, and deficient infrastructure elsewhere in the economy creates bottlenecks. Because of power shortages, for example, textile mills work only one or two shifts instead of the previous three. The State at present controls 42 working factories and almost 700 small-scale workshops, and a private sector hardly exists.



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and Haile Woldense, Minister of Finance and  
Development

The guideline for industrial rehabilitation, according to the Minister of Trade, Industry and Tourism, Ogde Abraha, is the general national policy of a free-market economy, mixed in the sense that the Government has the first say in deciding the objectives for economic development and will participate in those areas where the private sector is unwilling to become involved or is not performing well. Sensibly, the Government is focusing on renovating industries which work largely with local raw materials (85% to 90% in the case of the glassworks, for example), so that it can make progress on its own; but it is also keen on setting up joint ventures with private or foreign investors. The priority sectors chosen are textiles, cement, glass and brewing. An investment code published after liberation in 1991 welcomes foreign capital from any source, and is being made even more liberal. 'Every economic sector is open and there is opportunity to grow your seeds in every sector of the economy,' says the Industry Minister. 'Choice is up to the investor. There are no restrictions and no priorities.' Eritrea's comparative advantages, he believes, are peace and stability, a strategic location with easy access to the outside world, and the wherewithal to turn out quality products at low cost. There has already been interest from potential foreign investors, notably in Italy, though actual projects are not yet under way. To make the investment environment more attractive, now that Eritrea has joined the Lomé Convention, the Government plans to draw on programme resources and European Investment Bank credits for what it regards as its main role in relation to the economy: rebuilding the

infrastructure — electricity, communications and transportation — which investors require.

## Free markets?

Is such a 'hands on' development strategy actually compatible with a free-market economy? 'It is as well to remember the situation we have inherited from the previous, Ethiopian government,' explains Haile Woldense, the Minister of Finance and Development. 'Theirs was a centrally planned economy and they left the country completely devastated. We did not inherit any institutions capable of policy formulation or project preparation, or the statistical data necessary for our development planning. We don't know exactly what our natural resources are or what potential there is for developing them. The private sector had been completely strangled, and we inherited many war victims, many refugees and internally displaced people. We had to have a big liberation army, and now the combatants have to be demobilised — and there is no absorbing capacity in the society to re-integrate all these people. So you can imagine how difficult a job it is to have a market-oriented economy. And because the supply of basic necessities is very short, you can imagine how distorted the market is. So, to a limited extent, the Government considers it positive to have intervention in this distorted market, but it wants to limit its role to a regulating and supervising one; it wants to create a healthy environment and conducive conditions for the private sector to come back to life and assume its proper role in leading the economy.'

The Governor of the Bank of Eritrea, Andebrhan Weldegiorgis, hammers home the point: 'The management of economic affairs should be delegated to the private sector. As a matter of principle and policy we are moving towards that and trying to disengage the State from a direct role in the economy, particularly in the managing of the productive sector.' And not just manufacturing: services and utilities too. When asked whether posts and telecommunications, electricity and

water might one day be privatised, Mr Andebrhan says: 'There is really no area where the Government intends to hold a monopoly'. And future plans to turn Eritrea into a regional centre for trade and services, including finances and even medical care, will confine the Government's role to the prevention of abuse.

## Pragmatism and independence

This outward-looking, liberal orientation was decided on some years before the country was fully liberated, at the EPLF's unity congress in 1987. Should we be surprised at the turn against the centrally planned economy which the EPLF, in its early Marxist days, had originally advocated? 'The EPLF as a movement of the new generation in the 1960s could not remain outside the influence of the general revolutionary and leftist trends of the '60s,' says Finance Minister Haile Woldense. 'But during all this process of the struggle we came to realise from a practical, pragmatic point of view that we had indulged our emotional sentiments enough and, when faced with practical problems, especially the challenges of the liberation state, we had come to our senses, I would say. We have come to know the realities and the best courses that one has to follow.'

So the economic policy line the Government is working out now coincides largely with World Bank and International Monetary Fund recipes for structural adjustment. But it stresses that it is not taking orders from Bretton Woods or anyone else. 'These are measures we are adopting ourselves because we feel they can work for us and in our society,' says the head of political affairs for the ruling party, Yemane Ghebreab. 'What we have seen in Africa, Asia and other countries supports the view that economic policies need to be very flexible, that there is no one formula for economic success, and therefore the idea that you can prescribe one package for every country and every society and that it will work is not acceptable.'

The European Union is among the donors which have rallied round with financial and technical support for the new

nation, but Eritrea is impatient for more recognition of what it has achieved. 'Here we have a government that is very committed, that is free from corruption, that can make very effective, maximum use of whatever limited resources can be made available to the country,' Mr Yemane says. 'Here we have a society and a population that will not wait with folded arms for assistance but will go out to tackle its problems with whatever limited resources are available. Therefore we feel it's a country and a government that deserves support. It's very ironic that in this present-day world it is when you cannot put your house in order and you put your house in flames that you receive assistance — the majority of the resources go to the countries that are hopelessly in trouble, while little effort is made to help other countries that can stand on their own two feet. We feel that's unfair.' The curve through immediate relief and rehabilitation efforts is an upward one, that is to say, and now is the time to start helping sustain the momentum towards longer-term development. In the context of Africa, Eritrea is an inspiring example of self-help, competence and stability. An investment in its future can only bring worthwhile dividends to both sides. ■

R.R.

'We get things done'

## Rebuilding Massawa

The story of how Massawa is rising from its ruins through the hard work of its citizens is a tribute to tenacity and good organisation and deserves to be told as an example of how the whole of Eritrea is gradually being rehabilitated.

Massawa is the larger of Eritrea's two ports on the Red Sea coast, and its oldest city. Traders from ancient Greece and the Egypt of the Pharaohs used to sail into this natural harbour before the Christian era, and the hot and humid town has always been a major transit point for goods to and from the highlands which rise behind it. It is still vitally important not just to Eritrea but to Ethiopia, too, as its northern outlet to the sea. Thirty years ago, before Eritrea's war of liberation began, it was a prosperous place with a population of some 80 000 engaged mainly in cement manufacture, salt-panning, ice production, harbour working and commercial fishing. Health, education and transport facilities were good.

But the port's economic and strategic importance also proved to be its misfortune. During the long struggle for independence, Massawa was one of the prizes over which the liberation movements and the central government fought longest and hardest. In 1977 the Eritrean People's Liberation Front briefly occupied the city but was driven out again by the Ethiopian Army with supporting bombardment from a Soviet naval force based in the port. Many of Massawa's citizens fled, enrolling in the secessionist forces themselves or becoming refugees or migrant workers abroad. The physical and economic damage done to the city on this

Grisly remains of Ethiopian army deserters executed just before the Derg lost Massawa



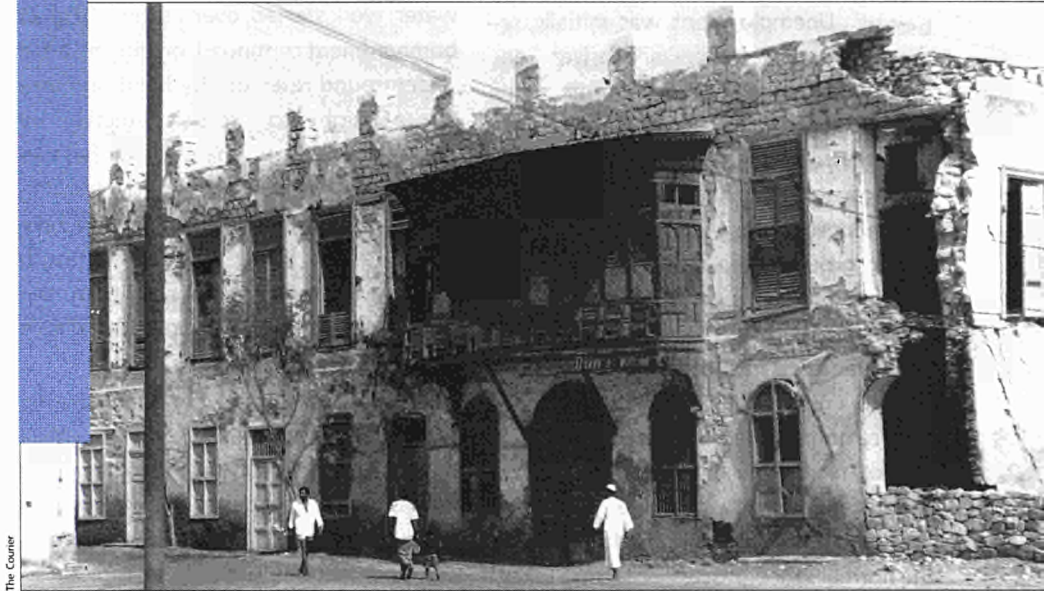
occasion was not repaired through the succeeding years.

In 1990 the EPLF finally returned and captured the major part of Massawa from the forces of the Ethiopian Derg, which then bombed the city repeatedly for six months, from the landward outskirts by day and from warships off the coast by night. As well as the once picturesque old town, the residential suburbs, the port and many factories were badly damaged and some parts of Massawa were reduced to rubble. In the latter stages, before the Mengistu dictatorship collapsed in May 1991, whole neighbourhoods were destroyed by Ethiopian bombing of civilian targets. One of the worst cases was the village of Hargigo on the edge of Massawa; it was once home to a population of 16 000, but three successive bombing raids, in which whole families were burned to death in their houses, obliterated it and the survivors all fled for their lives.

At liberation, only a quarter of Massawa's original population was left. The schools were all wrecked, and the largest hospital, with 1000 beds, had been bombed out, along with many small clinics. For 20 000 citizens, there was only one bus, and not one public latrine. The antiquated pipes (built during the Italian occupation)

which carry the city's water supply were losing half their content in leaks — and the supply was already meagre following 10 years of drought. There were no trucks to pick up the rubbish which choked the streets, and the road surfaces had been pulverised by the Ethiopian army's tanks. When the defeated army fled, it had taken all government and private money out of the banks with it, leaving the city and its inhabitants penniless.

One of those who returned to Massawa with the EPLF was the man who is now its mayor, Musa Hussein Naib. After an exile of 25 years, he was horrified to see the destruction inflicted on his birthplace and to discover the loss of so many relatives and friends. But there was little time for dwelling on the past. The dead bodies of many Ethiopian soldiers littered the ground, posing an immediate threat to public health. A pile of human remains and clothing found stuffed into ammunition boxes was all that remained of an Ethiopian unit which had deserted, been recaptured and punished with execution. Citizens' assemblies were organised to mobilise people for cooperative work, and cleaning the city up ultimately took several



Bomb damage to a historic building in old Massawa

months. Working voluntarily and unpaid in their free time, mechanics put up bus shelters and got a few scrapped buses back into running order, so that people no longer had to walk everywhere — a welcome relief in a climate where merciless sun alternates with torrential rain.

Unemployment was initially serious, but some traders and private entrepreneurs, shops and restaurants, were able to start operating shortly after liberation, and city hall kept on workers at state-owned enterprises, teachers and civil servants. Although Massawa has very rich fishing grounds, the Derg had forbidden offshore fishing as an alleged threat to security, so work was started to encourage fishermen back into their trade, with the Ministry of Marine Resources helping them acquire or make nets and boats and repair the ice factory. As income began to be generated, the city continued with the next (and, no doubt, less popular) stage of the normalisation process, collecting taxes, and the technical ministries helped out with supplies and equipment for public works. This meant that schools were soon able to open again in partly repaired buildings, while the doctors and nurses still in the city were all concentrated at a small, undamaged hospital intended for 50 or 60 patients but by then accommodating 600.

The power supply system had been severely damaged. The city's three generators were old and lacked spare parts, and all the supply lines were down. After arduous restoration work and the installation of new generators acquired

with foreign aid, Massawa now has capacity of 3000 kW, a modest figure but enough to meet the existing demand from domestic users and small-scale industries with a surplus left over for the capital, Asmara.

To keep the city supplied with water, work started, even as the Ethiopian bombardment continued, on digging a big underground reservoir, by hand and usually at night to escape detection by overflying bombers. This reservoir has had to be kept filled, however, by trucking water in from outside. There is an ample source of fresh water 60 km to the south which will be more reliable than the present arrangement if the money to tap it can be found.

To cope with the huge housing shortage, Mayor Naib sought central government help with restoring some 200 houses at public expense and encouraged private investors (mainly Eritreans returning from abroad with some capital) to repair other derelict houses and rent them out. All housing had been nationalised under Ethiopian rule, but in Massawa properties were restored to the original owners, where possible, or compensation was paid. The demand for housing, however, still outstrips the supply, and the shortage is actually discouraging refugee Massawans who would like to come back.

Massawa today is steadily recovering the appearance of a place of human habitation but still displays the gaping scars of war — not just wrecked buildings but large expanses of sandy wasteland where whole streets used to be. To make the burden of recovery even heavier, a violent hurricane struck in April last year and destroyed another 400 houses. Makeshift settlements on the fringes of the city house hundreds of returnees waiting for a proper home. Most of those from the Eritrean refugee camps in Sudan and Saudi Arabia have only had experience of unskilled work paid by the day, and facilities will have to be set up to train them in useful trades before they can hope to find permanent jobs. More hospital buildings are needed, and there are still not enough premises for all the city's young people to be able to go to school.

There are reasons to be cheerful, however. The port is functioning again,



*'Thirty years of war made for a spirit of friendship and cooperation,' says Massawa's Mayor, Musa Hussein Naib*

and the European Union has financed the construction of large storage sheds on the quayside. At present most of the movements at the docks involve the unloading of international food aid for Eritrea and Ethiopia, but the independence agreement provides for unrestricted use of the port by Eritrea's now landlocked neighbour, so, as and when Ethiopia's trade picks up, Massawa can only benefit from the increased business. New cranes and tugboats are being bought in anticipation. The cement factory is so far back to two thirds of its production capacity of 60 000 tonnes a year, and the salt pans will be producing more than 120 000 t a year once repairs are completed.

Repopulation of once devastated neighbourhoods has started: 1000 new settlers are bringing Hargigo back to life, for example. The judicial system is back in action, with lower and appellate courts operating. For local government purposes, the city has been divided into three zones, each with an annually elected council, while a larger council for the whole conglomeration meets every three months. Mayor Musa Hussein Naib is proud that city hall, though poor, is now financially self-sufficient and not a burden to central government. How have he and his fellow citizens achieved this remarkable recovery? 'The spirit of the people here is very encouraging,' he says. 'We get things done.' And to underline the lesson that, however severe the hardships Massawa has been through, the suffering has been turned to good account, he adds: 'Thirty years of war tied the people together and made for a spirit of friendship and cooperation. That was its merit.'

R.R.

Private houses are once again rising from the rubble





## Women's liberation

Of the thousands of fighters who sacrificed some or all of their best years, and even their lives, in the cause of liberating Eritrea, seven out of 20 were women. They were active both in the armed forces and in civilian society in the liberated areas, and not just as cannon fodder or in ancillary roles. Many of them, both among the educated and from the illiterate peasant population, had the commitment, talent and force of personality to overcome traditional ideas of male superiority and rise gradually to positions of power and influence. Some now occupy leading positions in the independent state, and one of those who made her mark is now the leader of the Union of Eritrean Women, Ascalu Menkerios.

The Union, she explains, was set up by the EPLF in the late 1970s as a network of women's study groups among the Eritrean diaspora in Europe, America, the Middle East and Sudan, as well as in the liberated and even the still colonised parts of Eritrea, not to mention the heartland of the enemy, Ethiopia itself. Its objects were to organise women in defence of their interests, raise their political consciousness, contribute to the liberation movement both with labour and financially, and muster political support for the struggle to throw off foreign domination, a struggle to be waged together, of course, with Eritrean men.

For Eritrean women, though, Ascalu Menkerios says, there was an extra adversary to be fought, and on their own home ground: the view deeply ingrained in their culture that they were inferior to men and had no role to play in any social organisation outside the home and the family. A popular and pernicious saying had it that 'A woman with brains is like a donkey with horns.' Both Muslim and Christian communities were dominated by their men, who treated women as second-class citizens, denied them property rights, kept them in poverty and mewed up at home with no access to education and social services.

Women had never been involved in political action or, indeed, economic life, and as a result lacked the skills and experience required, so the first task of the Union was to run crash courses to develop women's capacity for leadership. As the first steps in the emancipation of any oppressed group have to be a realisation of that oppression and a determination by the group itself to assert its rights, the Union's workers had in most cases to start by trying to give women a sense of their own worth and convince them that they had an essential contribution to make. Pamphlets and audiovisual material were produced to put these messages across. However, very few women could read, so mass literacy courses were organised. Once they could read and write, many of the women put their new skills to further practical use by taking training in shopkeeping and simple accounting, which gave them a chance of getting out of their houses and playing a part in the economic life of their communities. Then they began to move into politics. In the elected people's assemblies set up by the EPLF, a quota of 15% was reserved for female members, and many intelligent and

courageous women emerged as representatives from previously unpoliticised groups such as the nomadic community. These assemblies in their turn set up departments for economic affairs, education, health, social affairs and political activity in which women proved themselves capable of being active and effective in all aspects of community life.

Since Eritrea was liberated in May 1991, these projects have continued. Nine out of ten women still cannot read or write, so the emphasis is still on literacy, as well as health, poverty alleviation, skills and leadership training, with some new additions. Training centres in the provinces give typing and tailoring courses for women, and those who want to set themselves up in self-supporting occupations can draw from a special credit and loan fund; these initiatives are particularly important for female returnees from the war and the many women who have lost their husbands and are bringing up families on their own (80% of internally displaced households inside Eritrea come into this latter category). The Union now concentrates on implementing NGO-donated

Making their contribution to future prosperity, peasant women from a part-Muslim, part-Christian village in the highlands help to build an irrigation dam



The Courier

projects such as schools, with the modest dues paid by its 200 000 registered members.

Another prominent female ex-combatant is responsible within government for other programmes of social assistance. Amna Nur Hussein, after many years in exile, now runs Eritrea's Social Affairs Authority, which concerns itself with orphans, the disabled, internally displaced people and abandoned street children — after what her country has been through, these are large responsibilities. 'Now that we have our liberation,' she says, 'we women must fight to maintain our position. Because we are in the Third World, and because of the level of development of the country, we might face some obstacles, but we are sure that because we shared in everything with our brothers, and if we work hard, we will achieve equal opportunities. A change in culture will depend on development.'

The battle to win over hearts and minds has to be waged right down at the grass roots. For example, from the outset the Union of Eritrean Women trained midwives and traditional birth attendants not just in healthcare skills but as social transformers whose task was to try to eradicate oppressive customs. Some of Eritrea's diverse ethnic groups regarded menstruation, pregnancy and childbirth with revulsion, and imposed methods of control and dietary restrictions which seriously weakened the health of mothers and babies alike. Health workers tried to persuade communities to modify these practices, and also pointed out the harmful side-effects of female circumcision and infibulation. The fall in the numbers of women and newborn children dying in areas where these habits are changing is

*'If we women work hard, we will achieve equal opportunities.'*

Amna Nur Hussein, Secretary for Social Affairs



testimony to the effectiveness of this campaign.

Obstacles to progress remain, however. Male-chauvinist ideas may be starting to retreat, but some old patterns are not yet dying: women still have to do the bulk of household work. On a typical day a village woman will have to get up early to grind grain for the family's food, collect water and firewood, look after the children, wash and cook — and go to the fields to work with the men, who have had to do none of these things. Small wonder that thousands of women enrol for literacy classes but never find time to attend. And those that do manage to come cannot concentrate on the lessons as the children generally have to come too — families tend to be large and existing daycare centres only have room for one child per woman. Appeals for foreign help to build more crèches have produced little result. Local communities themselves will not be able to afford the cost until they get good harvests for two or three years, and that shows no sign of happening for the moment.

And consciousness-raising among some women still has a long way to go. Talking of the people's assemblies, Ascalu Menkerios reveals that in some areas 'even women themselves would prefer to elect men because they think only they are fit and capable, and that it's only the EPLF's influence that is bringing the women in. There are even examples when it comes to the ownership of land: the government declared that all Eritrean nationals have an equal right to property, without discrimination of sex, and it was decided during the liberation struggle that women could own land. But now, in certain areas, when women discuss this issue, they will say no, we have to own land with our husbands and not alone.' This tends to happen mainly in the highlands, where the EPLF with its emancipating ideas did not arrive till late in the liberation struggle; in the lowlands, where the resistance first started, it is not such an issue. In any case there are huge amounts of unused land in the lowlands, suggesting that Eritrea conforms to the general principle that when resources and opportunities are plentiful, sexual equality raises fewer hackles among men, but that when there is a shortage and



*'We have to have women who are confident and competent and decisive.'*

Ascalu Menkerios, head of the Union of Eritrean Women

someone has to make sacrifices, it is the women who lose out.

The EPLF also passed laws eliminating dowries, under-age marriages and the requirement for virginity before marriage, and puts out magazines which teach women their new rights. But some women are still hostile to these unfamiliar ideas. 'It's always linked to the level of literacy. The only real factor for change is if women are capable of reading for themselves, keeping notes, reading them back and digesting them — because otherwise they forget. It needs a lot of work, making them understand where their real interest lies.'

So the pressure for women's rights continues — and it goes right to the top: 'We have 20% of the government who are women,' the Union's leader says. 'That is good for a beginning.' But they want no special favours. 'We don't want to have women just because women ought to be there; we have to have them confident and competent and decisive.'

So much for educating and improving the situation of Eritrea's women, but what about its men? For many years there was a public administration department of the EPLF which used to give men and women the same courses in equal opportunities. Now the Union of Eritrean Women has taken over the job of raising consciousness among both sexes equally, and fewer men nowadays are cracking jokes about donkeys with horns. According to Ascalu Menkerios, advancing on both fronts at once is the only way to get results: 'That's how we succeeded in changing the laws and attitudes during the liberation struggle, because men and women worked together, fought together, suffered together, discussed together and believed in the change. And I think it should continue that way, because it should not be the responsibility just of women to change the whole society.'

## EU-Eritrea cooperation

by Claus Kondrup and Richard Zink\*

The ongoing and immediate cooperation between the European Union (EU) and Eritrea falls both within and outside the Fourth Lomé Convention and began as soon as the Provisional Government of Eritrea gained power in May 1991. Lomé IV cooperation includes a short-term crash programme and support to refugees and returnees. Cooperation outside Lomé IV includes food aid, food aid storage and handling facilities, port rehabilitation, the provision of seeds and co-financing with non-governmental organisations (NGOs).

Further cooperation in the near future will follow up on the short-term crash programme, in particular in the fields of infrastructure and rehabilitation, and also through co-financing with NGOs.

### Short-term crash programme

The European Development Fund has committed ECU 20 million to the short-term crash programme to aid reconstruction and recovery in Eritrea. The programme will improve living conditions in rural areas, upgrade the road network and strengthen the institutional infrastructure. It includes the following components:

#### *Asmara-Massawa Road (ECU 9 million)*

The supply of equipment and materials to enable two road teams to plan, supervise and carry out repairs to the main road between the capital, Asmara, and the seaport of Massawa. The work will be carried out by direct labour under the Ministry of Construction with some technical assistance.

The road will be repaired where necessary and the main part will be fully rehabilitated. The existing surface will typically be scarified and compacted to

provide a foundation, to which will be added a 15 cm layer of hard core and an asphalt coating 5 cm thick. Most of the equipment has already been supplied following an open invitation to tender.

#### *Small-scale irrigation dams (ECU 3.6 million)*

The crash programme has supplied equipment and materials to enable two teams to construct five small-scale irrigation dams in a period of 18 months. The work will be carried out by direct labour under the Ministry of Agriculture.

The necessary hydrogeological studies have been completed, and the five irrigation dams will be built to a standard design, which, depending on the size of each dam, will incorporate a basic filter, an impermeable core and rip-rap facing, and the necessary irrigation schemes. The dams will be complemented by anti-erosion works, including community terracing and reforestation projects carried out primarily on a cash-for-work basis.

Once the five dams have been built, the equipment will be used to construct and maintain other small-scale dams in Eritrea.

#### *Water supply (ECU 1 million)*

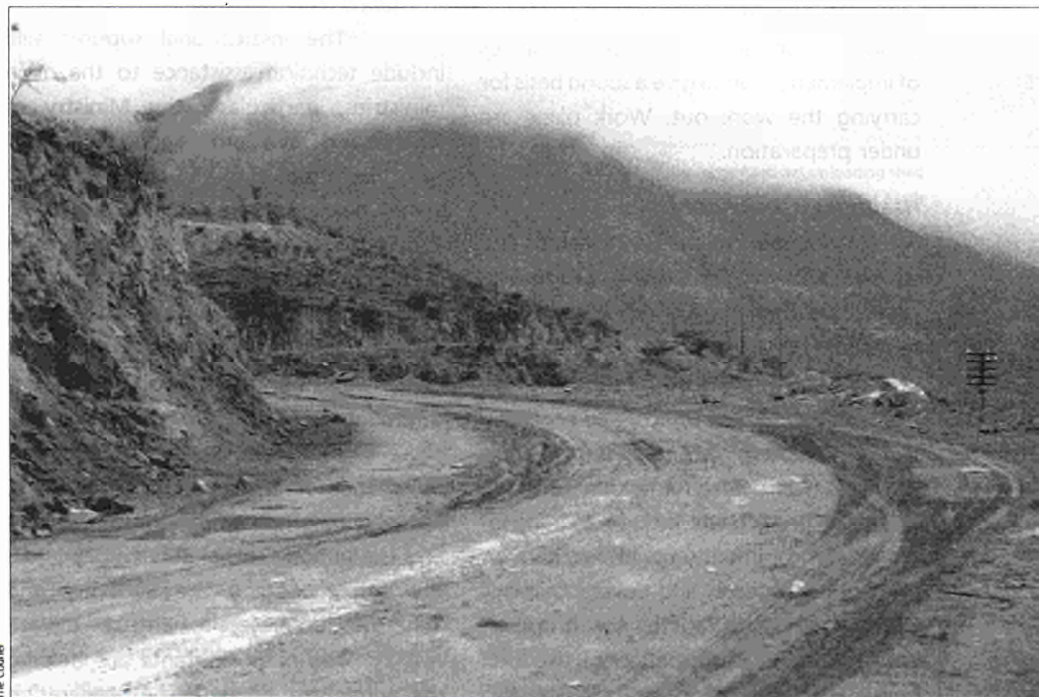
The programme has supplied equipment, including two drilling rigs, and materials for the drilling of 50 boreholes and the rehabilitation of existing wells. The work will be carried out by direct labour under the Ministry of Water Resources.

Local communities will be closely involved in the selecting, studying and managing of water points (decentralised cooperation), and special committees will be established locally to organise and pay for maintenance work. The work will be executed with the support and full involvement of the local population and, where possible, in cooperation with NGOs.

#### *Education (ECU 800 000)*

Support to the education sector includes rehabilitation of primary schools in Gash Setit Province and in part of Barka

ECU 9 million is to go towards rehabilitating the road between Eritrea's two main cities, Asmara and Massawa



\* The authors are respectively the European Commission's Civil Engineering Adviser and Rural Development Adviser for Eritrea.



Small-scale dams like this one in the highlands will trap water for irrigation

Province. Emphasis is given to decentralised cooperation, the micro-project approach and labour-intensive methods of rehabilitation and construction.

Activities in the education sector include reconstruction of school rooms with support from local voluntary labour. As far as possible, the building materials and furniture required will be produced locally. Priority is being given to the rehabilitation of existing infrastructure, as opposed to new building. The work will primarily be carried out by direct labour under the Ministry of Education.

A study has reviewed existing proposals, gathered background information and compared different possibilities of implementation to give a sound basis for carrying the work out. Work plans are under preparation.

#### *Health (ECU 2.4 million)*

Support to the health sector and to the Ministry of Health includes a preventive rural health care project and rehabilitation of health infrastructure.

The preventive rural health care pilot project is to last up to three years and will be executed in a subregion of Senhit Province (from Keren towards Asmara). The pilot project will include training of nurses and community health workers for primary health care, and development of village-level health facilities (health posts) with the active participation of the local population. The pilot project will also

include an assessment of the population's ability to pay for health care, in order to ensure that the approach is sustainable and can be duplicated nationwide.

The regional hospital in Keren will be rehabilitated and upgraded. Existing health stations will also be rehabilitated and new ones constructed to cover the project area, which is the same as for the preventive rural health care project.

#### *Institutional support and technical assistance (ECU 1.9 million)*

The institutional support will include technical assistance to the main ministries, particularly the Ministry of Finance and Development and the Ministry of Agriculture.

A long-term technical assistance expert with thorough knowledge of EU procedures will assist the national authorising officer (NAO) and the implementing agencies with such tasks as project assessment, implementation procedures, procurement, tendering procedures for purchase of materials, provisional and final acceptance of equipment and materials, book-keeping, coordination, monitoring and evaluation. The expert will also join the unit managing the Recovery and Rehabilitation Project for Eritrea.

Technical assistants are helping the administration with the preparation

(assessment) and ex-post evaluation of the main components of the programme, such as the study of the five dams, the social infrastructure study and the preparation of tender documents as well as with assessments of selected sectors at regional and national level and the preparation and establishment of a national *remote sensing* database.

#### *Pan-African Rinderpest Campaign (PARC)*

Outside the crash programme, the Government has requested support from the Pan-African Rinderpest Campaign programme. A first tranche of ECU 150 000 has been approved by the Commission.

## Returnees and refugees

Articles 254-255 of the Fourth Lomé Convention give the EC the means to support returnees and refugees. Cooperation with Eritrea in this area includes a malaria control project and a small-scale irrigation project, both of which are located in the western lowlands.

In the course of the last 30 years, because of war and frequent droughts, more than 400 000 Eritreans have taken refuge in Sudan. With the end of the war in 1991, these refugees have gradually started to return to Eritrea. Most of those coming back from Sudan through the frontier town of Teseney in the western lowlands of Eritrea are expected to settle in the Gash Setit region. The population of refugees in this region is expected to reach 30 000 during 1993.

The *Malaria Control Project* (ECU 740 000) will support the fight against malaria primarily by introducing bed nets impregnated with insecticides against mosquitos but also through support for treatment of malaria, and technical assistance. The results expected are improved malaria control and a considerable reduction in morbidity among the 60 000 or so refugees as well among the resident population of Gash Setit. It is furthermore intended to replace the environmentally dangerous DDT with less harmful chemicals and alternative treatments.

The *Small-Scale Irrigation Project* (ECU 1.7 million) will enable about 400 families of returnees with farming and

## Commissioner sign cooperation agreement in Asmara

irrigation skills to build up and run sustainable farm units, producing fruit and vegetables as cash crops as well as for subsistence. The returnees will be settled in small-scale pump irrigation schemes (total area 600 000 hectares) alongside the banks of rivers with groundwater resources.

The western lowlands have a high potential for increasing national agricultural production. The Eritrean Government therefore intends to encourage agricultural development activities in this area, for example by providing basic infrastructure and encouraging irrigated agriculture.

The returning farmers face an economy with a degraded infrastructure and agriculture. They often find the basis for production destroyed with wells, pumps and access roads degraded and drinking water wells filled.

One of the objects of the irrigation project is to settle 300 families with no male family head on one-hectare farms growing mainly traditional (semi-intensive) vegetables, with five families sharing one well, engine and pump; and a further 100 families on three-hectare farms with a well and motor pump each, growing cash crops and traditional (semi-intensive) vegetables. The project also aims to provide drinking water for communities consisting altogether of some 40 000 returned villagers by drilling 20 wells, to provide schooling facilities for communities of some 20 000 returnees by rehabilitating two elementary schools and constructing a community education centre, and to improve the health situation of around 20 000 people by rehabilitating two health stations.

### Cooperation outside Lomé IV

Cooperation between the EU and Eritrea outside Lomé IV includes food aid, construction of food aid storage, improved handling facilities in the port of Massawa, the purchase of seed and co-financing with NGOs.

In 1992, food aid (cereals, vegetable oil, pulses, milk and sugar) from the EU came to 99 400 tonnes, equivalent to about ECU 29 million. The figures for 1993,

The Vice-President of the European Commission, Manuel Marín, recently visited Eritrea as the guest of President Isaias Afwerki for the joint signing of the country's first National Indicative Programme under the Lomé Convention. Mr Marín, who is the Commissioner responsible for development and cooperation, was at the head of a high-powered delegation from the Commission which stopped in Asmara on 22 May on the way back from the ACP-EU Council of Ministers' meeting in Swaziland.

Under the new cooperation agreement the European Union will give Eritrea ECU 35 million (just over 250 million birr) via the European Development Fund over the next two years. All the funds will be in the form of grants which do not have to be repaid, and the size of the package makes the EU one of the largest donors to Eritrea. Since 1992 it has contributed some ECU 105 million to the country's development efforts.

The assistance programme will cover several areas and projects of national and regional importance, with the focus on repairing Eritrea's shattered infrastructure and beginning preparatory studies for the next five-year financial protocol to Lomé IV. Improving water resources and developing the transport system are top of the list for study with a view to later financing.

Mr Marín also officially informed the Eritrean authorities of the Commission's decision to give ECU 3.7 million for the financing of six NGO projects which form part of the rehabilitation programme for Eritrea.

The visit also saw the official inauguration of a 7200 m<sup>2</sup> shed built with European Commission finance in the port of Massawa. The huge shed is intended for unloading and sheltering of food aid shipments on their way to Eritrea and Ethiopia, and is the first project completed by an international donor since the country became independent.



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which included 12 400 tonnes of sorghum purchased locally, were 65 200 tonnes and ECU 27 million respectively. In 1994 pledges have so far been made for about 30 000 tonnes of food (first tranche) to the value of about ECU 13 million.

An open shed of 7200 m<sup>2</sup> has been constructed by a private contractor in the port of Massawa to improve the food aid storage facilities. Food aid handling facilities are also being upgraded. The total budget for this is ECU 2 million.

The EU is funding the purchase of cereals and vegetable seeds through the FAO, giving ECU 500 000 in 1992 and ECU 3.6 million in 1994.

Part of the huge food aid unloading shed built in Massawa with EU funds

Co-financing with NGOs amounted to about ECU 2.3 million in 1993.

Since the Provisional Government took power in Eritrea in May 1991, the European Commission has committed a considerable amount, exceeding ECU 20 million, to this new country. In the meantime, following the declaration of independence and accession to the Lomé Convention, a new indicative programme of ECU 35 million has been allocated to Eritrea. ■

C.K. & R.Z.

# CHAD

## Redesign the state before launching a modern economy

One swallow may not make a summer, but it is possible to start an article on Chad with some good news. President Gaddafi's Libya is abiding by the ruling of 3 February 1994 in which the International Court of Justice in The Hague confirmed that the Aozou strip belonged to Chad. This part of the country had been occupied by Libya for more than 20 years and was supposed to be completely evacuated by 30 May under the agreement reached on 5 April between N'Djamena and Tripoli at Syrta in Libya. The two countries also agreed to sign a treaty on friendship, good neighbourliness and cooperation. The news, and particularly the implementation of the Court's ruling, was welcomed by the people of Chad and by those currently involved in the country's political life, including the Higher Council of Transition (the provisional parliament) and its President Lol Mahamat Choua, the Patriotic Salvation Movement (MPS), President Idriss Deby and the leaders of the many political parties which sprang up when the principle of political pluralism was recognised. But will this success in the dispute with their northern neighbour be enough to make the Chadians realise that they form a territorial community which can pull together and assert itself as such at home and abroad? The new democratic prospects suggest that it could be.

Chad has had a turbulent political history, although perhaps no more so than many other African countries, where conflict has been less visible but every bit as destructive. The long period of instability and armed conflict was presaged at the country's first independence event on 10 August 1960, when André Malraux, who represented France at the festivities, spoke of a feeling that Chad's political disturbances had not yet ended 'in this time when hesitant freedom is often tinged with blood'. The new President, François Tombalbaye, responded with a solemn proclamation that 'Chad is independent and sovereign.' The sovereignty was soon to be apparent, in particular at home, when, in January 1962,

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the pluralist assembly was dissolved to make way for a House elected in a single-party ballot. The preamble to the constitution adopted soon afterwards (16 April 1962) referred to the 1789 French Declaration of the Rights of Man and of the Citizen and the 1948 Universal Declaration of Human Rights, but such things were soon forgotten and disenchantment set in. The political situation got worse, graduating from squabbling in the shade to armed conflict in the open. This has been going on for almost 30 years now, with ups and downs, as in N'Djamena at the moment, as people try to hang on to the new belief — democracy.

### A difficult move to democracy

The profusion of political parties which sprang up after François Mitterand's speech at La Baule in 1990 and

The City of Abéché, Ouaddaï region. Chad is a vast land of contrasts and determined men and women, who have been shaped by nature and for some, since infancy by 30 years of war

the fierce debates which broke out among the opposition and in the newspapers (their very ferocity can be put down to a certain disinclination on the part of Chad's entrenched power groups to countenance a 'model' once labelled 'unsuitable' or 'imported'), testify to both the interest and the hope which the prospect of democracy triggered. For the people of Chad, 1993 began with hope and, for many of them, enthusiasm too. The Sovereign National Conference (CNS — see interview with the President of the CST), which started in mid-January, was to bring democracy, peace, freedom and justice, as promised by the Conference emblem, borne aloft by the dove of peace.

The arrangements for choosing CNS members were laid down by the

preparatory committees, which were already firmly under the influence of those in power. The representatives who were to sit in these 'States General' — some 840 of them — came from all walks of life and fell into five categories, including about 120 officials of varying kinds (ministers, soldiers, prefects, mayors, judges, ambassadors etc.). Their mandate was to establish democratic institutions and greater freedom. How did such fine intentions at the outset lead to the difficult, uncertain and delicate transitional situation which was still in effect at the end of the first quarter of 1994?

The opinion in N'Djamena is that the CNS is responsible for what is termed its 'failure'. Some delegates wanted to sweep away the existing institutions, but they did not win the day and those in power hung on to their prerogatives throughout the session. An expanding agenda, most of the items on which could not be settled by a provisional body, made the conference drag on and led to people trying to outbid each other. As some participants said, it was when the difficulties began to be smoothed out that the grievances took hold. After several extensions, a charter of transition was adopted, maintaining the President of the Republic in office and increasing his powers. This charter, a kind of transitional government programme, was ably drafted but over-optimistic, for no provision was made for any material resources to run the programme, nor was there any allowance for the resistance and conformity inherent in any established power. The transition, which was supposed to come to an end in the spring of this year, was extended for 12 months, until April 1995. A second Head of Government, Delwa Kassiré Coumakoye, replaced the first, Fidèle Moungar, but, as the President of the CST glumly made clear, 'the problems are the same.' As one observer put it: 'The National Conference was a disappointment. It failed to perform its main task of setting up new institutions. Parties which called loudly for democracy were unable to get on with each other and the coalitions which they formed — the Forum for Change and the Union of Democratic Initiatives — were as short-lived as they were inefficient. On 7 April

1993, when he made the closing speech, Idriss Deby was the winner.'

A year on, at the time of The Courier's visit in April 1994, the political situation in Chad was still explosive. Disorder, violence and insecurity, caused, the opposition claimed, by the absence of any political will at the top, got worse. The much maligned army was in the throes of a major overhaul ('deflation'), with France's help, and its numbers were to be cut from 50 000 to around 25 000, 'which is still too much,' according to the head of the CST's Human Rights Commission. But this, visibly, is not everybody's opinion, as was proved when a top civil servant responsible for operating the military staff cuts was murdered in N'Djamena in broad daylight.

In this climate of uncertainty, anarchy almost, the economic, financial and social situation is cause for considerable concern. Tax and excise fraud has severely reduced government revenues and, despite help from outside the Government, civil servants no longer get their salaries regularly (see interview with the Prime Minister). There have been strikes in every sector and neither schools nor the university functioned in 1993. The country's future seems seriously compromised.

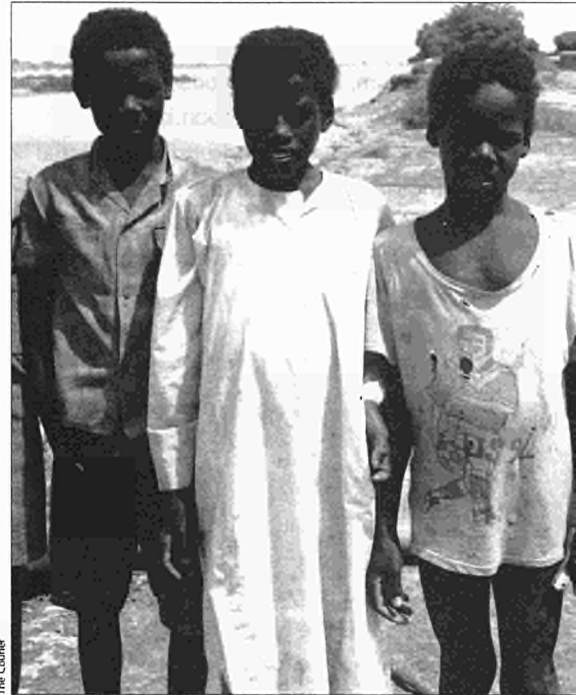
## Assets hold out the promise of development

The current situation casts a shadow over the future. Yet the country has major assets which spell promise for its economic and social development.

### *Unsuspected agricultural resources*

The impression is that Chad possesses the sort of poor, desert-like land which precludes agriculture, that basis of all sustainable development. But things are not what they seem. Studies of farming and climate have shown that Chad's territory, 1800 km from north to south and 1000 km from east to west, in fact covers three major agricultural zones.

First of all, there is a Sahara zone, with less than 300 mm of rain a year, where oases are farmed to produce dates and there are gardens of wheat and alfalfa



Youngsters in northern N'Djamena.  
Will they be the democratic generation  
instead of the fighting one?

and irrigated vegetables, plus some fruit growing, mainly of grapes and figs.

Then comes the Sahel zone, which is suitable for gum arabic, a cash crop, and vegetables, fruit and grain, particularly at Kanem. It also has protein-rich blue algae growing spontaneously in the stagnant lakes (agricultural specialists claim that little is made of it, despite a major potential outlet as a diet supplement for the often undernourished children both in Chad and elsewhere on the continent) and crystalline salt deposits. Annual rainfall is between 300 mm and 800 mm, the land is very fertile (it is an area of lakes) in Kanem, Batha, north of the Guéra and in Ouaddaï and Biltine (a mountainous part), where there are plenty of fruit trees, onions, sesame, groundnuts and cowpeas. There would be a good future for all these crops if the marketing problems were handled better and, above all, if the national agricultural policy concentrated less on imports and more on domestic production.

The third major agricultural zone is the Sudan-type region, with more than 800 mm of rainfall p.a. This covers the whole of the south, which is known for its cotton production (Mayo Kébi, the Logone and Moyen Chari) and has a number of food crops — sorghum and maize (also grown in the Sahel zone), millet, sesame,

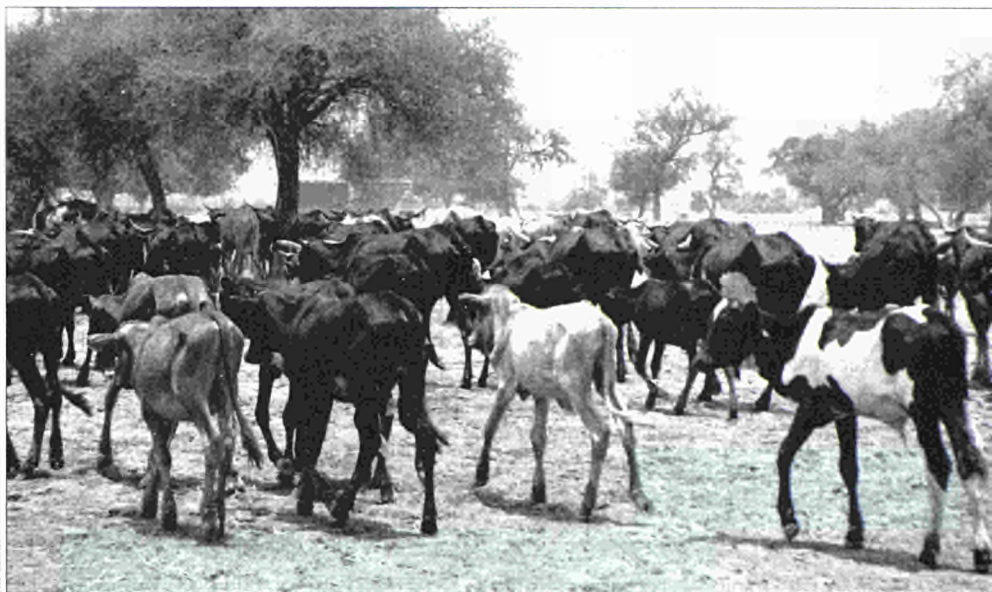
groundnuts and manioc, plus an apparently very sound proposition, wetland sorghum, which is produced in Baguirmi and along the Cameroon border.

So the agricultural potential is enormous and could well meet the bulk of the country's food requirements. Although output depends very much on the hazards of climate, the annual grain harvest ranges between 0.6 m and 1 m tonnes. The figure was 970 000 t in 1992, for example.

### Cotton

This was introduced by force in 1920 and is still an important part of the national economy, having become a natural, voluntary activity for peasants in the south. It is the only cash crop to provide a money income for some 300 000 producers in the Sudan zone of Chad and it generates 50% of the state's export earnings. However, although output has risen regularly, even in wartime, and there have been peak harvests of 100 000 t of cotton seed for a yield of more than 900 kg per ha, the first cotton crisis in 1988 and the world price collapse pushed production costs up considerably (CFAF 1000 per kg) when cotton seed was selling for a mere CFAF 500 per kg on the international market.

Every year, Chad can now turn out more than 600 000 t of sorghum, a staple food



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Cattle rearing is one of Chad's main export activities

There were major deficits, running into tens of billions of CFAF, throughout the cotton sector as a result and an emergency meeting of Chad's leading funders (including the European Union) had to be called to right the situation. The first cotton salvage operation was a success, but a second world crisis occurred in 1992 and a price slump worsened the deficits. It became apparent that Cotontchad, the cotton production-marketing board, was not being managed to best advantage and was running a CFAF 6 billion deficit (before devaluation), the equivalent of FF 120 million. An agreement between the Caisse Française de Développement (CFD), other funders, including the African Development Bank (ADB), and the Government led to a recovery plan in July 1993. Devaluation of the CFAF meanwhile put up Cotontchad's revenue, so the consolidated loss should be less than anticipated and export earnings should improve substantially, because, even if costs go up, they should not double. However, even if the whole cotton sector benefits during 1993-94, the boost to the consolidated account is likely to be offset by the deficits in the oil and soap works resulting from the pegging of prices in these two sectors. The losses here amount to approximately CFAF 1.8 billion p.a.

The price paid to the producers of cotton seed has gone up by CFAF 80-90 per kg, without any change in the dues, so the peasants should see a substantial rise in their income, although it could well decline again in 1994-95 with the repercussion of

the delayed increase in the dues scheduled for that period. However, a drive to improve management and organisation and, in particular, to bring in new varieties of cotton should make for an increase in the productivity and output of the plantations. If this puts the per hectare yield of cotton seed up from 700 kg to around 1.2 t, it will help protect income levels in the event of a drop in producer price. If production improves, 1994-95 should see a harvest of about 150 000 t of cotton seed, with a ginning yield (ratio of fibre to seed) of 38.60%, i.e. 57 920 t of cotton fibre.

### Releasing the brakes

Different studies have already proved that Chad has good arable land and peasants who are still very dynamic, despite the suffering imposed by years of fighting. Both of these augur well for the rapid expansion of agriculture, but there are a number of brakes on the system which still have to be released if the farm sector is to be able to prove itself. They include, alongside the lack of security and the very poor state of repair of the roads, all the more or less fanciful taxes invented by traditional, military or administrative authorities in prefectures and other places and the rain barriers which turn into



customs posts in the rainy season. These many obstacles to free movement of goods in the country and the region are holding back the development of agriculture and the production of marketable surpluses which would enable the economy to flourish. The producers are very wary and do one of two things — either concentrate on subsistence and only market the bare minimum, or sell all their produce when the market is right or under the pressure of particular tradesmen, and then find themselves strapped in periods between harvests when peasant debts soar. On top of that, agricultural research resources are wanting or diverted for other ends, so most of Chad's managerial class, who are reputedly of a very high standard, are unable to display their professional potential. 'The authorities always have an opportunity to divert resources earmarked for particular destinations,' a Chad farm leader told me, which is 'one of the country's most serious problems.'

The poor results of development aid are often (rightly) put down to poor investment absorption capacity. In N'Djamena, some people wonder whether it is not more a question of putting the aid to good use. According to a World Bank expert, there are numerous blockages in the economic machinery making it impossible to take ideas or projects to their



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logical conclusion. How can the blockages be cleared? What can the funders do? The doubtful or sceptical response is that 'until people realise what the general good means to some of our leaders, for a long time to come cooperation will go on being nothing more than whistling in the dark.' Political conditionality marks the beginning of outside pressure here, but 'it is not working' — and not just in Chad either, as my contact was quick to point out. This means that 'some morality has to be

Despite a transport privatisation drive, peasants still have to use animals to shift their produce over long distances

Moving goods over Chad's tiny network of surfaced roads.

*The state of the roads is one of the biggest handicaps to the national economy*

introduced into the equation, but it can only come from inside.' In other words, 'the political dimension of the African countries' problems is greater than any outside incentive, unless, 'the expert claims, 'they stop or completely overhaul the present system of aid to Chad and other African countries in general.' But the World Bank consultant said that, since the political aspects of the problem are deemed to be sensitive, the question is still one of instilling morality into the workings of the economy and the administration for the general good. This is the only way to develop Chad's vast economic and human potential, which is held back by demoralisation and lack of organisation.'

## Stopping day-to-day management

However, as is to be expected, Chadians in some circles rightly or wrongly think that international cooperation can sometimes be a factor contributing to inertia (see interview with Mr Kassiré and Mr Kebzabo). After the first round-table talks between funders in Geneva in 1987-88, many people believed that the country would take off again with the fighting over, (although the Faya region was still occupied). The funders were very enthusiastic about relaunching the economy and they all went ahead with their programmes and projects, which they



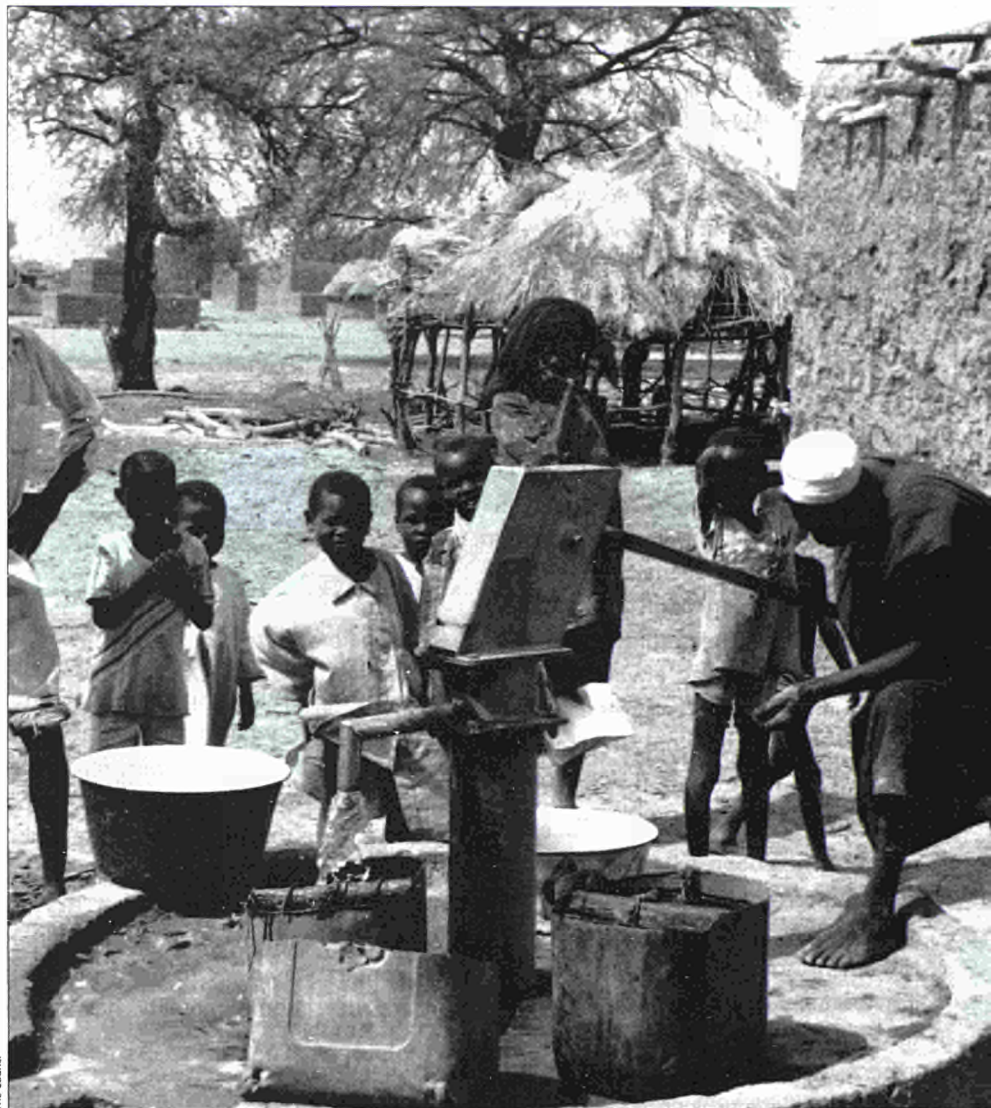
VIVANT LUKWERS

in many cases had devised on the country's behalf. As it was Government policy to take whatever was offered,<sup>1</sup> everything was accepted, regardless of conditions, and the consistency of the different schemes was sometimes sacrificed as a result. Things were consequently very vague and the door was open to abuse. Criticism was sharp, particularly in the ranks of the opposition. There was a feeling that the whole system should be reorganised and that Chad should stop waiting on the outside world and produce an economic policy and clearly defined methods of its own. 'We must say what we need in the light of what we ourselves feel and what we ourselves want to do,' one engineer told me. 'And, of course, we must undertake to stick to what we have decided.' This is particularly important now that the funders themselves are no longer willing to start again on the same basis as in 1987-88.

A positive change might be triggered if development schemes and strategies reflected some internal vision, I heard in N'Djamena, since this would make it possible to move away from management on a day-by-day basis and look to the future, fixing goals for agriculture and the other areas of the economy. This is particularly important since, from the year 2000 onwards, Chad could have a structural grain deficit unless there are new agricultural schemes which are more suitable, better run and designed to take up the major challenges of self-sufficiency and security.

In this process of analysis, one expert said, cooperation staff should also take a look at their role *vis-à-vis* the Government. 'The people accept everything. They do not make enough of their own wishes and demands ... probably because their critical spirit has been blunted and this has led them to keep their views to themselves.' But the freeze of self-expression is beginning to thaw, showing that the Chadians are 'well-aware of the difference between what they want and what they get in development.'

<sup>1</sup> Any Chadian technician who gave an opinion or passed judgment on a programme was apparently dismissed immediately.



The Courier

Village well north of N'Djaména.

The users know how important this kind of investment is

## Striking oil

One striking thing about everyday life in N'Djamena in mid-1994 was the long queues of cars waiting to fill up at the petrol stations. The bulk of Chad's fuel comes from Nigeria, but supply had been cut because of the border 'strike' which started when the CFAF was devalued in January this year. The situation is paradoxical on two counts, since another neighbour and franc zone member, Cameroon, produces oil and Chad could also cover the bulk of its own energy requirements from the major oil deposit discovered at Kanem several years ago. The ultra-light petroleum could supply 80% of national needs, a Shell manager in N'Djamena told me, but the refinery projected for the past 10 years has never seen the light of day. The high cost of the investment may have something to do with this, but that is apparently not the

real reason. The suggestion in some quarters is that the refinery has not been built because of the problem of concluding a transparent contract for the construction of the complex. The project still stands, but it will come to nothing unless the fraud problem is addressed.

The Kanem ultra-light deposit is not the only one. There are major crude deposits in southern Chad, at Sarh and Komé in particular, with an estimated potential output of 200 million t. Boring is going on at Bongor and in the Salamat region, where the many faults mean that there is a good chance of striking oil. But Chad will probably not be able to make an economic job of exploiting its oil for some time to come, because of the problems of shifting it. Work has not even started on

the projected pipeline from Doba to the port of Kribi (in Cameroon), a route which the Government prefers to the shorter one to Port Harcourt in Nigeria. But working the major deposits at Doba is still the best bet when it comes to boosting the economy over the coming decade. As the unfortunate experience of other African oil producers is there to prove, oil alone will not solve Chad's economic difficulties, but it would be wrong to underestimate the importance of reserves which could cover domestic requirements, cut the costs of energy (the most expensive in the world, it is claimed in the capital), encourage related industrial activities and put more money in the state coffers. On the other hand, an international report says that Chad's oil 'could be one more factor for destabilisation in enabling various parasitic structures to survive without concern for the real economy, which will long be agriculture-based.' Oil alone will not lead to the creation of a viable industrial sector, particularly with African economic organisation and management, but it 'can help complete the destabilisation and demoralisation of a society and an economy,' the report concludes.

## Secondary and tertiary sectors

Chad's tertiary sector is still a marginal one, representing less than 20% of GDP. The informal nature of most small and medium-sized businesses, the precarious situation of 'big' companies and the fact that there is no credible, coherent tax or legal system considerably dampens the multiplier effect of primary sector improvements. Since 1990, the estimated turnover of the country's biggest firms, which can be counted on the fingers of one hand, has declined regularly by between 3% and 23%, and recovery plans have failed, particularly at Sonasut, the national sugar refinery, despite a surge in domestic demand over the past three years. As in many other areas of the economy, this is put down to the 'general increase in fraud,' which has already led to the collapse of the Société Tchadienne des Textiles (STT), poses a direct threat to

Sanasut and shackles the Brasseries du Logone. The water and electricity board has also run into problems to do with management and with some of its customers, who have stopped paying their bills.

Trade in the tertiary sector has felt the full force of the latest surge in fraud. For example, the consortium of the three oil companies operating in Chad is estimated to be suffering 50% losses, although not to the benefit of other recognised importers.

The banking sector is weak, because of meagre private deposits and the volatility and exiguity of public deposits which declined by something like CFAF 7.5 billion in the year prior to the devaluation of 12 January 1994. The change in the exchange rate of the CFAF against the French franc automatically increased the volume of deposits in those of Chad's banks involved in foreign exchange dealings by 80% and enabled them to balance their books again, but it has still not made it possible to finance economic schemes, which are rare. And few refunds are made. The expatriate director of a major private bank in N'Djamena said that the Chad Development Bank (BDT) has funds available, but nothing to spend them on. There are no businesspeople. 'Chadian entrepreneurs are political entrepreneurs,' he told me. The rest are discouraged by the failure to stick to the rules of competition. 'The state helps disorganise the market with its system of favours ... and until we have the rule of law here and there is no political pressure on business, there will be no productive investments either.'

## Prospects

In the words of Premier Kassiré Coumakoye, Chad is a 'traumatised' country and the extent of its needs and the unbalanced political, economic and social set-up inherited from 30 years of warfare bears this out. It is particularly difficult to suggest what the future might hold, but the bases for economic progress are there, first of all in the establishment of democracy and freedom, the absence of which at present is

clearly the greatest handicap to national capacity building. There are other foundations in the country's resources, in its cotton and livestock and grain and dates, which do not just go to the domestic market, but could also do very well on the regional and international markets. There is new export potential in fishing, rice growing and market gardening too. The country's current political climate, with its military overtones provides no real reassurance that the democratic transition will turn out well, but success with the advent of democracy is the key to everything which can be done in N'Djamena in a year. The state of Chad has to be redesigned from scratch before any kind of modern economy can be relaunched. ■

Lucien Pagni

## Interview with the Prime Minister, Nouradine D. Kassiré

### Which should come first — tackling poverty or building democracy?

The Head of Chad's second Government of Democratic Transition, N.D. Kassiré Coumakoye, is a sportsman turned politician. He has held the central African long jump record for years, is chairman of the Viva-PNDP party and has lost none of his fighting spirit. On the general situation in Chad and those burning issues of modern Africa, human rights and democracy, he goes straight to the point. Should poverty be overcome first and democracy established second or the other way round? He says what he thinks. And he gives his views on Chad's opposition, on corruption and on cooperation, with the European Union in particular.

■ *How is the democratic process going in Chad?*

— It is taking its course and the people are right behind it. It is easy to see — you only have to hear us talk — that our country has come a long way since the 30 years of war when we lurched from anarchy to dictatorship. However, the people are traumatised and that makes it difficult for democracy to take root. If you do not have the right conditions for peace, if you do not have a prosperous economic environment, if you do not have stability and if you have a poor state which has no resources or ill-exploited assets, you may well wonder whether democracy and poverty can exist side by side. I do not think they can.

The second thing is that war influences people and it has made the people of Chad quick to revolt. They are volatile and they need time to learn to live side by side again and to tolerate and forgive each other. The general climate of uncertainty and intolerance does nothing to help the establishment of democracy here. That is how we see the situation here at the moment.

But setting these problems aside, we believe we should put our trust in the people, for they have all the intellectual

and moral resources they need to overcome three decades of upheaval. We have to disarm nationwide and make for general reconciliation.

### 'No government programme'

■ *The President of the Republic, the Higher Council of Transition and you yourself, Prime Minister, are the three main bodies of the transitional period. Do you all agree on what needs to be done?*

— The Council and I are working well together. There is the odd problem, of course, because the Council is not a homogeneous body, but our relationship at the moment is a good one. The whole point of transition is to work up to elections. There is no Council programme for this, for the transitional programme was produced by the Sovereign National Conference. There is no government programme, for the programme was produced by the Sovereign National Conference. The Council's only job is to monitor and control the implementation of the Conference decisions. The Government's job is to run the programme. But the programme cannot do it all. For example, you can't announce that you are going to stop the people of Chad fighting each other and achieve reconciliation once and for all. I don't think you can. At the end of the 20th century, that is something which even old nations cannot do. The Government agrees with the election timetable and we are consulting with the Council on it, but there is the problem of



Nouradine D. Kassiré Coumakoye,  
the Prime Minister

the means of running the programme properly and organising the elections. We need external contributions for that. We have the political will and now we need the means of putting it into practice.

### 'Human rights misunderstood'

■ *We hear a lot about what are apparently serious violations of human rights. How do you see it?*

— We are committed to human rights here in Chad. Democracy can only be built with due respect for human rights. I

am a Doctor of Law and a student of politics as well and I know what that means. The basic question is whether poverty and liberty can live side by side. We have the example of Yugoslavia, right in the heart of Europe, before us. Do they respect human rights there? Does freedom live up to its name in countries at war? I think that the basis of government action has to be the defence of human rights.

■ *That is a principle there is no reason to doubt. But what I actually wanted to know was how far these declarations of principle have been put into practice in Chad ...*

— We respect human rights. Chad is now one of the countries which respect human rights. But, in their minds, people are not sure what all this means. They think that human rights are the right not to be punished for doing wrong or that, because of human rights, they have to go on strike. Anything. They think that human rights entitle them to be harmful and unpleasant with impunity and that is a gross misunderstanding, for human rights involve duties and limitations for the citizen. But I believe that we really do defend human rights now here in Chad. Turn on the radio and you hear people being rude about us. They are there, but we let them get on with it, for if there is one country which has total freedom of the press, that country is Chad.

■ *The human rights organisations would not agree with you. They say that there are more and more violations of human rights and freedom here and that those responsible get off scot free ...*

— They are right to say so, I know, but they are wrong too. They are within their rights to think that those who violate fundamental rights should be taken to court straight away. But, unfortunately, most of the heads of these organisations are not legal people. Those who run the human rights associations are mixtures and the associations become a platform and can even be a sinecure for those at the top. We believe that you also have to respect the human rights of the accused and make thorough investigations before passing judgment.

## 'Picking up the economy'

■ *What are the Government's economic aims?*

— To revive the economy. And the first way of doing that is to combat the fraud that occurs because the informal sector has spread so much. We have already had results. Priority number two is to reconstitute the economic fabric, which was completely destroyed, and priority number three is to rationalise public finance. We shall also be concentrating on reviving agriculture, particularly food crops and livestock. But all the Government's plans also depend on factors outside our control — rainfall, for example, and the devaluation of the CFAF, which was imposed from outside — and they have given us a grain shortfall of something like 40% this year. But we have hopes of getting through these hard times.

■ *Your external partners do not accept that devaluation was imposed from the outside. They say that the change in the exchange rate was imposed for purely economic and monetary reasons.*

— The devaluation had to do with colonisation. There is no need to beat about the bush. The whole economy of the countries in the franc zone is completely integrated with and dependent on the economy of the former metropolis. As I told another journalist, if we wanted to prevent devaluation, we should have prevented colonisation first.

■ *How are the social pact negotiations going?*

— The pact we are aiming at is an agreement on pay and about five months' arrears, but we have hit a problem, because the unions want more than a pay settlement. We think that they want more than the basic deal, particularly the UST (the Chad Trade Union Confederation), which I mention by name. The UST is riddled with people from political parties trying to use it as a political springboard to destabilise the regime and four federations disagree with the direction it wants union action to take. The talks are continuing and

we do not understand what is behind the UST's strike call. But the Government will know how to assess the situation. And the UST must shoulder its responsibilities and pay its strikers' wages, just as it would have to anywhere else.

■ *Isn't it quite easy for people in power to imagine that their opponents are behind the unions or the press in any disagreement or severe criticism of the Government?*

— That is exactly what I mean. Africans are devious. Instead of creating parties to express their political opinions and exercise their freedom more honestly, they hide from the parties in case anyone recognises them and they use humanitarian organisations as a front for their attempts to destabilise the regime. If the Finance Ministry goes on strike, for example, who pays the civil servants? That is sabotaging the Government's efforts. Africa's oppositions express themselves violently. Rwanda is an example — killing in the name of freedom. It's wrong.

■ *Is violence necessarily a one-way phenomenon? In other words, isn't there some element of cause and effect which links the development of violence to the absence of the rule of law?*

— The rule of law must be founded on reality. Our states were concocted arbitrarily and, now we have regained our freedom, parties form more along tribal than national lines. It is something that few of them are able to transcend. And it does not only happen in Africa either. When there is no broad basis of understanding on which to forge a consensus, the political thinker who said that society is by nature a society of conflict turns out to be right. And conflict is very acute in poor societies where people fight to take control. They don't fight for an ideal. They fight for power. They fight to take over the running of the country and to redistribute the revenue to their parents and family. That is why some want to hang on to power and others fight to get it. Or they use the political parties to impose themselves and take control of society, thus becoming forces of inertia in the democratic system.

So there are the consequences of poverty, plus the consequences of colonisation and the foreign powers stepping in to support tribe A against tribe B, or party C against party D for reasons with which we are all familiar. As a student of politics, I believe that this is the reason for the situation in which Africa finds itself today. Of course, the degree of violence depends on the individual country and on the individual behaviour of the leaders of tribes with monopolies and on the power of the administration and the army or, today, of the trade unions. The development of democracy must be accompanied by economic and social progress. It would be wrong for international cooperation to underestimate the economic side of democracy.

### What about corruption?

■ *They say that, if there had been less corruption in Africa, and in Chad of course, development would have gone a long way.*

— You have to look at things globally and see whether it is corruption that prevents development. They say it does. But corruption is a universal phenomenon. If our countries here in Africa were rich, there would be no need for external aid and there would be no point in corrupting us.

There is corruption in Africa, of course there is, and it is a force of inertia which is all the stronger in the poor countries. But if you look at the external aid Chad gets, it has come to nothing. I think we should be brave enough to say that the external aid put into Chad and the whole of Africa since 1960 has been badly directed. Let me make myself clear. The people who give the money enforce things which are at variance with the needs and the outlook of our people. When they give aid, at the same time, they send out technical assistants and experts to manage it. And those technical assistants and those

experts may well be running projects which are unprofitable or of no interest to the local people. The funders often prefer to do what they want, which may have nothing to do with what we actually need. I say that in all honesty. Aid is not given to sectors where it would be of direct benefit to the people.

The second thing is that we are short of managers. But the managers who come out to back up our staff do not come to give us charity. They work for money. Are they saints? God alone can say. But I do not believe that Africa has congenital corruption. If African workers were paid in accordance with their work and skills, there would be far less corruption. A cooperation officer who comes to Chad now takes home something like CFAF 4 000 000 a month, which is about FF 40 000, but the civil service pay of his Chadian opposite number, who has identical qualifications, is only about CFAF 75 000 (FF 750). The difference is where they come from. What is the one who takes home FF 750 compared to the one who takes home FF 40 000 for the same job? What is the pay of an African from the franc zone compared to the pay of someone from the metropolis? A country's wealth starts with work. And let us not forget the deterioration in the terms of trade. Our cotton costs a thousand times less at export than it does when turned into goods and sold on the domestic market. There are plenty of things hampering the Africans' drive to develop their economies. Another one is that foreign investment in our countries goes into public companies run by those who give the money and take the profits home with them. Few profits are ploughed back here and this undermines the companies' potential for expansion, with bankruptcy as a frequent result. To be frank, Africans are not the only ones to blame for the their countries' development failures.

■ *What do you think about the aid which the European Union channels into Chad?*

— I think that cooperation between Africa and the European Union is not just fundamental. It is vital. It is an act



'The European Union has given Chad some remarkable help'

of human solidarity which has to be encouraged and heightened to prevent any widening of the gap between us. We should look at what Europe has done and thank it. The European Union has given Chad some remarkable help and the thing we want most is for it to continue and to increase in both quantity and quality. That too would be a contribution to our democratic process. ■

Interview by L.P.

Lol Mahamat Choua,  
President of the CST :

**'Without free,  
transparent elections, we  
would push the country  
nearer the brink.'**

The President of the Higher Council of Transition, the parliamentary body during Chad's shift to democracy, answers The Courier's questions and outlines the main problems of the period of transition.

■ *What was the object of having a National Conference for Chad's democratic transition ?*

— Chad's National Conference was held after a long, hard battle between political organisations and civil society over the very principle of setting up such a thing. As you know, this country has lived through more than 30 years of civil war and none of the regimes which we have had has managed to put an end to this fratricidal fighting — which, let me remind you, is maintained and fuelled by people abroad. And since many Chadians failed to realise the fact, they were taken in and fought each other instead of showing mutual respect. The toll of all these years of internecine warfare is hundreds of thousands dead and many other victims — widows, orphans and disabled. The burden of 30 years of fighting weighs heavy. But people in political parties and civil associations showed their goodwill and, with support from one or two friendly countries, they decided that what Chad needed was a forum in which to discuss its problems. We agreed to call that forum the Sovereign National Conference (CNS).

It sat for three months, during which time it passed some very serious texts combined in the National Charter and the Specifications, the Charter being the legal document governing the period of transition and the Specifications covering priority and non-priority action to be taken by the CNS-appointed Government. Roughly, the idea was to take rapid steps to get the country into a normal democratic routine. National and regional administration had to be reshaped, elec-

tions organised, a new constitution prepared, an election code devised and, most important, the army restructured — the national army was a crucial problem — and it all had to be done before any really free, pluralist, transparent elections could take place.

The first Government to emerge from the National Conference, which was led by Fidèle Moungar, was unable to live up to the country's expectations and was censured after six months of office by the Higher Council of Transition. The Moungar Government of course was beset with difficulties in running its programme and, importantly, it was in the light of its record alone that it was overturned, in accordance with Article 94 of the National Charter.

## Men and institutions

Another Prime Minister, Nouradine D. Kassiré Coumakoye, was elected, but the problems are still there. Chad has spent years in internecine warfare and institutions alone (even provisional ones) will not help it, for what it needs is men of great political will who are devoted to serving the country's higher interests by ensuring transition. This means avoiding all political calculation, but, alas, politicians being what they are, they are often moved by interests prejudicial to the nation. As President of the CST, which supervises Government action in accordance with the National Charter and the Specifications, I expect the leading lights of

transition to rise above personal considerations and put Chad's higher interests before their own. Transition is a delicate part of the democratic process and the Government's part in that transition is no less delicate. It is the job of the President of the CST to ensure that the CNS' programme, as laid down in the Specifications, is properly applied and I do my utmost to ensure that the Government shoulders its responsibilities to enable Chad to become a real democracy at last.

People still accuse us of laxism, which is entirely without foundation. The CST is a parliament, not a government. It is the Government which is responsible for the affairs of state over a given period and it is up to it to listen to complaints and do more to make a success of transition, because the CST cannot spend all its time censuring the Government. Chad's interests go far beyond the period of transition and if that transition fails, the country will go backwards and the consequences for the whole population could be even more tragic. That, of course, is something we have to avoid.

■ *What can the CST do to speed up the transition measures and get genuinely democratic elections organised ?*

— As I said just now, the first Government fell behind with the CNS transition programme and we all know why. The then Prime Minister and the current President of the Republic failed to agree on matters of substance and they argued about them and this silted up the machinery of state at a vital moment in the

democratisation process. I myself experienced the very difficult period of the first Government of transition. It got off to a bad start because the two most important people in the executive were unable to agree.

## Postponement

■ *What did they disagree about? Freedom? Or something else?*

— It was about how to run the country, as fundamental as that. There was no special issue, freedom or anything else. They simply failed to agree on how the country's affairs should be managed. They had different approaches, although they should have been united, because the CNS Specifications were very clear about what they had to do. But it was less a question of rules and regulations than of personal incompatibility. The process of transition was held up as a result, the elections have been postponed for 12 months and there is a timetable of Government action, fixing firm dates for decisions on priority transition issues on which the Government and the CST are to agree. Our idea in shifting the dates was to prevent the Government from playing on pressure of time to table bills which did not guarantee fair elections.

Everyone knows and there is no need to beat about the bush. We shall see just who wants or does not want the transition to democracy to be a success. It would be a pious hope to imagine that everything in the Specifications could be achieved in the space of 12 months, but it would be incomprehensible and of great concern to the people if the Government were unable to manage to complete the basic priorities that will enable democratic elections to take place in a year's time. The most important thing for us all here in Chad today — over and above the economy and the security issues, of course — is to know we will have free, democratic, transparent elections this time next year. This is what our whole move to democracy hinges on. For a government formed through proper pluralist, honestly organised, democratic elections, will have the trust and the democratic legitimacy it



Lol Mahamat Chona

'If transition fails, the consequences for the whole population could be even more tragic'

needs to undertake some of the reforms in the Specifications which will take more time and money to implement.

■ *Constitutions, electoral codes and electoral registers are three things which have caused a great deal of controversy and argument in most African countries which have already organised their elections. How can they be tackled in the democratic process in your country, do you think?*

— The first, essential thing is the constitution. The CNS laid down guidelines and, at the beginning of the year, the Government set up a technical committee to work on them. This institutional technical committee came up with a draft constitution, based on the CNS' ideas, which I have read and personally find acceptable, and this was then passed to the Government, which now has to have it looked at by a joint committee of political parties, civil associations and, of course, the Government itself. The same committee is now working on the electoral code, which is both in the form of a bill and a charter for the political parties. I should add that a High Communication Council (HCC) has also been set up. The CNS drafted the text on this and the CST transmitted it to the Government, which passed it recently, so the members of the HCC can be appointed soon. The HCC is an independent body and we shall make sure that it remains so, for without independence, it will be unable to ensure the equality and equity among the various factions on the electoral scene. When it comes to the electoral registers, the present Government is unable to give the decentralised authorities what they need for a census of the population and very serious consideration has to be given to the financial and physical resources

involved, because they are vital if we to have a reliable electoral roll.

But there is more to it than that. There is also the fact that decentralised administrative staff have to be impartial and this raises the problem of appointments by people in power. We believe that the people appointed to top jobs in prefectures and other local government districts should be able to keep power, their country and the political parties separate. Under Order No 15 setting up political parties, civil servants and soldiers are supposed to keep their political opinions to themselves, but that is not what is happening at the moment, which is a serious problem. The people currently in power make sure that only political brothers-in-arms and friends get the top jobs in the prefectures and this puts a question mark over the impartiality of those who are going to have to supervise the whole process and the organisation of elections. It goes against everything the CNS decided and we denounce it.

But we believe that the Government has time to change all this. Let me take this opportunity of warning the Government of the danger of ignoring the criticism of its management of transition. It does no credit to the current leaders of the state.

## The people of Chad know about democracy

The people of Chad, just like the people of Europe and elsewhere, know



about democracy. They can see the value of it and its importance to their future and they do not want to have their options reduced or taken away from them. But, clearly, the people of Chad cannot make a success of their democratic transition today unless they have plenty of support. There are forces which will long continue to impede that essential move to a democratic system and we therefore believe that the democratic nations of Europe should help establish democracy in Chad. It is in the interests of democrats the world over for democracy to be solidly established in Africa, just as in all the other places where it is the chosen way of governing the people. We believe that what we call the democratic nations should be behind the democrats wherever democracy is under threat. I want to see democracy planet-wide. After the thousand and one kinds of dictatorship tried out all over the world, there should be no doubt in the minds of Africans and democrats everywhere that democracy is the best form of government and there should be no barriers to its establishment.

Until anyone can show me that there is any better form of government, I shall believe that democracy must be encouraged in Chad and elsewhere on this continent and I should like to insist on the Chadians' will to establish a democratic system here in Chad. So Europe, and some countries in particular, must understand that we can no longer cope with any system other than a free one here. We have made real progress with freedom of expression, certainly, but there is more to it than that and we have to keep up the pressure on those in power to ensure substantial progress with public and political freedom. The democratic transition must be a success and the Government must be committed to the decisions of the Sovereign National Conference.

■ *How does the CST control Government action?*

— Under Article 94 of the Higher Council of Transition, the Assembly needs a four fifths majority to censure Government action. But this should not be seen as a sword of Damocles hanging over the leaders' heads, because our job is to encourage the Government to run the

transition in accordance with CNS decisions, not to prevent it from doing so. There is no cause to seek to topple the Government unless there are serious failings of the sort which brought down the Mounzar cabinet. And it would be unproductive. It is in everybody's interest for the Government to get it right, because failure would complicate the country's economic and political situation and delay the establishment of the democracy which we aspire to here in Chad. Other than for controlling Government action, the CST's job, is that of any elected assembly.

■ *What do you have to say about the idea that African countries are not ready for democracy?*

— I think it is quite wrong. The Chadians and the other Africans have always been democrats. In Chad itself, the single party was institutionalised in 1963 and those who put the idea across presented it as a brilliant system and imposed it almost throughout the continent. But now we can see what the consequences and the limitations are and I think the time has come to encourage the establishment of democracy, not just in Chad, but throughout Africa and the whole world.

## The example of Rwanda

Look at Rwanda, which is in the headlines at the moment. Very serious things which we Africans cannot countenance are going on there and in neighbouring Burundi. No-one can seriously suggest that this is just an ethnic problem. That is quite wrong. The conflict arose, above all, because the state was not organised democratically and there was no such thing as freedom and justice for all Rwandans. The anti-democrats are responsible for the present tragedy in Rwanda. I am horrified at the situation. I never expected it to get to this, although escalation was on the cards for a year. I should like to take this opportunity of saying, once again, that democracy is not a luxury, but a vital necessity for Chad and for Africa and it has to be promoted by every possible means. We have wasted a generation during which we could have

established very democratic institutions and behaviour. We do not want to repeat the mistake we made 30 years ago. If the notion of democracy needs interpreting, we here believe that it means happiness and stands for such things as freedom to come and go, to say what we think, to choose our future and to choose our leaders and reject them if they stop serving the common interest. Africans are very sensitive to this idea of democracy.

■ *You mentioned the creation of a High Communication Council. How does it ensure its independence and equal access of politicians to state-run media?*

— This is a typical problem for communication organisations in Africa and I do not believe that our organisation is any different, for it too will find it difficult to operate and maintain its independence. In Chad and elsewhere in Africa, the powers-that-be monopolise government information services for their own benefit and for the benefit of their brothers-in-arms and this does not make the job of an institution like the HCC any easier. We on the CST are careful to avoid any potential barrier to HCC operation and we should not hesitate to censure the Government if it gave us good reason for doing so.

Your question also suggests one or two more general remarks on the African governments' attitudes to democratic prospects. The fact that they wielded undivided power, without risk, for decades led them to believe that the state belonged to them — hence the huge problems we have with moving down the path to democracy now. Heads of State refuse to see power change hands, armies virtually never serve the interests of the nation and the 'official' press cannot produce any reliable information on the economic, political and social realities of the nation. In Chad more particularly, we have rebels who have no political programmes but manage to threaten the process of transition nonetheless. It causes us concern, which is why I should like once again to underline the major importance of an honest transition to democracy. I believe that, without free, transparent elections, we would push the country nearer the brink. And that we do not want. ■

Interview by L.P.

An opposition viewpoint

## Our programme and our ideas have to be convincing

says Saleh Kebzabo,  
President of the UNDR

According to Chad's opposition leaders, the period of transition may have been extended to April 1995, but a whole month (April 1994) then went by without the Government giving any signs of speeding up the work to meet the new deadlines, particularly for implementing the Specifications. The Institutional Committee continued with its appraisal of the draft electoral code, following the recent completion of its examination of the Constitution, but that was all. Otherwise, the groundwork for Chad's move to democracy seemed to have come to a halt.

The postponement of the general election from 1994 to 1995 is an indication of just how things are dragging. The general state of disorganisation of the country's economic and social life, after 30 years of warfare, provides at least a partial explanation for this. It is said, in N'Djamena, that the people spent so much time in an informal system that no one now finds it very easy to substitute order for chaos. The government and the opposition differ in their analysis, but it is generally agreed that the security situation has deteriorated, the climate is bellicose and the economic situation is disastrous.

The Courier interviewed Saleh Kebzabo, President of the National Union for Development and Renewal (UNDR) and former Minister in the first (Moungar) Government of Transition, who outlined the opposition's proposals for a smooth transition to democracy. He began by suggesting how to avoid the difficulties and disputes typical of so many African countries during and after elections.

Look at what was said at the Sovereign National Conference — the guidelines are to be used in drawing up the electoral code, just as they were, in part, for the Constitution — and you can see that the idea was to keep things balanced. Politically speaking, first of all, the power is shared both between the President of the

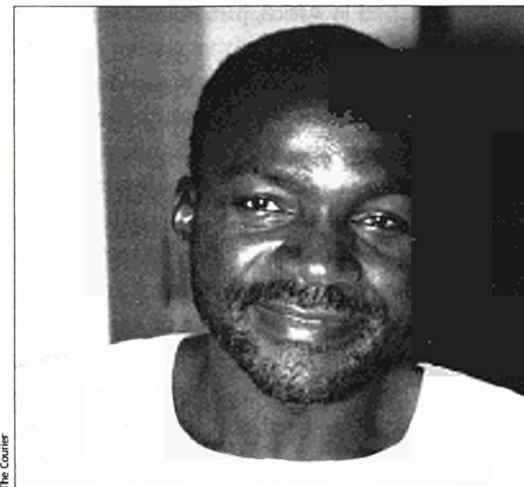
Republic and the executive and within the executive. The system establishes a ranking, with the head, the Prime Minister, appointed from within the parliamentary majority. It has to be admitted that the Committee which drafted this constitutional principle has not done much to respect it, but I believe that the scheduled debates on the draft constitution will be the opportunity to bring things into line with the CNS guidelines.

A two-round system is to be used for the elections. The municipal ballot will have to be postponed, but the Higher Council of Transition (CST) has confirmed the constitutional referendum and the parliamentary elections and the presidential poll, in that order.

Will this allow us to avoid what has happened in other African countries, where most of the elections have been full of irregularities? I do not believe so, because it will take proper political will to settle Chad's problems through dialogue and those currently in power do not have that will. This is a source of grave concern to the opposition and among the whole population. We know that foreign powers which supported President Deby are beginning to wonder whether he really does want to organise free, transparent elections.

### The Rwandese syndrome

Europe has only a hazy idea of Africa's problems. The practical realities, all the little details which often



Saleh Kebzabo, President of the UNDR

shape the course of events escape the Europeans or are misunderstood by them. We in the opposition know that the political situation here could blow up at any time if the people in charge of the affairs of state try to fudge the democratic principles. It is these principles that offer a way out of 30 years of political stalemate and towards institutions and a government whose strength is the trust of the people rather than the force of arms. That is the only way of avoiding what one might call the 'Rwandese syndrome', or at least the paralysis of the state that we see in some neighbouring countries.

Our party, the National Union for Development and Renewal, therefore, recommends not just having Chad's elections supervised by international observers, however reliable they may be, but also — and this is most important — calling on the assistance of UN forces to enable us to head off the problems which other countries have had.

■ *Does the opposition offer a genuine alternative? Who is in it and what is its programme?*

On the face of it — and from a media standpoint — this is a valid question, but it is based on a false premise. In fact, as I point out when I attend meetings and campaign events, it is the people in power who have no programme. I have often been on radio and television arguing that the MPS has no programme and so far, neither the President of the Republic nor any of the other leaders of his party have offered any proof to the contrary.

The opposition has certain weaknesses because we have been following a different course from other African countries. We have had war and armed conflict here in Chad. In this country, people who are discontented pick up a weapon, go off into the bush and start organising rebellions of one kind or another against the existing regime. That has not happened a great deal elsewhere. In other countries on this continent, the bulk of the disputes and political struggles have taken place within the normal social set-up and the political parties have then formed and taken over the struggle and given it momentum. Here in Chad, we had politico-military movements before genuine political organisations saw the light of day, because we have had war here for 30 years. This may also be why we do not have the opposition leaders they have in other countries. Here, the parties were formed after the MPS came to power, some prompted by the MPS itself as the National Conference approached and others set up with a view to providing proper democratic alternatives. This explains why there is no dominant party here which has thrown up a leader to steer the opposition.

It is a paradoxical situation. There is no political combat because here in Chad we only know about armed combat. The idea of locking horns in the political arena involves a new element which people will have to learn — or perhaps relearn. You may have the impression that there is no opposition, but in fact the vast majority of the country is opposed to the MPS.

But we are well aware that a large, scattered opposition will not have

the strength to win elections and steer the democratic changes which the Chadians want. So, for several months now, all the parties and organisations calling for change have been discussing the formation of a united front before we go to the polls. If we went into the ballot divided, as we are now, it would be suicide for us and for the country. We have responsibilities and we have to shoulder them. 10 of the main political groups are aware of this and are working to unite us around a basic programme with which we can win the elections and then proceed to democratise the nation.

## State resources squandered

■ *How far can these 10 parties agree, offer a proper political and economic alternative and avoid the in-fighting and personal attacks which are so typical of African politics?*

Let me remind you of something I said just now — that those currently in power have no programme and, as a corollary, that their record over the past three years has been an entirely negative one. Anyone can see that. It makes our job a great deal easier, of course, for we do not need to attack any individuals.

Then there is crime, which has reached very serious proportions. People kill for anything here in Chad at the moment. Weapons abound in this country and there are at least 10 killings every day. We have to talk about it.

Economically speaking, everyone knows that it took the people currently in power only two years to demolish all the achievements of the Hissène Habré regime, which made a good job of managing finance and the economy in general. All the financial assets and other state resources which Hissène Habré had built up were squandered, putting the clock back 10 years. This policy of dissipating state resources and letting economics and politics stagnate has left us entirely dependent on assistance. The Government cannot even come up with a credible recovery plan. The present leaders do not have the administrative ability to propose



Restructuring and relaunching food crops. Irrigated maize fields in Chad

to the funders a project worthy of the name, to defend the interests of the country. This situation I have just briefly outlined is another area in which we differ from many other African countries.

## Proposals from the opposition

The alternative offered by the united opposition — for not all the opposition parties will be joining the group — will be to set personalities aside for the benefit of the higher interests of the country. Our aim is to revive Chad and the group has to be disciplined if we are to do this. We therefore need to put up no more than three candidates in the first round of the presidentials, and then back whichever one of the three does best, in the second round. It would be even better if we could field just one candidate.

Economically speaking, I tend to think that countries like ours and the countries of Africa in general do not need experts to run the economy. It is primarily a question of common sense, I think, and I said as much at the National Conference. We do not need major economic and financial theories — which is where I think that the World Bank and the other organisations make a big mistake, because they give us over-complex plans for things which are basically easy, possibly even too easy. That is why the IMF, the World Bank and the other organisations always have more failures than successes in Africa. The level of our economies here does not warrant the type of expertise or the type

of resources we are offered. What we need is grass roots management to release domestic and external resources gradually, in stages and in the light of our needs. It will take more common sense than financial resources to put our economies in good order. In other words, our problems are more organisational than financial.

How can we bring common sense to the management of the affairs of state? We in the opposition believe that it can only be done in a democratic framework and we therefore suggest that the first five-year parliamentary term which begins in 1995 be devoted to improving the democratic institutions of the Republic and to defining our major economic priorities — the restructuring of farming and livestock, health, education and training, the rationalisation of public finances, an exploitation and management plan for the country's potential resources and so on. And let us not forget peace, for peace will be a logical product of the rule of law which will prevail when the country has been restored to democracy. This, overall, is what we, together, want to offer the voters.

## An end to ideological warfare

■ *What sort of society are your proposals aiming at?*

As far as my party, the UNDR, is concerned — and this may apply to the other parties as well — I should like to emphasise that the ideological war is over. The cold war is finished. Capitalism has won the day over communism and socialism, and is a contemporary reality. The new world order, as we see it now, is a liberal capitalist order and anyone who tries to resist it is living in the past. So one part of the programme has already been drafted. It is important to be realistic and realise that we are subject to international management via the World Bank and the IMF and that they have set up programmes, accepted by the present or previous Government, on which we cannot really renege. We shall be forced to go along with a number of options which have

already been taken and are now being put into practice in more than half the country's economic sectors.

So I do not really see how we can innovate or basically undo what is being done, for it is a liberal society that we want to create. Management is all-important. We can improve and make a better job of managing, organising and running the economy and the state. And a liberal economy will not work without a democratic system. Something which gets little attention, but has caused many of the economic disasters of the African nations today is the fact that single-party systems — dictatorships, that is — were combined with an economic laissez-faire approach, which inevitably favoured those who held the reins of power, and sucked in imports. The latter were also sustained by a currency, the CFAF, which had no economic basis. The rules of internal and external competition have never worked in Africa.

To sum up, let me say that our programme involves good management, using our skills, calling on creative emulation and fighting the nepotism which has done so much damage to Chad and the whole of Africa. Skills must be recognised and rewarded in Africa today.

Another thing I should like to mention is scientific and technical research. It is expensive, of course, but until we resolve to have it, we shall never manage anything sustainable at national level. For the past 30 years, Africans have been trained in every subject all over the world, but I think it is high time that these scientists came and worked in Africa. It is time that economists for example suggested African development models instead of trotting out Keynes' and other people's theories designed at entirely different times and for entirely different situations. They need a democratic framework to encourage them, of course, for without freedom, there can be no scientific progress to serve mankind. Another thing which affects everyone is housing. In this country, the ministry in charge of housing assessment deems that baked earth houses, such as the one I live in, are worth nothing, but they are comfortable and perfectly safe. This is a field in which we

could encourage research so that more people could have decent homes at low prices.

## Act now

Countries anxious to help the African democratic process often have no real idea what to do or when to do it. We in Chad need logistical help above all, before and during the elections. In a year's time, we shall have elections which are decisive for the country's future, but no one has yet given any thought to the technical organisation of the polls. A year is a very short time. This is why we want the aid for the census, the electoral roll, the polling stations, the information on how to vote and the polling supervision to be provided quickly. We want the question of transporting of voting facilities nationwide and other issues to be tackled immediately. All this has to be done now if there is to be any chance of meeting those election dates. South Africa could be a fine example here. Transition has been under way here for a year, but the census for the elections has not even begun and people are beginning to wonder why the Government is holding back.

In the democratic process here in Chad, we should like to see an international presence long in advance. The political situation in the Central African sub-region is extremely critical. We cannot allow the transition to democracy to fail, and have Chad embark on yet another era of instability. ■ Interview by LP

# Human rights: 'We have to guarantee them,'

says Ahmat Mahamat Hassan

The advent of democracy has brought to light the crucial human rights problem in Chad (as in other African countries), where the fundamental rights and freedoms situation has been worsened by 30 years of internal warfare. Setting the political and economic democratisation process in motion could have heralded rapid improvements on the human rights front, but organisations which deal with such problems say that things are not going well. The *Courier* met the heads of two of these organisations in N'Djamena, Ahmat Mahamat Hassan and Khadidja Touré, both members of the CST, and leaders of the Human Rights Commission, an organisation set up by the Higher Council of Transition (CST, the provisional parliament), and Enoch Djondang who runs the Chad Human Rights League (LTDH), an independent body set up to defend citizens' rights and freedoms.

Ahmat Mahamat Hassan began by explaining what the CST's Human Rights Commission did.

'The CST's Human Rights, Freedom and Communication Commission is made up entirely of MPs, in other words advisers to the Republic, and its job is to monitor and supervise the Government's implementation of resolutions which the Higher Council of Transition adopts in the course of its duty. The Sovereign National Conference (CNS) ruled that the Government should adhere to the various international human rights conventions and treaties and, of course, the national situation has to be considered too, particularly the way the police, the army and the judiciary behave towards individual rights and freedoms. Individual rights are still often violated by the police today and there are plenty of cases of torture in the prisons and other, secret places of detention.'

Mr Hassan told me that human rights associations could report such cases straight to the Commission or by letter to the CST, which then ordered investigations or invited the Government to stop the offending acts.

'We also have to make sure that the State and its police guarantee individual freedom — the freedom to come and go, the free movement of individuals and goods and freedom for foreigners on our soil,' he said.

The Commission's third job was to set up a general system to ensure freedom of the press. Mr Hassan recounted that 'as an MP, I tabled a bill whereby a High Communication Council was set up, for the first time in this country's history, to make sure that the media's freedom of expression is scrupulously respected and journalists have freedom of action.' Democracy meant involving the people in management and decision-making, he said, and this meant giving them objective information.

## Freedom of the press — progress and innovation

The HCC was already a great step forward, a major innovation. Chad had never had an independent body of this kind to guarantee the right to information before and tribute should be paid to the fine job which the Chad Journalists Union did at the National Conference, for it was this which made it possible to produce Chad's first communication charter. And to safeguard the independence of the HCC, members were to have the sort of status

and rules of procedure which would protect them from political pressure.

But human rights associations in N'Djamena and other sources said that individual rights and freedoms had been flouted.

'They may well not be wrong,' Mr Hassan agreed, 'because the situation in this country is rather a complex one and, if they are to understand what is going on, people need to realise that we are currently trying to exist as a State with authority of its own. As a State, we are being reborn and the people are concerned with everything which will help make Chad a country under the rule of law. There is still violation of human rights and freedoms here in Chad, it is true, and one explanation is that the country has not yet completely emerged from the civil warfare which has caused so many upheavals. But that does not constitute grounds for violating the fundamental rights of the individual, which is why we on the CST and other bodies have to continue putting pressure on the executive and all the other forces, particularly the army and the police, involved in violating the rights of the citizens of Chad.'

'It must be an unflagging, united effort, geared more to some targets — the army — than others. You must realise that Chad does not yet have a proper, disciplined national army with the military ethic of protecting the country's external borders. What we call the army is currently a series of different armed groups which go in for frequent human rights violations and create a permanent climate of insecurity here, especially in N'Djamena.'

There was also the problem of state authority not being respected, with



The Courier

Khadija Touré

'Women were subject to the same political maltreatment as men'

civil disobedience by some clans. Not that they put themselves forward as such, but they could do what they liked all over the country. So human rights were violated, and on a grand scale in some places.

However, 'hope and a clear head are what we need in looking for solutions to these problems, because our future here in Chad is at stake. It will take hard work to build a genuinely democratic state where human rights are guaranteed.'

## Men and women alike

Khadija Touré, vice-president of the CST Human Rights Commission, said that men were not the only ones to have their individual and fundamental rights undermined, as might have been expected in African society. There was a huge change here too; women were subject to the same political maltreatment as men and that trend, ultimately, could spread, because women were entering the political arena in exactly the same way as men. But she regretted that this was only a semblance of equality, for it was only the difficulties which were shared. Equality was never otherwise apparent in the expression of these rights and freedoms in society.

'Here in Chad, as indeed all over Africa, women are second-class citizens

when it comes to shouldering the responsibilities of the state. Yet, in the fight for democracy, women do battle and are tortured and imprisoned in exactly the same way as men. Not only do we work for human rights in general. We also work to get democracy to push back the frontiers of the macho approach which currently dominates political life in this country. Take but one example. The wise men, as they are called, those men of experience considered to have done the country great service, have never included a wise

woman. Yet plenty of women have fought and suffered under every dictatorship we have had here in Chad. We, the women of Chad, believe that, in our predominantly Moslem country, it is through democracy and our political action that we shall change the conservative outlook of the men who monopolise the political life of the nation. Since the Sovereign National Conference, women here have begun to realise what they are worth and what they can do in politics and in economic life.'

## LTDH President Enoch Djondang

# 'Our one aim is respect for fundamental rights and democracy'

Enoch Djondang is the man behind the Chad Human Rights League, which was set up in January 1991 just after the army, under Colonel Idriss Deby, the present Head of State, took power. Various leading personalities support it. The first thing it had to do, Mr Djondang said, and do quickly, was tackle the human rights and political freedoms issue in Chad, where so much damage had been done under previous rulers, particularly the Hissène Habré regime, without so much as a murmur from public opinion.

'It was very soon clear that the authorities had to toe the line on human rights because of La Baule,<sup>1</sup> but nothing was actually done for the rights and freedoms of the citizens of Chad,' Mr Djondang said, before answering *The Courier's* questions.

<sup>1</sup> The French town where, in 1990, President Mitterrand called on African Heads of State to make their countries democratic ones — Ed.

### ■ What sort of human rights violations have you had in Chad?

— In our first year, we noted that the political police were back, with all that entails, rather as it used to be under Hissène Habré. Because of action we took and pressure from public opinion, some types of violation became less frequent and less serious, but not to any great extent. Currently, the threat to human rights and the main violations can be put down to the staff of what are in fact official institutions and organisations. The President of the Republic's bodyguards are the worst offenders. We know that they have committed all sorts of crimes and threatened both individuals and human rights organisations, but the authorities have said they are out of control, so they are never punished, and so they go in for rape and pillage and extortion of every kind, particularly in the eastern and southern parts of the country.

The basic rights of the citizen — freedom of movement, freedom of ex-



Enoch Djondang

'Our defence of human rights here in Chad, and even in Africa, will not stop just because power changes hands'

The Courier

UN Human Rights Commission, as far as we know. You could say that the Commission is more theoretical than practical in its approach to defending human rights and freedoms. Political parties do not all get the same news coverage or opportunity to express their ideas in the state-controlled media, for example, but what does the CST Commission do about it? We have no idea.

■ *How are your relations with people in political circles?*

— Difficult. On the one hand, those in power and those close to them suspect us of siding with the opposition and, on the other, the opposition wants us to involve ourselves in politics and virtually do its job for it in an attempt to win its favour and confer legitimacy on its action to ease its path to power.

We do not opt for either side. Our defence of human rights here in Chad, and even in Africa, will not stop just because power changes hands. If the Government did what was necessary to protect the rights and freedoms of the people, we of course could do nothing but approve. We should lose all our credibility if we failed to acknowledge that the Government was taking positive steps to advance the causes which we ourselves defend. But the Government is currently taking no such steps. In exactly the same way, if the opposition undertook to defend the rights and freedoms of the people of Chad now, while it is not in office, we should of course acknowledge that. Let me add that, if the opposition did its job properly, the country might not be in the bad state it is today. We have no biases. Our only concern is to defend human rights in Chad and the job would be made very much easier if people at the National Conference had agreed to state the problems clearly, as we asked and as we are still asking now.

There are logistical and political problems in the field, but we are trying to avoid any partisan approach across the territory in which we have to work. We believe that Chad can become a democratic country which respects the rights and freedoms of every individual. It is high

time that it became a normal country — which it has not been for 30 years.

## Defending human rights is a question of practical action

■ *What do you think the international organisations should do?*

— Making development aid conditional on democracy and human rights is a good thing. But we now know that what governments say and what actually happens to the people are a long way apart. Human rights organisations, as pressure groups, should have the support and encouragement of the bodies which want to see human rights respected in the countries they assist. Without firm action upstream to back up the organisations' work downstream in the field, the defence and promotion of fundamental human rights in Africa would not get very far. It is all a question of practical action.

■ *Are you involved in any regional or continental coordination of your action?*

— Continent-wise, yes. We meet in the Inter-African Human Rights Union — its headquarters are in Ouagadougou — every year to discuss the problems as they arise in the different countries and look at ways of making action more efficient. There is also a central African coordination scheme, based in Zaire. South Africa apart, ours is the African region where human rights are under the greatest threat, which is why we call on the international organisations to do something more about it than read government reports. ■ L.P.

pression and freedom of the press — are shackled too.

On the economic front, the people's rights are undermined on the pretext of keeping law and order and containing the uprising in the south, where whole villages, with their crops and sometimes the people living in them, have been burned to the ground. This was done by armed groups in the name of security and it frightened the villagers in the end, so they stopped farming and fled.

■ *Do the LTDH and the CST Commission work on strategy and problem assessment together?*

— The CST has not lived up to expectations, but this has less to do with its lack of determination than with the conditions at the end of the National Conference. Everyone wanted to go one better and now the people on the CST are trapped. It should never have happened. As to any cooperation with the Human Rights Commission, I am sorry to say that that organisation has never sought any contact with the Chad Human Rights League, which is the leading human rights organisation in the country at the present time. Although we are now into an extra year of transition, the Commission still has not made any reports on the subject to the

# N'Djaména Hebdo

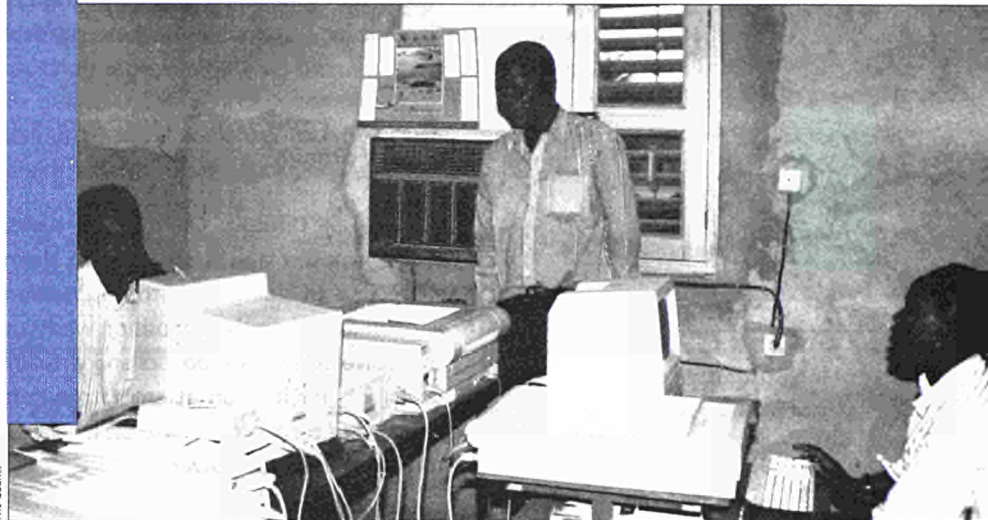
## Pioneering weekly of the Chad press

N'Djaména's leading paper is a weekly publication which saw the light of day in the difficult times before the beginning of the democratisation process. Its original print run of 20 000 copies dropped quickly to 15 000 and was down to 6000 four years later, a rapid decline due more to economics than politics. The readers, civil servants for the most part, had lost the bulk of their purchasing power over a very short period and spending money on news lost its appeal. But the print-run, like the readership, has picked up again slightly now and the Chadians are clearly anxious to know what is going on once more.

With this need for news now manifest among the population, economic operators might have been expected to give support or the state tax incentives to help the press with its much needed improvements, as has happened in some of the developed countries. But the editor of N'Djaména Hebdo says that most firms are state firms and cannot 'run the risk' of advertising in a publication which the authorities 'wrongly' see as an opposition paper, since that would be giving it the direct or indirect benefit of public resources.

Private enterprise 'does not have any business acumen or marketing skills either,' Yaldet Oulatar says. But private firms behave as they do mainly because they run no commercial risks by not advertising their merchandise. Brasseries du Logone, for example, do not advertise their beer, because demand is considered to be greater than supply and there is no point in spending money on publicity, even for new products. This is the natural result of having a monopoly in what is in principle a liberal economy.

So the press has considerable economic difficulties to contend with, but, in view of the role that information is destined to play in the organisation and operation of the political, economic and social life of any democratic country, they are not its most insurmountable problems. Despite the 50% rise in all production costs with devaluation in January this year,



things could still look up for the press in Chad.

The state press seems to get no favours from the Government. The journalists' working conditions are no better and they have no chairs in their editorial offices or equipment for radio and TV reporting etc. So why does the state, which has adopted many aspects of France's press regulations, do nothing about it? The head of N'Djaména Hebdo says it is because the leaders see no threat to their powers and do not believe they have to account to anyone. What other reason could there be for the failure to provide any public justification for the extension of the transitional period, Yaldet Oulatar wonders. And he is not alone.

The state could have helped develop the private press with tax and customs incentives on imported paper and other materials, or on the newspapers' domestic spending, but it is determined to see it as nothing more than an opposition weapon against the Government, which entirely falsifies any proper view of the whole, Yaldet Oulatar claims. N'Djaména Hebdo is not an opposition paper, he says. 'Our job is to contribute to the public discussion of the political, economic and social problems of the nation. Chad is in a difficult situation today, for many reasons,

and we, along with the bulk of public opinion, criticise it — which automatically makes the leaders think we are opponents, but we are not. And even if we did have political reasons for not agreeing with the Government, what would be wrong with that in a democracy?'

The political problems of the private press reside in the fact that the Government does not apply the principles of democratic freedom to which it subscribes in its announcements. He emphasises the editorial independence of his weekly. 'We are credible because we are independent of the authorities and the politicians. That is also why many of the expatriates who have left Chad subscribe to N'Djaména Hebdo; to keep in touch with the way things are going here'.

Whatever the problems attached to printing the news in the present circumstances, Yaldet Oulatar says, 'we shall carry on. Democracy cannot be built in the absence of free and reliable information. This information and the existence of a free press are particularly essential when leaders try to deprive the people of what they need to make informed democratic choices.'

Editorial office at N'Djaména Hebdo.  
Mr Yaldet Oulatar, the Editor (standing)



## Profile

Chad is a vast, landlocked country, 1 280 000 km<sup>2</sup> in area, 1800 km from north to south and 1000 km from east to west. No other African country is further from the sea. Its three ports of entry are all more than 1700 km away — it is 1770 km to Port Harcourt (Nigeria) by road and rail, 2000 km to Douala (Cameroon), the most popular route, also road and rail, and 3000 km to Pointe Noire (Congo) by road and river via Bangui (in the CAR) and railway from Brazzaville.

**Area:** 1 280 000 km<sup>2</sup>, including the Aouzou Strip.

**Population:** 6 million (1992 estimate).

**Literacy :** 30% approximately, despite a 20% increase in the number of primary teachers since 1985.

**Growth rate:** 2.4% p.a.

**Capital:** N'Djamena.

**Main towns:** Sarh, Moundou and Abéché.

**Official language:** French.

**Other common languages:** Arabic and Sara.

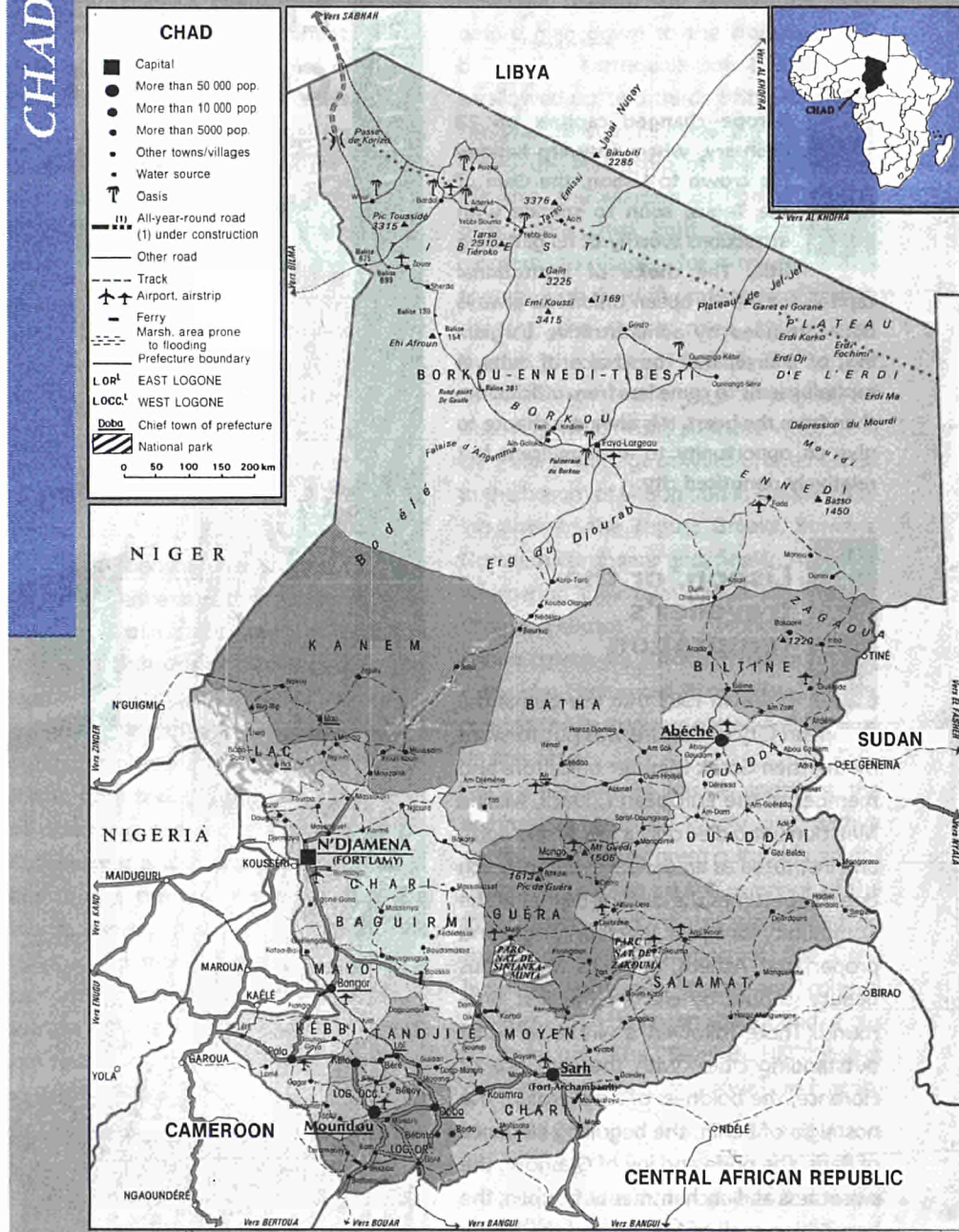
**The economy:** Farming and herding occupy more than two thirds of the population and account for about 40% of GDP.

**GDP:** CFAF 392.4 billion (FF 7848 million) in 1992, i.e. before devaluation of the CFAF (January 1994). Imported goods and services (non-factor) were an estimated CFAF 216.7 billion.

**Per capita GDP:** \$300 approximately (CFAF 180 000 post-devaluation = FF 1800).

**Main products:** Sorghum and little millet — 600 000 t (1993), as against 648 000 t in 1991-1992; maize — 31 000 t (1992); rice — 60 000 t; groundnuts — 244 000 t; sugar cane — 300 000 t.

Other crop — cotton (the main export) yields have been irregular — 170 000 t in



1991-1992, as against 125 000 t of cotton seed in 1992-1993.

**Livestock:** More than 6 million head, including 1 million cows.

**Balance of payments:** Very poor, despite major net transfers (of approximately CFAF 477 billion), with no counterpart, in 1985-1992.

**External debt:** Equal to about 50% of GDP in 1992, compared with 39% in 1990. Short- and long-term official debt — \$28.7 million and \$546.9 million respectively in 1991; debt servicing — 6.9% of exports of goods and services; multilateral debt — \$63.3 million (1991).

**Banking and loans:** A generally poorly balanced banking and monetary situation, with fewer external assets and the business account down from CFAF 34 billion in 1991 to CFAF 17.8 billion in 1992 — because, *inter alia*, of the decline in outside aid and hesitation regarding the CFAF. Credits to the central administration have improved considerably, but state-owned and private businesses have seen only a relative increase and parts of the private sector have had no improvement. However, in the absence of jobs, the banks, which have always been fairly comfortable, have seen their position improve a great deal since devaluation.

**Sources:** Bank of France and French Ministry of Cooperation.

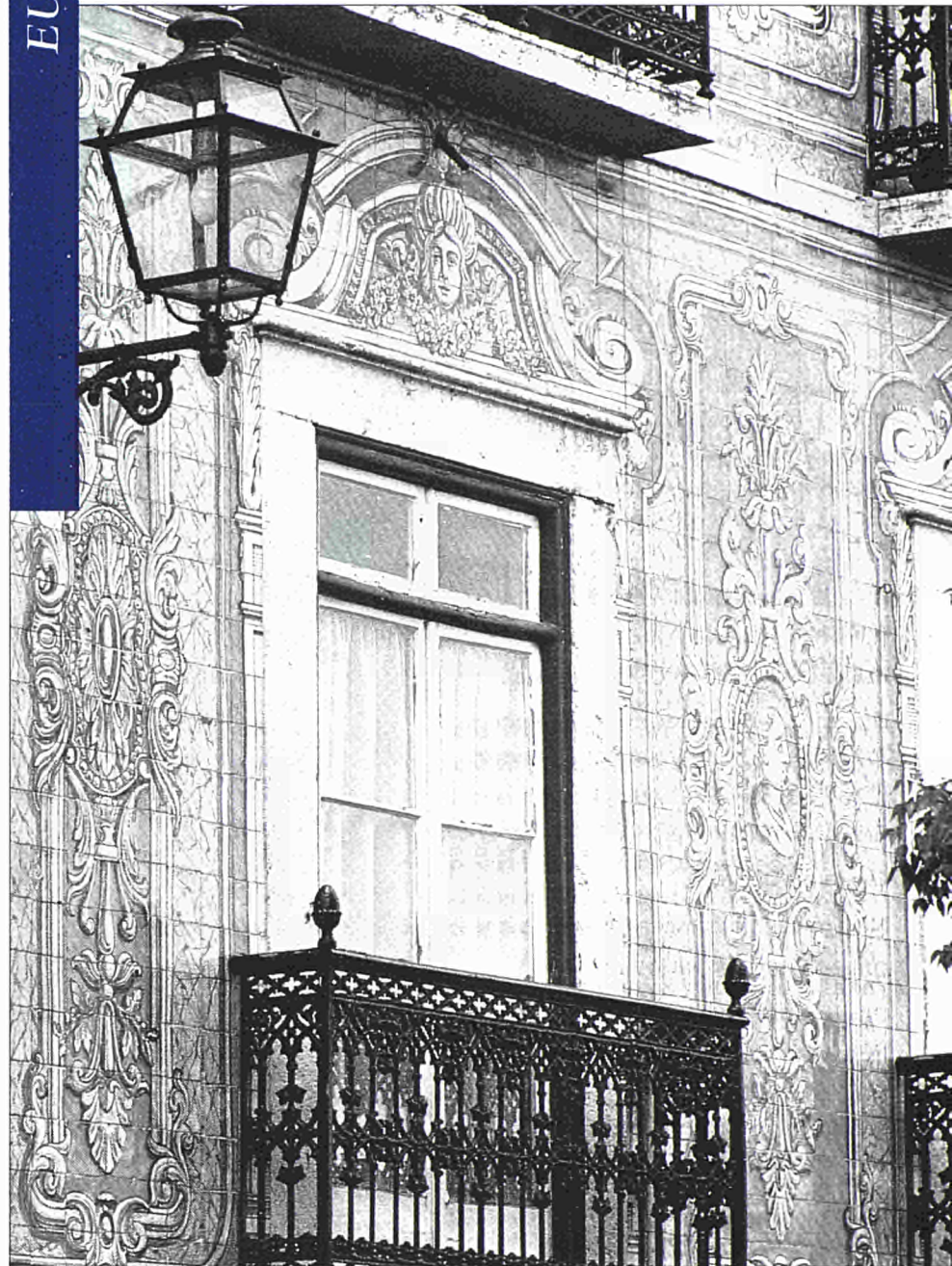
## Lisbon, European City of Culture 1994

Europe changed capitals on 22 February, when Antwerp handed the crown to Lisbon, the Gem of the Tagus, soon to sparkle with attractions worthy of its glittering title. The choice of institutional capitals for the European Union has always been attended by administrative bargaining, of course, but the choice of cultural capitals seems to come less from officialdom than from the heart. It is always a chance to give an opportunity to a magnificent but relatively unnoticed city.

### Lisbon, or the traveller's temptation

It was in 1985 that the idea of the European City of Culture was put forward by the then Greek Minister of Culture and member of the European Council, Melina Mercouri (who died only a few weeks ago), and instituted as an annual event in which one city becomes the cultural capital of the Community for a year. It was only right and proper that Athens, in all its mysterious beauty, should be elected the first time round. There followed a whole series of outstanding cities, with the romance of Florence, the boldness of Amsterdam, the nostalgia of Berlin, the beguiling elegance of Paris, the pride and joy of Glasgow, the sweetness and enchantment of Dublin, the bewitching spell of Madrid and the heady attraction of Antwerp. Every year, another city steps into the limelight and is stimulated to reveal its own cultural life in what is, above all, a gigantic festival which takes over the whole city for the whole year. Lisbon fortunately, never wants to switch off. Its streets and innumerable squares have become a vast meeting place forever filled with strollers, the tireless guardians of a kind of flame of life. Walking is an introduction to travelling and the Tagus is the traveller's temptation, in the words of the poet Alfonso Lopes Vieira.

In 1993, Antwerp celebrated its year as cultural capital of Europe under the banner of: "Should art be beautiful? What does 'beautiful' mean?" Lisbon 94, Portugal's year of culture organisers went for the



more embracing: 'Lisbon, crossroad of cultures' as a tribute to the ideas of the city's perhaps most famous son, Fernando Pessoa, the highly talented poet who said that his country's gift to Europe was universalism — not pretentious omneity, but a dynamic movement towards others and an absorbing of what they have to offer. Indeed Lisbon is often seen as the most African of the cities of Europe and the most European of the other cities.

Beautiful Lisbon is accessible and rich, elegant and sociable and it is on a human scale. And full of surprises. The surprise of a perfume redolent of distant oceans, beguiling and playful with a tang of fresh mint.

It is always busy and, for many travellers, the second symbol of the city is indeed the whole look of these streets paved with colourful mosaic, in which each of the thousands of tiny cobbles has been

hewed to a point and liltily pushed hard and firm into the earth.

## Typical tiles

And of course there are azulejos, the Portuguese tiles that are the trademark of the city. The azulejo — from 'az-zulayi' or little stone — is a marriage of Arab and Christian art and of Lisbon and Northern Europe, which the Moors brought with them in the Middle Ages. Magnificent examples of this era still survive. At that stage, the tiles, which replaced carpets, were, typically, blue on a white background. The work of the Mudejars, which was Iberian Christian art of Arab influence, had little effect on the azulejo, but later on, Valencian art came to trouble the still waters of the blues and brighten them with sparks of other colours. Until then, most tiles were imported, but, between 1550 and 1560, a large order for tiles was placed in Antwerp, which meant that a large number of Flemish craftsmen had to settle in Portugal, where they passed on their know-how to the Portuguese.

That was the beginning of the truly Portuguese production of the art form which was destined to be the symbol of the country, and of the capital first and foremost. With the Renaissance and travel to distant parts, the Arab influence made itself felt again and the tiles began to evolve, moving from the decorative to the pictorial, becoming a work of art and a form of legal tender in the heyday of the Feitorias or trading posts. They featured in Manueline art, that flourishing school of Portuguese Gothic, and then, up in the ranks of true art, they became an increasingly frequent replacement for engravings in the Portuguese colonies, with the added advantage of serving as ballast on the voyage out. And they were still practical too, for tiles are an efficient protection for floors and walls. An azulejo production line was set up to meet the demands of rapid rebuilding after the earthquake in 1755.

The tiles have come into their own again, as both art and decoration, over the past 10 or 20 years. The moderns have espoused the azulejo and the stunning decorative art in the Lisbon metro is

the proof. Pomar's designs dedicated to Pessoa, the poet, are prominent in this underground collection, copies of which were presented to the Brussels metro during the Europalia Portugal Festival in Brussels (autumn-winter 1991), which was in some ways a dress rehearsal for Lisbon 1994. Lisbon has its azulejo museum, of course, but the whole city is a live exhibition of these typical tiles, in which artists, designers, painters and architects daily take up the challenge of using this ancient art for up-to-date creations. Industrial techniques would of course make production easy, but most tiles are still made by hand, even in firms with a huge output.

Lisbon has been shaped by artists who have enhanced their creations with the legacy of distant lands, of Goa and Angola and Brazil and Mozambique. The Lisbon 94 organisers are emphasising the city's historic capacity for exchange and going for cultural democratisation in all its forms, from taking art out into the street to extending open arms to young artists. Culture year is a springboard for the city, and many creative workers from the worlds of art, music, dance, drama, the cinema and more have been invited to perform. There are hundreds of events and we can only deal with a handful of them, not necessarily the most important either.

Honour goes to one special art form, the city itself, starting at the roots and the civilisations which forged it. 'Subterranean Lisbon' is an archaeological

exhibition tracing the family tree from before man down to the city's own big bang, the earthquake of 1755, which swallowed up two thirds of the buildings and was the start of a new life for the city under the leadership of the then Prime Minister, the Marquis of Pombal. But it does more than light the path from dinosaurs to disaster, for it traces feelings too, through the different strata of human contact, the Greek ruins, the Roman theatre, the baths of Cassius, the ancient cathedral and more. It is a journey of discovery which visits all those who, from the Palaeolithic age onwards, have nestled in the bosom of Lisbon and in the welcoming arms of the Tagus; Greeks, Romans, Northern Europeans and, finally, Arabs, all whispering their own names for the city, Olisipo, Felicitas Julia, Aschbouna... and Lisboa, given by Alfonso Henriques, the man who conquered it one day in 1147, created the Portuguese nation and became its first king.

Lisbon 94 has to spotlight the architecture and the whole city, with a special focus on the great cultural buildings of course, but also on the romance of the lively streets, and months were spent on the wholesale renovation of fine sites, buildings and open spaces and cultural facilities which had been abandoned or put to little use. The 'Seventh Hill' project combines architectural, social and econ-

Two worlds meet in the azulejo: Arab and Christian art; Portugal and northern Europe



omic activity, including rehabilitating buildings, restoring the heritage, developing parks, organising meetings and local events, giving incentives to tradesmen and encouraging relaxation areas and so on in what is considered to be the city's romantic quarter, where most of the important events of the past two hundred years have taken place. 'Seventh Hill' is a melting pot of life and art and man and city. Professor José-Augusto França, one of the promoters, put it this way: 'The street gives us what we have and culture gives us what it has.'

Two main tours are on offer, both T-shaped routes along the avenues of great houses, parks and cultural facilities which frame the city. The central meeting point is the Terreiro do Paço, the square where, for centuries, travellers bound for distant lands have crossed the paths of homecomers, fresh off the ships which have brought their baggage and their hearts, those ingredients which were to make Lisbon the city of here and elsewhere.

A few years ago, a fire in the Chiado, one of the most picturesque cityscapes in Europe, hit the headlines across most of the European press and television. The mass of intertwined alleys lined with little houses and boutiques and art and craft workshops made the firemen's job impossible and, although rebuilding is under way, the bitterness of those who love that part of the city lingers, for the aesthetic jumble of the Chiado can never be recreated. The exhibition on 'Lisbon, the Chiado, Alvaro Siza Vieira — the Strategy of Memory' is extremely critical of the authorities' hand in city planning.

The people of Lisbon tend to take a very cautious approach to the development of their city and visitors can easily imagine that it is a protected gift. One paradoxical stroke of good fortune was that Portugal's economic development was lagging behind in the 1960s and 1970s, when the knell sounded for architecture and so many towns were scarred by manifestations of modernism, and so Lisbon did not have the money to massacre its masterpieces — as, say, Brussels did — and emerged virtually unscathed. The coast to the north and even very popular

resorts such as Monte Estoril and Cascais have very few high-rise buildings to disrupt the harmony of the lovely old houses and fine turn-of-the-century hotels on the slopes of the Sintra mountain chain — where visitors to Lisbon during this special year can escape for a day or two, as indeed Lord Byron used to, year after year, gaining inspiration from the lushness of what are probably Europe's most luxuriant natural surroundings.

### The many lives of a scion of the city

Many of the exhibitions and poetry events are being held in Fernando Pessoa House, opened last year in honour of one of Lisbon's most cherished sons. Pessoa (1888-1935), the most famous Portuguese writer of the 20th century, strongly influenced his own generation and Lisbon loomed large in his works. Pessoa is not just a man and a poet. He is a whole artistic universe, who lived several lives, for the apparently timid artist pushed back the frontiers of the artistic alias, not only publishing under several names, but actually living the life attached to each name, each with his own past, his own psychology and his own dreams. There were young men, old men, impulsive poets, blasé engineers and more and, it is said, their lives became increasingly prone to overlap and their writings appeared one over the other on the written page, in every direction, top to bottom, bottom to top... All these people published one major work, but hundreds of poems and texts. Pessoa was Ricardo Reis, Alvaro de Campos, the English writer Alexander Search, who of course wrote in English, and more, and he left thousands of pages behind him which publishers the world over have not yet managed to print.

People talk about the Pessoa effect. Countless articles, university theses and other works have been written about him at home and abroad. But nothing has changed. Many see his enigmatic writings as a pillar of modern western culture. In his lifetime, many artists tried to paint the man who hated being photographed because photos immortalised one facet of

what he felt was an inevitably multiple being. Many still paint imaginary portraits now he is dead.

Pessoa was born in Lisbon, lost his father at the age of five and then went to live in Durban (South Africa) with his mother when she remarried. He came home to Lisbon when he was 17 and hardly ever left it again until he died, gazing at the city, talking to it and describing it incessantly.

### Music from the depths of the soul

Fado, which comes from deep down in the soul of Portugal and particularly the soul of Lisbon, can be summed up in one word, 'saudade', which has no need of translation. Hear a note or two of fado and your heart melts, capturing all the twisting and meandering and intricacy of a word which 'nostalgia' renders only imperfectly. In his 'Book of Laughter and Forgetting', Milan Kundera mentions the equally untranslatable Czech word 'litost', a kind of veneration and sorrow for one's own suffering. The two words must be linked. There is an exhibition of fado at the National Museum of Ethnology, but, in addition, a whole series of cultural events throughout the year is communicating the whole meaning of this art form. There are concerts and displays and lectures and research by a group of academics from the Universidade Nova de Lisboa and the Museu Nacional de Etnologia and leading figures from the art world. The results of all this are to be published in a series of works under the general title of Fado — 1994. Reports and recordings of essential traditional fado pieces will also be available. The exhibitions include an existing collection of documents plus other photographs, prints, musical instruments, popular booklets, sheet music and other items. The multidisciplinary research covers ethnology, sociology, anthropology and so on. Tribute will be paid to the acclaimed Queen of Fado, Amália Rodrigues.

The current research could well reveal the exact origins of fado, a recent genre, dating from the first half of the 19th



Companhia Nacional de Bailado.  
Lisbon's many attractions amply warrant the city's title of European cultural capital, 1994

century, but one which has roots in the 16th century and similarities with the songs of the troubadours of the Middle Ages. The word 'fado' apparently comes from the Latin word 'fatum' (fate) and sadness sticks to these songs like a second skin. Recent generations of fado performers have been tempted by the idea of a cheerful fado, but the Lisbon version remains close to its origins, a melancholy style which plumbs the depths of human suffering.

Lisbon is the European capital of culture for 1994, the 20th anniversary of the spring revolution which brought the country out of the long night of dictatorship and colonialism, liberating both it and the peoples under its yoke. 25 April 1974 will always be remembered as the date of Portugal's modern awakening to democracy, to Europe, to itself and to the pride which for many years was hostage to one of the harshest colonial regimes that ever existed. The big celebration of this event, on the Terreiro do Paço, the heart of the city of a thousand squares, is the 'Colour of the revolution' exhibition, a display of art with a sociological slant, in that it is intended to make people think about popular genres of the period — graffiti, posters and lithographs. But no celebration of the spring revolution would be complete without a tribute to José Afonso and his 'Grandola', the song broadcast on radio on the morning of 25 April 1974 as the signal for the Portuguese army to rise up against the Caetano regime. Many groups sang Afonso's songs and a double album came out on 25 April this year, the 20th anniversary of the revolution. There is an exhibition of his life and work and his works are due to appear in print.

## The tropical court

Also in culture year, Lisbon is screening the 100 best European films — this is not to be taken literally — in its '100 days — 100 films' festival. One of the many other film festivals is devoted to Jean Renoir, the French movie-maker, who would have been 100 this year, and the organisers have

also managed to compile a programme of films depicting Lisbon. These pictures, from all ages of the cinema, have been specially ordered for the occasion and include 'A Lisbon Story' by the German Wim Wenders, who did such a fine job on his native Berlin in two masterpieces — 'Der Himmel über Berlin' and 'Faraway so close'. A fictional documentary called 'A town like other towns', by a young Portuguese filmmaker, Joaquim Leitão, was screened on 27 February as the curtain-raiser for Lisbon European Capital of Culture. This 35 mm film was post-produced in high-definition and portrays high definition feelings on the delicate frontier between mirth and melancholy, against an artistic background of constant ambiguity — perhaps a bid to put 'saudade' on celluloid.

Now to drama. Lisbon 94 has called on artistes from every corner of the globe, for it refuses to live in 'The days when we knew nothing about each other' — the title of one of the plays by German playwright Peter Handke being staged in the city this year. The first of these involves a game of hopscotch, a kind of labyrinth, which is none other than our world, in which seven travellers form a constellation in the shape of a question-mark. The second, 'A game of questions', is a piece without words in which 300 characters lead the audience through the scriptures, fables and contemporary myths. The many plays specially written for culture year include three specifically about Lisbon, one of which has the revealing title of 'Fados' and is a sophisticated multimedia presentation of the voice of the city. Another piece not to be missed is 'Angels in America' by the American writer Tony Kushner, whose handling of the AIDS issue has the audience on a knife-edge of emotion.

Lisbon 94 puts the spotlight on the cultures and peoples who have brought the city to life. The exhibition of

Angolan carving is one of the best events and is already in demand in many international museums. Here, the visitor is immersed in the art of every one of Angola's ethnic groups, moving from sculptures to some of the finest examples of masks and ritual objects and everyday items, of which Lisbon probably has the best collection in the world.

In a completely different register, the Portuguese-speaking countries of Africa are represented at the second Luso-Afro-Brazilian symposium on the Portuguese language and what its many users have contributed to it, an event organised by the institutes of Portuguese letters, Brazilian culture and African studies at the Lisbon Arts Faculty.

'Dancing in Cape Verde' is a tailor-made spectacular inspired by the island and its music and performed by Cape Verdean dancers and musicians and Portuguese dancers. The biggest Portuguese-speaking country, Brazil, is there, with the 'Countless States of Being' exhibition at the Museum of Images of the Unconscious and the 'Rio de Janeiro — capital of the Empire (1808-1821)' display of the splendours of the Portuguese court in its years as a tropical court.

Lisbon has espoused so much influence from far and digested so many cultural nutrients. Art treasures from the different lands visited by the Portuguese, particularly Angola, went down into its bowels in the earthquake of 1755 and, perhaps, in hundreds of years' time a dumbfounded archaeologist will dig them up again. ■

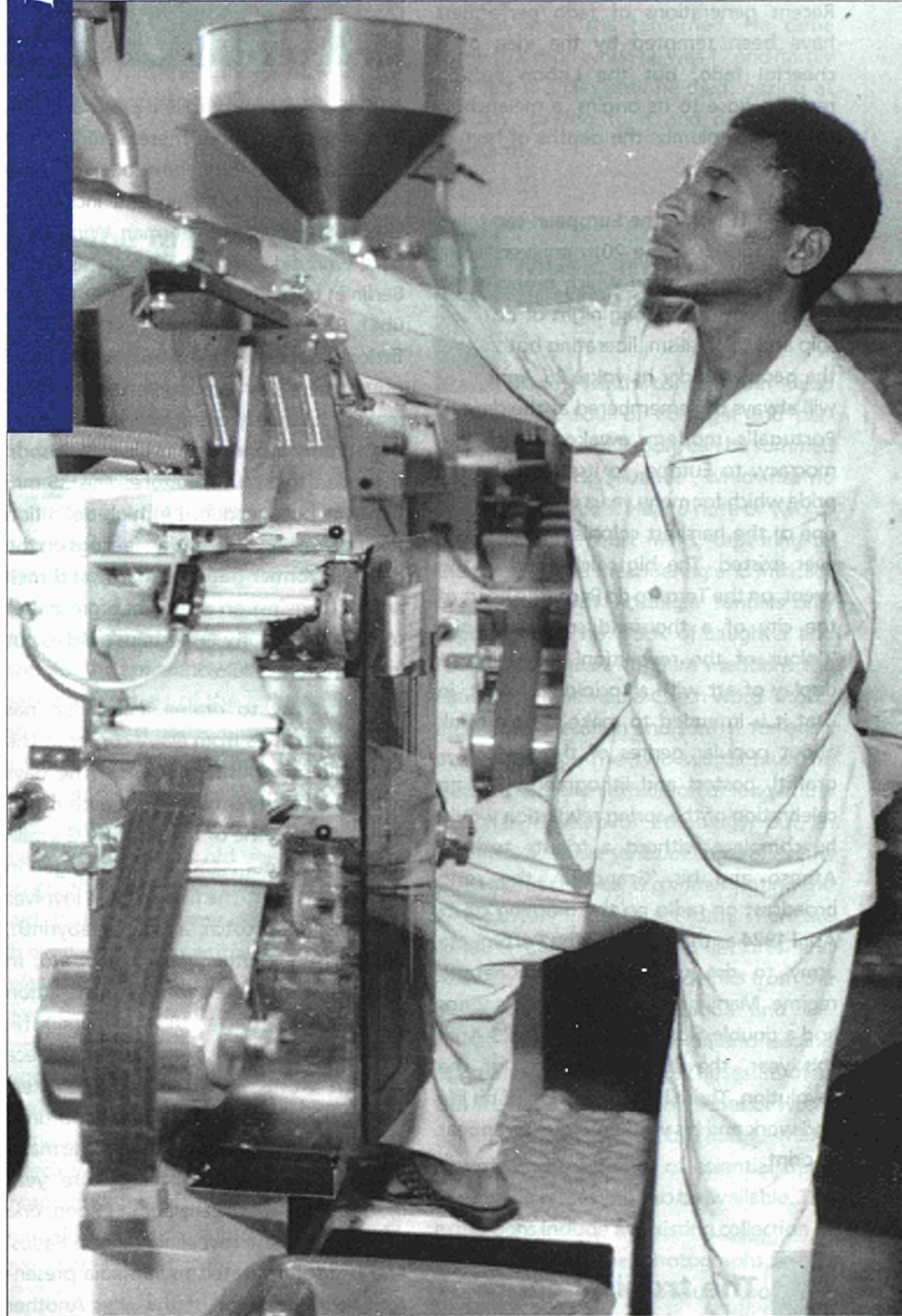
Hégel Goutier

# The role of the private sector

Whether part of a 'liberal' sea-change, or just a passing fashion, privatisation is sweeping across the globe. Between 1984 and 1991 the governments of a hundred countries — primarily developing ones, and particularly in South America and Africa, — have sold off \$250 billion-worth of public undertakings. And the key conclusion of many experts is that this process of economic liberalisation and privatisation in the productive sector needs to be stepped up. It is widely believed that private investment, whether internally generated, or coming from outside, is essential for the successful relaunching of the developing countries' economies.

After briefly outlining the impact of privatisation, our dossier discusses the conditions in which private enterprise can contribute to development. Alain Le Noir brings a point of view from the world of banking and Stephen McCarthy (EIB) investigates the support which international aid can provide for private businesses.

Moving on to industry, we review the work of economist Sanjaya Lall, who wonders whether industrialisation is a sensible answer for Africa or just one more reason for the failure of development more generally. Luis Ritti (European Commission) looks at industrial cooperation and says how ACP growth may be founded on private enterprise and the private sector. The work of the CDI (Centre for the Development of Industry) is discussed in an interview with Wilhelm de Jonge, a member of the CDI Joint Board, and Philippe Queyrane (consultant) says what businesses themselves expect. Paolo Logli (European Commission) then discusses the private sector as an EU-ACP cooperation priority and André Huybrechts (consultant) looks at how the promotion of Euro-ACP partnerships can serve industrialisation in the ACP States. Then Martin Minguella (European Commission) considers the future of industrial cooperation under the Lomé Convention and Virginie Vanhaeverbeke (ACP-EU Courier trainee) asks wheth-



er former emigrants have a future as businesspeople.

Four case studies complete the dossier — an SME-SMI support scheme in receipt of EU finance since 1987 ('Produc-

ing businessmen in Mali') by technical assistant Olivier Donnet, the cases of Jamaica and the Dominican Republic, investigated on the spot by Hégel Goutier, and a Zimbabwean point of view by project leader Ms Tsitsi Musiyina. ■ DD

## Privatisation: by necessity or from conviction?

Chile, 1974 The Pinochet Government decided to return companies nationalised by the socialist Allende Government to their former owners. It was called reprivatization.

For the past 20 years, 'they have been selling off everything everywhere', as Guy Herzlich put it in *Le Monde* on 25 January earlier this year. Between 1984 and 1991, the governments of 100 countries sold off \$250 billion-worth of state-owned companies, primarily in the developing world and especially in Latin America and Africa. Between 1980 and 1987, 450 out of 700 real privatisations took place in the developing world, as, between 1988 and 1992, did 80% of privatisations involving more than \$50 000 each. Public sector reform and privatisation have been among the key elements in structural adjustment programmes since the early 1980s and they feature in two-thirds of the World Bank's programmes, half of them in sub-Saharan Africa.

### Why privatise?

The two main aims of what some people have called the new orthodox economic policy are to make the economy more efficient, obviously, and to take the pressure off public finances.

The economic efficiency which privatisation is supposed to bring about is not just produced by transferring ownership. It all depends on how interested the new owners are in proper business management in a context of economic liberalisation.

If a situation in which profits are privatised and loss socialised is to be avoided, it would be wise to do more than effect a simple legal transfer of ownership and define the move in terms of the market (Zaki Laïdi, *Enquête sur la Banque Mondiale*, Fayard, Paris, 1989). Some economists maintain that privatisation is still the only safe way of making the economy more efficient and bringing about lasting institutional change. We shall return to this later, when dealing with the concept of indirect privatisation. Going beyond the matter of economic efficiency,

privatisation can also be argued to be the only logical way of going about the necessary restructuring — a thankless and unpopular task which many governments, in developed and developing world alike, therefore delegate to the private sector.

The second and even more obvious aim of privatisation is to relieve the pressure on government spending, especially when governments are heavily in debt. But it can lead to contradictions if taken to extremes. If, say, a State's financial requirements continue to rise, it may be tempted to privatise not only any competitive state-owned firms, but also its public services, which — unless a religion has been made of private enterprise and the complete dominance of market forces — have other functions than to be purely profit-making, have to be provided by the community and are often economically and politically strategic.

Cash-strapped governments, particularly in the developing world, may be moved to try to privatise firms which run at a heavy loss. But this can often be counter-productive as far as the general dynamics of privatisation are concerned, because such firms have no attraction for the private buyer and there is no certainty that they will be any more efficient in a competitive market economy.

### Limited impact

Most observers admit that actual achievements have been meagre and that the undertakings concerned have mainly been small ones in terms of capital and payroll. So those which waste the most public money have been spared.

In its last report on adjustment in Africa, the World Bank said that the

hardest changes to carry out were privatisation, reform of state-owned companies and the creation of systems of public finance. It suggested one or two reasons for this, pointing out that the reform of state-owned companies had failed to trigger any private-sector development because it had not been able to stop these companies enjoying privileged access to budgets, credit facilities, tariff and non-tariff protection or special tax status or, more generally, to prevent them from being shielded by the regulations.

More systematically, there are various economic, financial and political reasons to explain why privatisation has had a limited effect on the developing nations, particularly in sub-Saharan Africa.

Some of the economic reasons are structural and others cyclical.

In most cases, privatisations occur against a background of limited resources in small economies. The systems of finance in the countries concerned do not perform well, financial and economic transparency is generally poor and the workings of the economic policy are complex. The nation's private business sector may be narrow-based and therefore have little capacity to absorb anything. Also, in a situation in which it is already difficult to mobilise private capital from abroad, attracting takers for state-owned companies is even more of a struggle.

It may be easier to remove other obstacles related to the ongoing economic situation — for example, overcoming the effects of a long tradition of predominantly public ownership, or using external aid to help make up for a shortage of local businessmen, capital investment, technology or management skills. Governments could also make what is currently considered to be an unreliable, even risky economic environment secure by trying to convince private operators that the climate of investment in their countries is not just



The Courier

It is not possible to make an abrupt switch to a completely free-enterprise system from a collectivist or state system of the type so common in Africa after independence. A jump from a system of social objectives to a system geared to capital, or money, is bound to fall short.

Let us not forget that, in the market economy, the law is that the strongest man wins. There is no way round it: the weakest are condemned — to death — and there is no appeal. On an international scale, Africa is the weakest (with 1% of world trade) and, without safeguards or security, the law of the market could well wipe it off the map, particularly since it has already been pushed onto the sidelines by the recession and African businesses are fighting a losing battle with their competitors on other continents, particularly Asia.

The answer to this, and something which would attract and keep private sector businesses, is a strong, credible State. It is all very well to talk about support for the private sector, but since it is not possible to support everything at once, it could well weaken the public sector. The infrastructure, the psychology and the 'market forces' spirit have to be created and they cannot just be decreed.

How can civil service wages be cut if they are already inadequate? How can a primary school teacher be expected to survive if he has not been paid for five or six months? In conditions such as these, how can a government clamp down on civil servants and expect the civil service to offer the quality of welcome and the services that are vital to the promotion of private enterprise? The fact that a large section of the population is getting poorer also reduces demand and makes it increasingly difficult to sell consumer products.

If private enterprise is to be attracted, then the workings of the state sector have to be overhauled at once. The working of the legal system have to be reviewed. While I am delighted that the countries of the franc zone are now to

Looking to the private sector to supply the capital to set up a development finance institution is the wrong approach

have their own community business law, the law in fact already exists and, since all the franc zone countries in fact have based their law on French law, they already have a form of community law. The most important thing, however, is the enforcement of the laws and, here, it is less a question of training judges (they tend to be very competent) than of making sure that they are honest ... which they will only be if they are properly paid and, most important, if the legal system is entirely independent of the political authority.

Customs officers, taxmen, policemen, other civil servants and judges have to serve the nation instead of (as happens all too often) serving themselves.

Unless the civil service is sound, credible and trustworthy, the private sector will not be interested. The role of the State is decisive to the development strategy, as we have seen in Japan, South Korea and Taiwan and indeed in France, particularly during the post-war era.

Alongside the State, there is the role played by the central banks. Greater supervisory powers for them and greater independence for the banking commissions *vis-à-vis* governments are a step in the right direction, since both these things protect savings and make it easier to keep them in Africa and, without those savings, private investment would be inadequate or depend on outside sources. I am far more critical of the monetary policy of the central banks. Although I admit that priority in our western economies goes to backing the currency (and the Bank of France did remarkably well with its loan restriction policy in the early 1980s), it seems to me to be obvious that the priority for a developing country is development.

So I do not understand why selective loan policies everywhere have given way to quantitative policies, always angled towards restriction. It is a pity that interest rates (which are often too high)

and credit squeezes constitute a brake on private initiative.

How is it possible to talk about support for the private sector on one hand and penalise it on the other? Everyone involved in development has to agree to go in the same direction, even if the steps taken to get there cannot always be reconciled with the conventional theories emerging from Washington.

## Marshalling capital

The structure of the financial systems also needs to be built on further.

Development banks, all too often scuppered by bad management, need to be replaced by the only organisations which can give private firms the help they need, i.e. specialised institutions, including:

- venture capital companies;
- collective guarantee organisations;
- stock exchanges;
- artisans' banks;
- low-rent housing associations;
- mutual savings and loan funds.

Talking about privatisation but not providing the means of bringing it about amounts to putting the cart before the horse.

Specialised business finance institutions have to be created or improved. As we know, trading banks are short-term banks and, as such, only rarely venture into long-term loans (investments, for example) and only then via external lines of credit on harsh terms. And, of course, if the banks are privatised, their priority is profitability and investments involve too much risk.

The capital of these development finance institutions should be as follows:

- a maximum of 20% from the State;
- 50% from the ADB, the CFD, PROPARGO, SFI, the EIB etc.;
- 30% from economic partners, the CCI, big firms etc..

I should like to make clear that looking for the capital for a development finance institution in the private sector is the wrong approach. Development financing is too risky an exercise to be reconciled with trying to make a profit. Senegal and



the other places which do not have development banks any longer know just how big a gap is created by their demise and it is not clear to me that the FPE can fill it, however much capital is put in by the ADB.

— **Venture capital** companies are essential. Venture capital is a vital complement, a forerunner even, of SME investment loans. It makes it possible to marshal enough long-term capital without reimbursement costs and to respond appropriately to the particular needs of the company at a particular stage in its development, be it for start-up capital at the outset or development capital to facilitate expansion. Company capital may be structured as above, or as arranged by one or more funders (PROPARCO or the Society for promotion and participation for economic cooperation, the APDF or African Project Development Facility, SIDI or the Investment and Industrial Development Company, etc.) or private operators.

— **A stock exchange** is a vital complement to venture capital. Africa is under-capitalised — \$6 billion for the whole continent, as against \$140 billion in South Korea alone. Stock exchange capitalisation as a percentage of GDP is 2% in Morocco, 3% in Nigeria and 67% in Malaysia.

Stock exchanges suitable for African needs have to be set up.

In Port Louis, 23 companies are quoted. In Abidjan, nothing worked for 10 years, but things are picking up now

Newly established processing and production companies have to be given the time to obtain the resources they need to fight their competitors on other continents on equal terms



The Courier

and there are plans for regional expansion. A regional stock exchange creation plan for western Africa has been on the drawing board for nearly three years. It is being assessed by the BCEAO and is not expected to come to anything before 1995, which is a very long time.

— **Collective guarantee systems**

One of the main barriers in the way of access to loans, which are often used for setting up SMEs, is the inadequacy or total absence of any security. Banks are often unjustifiably blamed for being too demanding here, but it is perfectly reasonable for a money lender to take every precaution, particularly if he is committing himself to a company for a number of years. If security is no personal offered and the political, social and economic environment is unstable, then personal security must be replaced by collective guarantees as a matter of urgency. This is what the guarantee funds of the SCM (the French mutual guarantee system) type do. They have made a remarkable contribution to the development of loan facilities for artisans in France since 1920 and in Morocco over the past 10 years.

SCMs should be promoted by professional associations, working closely with the banks.

Lastly, I should like to say something about the need to protect companies in the private sector; something which goes against the traditional doctrines of the Bretton Woods organisations. I must emphasise the merciless nature of the rules of the market economy. A firm which starts out, with few resources, in a fragile economic environment has no chance of success unless it has some protection, if only during the early years, against outside aggression on the part of much tougher firms from Europe, Asia and elsewhere. It is appalling to see that, at a time when protectionism is still the norm all over the world, Africa is the only continent not allowed to resort to it. I do not want to see protectionism perpetuated ... but newly established processing and production companies have to be given the time to obtain the resources they need to fight

their competitors on other continents on equal terms.

I believe in private enterprise, but the results of the past few years certainly prove that we tried to go too fast and were perhaps too quick to sing the praises of private initiative:

- \* \$ 8.8 billion-worth of private investment in Africa in 1989;
- \* \$ 4.9 billion-worth of private investment in Africa in 1991.

We also tried to move too fast with the 'new white witchcraft' form of privatisation, Alain Henry of the CFD (France's official development bank) wrote recently.

Development needs private enterprise. It needs strong private businesses which perform well. But it would be a mistake to believe that the private sector will save Africa on its own, particularly since the important thing may well not be the firm's (public or private) status. Does it not all hinge on the quality of management not really being compatible with local customs and outlooks? As Alain Henry, a CFD executive, wrote in 'Afrique Contemporaine' recently, 'African peoples are apparently unaware of our conception of efficiency. The commonest way of handling this in the private sector so far has been to call in expatriate managers, who are not there just to provide training, but to draw the fire when extremely ruthless decisions have to be taken. In the event, the revival of African businesses by Europeans could well be useful, but the cost of having the Europeans there compromises the hopes of being competitive in the long term. And going beyond privatisation itself, the problem of the Africanisation of management is a real one, as is that of management methods in the African context.'

It is out of the question to improvise encouragement of the private-sector and the switch to the market economy which goes with it. Such things have to be prepared and that means financial instruments and tax and social incentives. The private sector cannot be promoted unless the ground to receive it is sufficiently fertile and provides sufficient incentive to inspire the trust without which there can be no businessmen or businesses. ■

# Using aid to support private business

by Stephen McCarthy\*

In recent years the total flow of financial aid from donor countries and agencies to the ACP States has been equivalent to around ten percent of the latter's national income — though this is an average figure which disguises great variations between one country and another. Apart from technical assistance which consumes a major part of aid flows, most of this aid has been for public sector projects and programmes. Even when aid is used for import support programmes the public sector also benefits through the flow of counterpart funds.

Development economists increasingly question this concentration of effort and finance on the public sector. They argue that it is private entrepreneurship working in the context of competitive markets which ultimately drives economic development — whether at the level of a small farmer trying a new seed variety or a multinational company investing in a factory. Moreover, unlike the public sector, the private sector, being constrained by the discipline of the market place, cannot afford to waste resources by investing in unviable businesses or unproductive white elephants.

## The constraints

Aid has always been used, with greater or lesser success, to help small farmers and small enterprises, particularly in the informal sector. But I wish to focus here on the private business sector. Given the new focus on the role of the private sector in economic development, what help can aid give?

Putting the question is easier than finding the answer. There are three

difficulties. First, if aid agencies were to throw money, in the form of grants or highly concessional loans, at private businesses there is a risk that the essential discipline of the market place would be eroded — much as the ready availability of concessionary finance to governments has often encouraged ill-judged public investments. In short, aid finance for private business could easily undermine the very features of the sector which make it an attractive vehicle for economic development.

While the previous point is about efficiency, the second is more to do with equity. Suppose two enterprises are competing in the same domestic market, let us say for the manufacture and sale of plastic buckets, and one of them happens to attract a grant or a very soft loan from a donor agency. It will immediately have an unfair advantage vis-à-vis the other. Who is to be the arbiter of such largesse?

Third, there can also be a distorting impact on the financial sector. An efficient financial system is essential for a healthy expanding private sector. The role of banks is to attract domestic savings which they then lend to business clients. The skill of bankers, and the contribution that they make to development, is in assessing credit risks and the credit standing of the various potential borrowers. Nevertheless, in many ACP countries the banking sector has been neglected in the past. This mistake is now being rectified, particularly in the context of structural adjustment programmes. It would be a backward step to promote subsidised credit operations, against which the domestic banks could not compete, and thereby undermine the financial sector reforms which have already occurred.

## The possibilities

This looks like a rather pessimistic analysis; almost as if anything that the donor agencies might do to support private business would actually have long term consequences likely to undermine the very sector that they wish to promote. Is there really nothing that can be done? Are the donor agencies condemned to watch private sector development from the sidelines, unable to play a useful role?

I believe the situation is not quite so bleak. The availability of additional investment finance from donor agencies must in itself represent an incentive for private sector development. But the conclusion is that the exact terms of donor support for the private business sector have to be very carefully designed so that they are sensitive to the problems discussed above. I would like to suggest three options which are open to aid agencies: offer loan finance at rates of interest that reflect local market conditions; provide equity finance for businesses; or give technical assistance and support. Each approach has its own strengths and weaknesses.

**Loan finance on market terms.** Here the donor agency makes a soft loan or even a grant to the government (or Central Bank) of the country concerned. The finance is then re-lent to the banking system, including to specialised agencies such as development banks, but on terms that reflect local market conditions. As a result the government itself retains the subsidy component (the grant element) of the aid finance.

The advantage of this mechanism is that it minimises any risk of market distortion as a result of the intervention of the aid agency, since it mimics, as it were, the normal workings of the financial

\* European Investment Bank, Directorate for Economic and Financial Studies. The views expressed by the author do not necessarily represent the official opinions of the EIB.

market. The main disadvantage is that many governments have a tendency to interfere excessively in the functioning of the private sector and to provide finance through the government may encourage such interference.

**Providing equity finance.** A second possibility is for the donor agency to offer equity, or risk taking, finance either directly to private sector enterprises or, more commonly, through one of the growing number of venture capital operations in the ACP countries. There is certainly a great need here; shortage of equity is one of the major constraints to the growth of private business in the ACP countries. But the officials from the donor agencies have to reinterpret their role in a new way — no longer seeing their task as giving money away, but rather behaving like venture capitalists looking for the highest possible return. This is a psychological change which many find difficult or impossible to make. Yet if it is not made, and finance is simply 'given away' to business projects with no real expectation of a return, then we have again all the dangers of undermining the discipline of the market place that were discussed above. Probably the only way forward is to work through real venture capitalists who, right from the start, have different objectives and who operate in a different culture than that of aid officials.

**Providing technical support.** In fact the greatest constraint to private business development in the ACP countries is probably not a shortage of finance but of entrepreneurship, of modern business and technical skills, of banks and businesses that can survive in a market economy, of marketing expertise and of access to information on overseas markets, technical possibilities and so on. There is much scope here for donor intervention, both at the level of the entrepreneurs themselves and with the financial intermediaries, though probably more through local 'capacity building' than through feasibility studies and consultants' reports. Technical assistance can also be used to support the policy and institutional framework, for example the legal arrangements and business research.

If all three approaches are taken together and mixed judiciously according

to particular circumstances there is plenty of scope for aid agencies to promote private business sector development.

Experience in the East Asian countries suggests that there might also be a fourth approach, which is to provide subsidised credit to enterprises but only after they have demonstrated that they can perform, for example in export markets<sup>1</sup>. So success is rewarded on a post hoc basis. How this could be adapted to normal aid agency procedures, which almost invariably finance investments ex-ante, is an intriguing question which merits further study.

## EIB experience

Under the framework of the successive Yaoundé and Lomé Conventions, the European Investment Bank has had concessional finance to support private sector development in the ACP countries for over two decades. Of the three approaches discussed above it has had direct experience with the first two — loan finance and equity operations. For the latter it has had access to 'risk capital' provided under the successive Lomé Conventions. This financial instrument is perhaps unique among donor agencies and has proved itself to be remarkably flexible. It is used increasingly to provide equity finance to private enterprises in the ACP countries. The third approach, technical support of various kinds, falls more within the purview of the European Commission itself and the CDI.

So what has been the EIB's actual experience? In the 1960s and 1970s private sector development was usually taken to mean in practice investment by large corporations often with foreign shareholdings. But the focus of EIB operations gradually changed. Development banks or development finance institutions were set up in most ACP countries and the EIB established relations with many of them, as also did many of the Bank's sister institutions such as the CDC, PROPARGO, DEG etc. By the early 1990s between a

quarter and a third of EIB lending in the ACPs was being made in the form of lines of credit (or what the EIB calls 'global loans') through local financial institutions in the ACP countries concerned. These local banks are responsible for receiving and appraising investment proposals by SMEs in their country and taking investment decisions, the EIB's role being essentially that of reviewing the decisions made as well as monitoring the continued good standing and creditworthiness of the intermediary banks.

By the end of 1993 the EIB had supported nearly 1300 small and medium ACP enterprises in this way through local intermediaries. Often the SMEs concerned do not even know that their finance has come from the EIB — but then why should they? They deal with their local bank which takes responsibility for the loan which is made. From the point of view of the entrepreneur it need not matter that the EIB is the ultimate source of finance. The only problem is that sometimes the politicians do not know either! One ACP parliamentarian once asked me why the EIB did not finance SMEs in his country. I was able to point out that in fact we were actually working through not one but two development banks in his country.

The merit of this approach is that it draws on local knowledge and expertise in making lending decisions and puts responsibility where it really belongs — within the country concerned. Nevertheless some problems have emerged. The development banks have rarely been fully integrated into the rest of the local financial sector, have often proved unable to raise funds domestically and as a result became excessively dependent on concessional finance from donor agencies. Generally the solution is both to encourage the development banks to become more commercially oriented but also to work with and through commercial banks as well. Moreover, the growing number and sophistication of venture capital companies working within the ACP countries offers exciting new possibilities particularly in the use of risk capital for equity and quasi-equity financing. For these operations, even more than for loan finance, local knowledge and active management is essential for success. ■

S.M.

<sup>1</sup> See for example *The East Asian Miracle* published by the World Bank in 1993.

static' in a world of constant technological advance. It nevertheless underlines the scale of the challenge for industry in Africa which presumably must first 'catch up' before it can aspire to 'keep up'.

Lall goes on to argue that even where the macroeconomic conditions and physical infrastructure are right, the progress of industrial development depends on a complex interplay of three sets of factors: *incentives*, *capabilities* and *institutions*. To aspire to the East Asian model of economic success, he avers, all three must be present. The economic concepts involved are complicated but, at the risk of doing the author an injustice, we will confine ourselves here to a rough summary.

*Incentives* are, perhaps self-evidently, the factors or circumstances which prompt an entrepreneur to produce goods (or services) for sale. The existence of a market for a given product is clearly a key incentive in this context while competition from other producers (generally regarded as a good thing in maximising economic efficiency at a macro-economic level) may diminish the value of the incentive. This takes us firmly into the field of trade policy. Governments can preserve or strengthen the incentive to produce for home markets by erecting trade barriers and this is a policy which many African governments have adopted in the past. But its shortcomings are well-known. As Lall puts it, where the protection is 'indiscriminate and permanent' there is no premium placed on efficiency gains and the result is likely to be stagnation. Most people now accept the general proposition that export-oriented trade regimes are preferable to import substituting ones but an industrial strategy based on exports can be risky. Given that such a strategy implies lowering one's own trade barriers the incentives offered at home may wither in the face of more efficient foreign competition without sufficient selling opportunities abroad to compensate for the loss. It is rarely possible to 'ring fence' one's own market at the same time as seeking to gain access to markets abroad (although some non-reciprocal arrangements do exist in agreements between developed and developing states, including, of course, the Lomé Convention).

For Africa this is a basic dilemma. Lall rightly poses the question as to whether incentive liberalisation can be exploited by African entrepreneurs, whether now or in the future, to achieve export-led growth. To find the answer, he says, we need to look at the other two factors listed, namely capabilities and institutions.

It is probably fair to say that *capabilities* are at the centre of the debate about African industrialisation. The capability of a company or individual entrepreneur to succeed is influenced by a multitude of factors — the state of the infrastructure, the availability of capital, access to vital inputs, the expertise of those engaged in the process (at all levels) and so on. Lall acknowledged that African capabilities have been undermined by external factors (such as low commodity prices) as well as by local mismanagement, but he maintains that even if these elements were not present, significant problems would remain 'within the industrial sector itself, that would affect investment efficiency.' He focuses heavily on the skills deficit (with reference to the high cost of foreign expertise), pointing out that much of Africa 'has little traditional experience of modern commerce or manufacturing.' This is not to say that there is a shortage of entrepreneurial drive but 'the drive to profit from opportunity', he insists, 'is not the same as the entrepreneurial capability required to organise, set-up and run modern industry.'

The author notes that there is a process which must be gone through if one is to arrive at a stage of advanced industrial development: in other words a progression from 'smaller or simpler to larger, more complex activities' involving the accumulation of experience and skills along the way. He further argues that 'the inherited structures of African economies, shaped by colonial rule, have placed them far down on the learning curves'. Despite attempts to 'force the pace' which have included the 'Africanisation of industry via public enterprises' and promotion of small scale industry, he believes that it has not been possible to bypass the learning process.

Lall goes on to look at *education* and *training* as perhaps the key source of

capability acquisition. 'The relationships between education and industrialisation', he states, 'are important and binding.' An analysis of historic and more recent data soon reveals the extent of the challenge for sub-Saharan Africa. From an extremely low base in the mid 1960s (primary education for four out of 10, secondary education for four out of 100 and virtually no tertiary opportunities), the continent has seen some progress — but it still lags a long way behind other developing regions.

Of all the information Lall provides, perhaps the most striking is the fact that 'the best education by far was provided by Mauritius'. It is surely no coincidence that this country provides the region's top economic success story as well.

Lall also highlights the importance of vocational training — an area where Africa also lags behind and which is recognised as being essential for successful industrial development.

The third component of 'capabilities' is technological effort and here again, the African experience has been disappointing. As the author notes, 'no enterprise can achieve efficiency, even if well-endowed with skilled employees, if it does not undertake conscious, directed efforts to collect and assimilate new technical knowledge.' Lall acknowledges that this may not be necessary at the early stages — the success of the Asian 'tigers' was built initially on the exploitation of imported technology — but it is something that he believes must happen eventually if success is to be maintained. At present, very few African firms are engaged in regular R & D activities.

The final element, *institutions*, is dealt with briefly by the author. He points out that 'firms cannot function efficiently as isolated units' and refers to the systematic building of institutions by the NICs covering a wide range of fields — standards, quality control, training and so on. These are important foundation stones of an advanced industrial economy and although Africa has some institutions of this type in place, the coverage is still piecemeal.

## Interaction

Each of the determinants discussed above — incentives, capabilities and institutions — is significant in the debate about industrialisation, but Sanjaya Lall places particular stress on the way in which they interact. He believes that 'African industrial development has been beset by a pattern of interaction... that has held back growth and, in some cases, led to a vicious spiral of decline.' He points for example, to the fact that the region 'built up its physical industrial structure faster than its capability or institutional structure.' He highlights the failure to expand education and training. And he speaks of failed development projects 'which lie littered across the continent' because they did not take account of structural weaknesses arising from capability or institutional deficiencies. His conclusion, without dismissing the important role played by incentives, is that insufficient attention has been paid to the other two 'determinants', namely capacities and institutions. As a result, the interaction required for successful industrialisation has not been forthcoming.

In the concluding section of his study, Sanjaya Lall seeks to draw some of the threads of the discussion together and to consider the policy implications of his analysis. He makes the general premise, which follows logically from the preceding discussion, that policy-makers 'must address the entire spectrum of determinants of industrial performance if they wish to broaden, deepen and improve their industrial base.'

On incentives he supports the principle of trade liberalisation but without accepting the dogmatic viewpoint that 'the market always knows best'. In this vein, he reviews the arguments for and against protectionism, before concluding that selective intervention may sometimes be justified in order to give carefully targeted sectors the 'space' needed to build up competitiveness. At the same time, however, he stresses the rigour that is needed in adopting such an approach, pointing out that 'the preconditions for



the efficient deployment of selective intervention are quite demanding.'

It is in the area of capabilities that Sanjaya Lall sees the greatest need for action. Here, he focuses on the need to expand formal education and training. He also argues that this must be 'substantially supplemented' by in-firm training. Again he sees a role for the government, particularly in supporting the provision of appropriate skills training in the targeted industries mentioned above.

How does a country with a low skills resource base generate enough energy to ignite the touchpaper of industrial take-off. Lall does not offer any miracle solutions but he does suggest that foreign technical assistance, which admittedly has a poor record in Africa, performs better where there is a longer term commitment (three to five years is suggested) from the technicians involved. He also argues that African governments need to do more to stimulate technological activity, advocating in this context, the promotion of consultancy organisations and on the institutional side, support for industry associations. Special strategies are needed, he believes, to stimulate engineering and sub-contracting both of which have been slow to develop.

Finally, he refers to the importance of the broader economic setting,

A modern bottling plant in central Africa supplies beer for the local market.

*'Policy makers must address the entire spectrum of determinants of industrial performance if they wish to broaden, deepen and improve their industrial base'*

pointing out that 'a competitive, outward looking regime is likely to call forth an appropriate set of responses.'

Few would dispute Lall's assertion that 'there cannot be any 'quick fixes' for the problems of African industrialisation'. The author's own analysis shows all too clearly the complexities involved in devising appropriate strategies and the fact that difficult decisions are likely to be needed. He concludes on an upbeat note, however. Although 'the political economy of the situation may well dominate its economics', Lall believes that 'if rationality, good advice and the strong demonstration effect of the NICs prevails, economic considerations will ultimately determine the outcome' — in which case, he asserts, 'the broad approach proposed here needs to be applied rather than the more partial ones currently in use.'

Simon Horner

# Entrepreneurship and private sector development: key to ACP growth

by Dr Luis Ritto\*

The development policies of the European Community as implemented through the principles laid down in several Lomé Conventions, have, for many decades, largely tended to ignore the crucial role of entrepreneurship and the private sector in the sustainable and effective development of the ACP countries. The results of such a strategy are that, after more than 35 years of aid, our development cooperation has failed in general terms to make ACP countries more prosperous and less dependent on foreign assistance. In fact, if one looks for example at the actual economic state of most sub-Saharan African countries, it will be easily seen that it is worse than 30 years ago when most of them acceded to independence.

If for decades it was, for strategic reasons, possible to maintain development policies aimed essentially at promoting trade and the development of social infrastructure in the ACP countries, such options make little or no sense today. In reality, the downfall of Communism in the former Soviet Union and the end of the Cold War, have led many developing countries to change strategies and to adopt more realistic political and economic policies (of which liberal and market-orientated systems have been commonly accepted and embraced). It is now universally agreed that people are the means and the end of development. Present political and economic thinking favours private sector initiatives as the cure for today's deteriorating economic and employment problems of the majority of ACP countries. We cannot, therefore, ignore the changes that are taking place nearly everywhere in the developing world and must also adapt to respond efficiently to the new needs of our ACP partners. Since the end of the 1980s more than half of sub-Saharan African countries have adopted economic reforms or structural adjustment programmes, virtually all of them with support

from the World Bank. And since structural economic reforms are a means to achieve an important end, which is that of generating sustainable economic growth, more and more ACP countries are turning to the European Union to seek help in developing the productive sectors of their economies.

In fact, a country's entry into economic reform does not bring about a miraculous recovery overnight. Changing the structure of an economy is a long-term process that can only succeed if it is accompanied by proper private sector promotion programmes and projects that aim to *generate long-term economic growth*. The objective of all concerned is to *reduce poverty, create wealth and jobs, develop private enterprises and thus ensure sustained growth*.

## The Lomé IV Convention and the development of the private sector

The Lomé IV Convention, signed in December 1989, already takes into account the economic needs of the ACP countries and provides for special instruments that aim to encourage industrial cooperation — articles 77 to 98 — as well as trade development, mining development, development of services, tourism and enterprise development (articles 110 to 113). Of particular importance for us are naturally the provisions in favour of *enterprise development* which underline particularly that:

— Present ACP efforts to restructure their economies should be complemented by

efforts to strengthen and enlarge their productive base;

— Enterprises constitute one of the main instruments for achieving the objectives of strengthening the economic fabric, encouraging inter-sectoral integration and increasing employment, incomes and the level of skills of the ACP States;

— The private sector needs to be made more dynamic and to play a greater role, in particular through small and medium-sized enterprises (SME), which are better suited to conditions prevailing in the ACP economies. Micro firms and crafts should equally be encouraged and supported;

— The fostering of ACP entrepreneurship is crucial to unlock the considerable potential of the ACP States.

Armed with such provisions, the Division in charge of industrial cooperation, private investments and enterprise development at the European Commission has, since the signing of the Lomé IV Convention, been assisting those ACP countries that have requested support to develop the productive sectors of their economies (and for which such assistance was foreseen in their indicative programmes). The concept has been one of rigorously using EDF funds to build integrated programmes that comprise:

— The development of an appropriate environment (legal, fiscal and administrative) in which the private sector can operate;

— The use of effective structures or organisations that provide professional and advisory services, including training and follow-up services;

— Credit lines and financial facilities.

Furthermore, the programmes include two courses: one leading to business creation and the other to the growth of existing enterprises, in both

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rural and urban areas. Since they have started in sub-Saharan Africa where private enterprises are greatly dominated by micro and small-sized enterprises, they have mainly concentrated on this type of company (which means that women have been one of the groups that has benefited most from the programmes). Based essentially on quality and growth and on developing local capacities and responsibilities, these enterprises create jobs with a relatively modest investment thus providing an important contribution to the economy by producing goods and services that are essential to the daily life of developing countries. When the programmes were being developed, it was decided that they should be pursued in an integrated manner and in a proper sequence. And because in the majority of ACP countries there is an important relation between agriculture, industry and the service sector, linkages were explored in order that the programmes could produce a harmonised development of all sectors of economic activity. At that time, it was also observed that ACP micro and small-sized enterprises were mainly found in the following sectors of activity:

— Food processing (especially bakeries, small-scale food production and beverages);

— Processing of metal and wood: crafts, furniture workshops, smithies, machine shops, welding shops and servicing workshops for cars, bicycles and motor cycles;

— Textiles (especially clothing).

These sectors have always received priority assistance, since they are characterised by the fact that all of them are labour-intensive and often run by women, in a process that requires low levels of technology. Private sector development programmes are presently being carried out in 42 ACP countries and regions, to the tune of ECU 227 million. Sub-Saharan Africa takes the lead with 35 programmes, followed by the Caribbean region with 7 programmes. It is expected that the Pacific countries will soon ask to profit also from our expertise and assistance in this field of private sector development. If one adds these figures to those of the private sector programmes being developed by other services of the Commission — such as in the field of trade,

tourism, trade fairs and industrial fora, services, mining and credit lines to NGOs — the total sum being spent on private sector development amounts to more than ECU 400 million.

From assessments made so far, the results of these programmes are globally positive. In fact, after three years, more than two-thirds of the enterprises assisted by the programmes are said to be running normally (good sustainability) and the rates of reimbursement of loans, according to the countries, have reached between 80% and 90% (which are particularly high). Moreover, several hundred companies have been formed or expanded and thousands of jobs have been maintained or created. These encouraging results prove not only that public funds, when used with method, professionalism and rigour, can be an important source of development aid, especially for economic development purposes, but also that, under the present conditions of most ACP countries, there is no better substitute for that kind of aid.

## Conclusion

For those that have shown scepticism at the use of EDF money and the services of EC officials to promote private sector programmes, the results so far conclusively show that they have underestimated our capacity to manage and promote such programmes efficiently. Private sector development can be said to be one of the European Union's best responses to the problems of development of the ACP countries in these final years of the 20th century. This has been clearly understood by the Member States, as can be seen from the mandate given to the European Commission to negotiate with our ACP partners the establishment of a 'special grant' for private sector development. Such an instrument, if accepted, could certainly increase possibilities of a better and diversified package of aid products to the ACP countries, thus allowing us to reach the more formal and modern sectors of their economies. In fact, research demonstrates that to consolidate our results we also need to help the modern SME sector, for this type of company is essential for the long-term

development of an effective industrial sector which is able to support ever-growing competition. This in turn can lay the foundation for the transformation of an economy based on traditional and outmoded technologies into a more modern economy based on efficient and updated technologies. Besides, the special grant could also be used to pursue several other actions that were not properly developed during the first half of the 'Lomé IV Convention' due to the lack of resources, such as: the creation or expansion of financial institutions capable of mobilising local savings and providing credit (at market terms) to a wide spectrum of borrowers (including those of private SMEs); support for Chambers of Commerce and industry and professional associations; provision of help with privatisation programmes; improvement in regulatory policies as well as administrative and practical procedures and provision of more technical assistance in terms of productivity improvement, technology transfer and skills training. Altogether, they form a package of private sector tools that can definitely combat poverty and social inequalities and promote sustainable growth, employment, training and wealth. ■

L.R.

## The CDI in perspective

An interview with Wilhelm de Jonge, member of the CDI Joint Executive Board

Now retired, Wilhelm de Jonge, is a former 'Adviser in International Economic Relations' at Philips International. Drawing on his vast experience in North-South industrial relations, he has, since the early 1980s (Lomé II) been involved in successive advisory and governing bodies of the Centre for the Development of Industry (CDI). Today, he is one of the three European members of its Joint Executive Committee, which also includes three ACP members. An 'outsider' with more knowledge than most of the CDI's inner workings, he is well placed to give a critical yet constructive view of the work of the Centre. The *Courier* put to him a number of commonly voiced criticisms which he in turn, puts into perspective, while emphasising the uniqueness of the CDI.

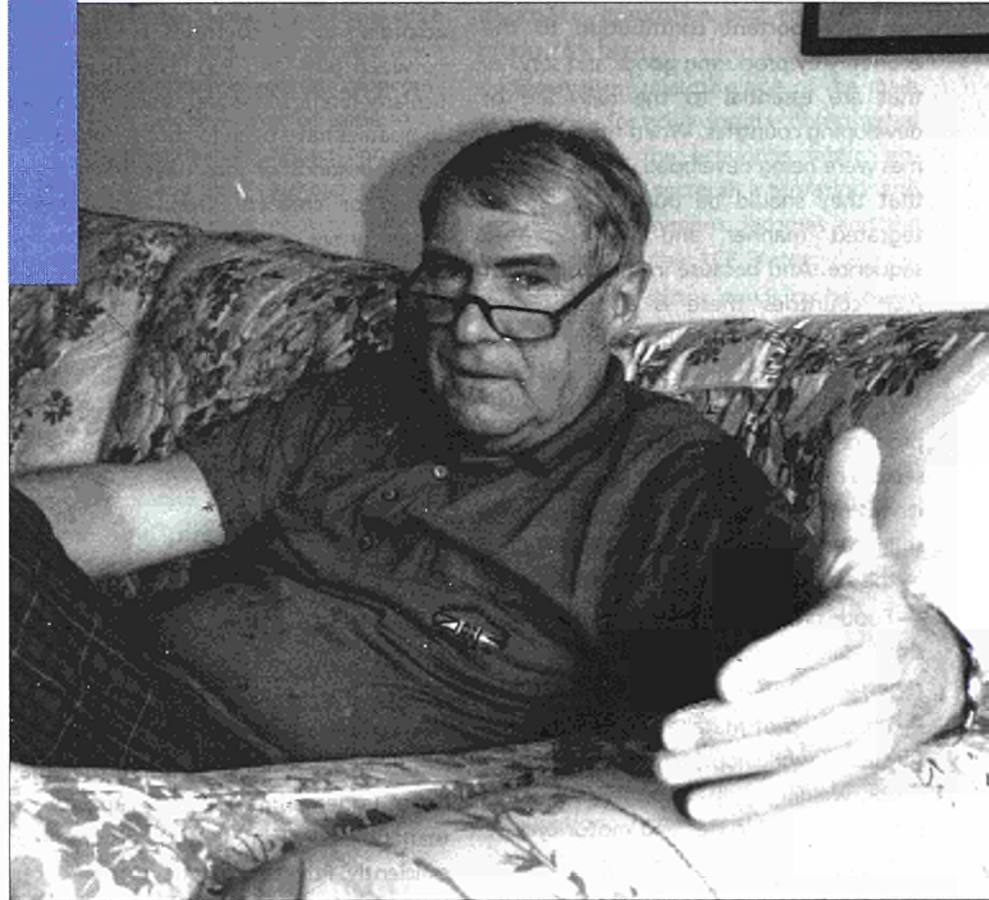
■ *Mr de Jonge, you can draw on more than 10 years involvement with the CDI. What do you consider to be its main strengths and weaknesses?*

— Well, you have to look at the product — and that has improved despite the fact that there are organisational improvements that could still be made. But there is still the basic problem of fluctuation. Every five years, activity slows down because the CDI isn't sure how much money will be available and what plans it can adopt for the first year of the next Convention or the next financial protocol. The result is a certain lack of continuity, even if everybody tries to deny it.

■ *So although the CDI has existed since Lomé I, it is effectively a regional five-year project?*

— Yes, this cannot be avoided. There is no other possibility unless you make it a permanent institution in which the ACP does not take part. Otherwise, it has to be linked to the Convention, which has these five-year cycles.

■ *With its focus on industrial development in the ACP States, the CDI has to work in a very difficult environment. Many*



*of the countries involved are heavily in debt and, in sub-Saharan Africa at least, the development of industry has come to a standstill and in many cases, slipped back. What does it mean for the Centre to be confronted with such a challenge?*

— It means, I think, that whatever the CDI can do, it is always positive, but it will always be on a small scale. The Centre has to work at levels where other institutions do not reach and that is very costly.

■ *The EC's Court of Auditors said the work of the CDI was marginal. Would you agree?*

— No. It works at a very low level with small enterprises that are just above

the informal sector. To succeed here, you have to put in a lot of time and effort; you need to be very inventive and innovative. Each case presents new problems and you cannot take on too large a workload. If you look at the projects individually, and at the increase in projects over the years, I don't think that you can say the CDI's work is marginal.

■ *Would you say the Centre fills a gap in the sense of getting involved in areas not covered by other organisations?*

— I think that the CDI is the only organisation in the world that works at this level. More attention should actually be paid to it because it is there that the motor



of industrial and economic development is to be found. Large private companies do not need the CDI. It is the small, under-resourced concerns that may have no telephone or fax, that do not have access to foreign language skills or have no specific book-keeping departments, that need the inputs which the CDI can give.

■ *Is the Centre accessible enough? If you ask people in the field about the CDI you often find that they have no knowledge of it, or they think it is 'out of reach' within some government bureaucracy.*

— My experience on trips for the CDI is that even government officials are not always fully aware of what the Centre does. In the field of private business, where the CDI operates, there is in fact no infrastructure which it can make use of to penetrate the sector.

■ *What about development banks?*

— No. In my opinion, these are institutions that small entrepreneurs do not go to because they have to pay high interest charges and because they come with problems that the banks cannot solve.

■ *So the CDI itself has to reach out to the small entrepreneur?*

— Yes, I think so. I believe it was decided in Lomé IV that there should be more decentralisation, which is quite correct, but it is also very costly and I don't think that aspect has been recognised. The CDI is trying to solve this by setting up service companies. The first country where this was supposed to happen was Burundi but, unluckily, things have come to a standstill there. This doesn't mean the idea is wrong and the Centre is still pursuing it. The next attempt to set up a bureau will be in Trinidad. Of course it is only an experiment but if you do not venture into this field you will not learn how to succeed in future. There are no textbooks in this area. I think people sometimes criticise the CDI because they expect too much of it.

■ *What should one expect of it?*

— From its experience, the CDI should try to paint a picture — a visual image — of the markets where they are operating. If I am talking to a small

European entrepreneur who makes furniture I can probably visualise his factory. But his ACP counterpart may not even have premises — he could be working outside. It is only when you do this that you realise how difficult it is to provide help. The main needs are usually technical assistance and training, but very often the organisation is so small that it can not spare the manpower to be trained. That is the kind of picture the CDI has to paint about where it operates.

■ *Is the structure of the CDI too unwieldy for the field in which it operates?*

— No, I don't think so. Of course, because the CDI has to show results, it does work with some larger enterprises but I don't think it should go any higher. There are other banks and institutions that can take over in these circumstances and the concerns can also make use of their own resources. If anything, it should be looking lower down the scale.

■ *You have been quoted as saying — and I paraphrase here — that the CDI is an illegitimate child with many parents. Could you elaborate on this?*

This is just a figure of speech, but it is correct. It is an illegitimate child — nobody wants to pay for it, but everybody wants to decide what it should do.

■ *Is this because it lacks a clearly defined policy and plan of action?*

— Not really. It is because of the superstructure within which the Centre exists. Looking at the Convention, it all seems straightforward. You have the Council of Ministers, the Committee of Ambassadors, the Council on Industrial Cooperation (CIC), the Board and the Centre itself. And if you look at what the Centre's tasks are — these are set out in only a few articles — it is all very clear and you think 'this is ideal'. But then you discover all the rules, regulations and staff requirements that the Council has laid down and you find that it is bound hand and foot, and that everybody interferes.

We have a problem at the moment over internal regulations which have to be put to the CIC. It is clearly laid down in the rules drawn up by the Council

of Ministers that when the Centre presents its proposals, they can be brought into effect immediately and the CIC has to react within three months. If one of the countries in the CIC does not agree to a proposal, no decision can be taken. Now, in the matter of the internal regulations, this was the case and a lot of extra effort has had to be put in to get everything straight. The three months have in the meantime long since passed and rules which should be permanent are therefore still provisional.

And then of course you have the problem that it is the child of 82 parents (70 ACPs and 12 EU countries). Parity has to be assured, even though it is not specifically mentioned in the Convention. The practice is for the management to alternate between the ACP and the EU, so you introduce a political element into the Centre. Then it says, in one of the regulations, that staffing should reflect the fact that the CDI is an international organisation. This is interpreted by some to mean that there should be a fifty-fifty split between ACP people and Europeans. That makes it very difficult. It says nowhere that it has to be like that, but it has happened in practice.

■ *If I read you correctly, would I be right in saying that you have a problem, not with the idea of ACP-EU parity per se, but rather with the choice of the right person for the right job?*

— Yes. The principle of parity is a proper one because it is a joint EU-ACP project, but this doesn't mean it should be completely rigid. When you have a strict parity rule, politics inevitably come into it and you find yourself sometimes having to serve two masters.

■ *On a related point, it is sometimes suggested in industrial circles that the people at the top of the CDI often have little experience of industry. Do you see that as a problem?*

— Yes, I do. There doesn't need to be any difficulty as long as they are good managers but the problem is that the management changes every five years and that does not lead to continuity. This is an issue that has to be resolved. The organisation needs to be a permanent one, there should be a lot more delegation of power

to below the management level and the management itself should have its tasks clearly defined, with more time being devoted to promoting the Centre.

As for this issue of parity, it is already there in the Council of Ministers, the Committee of Ambassadors and the CIC. If you want to bring it down to the actual operational level of the CDI, then I think you have to be very careful. How, for example, can you have parity between the functions of the Director and the Deputy Director when, by definition, one must be answerable to the other? If you really want to show that it is a combined project of both ACP and EU you should have only one managing director, with the job alternating between a European and an ACP person. But in this context, I think five years is too short a time. You should allow for the possibility of a ten-year term.

The arrangement we have now has not worked and we should not experiment with it any further.

■ *Another criticism of the CDI that is often voiced concerns the apparent slowness of its reaction in responding to requests from ACP business people.*

— Yes, I have heard this remark from other people and I think it is serious enough that it should be looked into. I know from the system that has been put in place by the present management that the processing of requests and projects can be checked regularly. But it could be that there are problems in the decision-making or in getting the final signature. I don't have enough information to comment further but I will certainly be pressing to ensure that something is done about this.

■ *The CDI plays an active role in bringing people together, studying and appraising proposals and giving the 'green light' but after that, it withdraws. Some critics argue that if the Centre could take even just a minimal stake in a joint venture, then that would help to convince people that the project is worthwhile. What is your view of this?*

— I presume you mean in the form of capital. Well that is something the CDI is forbidden to do. This question has been brought up in the past but we have always been told that it is impossible. We

should be trying to work together with the European Investment Bank, even if the EIB is not itself present in many of the countries concerned and there are sometimes difficulties because the amounts are too small. But it is surely something which should be looked into, because we need to try to be inventive. Alas, it is not possible for the Centre on its own to do anything about this.

■ *One of the ways that the CDI promotes joint ventures and partnership is through industrial fora. But apparently, those who attend them are more likely to be traders wanting to sell something rather than potential investors. What is your experience?*

— I haven't really got sufficient experience to give you a real opinion but I do think that you should approach these fora with great care. You need to prepare them properly, have a good selection of projects, make it clear to those taking part what is expected of them and then provide a suitable follow-up.

And, even then, you shouldn't expect too much because you have to think of how private enterprise works. There may be many small companies in Europe that are able and, ultimately, willing to do work with an ACP concern. But they are not necessarily the type of people who attend fora. The same applies to the small ACP entrepreneurs we are aiming to help. If you really want to reach them you have to go and look them up. You need to realise that these kinds of people are working from early in the morning to late at night to earn a living and they don't have the time or money to go to these kinds of events.

■ *Do you see the CDI as having a role in helping to transform informal sector activities into properly streamlined enterprises?*

— I would say that the CDI should be involved in that but it would require a lot more in the way of resources because it can't be done from one centre, whether in Brussels or elsewhere. You need to have decentralised activity on the ground.

■ *Most of the ACPs' existing industrial capacity is either grossly underutilised or*

*has come to a standstill. Does the CDI have a particular role in rehabilitating and restructuring of existing industries and perhaps attracting potential investors by showing them that it is possible to get things that already exist working again?*

— This has been part of the CDI's programme in the past but, as far as I know, nothing much is happening at the moment. Rehabilitation is obviously a good thing because some infrastructure is already there and what is usually needed is extra inputs. And technical assistance doesn't just mean providing skilled manpower, instruction booklets, or training courses. It can involve something as simple as replacing a piece of equipment that is missing. A lot of small ACP entrepreneurs have difficulties in obtaining spare parts or equipment. They may have sufficient local funds but it is difficult for them to get import licences and buy the foreign exchange. Some attention should be paid to this, I think. It could make life a lot easier for many small entrepreneurs.

■ *A lot of ACP countries are going through a process of economic liberalisation — which includes extensive privatisation. Some have privatised so rapidly that the firms concerned have ended up in the hands of people who are not entrepreneurs. How do you make people into entrepreneurs?*

— Entrepreneurship is like a snowball that gets bigger as it rolls. Of course, education is important here. And perhaps we should look at the guild system that Europe used to have. Each trade or craft had a guild and they trained their own people. You also need people who can sell. The trading or marketing instinct exists throughout the world and what you need to do is improve this skill and develop it.

■ *What is your view of the CDI's future?*

— I think we need a clearer analysis of what can be done and that the CDI should be built on the basis of such a realistic picture. We should also recognise that the people who are there have sufficient know-how to adapt to any new situation that results from a more realistic assessment of what is achievable. ■

Interview by R.D.B.

## EU-ACP industrial cooperation

# What businesses want

by Philippe Queyrane\*

After more than 30 years of what we like to call industrial cooperation, there is one simple, basic question it might be as well to ask (again). What do firms in the North and the South really want from such cooperation and, more precisely, what do they expect of the institutions which run it? A recent CDI (the ACP-EU Centre for Industrial Development) conference<sup>1</sup> was timely in posing the question. The ensuing discussion, which drew on direct CDI experience and reports from businesspeople at the meeting, highlighted one or two interesting conclusions and revealed the motivation, and therefore the (different) needs, of the two sets of partners.

### What the ACP firms want

There are three broad categories of ACP firms interested in one form or another of industrial cooperation, each with very different wishes. Without taking the classification of industrial cooperation 'candidates' too far, there is a clear distinction between them.

— Promoters without any prior industrial experience, including some who have an idea for a project but no means of putting it into practice and others with financial resources but nothing to spend them on.

The former tend to be young university graduates, who have no professional experience and aim to open a business to give themselves work and an income. They want virtually everything — share capital, loans, a technical and management partner and possibly even a market — and it goes without saying that their project achievement rate is extremely low, particularly without the right guarantee systems and business support structures.

The latter, typically, are businessmen (tradesmen particularly), although

this category also contains civil servants. They can raise capital and have some professional know-how, but they have no experience of industry and do not know which branch of it to choose. What they are looking for, first and foremost, are ideas for industrial schemes and technical partners, plus help with defining their needs, selecting a manufacturing process, equipment and so on. They often only provide a contribution in kind, with finance if need be, and an introduction to the local authorities. When these promoters try to take off without a technical partner, their failure rate is very high.

— Small individual operators seeking simple equipment (maize mills, hulling machines, bagging machines etc.) involving appropriate technology and minimal cost.

These people do not know where to go nor whom to approach and they need advice with making choices and possibly negotiating with suppliers too. This category contains what might be called the micro-businesses of the informal urban and rural sectors, seedbed entrepreneurs, a handful of whom could, with the relevant aid, move into the formal sector. The EU has often run major aid schemes under Lomé IV to help the development of small firms of this type, in, for example, Mali.

— Established businesspeople, often running healthy businesses with development potential.

These operators are mainly interested in technology and/or technical support (aid to modernise, expand or rehabilitate), or new outlets for their products in, say, the European Union.

They need information and contact with distributors or suppliers of

equipment and do not always apply for financial assistance. This category tends to have the highest success rate.

But whoever they are, ACP businesses welcome this opportunity of direct access to industrial cooperation, without any official intermediary.

Not all enquiries in fact come from the private sector. ACP governments are anxious to make a success of structural adjustment, to have more businesspeople and to make them more efficient and they have also become frequent applicants for cooperation and wide-ranging industrial partnerships with Europe and other industrialised nations. They want help in three main areas: designing and establishing a framework which is attractive to investors, creating industrial free zones and restructuring and privatising state firms.

The varied range of applicants for ACP industrial cooperation is clearly reflected in the sort of help they require, although the differences have less to do with the nature than the degree of sophistication of the assistance. The assistance which ACP businesses require may be simple or more complex, but it is likely to fall into one of four main categories.

The first is assistance with production. This involves such things as choosing equipment or negotiating with suppliers, starting up new equipment, making the most of existing equipment to boost productivity and/or production, and developing under-utilised, utilised and unutilised raw materials with a view to improving profitability and/or diversifying production.

The second is assistance with marketing, which is of growing importance now that international competition is harsher. ACP businesses need help to diversify products and/or markets, to approach the EU's single market and to

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<sup>1</sup> On the prospects of ACP-EU industrial cooperation, Brussels, 9-10 November 1993.

develop their products by obtaining or creating trade marks. This holds out good prospects of North-South partnerships in such things as agreements, licences and franchises.

The third is assistance with the financing of industrial projects, where ACP demand focuses on:

- access to credit — the absence of organised capital markets, the shortage of venture capital available to the individual investor, an unwillingness to commit private capital and, lastly, the absence of any suitable guarantee systems are major obstacles for businesses which want to develop or to gain access to the banking system;

- financial engineering services which local trading and development banks are not always in a position to offer. This is where industrial cooperation has been able to take a step forward by (empirically) developing new forms of investment combining capital and technology, for which there is a considerable demand.

Lastly, there is an increasing demand for assistance with management and/or training from ACP industrialists who realise the need for stringent business management and transfers of technology and training in this field. There are more and more direct and indirect requests for help with technical, commercial and financial management. And firms are not just asking for help on a one-off basis any more, for they are now taking a longer-term view involving such things as feasibility studies, financial engineering, pre-operational management, production support and day-to-day management.

This short but practical catalogue gives a clear outline of the industrial cooperation institutions' ACP clientèle and its requirements, which are rather different from those of businesses in the European Union.

### What European businesses want

Unlike ACP firms, businesses in the European Union take no spontaneous interest in North-South industrial cooperation. ACP-EU partnership, in whatever form, is of no direct interest to any more than a handful — certainly far less

than 1% — of European companies. The CDI has slightly more than 1000 firms available for North-South partnership operations on file and it knows, from experience, that their profiles and attitudes to industrial cooperation differ widely. So it is perhaps simpler to look at the European firms from the point of view of what they need and what services they expect of the industrial cooperation institutions.

Research into the CDI data base has made it possible to classify the main motives of European firms under six headings.

The first thing they want is to determine sources of raw materials and semi-finished products. According to Patrick Keene, deputy head of division at the CDI, the approach tends to be the same whether it is a question of tropical fruit juice, hides and skins, fish and crustacea, tropical wood or marble or ornamental stone. He says that the Europeans have the technique and the market and the ACPs

have the raw materials, so they should work out some form of association.

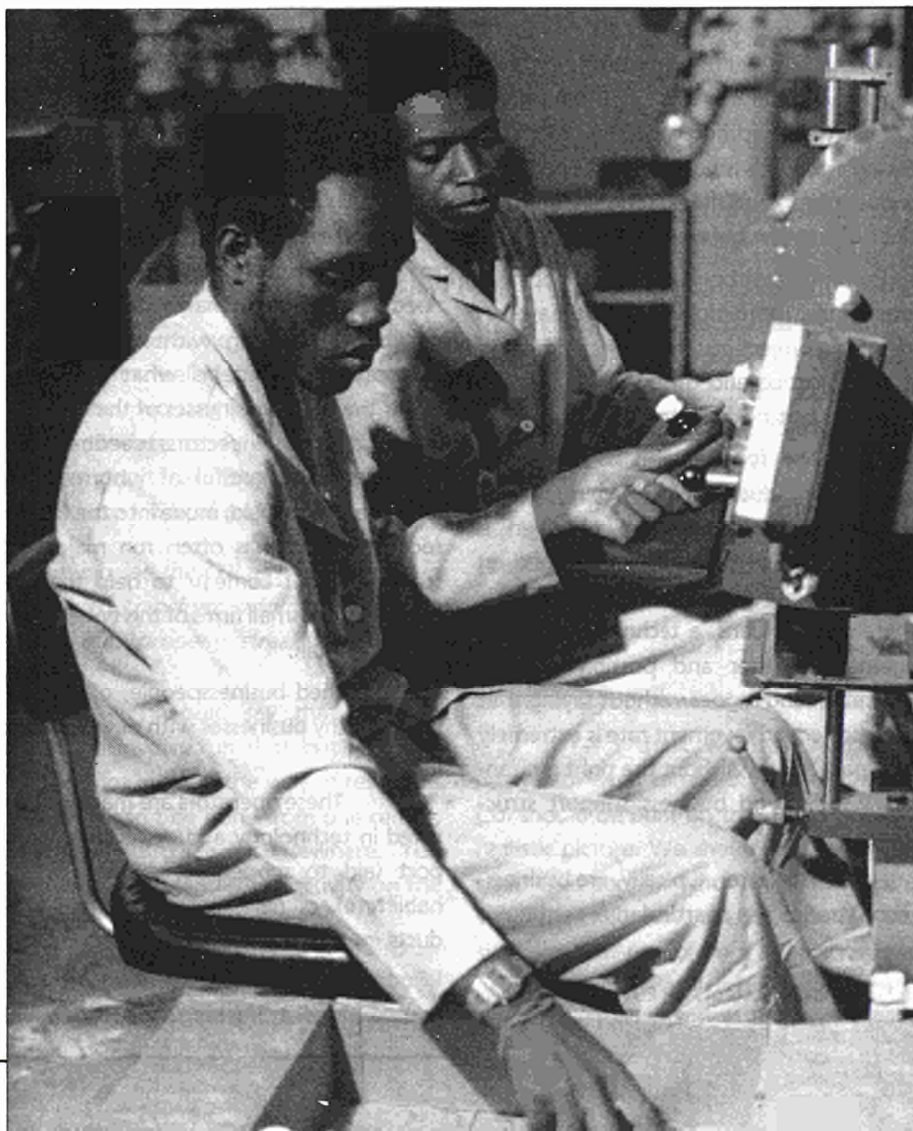
The four main concerns here are to:

- meet quantitative needs to make up for exhausted traditional sources or cater for a short-term or lasting increase in demand;
- meet what may be new qualitative demands (for, say, biological or green products);
- secure supply via direct access and/or long-term agreements;
- seek better prices.

A similar procedure is used to identify sources of semi-finished products.

The second thing is to lower production costs, which very often means lowering payroll costs, which are increasingly burdensome for labour-intensive businesses in Europe. Such firms could be interested (in decreasing order of financial commitment) in assembly, subcontracting, first-stage processing of raw materials, the

Industrial assistance should be transparent, fast, flexible and neutral



manufacture of finished products and partial or total delocation of an industrial unit. This is obviously where an interest in industrial free zones comes in.

But as well as or indeed instead of seeking to save on payroll costs, some firms look to the ACP countries to reduce expenditure on other things too, such as energy, the transport of heavy or bulky raw materials produced locally or the costs of complying with the environmental requirements of the European Union.

European firms may also be keen to move into markets in other industrialised countries (in the European Union, North America and the Pacific zone).

EU market protection can force firms to look for suppliers of industrial products in the ACP countries, which, in principle, have free access to the Union under Lomé. Some European operators have capitalised on the absence of quotas and customs duties for ACP products, in particular by shifting plants to the ACP countries or opting for subcontracting agreements there. Ready-made clothing from Mauritius is just one example of the considerable advantage already taken of this opening. In the same way, the Caribbean countries may also attract European firms interested in getting into the US market through the Caribbean Basin Initiative (CBI).

It would be wrong to underestimate the extent of the search for direct outlets in the ACP countries. The ACP-EU industrial fora have shown that many European participants tend to look for outlets in one or several countries in a sub-region (Western or Central Africa, for example).

The opening of these markets, especially in Africa, as a result of structural adjustment policies, forces interested European firms to redeploy and go for what is often more a commercial than an industrial approach. So it is increasingly common to see non-material goods (technology, know-how, licences, franchises, brands, expert advice and training) joining the intermediate products and equipment which European firms have always sold on the ACP markets.

European firms are also increasingly keen to find innovative financial or technological set-ups because of their

growing reluctance to commit finance to industrial schemes in the ACP countries. This is leading to the emergence of new and sometimes unusual forms of partnership. To meet the new demand, development finance institutions have had to lay on new facilities — soft/rebated loans, venture capital, shares etc. And new forms of investment, which saw the light of day in the early 1980s, have prompted a new kind of financial arrangement in which the European partner makes a technological contribution instead of shouldering any of the financial risk. Lastly, the possibilities of converting ACP debts into project capital have increased substantially over the past few years. European firms are very keen to find out about these various openings.

Lastly, operators in the European Union are clearly interested in privatisation now that structural adjustment plans in a number of ACP countries are opening the way for a new kind of industrial cooperation as the state withdraws from the productive sector. Here too, European firms want to know what the investment opportunities are.

There is a seventh, more subjective motive to add to the six main ones listed above and that is the human factor, which can come into play when a European businessperson decides to make a move towards an ACP partner. In most cases, it will be a question of affinity based on a sentimental attachment to particular countries because of personal or family ties, a shared language (in particular French or Portuguese or indeed English), or a personal interest (boating, deep-sea fishing and hunting, for example).

## What is expected of the institutions?

Our analysis of the needs of firms in the North gives a better idea of the sorts of services they expect from the industrial cooperation institutions. They are of four main kinds.

**Information** on potential ACP partners (credibility, finance, technical potential, commercial networks etc.). European operators attach the greatest importance to the credibility of their potential partners, which is why, *inter alia*, two thirds of CDI schemes involve es-

tablished ACP partners (expansion, rehabilitation, consolidation, diversification etc.) and only a third relate to genuinely new projects. They also want details of business opportunities, of assistance available from specialist institutions (the CDI, the EIB and other multilateral and bilateral agencies) and of the ACP economies (micro- and macroeconomic statistics, development plans etc.).

But European firms also want European support for their plans, hence the attraction of the CDI, which is perceived as a European Union organisation. They also often look for moral and psychological support in dealing with the ACPs, in particular if they have no previous experience of this sort.

**Confidentiality** is another key criterion for firms embarking on industrial cooperation. The company and the industrial cooperation institution which assists it should be able to establish trust and a proper dialogue between professionals.

**Direct, easy access to assistance** from the industrial cooperation institutions is also very important. As far as the firms are concerned, it is more and more a question of 'time is money' and they want the assistance-mobilising procedures to be transparent, fast, flexible and neutral.

This brief overview of EU operators and industrial cooperation with the ACP countries shows that this form of cooperation is not an end in itself, just one of the ways in which European firms can develop and cope with mounting competition on constantly evolving markets. There is no break between the various forms of industrial cooperation, for commercial, technical and financial partnerships are just different facets of different stages of company development. So industrial cooperation should not do just one thing, such as pair companies, but provide a constant response to changing needs, along the lines of the European Commission and the CDI. ■

P.Q.

# Priority to the private sector in EU-ACP cooperation

by Paolo Logli\*

Most aid funders, including the Member States of the European Union, give priority to expanding the ACP private sector and the EU institutions are now doing so too.

A prosperous private sector encourages dynamic, sustainable economic development and fairer, broader distribution of the benefits of growth among the population by tackling unemployment and poverty at the roots. In Southern Africa, small firms have absorbed half the new arrivals on the job market, a recent study suggests. In the past, all aid to this sector went on the infrastructure the businesses needed, but more recently, structural adjustment has tried to establish a macro-economic context in which private enterprise can thrive. But there are still obstacles, mainly institutional and legal ones, and they often prevent businesses from reacting positively and actually supplying more goods or services.

Structural adjustment is necessary but not sufficient in itself for the development of the private sector. Some ACPs have realised this and are starting to go for structural reform to encourage private enterprise, mainly by offering incentives to better competitiveness and improving the rules and regulations.

Active donors have a concentrated, continuous dialogue going with the ACPs to encourage them to adopt the right economic policies and they offer them programmes of assistance with specific activities such as opening and improving businesses, privatising and overhauling state firms, adjusting the financial markets and promoting investment at home and abroad. The strategy is founded on dialogue, reform and assistance and is underwritten with Lomé funds.

## Features of the strategy

ACP governments are vital to the creation and maintenance of a climate conducive to the development of

private enterprise. In ACPs which have not yet created such an environment, the main aim of aid to the private sector should be to help the authorities bring in the relevant reforms. The dialogue with the government should therefore go further than the macro-economic reforms of structural adjustment and tackle institutional questions head on.

The fundamentals affecting the life of a business — macro-economic factors (tax, prices etc.), which are covered by adjustment programmes, and institutional and legal factors — are in the hands of the government. The donors help the government cushion the blows of policies which harm the private sector (price control, various forms of discrimination etc.), but they should also help it improve policies which make it easier for businesses to open and expand. This means lowering the barriers on entrance to and exit from the firms, rationalising the tax system, creating and protecting property rights and so on. Banking reform is particularly vital, for governments must both have less to do with allocating loans and fixing interest rates and take another look at their relations with the banks in general.

The donors should set up a permanent dialogue with the authorities to look at the nature and timetabling of the measures needed to pursue the liberalisation and deregulation of the economy and make the state sector smaller and more efficient so as ultimately to create a better institutional and legal framework for private enterprise.

In addition to helping the authorities improve the economic environment, it would be as well to give direct assistance to

private businesses and organisations working in the sector, in general by providing intermediaries between them and the donors.

The whole point of a strategy for the private sector is to make it easier to open and expand businesses. Some ACPs are trying to strike a balance between public and private business by encouraging the private sector to expand alongside a smaller and more efficient state sector. Privatisation support is essential to the balance vis-à-vis other ACPs, which want to see their firms do more on the international market. Donors encourage the promotion of their investments, in particular in the form of partnerships.

Support offered to SMEs, and especially micro-firms and informal businesses has an immediate, significant and visible impact. This is because it makes them stronger and gives the most underprivileged a better income and employment situation, the best guarantee of well-being in such areas as food, health, housing and education.

Private businesses should, in principle, be offered aid on commercial terms and donors are careful not to include concessions which would involve distortions damaging to the local economy, particularly when it comes to marshalling and utilising savings, allocating resources and the opportunity costs of inputs. Similarly, distortions on the market do not constitute automatic justification for a subsidy. Dialogue with the government should enable the donor to help even out the distortions and make the market more active before stepping in.

There are exceptions to the rule in some ACPs, however, where the economy is still centralised or where the time it takes to even out distortions is too

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Tannery in Kenya

long in relation to the immediate advantages to the sector accruing from offering incentives to some firms. So some form of subsidy would be acceptable on a temporary basis, but it would have to be phased out during a dialogue with the local authorities.

Donors look more and more to intermediaries to reach a large number of SMEs and to capitalise on the local expertise of European and local institutions. They have to do this because, liberalisation notwithstanding, the markets are still often over-regulated and businesses do not have access to credit. These intermediaries may be organisations which represent the private sector or they may relay (particularly financial) assistance to private businesses locally.

The traditional approach to financial intermediaries is to open a line of credit with them and let them keep their responsibility for awarding loans or buying shares after an independent appraisal of the SME's dossier. The basic question here is how free the financial organisation is of the political authorities when making decisions. The financial organisation must not be seen as just a vehicle either. The donors should help strengthen it so that it can mobilise the local savings potential and, with sound management, ultimately be financially independent.

At the beginning, particularly in countries where other prices are fixed, interest rates need do no more than cover the costs of managing the operation and buying the money to lend, but they should gradually become at least positive, to mobilise savings and avoid the erosion of loaned capital. In the long run, however, they should edge nearer the going rates to prevent the financial resources offered to the businesses from creating distortions on the market.

When it comes to non-financial intermediaries, the donors have to make sure that the local private sector is organised in such a way as to defend its interests properly — i.e. independent chambers of commerce, professional associations, producers associations etc. should help define the reforms, local regulations etc.

Transforming ACP countries which have long had *dirigiste* policies and massive state intervention is far too important and delicate a task to be left to one donor or, worse, to donors who come piecemeal, each with its own amount.

Cooperation between donors, which has already begun in a number of places, could be taken further at the level of the European Union. Clearly, the idea is not to replace what the Member States are doing at bilateral level, or to interfere with their decision-making. It is more a question of improving effectiveness by steering the

individual contributions and identifying and exchanging the best practices. This would involve making the individual assistance of each donor more efficient by means of systematic data exchange. In some cases, some interventions could go together so as to put things on a more efficient scale. It is important to ensure that such elements as interest rates, subsidies and investment incentives are strictly coordinated beforehand, so that the work of the donors in the European Union is consistent.

## Means available under the Convention

Since the private sector is of such importance to the ACPs, the Convention provides a wide range of instruments to help them with this. They are implemented by the Commission (via the indicative programmes), the EIB (via its own resources and other monies it manages) and the CDI.

Private sector programmes and projects run or scheduled in the indicative programmes involve a total of about 40 countries and are worth about ECU 230 million in financial and technical assist-

ance. The breakdown by ACP region reveals an interest in Western and Eastern Africa (including the Horn), with nine countries each and an amount of ECU 60 million.

In the early days of Lomé IV, relatively few ACPs put priority on the private sector, but several of them have realised its potential over the past two years and applied for programmes and above all for specific technical and financial assistance schemes.

The dialogue with the ACP governments has made it clear that private enterprise has to be taken into account when indicative programmes are drawn up.

In ACPs which have put priority on the private sector, the Commission's support has been in the form of a consistent programme of schemes designed to improve the environment, upgrade the intermediate institutions and help businesses. In others, governments have requested specific projects (credit facilities for SMEs, technical assistance for a local body etc.).

Various technical assistance schemes have been proposed and implemented, with or after the indicative programme, as follows:

- assistance to enhance the general context — i.e. surveys etc, or experts to help local institutions working towards this goal;

- support for specialised organisations — i.e. management and training, or help with disseminating information on possible measures or with identifying/promoting specific projects to be presented to the financing organisations;

- investment promotion — i.e. the organisation of investors' fora to bring local and European businessmen into contact with each other and with local and international financial institutions.

The drive to improve the economic environment is a particularly difficult undertaking for those ACPs which have to leave a state-dominated system behind them and create a new commercial-legal-fiscal system which is suitable for private enterprise. But it is equally important for many others, which need, say, to open up to outside investments.

In the majority of ACP States, despite better investment codes, outside investors are put off by all the red tape. In 1992, following a Commission initiative, the European Union outlined its position on the principles of investment protection in the ACP States to the ACP Ambassadors. The ACPs agreed on the principle of asking for technical assistance and the first schemes are now in preparation.

A number of (particularly African) ACP countries find it difficult to attract European investors and this has prompted the organisation of investors' fora, particularly in Western and Central Africa, and other, sector-oriented meetings are currently on the drawing board, particularly in Eastern and Southern Africa.

Businessmen have to have efficient organisations — chambers of commerce, professional associations etc. — to count on to defend their interests and meet their technical requirements (training, technology transfer and data dissemination). Various ACPs have requested and had help from the Commission with setting up and improving local organisations on which firms rely for various services, sometimes as part of sector support programmes.

One thing which the financial crisis has done is push some ACP States to apply for schemes to improve the operational capacity of their financial intermediaries — which do their bit to support investments and the private sector in general — or indeed set up new ones. The Commission response has been to provide technical assistance to enhance the financial system, especially in Western Africa.

In other cases (Eastern Africa), an *ad hoc* structure has been set up to privatise state companies and get SMEs going. At the request of the local authorities, the capital and management of these businesses have been kept local wherever possible.

Technical assistance is not the only contribution from the indicative programmes, for the Commission can help finance ACP private businesses in a number of ways.

- Import programmes, some of them run in conjunction with the adjustment programmes, can be used to finance imports

of intermediate products for ACP export industries.

- Counterpart funds from import programmes or Stabex and Sysmin payments help the private sector (as in some parts of Central Africa and the Caribbean) when they are used to finance agricultural loans, job creation programmes etc.

If business problems are to be tackled better at the root, it would be wise to put priority on creating businesses and improving/modernising micro-firms and businesses in the informal sector. In sub-Saharan Africa, for example, an estimated 60% of the working population in the towns is employed in the informal sector.

Many ACP applications are for financial assistance for these firms. But what sort of support do they need? Among the obstacles to their creation and development are two major constraints — access to finance and the promoters' limited skills — which cannot currently be tackled without outside help.

The Commission has been responding to this specific need by gradually bringing in schemes to cope with particularly difficult local circumstances and refining and improving the conventional method (opening a line of credit with a local institution, which is then responsible for granting loans to businesses in the light of an independent assessment of their dossiers) to reflect its years of experience.

A flexible organisation, often run by foreign experts to begin with, offers loans to promoters who do not have the experience and/or the guarantees to obtain a bank loan.

The idea, first and foremost, is to ease these constraints on the small firms, giving them general, continuous support from the initial meeting with the promoter to the monitoring of his investment, through all the intermediate stages of surveys, financial set-up, management advice and adult training.

In second place comes the intermediate organisation.

- The funds from the Commission do not have to be reimbursed, so all the resources can stay with the project to ensure the permanency of the revolving fund.

- The organisation is entirely independent of the authorities when it comes to



management and makes its loan decisions in the light of the comparative profitability of the proposed projects.

By working to high standards and being independent in their management, these organisations are able to ensure stringent customer selection and close, regular monitoring of activities, so repayment levels are high (80-90%). An organisation can be self-sufficient in the medium term and become a new financial institution. By going for non-traditional forms of guarantee, using the existing tontine formula<sup>1</sup> and setting up mutual guarantee societies. It can gradually help tap local savings and thus obtain local financing.

A few years ago, this approach was launched in some parts of Western Africa, where it has triggered the creation of hundreds of micro-firms and provided jobs for millions of people, and it is now being applied, with the relevant adaptation to the local situation (possibly involving NGOs, non-traditional forms of guarantee etc.), in other ACPs. It is outlined in the text on basic principles of assistance to SMEs, as approved by ACP-EC experts in Gaborone in 1992.

The variety of ACP applications for financial and technical assistance is such that the approach is only used for part of the Commission's work. In more developed ACPs, methods of assistance have had to be equally stringent but more conventional in the choice of intermediaries and more varied in the type of financial backing, as mentioned in an article entitled 'New approaches to SME projects — the role of intermediate organisations' in The Courier No 129<sup>1</sup>.

## The EIB

The European Investment Bank can help private business projects in fields within its scope (industry, agri-industry, tourism, mining and energy) with interest-rebated loans from its own resources and from venture capital.

<sup>1</sup> Indicative programme resources can also be used to support the creation or expansion of guarantee funds to cater for the fact that ACP businesses tend not to be able to provide any proper security, which may be a major barrier when seeking a loan. However, there is little interest in this instrument, which is offered at regional level (Western Africa), at national level.

EIB-managed resources, venture capital especially, are suited to the particular needs of private businesses, because the EIB has a great deal of leeway in fixing the lending terms. Even joint EU-ACP firms may be offered this capital in the form of shares and conditional and subordinated loans, at a — heavily subsidised — rate of no more than 3%.

However, various conditions (minimum amounts for the least developed ACPs, for example) and a centralised organisational structure sometimes prevent the EIB from responding to requests for small amounts of direct financing and from actively looking for investment opportunities. It has successfully developed the global loan technique and, more recently, signed agreements with various financial institutions in the Member States with a view to facilitating the use of the resources which it manages.

A significant percentage (about 40%) of the venture capital is in any case already earmarked for investments in private enterprise in the ACP countries. If the many constraints on the EIB are eased, it is reasonable to expect the venture capital utilisation rate to be even higher, particularly if the 'opening up' to European financial institutions (INTERACT) of 1992 is taken further.

## The CDI

The Centre for the Development of Industry was set up by the Lomé Convention to:

- promote sustainable cooperation between industrial SMEs in Europe and the ACP (via joint ventures, management contracts, licensing, sub-contracting etc.);
- back the creation and/or improvement of these firms with the appropriate forms of technical assistance.

It deals mainly with the problems of individual businesspeople in the phase leading to the investment decision and can finance technical and economic feasibility studies for industrial projects, look for EU partners with a view to joint EU-ACP investments etc.

It has neither the intention nor the financial means of being an investment project finance institution, but one of its jobs, as a technical body, is to help

businesses present feasible plans for local or international financing. It has already had sound results from the good cooperation it has set up with some of the financial institutions in the Member States.

Since it is an operational body, it has no overall policy, but the joint institutions envisage steering it towards concentrating its activity on priority countries and strengthening its ties with the financial institutions, in particular, and these would be a major asset when it came to boosting private enterprise in ACP countries which have put priority on the private sector.

## Coordinating the means

Under the Convention, tight operational cooperation must be maintained between the interventions of the Commission, the Bank and the CDI. The diversity of factors to be considered here and the complementary nature of their various roles indeed forces these three bodies to take every opportunity of tighter coordination of the resources which they manage.

For example, the CDI has selected 'bankable' projects — particularly in ACPs which have promoted export industries — which can benefit from easier access to EIB resources.

Various global loans which the EIB has made to finance SMEs have been backed up with Commission-funded technical assistance to improve the analysis and monitoring of private sector investment projects by local (or, as in Western Africa, regional) banks which have no specific experience in this area.

But the importance of ACP private enterprise and the question of dialogue with the local authorities are every justification for trying to coordinate the resources available, even at EU level. It must also be possible to apply the methods of assistance consistently in each ACP State.

The Commission could inform the Member States how aid has been programmed, particularly for those ACPs which have elected to put priority on private enterprise, so as to trigger cooperation between all those involved in the European Union. ■

# Industrialisation in the ACP States and the promotion of EU-ACP partnerships

by André Huybrechts\*

We start with the cheerless finding that, within the Third World, the economies of sub-Saharan Africa are in absolute or relative decline. African industry, in particular, is in free fall.

Industrialisation in the African nations south of the Sahara remains at an embryonic stage to this day but has been through two very different phases since independence.

In the 1960s and 1970s, the countries concerned gave political priority to industrialisation and by dint of effort overcame their industrial backwardness, to the extent that they actually stretched the economic possibilities past their limits: they set up the whole gamut of industrial concerns and also large numbers of enterprises, whether state-owned, parastatal or semi-public, which were uncompetitive, loss-making and unviable but were kept alive artificially by direct or indirect subsidies. In an institutional environment which was unrealistic (UNCTAD's codes of conduct for the transfer of technology by multinationals and UNIDO's Declaration of Lima, for example), African countries affirmed that governments were all-powerful and had to be involved in every sector of industry, and overdid investment in infrastructure and production capacity alike, mainly with official aid from abroad (grants and loans) and injections of private capital (petrodollars and borrowing). Logically, perhaps, but to excess, all industrialisation policies relied on import substitution (for what were by definition very small national markets, for regional integration had either regressed or failed to take off), a small amount of processing of local resources, very little sub-contracting (other than in Mauritius) and virtually no production of capital goods, and they failed to lead to either self-sustaining industrial development or integrated industrial structures. What they did achieve, however, was the creation of bottlenecks, by exhausting opportunities, pushing up imports, creating foreign exchange problems and more.

The 1980s and early 1990s saw a critical debt situation (Africa's debt in fact doubled between 1982 and 1990), struc-

tural adjustment, made slow and painful by its social effects and political resistance, greater priority being given to agriculture and the opening up of economies to international trade. And then there was the crisis itself, leading to economic stagnation or collapse, de-industrialisation (with capacity underutilised, equipment run down, businesses closed and European companies withdrawing investments or pulling out entirely), thrusting black Africa onto the sidelines of the international game.

The situation in black Africa is worse than anywhere else in the developing world.

— Income and employment growth rates are in serious decline (i.e. negative) and poverty is on the increase.

— Population pressure is at record levels.

— Agricultural output cannot keep pace with the expanding population.

— External trade has slumped, with a decline in the relative position of commodity exports and the stagnation of exports of (to some extent) manufactured goods.

— Investment is falling, in particular because foreign investors have been scared off.

— The social (human development) indicators are among the worst in the world and in some cases are going into reverse.

The international environment has changed over the past few years too, to the detriment of the ACP countries, which no longer have the benefit of the East-West rivalry which brought them so many injections of aid up until 1989. Competition from the countries of Central and Eastern Europe is beginning to bite. ACP countries' raw materials are not as important as they were. And the international economic situation is against them, for industrialised nations are seeing

their growth rates stand still or decline, international trade has stagnated, commodity prices have dipped, interest rates are high, the climate is deflationary, the debt situation is critical (in Latin America and above all Africa), financial flows have changed direction, moving back out of the developing countries, structural adjustment policies are proving painful to carry out — the list goes on.

## EU-ACP industrial cooperation

When it comes to industrial cooperation between the European Union and African ACPs and to partnership between European and ACP firms, it has to be admitted that black Africa's industrial assets are minimal and its economic and political climate unattractive. So there are few comparative advantages to encourage partnerships and the additional constraints on industrial cooperation are consequently very heavy.

There are many constraints and, basically, they are as follows.

— Structural

There are many reasons for the region's lack of appeal, starting, of course, with the narrowness of its markets. And then its inputs are expensive, foreign exchange is in short supply and there is a dearth of local businessmen and businesses. The ACP States can only change one or two of these handicaps. Regional integration, for example, would increase the size of the markets.

— Political

Non-transparency, frequent and or unpredictable changes in investment acceptance policies and in the laws and regulations governing their application are, clearly, of major importance. ACP governments can get all of these well under control.

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The Courier

Textile plant in Mauritius, one of the few ACP States to have industrialised successfully

— Cultural

The lack of industrial culture, combined with traditional modes of behaviour and social structures, seriously holds back industrial development. Better schooling and, more directly, better training for managers and the industrial labour force would go some way to improving this situation.

Then there is the additional handicap of the dilapidated state of African industry. A 1983 survey of 1800 firms showed 300 in dysfunction, 80 of them at a standstill, with only one fifth or all factories making adequate use of their capacity (although with any profitability difficulties covered by subsidies), and things have got much worse since.

In these extremely trying times of incontrovertible industrial decline, albeit combined with the emergence of a climate more conducive to private enterprise, the resources provided by the Lomé Convention and, in particular, the existence of the CDI, constitute a remarkable asset and one which the ACPs must turn to best advantage. Industrial cooperation must be used more, and more effectively, than before.

Cooperation and industrial partnerships are essential. They are even more important now that conventional country-to-country development aid is drawing criticism, or at any rate generating growing disenchantment, and that some developing nations are meanwhile getting on with their industrialisation and dem-

onstrating the need to turn to those who can give them the most help with the task-companies in the industrialised countries.

In view of the currently discouraging situation, industrial cooperation between businesses in North and South needs the support of the authorities — in our case, the European Union.

The shortcomings of the markets are the main grounds for this kind of support. Vital information is missing or difficult to obtain, economies are compartmentalised, distances are great and there may be ignorance in the countries in the South. It all puts foreign businessmen off the idea of looking for partners overseas and reduces the amount of information that gets across concerning opportunities for investment and joint ventures, while overplaying the risks. Industrial promotion, in the shape of information, contact and various kinds of back-up, makes the market less opaque, lowers the cost of prospecting and reduces the risk, so that the opportunities for both potential partners to make a profit are increased.

The size of the promotional field varies and may involve (in ascending order):

- providing information on countries and opportunities;
- putting potential partners in touch with each other;
- supporting projects with studies and advice;

— assisting start-up (technical assistance and aid with training).

Promotion tends to be efficient if it:

- establishes clear priorities (countries and sectors) and avoids scattering;
- decentralises towards the companies in the field;
- focuses on small and medium enterprises (SMEs);
- capitalises on all possible opportunities for interaction.

Two further remarks are called for here. First of all, there is a very close link between North-South partnerships and the development of SMEs in the South. The development of SMEs in the developing world, and the ACPs more particularly, is extremely important to North-South or EU-ACP business partnerships, since the densification, diversification and strengthening of the ACP business fabric creates the operators and environment for partnerships. There cannot be partnerships without national firms, for European firms have to have credible local partners and be able to find a minimum of goods and services, and industrial outlets, locally. EDF-financed industrial forums in Western (Dakar) and Central Africa (Libreville and Yaoundé) have often complained that European businessmen going out to Africa do not make good contacts. So it is important for SME promotion — proper credit facilities, technical assistance, train-

ing, incentives to new classes of private operators such as informal-sector businessmen, traders, former public-sector company managers, redundant civil servants and new graduates — to go hand in hand with the promotion of North-South business partnerships and, to an increasing extent, South-South partnerships too.

Secondly, there is a link with privatisation measures. Privatisation can be a great help in consolidating a dynamic, competitive private business sector in the ACP States. In the industrialised world, the basic argument for privatisation is that it should make for greater economic efficiency. In fact, it has four aims.

— The political aim of returning to a market economy, reducing the public company sector and cutting down on government control. The countries of Central and Eastern Europe are particularly concerned here.

— The financial aim of coping with the public companies' shortage of funds and the state's refusal or inability to come up with the necessary capital.

— The budget aim of helping restore public finances, particularly by mopping up the external debt. In the developing countries, this could mean debt equity swaps.

— The industrial aim of helping restructure industry.

The first three of these are being pursued in the developing world in general and the (especially African) ACPs in particular, which goes to show how important and urgent a matter privatisation is. But the decline of the economy in general and state-owned companies in particular has raised a number of difficult questions.

— What firms should be privatised? In theory, only those which can be restructured viably. This shows the limits of the process, especially in sub-Saharan Africa, and the barriers which have to be overcome.

— How much should they be sold for? In the absence of a market, this is a major problem, given the general state of public companies.

— How can willing buyers — i.e. venture capital — be found? Despite their minimal powers of attraction, the countries concerned are competing for foreign capital fiercely.

For this reason, and because of the opposition of powerful vested inter-

ests, privatisation seems to have been a very slow and rather unsatisfactory process in black Africa so far.

## Conclusions and prospects

In conclusion, the international development cooperation environment has changed markedly, with a more or less general swing towards the idea of a market economy. State management is giving way to private initiative and the aim of economic policy is now to shape a macro-economic, political and social environment which is conducive to enterprise, markets which work and integration into the international economy. Aid donors, too, are beginning to take an interest in the private sector, SMEs, partnerships and so on.

So the race for outside investment has begun and competition is fierce in an international context in which North-South interdependence is changing, in most cases to the detriment of the developing countries (the least developed of them, primarily, and the ACPs especially), and the drawing power of the countries of Central and Eastern Europe is strong. The economic background against which it is all taking place is extremely gloomy: the fact is that almost all the private finance is going into a handful of attractive countries. The ACP countries, where every indicator is discouraging, stand very little chance.

Since the quantity of external aid is unlikely to be going up in real terms (particularly with increasing amounts of emergency aid detracting from the structural aid which can help stimulate growth and development), then the quality — i.e. effectiveness — will have to improve.

A number of priorities, new or still on the drawing board, point in this direction.

*Decentralisation of aid.* Development cooperation must hinge on operators other than the state. This means not only NGOs, local authorities, cooperative schemes and micro-projects, but also economic and social partners (i.e. professional associations, chambers of commerce and industry, producer groups, trade unions etc.) and, of course, the businesses themselves.

*A shift to directly productive sectors.* Firms create jobs and income,

which means growth and development. The first thing is to create directly productive jobs, which add value and generate foreign exchange, so as then to be able to create the jobs also needed in the non-trade sector.

Of all the sectors, agriculture (in the broad sense, with all the activities which go with it) will be the biggest beneficiary of aid. But more broadly, businesses — primarily SMEs and SMIs, micro-enterprises and the informal sector — have to develop to halt the decline of the ACP economies.

*Development of SMEs.* A whole fabric of private SMEs and SMIs is essential. Lomé IV took a firm line on this and the EDF must be encouraged both to pursue it and to step up its efforts. European development aid for private enterprise should focus on countries where the conditions are generally satisfactory and part of the indicative programme has been allocated to the development of SMIs. The ACP countries and regions vary widely in this respect.

*Privatisation and debt.* Company rehabilitation, privatisation and external debt conversion operations must be speeded up and implemented stringently and efficiently. The privatisation of government-owned companies should be a priority for the EDF and the CDI.

*Regional integration.* Regional integration should be given a further boost, to provide businesses with bigger and more profitable markets and better possibilities of actual protection of those markets (currently ruled out by the permeability of borders between many small African states in big sub-regions).

*Southern Africa.* Great attention must be paid to the driving force which South Africa could be for the development of the southern part of the continent and to its potential contribution to the development of black Africa in particular. It would be of every interest to the European Union and the ACP States to take this new factor into account in renegotiating the second financial protocol of Lomé IV (trade relations and the EIB and CDI mandates).

*Enhancing the CDI* This is less a matter of boosting financial resources, even if it were justified, than of carrying out a complete overhaul to ensure greater continuity, independence, flexibility and professionalism, and freedom from over-intrusion or administrative interference. ■

A.H.

# Industrial promotion under Lomé — What does the future hold?

by Martin Minguella\*

Schemes to encourage ACP-EU and ACP-ACP business cooperation and promote investments in the ACP States have been a constant, regular feature of the successive Lomé Conventions.

The bulk of these industrial promotion operations have been in the hands of the Centre for the Development of Industry (CDI) and the Directorate-General for Development at the Commission, which have run sectoral and multi-sectoral industrial fora in various sub-regions of the ACP Group and encouraged the creation of investment protection systems in the ACP States.

## What justification for promotion schemes?

Their main *raison d'être* is the imperfect state of the market in data on ACP-EU business cooperation and investment in the ACP countries. These details are not available to potential European partners and investors. Identifying opportunities is a difficult and expensive undertaking. And EU businessmen are not particularly motivated to go to the ACPs for information on cooperation and investment opportunities, often because they overestimate the risk of doing business there or are more attracted by similar offers in other parts of the world, such as Asia, Latin America, the Mediterranean, Eastern Europe and indeed the Union's own large internal market.

So the ACP States need industrial promotion schemes to maintain a European business interest in Africa, the Caribbean and the Pacific.

We know that, when it comes to outside investments and cooperation between firms, company heads in the developed countries often copy the strategies of leading businesses in the field, i.e., they

follow the initiatives of the active pioneers. Not even the big businesses undertake systematic searches for cooperation and outside investment opportunities, although they take quite different attitude to the marketing of physical products and services.

Industrial promotion schemes help both to establish a continuous flow of contacts between EU and ACP business-people and to attract the attention of other entrepreneurs keen to follow the initiatives of leaders and pioneers, thereby prompting a further stream of interest and business contacts.

## Aims and methods of industrial promotion schemes

The CDI is a joint ACP-EU organisation, set up under Lomé, designed primarily to promote cooperation between industrial firms, SMIs especially, in the ACP States and the European Union. Its main job, therefore, is to promote technical, financial and commercial cooperation between ACP and EU firms, for which purpose it provides information, training and technical assistance direct to the firms.

Industrial fora are business promotion events which:

- encourage ACP-EU and ACP-ACP business cooperation at three-day meetings providing an organised framework for bilateral contact, focusing on short-listed business and cooperation proposals, between heads of firms in the countries taking part;

- create a propitious framework for discussion of the development of business and the private sector in the ACP States,

with a view to highlighting proposals for action in this field.

The fora are run jointly by the regional organisations which request them and the Division for Industrial Cooperation, Private Investment and Enterprises in the Directorate-General for Development of the European Commission. The help of the CDI, the intermediate bodies representing the private sector and UNIDO is vital.

With the ACP regional organisations' mounting demands for fora and the Commission's new responsibilities for supporting and developing the private sector in the ACP countries, the following aspects will be given greater emphasis.

- There will be an increasing degree of specialisation (sectors and subjects) and activity will be targeted more on existing firms.

- The increase in the number of fora and the new specialisation will make for considerable changes to the work of promotion, monitoring and back-up in Europe and the ACP countries and even tighter coordination of schemes and resources with the CDI.

- The provision of a framework in which to discuss the development of the private sector and the organisation of seminar-workshops should prompt ACP private sector support programmes and projects, in particular under the new financial protocol of Lomé IV.

The Commission decided that schemes which encouraged the development of investment protection systems in the ACP States were vital to the creation of a climate conducive to investments and so, with the help of the Member States, it embarked on a study of the main clauses of a framework agreement on investment

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protection with a view to formulating a common EU position.

The resulting document, on a Community position on the principles of investment protection in the ACP States, was an innovation in comparison with the Lomé III situation, in being the only yardstick which the Member States of the Union accepted for the negotiation of bilateral protection agreements with the ACPs.

The draft presented in the document detailed the basic principles applied by the Member States and laid down guidelines for the Commission when it offered technical assistance to the ACP countries. It was not particularly concerned with serving as a standard European accord to replace bilateral-type agreements. The approach was to stress the degree of protection which the investor needs and not therefore to take account of any of the Governments' potentially contradictory political interests.

The ACP Secretariat is currently looking at the document, which is an important basis for the improvements to the investment climate in the Group which could take place during the second part of Lomé IV.

## Past performance and future prospects

Under the first three Lomé Conventions, the ACP Governments, essentially, named their own priorities for the utilisation of Community aid in such areas as transport, communications, rural production and social development. The state was often directly responsible for productive activity over this period and the private sector was relegated to the background or entirely ignored.

So the business environment and investment climate in many ACP states did nothing to encourage good performances from the industrial promotion operations of the CDI and the industrial fora.

However, although the climate was not conducive to ACP business development, independent evaluations of the two instruments have highlighted some very positive results. The 1994 industrial fora evaluation, for example,

says that these regional projects lead to the emergence and structuring of industrial and business projects in Africa and '40% of them would either not see the light of day or would be postponed without them.'

The evaluation also states that more than 80% of the European firms present at these events would never make the journey if there were no fora and 70% of the African businessmen present make the sort of useful contacts they are seeking.

The CDI and the industrial fora have had an important part to play in the past, in a context unfavourable to business development, and their continuing action under Lomé IV, particularly part two, is immensely important.

The present Convention places particular emphasis on developing private enterprise and the private sector in general, in accordance with what the ACP States hope is to be their new economic role. This is based on facilitating productive activity by creating an environment favourable to companies and investment and by providing the basic infrastructure to make business easier, rather than on direct state intervention in production.

More than 40 ACP States included support schemes for ACP private sector development in their indicative aid programmes during the first part of Lomé IV. The second part holds out even more promise.

This new ACP enthusiasm for the development of private enterprise, CDI schemes, industrial fora and investment protection schemes augurs well for the future and with this in mind, it is worthwhile to improve the efficiency of these industrial promotion efforts.

One of the most positive aspects of the instruments of industrial promotion here is of course the European businesses continuing interest in the ACP States, and Africa especially. Every year, the CDI handles something like 300 support operations for the heads of EU and ACP firms interested in working towards cooperation agreements and, every year again, there is at least one industrial forum to identify and disseminate something like 300 business cooperation and investment opportunities in the target ACP states.

Although Africa's investment climate and business environment have

precluded the expansion of direct outside investments over the past year or two, a large number of ACP-EU technical and commercial cooperation schemes have nonetheless seen the light of day, forming a basis for investments which might be made in the future in what is expected to be a more favourable environment in a number of ACP states.

The instruments of industrial promotion are still fairly isolated, but it is reasonable to assume that they can be inserted into private-sector development support programmes of macro-economic (intermediate or institutional) and micro-economic business development support schemes during the second part of the Convention.

These programmes are to be devised by the ACP authorities, with the support provided for by the Convention, and to be set up with the help of DG VIII, the EIB and the CDI, in conjunction with the Member States and other funders.

The second part of the Convention thus offers genuine encouragement for ACP firms and for European firms interested in making the most of cooperation and investment opportunities in the ACP Group. ■

# Former emigrants, future businesspeople?

by Virginie Vanhaeverbeke\*

When countries of immigration want to restrict the number of foreigners on their territories, they often light upon assisted passages and settlement support as a way of encouraging aliens to go home. The policy is often decried as just a way of 'getting rid of undesirables' in times of economic crisis, but it is an idea worth looking at more closely, because the reality is that current attitudes in Europe favour the design and maintenance of such policies and, above all, because if emigrants go home and get the opportunity to create an economic activity, they cannot but be a help to the developing countries, which are often short of enterprise and initiative in this sector.

Although immigration is more topical in Europe now than ever before and everyone is making life harder and harder for immigrants, it is clear that none of the immigration control measures, however inescapable, will work unless they are backed up by a policy of getting to the root causes of emigration in the home countries. If immigrants are still flooding into the West despite the economic crisis here, it is not so much a question of liking the look of opportunities in the countries of destination (attraction) as of being repelled by the countries of origin (repulsion) and it is this repulsion that needs to be tackled.

Development aid which makes return and/or stabilisation more attractive is usually considered to be the best way of dealing with economic migration at the source, and of responding to the individual's interest in both the country of departure and the country of arrival. It could therefore be useful to help such migrants as request it to return to their countries of origin and become businesspeople and development promoters there.

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Exactly what assets do these migrants have to make them better businessmen? Compared to compatriots who stayed put, their first advantage is that they have their own financial resources and at least some of these can be channelled into investment in the home country. And in addition to the savings they manage to put by when working abroad, migrants who want to go back to work in their home country are often more open-minded and more receptive to change than is traditional. Lastly, working in a western society may well have taught them method, given them the opportunity to train and made for easier contact with westerners back in the country of origin.

So far, alas, it has been difficult to realise this potential. Opportunities for productive investment are rare in the developing countries, which have very small markets, poor infrastructure and banks which fall short or are entirely inadequate. And not all emigrants can run businesses or do at home what they were able to do abroad. An emigrant who worked on a factory production line, for example, would find it difficult to capitalise on this when he went home and he would probably not be able to organise his reintegration by himself.

Even when an emigrant has obtained some useful know-how and invested in a profitable business, he may still find it difficult to be accepted by his compatriots again. By going home, he loses a source of income from which his family can no longer benefit and, if he is keen to work in a non-traditional way, he could easily create enemies.

In short, it is not enough for those involved, governments and individuals alike, merely to support the economic reintegration of emigrants. Appropriate

ways of achieving this goal must also be found.

## Examples from France

So there is a big step between theory and practice. Ill-designed reintegration programmes all too often lead to failure and often more migration, as has happened with, *inter alia*, the French official aid for reintegration programme, better known as the assisted passage scheme, set up in 1984. Under this scheme, aliens who were unemployed or threatened with redundancy and undertook to hand in their residence permits and go home were given financial assistance to the tune of about FF 20 000 to help develop some form of business once they got there. For various reasons, it has been a failure from the point of view of both quantity (the number of applicants is increasingly insignificant) and quality (few returnees make a success of their home-going).

France's main aim is to reduce the number of immigrants, without worrying too much about what happens once they leave the country. But there have never been any agreements on official aid for reintegration with the countries of origin, which have therefore done nothing to ease the emigrants' path when they got back. Once home, the aid recipients are left to their own devices, without any back-up or monitoring for the plans they made in France. In fact nobody really cares whether any given plan is workable or not, or whether the immigrant really does intend to put it into practice or just wants the money to keep him going for a while when he gets home.

Not only is there no supervision, but it is unqualified people who are



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probably incapable of promoting business projects who are offered the opportunity of doing so. Surely those who failed to make the grade in France because they lost their jobs (or never even found work) are going to have the hardest time settling down again in their countries of origin. And the fact that they have to surrender their French residence permits leaves them no second chance, for if things do not work out at home, they cannot come back to France, at least not legally. Those who realise this at the beginning but still want to try reintegration are more likely to do so on their own initiative and resources, without asking for assistance and without surrendering their papers. Immigrants who want to go home for good will often let

relatives use their residence permits rather than surrender them to obtain assistance. Others, who believe they want to return permanently or are seduced by the idea of getting a lump sum, apply for the assistance and hand in their papers, but when they get home they spend the money and find that they have no job prospects. These people tend to feel that they have been 'had' by France and want to go back on any terms.

What it amounts to is that immigrants have learnt to be wary of this type of assisted passage, which is currently more or less defunct (for example, there were only three applicants for repatriation to Senegal in 1991, three in 1992 and two in 1993).

'... not all emigrants can run businesses.'

Another French programme, Partners for Africa, a pilot scheme which enabled 15 immigrants from Mali, Senegal and Côte d'Ivoire to put homegoing plans into practice, seemed far more realistic, but the experience has, alas, not been put to further use since one of the driving forces behind it, the *Centre Parisien de Technologie/Export dans le Monde*, a branch of the Paris Chamber of Commerce and Industry (CCIP), was dissolved.

In complete contrast with the Government's assisted passage scheme, Partners for Africa went in for strict



selection — there were 130 applicants, only 18 were chosen and three of them dropped out when assessment revealed that they would be making what they deemed to be inadequate profits. Each case was tackled individually and the candidates were given nine months' training, geared to the individual and completely underwritten by the organisers. A feasibility study was carried out in the field and, lastly, an attempt was made to look at all the problems with which the candidates might be confronted. Nor were economic considerations the only element here, for members of the applicants' families who were in France were consulted (without the applicant being present). Families were also visited during the field surveys to try to find out what sort of reception awaited the applicants when they got home as well as the likely scale of financial demands they would face. So those selected were the most viable, from the point of view of economic environment, location, motivation, skill and family milieu of the candidate.

Finance was still the most important factor, of course. Every candidate received FF 90 000 from the International Organisation for Migration (IOM) to cover their flight ticket, equipment (to be returned if their plans failed to last for at least two years) and some operating capital. They also had reductions on their equipment, customs exemptions in the home country and help from the CCIP to get soft loans from the local banks.

Once the candidates returned to their countries of origin, which they had to do within a month of completing their training, the CPT/Export sent out monitoring missions — every three months during year one and three times in year two.

Although the programme was a relative success as far as the individuals were concerned (10 of the 15 are still going after three years in their home countries), it cost about FF 300 000 per person (in cash, assessment, training and monitoring). Can programmes involving this amount of cost and supervision really be repeated? With hindsight, the sums in question could have been reduced, but they were not and the programme is now a thing of the past.

## Assisting departure, not hastening it

These schemes are two of many. Several countries in Europe have already devised various sorts of assisted passage and others, Italy for example, are now setting up programmes. Is the idea worth trying at European level?

The European Commission has cofinanced other organisations with migrant development schemes (the IOM and NGOs, for example), but, as yet, there is no actual EU policy for reducing migratory pressure from the developing world. However, the Italian Government made a proposal along these lines at the last Development Council in May and the Council has invited the Commission to devise a work programme, among other things, to assist the reintegration of migrants in their countries of origin.

In some cases, unfortunately, countries which use development policy to combat immigration are more likely to be pursuing an internal agenda and relaunching cooperation rather than promoting the development of countries in the Third World. So a clear definition of the aims and an awareness of the limitations of such reintegration programmes are essential before they are taken any further.

As we saw earlier, reintegration is primarily a matter of quality, not quantity, and this means being strict in the selection of candidates and willing to turn down those who are, say, only interested in the potential financial assistance or have apparently unworkable plans. Successful economic reintegration also requires feasibility studies, tailor-made training and close monitoring during implementation.

These are highly technical, relatively expensive programmes, with a fairly limited quantitative effect and European governments anxious to show the voters that they are 'doing something about immigration' are likely to lose much of their interest in them.

However, the first thing is to make sure that the home countries really will cooperate. Even if they do sign

agreements, help can easily be more symbolic than practical, because they are short of the relevant resources or it is not really in their interest to have their nationals back. Emigration may well be an advantage for these countries, since it may relieve the pressure on the local job market and bring in foreign exchange (money sent home by emigrants) to boost the purchasing power of the residents and make up for a flagging trade balance.

The major obstacle is often the underdeveloped state of the home countries. With the best will in the world, decent training and a minimum amount of money, it is still difficult for an emigrant, and indeed his compatriots who have never been abroad, to develop economically profitable activities, largely because of the shortage of infrastructure and the narrowness of the markets. The whole problem of development lies in needing to start up a consistent series of what are often interdependent elements simultaneously. For example, it is difficult to achieve economies of scale when the demand for anything other than the basic essentials is minimal, when tools and energy (oil) have to be imported, when services and the technical environment are inadequate and when the transport and communications infrastructure is missing or unreliable. Low productivity then pushes up the cost of products and puts them even further out of reach of the underprivileged masses. There is not much point in acting on supply without considering demand.

If the various countries of immigration really did set up efficient economic reintegration aid programmes and helped a substantial number of immigrants to go home and set up businesses which brought them an income, their fellow countrymen might well be tempted to follow suit, thinking that the way to succeed was to emigrate to Europe, work there for a few years, save up, get some training and then, when they felt ready, apply for an assisted passage back!

Similarly, but more generally, countries which think that only proper development in the developing countries can stop migration must realise that this

## A former emigrant's experience

Mrs Mbengue is a former emigrant whom Partners for Africa helped to set up a computer-assisted publishing house in Dakar (Senegal).

She spent 11 years in France, some of them studying to be a medical secretary. She developed an interest in computing and already had her project in mind when she heard about the Partners for Africa scheme, so she put the idea forward and was selected.

She had finance of her own, had already purchased some equipment and she received a substantial amount of aid of various sorts on top of that to run her project. There were appraisals and counter-appraisals in France and Senegal, meetings with people working in the sector concerned, in-service traineeships etc. during the preparatory phase and financial assistance from the IOM (see main article) for her departure.

It was only when she arrived in Senegal that things began to get difficult. The administrative formalities took a very long time and had to be started again from scratch, because correspondence sent from Paris had never been followed up. When she applied to a Senegalese bank, which actually had a CCCF line of credit earmarked for emigrants back from France wanting to open businesses in Senegal, she had to get her whole dossier together again to obtain what was a good loan (11%) for the Senegalese market. She only managed this with a great deal of help from the CCIP and the whole process took a year, which meant the project was very late in starting.

There was more red tape to cut through to obtain the government-promised VAT exemption on her imported equipment — she still had to find the money temporarily — and pay customs duties and storage costs which she had not originally bargained for.

Socially, however, settling down does not seem to have been difficult. She claims not to have had any more requests for money than any other compatriot and says that her two children, who came back with her, are following normal courses in a good school in Dakar.

Lastly, despite all the support she has had from the CCIP, from the Senegalese Minister responsible for emigrants and from people with whom she has kept in contact in France and despite her personal involvement in a business which she set about creating by saving up, taking courses and deciding to go home, she has still been hit by Senegal's economic slump. The situation is worse than ever following the devaluation of the CFAF and she is currently keeping going at a minimum level in the hope of surviving until there is an upswing. Her experience suggests that it takes a great deal of courage and perseverance to invest in this kind of economic activity in Senegal — and that does not just apply to former emigrants. But she is still happy to have made the move, despite all the problems and the decline in her standard of living since leaving France. ■

of course, and emigrants are not the only ones to have it, but if one or two of them can be helped to set up in their own countries, without letting them think it is easy, is it wrong to give them that help?

Lastly, as the example given in the box article on this page shows, economic success is not the only criterion. A great many other things are equally important — the pleasure of being home again, for example, and the desire to be one's own boss instead of an eternal employee, even if it does mean taking a cut in salary. ■

V.V.

can only be a long-term result and that higher incomes may well boost migration in the short and medium terms. In the early stages of development, the economy will very probably not change fast enough to encourage people to invest any extra income in the local economy instead of in more migration.

These are pessimistic conclusions, by and large, but some people still manage

to reintegrate successfully and it would be wrong to dismiss all forms of assisted passage out of hand. Although, as we mentioned earlier, development involves a series of elements which have to be put in place simultaneously, the job has to start somewhere and it would not really be reasonable to expect to have all the right conditions in place before making a start. Not all emigrants have business potential,

# Producing entrepreneurs in Mali

by Olivier Donnet\*

In late 1987, the EU responded to a Malian Government request and set up a pilot scheme to support SME-SMI creation. It was original in a number of ways.

In the first place, it combined three things usually dealt with separately — support for businesspeople (identification, feasibility studies, financial evaluation, monitoring and advice), financing (direct access to a line of credit to finance business schemes) and business motivation and savings incentives.

Second, it was completely independent of the authority above it, in particular for recruitment, personnel management and financial decisions.

Third, it was not aimed at particular sectors or categories, but at all businesspeople and their business projects, on the sole condition that those projects were profitable.

Finally, it involved methods of intervention and conditions that were designed to meet the needs of the businesspeople and respect their socio-economic skills (loan security rules, access to services etc.).

It was a proper business support scheme, with all the facilities to cater for training, study and financing requirements and offer monitoring and advice. It started with three agencies, one in Bamako, one in Ségou and one in Sikasso, and, three years later, agencies were opened in Mopti, Kayes, Gao and Timbuktu, so all the major towns were covered.

The project reflects the major economic policy trends in Mali and most of the countries of this sub-region, which, after the collapse of the big government-run projects, are now passing the job of creating wealth and growth onto the private sector. This new approach, which is a feature of the structural adjustment programmes, signals a return to private enterprise after more than 30 years of essentially public initiative. The results of all previous attempts were very limited. Lines

of credit were not taken up, the rate of unhonoured debts was staggering, schemes went unfinanced, promoters got lost in administrative mazes, politics, if not nepotism, presided over the management of resources and more.

It was against this background that the idea developed of combining all business services under one umbrella, close to the promoters and geared to the 'clients'. The scheme was therefore organised round a number of agencies, each of which was a consultancy, training centre, financial intermediary and credit organisation at one and the same time. It was more a private investment-support structure for private business than a development project and it replaced local support and financing structures, which were not working despite the incentive of external backing.

Next, the procedures and conditions of access to services and loans were adjusted to the promoters' potential by providing:

- free surveys except in cases of financing;
- loan security terms based on tontines (more as a kind of mutual and social guarantee than a financial one) and social sponsorship;
- permanent monitoring;
- gradual, free training throughout the survey and evaluation of the business scheme, both in the classroom and on site.

The aim, first and foremost, was to produce businesspeople in a society which had no formal entrepreneurial tradition in a social and cultural environment in which people found it difficult to adhere to the basic rules of business management.

Considerable potential emerged. In seven years, the project made contact with more than 14 000 promoters and

gave backing to studies for 4500 business plans. CFAF 5.5 billion-worth of financing was allocated to 910 of these schemes, covering all areas of economic activity (21% in farming and herding, 12% in industry, 4% in traditional craft, 4% in transport, 4% in tourism, 29% in distribution and 27% in other services).

The overall result was a genuine and dynamic movement whose impact was felt in a number of ways.

From the **human and cultural** standpoint, the project mobilised and trained a large number of people. One need only look at the numbers involved to see how widely the net was cast in the effort to spread the word about how to run a business. 14 000 visits were organised, while 4500 promoters and almost 1000 businesspeople were identified. The tontines formed to provide guarantees for the entrepreneurs involved some 4100 people who thus shared in the experience of creating businesses. There were also up to 1000 sponsors — mainly older people and figures of renown — for whom the project represented a revolution in their thinking. Indeed, the project induced a kind of cultural shift, with the result that the enterprise concept is now seen as something that is both practical and familiar.

From an **economic** perspective, the project injected more than CFAF 5.5 billion into the economy and generated a total investment of more than CFAF 7 billion (loans, plus the entrepreneurs' own capital). It also mobilised savings in excess of CFAF 1.3 billion (the entrepreneurs' capital plus the amount saved in the tontines).

The project's **social** impact should also be mentioned: it provided direct employment for 3600 people and generated (both directly and indirectly) some 5000 further jobs.

The business potential thus revealed and mobilised certainly goes some

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way to explaining the Government's awakening to the need for a more determined approach to the management of the problems of the legal, fiscal and administrative environment of private enterprise. In 1992, this led to the opening of a Ministry of Private Enterprise Promotion.

## Shifting the emphasis

But the figures should not be allowed to mask the existing or potential problems lying in wait for or triggered by schemes of this sort. After seven years, the project is a fine observatory of the difficulties still to be overcome, of strengths and weaknesses and of the eternal problem of making (particularly economic) development schemes last.

### Objectives

This sort of scheme may well be set up with confused objectives or gradually given extra objectives which are not particularly compatible with the initial ones. The political and social aim of creating jobs for sections of the population hit by the structural adjustment programmes (when the state stops recruiting new graduates and axes civil service posts etc.)

becomes confused with the general economic aim of creating wealth and the particular economic aim of say, developing a particular area of activity or replacing imports. The only viable aim, clearly, is the creation and development of businesses. If businesses are created to meet the social aim of creating jobs for a particular category, their success will be compromised from the start. This scheme is for businesspeople and their business projects, and these projects and the work method and decision-making that go with them must be geared to this alone. Viable, profitable firms will then create stable jobs.

The project agency in Bamako was originally intended just for young graduates, but this soon created a problem — especially since it lent credence to a political idea suggesting that every young graduate was an entrepreneur — and the specialisation was stopped.

### Costs

Projects are expensive, particularly in the early years and particularly if they are assessed by conventional methods. If the cost of the project is divided by the number of businesspeople financed, or

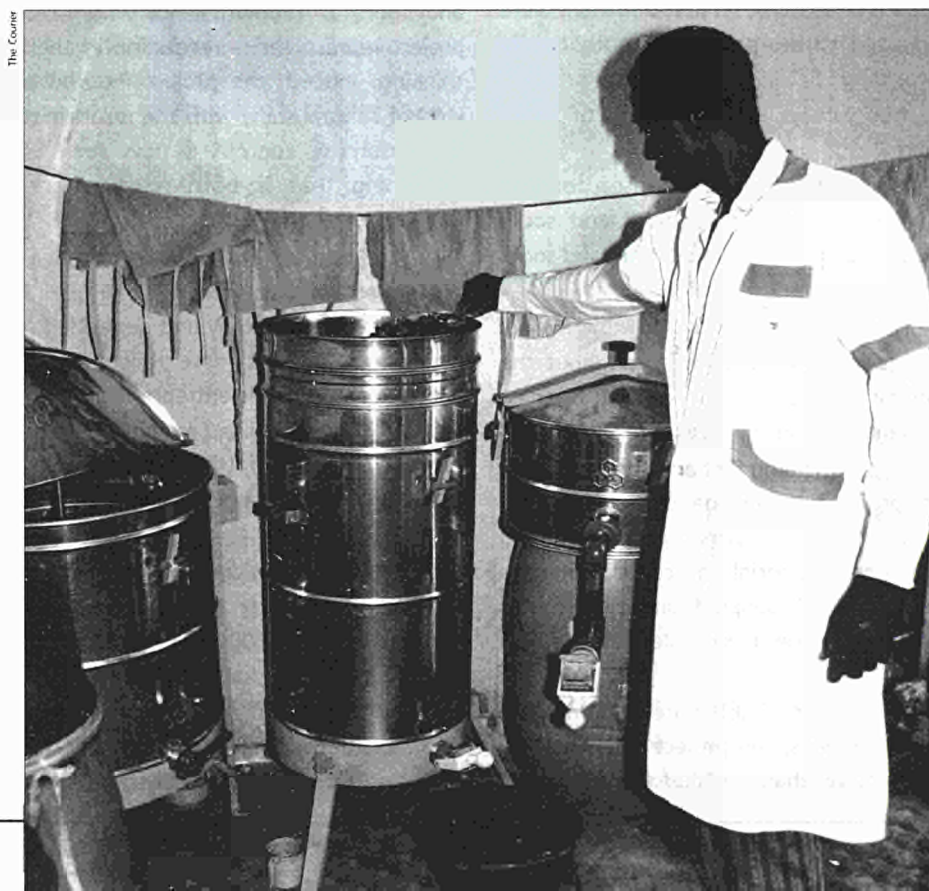
the number of firms, or even the size of the loans awarded, then it may seem very high, particularly if it has not reached a credit level to guarantee a certain amount of income (interest over loans). But it is wise to consider this sort of scheme from a new angle, which has more to do with investment or venture capital than the one used in development hitherto. In this new approach, costs are evaluated in the light of the balance sheets of the businesses financed, i.e. in the light of the various human, economic and social movements which have been generated.

There is still a danger of costs keeping pace with the growth of activity and thus condemning the scheme to constant subsidy. Solutions have to be envisaged for this at the outset with such things as a policy of sub-contracting, bills to clients for services rendered, the relevant logistics and organisation and training for operators reflecting a private sector-type approach to productivity. The date by which the principal activities become self-financing must also be fixed at the beginning. This has not happened in Mali and the project now has to break with some of the attitudes to spending and productivity which have made it difficult to do without funders and could prevent it from lasting.

This Bamako honey maker had SME assistance from the Community

### Functions

There may be very good reasons for one person doing more than one job at the beginning, but it soon becomes problematic or dangerous to combine business support and advice with credit line lending and management. This combination of functions has been virtually institutionalised in the Mali project so far and it could herald all sorts of problems in the shape of conflicting interests, manipulation of the promoters, subjective choices and decisions etc. It is both the strength and the weakness of the scheme in that it gives it the means of applying its policy and achieving its goals, independently of any outside constraints, but it has to be phased out through changes in the organisation, if not the form of the structures set up to perform duties which are separate but nonetheless linked.



The Courier

## The formula

The development project may not be the right formula for our purpose.

The informal, irregular, confused, breakaway project form tends to be seen as the arm of an administrative department for national operators and the arm of funders for the expatriates. It induces reflexes, long-standing ones, which began with the institutional invention of under-development and cooperation and now make it difficult for the principles of project organisation and management to be applied in the private sector — although that is in fact what is being done in this case.

A project is usually a case apart. It is not concerned with fitting into its surroundings and its staff depend on a budget rather than results. The same goes for its future, which depends on political and/or administrative decisions rather than just performance. Management methods take no notice of returns or productivity and the main criteria are that the administration and the funder be satisfied and the budget used up properly.

These 'development project' reflexes explain why schemes of the type we have here leave the conventional experts relatively impotent, as they do the consultancies, which are keener to sell the man-months of people with CVs full of developing country experience than use the rules of profit margins in the profession to identify the 'businesspeople' who are too expensive, and provide proper expert advice. The same goes for national operators who are put forward by the administration, have to be treated as civil servants (which they often are) and try to get as many perks as they can before the project is over.

These numerous problems can be solved by tackling both the methods of recruitment, location and assessment of the so-called experts and the formal structuring of the project.

This is why the Mali project has embarked on a major overhaul and is now converting to a credit initiative, a private financial establishment in the form of a semi-public limited company — a formal change which will have a large, positive

effect on many of the aspects which we have raised, especially the following :

- the natural partners of Mali's private sector (now associated with the project through their shares in the company), i.e. the Development Bank of Mali (BDM), the financial institutions with the National Insurance and Reinsurance Fund (CNAR), Malian economic operators, the state, and above all the 'clients' of the project via the guarantee money in their tontines, part of which they invest in company capital ;

- the project itself, which now has to think of profitability and will gear its technical, human and financial organisation to profit and therefore productivity (in terms of quantity and quality) and results ;

- the project again, which has to obey the same rules as any legal entity in Mali and stop acting in an irregular manner.

## Finance

The project is not a bank in the conventional meaning of the word. It is not aimed at bank customers. It has neither the aims nor the procedures nor the philosophy of a bank, and the line of credit which it manages is just one of the means which promoters need, in the same way as information, studies and training. Project clients should not be credit seekers, but businesspeople with viable business schemes, for whom the project is a financial and technical partner with which to share any risks.

The loan security procedures were designed with this in mind, in the light of the economic potential of the promoters, actual social circumstances and the cultural environment. They involve :

- carrying out a sound assessment of the entrepreneur's qualities ;

- presenting a financial history of a high standard ;

- arranging for close monitoring of the entrepreneur throughout the term of the loan ;

- requiring sponsorship of the promoter from prominent members of society ;

- requiring a guarantee from a tontine of at least three members (including the promoter) ;

- requiring the company's investments to be lodged as security.

This system baffles all financial experts used to banking procedures, particularly since it offers guarantees out of all proportion to the size of the loan. But it does fit in with the whole approach of our scheme.

The essential corollary of a system of this kind is stringency, from the first meeting with the entrepreneur through to the organisation of the monitoring of the business. The number of dossiers handled, the western-style reflexes of some experts, repayment problems and the anxiety for qualitative security lead inexorably to a return to conventional, recognised, bank-type guarantees (mortgages, mutual guarantees etc.).

Paradoxically, the project is thus turning its back on a whole section of its clientèle and even competing with the banking system on its territory. At the same time, this formalisation of loan security is leading to a slackening of the standards of study, evaluation and monitoring.

An analysis of the various project agencies cannot prove whether repayments were better with or without conventional security. Everyone knows how inefficient conventional guarantees, which often cannot be redeemed, are.

However, this shift changes the direction of the project, in that it no longer produces entrepreneurs but borrowers, whose main task is to comply with the terms of credit access — and these are independent of the quality of their business plans and depend on formal guarantees.

No procedure can replace a high standard of business study, monitoring and consultancy. The Mali project was prey to hesitation, did not think hard enough about loan security and thus triggered a move which, paradoxically, failed to improve its results. The financial establishment which took over from the project has reproduced the project's spirit and initial procedures in its handbook. Let us hope they are respected, for they created a dynamic movement and won the confidence of thousands of small entrepreneurs. On the other hand, it could be confused with a new development bank along 1970 lines. ■

O.D.

## Zimbabwe

# Developing entrepreneurship through Empretec

by Tsitsi Masiyiwa\*

In the past few years, many countries in Africa have embarked on structural adjustment programmes in order to attract foreign investment and stimulate economic growth. Zimbabwe is no exception. The government has shifted from a controlled economy to a market-driven one while at the same time making concerted efforts to attract both domestic and foreign investment. From the onset of the Economic Structural Adjustment Programme (ESAP) the Zimbabwe Government has realised that one of the key strategies to expand the economic base of the country is through the development of a strong entrepreneurial culture among its population. The Empretec-Zimbabwe programme is one of the tools that the government is using to encourage domestic investment.

Empretec-Zimbabwe was set up in April 1991 as a joint programme, sponsored by the United Nations Development Programme (UNDP) and the Government of Zimbabwe, through the Zimbabwe Investment Centre (ZIC). The objectives of Empretec-Zimbabwe are to:

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— help develop indigenous entrepreneurial capabilities and innovative small-to-medium scale enterprises;

— encourage linkages between SMEs and larger national and transnational corporations;

— stimulate cross-border ventures within the Southern Africa region;

— build institutional capacity to promote SME development.

The Empretec Programme is an international one which was initiated by the UN's Transnational Corporation and

Management division in Argentina in 1988. The word 'Empretec' comes from 'empresario tecnologico' which is Spanish for 'technical enterprises'. Since 1988, the programme has steadily and successfully been expanded to other Latin American countries, including Brazil, Venezuela, Chile and Uruguay as well as to African countries such as Ghana, Nigeria and Zimbabwe.

Small retail businesses in Harare. Empretec-Zimbabwe aims to develop indigenous entrepreneurial capabilities and promote SME development in the country



## Tawadzana Enterprises Manager, Innocent Jemedze, tells his own story

What started off as a small mini-market has grown into a large supermarket and it is still growing in an unprecedented way. For the people of Chikangwe Township in Karoi, Tawadzana Enterprises has now become a household name.

The company was first incorporated in 1988 but was dormant until July 1991. Since then, it has grown from strength to strength, from an outfit with only four employees to one which provides jobs for 30 people — and this number is set to rise to 40 by the end of June.

July 1993 saw our business expand with the opening of our ovenfresh bakery. Situated as we are, in the high density suburb of Chikangwe, we discovered that there was a niche in the market for fresh bread. Despite many challenges — the devastating drought, harsh economic climate and tight liquidity — we managed to finance the full range of bakery equipment. We supply the local community — the boarding school, hospital and shops — with fresh bread on a daily basis and we also get people coming from around Hurungwe to order our products. The company has become a household name due to its renowned quality of service.

The bakery has been a major boost to our business and we hope by May to have opened two more retail outlets. The major constraint that we suffer from is one of transport. We need now to be able to deliver bread and confectionery outside the town. Currently, the bakery is operating at only 21% capacity due to a lack of delivery lorries. It is my view that the acquisition of two 3-tonne delivery vehicles would go a long way to boost the production and earning capacity of the bakery.

I am happy to say that I benefited from attending an Empretec workshop in November 1993. Since then, I have seen a growth and improvement in my managerial skills. With good and proper planning, the image of my business has changed drastically for the better. From what I learned at the workshop, I was able to prepare a comprehensive business plan to back up a loan application to the Credit Guarantee Company (under the Z\$400 million facility for small-to-medium scale businesses). I am proud to say that I was the first recipient under this scheme in the Mashonaland West Region. My salute goes to our facilitators — thanks for a job well done — and to my family for their sacrifices during this period.

## Management of the programme

While funding for Empretec-Zimbabwe comes from the UNDP and the ZIC, the two institutions are not involved in the day-to-day running of the programme. This task falls to a Board comprising representatives of the private sector, government and other institutions working with both large corporations and small indigenous companies. A small Management Executive Committee is drawn from the Board and this meets once a month to monitor the progress of the organisation.

The programme is implemented by a small staff consisting of the National Project Director, the Assistant National Project Director and secretarial back-up. A substantial amount of work is sub-contracted to short term consultants. The services that Empretec offers are targeted at entrepreneurs who own small-to-

medium scale firms and at those entrepreneurs who have made fairly advanced plans to go into business. Those targeted have to be 'value-added' businesses that are using technology in some form and they must also have a strong growth potential. The services offered are not available to just anyone seeking assistance but only to those who have attended a two-week Entrepreneurial Development Workshop. Empretec believes that potential beneficiaries should first undergo a process whereby they are taught entrepreneurship, learning the basic essentials for future success. This approach is felt to be necessary because, historically, the political and economic environment made it impossible for blacks to go into business. As a result, active participation by black people in the economy only began around 1990. The programme is designed to speed up the pace at which the previously excluded majority can play a meaningful role in the economy.

## Services offered

Once an entrepreneur has been through the workshop mentioned earlier, he or she then becomes eligible for the other services that are on offer. Courses that focus on management skills training are conducted on a monthly basis. In addition, talks, seminars and workshops are also organised for the benefit of the entrepreneurs. The majority of these courses are conducted by local consultants and they are open both to the entrepreneurs and to their employees.

The Empretec-Zimbabwe staff also help to provide 'hands-on' and practical assistance. If a business is not achieving its profit targets, or if stocks are not moving, it provides a 'troubleshooter' to assist in identifying problems and in coming up with practical and sustainable solutions. This aspect of the programme is undertaken by both local and international 'retirees' who come for short periods to offer the benefit of their particular experience. In the past, Empretec has received assistance from the International Executive Services Corps (IESC) which is an American-based organisation providing retired executives for short periods to Zimbabwean companies.

As a business organisation, Empretec is aware that networking is a key component in developing and stimulating business growth. It therefore publishes a directory of entrepreneurs for distribution to its members and to large national and transnational corporations. This directory contains information on types of business, location, products made and services offered by each individual entrepreneur. The directory can, therefore, be a useful source of information for fellow-entrepreneurs. The majority of the firms that receive assistance have weak financial bases upon which to obtain loans from banks. Accordingly, the secretariat assists entrepreneurs in drawing up bankable business plans. It is important to note that all the data collection is undertaken by the entrepreneurs themselves. Empretec's role

is to put the information in such a way that the bank manager has the necessary confidence that the applicant will be able to repay the loan. However, entrepreneurs are strongly encouraged to attend courses and draw up their own business plans which they then submit to Empretec for vetting and with a view to obtaining a letter of support.

Secretarial services are provided to those in need. Very few of the businesses concerned have telephone, fax or copying facilities and Empretec provides these services to entrepreneurs who require them. The services are not free — users pay fees for attending courses and

using secretarial services — but the charges are well below normal market rates.

## Weaknesses of the programme

While the programme aims to build profitable businesses, there are limitations which prevent it from being as effective as the secretariat would like. 160 entrepreneurs, all located in Harare, are currently receiving assistance but there are a further 58 in Bulawayo who are unable to receive much help owing to limited financial resources. This, of course, has hampered the potential growth of these businesses as they do not have access

to the management skills training which they so desperately require.

The staff complement in Harare is too small to manage the programme effectively. The success of the programme must be measurable in both qualitative and quantitative terms. This means that data collection is necessary in order to obtain quantitative information such as turnover, profit levels, employment generated, new loans accessed and so on. Without this information, it is difficult to ascertain the impact of the services offered on the growth of the businesses.

The majority of the businesses require 'hands-on' assistance whereby a consultant spends time observing and helping each individual concern. It is not easy to get local consultants as most of them are in full-time employment. In addition, international consultants can only come for limited periods of time. As a result, the programme has been rather slow in providing this kind of help for SMEs.

The linkages programme, which is supposed to stimulate business activity between large and small corporations, has not taken off as expected. This is largely because the product quality and management expertise of the SMEs do not yet match those of the larger companies. There is, therefore, still an air of mistrust as to the small businesses' ability to provide large companies with high-quality products or services within the required time.

## The Empretec experience

### A training and research consultant, Isabel Manyande, gives her personal account

Hard work pays dividends! Apart from being ambitious and persistent by nature, the major factors that inspired me to overcome the problem of breaking into the male-dominated world of business — in an economy, moreover, where racial discrimination was the order of the day — were faith and self-pride. These I derived from the teaching of my parents. According to them, there was no need for girls to apologise for being 'mere women' and no reason for any false sense of superiority on the part of the boys simply because they were 'men'. During the ten years that I spent in the private sector as a personnel manager, I learned to deal with people from all walks of life. I had access to useful information across the board, from the lowest to the highest placed individuals. In 1990, I decided to strike out on my own. I set up a publishing business and managed to put together a women's magazine of high quality. Faced with insurmountable problems caused by the lack of adequate printing equipment, I was, however, forced to diversify. I decided to change to the field of training and research consultancy, for which I am professionally trained. Before putting the new business together, I enrolled in the Empretec Entrepreneurial Development Programme. Through the programme, I had my business acumen and drive energised. I looked at myself as a business person, looked at all the areas in which I was falling short as an entrepreneur and went on a 'determination drive' to tackle my weaknesses.

I now make it my business to acquire a wide knowledge, not only about my consultancy, but also about related organisations and institutions that are in competition with me. Above all, I seize every opportunity that comes up to participate in management and leadership courses which are offered by Empretec-Zimbabwe. So far, the ones that I have attended have helped me improve my skills at managing people, decision-making and adapting to any change that may arise in my area of trade. The back-up service that is offered by Empretec has been of tremendous value to me. The 'no-cost' business advice that is offered to 'Empretec' at any time must be mentioned. I have experienced a lot of problems and resistance from the male-dominated world but have received valuable assistance in terms of advice and networking from Empretec to help counter this. The organisation has made me feel that someone cares about me as a business person in my own right. Whatever obstacles I am faced with, I do not hesitate to approach the Empretec staff, who always go out of their way to assist. Needless to say, through Empretec's networking approach, I have received substantial business from fellow 'Empretec'. I would like to encourage other women who want to venture into business to enrol on the Empretec Entrepreneurial Development Programme. To me, it is the most worthwhile starting point for any would-be entrepreneur.

## Conclusion

The Empretec programme has only been in place for two years but, despite the weaknesses just outlined, its impact has nevertheless been felt within the small business sector. The entrepreneurs appreciate the fact that there is a place where they can receive meaningful and practical experience as and when they need it. However, the vision of Empretec becoming a major business support centre cannot be realised with the limited resources available. With additional manpower, equipped with experience in management skills, Empretec-Zimbabwe has the potential to develop a strong and dynamic small-to-medium size business sector that contributes to sustainable economic growth in the country. ■ T.M.



## Made in Jamaica

Jamaican Governments have been counting on privatisation and private sector support to drive their development strategy since the early 1980s. The most obvious result of this policy is that, notwithstanding macro-economic problems such as currency devaluation and mounting underemployment, the Jamaican private sector is often set up as an example in the ACP Group, despite criticism about the results of choosing to go 100% private, to the detriment of the public sector which is supposed to act as a buffer in a country of deep-seated social inequalities.

Privatisation, a series of operations in which Jamaica handed over the equivalent of 90% of its assets and attracted \$2.5 billion in the space of 10 years, is unique, or at least rare, in the developing world. Jamaica was one of the first countries to follow in Mrs Thatcher's footsteps, if not to anticipate them, with its policy of liberalisation.

Its reasons for launching and, since 1981, following through with the privatisation programme suggest that the idea was to salvage a national economy which was badly run down even before the world recession started. Despite great assets, including respect for a democratic system of alternation of power and fundamental freedoms such as freedom of the press (a very lively press, indeed) and the right to own property, the economic indicators were all at red. A relatively high standard of living, among the best in America after the USA, Canada and Venezuela, had created expensive consumer habits and, by the end of the 1980s, the country's total consumption was 90% of its GDP and imports were swallowing up 60% of it. GDP was growing by something like 2% p.a., but inflation, which was 18% p.a. in the 1970s, had climbed to 70% by the end of 1991. The Jamaican dollar, worth 12.3 American cents in early 1991, had dropped to 3.7 cents in March 1992 and the international debt burden was getting heavier all the time.

So successive Jamaican governments resisted all temptation to go protectionist and decided to stimulate exports and local output by creating a dynamic private sector. The relevant laws were adopted and a government economic development agency, the Jamaica Promotion Corporation (JAMPRO), was set up. This one-stop shop for exporters and potential investors from Jamaica and abroad also coordinates much of the aid ploughed into the country's businesses and has become the major channel for foreign assistance to the private sector, particularly aid from the European Union. One original feature, in which it stands apart from the very bureaucratic systems of other countries, is that it motivates businessmen by backing them from the project design phase through to implementation and throughout the life of their firms, which is why its offices on Trafalgar Road in Kingston are always full of businessmen. It puts special emphasis on agriculture, agri-industry, mining, manufacturing and services.

JAMPRO's cooperation with entrepreneurs is not just a matter of the odd meeting, but involves proper monitoring, helping with administrative formalities, looking for partners and finance, fixing on the best location, designing financing plans and so on. The agency also registers and certifies product origin. Its range of services includes market surveys, product promotion abroad (crowned with the ever-greater success of the Best Jamaica brand and products such as Blue Mountain coffee) and investigations into the reliability of Jamaican companies' foreign partners. There is also a school for cadres, offering training in such varied subjects as engineering, market surveys, industrial safety and the trade laws of other states and studies of European tastes in clothing and furniture. The courses are tailored

either to some of the big firms or to particular sectors of activity.

The Trade Commissions with various Jamaican embassies abroad come directly under JAMPRO. The head of the agency, I.V. Polly Brown, is proud to say that JAMPRO has coordinated the launching of four textile schemes, representing an investment of J\$ 80 million (US\$ 1 is currently worth about J\$ 32), and the creation of 1800 jobs over the year. Between April and December 1993, 110 projects worth a total J\$ 300 million were completed and there were audiovisual schemes on top of that. A further 300 projects are ready to take off, six of them (agricultural schemes) with an allocation of J\$ 49 million.

There is plenty of legislation to help private investment. The Export Industry Encouragement Act, for example, gives businesses exporting to strong currency countries up to 10 years' exemption from customs duties on their raw materials and equipment, plus exemption from some company tax. There is no time limit on these advantages for firms in the free zone, which are also entitled to export their profits at will.

Tax advantages granted in 1992 have given the tourist industry a real boost. JAMPRO is managing the paperwork for new installation projects (up by 75% over the year) worth almost J\$ 8 billion, and four of them, worth J\$ 1.2 billion, will soon be adding more than 600 rooms to the island's hotel facilities. In 1993, tourist company profits grew by 10.7%, to US\$ 950 million, tourist arrivals by 8% (1.6 million tourists plus 980 000 stopovers) and projections for this year suggest US\$ 1.1 billion in profits.

Alongside the traditional beach holidays, both SMEs and large operators are moving into ecology tours, which are tourism-health care-culture packages.



Jamaica Producers Group. Planting — transport — sales. Bananas from A to Z

## Conquering spirit

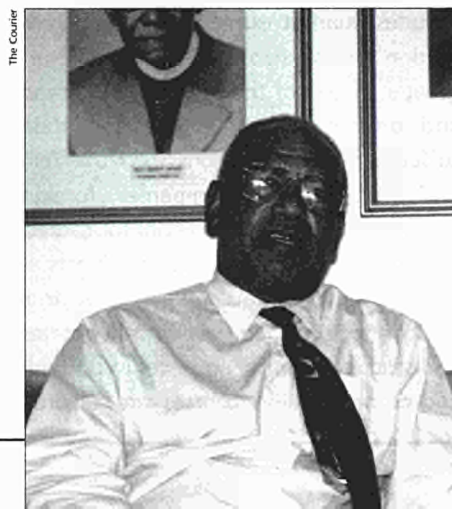
Lloyd Wint is the managing director of NCB Investment, one of the companies in the NCB (National Commercial Bank) Group, privatised in 1986. The NCB Group has US\$ 780 million in assets, making it a Caribbean leader, and is currently rated seventh in the Caribbean (1992) top-10 sales league. NCB Investment is in charge of the major diversification into agriculture and tourism which the group has gone for alongside its banking and insurance activities.

One of the new ventures, exporting pawpaws to the USA and Europe, may seem of little significance to a business which made a net profit of J\$ 500 m in a year, but it heralds new interest in the farm sector. The company is looking for European partners interested in marketing its products. It is vital to train the company's managers to get to grips with the foreign markets, Mr Wint maintains, especially those in Europe. Europe is the continent to conquer, he believes, which is why he has applied for help from Target Europe, the export promotion programme sponsored jointly by the EU and the Jamaican Government.

The NCB Group bank is also one of the intermediate organisations involved in distributing EU loans to businesses.

Dr Marshall M. Hall, chairman of NCB Group Ltd and managing director of the Jamaica Producers Group Ltd, is the cheery head of this Caribbean sales leader with sales worth approximately US\$ 260 million in 1992) and relates its history with enthusiasm and wit. It used to be Jamaica Banana Producers and it still sees bananas as the symbol and the driving force of its activities (60% of exports). This is a real success story. The company started out, as a banana producers' cooperative, in 1829. It soon had 6000 members, then built up a transport fleet and acquired sales points abroad and now it has five refrigerator ships sailing to and from the ports of Kingston and San Antonio in Jamaica to Limón (Costa Rica), Vlissingen (the Nether-

Dr Marshall M. Hall, chairman of the NCB Group and managing director of the Jamaica Producers Group, two Caribbean giants



lands) and Newport (Wales). JP Ltd has subsidiaries in the USA and the UK, where its tropical produce (bananas, citrus fruit, mangoes, pawpaws, yams, sweet potatoes etc.) is processed, stored and marketed.

Now for a businesswoman, a florist who is disarmingly frank about her discontent at the management of private sector aid in the developing nations. This is not the resentment of someone who wants assistance, but of someone who goes out to conquer and is ready to assault new bastions. Beverly Morgan, the elegant, decisive iron hand in a velvet glove is the managing director of Blooming Things and has a turnover of US\$ 700 000, flatteringly large for a small business. She exports 40% of her output to Germany, 25% to Japan, 15% to the USA with the remainder going to a number of other countries including the Netherlands, Switzerland and France. She is appalled to hear that the aid from the European Union is not properly absorbed in Jamaica — the problem is that the aid is designed by civil servants and not businessmen — and she is delighted that the EU is now insisting on the private sector in development. She advocates and is ready to launch the initiative for an ACP private-sector institution. The biggest problem for ACP SMEs wanting to penetrate the European and other major world markets, she says, is non-tariff barriers, of which the constant changes to the regulations on packaging are a telling example. The other major worry is Europe's green concern. 'If we use the fertilisers and pesticides which the Europeans and the Americans sell us, we end up with products which fail to meet their ecological demands,' she says. The answer is technological progress and help from research centres. Cooperation between private enterprise and ACP universities would be a good idea, she says, but the chain should be completed by collaboration between European and ACP universities and, in the case of her particular branch, with horticultural research centres in the Netherlands.

We now turn to an entrepreneur with a very different image — and whose trade is in images. Lennie Little White is a film-maker, producer, cinema owner and audio-visual studio director. Most of his



time is spent in the studio of Mediamix, an SME with a payroll of 32 permanent and 10 temporary staff. A man of broad talents, he has written directed and produced a number of films, including the acclaimed 'Children of Babylon'. These are relatively low-budget productions, but they are now being shown on American and British TV, whose technical standards are very high. His complaint is that the laws designed to encourage film-making are geared to foreign productions, although he still hopes to get the spin-off from the advantages offered to foreign films made in Jamaica using local professionals. The current success of Walt Disney Studios' 'Cool Running' and the many other Jamaican projects by this prestigious American company hold out a great deal of hope, but the best bet is still the intrepidity of this artiste-cum-businessman who says he wants to succeed in an industry where people do not normally expect to see someone from a developing country.

### Target Europe: aiming for better information

Lennox Robinson, the head of Transfer Data, which sells computer services to American businesses, is equally confident. Like many of his colleagues, he

wants to know more about European initiatives for ACP businesses. He is quite open in his criticism of Europe's timid public relations efforts, the absence of European channels on the satellites covering the region and the way this forces people in the Caribbean to look to the American media for economic information on Europe — and he is ironical about the fact that the only European news to reach his part of the world is about football. But information would be helpful.

Cooperation between the European Union and the Jamaican private sector is often held up as a model and its star performer is Target Europe, a two-year programme which the EU and the Jamaican Government launched on 1 January this year to promote Jamaican exports in Europe and European investments in Jamaica. It is run by JAMPRO, under the supervision of a committee of representatives of the Government, various private-sector professional organisations and JAMPRO itself, and the budget, at ECU 3 million, is a slender one. However, its main purpose is not to provide subsidies, but to steer, mediate and act as a strategic centre for businesspeople.

The European Union is also financing an import programme (ECU 14 million, plus another ECU 8.4 million shortly) to help firms short of foreign exchange — a

Blooming Things wants ACP firms, ACP universities and EU universities to collaborate

timely move with the Jamaican dollar down 50% over the year. It is also supporting a credit programme for small businesses. The last EU intervention in Jamaica, a small one, is to enable local industrialists to go to trade fairs and study seminars. The island is also involved in the ECU 80 million Caribbean Regional Integrated Programme (CRIP).

Jamaican businessmen may well complain that the Lomé industrial development instruments tend to organise meetings which have no practical results, but they have new respect for Target Europe, which gives them the opportunity to expand their partnership outside the USA and the United Kingdom to which they admit they have long confined themselves. The organisers fear that they may even be expecting too much of the programme, but, even if they are, they have already hit one target: they have got the interest of the people most concerned. That can't be bad for a start! ■

H.G.

## Dominican Republic

# Private enterprise comes of age

The lack of concern among most people running businesses in the Dominican Republic during the post-election crisis may well be a sign that they are mature and now independent of politics in a country where government and business have always been closely intertwined. One of these businessmen did miss an appointment when the Head of State, whose election victory was being disputed, needed support. Representatives of employers' associations did come out with statements criticising those — the opposition leaders, of course — who threw the country into disarray by questioning the seriousness of the Electoral Council and damaging the economy, especially the tourist trade. And in the name of private enterprise, voices were even raised to accuse the man responsible 'for all this waste.' But by and large things were quiet, because, as the head of the *Asociación Dominicana de Exportadores*, Luis Rafael Pellerano, pointed out, regardless of the election results, in the private sector, the President will have to go on doing what the Dominican Republic has been doing for years.

### Instant impressions

On the bright side, Dominican business has about it an air of optimism, enthusiasm even. A new generation of entrepreneurs is moving into the market and most of them were trained abroad, know about modern management methods and do not feel they are tied to the apron strings of the political powers. On the dark side, the administration has flaws which do not square with a truly free-enterprise economy. Observers say that institutional shortcomings and obsolete state bodies are the biggest impediments to the development of the private sector. Variable customs duties, for example, are much criticised. Such duties bring the State 70% of its tax revenue, but the amounts charged are apparently decided by state

treasury managers and administrative fancy and the tax on any given article can fluctuate, for no good reason, between 20% and 60%. Another handicap for private enterprise is the yawning external trade deficit - Dominican exports slipped by 12% and imports climbed by 20% in 1992. Management claims that this is because the Government failed to provide any support and suggests that the answer would be to have a private-sector aid policy like Jamaica's, which is often set up as an example, with much praise for JAMPRO, the island's private-enterprise promotion agency. It also wants the exchange rate for foreign exchange export earnings to be deregulated.

On the eve of the election, various bills (on investment incentives, credit etc.) reflecting Dominican business requests were under discussion or about to be passed.

Some businessmen were aware of the dynamism generated by private enterprise and called for the right to express their views in terms of political choices, without fear of reprisals from the old alliance. This new-found daring in the island's business circles is not confined to big businessmen either, for small firms are flourishing everywhere, with ingenuity and resourcefulness.

### Industrial free zones — a springboard

The development of free zones has certainly been the springboard for Dominican business. Industries which set up in these zones pay no local taxes and no customs duties on any of the materials they import. In exchange, they provide capital

for the workers' wages, know-how (which spreads outside these industrial estates) and the go-ahead outlook of American companies, which, as Eddy Martinez, the head of the *Asociación Dominicana de Zonas Francas*, points out, has been quick to spread throughout the private sector.

More and more workers trained in these free zones set up little businesses of their own and take the work ethic with them, Eddy Martinez said. The zones currently house a total of 460 companies, most of them American, distributing \$540 million p.a. in wages and overheads. Many of the businesses are run by Dominicans, because, for many reasons, many of the foreign investors prefer to remain anonymous.

The first Dominican businesspeople to benefit from the free zones were those who built them. One of them, Samuel Conde, the engineer, had considerable flair — not surprisingly, since it was his father who set up the country's first mortgage bank in 1972 by amalgamating various small exchange houses which had gone in for banking in a semi-orthodox manner, presenting the state with a *fait accompli* at a time when there were supposed to be tight exchange controls. The turning point for Conde was in 1985, the year of devaluation, the end of the myth of parity between the Dominican peso and the American dollar. Shortly before that, American President Ronald Reagan had adopted the Caribbean Basin Initiative (CBI), the USA's support programme for Caribbean private enterprise, which excluded virtually all the Caribbean's traditional exports from the US preferences. Nothing daunted, Conde decided to develop the small existing free zone, which had only created 20 000 jobs, far fewer than the 60 000 in Haiti's assembly industries. His lobbying took him as far as a hearing before a senate committee in

Washington and helped bring about the agreement between the Reagan administration and American industrialists in Puerto Rico, whereby the latter were to keep their tax advantages but invest in Caribbean countries benefiting from the CBI.

Thus one of the free zones, the ITABO Industrial Park, directed by Emanuel Conde, saw the light of day. Conde's company put up all the buildings, and foreign firms which set up there can choose whether to rent them or just supply the capital and have the business managed by the Dominican team. Many opt for the latter. ITABO firms, with a combined payroll of 6000, include Westinghouse Electric Corp., Baxter Healthcare, Eli Lilly and many other pharmaceuticals companies.

In addition to the 160 000 free zone employees, these industrial estates have created an estimated 200 000 more jobs in the Republic. A major effort has gone into staff training, initially for under-

qualified people working in the textile industry, which represents 70% of the output of the free zones and has a payroll which is 65% female. But firms in free zones now offer secondary-level and even higher (college) courses and send their managers to teach at the university, as part of a three-year-old cooperation scheme, to gear the university courses to the needs of industry.

### Enthusiastic people, gloomy figures

Dominican firms have heavy taxation and all the hazards of the administration to contend with, Mr Martinez admits, and initially they had objected to the free zones. But, as time went

The free zone stimulates the whole economy

by and liberalisation continued on its way, they stopped complaining. 'Domestic' businesses supply free zone businesses with more and more of their goods and raw materials and they are reaping the benefit of them.

The Government is paying more and more attention to claims from the private sector. Ricardo Valdez Albizu, the head of the Dominican Republic Industrial Association, for example, welcomes the results of the industrial reconstruction programme launched in 1990. Annual inflation was 100% in 1990, but it is now down to single figures. Fiscal discipline on the part of the Government has brought the budget into balance, from a deficit of 5% three years ago. Customs duties, previously levied at 25%, have been slashed to 3%. The business profits tax is now 25%, which is still too high, but the ceiling used to be at around 45%. Total liberalisation of the market is a major challenge for Dominican industry, which has modernised and restructured to cope with it — a good example is the tourist industry, which brings in US\$ 1 billion annually.

Industrialists are counting on the future. A survey of 250 of them showed 75% of bosses believing that the economic prospects were good to excellent and only 7% fearing a decline in sales. The bad trade figures are primarily due to the state's lack of commitment and administrative shortcomings, Mr Albizu maintains, although he does admit that there is a great deal more professionalism in the public service.

Osmar Benitez, director of the powerful 'Junta Agroempresarial Dominicana' (The agro-industrialists' council) which has 22 000 members, echoes this view that the state has to shoulder its responsibilities. He represents a sector which has been badly hit in recent times, having seen a dramatic 50% drop in exports in the period between 1989 and 1993 (export volumes now running at only a third of imports). He contrasts the situation of his members with the tax advantages enjoyed by their Costa Rican or Mexican competitors — the 25% tax on Dominican rice-growers compares very unfavourably with the 6% in Costa Rica, for example. Mr Benitez does not dismiss the shortcomings of Dominican agriculture and his association has set up a number of



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research units, backed up by laboratories, to investigate the reasons for the lack of productivity on a crop by crop basis.

The new-found dynamism of the chambers of the commerce is a sign of the times. It sometimes happens that very old ladies beautify themselves again. The *Camara de Comercio y Producción de Santo Domingo*, founded in 1844, went through years of lethargy, but is now preparing to open a proper stock exchange (the existing one is only a formal institution). It chairs the federation of the country's 30 chambers of commerce, provides an increasing range of technical assistance for its members, runs trade fairs, conducts company audits and so on and it has launched a Dominican product promotion campaign in the USA, Europe, the Western Caribbean and the French departments in the Caribbean. Its president, Manuel Armenteros, emphasises that his organisation is keen to develop Caribbean cooperation and make the most of the fact that the countries in the region belong to both Lomé and the CBI. However, like most businessmen we met, he is sorry that information on the Convention is in short supply and its machinery so complex.

An even better example is the resurrection of the Euro-Dominican Chamber of Commerce, whose statutes appeared in the *Moniteur Belge* of 26 October 1961 (an unusual distinction is that its leading creator, Alfredo F. Vorshirm, then the Dominican Republic's *chargé d'affaires* in Brussels, had the idea of setting up a 'Euro-something' chamber of commerce shortly after the advent of the common market). It has got new blood and one of the new members, José Ayuso, a very active young businessman, runs the local agency of the CDI (Centre for the Development of Industry, a Lomé body). The Euro-Dominican Chamber wants to become a parastatal body and coordinate the EU private-enterprise aid programme now on the drawing board. This is due to be allocated something like ECU 6.5m (subject to ratification) and the organisers believe that priority for these funds should go to providing technological and commercial training to help Dominican businessmen get a better grasp of the European market.

## Europe, the new adventure

Nicola Metta has geared his work to getting to grips with Europe. He has invested in an audiovisual production and distribution company, called Cometa Caribe s.a., and his video-club rents out the cream of European films by producers Wim Wenders, Kieslowski, Almodovar, Alain Resnais, Tornatore and Ivory. His books do not really balance for the moment, for 'people aren't going to

partners seeking the best site for relocation. Some 70% of the output of the free zones consists of textiles and clothing, a sector threatened by the GATT multi-fibre arrangement, and it is Europe, they maintain, which offers the opportunity to diversify. The country's size and population are such that it has had little benefit from international aid and it is very enthusiastic about this new cooperation with the European Union. There are none of the signs of disappointment that occur with long-standing partners. One indicator of this enthusiasm is that the Republic has



embrace European films enthusiastically with just one wave of the wand. You can't say they actually prefer American films, because they are all they know.' Mr Metta is willing to spend his last penny to get European films on the cable, along with 'Made in Europe' information from, say, Euronews. He sees himself as a commercial traveller for Europe because 'getting people to appreciate films from Europe is also getting them to appreciate European products.'

The Republic's exports to the EU usually account for 20% of its total exports. Just a short time ago, they had stagnated at around a meagre 10%. Despite the dynamics of the free zones, the heads of several businesses are aware of the long-term fragility of development based on

You can't say they actually prefer American films, because they are all they know

already committed virtually all the resources of the national indicative programme for the first part of Lomé IV. It will certainly not be a Sisyphean task to spend the ECU 6.5m for business promotion. ■

H.G.

## BioNET-INTERNATIONAL Compiling the 'who's who' of Caribbean biology

by Donald Pittis\*

Periodically, the rice crop in Guyana comes under serious attack. Farmers fight back in the only way they know how and many have become dependent on chemical pesticides. Despite government controls, pesticides frequently make their way into the country from Spanish-speaking Venezuela. That means English-speaking Guyanese farmers cannot read the instructions, and application methods involve more guesswork than science. When one application fails to work, farmers apply more.

An agricultural extension worker gathered samples of the most serious pest, the paddy bug (*Oebalus*) and sent them to the International Institute of Entomology in London for identification. Specialists there discovered something that had not been previously known. The paddy bug was not a single insect at all. In other words, they discovered that more than one species was involved. Scientists theorise that the persistent attacks by the paddy bug could actually be a series of attacks by different species. But in Guyana, nobody knows for sure. Periodically, the paddy bug strikes, and if farmers can find the money and the pesticides, they spray in the hope of getting rid of it.

The case of the paddy bug is just one example of how little is known about the creatures of the developing world and how that lack of knowledge hurts.

Michael Morais, curator of the International Institute of Biological Control's collection of Caribbean insects, which is held at the CABI regional office in Curepe, Trinidad and Tobago



Now those gaps in the science of identification and understanding of plants and animals — a science called *biosystematics* — are on their way to being filled in the Caribbean by a project called *BioNET-INTERNATIONAL*. According to the organisers, the purpose of *BioNET-INTERNATIONAL* is to strengthen the biosystematic capability in the countries of the South where it is needed, and by sharing that strengthened capability within each region, to provide access to a pool of talent and information not available in any one institution or country. The Caribbean region is the first to establish such a regional network, with South East Asia and East Africa to follow shortly.

According to Professor *Tecwyn Jones*, the founder of *BioNET-INTERNATIONAL*, knowing an organism's name is crucial to understanding its biology and its place in the local ecosystem. He compares it to knowing the name of someone you will be meeting for lunch. If you don't know the person's name, you only know what you can see when you meet them: the way that they are dressed, the way that they eat their sandwiches and so on. 'But if I know your name,' says Professor Jones, who is also head of CABI's International Institute of Entomology, 'I can find out when you were born, who your parents are, where they come from and perhaps even whether you have a criminal record.' All before you have actually met!

Unfortunately, for a large majority of the developing world's organisms, personal histories have yet to be written. So far, the skills needed to write

those histories have also been in short supply in developing countries. 'The ability to identify, characterise and classify organisms underpins the process of sustainable development,' says *David Heydon*, head of Development Services at CAB International, the creator of *BioNET-INTERNATIONAL* (see box). 'It's idle to contemplate the design of projects and programmes which depend on the accurate identification of biological organisms, if basic skills don't exist within the region.'

Mr Heydon gives the example of a recent project to stop the spread of one of the world's most serious fruit tree pests into the Caribbean — the Oriental Fruit Fly (*Bactrocera dorsalis*). This fly is widespread in Asia where it causes devastating damage. Funded by the European Commission, CABI's goal was to establish a permanent detection and monitoring system for the fly and to recommend methods of control. CABI scientists have determined that an Asian pest related to the Oriental Fruit Fly has indeed found its way to the region, but further details remain in short supply.

'Identifying the differences between the various fruit flies is a tricky business. But once local people get enough training they can perform a large proportion of this task for themselves. The process of monitoring the fruit fly in the Caribbean would be significantly easier and cheaper if local scientists had the ability to spot these intruders,' says CABI scientist *Ian White*, who is co-author of *Fruit Flies of Economic Significance*.

Just as in the planning for all the other regional *BioNET* networks, the Caribbean project has been designed with the full participation and approval of individual countries. After intensive work by people like Dr *Ronald Barrow*, of Trinidad and Tobago's Ministry of Agriculture, Land and Marine Resources, the

\* The author works for CAB INTERNATIONAL, Wallingford, Oxon, OX10 8DE, UK. CABI is an intergovernmental organisation providing services worldwide to agriculture, forestry, human health and the management of natural resources.

## CAB International (CABI)

BioNET-INTERNATIONAL concept was adopted by a meeting of Caricom ministers.

The BioNET-INTERNATIONAL plan, in the Caribbean and elsewhere, has three main thrusts; training, information and rehabilitation. The basic skills of identification and classification, especially of many well-known economic species, are not difficult to teach to local agricultural extension and plant quarantine workers. In cooperation with institutions in the Caribbean, CABI is helping to supply that training while sharing their expertise with local scientists for difficult identifications. Access to authoritative sources of information is essential to differentiate accurately between organisms. Without definite descriptions of specific organisms, it is not possible to determine the identification of unknown new species. In many cases, museums and local collections have been allowed to degenerate over the years. The BioNET-INTERNATIONAL plan is to rehabilitate those collections into active, current examples of Caribbean biology.

'Our intention is to create — over a period of several years — the necessary capability within the Caribbean to support national and regional programmes for sustainable development,' says Mr Heydon. 'This kind of knowledge is also crucial to the proper use of the environment and to the maintenance of biodiversity.'

Traditionally, expertise in the biology of the developing world has been concentrated in the institutions of the developed world. But hiring scientists from the rich countries to do the work has become prohibitively expensive, especially considering the need for expanded biosystematics efforts. Professor Jones says that the money is better spent in the

BioNET-INTERNATIONAL is only one of many science-related development initiatives originating from CAB International, a non-profit intergovernmental organisation owned by its member countries. A majority of the 36 current members are ACP States.

CABI has a long history in science and development. More than 80 years ago, the Entomological Research Committee, out of which CABI grew, found that new science on tropical entomology was not getting published, so it founded a journal to keep pace with the rapid growth of literature in that field.

In fact, the information explosion had only just begun. The *Bulletin of Entomological Research* has been in print since 1911 but now CABI's team of some 100 scientists comb thousands of journals and non-serials in 60 different languages to add more than 160 000 abstracts to the CABI database each year. CABI produces more than 60 journals, in both print and electronic form, specialising in agriculture, forestry, human health and the environment. Its products and services are available worldwide, to members and non-members alike.

CABI is constantly searching for new ways to improve the North to South transfer of information in support of research in agriculture, forestry and human health. With donor funding, it supplies its database to developing countries using modern portable computer technology as well as providing training in the use of

information science. CABI's biosystematics institutes: the International Mycological Institute, the International Institute of Parasitology and the International Institute of Entomology, provide authoritative identifications on crop pests, diseases, fungi and parasites.

The International Institute of Biological Control, the fourth CABI institute, has spent more than 65 years specialising in the use of natural enemies to attack harmful pests and weeds. As well as doing its own original research, the Institute has had considerable success in teaching developing country farmers ways of halting the excessive use of pesticides, while nurturing the creatures that protect their crops. Integrated Pest Management, as it called, is becoming more popular in ACP States, partly because of the potentially harmful effects of pesticides on the environment, but even more so because of the prohibitive cost of pesticides to small farmers.

In more recent times, CABI has expanded its efforts in the field of human health. The Institute of Parasitology now has a team of scientists studying new drugs against malaria, the developing world's most deadly disease. The *AIDS Newsletter* is just one of CABI's publications on developments in HIV/AIDS. Other human health publication include the *Tropical Disease Bulletin*, *Nutrition Abstracts*, *Abstracts on Hygiene and Communicable Diseases* and *Public Health News*.

developing world. 'Scientists within developing countries understand one another's problems, such as the scarcity of money,' says Professor Jones. 'It is a system of cooperation. Through the connections of BioNET-INTERNATIONAL a scientist in Guyana who specialises in a certain kind of insect will provide his services to the other countries in his local network or, for that matter, to one of the other BioNET-INTERNATIONAL networks. But in return for that, he will gain the services of an

David Moore, a scientist with CABI's International Institute of Biological Control, helps to train scientists on the Windward Isles in the identification and control of coconut mite

expert in Trinidad who knows all about beetles, for example.'

Already, CABI has been given funding from the UK Government under the Darwin Initiative for the advanced biosystematics training of more than 20 regional specialists from developing countries. One of the first four candidates, or 'Darwin Fellows', is Michael Philip from Barbados, who has spent four months learning biosystematics skills in the identification of bacteria. The Darwin Fellows will be based at CABI's biosystematics institutes: the International Mycological Institute, the International Institute of Parasitology and the International Institute of Entomology. As well as developing their skills in identification and classification of organisms within their speciality, Darwin Fellows will become lynchpins in BioNET-INTERNATIONAL's regional networks.

'We are talking about training and linking an army of developing country scientists to share the growing load of biosystematic work required in the developing world,' says David Heydon. 'The Caribbean example shows it can be done.'

D.P.





# The South African elections

## A European observer's eye-witness account

by Paule Bouvier\*

On 6 December 1993, the European Union decided to set up a joint scheme to back the democratisation process begun in South Africa. It also opted to send out 312 European observers for country-wide coverage of the national and provincial elections of April 1994. This signed the birth certificate of what was to be the European Union Election Unit in South Africa (EUNELSA) and gave me, and others, a chance to experience this turning point in South African history.

The mission began in Johannesburg. We spent the first couple of days on our special training, covering the nature, limitations and organisation of the mission, the institutional system which South Africa had created to manage transition and run the election — mainly the Transitional Executive Council (TEC), the Independent Electoral Commission (IEC) and the National Peace-Keeping Force (NPKF) — and the arrangements for the future ballot and the organisation of the police. We also visited a township and the European Delegation. This was a relatively passive phase in which we made contact and got a clearer idea of the observers' mission. But not only did we get to grips with the logistical problems of the enterprise, the first of its kind for the European Union. We also came to blows with the local delinquents, as several observers were robbed by one or other of the bands of young tearaways operating in the streets of downtown Johannesburg.

### On the job

The next stage was to deploy the teams and thus I found myself in the field, with three other colleagues (there were nine of us by the time the mission came to an end), some 50 km

south of Johannesburg, at Vereeniging, which one of us handily christened 'glingling'. Our allotted territory (the Vaal and the western part of the East Rand) was southern PWV (Pretoria-Witwatersrand-Vaal) Province, whose importance is inversely

proportional to its size, since it houses about a fifth of the total population of South Africa and accounts for nearly 40% of GNP and 45% of the value added in manufacturing. The Vaal itself, with a population of around 1 280 000, is even more heavily industrialised (the secondary sector, mainly heavy industry, accounts for 58% of total production) and it is heavily urbanised as a result, with at least 800 000 people in the townships of Boipatong, Bophelong, Evaton, Orange Farm, Rattend, <sup>1</sup> Rust-ter-Vaal, Shalimar Ridge and Sharpeville. The area has historical importance to match its economic importance, for it was at Vereeniging that peace was signed at the end of the Boer War. But above all, this is where the blacks struck their first blows for freedom in the anti-apartheid movement, which soon became a constant battle for liberation spreading out to the remotest parts of the country. The list of victims, from the Sharpeville massacres of 1960 to the Boipatong slayings of 1992, is long. They fell on marches, during demonstrations and at funerals. They were the victims of disputes between hostels, rivalry between the ANC (African National Congress) and the IFP (Inkatha Freedom Party), unauthorised action by the SDU (Self-Defence Units) or boycotting campaigns. Some were killed by local gangs like the one run by the notorious Monster of the Vaal. This is why

<sup>1</sup> In the East Rand and not the Vaal.

the region was described as politically very active, anarchic (despite attempts to fill the gap left when the official structures seized up) and with an atmosphere of paranoia about it.

However, the general opinion seemed to be that the political scenery there had changed a lot over the previous two or three years, an opinion which we were able to confirm. With the exception of Sharpeville, where bands of delinquent youths are always on the prowl and self-defence units always on the alert, other than for the unresolved problem of settling people who fled from Sebokeng after the troubles in 1990, the general climate is one of appeasement or even collaboration. The shift apparently is due to the determination of leading politicians and the commitment of eminent civil servants and businesspeople, who realised the need for change, and to the liaison network set up by, *inter alia*, the LPC (Local Peace Committee).

So our mission began. There were interviews, meetings and talks with political leaders. Almost every day, there were floods of data on all the aspects of the local situation from local economic operators. We visited municipal authorities, provincial and regional administrative services, political parties, trade unions, civil associations, businesses, the police, the Local Peace Committees, the headquarters of the independent electoral commission (open two weeks before the election), an agricultural cooperative, rural companies (a dairy and a ranch) and prisons and churches. Making contact was an easy and pleasant business, conversation was open and friendly and very often fascinating. Small

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farms were the only places we found it impossible to visit.

Whenever we could, we attended the rallies, meetings and forums set up by the ANC, the NP (National Party), the PAC (Panafrikanist Congress of Azania), the FF (Freedom Front) and COSATU (Congress of South African Trade Unions) and listened to such speakers as Nelson Mandela, Tokyo Sexwale, Clarence Makwetu, Benny Alexander, Frederik Willem de Klerk and Constand Viljoen. Their political messages were broadcast widely, but we were lucky enough to hear them live, and also to see how the atmosphere varied from one function to another. Some were exuberant, others less so, some were festive, others more formal, languages differed and audiences varied, as did degrees of police surveillance and numbers of observers etc., so no two events were alike. Our job was simply to check that there was no intimidation from the competing parties or indeed from members of the audience. There were no problems of this kind at functions held in our area.

We attended a whole series of meetings, in some cases as a scheduled part of the mission, and in others by invitation. We went to general and other assemblies of the LPC at Vereeniging and Heidelberg, we went to sessions of the Vaal Triangle Regional Service Council and to meetings of the Executive Council of the Ratanda Youth Forum, the Local Government Negotiating Forum for the Vaal Triangle (leading to the installation of the Vaal Metropolitan Negotiation Forum, hailed as a high spot in local history) and the IEC after the opening of its Vereeniging office and we attended the inauguration of the NP headquarters in Sebokeng. All this was of course an opportunity to make contact and establish relations, but it also gave us an insight into the problems, disagreements and tensions which the communities had to tackle and into all the effort which went into finding solutions, into the workings of local and regional structures and into the gradual design and establishment of the future institutions. All this shed new light on the techniques used to bring the different sections of society together and neutralise or prevent disputes. The LPC, for example, built bridges, set up contacts between the various

operators on the local political scene (parties, civic associations, trade unions, the police, the army, administrative services, the chamber of commerce, residents', students' and women's organisations etc.) and sought solutions to problems arising in the communities. The message was that, although there was no doubt that the Peace Committees needed to improve their methods, the important thing was that they existed and that many of them were efficient in one way or another. This major commitment at various levels was unique — unknown in other countries striving to move from war to peace and from an authoritarian regime to democratic government — and many people had responded to the challenge of making the Committees work.

Disagreements can also be handled by a neutral mediator. The media had indeed spotlighted the international mission led by Henry Kissinger, invited to South Africa in mid-April to try to resolve the constitutional crisis between the IFP, the Government and the ANC, and, when this mission failed, all Professor Washington Okumu (of Kenya) did to break the stalemate. But the important thing is that the idea was used at local level too and we actually saw it applied in one dispute between employers and employees in the Transvaal Provincial Administration and another between two ANC and IFP youth groups.

One last feature of transition management was the many negotiating forums in various areas — 'one of the most singular and important phenomena in contemporary South Africa.'

Lastly, we followed the many training sessions for voters and LPC peace monitors fairly closely. The IEC and various other organisations (existing or set up for the purpose) were directly responsible for the voters' sessions, which were targeted on young people, students, workers, women, prisoners etc. and on township populations more widely. At these sessions, the importance and organisation of the ballot were explained and the voting process was demonstrated using a mock polling station in simulations which set out the roles of the various offices and described the procedures to be followed. The idea of the classes for peace monitors, run

by the LPC, was, as already mentioned, to provide polling stations with teams of young men and women to head off any difficulties on polling day and it was up to us to see whether the teaching was both neutral and objective and in line with the aims and audience. In all these duties, we, as keen observers, reported to our regional coordinator, who then passed on the information to the Headquarters in Johannesburg. The job was also an opportunity to meet and work with our opposite numbers from the UN, the Commonwealth, the OAU, various churches, NGOs and others.

### The election days

On the drama of the election campaign and the contrasting peace of the polling, everything has already been said.

But it is worth emphasising two points. First, the extraordinary effort which went into the elections on every front. There was the specially created institutional framework, combining not just the EIC, already mentioned, but the IBA (Independent Broadcasting Authority), the IMC (Independent Media Commission), the NPKF (National Peace-Keeping Force) and all the fringe organisations.

Added to this were the human resources, the civil servants, judges, teachers, instructors, observers, clergymen, journalists, policemen and others, making up a formidable organisational network. There were nine provincial electoral officers, 37 deputy officers, 1191 assistant officers, 2382 clerical staff, 9000 presiding officers, 193 706 voting officers and 90 838 tellers on the IEC staff alone.

And there were all the material facilities — more than 9000 polling stations, some of them supplied with telephones, power and so on only at the last minute. There were thousands of ballot boxes and millions of ballot papers, not to mention such items as the IFP stickers and all the faxes sent over the election period. Things went wrong, there were irregularities and there was fraud, inevitably, and IEC leader Johann Kriegler made no secret of the fact, but do they not pale into insignificance beside a ballot

which gave 20 million electors the opportunity to vote?

The second thing to highlight is the tremendous significance of the ballot. There was heavy emphasis on the fact that this was the first multiracial, democratic vote which South Africa had ever seen — a symbol of the end of a regime and the establishment of new structures. But it was more than that, for it took on the status of a defining event enshrining the birth of a new model of society; the decisive catalyst in a process which began in the 1980s, was confirmed and accelerated when Frederik Willem de Klerk came to power against a backdrop of revolutionary struggle and was personified and galvanised by the charisma of the outstanding leader, Nelson Mandela. Thus ended what had become an increasingly intolerable anachronism, which was an outrage against its victims and anathema to black civilisations the world over and brought ostracism to its proponents. And the voters, urban and rural, experienced and inexperienced, educated and illiterate, old and young, male and female, able-bodied and handicapped, made no mistake about it, as was witnessed by the patience, self-discipline, determination and calm which they displayed during these memorable days — and in a country known for its exceptionally high crime rate. Every visit to every polling station was another opportunity to see the sense of responsibility, general good nature and efficiency with which everyone went about their duties.

## South Africa tomorrow?

As always in such circumstances, the period of grace will come to an end. But will it have been long enough to take up the enormous challenges now facing the Government? That is the question. And the stakes are high, of that there is no doubt.

The first challenge is national integration. There is of course a South African identity, much-claimed and proclaimed, but, as things stand, it is powerless to transcend a society riven by socio-cultural, linguistic, territorial, economic and political separation. But paradoxically,



Some of the 312 European observers

this heterogeneity, exacerbated by discrimination, segregation, migration, emigration, the homelands policy and more, was both intensified by party politics during the electoral period and to some extent neutralised by the ever-present common denominator of the fight against apartheid. This fragmentation of the body social is reflected in all the political options and convictions now canvassed, from Stalinism and anarchic communism to pure capitalism, through the pipedream of a *volkstaat* to redistribution of land and other tools of production to blacks alone, from affirmative action to meritocracy, from the Koran to the Bible and from federalism to centralism, through ecology and the defence of sport and art. Rarely has there been such a range of opinions. And it could get wider as exiles come home, new institutions bring new ideas and the last racial barriers come down.

On top of that, South Africa's currently depressed economy has to bear the enormous burden of the social heritage of apartheid and the enormous expectations which election promises have aroused. Although recent economic indicators suggest a relatively rosy future. It would be wrong to overlook the need to marshal vast resources and arbitrate between the virtually irreconcilable aims of modernising the nation's partly obsolete industry, mobilising domestic savings and foreign investment and meeting the most urgent housing, health, education, employment, welfare and other needs.

A third consideration is the transformation of the State apparatus, an exercise which is far from complete. The political edifice just erected at national and provincial level has still to be built at local level and the communities are expecting a lot of it. The organisation and standards of the current administrative structures have to be adjusted. A national army, including all existing corps, has to be set up. And the civic education work which started with

the voters' education campaign has to be pursued, a public service ethic created throughout the civil service and a real democratic culture spread. The need to allow other forces to play their part comes into its own here, in a country not yet used to such practices. The fact that the English-speaking press is still virtually in the hands of two groups, making it look as though power is in the hands of a small élite, has been highlighted, so the Government now has the new job of making sure that freedom of expression is not the privilege of a minority with the ability to make itself heard.

How will the Mandela Government handle these issues, which are fundamental to the future of South Africa? Can it resist the pressure of the population? Can it reconcile the irreconcilable? The future alone can tell. ■ P.B.

# Bridging the gap between information and communication

by Ibrahim Khadar\* & Sarah Reynolds\*\*

CTA has been sponsoring a series of four workshops to discuss the agricultural information needs of Central, Western, Eastern and Southern Africa. The first three have now taken place and the fourth is planned for later this year. At the workshop covering the Eastern region, which was held in The Seychelles last December, discussions highlighted a number of concerns. These centred around three main areas: the practical considerations surrounding maintaining and improving library and documentation services; the fundamental need to ensure that those services provide a route to agricultural development that is relevant to the farmers on whom that development depends; and the need to improve the flow of information by ensuring that information specialists become communicators and not simply collectors and custodians of data.

## Information and development

Developing countries in sub-Saharan Africa, sometimes by definition and usually in practice, are highly dependent on agricultural production. It is the mainstay of their economies and the principal occupation of their people. Governments have realised that national

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development depends, at least initially, on agricultural development and yet lack of consistent commitment to rural development has led to low agricultural productivity and high levels of external debt. These mark a trend away from the development so many work so hard to achieve.

Persistent food shortages mean that many countries are finding it necessary to use scarce foreign exchange to import food. Until agricultural production improves to the point where a reasonable and sustainable level of internal food self-sufficiency is achieved, as well as the capacity to add value to agricultural export commodities, this downward trend is unlikely to be reversed. Yet development could be accelerated by improved access to information.

In order to encourage greater use of scientific and technical information as a means to agricultural and socioeconomic development, CTA took the initiative to review the agricultural information needs of countries in Eastern Africa. Reports were prepared on Comores, Djibouti, Ethiopia, Kenya, Madagascar, Mauritius, Seychelles, Sudan, Tanzania and Uganda. These national reports provided the basis for preparing a regional overview of agricultural information needs in East Africa. The regional overview in turn, formed the basis for discussions at the workshop in Seychelles.

The review and workshop confirmed that a noticeable effort is being made at national and regional levels to increase agricultural production, through removal of price controls on farm products, strengthening of extension services and reorganisation and rehabilitation of agricultural research. However, there remains an obvious gap between known agricul-

tural technologies that could lead to higher productivity and the adoption of those technologies by farmers. That gap could be bridged by putting effort, consistent commitment and energy into improving agricultural information systems — for without information there can be no development.

## Type of information needed: some examples

For national development to move forward, agricultural productivity in the longer term has to move beyond the level at which internal food self-sufficiency is sustained. The capacity to add value to agricultural products needs to be enhanced and there are many instances, at village level processing for example, where the investment in technology is minimal but the role of information is crucial. One example, although at an industrial level, was given at the workshop. Uganda produces first class cotton and yet sewing thread is imported from China. It may appear to some people that high class technology and perhaps millions of dollars are needed to produce sewing thread locally, and yet a suitable machine costs only about US\$ 300. The raw material is there, the market is there and there are competent people who can do the work. All they lack is information.

In some countries in the region farmers are becoming more and more interested in information relating to markets for their products. For example they are turning to horticultural products and other cash crops which depend on markets in urban areas or overseas. They need to know what products to grow at what time and the likely economic benefits from such an enterprise. But this information is not so



The December 1993 Seychelles Regional Workshop studied the agricultural information needs of East Africa

readily available to small and medium scale farmers as it is to the big commercial enterprises. As a result many smaller farmers, on whom future developments depend, enter into such activities ill-informed. Without adequate information and advice, such farmers can find themselves at the mercy of middlemen, and they may be left with a product they cannot sell and their entrepreneurial spirit crushed. This is a national as well as a personal setback.

### Access to information too costly?

Researchers need to be able to gain access to world literature to ensure that research being undertaken elsewhere on one problem is not repeated in every country where such a problem occurs.

In many ACP countries the cost of maintaining library services is becoming prohibitive. The Eastern African Framework for Action on Agricultural Research (FFA), which is committed to revitalising and strengthening agricultural research in the region found, during their study of the existing system, that many libraries were nearly empty. Shortage of foreign exchange has meant that the number of international journals coming into libraries has been reduced to the few of common interest to many scientists. The specialist

information needs of individual researchers are therefore not being effectively met.

World literature on agriculture and development-related issues can be accessed on international databases. The development of CD-ROM databases has provided developing countries with an additional means of allowing many users to have access to relevant literature published world-wide. However access to on-line or CD-ROM databases by users in developing countries is constrained by high fees which have to be paid in foreign currency.

### Harnessing local sources of information

By the same token that researchers need to gain access to world literature, they also need to publish the results of their own research.

The strengthening or establishing of regional facilities for publishing research would enhance local publishing and provide an outlet for such work. These facilities would be far more accessible to researchers working on similar problems within the region, than if they tried to publish their work in international scientific journals. There is no shortage of excellent,

relevant material. The challenge is to overcome the difficulties in establishing and sustaining such facilities.

A small number of regional scientific journals exist in the Eastern African region. They include the *African Crop Science Journal*, *East African Agricultural and Forestry Journal*, *Revue Agricole et Sucrière de l'île Maurice*, and *Proceedings of the Collaborative Committee for Agriculture for the Indian Ocean Islands (CO-COLAG)*. However, some assistance is needed to ensure that these journals are published in a timely manner. Publishing can be further enhanced through training in scientific writing and editing. Support should also be provided for the publication and translation of books, conference proceedings, journal abstracts, and other publications relevant to the region. In addition to journal publications, researchers in the region should be encouraged to publish research results in other forms, such as digests, newsletters, occasional papers, current awareness notes, and bulletins.

Access to published scientific research is but one buttress of a much-needed information bridge. Without the buttress of farmer knowledge and experience the information bridge collapses.

So an important aspect of agricultural information is the documentation of farming operations, not only dealing with technologies but also dealing with the social and economic aspects of farming. For example, the shortage of labour is often the overriding constraint to adoption of new technologies.

The current trend towards farming systems research and the changing attitude of researchers towards their client farmers should in time discourage the top-down direction of information flow which ignores the multiplicity of problems facing farmers and pursues a defined policy in an inflexible and unforgiving manner. The information bridge should provide for access in both directions. The one-way system has failed. But there is a need to provide better means of documenting farmer knowledge and the non-empirical experience for which there is not room in scientific journals.

## Sharpening of communication skills

The gathering, storage and retrieval of information is too often seen to be an end in itself. Information and extension specialists have to respond more effectively to client needs and this means developing communication skills. It is not enough to say that the information is here, the door is open, come and get it! The institutions that are in the business of producing documents and information worldwide are piling up information every day and any documentation centre must have the capacity to sift through this information, classify it, seek out that which is relevant for a specific problem and process it into a form that meets the needs of the potential user. This applies equally to users from research establishments or those providing the service at the interface between information and farmers — the extension service. And all need to be aware that the information must also be integrated in order to meet those needs effectively.

Narrowly focused, commodity-based information is too limiting but it is difficult to broaden when agricultural research systems have tended to separate livestock research from crop research or from forestry or other natural resources research activities. Information has remained compartmentalised and most rea-

ders will have experienced the annoyance of finding too late that the missing bit of information which would have been so useful has been sent to the wrong ministry or the wrong office or was being stored by someone who had no need of it.

Information systems in the fields of research and extension should adopt a client-oriented approach. This could be enhanced by organising short courses on communication skills, for information and extension specialists. Short-term training courses should also be set up, focusing on the development of scientific editing skills, specifically for repacking information into a form that is usable by farmers and other nontechnical users of scientific and technical information.

## Information management at national and regional levels

Ensuring sustainable information services means building the information bridge on firm foundations. It means keeping the way clear so that all who need information can gain access to it. It means remembering that a bridge is a device for people who need to communicate with

Some of the participants: left, Mrs J.E. Kenya of the Tanzanian Ministry of Agriculture and Livestock and right, Tanzanian Professor S.M. Mbilinyi, member of the CTA Advisory Committee

each other. It needs effort, consistent commitment and energy.

It will be misleading to assume that once constraints are removed development and increased prosperity will follow automatically. As in the world of physics or chemistry, an external input of energy is needed to overcome disorder within a given system. So for agriculture to move from the lower energy state of disorder and disintegration to the higher energy direction of development, it must be obvious that energy has to be introduced into the system. That energy must come in the form of national commitment to a clear policy of supporting agricultural information services in a form that meets the needs of the users but which does not depend indefinitely upon external support.

Participants at the Eastern Africa Workshop concluded that the identification and management of available agricultural information resources is crucial in order to ensure that all information resources are better coordinated and available in the national agricultural research systems (NARS) and also made available to coordinate the collection and dissemination of agricultural information. Cooperation at regional level should be established in order to improve efficiency in the use of information resources. In order to achieve this it was recommended that a lead institution, located within the NARS, be identified to act as a national information focal point with specific terms of reference and areas of responsibility. The roles of the national information focal points would include identifying national information and training needs as well as liaising with policy makers, planners, researchers, extension workers, and trainers.

Finally, workshop participants were unanimous on the need to establish a single system that unifies the region. This could be in the form of a regional committee for planning, monitoring and evaluating regional information programmes. The committee may operate under the auspices of a regional focal point. The latter would support the activities of the regional committee by initiating, harmonising and facilitating collaborative activities regarding information and documentation in the region. ■

I.K. & S.R.



## THE CONVENTION AT WORK

### The 19th ACP-EU Council of Ministers

- Positive results in implementation of the Convention
- Mid-term review of Lomé IV launched

The 19th session of the ACP-EU Council of Ministers took place as scheduled in Mbabane, Swaziland, from 18 to 20 May 1994. It was jointly chaired by the European Union Council President, *Theodoros Pangalos* (Greek deputy minister of foreign affairs) and ACP Council President, *George Brizan* (Grenada's minister of agriculture, trade and industry) and addressed by Vice-President of the European Commission, *Manuel Marín* and by the Swazi monarch, *King Mswati III*.

Billed to examine progress in the implementation of the Convention and as the formal opening of negotiations for the mid-term review of Lomé IV, the session had the additional significance, totally unforeseen, of convening at a unique period in the history of southern Africa. A couple of days earlier South Africa had completed its peaceful democratic transition to majority rule with the swearing-in of Nelson Mandela as State President and the formation of a government of national unity.

### South Africa and the Lomé Convention

It should be recalled that South Africa has featured prominently on the agenda of almost every ACP-EC meeting (whether Council or Joint Assembly) since the inception of the Lomé Convention. Often poisoning relations, it once led to the holding of a special meeting in Lusaka, Zambia, in 1986, between foreign ministers of the European Community and those of the 'frontline' states. It was right and proper therefore, as Mr Brizan said, that the Council should feel proud of its own contribution to the change.

A source of tremendous satisfaction, especially for the exemplary manner in which change

was brought about, South Africa, despite cropping up now and again during the three days of deliberation, in no way overshadowed the crucial objectives of the conference. It could not have, given the heavy agenda before the Council.



Theodoros Pangalos,  
EU Council President

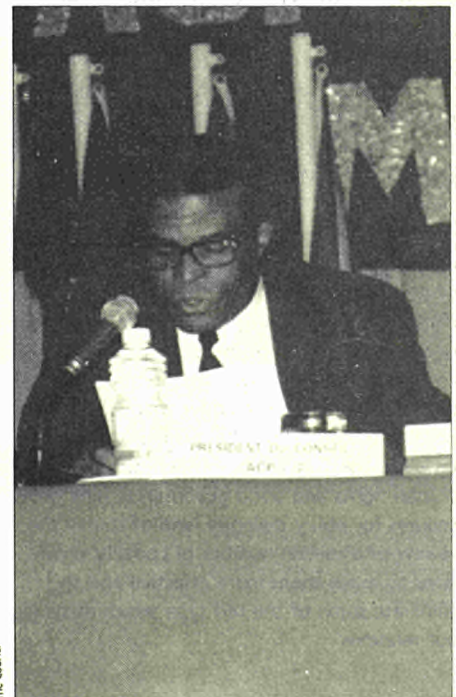
However, what kind of association South Africa would have with the ACP Group and the European Union, which has exercised the minds of many since the country's democratisation process began, did not emerge clearly. Mr Pangalos, in his opening address, referred to the cooperation programme unveiled in April which the Union is proposing to discuss with the new South African Government and to the meeting planned at the initiative of the German Government for September in Berlin to discuss cooperation between EU and southern Africa — a conference which the German representative, Mrs Ursula Seiler-Albr-

ing, said is not intended to be a one-off arrangement. Mr Pangalos pledged that the European Union will continue to support regional cooperation in southern Africa through the various instruments available under the Lomé Convention. In this regard, Vice-President Marín invited the countries of the region to suggest to him ways of moving this process forward.

In the usual (probably the last) 'resolution on the situation in South Africa', the ACP-EU Council expressed 'the hope that solid and long-lasting relations will very quickly be established between the new South Africa, the ACP Group and the European Union in the interest of all parties'.

### Dealing with main issues

The Council did not waste time in dealing with the issues of immediate concern to the ACP States with the mid-term



George Brizan,  
ACP Council President

review close at hand. Mr Pangalos set the tone in his opening address by praising the courage with which a number of African countries have undertaken political and economic reforms. He sought to reassure them, as well as the rest of the ACP Group, of the Community's determination to continue its efforts to help them achieve sustainable development. The ACP-EU Council was meeting to take stock of what ACP problems were, to analyse them and seek solutions. 'Our ACP partners can count on the solidarity of the European Union' in this regard, Mr Pangalos affirmed pointing to the

conclusion of commodity agreements and the Uruguay Round to which the Union has made positive contributions. He expressed satisfaction with the implementation of financial and technical cooperation under Lomé IV.

For his part, Mr Brizan emphasised the continued deterioration in the terms of ACP trade. 'Over the last ten years in particular', he told the Council, 'the movement of primary commodity prices can best be described as chaotic and the remuneration of producers has, for considerable periods, fallen below the costs of production'. The fall in export earnings and the resultant domestic fiscal crises have forced many countries into heavy borrowing and indebtedness and to undertake burdensome structural adjustment programmes whose costs are high and benefits uncertain. Change, he said, is not cheap. 'The human and material costs of change may be onerous and this is doubly true of those changes' that would be made to the Lomé IV Convention.

Vice-President Manuel Marin, however, put the review exercise in its proper context. Since the ACP States and the Community sat together to work out the philosophies and the content of Lomé IV, he said, there have been very important developments in the international scene: the fall of the Berlin Wall and efforts to find new geopolitical equilibria, the signing of the Maastricht Treaty on European Union and the institutionalisation of Community development policy, the conclusion of a new global trade pact and the emergence of new forms of North/South interdependence. These were realities which, whether one liked them or not, have become part of our world. That was why the Commission has proposed to adapt the Convention. The proposals are along three main lines: 'more emphasis in the Convention on democracy, human rights and good governance, new procedures for policy dialogue, and of course the review of a certain number of Lomé IV provisions to make them more effective and to eliminate some of the red tape which exists in our relations'.

### The article 5 boomerang

As already mentioned, South Africa was rarely absent from the minds of delegates. As a country which indirectly influenced (as far as many ACP States were concerned) the adoption of article 5 on human rights in the Lomé IV Convention, the irony of the situation was lost on no one. The new democratic South Africa contrasted sharply with the situation in many ACP States which is still characterised by political



King Mswati III, the Swazi monarch

instability, violence and undemocratic practices. The very grave situation in Rwanda, for example, was constantly evoked with speakers calling for an end to the massacre of innocent citizens, a halt to the fighting, the engagement of political dialogue and the emulation of South Africa's peaceful national reconciliation. The proposal to expand article 5 to include democracy, the rule of law, good governance and human rights in the mid-term review could not have sounded more convincing and appropriate.

While admitting that some ACP States still have to undertake remedial measures in the area of human rights, Mr Brizan stressed that the Group has not been found wanting in its embrace of these principles. 'All three regions can point to stable and reputable democratic regimes, some of which pre-date the introduction of democracy among some current members of the EU', he said. 'Elsewhere, the citizens of ACP States have themselves taken up the struggle against autocratic and dictatorial regimes', he pointed out, citing the examples of the Congo, Madagascar and Zambia. Thus the ACP States accept the need to modify article 5 constructively to promote the desired goals, but Mr Brizan warned against the use of punitive measures as 'the principal instrument of change'. These can be 'dysfunctional', he claimed.

During his address, King Mswati III described the recent democratic reforms in his kingdom which he said were introduced after widespread consultation.

If there is any country where the Lomé Convention has had very visible development impact it is Swaziland. The king enumerated some of the most important EDF projects in his country, and thanked the European Union for the support given not only to Swaziland but also to the ACP States as a whole — support which he described as reliable and constant. 'In times of rapid change like this we naturally tend to rely more on our friends and partners to help us maintain a sense of economic stability in our efforts to develop and improve', he said. He expressed the hope that ACP-EU cooperation will not stop in the year 2000, but will continue well beyond.

But, as Mr Pangalos pointed out at the formal opening of negotiations, survival is what is at stake in the mid-term review. 'The continued vigour and survival of our cooperation are dependent on our capacity to face up and adapt to new circumstances and constraints', he said. Returning to the subject of democracy Mr Pangalos spoke of the Community's intention to seek the insertion in the Convention of an 'essential element' clause that would enable 'appropriate measures to be taken in cases of grave and persistent violations of human rights or serious interruption of the democratic process... It is understood that such measures will take into account the specific nature of our relations with the ACP States, that they will be guided by objective and fair criteria and will be in proportion to the seriousness of any case which may arise'.

In contrast to the Union, ACP States are laying considerable emphasis on trade cooperation in the mid-term review in view of what they consider as the erosion of their preferences in the Community market. Vice-President Marin promised in his speech that the Commission will look carefully at their requests. 'We wish to enter into this exercise in an open and fraternal spirit. We are prepared to have a dialogue and look for solutions that are satisfactory for all parties'.

In between the opening ceremony and the formal opening of negotiations for the mid-term review, the ACP-EU Council of Ministers examined progress in implementation of the Convention in several areas, notably on trade cooperation, Stabex and financial and technical cooperation. The Council's deliberation here was considerably eased by work already done by various ministerial committees.

### Trade cooperation

Two ACP products — *bananas* and *rum* — which are still experiencing problems in the European market, were examined by the Council.



After the entry into force of the common banana regime on 1 July 1993 there has been a fall in prices for ACP bananas. The Council took note of the fact the Commission was still studying a Regulation which is designed to help ACP States cope with the temporary disruption of the market and adapt to the new situation. An ACP request for transferability of unused quotas between ACP suppliers was also being examined.

The problem of rum concerns essentially the ACP request for an increase in quota. Here the acting Director-General for Development, Peter Pooley, informed ministers that there were two major difficulties: one was that the system for increasing quotas as set out in the protocol of the Convention was devised at a time when quite a different development of exports from the Caribbean ACP States was envisaged. No one expected the very large increase that had taken place in the last two or three years; the second was that in 1996 the Union will move towards the orderly abolition of quotas, and the Commission has great difficulties assessing the state of the Community market and the impact of the very large exports from the Caribbean. 'We have to avoid in particular that the increase in quota does not have the effect of moving us prematurely towards the abolition of quota', he said, promising that the Commission would make proposals 'shortly' and then have 'frank consultation with the ACP States'. The Council took note of his statement.

The *enlargement* of the European Union to include Austria, Finland, Norway and Sweden, it is agreed, opens new trade possibilities for the ACP States. The Council was informed that, as there would be no transitional arrangements, the four countries would apply the 'acquis communautaire' regarding the ACP States on accession to the protocol to the Convention which is currently being negotiated.

On the *Uruguay Round*, ACP concerns were twofold. Firstly they feel that, in spite of all the efforts made to ensure that their interests are safeguarded in the European market, they would experience considerable erosion in their preferential margins, and secondly, they are alarmed that developed countries 'including some Member States of the European Union', are advocating the introduction of labour standards in international trade. This initiative, Mr Brizan warned, contradicts the tenets of the global liberalisation of trade. 'Some ACP States', he explained, 'depend on labour as a factor of production to increase their wealth and competitiveness in international trade'.

The ACP States have indicated that they are currently evaluating the result of the Round with a view to submitting proposals to the Union for compensation. While noting this exercise, Mr Pangalos pointed out that the Convention does not guarantee the maintenance of ACP preferential margins, but rather provi-



The Courier

Vice-President of the Commission, Manuel Marin (left) and Acting Director-General for Development, Peter Pooley (right) at the conference

des for the safeguarding of their competitive position. Mr Marin reminded ministers that the Agreement has only just been signed and it would have to be implemented first before its real impact can be determined. A preliminary assessment of the effect of Community concessions in the areas of agriculture, tropical products and raw materials was under way and as soon as it was ready, it would serve as 'a basis for a joint ACP/EU working party'.

### Stabex

On the *stabilisation of export earnings*, the 1993 year of application and the 'all destinations' derogation were the two issues.

The Council was told that, although there will be fewer losses as a result of increases in the world prices for coffee and to some extent for

cocoa, as in the previous years, there will not be enough resources to cover claims on the 1993 year of application. And, furthermore, data for determining losses were incomplete. The Council, as a result, delegated its powers to the Committee of Ambassadors.

An ACP request for the extension of the 'all destinations' derogation until the end of the current financial year did not receive a clear response. However, Mr Marin felt that such an extension by Member States of the Union would be 'a political gesture of significant financial and economic content for the ACP States' — a sentiment which the Council duly took note of.

## Financial and technical cooperation

Described by Mr Pangalos as the 'nucleus and dynamic element' of the Convention, the implementation of financial and technical cooperation was judged by the Council to be 'very positive'. This followed a report, accompanied by a resolution, presented by the Development Finance Committee (the Committee set up under article 325 of Lomé IV to monitor and evaluate the implementation of this aspect of the Convention). The Council had no hesitation in adopting it and in congratulating the Committee for a job well done. The report highlighted, among other things, (a) an upswing in overall EDF transactions in the past two years (1992/1993) with commitments and payments under the 6th EDF reaching 82.3% and 71% respectively, (b) the low-level participation of ACP consultants in EDF projects which it says should be addressed, (c) the encouraging progress being made in implementation of the facility on structural adjustment, (d) the various initiatives at regional cooperation and integration which it deems vital for economic recovery and sustainable growth and (e) the positive proposals that have emerged from a study on the use of the existing provisions of the Convention in favour of the least developed, landlocked and island ACP States.

## Joint Assembly

Without debate, the Council took note of the resolutions adopted by the Joint Assembly at its February session in Strasbourg; resolutions on topics which differ little from those being dealt with at the Council. They concern the final report on sustainable development, the interim reports on Lomé IV and on industrial development' and the report on the implementation of the Lomé Conventions. Mr Pangalos seized the opportunity to remind the Council of the significance for the European Union of the Joint Assembly which he described as a 'privileged instrument in our cooperation'. He went on to say the EU was 'happy that there is an increasing number of parliamentarians from the ACP countries' participating in its sessions and that it intends to propose during the mid-term review 'some measures to strengthen the efficiency of the work of the Assembly' which, he said, has been notable for its promotion of human rights and democratic freedoms in the ACP countries. ■

Augustin Oyowe

## Mid-term review of Lomé IV

### Main themes and negotiating positions

Although Lomé IV was signed for a duration of 10 years, its financial protocol covered the first five years of the Convention. This will expire in February 1995. In principle only the financial protocol for the second phase need be negotiated, but the profound changes that have taken place in the world since the Convention was negotiated and signed in 1989 dictate that it be adapted. Article 366 of the Convention itself gives both the European Union and the ACP States the right to request such an adaptation.

Over the past year both sides have reflected on the amendments they consider as necessary and each has produced a memorandum to this effect. Negotiations were formally launched by the ACP-EU Council of Ministers at its meeting in Mbabane, Swaziland, in May (see the main article). As the memoranda are not a point by point reply to issues raised by one side or the other and in order to help our readers understand these negotiations, we present below a summary of some of the main themes and the negotiating positions of the European Union and the ACP States as culled from their respective memoranda (including ACP explanatory notes). We indicate 'none' where one side does not have a clearly stated position. It is clear, however, that the ACP Group is laying more emphasis on trade cooperation while the Union is focusing on faster and more efficient implementation of projects and programmes. The proposals will mean amendments to some articles, titles, protocols and annexes (and sometimes new provisions). These are seldom indicated here to facilitate reading.

### Human rights, democracy, rule of law and good governance

The Union seeks to promote these principles in the ACP States by making them the 'essential element' clause of the Convention. Article 5, which already deals with human rights, will therefore be extended to include these principles. In addition, the article will make reference to the promotion of an economic environment conducive to a market economy and

development of the private sector. Funds will be earmarked to support measures in these areas. A sanction clause will be inserted to allow for the partial or full suspension of the Convention in cases of infringement.

ACP Group affirms, 'within its own socio-cultural environment, its abiding faith in and deep commitment to' these principles and proposes their introduction in the Convention 'without direct or indirect conditionalities or cross conditionalities'. It agrees with the idea of financial support in pursuit of these values, so long as the request for such support emanates from the ACP States concerned. It advocates the introduction of 'an effective mechanism for the resolution of disputes arising from any perceived contravention'.

### Parliamentary institutions (Joint Assembly)

The Union believes that the work of the Joint Assembly will be more effective if it reflects the democratic process taking place in the ACP States. It would thus seek changes to its composition and to the frequency of its sessions.

ACP Group (none)

### Policy dialogue and programming of Community aid

The Union seeks to strengthen policy dialogue and to insert in the Convention a reference to the priorities of Community cooperation policy as stated in Article 130u of the Treaty establishing the European Community. In order to speed up implementation, the procedure of which will have to be spelt out in the Financial Protocol and in Article 311, it proposes a more flexible system involving two phases of indicative programme. It also proposes that, where an ACP State, for reasons of civil war or suspension of cooperation, is unable to implement its indicative programme, the Community and Member States should be able to use the resources of the ACP State concerned in a different manner from that originally planned. As the proposals

concerning priorities and a new flexible system of indicative programme will have financial implications, the Financial Protocol will have to be adapted accordingly.

*ACP Group* (none)

## Support for economic development

### The private sector

*The Union* hopes to strengthen and consolidate ACP States' basic economic infrastructure through the development of commercial structures, private investment, and financial services and banking. It would advance these by using the funding opportunities offered in the indicative programme. It will review the structure and operation of the CDI, and seek greater flexibility in the terms and conditions of the risk capital operations of the EIB (European Investment Bank) and in its grant of automatic interest rate subsidies for loans granted from its own resources. It proposes the reservation of a proportion of risk capital for the least-developed countries to take account of their economic and financial difficulties.

*ACP Group* aims to place specific and substantial amounts of the financial resources in the Convention at the disposal of the private sector and to facilitate entrepreneurs' access to them. This will involve, among other things, targeted use of EIB's risk capital resources for all aspects of private sector development (including technical assistance, training, studies, etc), better terms and conditions (in particular as regards guarantees, interest rates, repayment and re-use of resources) and greater emphasis on equity investment aimed at reducing debt-creating transfers. More adequate financing, it says, is imperative if comprehensive interventions by the CDI are to be realised.

## Trade cooperation

*The Union* is prepared to examine with the ACP States how they could benefit more fully from the trade advantages already available to them under the Convention.

*ACP Group* sees adaptation in this area as vital if the ACP-EU relationship is to have the greatest impact on the ACP States. This has become imperative because of the very many important changes that have taken

place since Lomé IV was negotiated. These changes call for an improvement of the operational mechanisms of the trade sector and for greater attention to be given to ACP competitiveness and diversification.

In this regard, the Group seeks amendments to the provisions of the Convention on access of agricultural products and for special attention to be paid to enhancing ACP opportunities for trade in services with the European Union following the outcome of the Uruguay Round and the Union's final offer during the negotiations (It should be noted that the chapter of the Convention on trade services was not concluded before Lomé IV was signed due to the GATT talks). The Group proposes that resources be made available for the effective implementation of the provisions relating to cooperation on commodities and for the realisation of ACP's strategy in this area. As individual Member States of the European Union can no longer invoke safeguard measures (article 177.1 and 2) since November 1993, the ACP States want amendments to the relevant provisions to empower only the Union to do so. The Group also seeks improvements in rules of origin in view of continued ACP dissatisfaction with their implementation.

## Effective use of instruments

### Stabex

*The Union* proposes to harmonise the use of Stabex funds with structural adjustment measures, and even to use the funds for structural adjustment if necessary. It proposes to reduce eventually the bases for transfer in the event of 'significant changes' (with exemptions for the least-developed and landlocked states when their bases are below ECU 2 million and for island countries when their's are below ECU 1m) and for sums paid into block accounts under the framework of mutual obligations (FMOs) to be returned to the system's resources if the conditions for transfer are not met (the Union indicates that it reserves the right, in due course, to specify in more detail its proposals).

*ACP Group* feels that Stabex has not achieved the objectives set out in the Convention because of the inadequacy of funds and the new conditions introduced under Lomé IV. It therefore will seek an increased allocation of funds for Stabex (to take into account the rate of inflation and losses incurred by the ACP States), the adoption of

a special mechanism to enable ACP States, which have not received their total transfer entitlements, to have the amounts deducted from their debt obligations to the European Union. It also agrees that the least-developed and landlocked states as well as island countries should be exempted from any reductions in the event of insufficiency of resources during the year of application when they fall below ECU 2m and ECU 1m respectively.

## Procedures

*The Union* estimates that in order to improve the effectiveness of cooperation and speed up implementation, and without

prejudice to the prerogatives which the Convention gives to the ACP States, a limited readjustment of the powers regarding financial and technical cooperation is necessary. This concerns the attribution of responsibilities between the chief authorising officer and the national authorising officer (NAO) during preparation, appraisal and evaluation of programmes and projects. It suggests the setting up of a technical management unit to assist in management and execution. To enable these measures to be implemented, the Union proposes that a specific amount be set aside in each indicative programme. *ACP Group* proposes that, in order to accelerate procedures, the Delegate of the Union should be empowered to take on-the-spot decisions on some technical and financial issues which they are currently obliged to refer to the Commission — issues such as preparation of shortlists of consultants, the approval of tender dossiers for all types of contract and the award of all contracts no matter their value (except where there is a disagreement between the NAO and the Delegate). It suggests that a system for settlements of disputes over implementation of projects and programmes be set up. And, with regard to technical assistance, the Group proposes that NAOs should, on their own initiative, use resources of the indicative programmes and/or counterpart funds to acquire the human and material resources necessary for effective and sustainable management of projects and programmes. ■ A.O.

## EUROPEAN DEVELOPMENT FUND

Following, where required, 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 (grants unless otherwise stated):

### ECONOMIC AND SOCIAL INFRASTRUCTURE

**Eritrea:** ECU 3.7 million towards a rehabilitation programme in the fields of health, veterinary services, water distribution, and the integration of former soldiers into civilian society.

**Mali:** ECU 1.934 million for the reconstruction of primary schools in the north of the country (Gao, Bourem, Ménaka and Ansongo regions).

**Niger:** ECU 18 million for a programme aimed at improving the exploitation of pasture lands (provision of water points), meeting human and animal health needs and commercialising the livestock sector.

**Senegal:** ECU 1.99 million for the relaunch of artisanal fishing (infrastructure development) and for strengthening SMEs.

**Aruba:** ECU 3.1 million for an extension to the airport.

**Wallis and Futuna:** ECU 500 000 to acquire materials for public works aimed at providing road access for isolated communities.

**Wallis and Futuna:** ECU 1.125 million for works to bring the main road on the island of Wallis up to standard.

### TRADE PROMOTION/ STRUCTURAL ADJUSTMENT

**Cameroon:** ECU 20.2 million, of which ECU 15.2 million is from the structural adjustment facility, for a general import programme.

**Chad:** ECU 15.2 million from the structural adjustment facility for a general import programme.

**Côte d'Ivoire:** ECU 28.8 million to support phase three of the general import programme.

**Gabon:** ECU 13.2 million, of which ECU 5 million is from the structural adjustment facility, for a general import programme.

## Corrigenda – issue no. 144 of March-April 1994

In the article 'Fourth time lucky with democracy' which was published in our Ghana Country report, a mistake has crept in regarding the date of the return of Jerry Rawlings to power at the outset of the PNDC era. As perceptive readers have pointed out, the 31 December coup took place in 1981 and not in 1991 as we reported (see page 31). Our apologies for any confusion that may have been caused by this typographical error.

In the article entitled 'Cultural cooperation between the European Union and the ACP States' by Pierfranco Alloa, an error appears in the table on page 102. In the column headed 'Amount (in ECU)' at point VI.2 (Support for the Foundation for ACP-EC cultural cooperation) the figure should be 3 926 787 and not 11 676 787. In consequence, the total amount is 38 916 553 and not 46 666 553.

**Niger:** ECU 20 million, of which ECU 11.9 million is from the structural adjustment facility, to support a general import programme.

**Senegal:** ECU 16 million, of which ECU 10 million is from the structural adjustment facility, for a general import programme.

**All ACPs and OCTs:** ECU 2 million for a second global commitment authorisation to finance trade and international tourism events, through the national indicative programmes (NIPs).

**All ACPs:** ECU 7.2 million for an ACP-EU trade development project aimed at helping ACP States to set up commercial exchanges in order to increase their hard currency earnings.

### AGRICULTURE

**Congo:** ECU 3.4 million for a project to improve the market gardening belt in Brazzaville.

**Ethiopia, Kenya, Tanzania and Uganda:** ECU 1.15 million for a regional project to support agricultural research.

**Niger:** ECU 1.8 million for a small-scale irrigation programme to allow for agricultural development in 79 villages in the department of Zinder.

**West Africa:** ECU 1.93 million for phase 2 of the OFAR (On-Farm Adaptive Research) agricultural research project.

### ENTERPRISE

**Gabon:** ECU 14 million from Sysmin funds for three projects relating to mines in difficulty and two projects involving investment for diversification purposes in the Haut-Ogooué province and Lambaréné region.

### HEALTH

**Burkina Faso:** ECU 1.35 million to strengthen interventions in respect of sexually transmissible diseases (STDs) and AIDS.

**Zaire:** ECU 18.5 million for a programme of transitional support (PATS) for the health sector.

### INSTITUTIONAL SUPPORT

**Côte d'Ivoire:** ECU 756 000 to support a project allowing the Ministry of Agriculture and

Animal Resources (Minagra) to strengthen its capacity to elaborate policies and programmes in the rural sector.

## EUROPEAN INVESTMENT BANK

### Loans

**Botswana:** ECU 4 million to finance small and medium-sized enterprises in the industrial, agro-industrial and tourism sectors. The loan has been granted to the Botswana Development Corporation which will intervene through partner banks that have close links with the private sector, a sound knowledge of local markets and priorities in the area of economic development.

**Namibia:** ECU 6 million to finance the modernisation and extension of a water treatment plant serving the capital, Windhoek and its surrounding area — where most of the country's rapidly growing industrial and manufacturing activity is situated.

**Papua-New Guinea:** ECU 4 million to finance small and medium-sized enterprises in the industrial, agro-industrial and tourism sectors. The loan is granted to the Bank of Papua-New Guinea which will direct the funds through commercial banks.

### VISITS

#### President Nujoma of Namibia

Sam Nujoma, the President of Namibia, recently undertook his first official visit to the Commission since the independence of his country.

The President was accompanied by Foreign Minister, Theo-Ben Gurirab, and was received

by President Delors, Vice-President Marin and Commissioner Van den Broek.

Independent since March 1990, Namibia is a multi-racial, multi-party democracy with a free-market economy. Despite substantial progress in the political, economic and social fields, it continues to require help from the European Union which offers an increasingly important market for Namibian trade.

The position of this southern African country has always been a significant one. It is one of the key actors in the process of change that SADC (the Southern Africa Development Community) is undergoing in the wake of the elections in South Africa.

President Nujoma's visit helps to reinforce the close links between the European Commission and Namibia, and highlights the importance that the latter attaches to a strengthening of its cooperation with Europe.

## Delegation from the French OCTs

On 26 May, Vice-President Marin had a meeting with a large delegation from the French overseas countries and territories (OCTs). These included elected members and representatives of socio-professional groups from Mayotte, New Caledonia, French Polynesia, St Pierre & Miquelon, and Wallis & Futuna.

The visit took place in the context of the mid-term review of the Association between the OCTs and the EU which entered into force for a ten-year period in 1991.

The discussions focused on the implementation of the current association decision and on possible changes to:

- the trade regime (the OCTs are the only partners of the EU to benefit from completely free access for products originating in their territories);
- the right of establishment and the provision of services;
- financial and technical cooperation through the European Development Fund (EDF) and the European Investment Bank (EIB);
- the operation of the partnership in practice.

Mr Marin explained to the delegation how this revision was taking place at an appropriate time given the new characteristics of the EU. He hoped that it could be carried out speedily and in tandem with the Lomé IV revision in respect of the ACP States, so as to avoid delays in the implementation of the 8th European Development Fund which was scheduled to come into force between now and the end of February 1995.

As to the content of the mid-term review, Mr Marin said that the changes he was seek-

ing were broadly those that had already been agreed by the Council as regards financial cooperation with the ACP countries.

Mr Marin gave assurances to the delegation that, in the elaboration of its proposal to the Council, the Commission would take full account of the specific characteristics of the OCTs. He noted, for example, that the differences between British, Dutch and French OCTs were already formally recognised in their association with the EU. He believed that the new Council decision should establish a suitably flexible framework.

As regards the indirect consequences for the OCTs resulting from the establishment of the single market, Mr Marin stressed that a stronger and more unified European Union did not mean any diminution of solidarity on the part of the EU vis-à-vis its partners.

## MISCELLANEOUS

### 'Budgetisation' of the EDF

In conformity with the commitment made during the negotiation of the inter-institutional agreement of 29 October 1993, the Commission, at its meeting on 19 April 1994, adopted a report on the possible ways and means of 'budgetising' (ie integrating into the European Community budget), the European Development Fund.

This report will be forwarded to the other two branches of the budgetary authority (the Council and the Parliament) for analysis and comments.

If the report is favourably received by the other two institutions, formal negotiations will be initiated on the basis of the Commission's proposal.

Whatever the outcome, 'budgetisation' of the EDF cannot be undertaken before 1996.

### OCTs: Stabex transfers

Definitive decisions under the Stabex (stabilisation of export earnings) exercise for 1992, in respect of the Overseas Countries and Territories associated with the EC, have been taken by the Council.

These decisions involve the payment of ECU 1 147 675 to the Falkland Islands and ECU 52 325 to French Polynesia for export losses on wool and copra oil respectively.

In fact, the compensation rights involved amounted to twice what was actually decided, but it was necessary to reduce the sums paid in order to remain within the maximum amount budgeted for OCTs for 1992 (ECU 1.2. million).

## EUROPEAN UNION

### Austria's decisive 'Yes' to EU membership...

In a referendum held on 12 June, the Austrian electorate voted decisively in favour of joining the European Union. The final result was 66.4 % in favour and 33.6 % against. Formal accession is due to take place on 1 January 1995. Three other EFTA countries (Finland, Sweden and Norway) have referendums scheduled for later in the year.

### ... but voters deliver a mixed message in European Parliament poll

As was widely anticipated, there was a low turnout for the European Parliament election, other than in those Member States where voting is compulsory. The outcome of the poll, which was held on 9 and 12 June throughout the EU, appears to have been determined principally by domestic concerns with many electors choosing to deliver a mid-term protest against incumbent governments. In certain countries, notably Denmark and France, 'Euro-sceptic' groupings enjoyed some success although the bulk of those who voted continued to support parties which are broadly in favour of the European integration process. The Socialists performed well in the UK and Portugal but fell back in France, Spain and Greece. The Christian Democrats advanced in Spain and largely consolidated their position in Germany and the Benelux countries but the centre-right did badly in France and Britain. Liberal gains in the Netherlands and the UK were offset by losses in Germany. The German, Irish and Luxembourg Greens did well but elsewhere, the environmentalists slipped back. Parties of the extreme right suffered setbacks other than in Belgium.

Overall, the left-right balance of the new Parliament is unlikely to change much although the exact composition of the various groups in the chamber will take some time to emerge. The group affiliation of a large number of MEPs, notably from Italy (where Prime Minister Berlusconi's *Forza Italia* scored a striking success), has yet to be decided.

More than one third of the MEPs in the newly enlarged chamber of 567 members are newcomers.

### Development Council (6 May 1994)

The ministers of the European Union Member States with responsibility for development

cooperation met on 6 May under the chairmanship of Theodoros Pangalos, deputy Foreign Minister of Greece. High on the agenda were the issues of coordinating development policies in the field of health, with particular reference to the battle against HIV-AIDS, and setting in train the 'operational coordination' of all the EU's development policy sectors. Member State representatives have, for some time, been urging greater coherence both between the various Community policies — the CAP, development cooperation, external trade and so on — and between these policies on the one hand and those of the Member States on the other.

Declaring its concern about the insufficiency of resources allocated to the health sector, the Council anticipates additional means to help developing countries in this area. External aid, according to the resolution agreed by the Council, should achieve a certain balance, with priority being given to the poorest countries, the least-favoured groups in society and those facing the greatest threat. Women and children, displaced people, refugees and victims of catastrophes and wars deserved particular attention.

On a strategic level, the Council considers, among other things, that it is worthwhile helping to improve living and health conditions, to finance preventive programmes and to support institutional reforms along with efforts to mobilise national resources — which includes contributions towards health costs by those who use the system. It recommends that, within the framework of support for structural adjustment, a significant allocation should be set aside for the health sector in national budgets.

With a view to making the European Union's development policies more effective, the Council decided to establish a system of 'operational coordination' which would embrace the new measures in respect of health. Within the framework of this coordination, meetings of EU and Member State experts will be held regularly. The Council requested the experts to submit a list of countries which would, on an experimental basis, be the object of a follow-up in respect of the EU's development policies in the health sector. The Commission will present an annual evaluation report. In accordance with the Council resolution, a more concerted approach with other donors should also be pursued. This applies notably to the World Health Organisation whose important role was emphasised.

The Council resolution took note of the numerous and enduring inequalities within developing countries as between urban and rural areas and among different social classes. It also referred to the emergence of new health problems such as the diminishing effectiveness of anti-malaria and antibiotic treatments, the

rise of AIDS and growing drug use, not to mention the weakening of health systems occasioned by armed conflicts.

More specifically, as regards the HIV-AIDS epidemic, the Council called for a strengthening of cooperation between developing and developed countries. This was also an area where coordination between Community and Member State policies should be improved. As a priority, such policies should be designed to support national policies, grassroots initiatives and the work of the NGOs.

The Council said that there must be a clear political commitment from states benefiting from assistance in respect of the rights of the individual, and notably those who are ill, in the fight against the spread of the disease. For their part, the donors must take the social, economic, cultural and ethical realities of the recipient peoples into account. The importance of education, stressed earlier in the resolution as regards health in general, was underlined again here. The resolution also refers to the need for measures to mitigate the socio-economic consequences of AIDS. The Council reacted favourably to the Commission proposal for financial allocations for the fight against AIDS.

As regards the development policies of the Union as a whole, the Council approved a list of six countries in which Community coordination should be intensified with a view to learning lessons which could subsequently be applied in the EU's relations with all its developing country partners. The six states chosen are Bangladesh, Côte d'Ivoire, Costa Rica, Ethiopia, Mozambique and Peru. Henceforth, there will be a system of preparatory meetings which will be held prior to major international discussions as well as an informal exchange of views among the Member States represented in the major international fora. The Commissioner with responsibility for Development Cooperation, Manuel Marín, suggested that a meeting of all ministers concerned with these policies should be set up. On behalf of the Commission he also made a commitment to present a working document on the subject in the autumn.

A number of other points also appeared on the Council's agenda.

On Rwanda, a decision was taken to study the idea of sending a mission from the Union to the adjacent countries in order to examine the refugee problem and the possibility that the crisis might spill over into these neighbouring states.

Regarding the mid-term review of Lomé IV, following an introductory exposé by Mr Marín, the Council reviewed the important points to be discussed with the ACP partners. On South Africa, the Council has just presented a set of initial measures, in the context of the cooperation between the Union and

South Africa, to the new government. A conference on regional cooperation in Southern Africa will take place in Berlin on 6-7 September.

On the subject of human rights, the Committee of Permanent Representatives of the Member States (Coreper) has been given the task of studying proposed improvements to administrative procedures so as to allow the Union to react rapidly, in cases where such rights have been seriously violated.

As regards migration and development, the Council asked the Commission to establish a working timetable for the adopting of a Community policy aimed at reducing migratory pressures from countries of the South to those of the North. The Commission recently forwarded a communication on this subject to the Council. This proposes that the general orientations of Community policy should include assistance in the fight against unemployment, better integration of women and young people, the reintegration of emigrants and tackling the problem of overpopulation in the countries concerned.

## COMMON FOREIGN AND SECURITY POLICY

The European Union has, within the framework of its Common Foreign and Security Policy (CFSP), recently issued the following statements on events of international interest:

### Statement on Rwanda 25 April 1994

The European Union, recalling its declaration of 18 April 1994 on Rwanda, appeals urgently to all parties to the conflict to bring an early end to the continuing violence in Rwanda.

The European Union expresses its full support for Security Council Resolution 912 and calls on all parties to cooperate in its implementation. The European Union expresses its appreciation and support for the efforts of the OAU and to President Mwinyi of Tanzania for his initiative in convening on 23 April a regional conference to which the authorities of Rwanda and the RPF will be invited.

The European Union urges the two sides to agree on the need to respect the Arusha agreement, which offers the best available basis for national reconciliation.

For its part, the European Union is ready to assist in humanitarian aid as soon as a degree of normality has been restored and the parties involved have demonstrated their willingness to respect the Arusha agreement.

## Statement on Uganda

25 April 1994

The European Union welcomes the successful holding of the constituent assembly elections in Uganda on 28 March 1994.

The European Union notes with satisfaction that the people of Uganda were able, in great numbers and in a peaceful manner, to exercise their democratic right to vote and that the international observers were able to accomplish their mission. Whilst there were blemishes in the election process, both of an organisational and a political character which will need addressing in due course, the elections were conducted in a satisfactory degree of transparency and the results by and large reflect the popular will.

The European Union considers that the elections mark an important step in Uganda's democratic evolution, as it proceeds down the path of elaborating a new constitution and holding legislative and presidential elections.

## Statement on Rwanda

5 May 1994

The European Union, recalling its declaration of 18 April 1994 on Rwanda, appeals urgently to all parties to the conflict to bring an early end to the continuing violence in Rwanda.

The European Union expresses its full support for Security Council resolution 912 (1994) as well as for the statement of the President of the Security Council of 30 April and calls on all parties to abide by them and to cooperate in their implementation.

The European Union expresses its appreciation and support for the efforts of the OAU and to President Mwinyi of Tanzania for his initiative in convening on 3 May 1994 a new round of talks of a regional conference, to which both the authorities of Rwanda and the RPF have been invited.

The European Union urges the two sides to agree on the need to respect the Arusha agreement, which offers the best available basis for national reconciliation.

For its part, the European Union is ready to assist in humanitarian aid as soon as a degree of normality has been restored and the parties involved have demonstrated their willingness to respect the Arusha agreement.

## Statement on South Africa

6 May 1994

The European Union warmly welcomes the holding of the first democratic elections in South Africa and congratulates all the people of South Africa and its leaders on this historic occasion.

The European Union is ready to support the efforts of the new government to accomplish the goal of leading the country to a democ-

atic and non-racial society in which respect for human rights, the rights of minorities and the rule of law, the promotion of social justice and the elimination of all forms of discrimination, will prevail.

Furthermore, the European Union recalls its ministerial decision of 19 April 1994, in which it pledged a package of immediate measures for the new South Africa. These will focus on a dialogue centred on important sectors for the new South Africa, such as trade, economic cooperation and development cooperation, in order to provide support for addressing the immediate needs of South Africans. The measures will be coupled with the commencement of a political dialogue, in order to enhance and consolidate the democratic institutions upon which the new South African society will build its future.

The European Union rejoices for the new era into which South Africa has officially entered. It is confident that this era will be characterised by adherence to commitments made during the negotiating process and urges the South Africans to continue to find solutions through dialogue and peaceful means.

The European Union expresses the hope that the new South African government will do its utmost to address the legitimate aspirations of all South Africans, who have dreamt and fought for this day, and whom it now represents.

## Statement on Rwanda

16 May 1994

The European Union, recalling its declaration of 18 April on Rwanda, again appeals urgently to all parties to the conflict to bring an end to the genocide now taking place in the country.

The European Union expresses its full support for the United Nations' humanitarian efforts and in this context welcomes the resolution that is currently before the Security Council. The European Union looks forward to an urgent decision on measures which can be implemented soon.

The European Union welcomes the initiative of the UN High Commissioner on Human Rights to carry out a mission to both Rwanda and Burundi and supports the call for a special meeting of the UN Commission on Human Rights.

The European Union expresses its support and appreciation for the efforts of the OAU and to President Mwinyi of Tanzania for their initiatives in convening a regional conference, to which both the authorities of Rwanda and the RPF will be invited.

The European Union urges the two sides to agree on the need to respect the Arusha agreement, which, through the way of negotiation, offers the best available basis for

national reconciliation. In this context the European Union supports the call for the early imposition of an arms embargo on Rwanda, and calls on all concerned to refrain from any action that is liable to exacerbate the situation.

The European Union is eager to increase its humanitarian aid whenever and wherever such aid can be brought to the populations that have suffered so cruelly from the violence. In this respect it will continue its immediate assistance to refugees in the neighbouring countries. Equally, it will endeavour, where conditions allow, to assist the stricken population within Rwanda.

On 6 May, the European Union decided to dispatch a Troika mission of Development Ministers, to visit as soon as possible the countries bordering Rwanda, with a view to evaluating the humanitarian situation in the light of the influx of refugees.

## Statement on Haiti

27 May 1994

The European Union condemns the provisional investiture of Emile Jonassaint, President of the Supreme Court of Haiti, as President of the Republic, by a faction in the Haitian Senate.

The European Union regards this appointment as unconstitutional and reaffirms its full support for the efforts of both the United Nations, in particular through Security Council Resolution 917, and the Organisation of American States, to restore democracy and respect for human rights in Haiti and to bring about the return of the legitimately elected President, Jean-Bertrand Aristide.

Given that the investiture of Mr Jonassaint is in blatant defiance of the international community, thereby justifying the additional embargo measures recently approved by the UN Security Council, the European Union joins the Security Council in stressing that persons participating in illegal governments since the 1991 coup are subject to the measures provided for in Resolution 917.

## Statement on Malawi

27 May 1994

The European Union congratulates the people of Malawi, their leaders and members of all political parties on the successful transition to a democratic system of government. In this context, the EU welcomes the holding of presidential and parliamentary elections on May 17, in which there was broad participation by the people of Malawi, thus demonstrating their commitment to peaceful change.

The European Union also appreciates the peaceful and orderly way in which the elections were held under the supervision of the

Electoral Commission and acknowledges the result as the free expression of the people's will.

The European Union appeals to all parties to work together in their respective roles, in a spirit of cooperation, tolerance, mutual trust and nation-building, and expresses satisfaction at the entry into force of a new Constitution on May 18, which firmly entrenches the protection of human rights, a pluralistic system of government and the independence of the judiciary.

The European Union recalls that it has consistently encouraged and supported the promotion of human rights and the advancement of accountable, democratic and transparent government in Malawi. It reiterates its determination to support, in close cooperation with other bilateral and multilateral donors, Malawi's efforts to tackle its problem of poverty and to achieve economic stability and social progress.

The European Union is ready to assist the democratically elected government in assuring the protection of human rights, strengthening the new democratic institutions and fostering the political culture of pluralism and tolerance.

### Statement on South Africa 27 May 1994

The European Union, wishing to assist the new South African government, taking into account the decision of the UN Security Council of 25 May 1994 concerning the lifting on UN sanctions, and following the decision of its General Affairs Council of 18-19 April, has decided to lift all remaining restrictive measures in place against South Africa.

## GENERAL INFORMATION

### Mr Marín visits Cuba

Vice-President of the Commission, Manuel Marín, was in Cuba on 27-29 April on a visit which is expected to have important consequences, notably as regards the organisation and strengthening of the EU's humanitarian assistance to this country.

In Havana, Mr Marín inaugurated a liaison office for ECHO (the European Community Humanitarian Office) which will work in cooperation with NGOs already operating in the field. The office will be able to intervene autonomously in accordance with a set of competences agreed with the Cuban authorities. The opening of this 'antenna' follows a technical evaluation mission to Cuba which

was undertaken in March on behalf of the Commission, and which identified serious problems facing the population including protein deficiencies, epidemics and increased mortality rates particularly among children.

ECHO has already had significant involvement in Cuba, committing some ECU 7.8 million during 1993, to help combat in particular an epidemic of optical neuritis. The plan is for this medical assistance to be developed and increased in 1994. The newly-established office will manage the aid in close liaison with NGOs working on the ground (The Red Cross, Caritas, Médecins sans frontières and Medicus Mundi).

A further element of the visit concerned the evolution of relations between the European Union and Cuba. Mr Marín had a long meeting with President Castro and also had discussions with the Minister of External Affairs, Trade and the Economy. These meetings provided an opportunity for a broad exchange of views on the humanitarian situation, but also on the economic and political prospects for the country.

During the press conference which took place after the discussions, Mr Marín indicated that he was not in Cuba to talk about any hypothetical cooperation agreement. The negotiation of such an agreement, he said 'would presuppose a transformation of the economy and political conditions which have not been met'. He had, he stated, spoken with the President about 'the way in which the European Union could contribute to the opening-up and progressive transformation of the Cuban economy into a market economy.'

The Commission Vice-President went on to stress that it was for the Cubans themselves to define this opening-up process. 'The EU can establish a framework for assistance and technical advice, having acquired considerable experience in other 'transition' situations, but we need first to analyse the Cuban Government's reform programme.'

He concluded his statement to the press by saying; 'I believe that Cuba is at a crucial moment in its history, where it needs to make courageous responses at the political level.'

It is evident that the world has changed and Cuba itself also needs to change. I hope that the opening up of the economy will be an important element in stimulating and accelerating a political opening. The recent efforts at working with the exile community, whilst of limited scope, represent a step in the right direction. Cuba must continue to follow the path of reconciliation.'

### Commission-US meeting on Horn of Africa

On 3 June, Vice President Marín met with Mr Brian Atwood, who is Administrator of USAID and President Clinton's Special Envoy for the Horn of Africa.

The main purpose of Mr Atwood's visit was to coordinate the activities of the United States and the European Commission concerning aid in general and in the Horn of Africa in particular. The Special Envoy explained that, in his opinion, crisis prevention should form the backbone of international cooperation. In Africa, the US administration was focusing on the Horn where the situation is a cause of concern.

UN agencies (the FAO and WFP) estimate that between 4.5 million and 4.7 million people may be threatened by famine in the region. The food aid needs for 1994 are estimated at 2.24 million tons (Ethiopia — 1.19m, Sudan 0.575m, Eritrea 0.3m, Somalia 0.175m).

Global donor pledges to date amount to 1.52 million tons of which 0.462m is from the Commission food aid budget. As recently as 24 May, the Commission pledged 80 000 tons (ECU 20m) of direct food aid for Ethiopia.

Vice President Marín and Mr Atwood decided to establish regular contacts between their respective administrations. Henceforth, US and Commission officials will meet twice a year to discuss issues ranging from joint assessment of aid requirements to improvement of food security and disaster prevention.

As regards the Horn of Africa, Mr Marín explained to Mr Atwood the initiatives that the Commission has taken, particularly since the famine of the mid-1980s. These related to food early warning systems, food security and market liberalisation programmes and transport infrastructure to facilitate the distribution of aid.

Since the European Community Humanitarian Office (ECHO) became fully operational at the beginning of 1993, it has become clear that the two biggest donors of international humanitarian aid could work together in this field. It is now proposed to extend this cooperation beyond humanitarian aid to tackle longer term issues, and to establish regular contacts between the two administrations with this in mind.

### Commission-UNFPA meeting

On 9 June, Vice President Marín met with Dr Nafis Sadik who is Director of the United Nations Population Fund (UNFPA) in her capacity as Secretary-General of the UN Conference on Population and Development which will be held in Cairo in September.



Mr Marín stressed to Dr Sadik the willingness of the Commission to deepen its support for the UN Population Fund, and its full support for the objectives of the Conference. He underlined the point that population problems had to be approached realistically, with an open mind and in accordance with the needs of the developing countries.

The UNFPA was established in 1969 and is the largest multilateral agency for population activities, with an annual budget of some ECU 200m. UNFPA undertakes projects and programmes in almost all developing countries. In 1993, the Commission committed ECU 18.6m to UNFPA and it has also contributed to the special budget of the Cairo Conference.

In May, the Commission, at the initiative of Mr Marín, introduced a communication on the European Union position on population growth. In this document, the Commission stressed the need for a substantial increase in public development assistance to population programmes by the year 2000. Currently, the Member States spend approximately ECU 200m a year (0.4% of total development assis-

tance). It is proposed that the increase should be attained both through new funds and through the redistribution of existing resources.

Present demographic trends show global population growth declining from 2.1% *per annum* in 1965-70 to 1.7% today. However, no decline has been recorded in sub-Saharan Africa (3%) or North Africa and the Middle East (3%). Between 1991 and 2000 the world will gain an additional 1 billion inhabitants — the equivalent of the entire population of the world at the beginning of the 19th century.

In its communication, the Commission has set a target of ECU 300m as a minimum for annual expenditure in this area, to be financed from the resources both of the EC budget and the Lomé Convention.

Population policies essentially have three elements: social policy directed towards health and education; the provision of information on family planning; and increasing the availability of family planning and contraceptive devices.

months, and the sum allocated for this purpose is ECU 2.5 million.

It is important to recall that aid deliveries and movements of humanitarian personnel in Somalia are generally done by air, for obvious reasons associated with security, the distances that need to be travelled, and the lack of infrastructure.

Hitherto, ECHO has helped to finance transport which has been organised on an *ad hoc* basis either by NGOs operating in Somalia or through private initiatives.

As a result of the decision which has just been implemented, ECHO has now assumed financial and operational responsibility for a regional transport system. With one medium-sized plane (capable of carrying 6 tonnes of supplies or 30 passengers) and three smaller aircraft (capacity: 2.5 tonnes or ten passengers) a better and more regular service, co-ordinated with the humanitarian agencies and meeting the logistical requirements, can be assured.

## Aid decisions

The Commission has recently taken the following decisions to provide humanitarian aid (including emergency and food aid):

## ACP countries

**Chad:** ECU 287 000 to provide food aid for victims of the drought in the Kanem area, to the east of N'Djamena.

**Liberia:** ECU 236 000 for additional shelters and basic sanitary installations in the Buchanan refugee camp and for the setting-up of nutritional centres in the town of Bong Mines.

**Liberia:** ECU 133 000 for medical aid to a hospital and 12 health centres in the Cape Mount district.

**Malawi:** ECU 3.74 million to help Mozambican refugees in the country. The aid will be used, among other things, to maintain access roads to the reception areas, provide sanitary installations and equipment and support schools.

**Nigeria:** ECU 340 000 to build huts in the south of the country for people displaced as a result of ethnic conflicts.

**Sierra Leone:** ECU 973 000 to supply food aid for displaced people in the town of Kenema.

**Somalia:** ECU 688 000 to help victims of the civil war. The aid will be used to counter a cholera epidemic in Giohar, ensure the functioning of a hospital in the Gedo region and provide basic health care in the town of Borhache.

**Somalia:** ECU 165 000 to cover, for a six-month period, the costs of storage in Nairobi (Kenya), and transport, of medicines. These cannot be stored in Mogadishu because of the prevailing insecurity.

## HUMANITARIAN AID

### Rwanda

## A comprehensive regional humanitarian aid programme

In view of the scale of the Rwandan crisis, the Commission has decided to implement a comprehensive regional humanitarian aid plan to help those affected throughout the Great Lakes region.

Under this plan, a commitment of ECU 19 million has just been agreed. This is in addition to the ECU 10m allocated to the UN High Commission for Refugees (decision of 27 May) giving a total, in initial assistance, of ECU 29m. This is intended to provide assistance, for a period of three months, to Rwandan and Burundian refugees in Burundi (430 000), Rwanda (80 000), Tanzania (410 000), Zaire (130 000) and Uganda (80 000).

A further sum of ECU 3m, which has been directed through the ICRC to help victims in the conflict zone, can be added to this figure.

Since 6 April, humanitarian aid to the value of ECU 35.73m has been provided by the European Community to help the populations affected. Aid from the individual Member States of the EU has reached almost ECU 30m.

## ECHO aircraft for East Africa

The week commencing 16 May saw the arrival of four aircraft, operated by the European Community Humanitarian Office (ECHO), in Nairobi (Kenya), Djibouti and Mogadishu (Somalia). The aeroplanes will, henceforth, provide a regular link for the humanitarian agencies with cities and other destinations in So-

malia as well as with Lockichoggio in Kenya which is the support base for humanitarian operations in southern Sudan.

This pilot project to provide regional assistance using aircraft was agreed by the Commission on 12 April and responds to a concern for more efficient and secure transport of the EU's humanitarian assistance in this region. The project is initially for a period of five

## Ex-Yugoslavia

### A summary of aid provided

The European Commission has just decided to allocate a further ECU 47.34m to help victims of the conflict in ex-Yugoslavia. This brings the total amount of humanitarian aid provided to more than ECU 762m (\$900 million approx.) since the beginning of the war. The annual breakdown so far is as follows:

Year	Amount (ECU thousands)	%
1991	13 000	2
1992	277 000	36
1993	396 000	52
1994	76 015	10
<b>TOTAL</b>	<b>762 015<sup>1</sup></b>	<b>100</b>

<sup>1</sup> This does not include the cost of the European Union's common action agreed by the Council on 22 December 1993, of which ECU 14.3m falls under the budget of the European Community.

**Somalia:** ECU 1.153 million to continue and extend, for a period of six months, four medical/nutritional projects, three of which are in Mogadishu.

**Sudan:** ECU 17 million towards a global humanitarian aid plan designed to help victims of the continuing conflict in the country.

**Tanzania:** ECU 680 000 to help Rwandan refugees with medical assistance, medicines and basic essentials.

**Tanzania:** ECU 450 000 to help Rwandan refugees meet their immediate needs, particularly as regards access to drinking water.

**Togo:** ECU 200 000 for immediate assistance to Ghanaian refugees who have taken refuge in the north-west of the country following the ethnic conflict in northern Ghana.

**Zaire:** ECU 320 000 to help people of Kasai origin who have been expelled from Shaba to Kananga. The aid will be used, in particular, to provide water and medicines.

### Non-ACP countries

**Bolivia:** ECU 230 000 in the form of food and medical aid to help isolated rural communities affected by the torrential rains in the La Paz and Cochabamba departments.

**Bolivia:** ECU 250 000 in further aid to complement the above.

**Peru:** ECU 780 000 to help victims of the recent floods in the north of the country and for essential medical assistance for people in the Satipo province, north-east of Lima, who have been displaced as a result of terrorist actions.

The aid most recently agreed will be divided as follows:

**Bosnia-Herzegovina:** ECU 21.2m. A large part of this will be in the form of medical assistance — medicines and equipment, the provision of services and training actions. The hygiene programmes currently under way will be completed and a number of special psycho-social and educational projects will be developed.

**Croatia:** ECU 11.29m. ECU 6m of this will be for an initial coordinated programme involving the Community's 'Task Force' (ECTF) and the NGOs which will cover the full range of hygiene requirements. In addition, a number of medical and psycho-social actions will be extended.

**Serbia/Montenegro:** ECU 14.85m. ECU 8m of this has been set aside to provide basic foodstuffs to some 380 000 refugees and 150 000 others who are now in need following the deterioration in living conditions in the country.

**Armenia:** ECU 200 000 to maintain, for a six-month period, three centres for handicapped people in Yerevan, Gueremavan and Vartenis.

**Kirghizistan:** ECU 250 000 to buy tents for victims of floods, landslides and avalanches provoked by the spring thaw.

**Russia:** ECU 940 000 to extend for a further six months, a project to provide hot meals for indigent people in Moscow.

**Tadjikistan:** ECU 360 000 for a drinking water and sanitation programme to help people displaced by the civil war.

**Ukraine:** ECU 350 000 for medical aid to help child victims of the Chernobyl nuclear disaster.

**Algeria:** ECU 550 000 to provide food aid and basic essentials for Tuareg refugees from Niger and Mali in the south of the country.

**Palestine:** ECU 2.4 million for medical aid for the people of the West Bank and Gaza, in the form of medicine supplies, medical equipment and technical assistance.

**Yemen:** ECU 300 000 in medical aid for victims of the civil war.

**Yemen:** ECU 200 000 to take care of the wounded in two camps, to provide basic essentials for displaced persons and to help Somali refugees in the country (in the Al Kawd camp).

**Afghanistan:** ECU 1 million for essential equipment and medical supplies for displaced people.

**Bangladesh:** ECU 500 000 to provide basic essentials for victims of the recent cyclone.

**Laos:** ECU 1.5 million to help victims of the drought which has led a shortfall in rice production.

**Pakistan:** ECU 715 000 to help Afghan refugees in the country by increasing the capacity of the Nasirbagh reception camp in the Peshawar district.

## FOOD AID

The Commission took a decision to finance food aid as set out in the chart which follows:

Country/ Organisation	Cereals	Milk powder	Vegetable Oil	Other Products
(tonnes)				
Kenya	50 000			
Mozambique	480	370	185	250
Madagascar	10 000			
Ethiopia	80 000			
UNWRA	12 750	1 968	2 042	2 948
ICRC	65 000		4 000	
NGOs	90 000	6 000	8 500	1 800
(ECUs)				
EURONAID	2 million (for one co-financing action)			

# PARTNERSHIP

Information Bulletin from the Centre



for the Development of Industry

CDI Day at the ACP House

## Plea for a new impetus

*The presentation of the CDI's 1993 Annual Report last May gave rise to a consensus of opinions in favour of redefining the financial resources available to the CDI, in order to fully respond to the needs of ACP countries.*

**T**he CDI presented its 1993 annual report on 10 May 1994 at ACP House in Brussels. In his opening speech, the Centre's Director, Mr Paul Frix, pointed to better project evaluation and greater proximity as being the CDI's main assets for developing the private sector\*. He also noted that, despite the fact that the Centre's reputation is now beginning to be acknowledged, the future will depend on a growing general

awareness of the need to promote the emergence of a large class of industrial entrepreneurs, principally in ACP countries. He expressed the hope that, during negotiations for the second Lomé IV financial protocol such an awareness would result, in material terms, in a strengthening of CDI resources, especially on the ground in the ACP countries themselves.

Mr Frix was also delighted at the emergence of South Africa, a country which could provide the main driving force behind the renewed growth Africa so much needs, and he expressed the wish that the CDI's mandate be extended to encompass the possibility of South Africa becoming an additional source of technology, partnerships and co-funding for ACP countries.

In his address, Mr Ghebray Berhane, Secretary General of the ACP Group of States, stated that the Centre does not currently have enough resources at its disposal to satisfy the needs of all ACP countries, and that it should be given such resources. He also supported the CDI Director's appeal for improving the Centre's access to Convention resources, in order to give it the means to satisfy the growing demands of countries which look to it for assistance.



*On the rostrum: CDI Deputy Director Mr S. Sharma; Dr G. Berhane, Secretary-General, ACP Group of States; CDI Director Mr P. Frix; Mr R. Andrews, member of the CDI's Joint Executive Board; and Mrs N. Koutrakou, Co-chairman of the ACP-EU Committee on Industrial Cooperation.*

### A long term mission

Mrs Niki Koutrakou, Co-chairman of the ACP-EU Committee on Industrial Cooperation, who was speaking on behalf of the Greek Presidency of the Council of the European Union, welcomed positive developments in the CDI, which was considered as «a vital link in the chain between the Commission and the EIB» (see our «Opinion» column on page 2). Finally, Mr Richardson Andrews, member of the CDI's Joint Executive Board, who chaired the meeting, underlined the fact that the CDI suffers from one major weakness - it is an institution for developing long-term policies, whereas its own statutes, management

and resources are short-term, changing every five years... The Centre therefore remains in a permanent state of infancy quite unsuited to current requirements which are essentially to give priority to promoting the private sector. According to Mr Andrews, a more appropriate structure is the only way for the Centre to have any real impact on promoting SMEs which are the key to the development of the countries receiving support. ■

*\* An article on the CDI's 1993 financial results appears in Partnership number 13, providing a detailed analysis by its Director, Mr Frix, of the Centre's '93 performance and its prospects for 1994.*

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**Note to «The Courier» readers: exceptionally, only 4 out of the 8 pages of Partnership are included in this edition of the «The Courier». The full version of this issue of Partnership can be obtained on request to fax: + 32 2 675 26 03.**

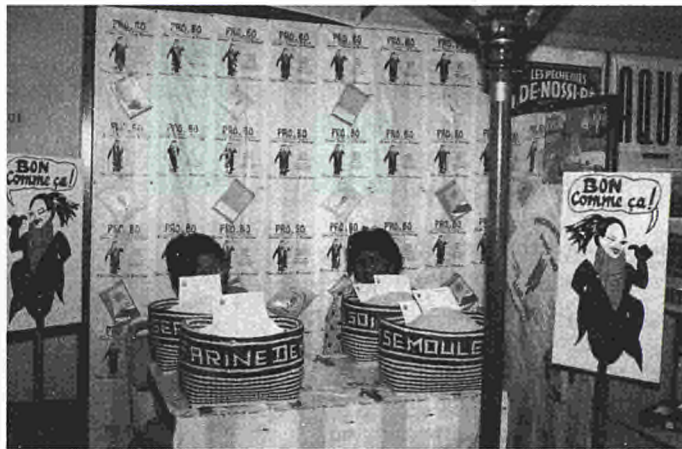
# Projects are beginning to bloom on the 'Big Island'

**D**uring four days in April 1994, the hotel hosting the Madagascar International Industrial Forum (FIMAG) was a hive of activity and a focal point for business life on the island. Candidate business partners had travelled in from the four corners of the island to defend their dossiers and meet the partners they were looking for. Following the opening day's speeches, the rest of the forum was given over entirely to meetings between economic players from North and South.

In his speech inaugurating the Forum, CDI Director Mr Paul Frix emphasized the island's pivotal position between Africa and South-East Asia, as well as its proximity with a rapidly changing South Africa. Nor did he forget to mention the pioneering work carried out in Madagascar by CDI, which for a number of years has provided assistance - in many cases in cooperation with the Caisse française de développement - to some fifty or so local enterprises, whilst helping them set up partnerships with European enterprises.

The CDI was anxious to play a very active role in this Forum, and although it was not the direct organiser, it was very much in evidence.

*An International Industrial Forum was held for the first time in Madagascar from 12 to 15 April last. Organised by UNIDO, it also received support from the CDI.*



*The prominent Pro-Bo maize mill stand at FIMAG presented samples of maize flour and semolina. Technical assistance from CDI has helped Pro-Bo meet the growing demand on the island for its products.*

A full time office was staffed by Mrs Mary-Jane Caudron, CDI's country officer for Madagascar, Mrs Acquah Dodet Malenge, in charge of the textile and leather sectors and Mr Paul Chotard, responsible for the agro-food sector.

## An assessment

The outcome of FIMAG can be summed up in a few figures. 486 participants, 307 of them from abroad and around 2,000 business meetings. These figures prove the success of the operation in attracting foreign investors by promoting the business opportunities offered by this island since it started down the road to economic liberalisation.

## Milestones

- 1985: Madagascar takes the road towards economic liberalisation.
- 1989: Adoption of the new investment law.
- 1990: The free zone system becomes operational.
- 1993: A new political regime is elected in the spring.

## Four testimonies

Four Malagasy companies (Lecofruit - gherkins and green beans, Joie - children's clothes, Macotex - sportswear and Pro-Bo - maize flour) told of the significant assistance provided by CDI in the area of personnel management and training, and the determinant role which this had played in their growth. The Centre had also invited a dozen enterprises from the European Union and Mauritius in what it believed to be three key sectors: aromatic plants, shrimp food, and textiles/garments.

But it is still early days yet. The country needs to keep its promises and prove that it is irreversibly committed to the process of economic liberalization. If it wants to attract investors, it must first of all guarantee them a safe economic environment, and stable administrative, legal and fiscal frameworks.

In his closing speech, Mr Frix looked forward to the follow-up to the Forum, and promised future partners the help of the Centre's technical services, with a special emphasis on CDI's specialist segments: food and food processing - including fisheries and aquaculture, animal feedstuffs, aromas and essential oils, textiles and garment-making.

# Productive fishing at Walvis Bay

*A new professional meeting on the fishing sector was organised by the CDI, this time at Walvis Bay, Namibia, in April 1994. In this newly independent country, the fishing sector has been entirely restructured, and European companies are showing interest in establishing business links.*

**T**his meeting between European and Namibian fishing industry professionals which took place from 25 to 27 April 1994 was an outright success. This was undoubtedly due to the meticulous preparatory work carried out in the field prior to the event.

Close cooperation with an expert working with the Namibian Ministry for Fisheries allowed to realistically assess local conditions and needs, as well as to make a judicious selection of Namibian producers who are effectively in a position to export their products.

The Walvis Bay meeting days focused on direct contacts between businessmen and visits to firms. One example which illustrates their pragmatic approach was the visit of European participants to Luderitz, another important Namibian fishing port. The initial plan was changed to accommodate

popular demand... In total, 18 Namibian firms were directly involved in the meetings - 14 in Walvis Bay



*Fish caught in Namibian waters can easily be sold on European markets.*

and 4 at Luderitz. Europe was represented by 10 companies, among them market leaders in the European fishing sector: two Portuguese, two Spanish, two British, one French, one Danish, one Belgian and one Italian. Without breaching the rules of confidentiality, we are able to reveal that several business

deals were concluded between some of those present. These are good results which meet the expectations of the Namibian government.

## Namibia's advantages

The fishery meetings last April took place at a key time for Namibia. Shortly beforehand, new fishing firms had received

off Namibia (particularly hake) resemble the species found in today's overfished European waters. Another advantage is that Walvis Bay, formerly a military zone, has its own airport and good road links.

## New opportunities

Last April's business meetings were far from fruitless. With the support of the CDI, several Namibian fishery firms were invited to a trade fair held last June in Bremen. An extensive market for frozen hake exists in Germany.

It now remains for Namibia to rise to the challenge of improving the quality of on-site fish processing, which provides added value to local fishing and creates new jobs.

At the end of 1995, Europe will be imposing new health regulations for imported fish. For Namibia as well as for other ACP countries, factories need to be brought up to standard. A Namibian organisation is due to receive European certification to authorise it to carry out controls. The necessary preparatory work is under way with CDI assistance...

# Improving the productivity of textile companies

**T**extile industries in the Mauritius free zone were confronted with serious productivity problems. The source of the difficulties needed to be carefully identified and targeted assistance provided. This is just what the CDI did to help these companies raise their productivity levels.

Over the past ten years the industrial free zone has been the driving force behind industrial growth on Mauritius. The annual growth rate was around 15%. The free zone provided employment for 90,000 people, 90% of them in the textile and clothing sector.

However, wage costs have recently risen, reducing the comparative advantage enjoyed by the country, and access to American and European markets has become more difficult.

As a result, a significant number of export-oriented textile companies have closed down over the past few years.

Urgent action had therefore to be taken to raise productivity to compensate for the loss of comparative advantage in wage levels. The CDI lent its assistance to this vital objective for the Mauritian economy.

The first step in this operation, also supported by the European Commission, involved the EPDZA (Export Processing Development Zone Authority), an institution set up by the Mauritian authorities to support SMEs in the free zone. The EPDZA selected twenty priority companies and an initial examination of the problems was undertaken with visits to these companies.

Following this assessment,

twelve SMEs (out of the twenty) were selected to benefit from an assistance programme. Over a period of 45 weeks, three specialists in quality management, clothing manufacturing techniques, and design and marketing respectively were made available to these enterprises to help them overcome their major handicaps: low productivity, inadequate working practices and insufficient training.

This intervention proved to be well worthwhile. At the beginning of 1994 productivity gains of between 7 and 50% were being recorded, depend-



*Training staff in more efficient production techniques at the Manupan trouser manufacturing factory.*

ing on the company.

These first successes certainly illustrate the sound basis of the CDI approach which concentrates its attention on a specific sector after having identified and grouped together the companies with the most urgent need for assistance. ■

## The Comoros Islands

# A new form of assistance

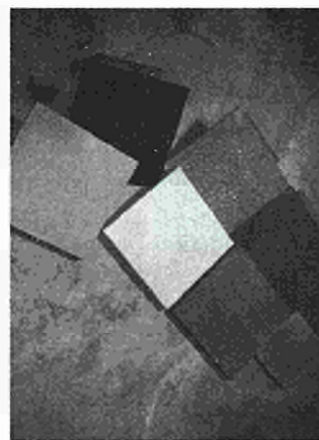
**I**n the Comoros Islands, a small country with no real traditional industry, the CDI supported an existing organisation, the Centre d'appui au secteur privé (CASP - Private Sector Support Centre). The objective: to make on-the-spot integrated assistance services available to local SMEs.

«Working with ...» These two words sum up the philosophy of the Centre when providing assistance in this Indian Ocean archipelago. In June 1992, The UNDP/ILO (United Nations Development Programme/International Labour Organisation) set up the CASP, a private sector support centre, in

the Comoros Islands. The CASP is a one-stop shop offering integrated services to micro-enterprises and local SMEs in the shape of project start-up support and assistance for companies in difficulty.

At the end of 1992, a cooperation agreement was concluded making the CASP a CDI correspondent. Through the CASP, the CDI funded a visit by an industrial engineer, Mr Henri Metrat, with the task of providing a wide range of direct support to companies, in 1993 and the beginning of 1994.

Mr Metrat, who has multiple skills and a great deal of experience in the field, was not con-



*Samples of products from Socoreu, a ceramic tile manufacturing unit which started up with joint support from the CASP and the CDI.*

tent to provide assistance to just one company; he made himself available to several local companies. In this way he was able to solve a number of technical problems seven entrepreneurs in sectors as diverse as construction materials, chemicals, food and food processing, textiles, mechanical engineering and even paper-making.

The results from this form of on-the-spot assistance and follow-up, which are both flexible and decentralised, are clearly more significant than those obtained by brief, ad hoc visits to a single beneficiary company. ■

# Operational Summary

## No. 81 — July 1994



(position as at 30 June 1994)

## 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

<b>A1</b>	<b>Planning and public administration</b>	<b>A5B</b>	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	<b>A6</b>	<b>Education</b>
<b>A2</b>	<b>Development of public utilities</b>	A6A	Primary and secondary education
A2A	Power production and distribution	A6B	University and higher technical institutes
A2Ai	Electricity	A6Bi	Medical
A2B	Water supply	A6C	Teacher training
A2C	Communications	A6Ci	Agricultural training
A2D	Transport and navigation	A6D	Vocational and technical training
A2E	Meteorology	A6E	Educational administration
A2F	Peaceful uses of atomic energy (non-power)	A6F	Pure or general research
<b>A3</b>	<b>Agriculture, fishing and forestry</b>	A6G	Scientific documentation
A3A	Agricultural production	A6H	Research in the field of education or training
A3B	Service to agriculture	A6I	Subsidiary services
A3C	Forestry	A6J	Colloquia, seminars, lectures, etc.
A3D	Fishing and hunting	<b>A7</b>	<b>Health</b>
A3E	Conservation and extension	A7A	Hospitals and clinics
A3F	Agricultural storage	A7B	Maternal and child care
A3G	Agricultural construction	A7C	Family planning and population-related research
A3H	Home economics and nutrition	A7D	Other medical and dental services
A3I	Land and soil surveys	A7E	Public health administration
<b>A4</b>	<b>Industry, mining and construction</b>	A7F	Medical insurance programmes
A4A	Extractive industries	<b>A8</b>	<b>Social infrastructure and social welfare</b>
A4Ai	Petroleum and natural gas	A8A	Housing, urban and rural
A4B	Manufacturing	A8B	Community development and facilities
A4C	Engineering and construction	A8C	Environmental sanitation
A4D	Cottage industry and handicraft	A8D	Labour
A4E	Productivity, including management, automation, accountancy, business, finance and investment	A8E	Social welfare, social security and other social schemes
A4F	Non-agricultural storage and warehousing	A8F	Environmental protection
A4G	Research in industrial technology	A8G	Flood control
<b>A5</b>	<b>Trade, banking, tourism and other services</b>	A8H	Land settlement
A5A	Agricultural development banks	A8I	Cultural activities
		<b>A9</b>	<b>Multisector</b>
		A9A	River development
		A9B	Regional development projects
		<b>A10</b>	<b>Unspecified</b>

## ACP STATES

New projects are printed in italics and offset by a bar in margin at left

Projects under way are marked with an asterisk and with words or phrases in italics

### ANGOLA

**Rehabilitation national roads in the South-West region: Namibe-Serra da Leba section.** Resp. Auth.: Ministry of Construction. 18.5 mECU. Road rehabilitation by int. tender (conditional). Supply of equipment and T.A. Project on appraisal. 6th and 7th EDF.

EDF ANG A2d

**Health project «After urgency».** 15 mECU. T.A. to the Ministry of Health, supply of medicines, health projects in Luanda, fight against AIDS. Works, supplies, T.A. and training. Project in execution. 93. 7th EDF.

EDF ANG 7007

**Rehabilitation Programme.** Resp. Auth.: UTA CE-ANG. Estimated cost 16 mECU. Identification, appraisal and execution of rehabilitation actions for rural and urban development. Actions managed by NGOs. Project on appraisal. 6th EDF.

EDF ANG 6036 A2, A3

### ANTIGUA AND BARBUDA

**Livestock development. Phase II.** Resp. Auth.: Ministry of Agriculture. 0.130 mECU. Supply of equipment. Project on appraisal. 7th EDF.

EDF AB 5003 (7001)

### 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



**Construction works, Lot 1b Parakou-Djougou road. Km 65.000 - Km 136.634.** Resp. Auth.: Ministère des Travaux Publics et des Transports. 16 mECU. Works, supervision, geotechnical control, follow-up and evaluation. Works by int. tender. Project in execution. 7th EDF. EDF BEN 7004 A2d

**Beroubouay - Malanville road rehabilitation.** Resp. Auth.: Ministère des Travaux Publics et des Transports. 29 mECU. Works, by int. tender. T.A. Project in execution. 7th EDF. EDF BEN 6022/7001 A2d

**Rehabilitation of the Cotonou-Hilacondji Road.** Resp. Auth.: Ministère des Travaux Publics et des Transports. Estimated cost 17 mECU. Rehabilitation works over 93 km. Works by int. tender. Supervision, geotechnical control, follow-up, evaluation. Project on appraisal. 7th EDF. EDF BEN 6017 A2d

**Support to the Structural Adjustment Programme. General Import Programme. Phase III-94-95.** Estimated cost 9.4 mECU. Project on appraisal. Date foreseen for financing June 94. 7th EDF. EDF BEN 7200/002 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. 6th EDF. EDF BT 6026 A3e, A5i

**Wildlife conservation and utilization in Central and Southern Botswana.** Resp. Auth.: DWNP. Estimated cost 6.4 mECU. Construction of buildings and staff houses, supply of equipments, T.A. and training. Project in execution. 7th EDF. EDF BT 6001/7001 A3e, A5i

## BURKINA FASO

**Doua 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

**Tougan - Ouahigouya - Mali border road.** Resp. Auth.: Ministère des Travaux Publics. Modern earthenroad. Supervision: short-list to be done. Estimated cost 13.5 m ECU. Project on appraisal. **Date foreseen for financing July 94.** 6th and 7th EDF. EDF BK 7004 A2d

**Support programme to S.M.E's.** Resp. Auth.: Ministère de l'Industrie, du Commerce et des Mines. 10.500 mECU. Investments, agencies, T.A. and training, line of credit. Project in execution. 7th EDF. EDF BK 7006 A4, A5

**Support to the Structural Adjustment Programme. General Import Programme. 93-95.** Hard currency allowance to import ACP and EC goods, with negative list. 38 mECU. T.A. for starting and follow-up. Project on appraisal. Date foreseen for financing 1st half 94. 7th EDF. EDF BK 7200 A1c

**Sectoral Adjustment Programme - Agricultural - Livestock.** 9.6 mECU.

Works for production, supply of equipments, T.A., training. Project in execution. 7th EDF. EDF BK 7008 A3a

**Sectoral Adjustment Programme - Agricultural - Cereals.** Estimated cost 12.500 mECU. Support for institutional reform, works, supply of equipments, T.A., lines of credit. Project on appraisal. 7th EDF. EDF BK 7009 A3a

**Sectoral Adjustment Programme - Agricultural - Environment.** Estimated cost 1.950 mECU. Soil map and inventory, soil management and T.A. Project on appraisal. 7th EDF. EDF BK 7010 A3a

**Support project for fight against AIDS and STD's.** Resp. Auth.: Ministère de la Santé. 1.350 mECU. Rehabilitation works, supply of equipments, training. **Date financing June 94.** 7th EDF. EDF BK 7013 A7b, c

## BURUNDI

**Ruvubu Game Development.** Resp. Auth.: Ministère de l'Aménagement, du Tourisme et de l'Environnement. 4 mECU. Supervision and management. Elimination of conflictual sources between the game and population. Make the game accessible to the tourism. Works, supplies, T.A., training and awareness-raising. Project on appraisal. 7th EDF. EDF BU 6029 A5i

**Support project for micro-enterprises.** 10 m ECU. Support to prepare technical dossiers, management follow-up. T.A., training. Project on appraisal. 7th EDF. EDF BU 7004 A4, A5

## CAMEROON

**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 restr. tender after pre-qualification. Project in execution. 6th and 7th EDF. EDF CM 6030 (7004) A7e

**Road maintenance programme.** Resp. Auth.: Ministère des Travaux Publics. 22.5 mECU. Maintenance in 3 regions: Tikar plain, Ayos-Bertoua, Yaoundé. Project in execution. 7th EDF. EDF CM 6031 (7005) A2d

**Integrated rural development programme in the North-East and North-West Benoué regions.** Resp. Auth.: Ministère du Plan et de l'Aménagement du Territoire. Estimated cost 13.350 mECU. Works, equipments, T.A., training. Project on appraisal. 7th EDF. EDF CM 6002/7001 A3a

**Development of the Mandara Mounts region.** Resp. Auth.: Mission de Développement Intégré des Monts Mandara (MIDIMA). 9 mECU. Works, supply of equipments, T.A. evaluation, studies. Project in execution. 7th EDF. EDF CM 6026 A3a

**General Import Programme.** Hard currency allowance to import ACP and EC goods with negative list. 20.200 mECU. Project on appraisal. 7th EDF. EDF CM 7200/001 A1c

## CAPE VERDE

**Development of an industrial zone in Praia.** Resp. Auth.: Ministères des Infra-

structures et transports. 1.290 mECU. Roads, electricity and telephone network and sanitation. Work supervision. **Project in execution.** 7th EDF. EDF CV 7002 A2, A8

**Support to the start-up of the Praia's technical school.** Resp. Auth.: Ministère de l'Education. Direction Générale de l'Enseignement. Estimated cost 0.980 mECU. T.A., supply of equipments, scholar-ships. **Date financing June 94.** 7th EDF. EDF CV 6001/003 A6d

**Rural electrification - Praia.** Resp. Auth.: *Municipalité de Praia.* Estimated cost 1.457 mECU. Works and supply of equipment for the electrification of 3 centres in 'Praia rurale'. (Diesel power station and LT/MT distribution network). Project on appraisal. 7th EDF. EDF CV 7005 A2ai

## CENTRAL AFRICAN REPUBLIC

**North Region development programme. Phase II.** Resp. Auth.: Ministère de l'Economie, du Plan, des Statistiques et de la Coopération Internationale - Ministère des Eaux, Forêts, Chasse, Pêche et Tourisme (M.E.F.C.P.T.). 14.6 mECU. Works, supplies and T.A. Works by direct labour, supplies by int. tender, T.A. by restr. tender after prequalification. Project in execution. 7th EDF. EDF CA 6002/7002 A3a

**Support to the Structural Adjustment Programme. General Import Programme.** Hard currency allowance to import ACP and EC goods with negative list. 10 mECU. T.A. foreseen. Project on appraisal. 7th EDF. CA 7200 A1c

## COMOROS

**Seed, support and market-garden development.** Resp. Auth.: Ministère de l'Agriculture. Total estimated cost 5.912 mECU. EDF 5.4 mECU, local 0.512 mECU. Production of improved vegetable material. Rural development actions, infrastructures, training teams. Works, supplies and T.A. Project on appraisal. **Date foreseen for financing June 94.** 7th EDF. EDF COM 5002(7001) A3a

**Micro-projects.** Estimated total cost 3.4 mECU, EDF 2.5 mECU, local 0.4 mECU, local communities 0.5 mECU. Warehouses, rural hydraulic and electrification, health, education, works, supplies, T.A. Project on appraisal. 7th EDF. EDF COM 7102 A3a

**Support to the Structural Adjustment Programme. General Import Programme. 93-95.** Hard currency allowance to import ACP and EC goods, with negative list. 5.500 mECU. T.A. for starting and follow-up. Project on appraisal. Date foreseen for financing 1st half 94. 7th EDF. EDF COM 7200 A1c

**Sea-access to the Moheli island.** Resp. Auth.: Ministère de l'Equipement - Direction Générale des Travaux Publics. 3.250 mECU. Works, by int. tender. T.A. for further investigations, tender dossier and works supervision. Project on appraisal. 7th EDF. EDF COM 6006/7003 A2d

**Development of cultivations for export.** Resp. Auth.: Ministère du Dev. Rural. 1.900 mECU. Vanilla and improvement of quality (laboratory, management, marketing). Supply of non wood ovens. Crop diversification. Equipments, T.A. and training. Project on appraisal. 7th EDF. EDF COM 7004 A3a

## CHAD

**Cotton rural roads maintenance.** Resp. Auth.: Ministère des Travaux Publics. 7 mECU. Rehabilitation works and supervision. Project in execution. 7th EDF. EDF CD 7004 A2d

**Support to the Structural Adjustment Programme. General Import Programme.** Hard currency allowance to import ACP and EC goods with negative list. T.A. foreseen. 15.200 mECU. *Date financing June 94.* 7th EDF. EDF CD 7200/001 A1c

## CONGO

**Support to the anticipated general elections.** 0.200 mECU. Contribution for the printing of ballot papers. Imprimerie Nationale and Imprimerie des Armées. Project on appraisal. 7th EDF. EDF COB 7004 A1c

**Support to the Health Development National Programme.** Resp. Auth.: Ministère de la Santé. 10 mECU. Construction and rehabilitation works, T.A., training, supply of equipments and medicines. Project in execution. 7th EDF. EDF COB 7005 A7

**Market-gardening around Brazzaville.** Resp. Auth.: Ministère de l'Agriculture, des Eaux et Forêts, de l'Élevage et de l'Environnement. Agricongo. 3.400 mECU. Works by acc. tender, supply of agricultural inputs, training, evaluation, line of credit. Cofinancing with France. *Date financing June 94.* 5th, 6th and 7th EDF. EDF COB 7001 A3a

## COTE D'IVOIRE

**Health sector support programme.** 11.2 mECU. Strengthening basic care, correcting balances between regions and support to decentralization. Project in execution. 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 in execution. 7th EDF. EDF IVC 7002 A8a, b

**Wholesale market in Bouake.** 10 mECU. Market construction and installation and starting. Works and T.A. Project in execution. 7th EDF. EDF IVC 6009(7) A5c

**Support to the Structural Adjustment Programme. Phase II.** 18.5 mECU. Project in execution. 7th EDF. EDF IVC 7200 A1c

**Support to the Planning Directorate in the Ministère de l'Agriculture.** 0.756 mECU. T.A., equipments, training. *Date financing June 94.* 7th EDF. EDF IVC 7010 A3b

**Support programme to the 'pineapple market'.** Estimated cost 7.780 mECU. EDF 6.100 mECU, O.C.A.B. (Organisation Centrale des Producteurs - Exportateurs d'Ananas et des Bananes), 1.680 mECU. Works, supplies, T.A., training, studies, line of credit. Project on appraisal. *Date foreseen for financing July 94.* 7th EDF. EDF IVC 6016 A3a

**Support to the Structural Adjustment Programme. Phase III.** 28.800 mECU. Hard currency allowance to import ACP and EC goods, with negative list. T.A. foreseen. Project on appraisal. 7th EDF. EDF 7200/002 A1c

## DJIBOUTI

**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 equipment, studies, T.A. Project on appraisal. 7th EDF. EDF DI 6008 A3a

**Health training programme.** Resp. Auth.: Ministère de la Santé Publique et des Affaires Sociales. 0.750 mECU. T.A., scholar-ships, seminars, training. Project on appraisal. 7th EDF. EDF DI 7101/002 A7e

## DOMINICAN REPUBLIC

**Integrated rural development project in the NOROESTE (PROLINO).** Resp. Auth.: Ministry of Agriculture. EDF 23.61 mECU. Building of earth-dams, infrastructure, supply of equipment, T.A. and lines of credit. Project in execution. 7th EDF. EDF DO 7006 A3a

**Integrated programme to develop primary education at local level.** Resp. Auth.: Secretaría de Estado de Educación, Bellas Artes y Cultos (SEEBAC). Total cost 8 mECU. EDF 7 mECU, local 1 mECU. Buildings, equipment, T.A. Works by direct labour or acc. proc., the equipment will be purchased locally. T.A.; short-list done. Project in execution. 7th EDF. EDF DO 7007 A6a

**Integrated health programme in the south-east.** Resp. Auth.: Secretaría de Estado de Salud Pública y Asistencia Social (SESPAS). Total cost 9.8 mECU. EDF 8.8 mECU, local 1 mECU. Physical health infrastructure by direct labour or acc. proc., health materials and equipment by int. tender, training, health education, T.A. Project in execution. 7th EDF. EDF DO 7008 A7a,b,c,e

**Geological and mining development programme.** 23 mECU. Studies, programmes managements, works, T.A. and evaluation. Project in execution. 7th EDF. EDF DO SYS 9999 A4a,e

**Hydroelectric project «Los Toros».** Construction of an hydroelectric power station. Civil works, supply of electromechanical and hydromechanical equipment. Capacity 9.2 Mw. Annual output 57.27 Gwh. Estimated cost 25.4 mECU. Project on appraisal. 7th EDF. EDF DO 7005 A2ai

## 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. 6th EDF. EDF EG 6001 A3c, e, i

**Rural development programme in the South-East.** Resp. Auth.: Ministère de l'Agriculture. 4.500 mECU. Works, supplies and T.A. Project in execution. 7th EDF. EDF EG 6005 (7001) A3a

## ERITREA

**Rehabilitation Programme.** 3.7 mECU. NGO projects for health, veterinary services, water supply and demobilization of soldiers. *Date financing April 94.* 7th EDF. EDF ERY 7255 A7,A8

## ETHIOPIA

**Strengthening of water supply and sanitation in Addis Ababa.** Resp. Auth.: Addis Ababa Water Supply and Sewerage Authority. Estimated cost 1.990 mECU. Supply of metering and control equipment. T.A. and consultancies. Project on appraisal. 7th EDF. EDF ET 5006/7 A2b,A8c

**Rehabilitation of the Addis-Ababa - Modjo - Awasa Road.** Resp. Auth.: Ethiopian Road Authority. Estimated cost 40 mECU. Works and supervision. Project on appraisal. 7th EDF. EDF ET 7005 A2d

**Support programme for ethiopian students in former Soviet Union.** Support to 1,153 students to finish studies and come back in Ethiopia. Estimation 1.900 mECU. Project on appraisal. 7th EDF. EDF ET 7006 A1c

## FIJI

**Construction of 2 bridges (Sigatoka, Ba).** Resp. Auth.: Public Works Dept. 10.6 mECU. EDF 10.240 mECU, local 0.360 mECU. Bridge reconstruction after cyclone Kina. Study to revise drawings: short-list done. Project in execution. 7th EDF. EDF FIJ 7001 A2d

## GABON

**Support for rehabilitation of the national health system.** Resp. Auth.: Ministère de la Santé Publique et de la Population. 11 mECU. Supply of equipments, essential medicines, T.A. and training, evaluation. Project in execution. 7th EDF. EDF GA 7002 A7

**Mining development programme and diversification.** Resp. Auth.: Ministère des Mines, de l'Énergie et des Ressources Hydrauliques. Estimated cost 14 mECU. Works by direct labour and int. tenders, equipments by int. tender, T.A., follow-up and evaluation. *Project in execution.* 7th EDF. EDF/SYS/GA 9999 A4a

Support to the Structural Adjustment. 13.2 mECU. *Date financing June 94.* 7th EDF. EDF GA 7200 A1c

## 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

## GHANA

Human resources development programme. 5 mECU. Supply of equipments, T.A. and evaluation. Project on appraisal. 7th EDF. EDF GH 7003 A6

Small and Medium Enterprises Development Programme. Assistance in the preparation of business development plans. Financial contribution to the Ghana Venture Capital Fund. 4.8 mECU. Project in execution. 7th EDF. EDF GH 7004 A5b,e

## GRENADA

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

Rehabilitation of the Bellevue-Grenville Section of the Eastern Main Road - Grenville - Mama Cannes portion. Resp. Auth.: Ministry of Works. 2 mECU. Works by direct labour, small T.A. and supply of equipment for repairs. Project on appraisal. *Date foreseen for financing July 94.* 7th EDF. EDF GRD 7002/001 A2d

## GUINEA

Agricultural Programme in «Guinée Maritime» (PAGM) II. Resp. Auth.: Ministère de l'Agriculture et des Ressources Animales. 15 mECU. Infrastructural works, supply of agricultural inputs, equipments, T.A. and training. Project in execution. 7th EDF. EDF GUI 6001(1) A3a

Development of the secondary towns. Resp. Auth.: Ministère de l'Aménagement du Territoire. Estimated cost 7 mECU. Buildings, market, railway stations, roads, T.A. and training, management, work supervision, supply of equipments. Project on appraisal. 7th EDF. EDF GUI 7008 A8a,b

Information System for the National Programme to Support Food Security. Resp. Auth.: Ministère de l'Agriculture et des Ressources Animales. 1.600 mECU. Supply of equipments, permanent T.A. follow-up, evaluation. *Date financing June 94.* 7th EDF. EDF QUI 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. 11 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. Project in execution. 6th and 7th EDF. EDF GUB 6013 (PRI) A7, A8

Farim bridge construction. Resp. Auth.: Ministère des Travaux Publics. Estimated cost 11 mECU. Bridge over Cacheu river. Works and supervision. Project on appraisal. 7th EDF. EDF GUB 7006 A2d

Cultural actions promotion programme. Resp. Auth.: Secrétariat d'Etat à la Culture et à l'Information and EEC Delegation in Bissau. 1.650 mECU. Safeguard of the cultural heritage, training, manifestations, studies. Project in execution. 7th EDF. EDF GUB 7008 A5g,i

General Import Programme. 8 mECU. Hard currency allowance. T.A. foreseen. Project in execution. 7th EDF. EDF GUB 7200 A1c

## GUYANA

Immediate action programme for the Demerara Harbour Bridge. Resp. Auth.: Ministry of Finance. 8 mECU. Works, supplies, T.A. and training. Project in execution. 7th EDF. EDF GUA 6011 (7002) A2d

New Amsterdam water supply. Resp. Auth.: Ministry of Finance. 4.5 mECU. Construction of the ring main system, reservoir, supplies T.A. and training. Project in execution. 7th EDF. EDF GUA 6012 (7003) A2b

General Import Programme. Phase II. Hard currency allowance to the Bank of Guyana to import EEC-ACP goods with negative list. 1.850 mECU. 0.150 mECU for T.A. follow-up and evaluation. Project on appraisal. *Date foreseen for financing July 94.* 7th EDF. EDF GUA 7200/001 A1c

## JAMAICA

Credit scheme for micro and small enterprises. Resp. Auth.: Planning Institute of Jamaica. Implementation by Apex Institution and Coordination and Monitoring Unit. 7 mECU. Line of credit, T.A. and evaluation. Project on appraisal. *Date foreseen for financing 1st half 94.* 5th, 6th and 7th EDF. EDF JM 5020 A4,A5

Water Supply, sewerage, institutional strengthening programme. Resp. Auth.: National Water Commission (NWC). Estimated cost 18 mECU. Works, supplies and T.A. Project on appraisal. 7th EDF. EDF JM 7005 A8a,b,c

## KENYA

Revival and Development of the Swahili Culture. Resp. Auth.: Ministry of Home Affairs and National Heritage. National Museums of Kenya (N.M.K.). 1.990 mECU. Safeguarding, acquisition and restoration, supply of equipment, T.A. Project in execution. 7th EDF. EDF KE 7004 A5i

## KIRIBATI

Seaweed development programme. Total cost estimated 1.280 mECU. EDF 1.100 mECU, local 0.180 mECU. Buildings, equipment, credit, T.A. to the general manager, monitoring evaluation. Project on appraisal. 7th EDF. EDF KI 7002 A3a

Training for Kiribati. Estimation 1.440 mECU. Human resources development. Supply of equipment, T.A. monitoring evaluation. Project on appraisal. 7th EDF. EDF KI 7004 A6

## LESOTHO

Structural Adjustment Programme. Phase II. Hard currency allowance to import ACP and EC goods with negative list. Estimated cost 8 mECU. T.A. foreseen. Project on appraisal. *Date foreseen for financing June 94.* 7th EDF. EDF LSO 7200/001 A1c

## LIBERIA

Rehabilitation Programme. Resp. Auth.: EC aid coordination office in Monrovia. 25 mECU. Essential repairs to water and power supply systems, restoration of basic health and school facilities, distribution of seeds and tools, improved access to isolated regions, assisting the re-integration of ex-combatants and returning refugees. Implementation by local NGOs and European NGOs. Project in execution. 6th and 7th EDF. EDF LBR 7001 A1c

## MADAGASCAR

Kamolandy bridge reconstruction. Resp. Auth.: Ministère des Travaux Publics. 1.540 mECU. Submersible-type bridge. Project on appraisal. 6th EDF. EDF MAG 6027 A2d

Renovation of provincial airports. Cofinancing with France. EDF 16.4 mECU. Works, equipment and supervision. Project in execution. 6th EDF. EDF MAG 6016 A2d

Improvement of the agriculture and fishing in the Far South. Resp. Auth.: Ministère d'Etat, du Développement Rural. 1.900 mECU. Works, supplies, study, T.A. and evaluation. Project in execution. 7th EDF. EDF MAG 7003 A3a

Road infrastructure rehabilitation. Resp. Auth.: Ministère des Travaux Publics. Estimation 72.500 mECU. Rehabilitation works, supervision. Project on appraisal. *Date foreseen for financing June 94.* 6th and 7th EDF. EDF MAG 7004 A2d

## MALAWI

Aid for refugees. Resp. Auth.: Food Aid Coordination Unit in the Office of the President and Cabinet (OPC). 3.740 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

Structural Adjustment Facility (SAF) - General Import Programme. Resp. Auth.: Reserve Bank of Malawi. 30.6 mECU. Hard currency allowance to import

ACP and EC goods, with negative list. T.A. for management and audit purposes. Project in execution. 7th EDF.  
EDF MAI 7200 A1c

**Limbe-Thyolo-Muloza Road.** Works, construction by int. tender (conditional). Works and supervision. Project on appraisal. 6th and 7th EDF.  
EDF MAI 6021 A2d

## MALI

**Fight against erosion around the road Bandiagara-Dourou. Dogon region.** Estimated cost 0.900 mECU. Resp. Auth.: Commandant du Cercle de Bandiagara. Works by direct labour, T.A. by Association Française des Volontaires du Progrès (AFVP). Project on appraisal. 7th EDF.  
EDF MLI 6001/003/7 A3i

**Support to develop rural credit.** Resp. Auth.: Banque Nationale de Développement Agricole. BNDA. EDF part 1.910 mECU. T.A. and line of credit, training. Project on appraisal. 7th EDF.  
EDF MLI 6001/002 A5a

**Fight against silting up and development of forest resources in the Northern regions.** Resp. Auth.: Ministère de l'Environnement - Direction Nationale des Eaux et Forêts. 6.810 mECU. Infrastructural works, forest and trees, supplies, follow-up and training. Project in execution. 7th EDF.  
EDF MLI 6001/001 A3a

**Development of secondary towns in the 4th and 5th regions.** Resp. Auth.: Ministère de l'Administration Territoriale et de la Décentralisation. 5 mECU. Water supply in 3 towns, sewage works, markets, schools, waste collect systems in 6 towns. Works by acc. tenders. Supply of equipments and T.A. Project in execution. 7th EDF.  
EDF MLI 7008 A2b

**Better use of surfacing waters in the 5th region. Consolidation.** Resp. Auth.: Gouvernorat de Mopti. Estimated cost 5.750 mECU. EDF 5 mECU, local 0.750 mECU. Works, irrigation, supply of pumps, inputs, T.A., follow-up and evaluation, training, research. Project on appraisal. 7th EDF.  
EDF MLI 6005/002 A3a

**Reconstruction of primary schools in the North (Gao region).** Estimated cost 1.934 mECU. Reconstruction of ±21 schools (±126 class-rooms), water points, supply of equipments. Works by direct labour, coordination and supervision by ★ volunteers organization. *Date financing May 94.* 7th EDF.  
EDF MLI 7013 A6a

## MAURITANIA

**Second Road Programme.** Resp. Auth.: Ministère des Travaux Publics. 7.350 mECU. Supply of equipment and materials by int. tender. Studies, auditing, T.A. and training. Date foreseen for financing 1st half 94. 7th EDF.  
EDF MAU 6004-7004 A2d

**Support to the management of the Kaedi Municipality.** Resp. Auth.: Ministère du Plan. 0.850 mECU. Works and T.A. by the NGO AFRICA 70. *Date financing June 94.* 7th EDF.  
EDF MAU 6007/001 A1c

**National measures to support the Solar Regional Programme.** Estimated

cost 2.520 mECU. Infrastructural works (tanks, wells, pipes) and sensibilization, training and follow-up for the recipient communities, works and T.A. Project on appraisal. *Date foreseen for financing July 94.* 7th EDF.  
EDF MAU 6116/001 A2a,ai,b

## MAURITIUS

**Mauritius Institute of Public Administration and Management (MIPAM).** 1.205 mECU. Supply of equipment and T.A. ★ *Date financing June 94.* 7th EDF.  
EDF MAS 7101/001 A6e

**Human resources Centre in Rodrigues.** Estimated cost 0.800 mECU. Works, supply of equipment, T.A. and training. Project on appraisal. 7th EDF.  
EDF MAS 7101/002 A6e

**Support to the Industrial and Vocational Training Board. IVTB.** Estimated cost 2.500 mECU. Rehabilitation works, supply of equipments, T.A. and training. Project on appraisal. *Date foreseen for financing June 94.* 6th EDF.  
EDF MAS 6101/001 A6b,d

**Cyclone Hollanda rehabilitation programme.** Estimated cost 2.312 mECU. Rehabilitation of the telecommunication infrastructure for both national and international grid. Supply of equipments and alternative communication systems. Project on appraisal. 3rd and 5th EDF (remainings), 6th and 7th EDF.  
EDF MAS 7003 A2c

## MOZAMBIQUE

**Training for railway staff. Phase II.** T.A. for the regional School at Inhambane and the provincial centres of railway training. 20 mECU. T.A. and supply of equipment. Project on appraisal. 7th EDF.  
EDF MOZ-REG 6409 A2d, A6d

**Rehabilitation project for the re-instatement of refugees and returned people in the rural sector.** 12 mECU. Project in execution. 7th EDF  
EDF MOZ 7012 A3a

**Roads rehabilitation programme in the Zambezia and Sofala provinces.** Resp. Auth.: Ministère de la Construction et de l'Eau. Estimated cost 30 mECU. Roads and bridges rehabilitation. Works and supervision. Project in execution. 7th EDF  
EDF MOZ 7005/001 A2d

**Beira-Inchope Road Rehabilitation.** Resp. Auth.: Ministère de la Construction et de l'Eau. Estimation 25 mECU. Works over 111 Km. Supervision. Project on appraisal. 7th EDF.  
EDF MOZ (REG) 7005/002 A2d

**Institutional Support to the Ministry of Culture.** Resp. Auth.: Ministère de la Culture. Estimated cost 1.950 mECU. Establishment of a culture and development forum, improvement of the Documentation Centre, staff training, planning unit, equipment, and T.A. Training. Project on appraisal. 6th EDF.  
EDF MOZ 7016 A6

**Youth's social-economic reinsertion.** Resp. Auth.: Ministère de la Culture et de la Jeunesse. Estimated cost 1.950 mECU. Supplies, T.A. and pilot actions. Project on appraisal. 6th EDF.  
EDF MOZ 7017 A8b

## NAMIBIA

**Support programme for the mining sector.** Resp. Auth.: Ministry of Mines and Energy. Day-to-day administration by the Industrial Development Corporation. 40 mECU. Mine development, expansion, drillings, tiling plant, recuperations, small scale mining. Works and supplies by int. tender. T.A. and training. Project in execution. 7th EDF.  
EDF NAM SYS 9999 A4a

**Institutional support for the Ministry of Agriculture, Water and Rural Development.** Resp. Auth.: Ministry of Agriculture, Water and Rural Development. 1.3 mECU. T.A. for agricultural planning and marketing and production economics. Project on appraisal. 7th EDF.  
EDF NAM 7003 A1c

**Namibia Integrated Health Programme.** Resp. Auth.: Ministry of Health and Social Services. 13.500 mECU. Infrastructures, equipment, training and T.A. Project on appraisal. Date foreseen for financing 2nd half 94. 7th EDF.  
EDF NAM 7007 A7

**Expansion of NBC transmitter network and production facilities for educational broadcasting.** Resp. Auth.: Namibian Broadcasting Corporation. Estimated total cost 5.7 mECU. EDF 5 mECU, local 0.700 mECU. Works, supply of equipments, technical training and technical consultancies. Project on appraisal. 7th EDF.  
EDF NAM 7005 A6i

**Rural Development Support Programme for the Northern Communal Areas.** Resp. Auth.: Ministry of Agriculture, Water and Rural Development. 7.7 mECU. Strengthening of the agricultural extension service, training of extension officers and establishment of a rural credit system. Supply of office equipment, vehicles, agricultural inputs, T.A., training, evaluation. Project in execution. 7th EDF.  
EDF NAM 7011 A3a

## NIGER

**Small-scale irrigation in the South Zinder.** Resp. Auth.: Ministère de l'Agriculture et de l'Elevage. 1.800 mECU. Works, ★ supplies, training. *Date financing June 94.* 7th EDF.  
EDF NIR 7009 A3c

**Vocational and technical training project (NIGETECH).** Resp. Auth.: Ministère de Finances et du Plan. 3.8 mECU. Seminars, solar-ships, trainer training, T.A. Project on appraisal. 7th EDF.  
EDF NIR 7101 A6d

**Road infrastructures and telecommunications.** Rehabilitation of Tillabery-Ayorou (Tender launched), Farie-Tera and Say-Tapoa roads. For telecommunications: hearth station in Arlit and administrative centre in Niamey. Works and supervision. Project on appraisal. *Date foreseen for financing June 94.* 7th EDF  
EDF NIR 7005 A2d, c

**Integrated development programme in the sheep-farming zone. (Azaouak, Tadress and Nord-Dakoro).** Resp. Auth.: Ministère de l'Hydraulique et de l'Environnement, de l'Agriculture et de l'Elevage, de la Santé Publique et de l'Education Nationale. 18 mECU. Rehabilitation works, wells, drillings, supply of equipment, T.A. training, evaluation and follow-up. *Date financing*

April 94. 7th EDF  
★ EDF NIR 7012 A3a

Support to the Structural Adjustment Programme. General Import Programme. Hard currency allowance to import ACP and EC goods with negative list.  
★ 20 mECU. T.A. foreseen. **Project in execution.** 7th EDF.  
EDF NIR 7200 A1c

**Strengthening of the «Centre de Formation et de Promotion Musicale» (CFPM).** 0.632 mECU. To continue and develop musical cultural actions. Supplies and T.A. Date financing June 94. 7th EDF.

## NIGERIA

**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 in execution. 7th EDF  
EDF UNI 7005 A3a

**Urgent assistance for 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 in execution. 7th EDF.  
EDF UNI 7007 A5g

**NITEL Maintenance training programme.** Resp. Auth.: Nigerian Telecommunications. 10.5 mECU. Rehabilitation works, supply of equipment, T.A. and training. Project in execution. 7th EDF.  
EDF UNI 7008 (6004) A2c

**Borno region anti-poverty programme.** Improvement of the agricultural productivity and water management. Assistance to the farmer associations. Estimated total cost 16,100 mECU. EDF 15.400 mECU, local 0.700 mECU. Works, supplies T.A. training, research, line of credit. Project on appraisal. 7th EDF.  
EDF UNI 7009 A3a

## PAPUA NEW GUINEA

**Third Structural Adjustment Programme. General Import Programme.** 8.5 m ECU. Same as 2nd programme. Project in execution. 7th EDF  
EDF PNG 7201 A1c

**Human resources development programme.** Resp. Auth.: National Dept. of Education (NDOE) and Commission for Higher Education (CHE). 15 mECU. Works: building renovation, university construction, rehabilitation works, works supervision, scholarships, training. Works for the university by int. tender. Project in execution. 7th EDF.  
EDF PNG 6008/7001 A6a,b

**Ramu road improvement.** Resp. Auth.: Department of works. Estimated cost 20 mECU. Upgrading of 73 Km of the Ramu highway (Pompuquato bridge to Usino junction) from the present gravel pavement to a bituminous sealed pavement and associated bridge works. Works and supervision. Design study: short-list done. **Project in execution.** 6th EDF.  
EDF PNG 6017 A2d

**Environmental Monitoring of Mining.** Resp. Auth.: Dept. of the Environment and Conservation. EDF 1.6 mECU.

T.A. for 30 man/months and technical consultancies. Training. Project in execution. 7th EDF  
EDF PNG 7001 A4a

## RWANDA

**Drinking water supply in the Bugesera East.** Resp. Auth.: Ministère de Travaux Publics. 9.920 mECU. Pumps, treatment, tanks, renovation existing network. Works, supplies and supervision. Works: int. tender already launched. Project on appraisal. Date foreseen for financing 1st half 94. 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. 0.925 mECU. Construction and supply of furnitures for primary schools, supply of equipments, T.A. for supervision of works. Project on appraisal. **Date foreseen for financing July 94.** 5th and 6th EDF.  
EDF SCN 6001 A6a

## SAO TOME & PRINCIPE

**Improvement of the port.** 0.450 mECU. Works and supervision. Project in execution. 7th EDF.  
EDF STP-REG 6202/001 A2d

## SENEGAL

**St-Louis regional development programme.** 22.5 mECU. Jobs creation, lines of credit, T.A. to the S.M.E's, training, studies. Health centres, clinics, medical equipments and consumables, training, information. T.A. to the Direction Régionale in St-Louis and to the Service des Grandes Endémies in Podor. Drainage network, sanitation. Environmental protection with wind-breaks. T.A. Study of a water-engineering scheme in Podor. Works by acc. tender. Supplies by int. tender. T.A. by restr. tender. Project on appraisal. Date foreseen for financing 1st half 94. 7th EDF.  
EDF SE 6002/7002 A3a

**Support to the national programme to fight AIDS. Phase II.** Resp. Auth.: Comité National de Lutte contre le sida. CNLS. 1.700 mECU. Works, rehabilitation, supply of equipment, T.A., management, training. Project in execution. 7th EDF.  
EDF SE 7003 A7

**Support to the economic development of the Ziguinchor region.** 1.990 mECU. Line of credit for SME's and support to the artisanal fishery. Supply of equipments, T.A. Project on appraisal. 7th EDF  
EDF SE 5024/7001 A3a

**Support to the Structural Adjustment Programme. General Import Programme.** Hard currency allowance to import ACP and EC goods with negative list. Estimated cost 16 mECU. T.A. foreseen.  
★ **Date financing June 94.** 7th EDF.  
EDF SE 7200/001 A1c

**Support to develop SMEs in the Dakar region.** Estimation 1.990 mECU. Line of credit, management unit in coordination with Banks, projects and NGOs. T.A. and supplies. Project on appraisal. 7th EDF.  
EDF SE 7010 A5

**Priority programme to generate employment. P.P.G.E.** Resp. Auth.: Ministère de l'Economie, des Finances et du Plan. 1.990 mECU. To alleviate the social impact of the austerity mesures and of the F.C.F.A. devaluation of the most devalourised urban populations. Line of credit, supplies. T.A., audit. Date financing June 94. 7th EDF.  
EDF SE 7009 A8b

## SEYCHELLES

**Marin and coastal centre.** Resp. Auth.: Ministry of Foreign Affairs – Planning and Environment. Estimated total cost 0.675 mECU. EDF 0.325 mECU, local 0.350 mECU. Renovation and equipping of a centre for international, regional and local research. Works and supplies. Project on appraisal. 7th EDF.  
EDF SEY 7003 A8f

## SIERRA LEONE

**Agricultural Sector Support Programme.** Resp. Auth.: Ministry of Agriculture. 14.3 mECU. Construction of stores, rehabilitation of feeder roads, vehicles, agricultural inputs, materials, T.A. for project management, training. Project in execution. 7th EDF.  
EDF SL 7001 A3a

**Rural water supply and sanitation.** Estimated cost 7 mECU. Wells rehabilitation, water points, equipments and T.A. Project in execution. 7th EDF.  
EDF SL 5001/7 A2b, A8c

**Improvement of Freetown – Conakry road link.** Estimated cost 30 mECU. Reconstruction of about 120 Kms of road from Masiaka in Sierra Leone to Farmoreah in Guinea. Works and supervision. Project on appraisal. 7th EDF.  
EDF SL 7004 A2d

## SOLOMON ISLANDS

**Rural fishing enterprises project – Phase II.** Total cost estimated 1,630 mECU. EDF 1.5 mECU, local 0.130 mECU. Construction works, fishing and office equipments and T.A. for project coordinator. Project in execution. 7th EDF.  
EDF SOL 6010/001 A3a

**Cyclone Nina Rehabilitation Programme.** Resp. Auth.: Ministres of Transport, Work, and utilities, Agriculture, National Resources and Education and Human Resources development and the EC delegation. 1 mECU. Rehabilitation of roads and public schools. Project in execution. 7th EDF  
EDF SOL 7002 A8g

**Malaita rural infrastructure programme.** Resp. Auth.: Malaita Provincial Government (MPG). 6 mECU. Roads and wharves, supply of equipments and T.A. Project in execution. 7th EDF  
EDF SOL 5013 (7) A2d

## SOMALIA

**Rehabilitation programme.** 38 mECU. Project in execution. 6th EDF  
EDF SO 6029

## SWAZILAND

**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

**Science and Mathematics Advice and Regional Training (SMART).** Resp. Auth.: The University of Swaziland - Training Dept. 0.720 mECU. Supply of equipment and materials by int. tender. Project on appraisal. 7th EDF  
EDF SW 6101/7 A6b

## TANZANIA

**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

**Support for Aids Control in Tanzania.** Resp. Auth.: Ministry of Health. 3 mECU. To strengthen health and other support services. Supply of equipment and T.A. Project on appraisal. 7th EDF.  
EDF TA 08000/000 (7001) A7c

**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 in execution. 7th EDF.  
EDF TA 7002 A3a

**Mwanza-Nyanguge Road Rehabilitation.** Resp. Auth.: Ministry of Transport and Communications. Estimated cost 35 mECU. Rehabilitation of 62 Km of trunk roads (Nyanguge-Mwanza and Mwanza airport) and rehabilitation of Mwanza sewerage system (main works). Design study ongoing. Project on appraisal. 7th EDF.  
EDF TA 6021 A2d

**Training and Training Institutions support project.** Training materials, equipments, training, University Twinning. T.A. Project in execution. 7.1 mECU. 7th EDF.  
EDF TA 6001 A6b

**Support to Ministry of Finance, Zanzibar.** Estimated cost 1.300 mECU. Equipments and T.A. Project on appraisal. 7th EDF.  
EDF TA 7007 A1c

**Support Unit to N.A.O.** Estimated cost 2 mECU. Equipments and T.A. Project on appraisal. 7th EDF.  
EDF TA 7008 A1c

**Mwanza Water Supply, Phase II.** Resp. Auth.: Ministry of Water energy and minerals. Estimated cost 11.100 mECU. Works, pumping equipments, studies and supervision. Short-list done. Project on appraisal. 7th EDF.  
EDF TA 5005(7) A2b

**Iringa Water Supply.** Resp. Auth.: Ministry of water, energy and minerals. Estimated cost 9.100 mECU. Pumping, Treatment, storage and distribution. Works, equipments, design and supervision. Short-list done. Project on appraisal. 7th EDF.  
EDF TA 7009 A2

**Support to the Structural Adjustment Programme. General Import Programme. Phase III.** Resp. Auth.: Bank of Tanzania. 30 mECU. T.A. foreseen. Project on appraisal. Date foreseen for financing July 94. 7th EDF.  
EDF TA 7200/002 A1c

## TOGO

**General Import Programme.** Hard currency allowance to import ACP and E.C. goods. T.A. for management and implementation. 17 mECU. Project in execution. 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

## TRINIDAD AND TOBAGO

**Support to the Structural Adjustment Programme. General Import Programme.** Hard currency allowance to purchase EEC and ACP goods with negative list. T.A. for six months for GIP implementation and the use of counterpart funds. 9.7 mECU. Project on appraisal. Date foreseen for financing 1st half 94. 6th and 7th EDF.  
EDF TR 7200 A1c

**Rural Electrification.** Resp. Auth.: Trinidad and Tobago Electricity Commission. 2 mECU. Connection of isolated rural communities to electricity supply network. Works, supply of equipments and T.A. Project in execution. 7th EDF  
EDF TR 5014 A2ai

**Road rehabilitation.** Resp. Auth.: Ministry of Works. 16 mECU. Rehabilitation of several road segments in Western Trinidad. Works by int. tender. Supervision. Project in execution. 7th EDF  
EDF TR 6003 A2d

**Small business development programme.** Resp. Auth.: Small Business Dev. Corp. SBDC. 2 mECU. Supply of line of credit, training and supervision and evaluation. Project on appraisal. 7th EDF  
EDF TR 5016 A5e

**Training project for young farmers (AYTRAP).** Assistance for the young farmers to create rural enterprises. Estimated cost 7.300 mECU. EDF 5 mECU, local 2.300 mECU. Line of credit, T.A. and monitoring. Project on appraisal. 6th and 7th EDF.  
EDF TR 7002 A3a

## UGANDA

**Structural Adjustment Support Programme General Import Programme. Phase II.** 30,250 mECU. Hard currency allowance to import ACP and EC goods. There is negative list of items not eligible (military-luxury items). Project on appraisal. Identification study: short list done. 7th EDF.  
EDF UG 7200 A1c

**Human resources development programme.** Resp. Auth.: Ministry of Finance and Economic Department. 12.8 mECU. Infrastructural rehabilitation, equipments,

T.A. and training. Project in execution. 7th EDF.  
EDF UG 7001 A6b, c, d

**Smallholder Tea Development Programme. (STDP).** Resp. Auth.: Uganda Tea Growers Corporation (UTGC). 20 mECU. Increase in the production and quality, management improvements, infrastructure development, institutional and financial sustainability, environment conservation and regional development. Works, supply of equipments, T.A. and training. Project on appraisal. Date foreseen for financing 1st half 94. 7th EDF.  
EDF UG 6002/7002 A3a

**Uganda health project.** Phase III of the Rural health Programme, West Nile Health Programme and the Uganda Blood Transfusion Service Project Phase II. Infrastructure rehabilitation equipment (vehicles, furnishings, offices), medical supplies and tests, in service training and T.A. and management. 20 mECU. Project in execution. 7th EDF.  
EDF UG 6012/7003 A7

**Support to the Uganda Investment Authority.** Resp. Auth.: Ministry of Finance. 1.950 mECU. Supply of equipments and T.A. Project on appraisal. 7th EDF.  
EDF UG 7005 A5e

**Road maintenance programme in the South West.** Resp. Auth.: Ministry of Works. 20 mECU. Works, supplies and supervision. Project on appraisal. 7th EDF.  
EDF UG 7004 A2d

## ZAIRE

**Temporary assistance programme for health care (P.A.T.S.). Rehabilitation programme.** Estimated cost 18.500 mECU. To ensure that the health-care services that are still operating survive. Implementation by NGOs and local organizations. **Project in execution.** 7th EDF.  
EDF ZR 6029 A7a,b

## ZAMBIA

**SYSMIN III - General import.** Resp. Auth.: Bank of Zambia. 60 mECU. Project in execution. 7th EDF.  
EDF ZA 9999 - SYS A1c

**Zambian Centre for accountability studies. Phase II.** EDF 6.8 m ECU, T.A., supplies and Works. Project in execution. 7th EDF.  
EDF ZA 6001/7001 A6a

**Social Sector Support Programme.** Resp. Auth.: Ministries of Health, Education, Water Affairs and Local Governments. 12 mECU. Rehabilitation works and health infrastructures, water supply, education. Supply of drugs and equipments, and T.A. Project on appraisal. Date foreseen for financing 1st half 94. 7th EDF.  
EDF ZA 7003 A7,A8

**Reorganisation and restructuring of the Department of National Parks and Wildlife Services.** Resp. Auth.: Department of National Parks and Wildlife services. Estimated cost 5 mECU. Works, supplies and T.A. Project on appraisal. 7th EDF.  
EDF ZA 7002 A3c,d

**Assistance to Angolan and Zairean Refugees.** 1.2 mECU. Project in execution. 7th EDF  
EDF ZA 7001 A8

**Private and Cooperative Livestock Service Network Development Programme.** Estimated cost 1.950 mECU. Short and long term T.A. Privatisation Funds, training. Project on appraisal. 7th EDF. EDF ZA 6018 A3a

## ZIMBABWE

**OMAY Kanyati and Gatshe Gatshe land use and health programme.** Resp. Auth.: A.D.A. 4.6 mECU. Raising the standard of living of rural populations. 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, equipment and supplies. Project on appraisal. 7th EDF. EDF ZIM 6004/7002 A3a

**Structural Adjustment Programme.** Resp. Auth.: Ministry of Finance, Economic Planning and Development. 32 mECU. ★ **General Import Programme and T.A. Project on appraisal. Date foreseen for financing June 94.** 7th EDF. EDF ZIM 7200/001 A1c

**Support to the Faculty of Veterinary Science of the University of Zimbabwe.** Resp. Auth.: Faculty of Veterinary. 9.1 mECU. Supply of vehicles and equipments. T.A., University link, fellow-scholarships. For Zimbabwe and SADC region. Project on appraisal. 7th EDF. EDF ZIM 5004/7001 A6b

**Mashonoland East Fruit and Vegetable Project. Phase II.** Resp. Auth.: Agricultural Development Authority. 3.300 mECU. Provision of transport, construction of houses and assembly markets. Supply of equipments and T.A. Project in execution. 7th EDF. EDF ZIM 5012/7003 A3a

**Wildlife Veterinary Project.** Resp. Auth.: Department of National Parks and Wildlife Management. EDF 1.500 mECU. Increase of wildlife population, particularly of endangered species: black and white rhino — tourism development, works, supplies, T.A., training and evaluation. Project on appraisal. 7th EDF. EDF ZIM 6018 A5c, A8f

## Overseas Countries and Territories (OCT)

### NETHERLANDS ANTILLES

**Curaçao - Business Development Scheme, phase 2.** Estimated total cost 5.366 mECU. EDF 4 mECU. Development of international competitiveness in the export sector. Management training strategy. Project on appraisal. 7th EDF. EDF NEA 6013/001 A5d,e

**Support Public Library in Curaçao.** Resp. Auth.: Public Library Curaçao. Estimation 0.650 mECU. Works, supply of equipment, training. Project on appraisal. 7th EDF. EDF NEA 7003 A6g

### ARUBA

**T.A. for managerial training.** Estimated cost 2.320 mECU. EDF 1.980 mECU, local 0.340 mECU. A training unit will train private and public executives and will advise companies on demand. (These services will be paid). Supplies T.A. and evaluation. Project on appraisal. 7th EDF. EDF ARU 6006 A6b

## NEW CALEDONIA

**Construction of a vocational training centre for apprentices.** Estimated total cost 2.95 mECU. EDF part 0.830 mECU. Works by acc. tender. Project on appraisal. 7th EDF. EDF NC 7002 A6d

## FRENCH POLYNESIA

**Pearl Oyster programme.** Resp. Auth.: EVAAM. 1.150 mECU. Supply of research equipment and training. T.A. and researches. Project in execution. 7th EDF. EDF POF 6006 A3d

## FRENCH SOUTHERN AND ANTARCTIC TERRITORIES

**Rehabilitation of the «Vie commune» building in the Kerguelen Islands.** Lasting improvement of the daily life quality for scientists, researchers, technicians, meteorologists on duty. Works, supplies. Estimated total cost 0.900 mECU. EDF 0.600 mECU, France 0.300 mECU. Project on appraisal. 6th and 7th EDF. EDF TAA/6001/001 A6f

## TURKS AND CAICOS ISLANDS

**Water and sewerage in Providenciales.** Resp. Auth.: Ministry of works. 3.600 mECU. Water supply works and pipes. T.A. Project on appraisal. 7th EDF. EDF TC 7001 A8b,c

## WALLIS AND FUTUNA

**Holo-Fakatoi Road in Wallis (RT2).** EDF 0.600 mECU. Bitumen road. Project on appraisal. 7th EDF. EDF WF 7001 A2d

★ **Normalisation works in the territorial road n°1 (RTI) in Wallis.** 1.125 mECU. Rehabilitation works. Project in execution. 7th EDF. EDF WF 7002 A2d

★ **Construction of the territorial road n°1 in Futuna.** 0.840 mECU. Works and rehabilitations. Project on appraisal. 7th EDF. EDF WF 7003 A2d

★ **Purchase of public works equipments.** Resp. Auth.: Service des Travaux Publics du Territoire. 0.500 mECU. Project in execution. 7th EDF. EDF WF 7004 A2

## Regional Projects

### MEMBERS COUNTRIES OF UMOA (UNION MONETAIRE OUEST AFRICAINE)

**Assistance to the BOAD (Banque Ouest Africaine de Développement) for the support programme for promotion and financing the private sector in the member countries of UMOA.** 0.512 mECU. Study, T.A. and training. Project in execution. 7th EDF. EDF REG 7106 A5

### 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

## CAMEROON — CHAD — CENTRAL AFRICAN REPUBLIC

★ **Faisability study: Ngaoundéré — Touboro — Moundou Road.** 1.900 mECU. Short-list to be done. Date financing June 94. 7th EDF. EDF REG — CA 7203 A2d

## CENTRAL AFRICA AND UDEAC

**Regional Centre Bananas and Plantains (C.R.B.P.).** Resp. Auth.: C.R.B.P. Strengthening of infrastructures and management. 2 mECU. In Nyombé. Project in execution. 7th EDF. EDF REG 6217 A3a

**Inter-states transit in Central African Countries (T.I.P.A.C.).** 5.5 mECU. To set up a regional scheme for transit transport. T.A. and training. Project in execution. 7th EDF. EDF REG 7202 A2d

## EAST AFRICAN COUNTRIES

**Statistical training centre for Eastern Africa in Tanzania.** Resp. Auth.: Secretariat of the centre. 5 mECU. Widening of capacity. Construction of class-rooms, offices and housing. Project on appraisal. 5th EDF. EDF REG 5311 (7) A6b

★ **Strengthening Economic and Policy Research in NARS in Eastern Africa (NARS: National Agricultural Systems).** Technical and logistic support for building-up strong socio-economic programmes in NARS in Eastern Africa. Estimated cost 1.150 mECU. Project on appraisal. 7th EDF. EDF REG 7306 A3c

## PALOP COUNTRIES — ANGOLA — MOZAMBIQUE — GUINEA BISSAU — SAO TOMÉ & PRINCIPE — CAPE VERDE

**Support to improve educational systems.** 4.450 mECU. Trainers training, production of pedagogical equipment, T.A. Project in execution. 7th EDF. EDF REG 7901-001 A6b

**Regional training for Middle Staff Statisticians.** 3.5 mECU. Training of 900 middle staff statisticians in the five countries. Building-up a modular training system, training for trainees, workshops-newsletter. T.A. Project on appraisal. 7th EDF. EDF REG 7901-002 A6b,j

**Regional Centre for Health Development.** 3.480 mECU. Strengthening of public health systems in the 5 countries and better management of 385 sanitary districts. Training programmes, trainers training, T.A. for starting. Project in execution. 7th EDF. EDF REG 7901-003 A6bi

**Regional Training Centre for public administration and enterprise management.** 7 mECU. Supply of equipments and T.A. Project in execution. 7th EDF. EDF REG 7901-004 A6b, e

## COTE D'IVOIRE - ETHIOPIA - MALI

**PAN African Rinder - Pest Campaign. Phase III.** To improve financial autonomy of the livestock services, improving the vaccination programmes, supporting farmers associations and privatisation of certain profession in the livestock sectors. Estimated cost 15.600 mECU. Project on appraisal. 7th EDF. EDF REG 5007/003 A3a

## MEMBER COUNTRIES OF C.O.I. - INDIAN OCEAN COMMISSION COMORES - MADAGASCAR - MAURITIUS - SEYCHELLES

**Support for environmental programmes in C.O.I. countries.** Resp. Auth.: Mauritius Regional Authorising Officer. 11 mECU. T.A. for the regional coordinating unit - for national coordinating units - for surveys on the coastal area and on the protection of plant biodiversity. Supply of equipment by int. tender, training. Project in execution. 7th EDF. EDF REG 6511/7 A8f

**Regional programme to develop tourism in C.O.I. countries.** Resp. Auth.: C.O.I. - Comité Permanent du Tourisme - C.P.T. 6.239 mECU. T.A. for setting-up the training programmes, sale, promotion and marketing, back-up operations to assist management, transfer of know-how and intra-regional solidarity, specific studies. Supplies and training. Project in execution. 6th and 7th EDF. EDF REG 6944/7 A5c

**Integral automatisations of telecommunications in the Indian Ocean.** Resp. Auth.: C.O.I. 3.3 mECU. Project in execution. 7th EDF. EDF REG 5512 (7) A2c

## 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. 6th EDF. EDF REG 6310 (RW.....) A2d

## MEMBER COUNTRIES OF ECOWAS

**Improvement of postharvest utilisation 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 in execution. 7th EDF. EDF REG 6126 (001) A3a

**Guarantee Fund for Private Investments - Financing in Western Africa. FGIPAO - Lomé.** Creation of a Guarantee Fund to cover partially credit risks given by Banks to the private sector. Total estimated

cost 22.5 mECU. EDF 3.8 mECU - Others: France, Germany, E.I.B., Commercial Banks (E.U.). Development Agencies. Project on appraisal. Date foreseen for financing July 94. 7th EDF. EDF REG 7115 A5

## MEMBER COUNTRIES OF P.T.A.

**Regional integration in East and Southern Africa. Assistance to PTA Secretariat. (Preferential Trade Area).** Short and long-term. T.A., studies, training. Estimated cost 1.500 mECU. Project on appraisal. 7th EDF. EDF REG 7316 A1b

## PACIFIC ACP STATES

**Pacific Tourism Development programme. Phase III.** To assist Pacific ACP countries and OCT to develop their tourism sector. 11.530 mECU. Tourism marketing and promotion of the Pacific destination. Planning and policy capacities, research and statistics, manpower. Project in execution. 7th EDF. EDF REG 7701 A5c

**Senior Public Sector Management Programme.** Resp. Auth.: Forum Secretariat. Institute of Social and Administrative Studies (ISAS) of the University of the South Pacific (USP). 1.855 mECU. Training programmes, seminars, T.A. and evaluation. Project in execution. 7th EDF. EDF REG 7703 A6j

**Integrated Regional Programme for management and Control of Fishery.** Resp. Auth.: South Pacific Commission. 4.650 mECU. Supply of equipment and T.A. Project in execution. EDF REG 6709/001 A3a

**South Pacific Regional Tuna resources assessment and monitoring project.** Resp. Auth.: South Pacific Commission 5 mECU. Supply of equipment, T.A., evaluation, training. Project in execution. 7th EDF. EDF REG 6709/002 A3a

**Assistance to the Pacific Plant Protection Service.** Resp. Auth.: South Pacific Commission. 2.950 mECU. Supply of equipments, T.A. and training. Project in execution. 6th EDF. EDF REG 5719/6 A3a

**Pacific regional agricultural programme. Phase II.** Resp. Auth.: Forum Secretariat. Fiji. 9.265 mECU. Improvement and dissemination of selected crops, agricultural information and techniques to farmers. T.A. and supply of equipments. Project on appraisal. Date foreseen for financing July 94. 7th EDF. EDF REG 6704/001 A3a

## ANGOLA - MOZAMBIQUE

**Training in the port and maritime fields.** Training by experts and consultants. T.A., training and equipment. 0.950 mECU. Project in execution. 7th EDF. EDF REG 7403 A6b

## SADC

**SADC Regional Customs Training Programme.** Long-term. T.A. to the Botswana, Lesotho, Namibian and Swaziland customs services. Training and equipment. 1.9 mECU. Project on appraisal. 7th EDF. EDF REG 5412/7 A1b

**SADC Language Training Programme.** Resp. Auth.: Institute of Languages in Maputo as Regional Project Coordinator (RPC). 2 mECU. English language training and Portuguese language training. Monitoring-evaluation. Project on appraisal. 7th EDF. EDF REG 6415/6430/6433/7 A6

**Regional training programme for food security.** Resp. Auth.: Food Security Technical and Administrative Unit (FSTAU) in Harare. 5 mECU. Training and T.A. Supply of equipment by int. tender. Project on appraisal. 7th EDF. EDF REG 6420/7 A6ci

**S.I.M.S.E.C. - Sadc Initiative for Mathematics and Science Education Cooperation.** To establish a professional unit, called SIMSEC Unit for information exchange, teacher training curriculum development, staff development, research cooperation and support for teachers' organisations. Project on appraisal. Estimated cost 5 mECU. Date foreseen for financing 1st half 94. 7th EDF. EDF REG 6428 A6b

**Wildlife Management Training Project.** Resp. Auth.: SADC Sector for Inland Fisheries, Forestry and Wildlife. 8 mECU. Staff training, equipment and teaching materials, long-term T.A. evaluation. Project on appraisal. Date foreseen for financing March 94. 7th EDF. EDF REG 6408/002 A3e, A6b, A8f

## SADC - MOZAMBIQUE

**Beira port dredging contract.** Resp. Auth.: Ministry of Construction and Water. 15 mECU. Dredging for two years of the access channel to the port of Beira. Works: 2 years, 4 million m<sup>3</sup>/year. Supervision and training. Project on appraisal. Date foreseen for financing 1st half 94. 7th EDF. EDF REG 7401 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

## EASTERN AND SOUTHERN AFRICAN COUNTRIES

**Support to the Eastern and Southern African Mineral Resources Development Centre (ESAMRDC).** Resp. Auth.: ESAMRDC - Dar es Salaam - Tanzania 4.950 mECU. T.A., consultancies - databases, training, supply of equipment. Project in execution. 7th EDF. EDF REG 7407 A4-A7

## TANZANIA - KENYA - UGANDA - RWANDA - ZAMBIA - BURUNDI - ETHIOPIA - ERITREA - DJIBOUTI

**Development and installation of the Advance Cargo Information System.**



**ACIS. 11 mECU.** Supply of computers software and T.A. Managed by UNCTAD. Project on appraisal. Date foreseen for financing July 94. 7th EDF. EDF REG 7312 A2c, d

## ACP COUNTRIES

**Programme for fighting AIDS.** Funding of regional actions. 20 mECU. Support for regional structures, improvement of information, funding of research and training actions. Supplies, T.A. and training. Project in execution. 7th EDF. EDF REG 8000 A7

**Trade promotion. Trade development project. ACP-EC.** To improve commercial performances. Estimated cost 7.200 mECU. T.A. actions, in twenty ACP countries on a preliminary period of two years. ★ **Date financing June 94.** 7th EDF. EDF REG 70001/010 A5d, e

## ACP COUNTRIES AND REGIONS

**Programme of Community Support for Statistical Training (COMSTAT) 9.650 mECU.** Production of reliable and up-to-date statistics by increasing the number of qualified statisticians working in national statistical systems. Project on appraisal. 7th EDF. EDF REG 70.004/005 A1e, A6e

and managerial issues (employment and labour issues, public sector indebtedness, financing of the restructuring operations, use of privatisation proceeds). Training action programme, Project Management. Estimated EEC contribution 43 mECU. Project in execution. SEM EGT 506/93 A1b

**Nile Valley regional programme — Phase 2.** 5 mECU. Project in execution. SEM EGT A3a

## JORDAN

**Water sector intervention.** 11.715 mECU. Project in execution. SEM JO A2a

**Improving Teacher Education.** Resp. Auth.: Universities of Jordan and National Centre for Educational Research and Development (NCERD). EEC contribution 3.900 mECU. T.A., fellowship, and equipments. Project in execution. SEM JO 1283/93 A6b

**Support for Structural Adjustment. Phase II. Hard currency allowance with negative list.** 30 mECU. Project on appraisal. Date foreseen for financing July 94. SEM JO 414/94 A1c

## 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. Int. tender launched in May 94.** SEM MAT A8f

**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. Different T.A. and purchase of equipment. Project in execution. SEM MAT 91/431 A5c, d

## MOROCCO

**Rural development in the Central Haouz and Tassaut Aval.** Resp. Auth.: Office régional de Mise en Valeur Agricole de Haouz. ORMVAH. EEC contribution 21.5 mECU. Irrigation works, tracks, T.A. and training. Works and supplies by int. tenders. Project in execution. SEM MOR 1088/93 A3a

**Drinking water supply and sanitation in the small center.** 16 mECU. Project in execution. SEM MOR A2b

**Support to promote and development of remote sensing.** Resp. Auth.: CRTS — Centre Royal de Télédétection spatiale. EEC contribution 4 mECU. Action for soil vegetation sea (surface temperature), forests control, identification and support to the management of aquaculture zones and macro-seaweed. Specialized T.A. training, supply of equipments by Int. tender. Project on appraisal. Date foreseen for financing July 94. SEM MOR 486/94 A3a

**Support to the «Caisses Locales de Crédit Agricole».** EEC contribution 16 mECU. To strengthen local banks for loans to small farmers. Allowance to the CNCA — Caisse Nationale de Crédit Agricole. T.A. foreseen for training, follow-up and parallel evaluation. Project on appraisal. Date foreseen for financing July 94. SEM MOR 486/94 A3a

## 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

**Support for 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

**Building of two vocational centres.** 8 mECU. Project in execution. SEM TUN A6d

**T.A. Programme to promote quality.** Resp. Auth.: INNORPI — Institut National de Normalisation et du Régistre de le Propriété Industrielle. EEC contribution 5 mECU. T.A., ★ training, supply of equipment. **Project in execution.** SEM TUN 1-94 A4e

**Rural development project in Sèj-nane. Phase II** Resp. Auth.: ODESYANO (Ministry of Agriculture's North-West Agroforestry Development Board). EEC contribution 5 mECU. Work by direct labour, supply of equipments, T.A. and studies, training. Project in execution. SEM TUN 1286/93 A3a

## SYRIA

**Electricity Sector Support Programme.** Resp. Auth.: Ministère de l'Electricité — Société Publique d'Electricité. SME. EEC contribution 11 mECU. Project management unit, training, master plan, transmission and distribution, functioning and control, computerized management system, assistance to the supervision of works (5 sub-stations — funded by E.I.B.). T.A. experts, supply of equipment by int. tender. Project on appraisal. Date foreseen for financing July 94. SEM SYR 415/94 A2a, i

## TURKEY

**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 Universities of Ankara and Marmara. Training centre and language laboratory in Marmara. Establishment of a Euro-Turkish 'Business Council'. Project in execution. SEM TU A6b

## WEST BANK AND GAZA OCCUPIED TERRITORIES

**Assistance to the Palestinian population of the West Bank of the Jordan**

# MEDITERRANEAN COUNTRIES

## ALGERIA

**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). Project on appraisal. Date foreseen for financing 1st half 94. SEM AL 688-92 A1c

**Support to the algerian rural sector.** 30 mECU. Project in execution. SEM AL A3a

## CYPRUS

**Mapping and property valuation.** Resp. Auth.: Dept. of Land and Surveys (DLS). 0.800 mECU. Supply of equipments and T.A. Project in execution. SEM CY 1309/93 A1g

## EGYPT

**Channel Maintenance Project (CMP).** Resp. Auth.: Ministry of Public Works and Water Resources (MPWR). 40 mECU. Integrated weed control, irrigation, biological control, institutional support, training, T.A. for general management, procurement and contracting, planning, monitoring and supervision, works, supplies and training. Project in execution. SEM EGT 881/92 A3c

**Public Enterprise Reform and Privatisation Programme.** Privatisations, restructuring operations, addressing policy

and of the Gaza strip. EEC contribution 15 mECU. Health, education, production, environment, water, research and T.A. Project in execution.  
SEM OT 93 A3,A6,A7,A8

Assistance to the Palestinian population of the West Bank of the Jordan and of the Gaza Strip. EEC Contribution 20 mECU. Assistance to the educational sector and T.A. Project in execution.  
SEM OT 93/Ex A6b

Sanitation and drainage in Rafaj. 15 mECU. Project in execution.  
SEM OT A8c

Assistance to the housing programme of the Palestinian Housing Council. 10 mECU. Works and T.A. Project in execution.  
SEM DT 94/01 A8a

Assistance to private credit institutions. 8 mECU. Lines of credit to Economic Dev. Group (EDG), Arab Technical Dev. corp. (RDC), Agricultural Dev. and Credit Company (ADCC), United Agricultural Foundation (UAC) and T.A. Project in execution.  
SEM OT 94/02 A5b

Construction and equipping schools and classrooms. Resp. Auth.: UNRWA. 10 mECU. Works by acc. tender and T.A. Project in execution.  
SEM OT 94/03 A6a

Establishment of industrial park. 10 mECU. Construction and equipment of industrial parks. T.A. Project in execution.  
SEM OT 94/04 A4

T.A. for the implementation of the development for the Occupied Territories. 5 mECU. Ad-hoc T.A. for different sectors. Project in execution.  
SEM OT 94/05 A1b

Rehabilitation programme for Palestinian ex-detainees. 10 mECU. To re-integrate into Palestinian economy and society 12,000 ex-detainees. Education, training, job counselling, vocational rehabilitation, medical assistance, business start-up training and follow-up, family support, wage subsidies. Project on appraisal.  
SEM OT 94/06 A6,7,8

Support programme to the Palestinian Police Forces. 10 mECU. Supply of vehicles and equipments. Date financing June 94.  
SEM OT 94/05 A1d

Demographic indicators for the Occupied Territories. Resp. Auth.: Palestinian Bureau of Statistics (PBS). 1.400 mECU. Project on appraisal.  
SEM OT 94/06 A7c

## ENTREPRENEURS OF EUROPEAN AND MIDDLE EAST SMEs

Europe-Middle East Partenariat - Programme - Phase II. EEC contribution 1.400 mECU. Search for potential partners in the European Union. Sectors: construction, infrastructures, sub-contracting: clothing, electro-mechanics, electronics - tourist facilities and food and drinks, for companies located in Egypt, Israël, Jordan, occupied Territories, Lebanon, Syrie. Implementing Agency: German-Arab Chamber of Commerce (GACC) - Cairo. Date financing June 94.  
SEM REG 251/94 A5c,d,e

## EURO-MAGHREB COMMUNICATIONS S.A.R.L. PARIS

Euro-Maghreb training programme in communications. EEC contribution 1.400 mECU. Seminars, scholarships for young professionals from Maghreb countries. Project on appraisal.  
SEM REG 687.92 A5g

## A.L.A. developing countries ASIA and LATIN AMERICA

### BANGLADESH

Coastal Embankment Rehabilitation Project (CERP). EEC contribution 15 mECU. Flood protection, forestry, agricultural development. Works, supplies and T.A. Project on appraisal. Date foreseen for financing 1st half 94.  
ALA BD 9320 A3a

Bangladesh rural advancement Committee (BRAC). EEC contribution 8.150 mECU. Project on appraisal.  
ALA BD 9307 A3a

### BOLIVIA - PERU

Master Plan for TDPS System. (Operational). 0.750 mECU. Execution of the bi-national master plan for the development of the integrated zone of the Titicaca Lake. T.A.: short-list to be done. Project on appraisal.  
ALA REG 93/139 A3a

### BOLIVIA

Promotion and assistance for small private companies. EEC contribution 8.795 mECU. T.A. and credit management. Short-list to be done. Project in execution.  
ALA BO 9339 A5e

Ministry of Development and Environment. T.A. to support the execution of programmes. 1 mECU. Project on appraisal.  
ALA BO 94/42 A3a

Rural development in the Mitzque and Tiraque valleys. 13 mECU. Different. T.A. for bridges, canals, improvement of cultivated soils. Project on appraisal.  
ALA BO 94/49 A3a

Support to the export promotion. 0.980 mECU. T.A. and training for 30 bolivians trade representatives. Establishment of 2 trade promotion offices in Europe. Information data system. Project on appraisal.  
ALA BO 94/52 A5d

Support to the artisanal fishery and aquaculture. T.A. to improve know-how. 4 mECU. Project on appraisal. Date foreseen for financing October-November 94.  
ALA BO 94/53 A3a

### BRAZIL

Disadvantaged childhood in the urban 'milieu'. EEC contribution 8 mECU. T.A. and micro-projects. Short-list to be done. Project on appraisal. Date foreseen for financing June 94.  
ALA BRA 94107 A8e

### CAMBODJA

Support to the agricultural sector and primary education. EEC contribution 49.800 mECU. Supply of equipments, different T.A. studies. Project on appraisal. Date foreseen for financing July 94.

### CHILI

Integrated development programme in the South. EEC contribution 5.500 mECU. T.A. and supplies. Short-list to be done. Project in execution.  
ALA CHI 9358 A3a

### CHINA (R.P.)

Development project to improve potato production in Qinghai. EEC contribution 3.100 mECU. T.A. and supply of equipment. Project on appraisal. Date foreseen for financing June 94.  
ALA CHN 9410 A3a

International Trade School China-Europa. EEC contribution 14.85 mECU. Situated in Jinqiao Pudong region - Shanghai. Conception - supervision of the construction equipments, teachers, non academic staff, training. Project on appraisal. Date foreseen for financing June 94.  
ALA CHN 9408 A6b

### COLOMBIA

Drinking water - Sanitation - Pacific Coast. 7.5 mECU. Water conduits and sewers in 57 villages. Supplies: int. tender to be launched. Project in execution.  
ALA CO 9239 A7c

Basic service: Ciudad Bolivar. 8 mECU T.A. to the local services. Training. Project on appraisal.  
ALA CO94/101 A8b

ACTUAR Project - Family enterprises. 4 mECU. T.A. Project on appraisal.  
ALA CO 94/40 A5c

Support to the creation of basic technological enterprises. 0.900 mECU. T.A. Project on appraisal.

### ECUADOR

Support to develop woman peasants and families in the Chimborazo Province. Resp. Auth.: Ministerio de agricultura y ganadería (MAG). EEC contribution 3.562 mECU. T.A., supply of vehicles and office equipments training, studies, line of credit. Project in execution.  
ALA EQ 9317 A3a

Relaunching the production and improving the quality of cocoa. EEC contribution 2.870 mECU. T.A. and equipment. Project in execution.  
ALA EQ 93/50 A3a

Management and control of charge and demand of the electricity. (CO-GECEL). EEC contribution 0.400 mECU. Energy cooperation programme for Cuenca and Ambato cities. Project on appraisal.  
ALA EQ 93130 A2ai

Rehabilitation of the Paute zone. Estimation 12 mECU. T.A., training, supply of equipment. Project on appraisal.  
ALA EQ 94/44 A3a

## EL SALVADOR

**Health and basic health programme in the western region.** EEC participation 10 mECU. Drinking water, sanitation, health centres, infrastructures, training, T.A. Project in execution. ALA SAL 9330 A7c

**Sonsonate Hospital Rehabilitation.** EEC participation 7 mECU. Infrastructures, supply of equipment, T.A. and training. Project in execution. ALA SAL 9331 A7a

**Support to the rural reform - Usulután - Phase II.** EEC contribution 10 mECU. T.A. and supplies. Short-list to be done. Project in execution. ALA SAL 9347 A3a

**Training in the geothermic energy sector.** 0.600 mECU. T.A. and training. Project on appraisal. ALA SAZ 94/36 A2a

## GUATEMALA

**Rural development programme in the Quiche Department.** Resp. Auth.: Ministerio de Desarrollo (MINDES). 17.500 mECU. Support to the agricultural production and environment production. Support to the micro-industry. Works, supply of equipment, line of credit, T.A. Project in execution. ALA GUA 9322 A3a

**Development aid to the indigenous populations in Central America.** EEC contribution 7.500 mECU. T.A. and supply of equipments. Project in execution. ALA GUA 9355 A3a

**Programme to help children in the street in Guatemala City.** EEC contribution 2 mECU. T.A. and training. Short-list to be done. Project on appraisal. *Date foreseen for financing June 94.* ALA GUA 94109 A8e

**Support to the informal sector.** 7.500 mECU. T.A. training, time of credit. Project on appraisal. ALA GUA 94/47 A5

## INDONESIA

**Palawija Seed Production and Marketing.** Resp. Auth.: Directorate General of Food Crops Agriculture. Ministry of Agriculture. EEC Contribution 9.7 mECU. Improvement of production and marketing of certified Palawije Seed Crops. Seed processing equipment by int. tender foreseen in 94. Project in execution. ALA IND 8621 A3a

**EC-Indonesian Forest Sector Support Programme.** Resp. Auth.: Directorate General for Forest Inventory and Land Use Planning - Ministry of Forestry. EEC contribution 25.882 mECU. Forest Inventory and monitoring, T.A. for detailed forest survey and mapping, training. Integrated Radio Communication Systems: T.A. for installation and training. Short-lists done. Project on appraisal. ALA IND 9242 A3c

**EC-Indonesian Forest Programme: Forest Fire Prevention and control in South Sumatra.** Resp. Auth.: Directorate General for Forest Inventory and Land Use Planning Ministry of Forestry. EEC contribution 4.050 mECU. T.A. for establishment of fire prevention analysis and procedures, 3 pilot projects for fire management units and

equipment. Short-list done. Project on appraisal. ALA IND 9212 A3c

## MERCO SUR

**EC-Merco Sur cooperation programme and T.A. for the agricultural sector.** EEC participation 11.200 mECU. Institutional and technical support in the phyto-pharmaceutical and veterinary sectors. T.A., supplies, training and popularisation. Project in execution. ALA REG 9316 A3a

## MEXICO

**Multi annual programmes for business meetings.** EEC-Mexico. EEC contribution 5.930 mECU. Business meetings in Europe and Fora in Mexico. T.A. and follow-up. *Date financing May 94.* ALA MEX 94/02 A5d, e

## NICARAGUA

**TROPISEC - Development of small rural production in the dry tropical zone.** EC contribution 7 mECU works, supplies and T.A. Project in execution. ALA NI 9354 A3a

**Consolidation of the 'Low-State' and promotion of the economy.** EEC contribution 18 mECU. T.A.: short-lists to be done. Project in execution. ALA NI 9356 A1b

## PAKISTAN

**Rehabilitation and protection project after floods.** 20.5 mECU. T.A., road works, dam construction. Works by acc. tender. Project on appraisal. *Date foreseen for financing July 94.* ALA PK 94/04 A8g

## PANAMA

**Kuna Yala Project.** EEC Contribution 0.560 mECU. Sustainable development for and by indigenous communities of Kuna Yala. T.A. and training. Project on appraisal. ALA PAN 93140 A3a

**ENERFRIP - Energetic improvement in the 'cold' chain.** EEC contribution 0.400 mECU. T.A. and supply of equipment. Short-list to be done. Project on appraisal. ALA PAN 93183 A2a

## PARAGUAY

**Durable development of the Paraguayan Chaco (protection of the indigenous zones and ecosystem).** EEC contribution 14.800 mECU. T.A. and training. Project on appraisal. *Date foreseen for financing July 94.* ALA PAR 93/40 A3a

## PERU

**Support for disadvantaged rural populations in the RENOM and INKA regions.** EEC contribution 10 mECU. Microprojects, reforestation, road infrastructure rehabilitation, improvement of production and marketing, educational and health programmes. T.A. and training. Project in execution. ALA PE 9244 A3a

**Support to the export promotion.** EEC contribution 3.774 mECU. T.A. Short-list to be done. Project in execution. ALA PE 9357 A5d

**Development programme of the Colca valley.** EEC contribution 5 mECU. T.A. and supply of equipments. Short-list to be done. Project on appraisal. ALA PE 9433 A3a

**Women in rural milieu.** EEC contribution 5 mECU. Piura and Ayacucho regions. Improvement of the women conditions. Social services. Project on appraisal. *Date foreseen for financing July 94.* ALA PE 94/106 A3a

**Vocational training programme.** 6 mECU. T.A. training technical qualifications for non qualified youngs. Project on appraisal. *Date foreseen for financing september 94.* ALA PE 94/55 A6d

## PHILIPPINES

**Rural integrated development programme in the Aurore zone.** EEC contribution 13 mECU. Works, supply of equipments and T.A. Project on appraisal. ALA PHI 9326 A3a

**Tropical forests protection in Palawan.** EEC contribution 17 mECU. Works, supplies and T.A. Project in execution. ALA PHI 9337 A3a

## COSTA RICA - HONDURAS - NICARAGUA

**Action programme for adolescent women and young unmarried mothers.** 4 mECU. T.A., coordination, management, follow-up. Supply of equipment. Project in execution. ALA REG 9246 A8e

## THAILAND

**European Community Business Information Centre ECBIC Phase I.** 2.204 mECU. Supply of equipment, materials, T.A. monitoring and evaluation. *Project in execution.* ALA THA 93/761 A5e

## URUGUAY

**Integral development for rural communities.** 4.800 mECU. T.A. Project on appraisal. ALA URU 94/39 A3a

## VENEZUELA

**Rural development pilot project in the Cojedes State.** EEC participation 5.275 mECU. Improvement of the agricultural products and farmer's organisations. T.A., supply of equipments, line of credits. Project in execution. ALA VE 9346 A3a

**Biosphere reserve upper Orinoco-Casiquiare.** 6.396 mECU. Development plan, management, Cartography, inventory, T.A. and equipment T.A.: short-list to be done. Project in execution. ALA VEN 93/09 A3a

**Support to the establishment of the National Centre for Energy and Environment.** EEC contribution 1 mECU. T.A., local services, training, seminars. Short-list to be done. Project on appraisal. ALA VE 9415 A2a, A8f

## VIETNAM

**T.A. programme for transition to market economy.** EC contribution 16 mECU. Project in execution.  
ALA VIE 9336 A1b

## ASEAN

**EG-ASEAN patents and trademarks programme.** Resp. Auth.: EPO — European Patent Office. EEC contribution 6.5 mECU. T.A. and training. Project in execution.  
ALA/ASN/REG 9223 A4g

**COGEN Programme EEC-ASEAN Phase II. Technology transfert for co-generation of energy from bio mass.** EEC contribution 5 mECU. Execution: Institut Asiatique de Technologie (AIT) in Bangkok. T.A. and equipments. Project on appraisal. Date foreseen for financing July 94.

## CENTRAL AMERICA

**ASO-EXPO — Commercial Data Bank. Phase II. 0.500 mECU. Creation of a**

**Commercial. Data Bank concerning exports toward EEC. Project on appraisal.**  
ALA REG 93/132 A5

## AL-FA

**AL-FA (Latin America — Academic Training).** Community Latin America university exchange programme. EEC contribution 32 mECU. Post graduate exchanges, ★ students exchanges and T.A. **Project in execution.**  
ALA 94/03 A6b

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**Mémoires d'un Foyalais. Des îles d'Amérique aux bords de la Seine**

*(Memories of a Foyalais. From the islands of the Americas to the banks of the Seine) — By Victor Sablé — Maisonneuve et Larose, 15 rue Victor Cousin, 75005 Paris — 267 Pages — 1993*

Victor Sablé is a likeable man. No-one who has met him has failed to be won over by his *joie de vivre*, his warmth and a culture embracing literature, the humanities and the law (he was once a lawyer). He has — and indeed still has, for he is in fine form — all the quotations and the eloquence of the lawyers of his youth, with, as he admits, a occasional grandiloquence that is both appreciated and necessary in election campaigns in the French West Indies. In this book he recounts lively and amusing memories of a period covering three Republics.

He hails from Fort de France in Martinique, where his father was a judge in whom 'derisory treatment and noble robes were a natural combination, 'although he was very fond of both his (very different) grandfathers — Victor Sévère, MP and mayor of Fort de France, and Francisque Sablé, first deputy mayor in a small local authority in the south.

Victor Sablé, an intellectual achiever, went to study law in the Quartier Latin in Paris. He then practised as a lawyer, but soon became a member of the Council of the Republic, a member of the French National Assembly and a Euro-MP for Martinique (which became a French department in 1946). As chairman of the influential inter-professional Committee for the Banana Industry, he was bound to sit on the European Parliament's Committee on Development, attend ACP-EEC Joint Assemblies and take an interest in the application of Lomé and the basic OCT issues (structural funds, tax, agricultural produce, alcohol and sugar).

Like many other West Indians (he himself refers to Professor Louis Achille, as the first coloured person to get the *agrégation*), throughout his long life, Victor Sablé has been an example of a combination of cultures, of a tolerant and democratic approach and an art of living which people certainly need in the difficult world of today. ■ Alain Lacroix

**PUBLICATIONS RECEIVED**

*Rapport 1994, La Liberté de la Presse dans le Monde*

(Freedom of press in the world - Report for 1994)

By Reporters sans frontières, with the help of Le Point - Supplement to the Lettre de Reporters sans frontières No 57 - April 1994 - ISBN 2-908830-15-9 - FF 85-FS 22 - Bfrs 520 - Can\$ 20.

This reports attacks on freedom of the press in 149 countries in 1993 - 124 journalists were in prison on 1 January 1994 and 63 died for their opinions or were killed in the course of their work in 1993, almost half of them in Europe.

*L'Emploi au Sud - Regard croisés - Des exemples au Zaïre, au Pérou et au Chili*

Employment in the South - A comparison - Examples in Zaïre, Peru and Chile

By G. Fonteneau, Lokota Ekot'e Panga, Isabel Yopez del Castillo, Ignacio Larraechea and Marthe Nyssens - Approche - Louvain-la-Neuve

Approche and Gresea, two associations working for solidarity in development in North and South, bring out research in a combined edition to allow for comparisons of employment issues in different parts of the world.

*Le Secteur non-structuré urbain en Afrique - Rétrospective et perspectives - Biographie commentée*

The non-structured urban sector in Africa - Past and future - An annotated bibliography

ILO - ISBN 92-2-207747-4 - Geneva - 1994

This lists and comments on 250 recent (French and English) publications on Africa's non-structured urban sector and its employment and growth potential.

*The state of the world's refugees, The Challenge of protection*

First two-yearly report of the United Nations High Commissioner for Refugees (UNHCR), Penguin Books - ISBN 0-14-023487-X - USA - 1993. Currently available in French. Available in German, Italian, Spanish and Japanese soon.

This takes stock of the crucial problem of refugees (18.2 million around the world and about 24 million displaced within their own countries in 1993), pleads for the right of asylum and makes an urgent call for the international community to step in to prevent crises in the future.

*Water for sustainable development in the 21st century*

By Asit K. Biswas, Mohammed Jellali and Glenn E. Stout - Oxford University Press - ISBN 0 19 563302 4 - Delhi - 1993

It is increasingly apparent that water cannot be wasted without compromising the future of mankind and that management of water quality is vital to the future of the planet. The authors consider how this complex task can be sustained over the coming century.

*Environment and agriculture - Rethinking development issues for the 21st century*

Winrock International Institute for Agricultural Development - ISBN 0-933595-85-9 - Morrilton (USA) - 1994

Papers of a May 1993 symposium during which development specialists looked at the connections between the environment and agriculture and on the need to cater for them in future development decisions.

*Developing African agriculture - New initiatives for institutional cooperation*

W.E. Svegle - D.F. - SAA/Global 2000/CASIN - Mexico - 1994

Report of a July 1993 workshop, one of a series of seminars looking at ways of boosting food security in sub-Saharan Africa and other subjects related to the development of the continent.

*Schwarz-Weisse Mythen - Afrika und der Entwicklungspolitische Diskurs*

Black and white myths - Africa and the development policy debate

By Dirk Hansohm and Robert Kappel - Münster - Hamburg - Lit 1993 - 2 - Revised edition - 1994 - Bremer Afrika Studien, Bd 5 - ISBN 3-89473-699-2

The African crisis is primarily one of global concepts of development policy, the authors maintain. The discussion of African development problems is abstract and dichotomic and the 'truths' which emerge from it are often no more than ideological prejudices which neither explain the reality nor open the way for solutions. This book attempts to highlight the central myths in the discussion and suggest practical alternatives. ■

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A poster celebrating the third anniversary of Eritrean liberation honours those who fought and gave their lives for freedom (Photo: CEC)

# Eritrea

