

# *the* Courier

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

## **Urban development**

**Country reports**  
**Kiribati**  
**Tuvalu**  
**Vanuatu**

**Interview**  
**Pinheiro**

Austria  
Belgium  
Denmark  
Finland  
France  
Germany  
(Federal Rep.)  
Greece  
Ireland  
Italy  
Luxembourg  
Netherlands  
Portugal  
Spain  
Sweden  
United Kingdom

**France**

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

**Netherlands**

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

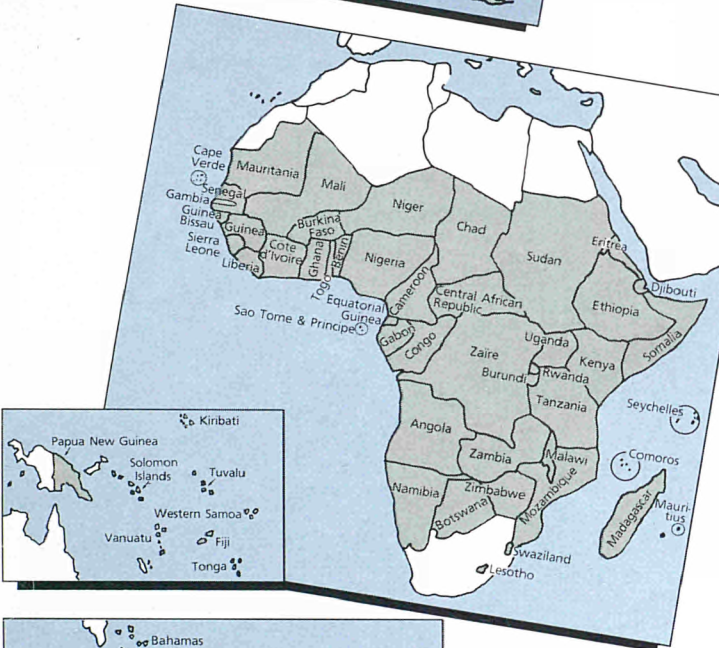
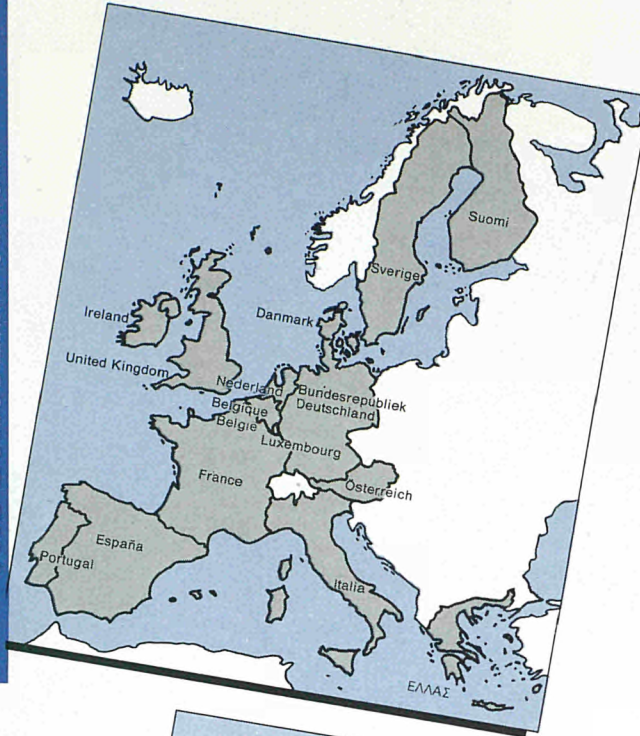
**Denmark**

(Country having special relations with Denmark)  
Greenland

**United Kingdom**

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

**THE EUROPEAN UNION**



**THE 70 ACP STATES**

Angola  
Antigua & Barbuda  
Bahamas  
Barbados  
Belize  
Benin  
Botswana  
Burkina Faso  
Burundi  
Cameroon  
Cape Verde  
Central African Republic  
Chad  
Comoros  
Congo  
Côte d'Ivoire  
Djibouti  
Dominica  
Dominican Republic  
Equatorial Guinea  
Eritrea  
Ethiopia  
Fiji  
Gabon  
Gambia  
Ghana  
Grenada  
Guinea  
Guinea Bissau  
Guyana  
Haiti  
Jamaica  
Kenya  
Kiribati  
Lesotho  
Liberia  
Madagascar  
Malawi  
Mali  
Mauritania  
Mauritius  
Mozambique  
Namibia  
Niger  
Nigeria  
Papua New Guinea  
Rwanda  
St Kitts and Nevis  
St Lucia  
St Vincent and the Grenadines  
Sao Tome & Principe  
Senegal  
Seychelles  
Sierra Leone  
Solomon Islands  
Somalia  
Sudan  
Suriname  
Swaziland  
Tanzania  
Togo  
Tonga  
Trinidad & Tobago  
Tuvalu  
Uganda  
Western Samoa  
Vanuatu  
Zaire  
Zambia  
Zimbabwe

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Cover page:  
The city of Djenné, in the heart of Mali, entirely made of adobe, is protected by UNESCO for its architectural value (Photo The Courier)

## MEETING POINT

João de Deus Pinheiro



In the new European Commission chaired by Jacques Santer, the development portfolio in respect of the ACP countries will be the responsibility of the Portuguese Commissioner, João de Deus Pinheiro. He served in the previous Delors Commission as the Member responsible for information and audiovisual policy, and for relations with the European Parliament. Mr Pinheiro's appointment comes at a particularly important time for the ACP-EU relationship, with the Lomé IV mid-term review due to be finalised during the first half of 1995. In an interview with The Courier's editor in December, he gave us his first impressions of the challenges he would be facing in his new post and outlined his views on some of today's key development issues.

Pages 3 to 5

## TUVALU



The smallest ACP Member State, this clutch of coral islands and atolls is struggling to cope with urban drift, a difficult natural setting and heavy dependency on overseas aid. Yet imaginative but realistic solutions show that small can be beautiful — and ambitious.

Pages 19 to 29

## VANUATU



This tropical archipelago has recently seen the first shift in power since independence in 1979, from the English-speaking to the French-speaking half of the population. Shifts in policy too, as the Government has sought to reconcile exploitation of the country's natural resources with a commitment to protecting the environment. Vanuatu's attractions as an offshore finance centre and tourist destination remain undimmed.

Pages 30 to 47

## COUNTRY REPORTS

## KIRIBATI



Lost in the wastes of the Pacific and strung across the International Date Line, this Micronesian republic contends with huge distances, scarce natural resources and a lack of skilled manpower. Its new President and Government are committed to sustainable development which relies on self-help and respects traditional customs.

Pages 10 to 18

## DOSSIER

## Urban development

Throughout the world, patterns of living and working have undergone a transformation in recent decades and this has led to increased pressure on many urban areas. In Africa, the problems are particularly acute. The continent's burgeoning cities suffer more than most from a lack of resources for basic infrastructures and there has been a huge increase in the number of people living on the 'urban margins', in shanty towns and informal settlements. In the dossier, we examine the specific social, environmental and other problems of towns and cities in developing countries. We also look at the 'survival strategies' of poor city dwellers operating in the informal sector and at some imaginative efforts at making towns and cities work more effectively.

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## New Commissioner, new publisher!

*Manuel Marín, who was formerly the Commission member responsible for development cooperation, has moved on to pastures new. He now holds the external relations portfolio in respect of a wide range of (mainly developing) countries in the southern Mediterranean, Middle East, Far East, Latin America and Asia (not including Japan, China, South Korea, Hong-Kong, Macao and Taiwan). His successor in the area of ACP relations is João de Deus Pinheiro. We interviewed Mr Pinheiro shortly before he took up his new post and are pleased to introduce him to our readers in this issue's Meeting Point (opposite).*

*The Development Directorate-General also has a new head, Steffen Smidt, who recently took over from Peter Pooley. Mr Pooley has been The Courier's publisher since April 1993 and this task now falls to Mr Smidt in his capacity as Director-General.*

*Steffen Smidt, who was born in Copenhagen in 1945, studied political science before embarking on a diplomatic career. He has worked in Brussels and New York as well as in his home country, Denmark. In 1990, he was appointed Deputy Director General at the European Commission with responsibility for social affairs. Three years later, he was given the job, as Director General, of steering the EU's latest enlargement process to a successful conclusion. With the accession of Austria, Finland and Sweden on January 1 1995, this task is now complete. An interview with Mr Smidt will appear in our March edition.*

*As we embark on a new year, the editorial team at The Courier would like to extend its best wishes to all our readers in Africa, the Caribbean, the Pacific and elsewhere. We must also express our gratitude to Peter Pooley for his support over the past eighteen months and for his commitment to the editorial independence of the magazine. Finally, a warm welcome to our new Commissioner and our new publisher.*

Dominique David

Peter Pooley

Steffen Smidt



## João de Deus Pinheiro

European Commissioner responsible for relations with ACP countries

**'The role of aid: we must not sign away the future'**

João de Deus Pinheiro is the new Commissioner for cooperation and development, responsible for foreign relations with countries in Africa, the Caribbean and the Pacific (ACP), South Africa and the Lomé convention. He agreed to speak to the Editor of *The Courier*.

Born in Lisbon in 1945, João de Deus Pinheiro studied in Portugal and the United Kingdom, and taught at university level in Mozambique from 1970 to 1973. He has written some 60 academic and scientific papers for both national and international publications.

Since 1993 he has been a member of the European Commission responsible for relations with the European Parliament and with Member States in the field of transparency, communication and information, audio-visual policy and culture.

Previously, he was an expert in scientific policy at UNESCO and the OECD, Minister of Education and Culture in Portugal and then Foreign Minister from 1987.

This interview with Mr Pinheiro is an opportunity to find out more about his thoughts and plans.

■ *Mr. Pinheiro, you have just been appointed Commissioner for Cooperation and Development. What are your initial impressions?*

— Firstly, nowadays, the development and cooperation relationship with ACP countries is clearly not in vogue. In fact, recent years have seen greater priority being given within the European Union, and a short time ago at the Essen Summit, to relations with countries in Central and Eastern Europe, paving the way for further expansion, and to relations with Mediterranean countries, in other



words our closest neighbours. As I said, ACP countries are clearly not much in fashion, but that does not mean to say that there is not a genuine and positive interest in these countries on the part of the European Union.

It is a challenge, a major challenge which we have to face, and that is one of the reasons why I have just taken on this new post. To meet such a challenge, the ACP countries have to be on the European Union's list of top priorities.

■ *The end of the Cold War saw the dismantling of a great many familiar landmarks, an emphasis on a global approach and the promotion of 'market democracy'. In such a context, in what*

Mr Pinheiro  
*'Communication must not be a monologue, it must be an interactive dialogue'*

*direction do you see the Union's development policy progressing, particularly vis-à-vis the ACP states?*

— This is an extremely important question. As we all know, after independence, particularly after the 1960s, what we might call the 'State system' emerged more or less throughout Africa. The State invested, created and controlled, and most people were by and large unaware of the role of private ownership and the market.

Today, with the fall of the Berlin Wall and the collapse of communism, there is clearly a close link between democracy

and development. They go hand-in-hand, and these days a market system is vital for sustained development in African countries.

Having said that, I would add that we have to take this situation into account and draw the relevant conclusions. We cannot continue to give preferential treatment to relations with these states, but we must do more and more to develop our links with private partners.

Another aspect of your question is the issue of a global approach. Clearly, especially now that the GATT agreements have been signed, we cannot go about saying that the world is compartmentalised. Such a world no longer exists! There are two things we have to do. Firstly, we have to find a way for the Lomé Convention and the relations we have with the ACP countries to be accepted by GATT as a minor exception. Then we have to help the ACP countries achieve greater integration into world trade — into the international economic system — to the extent of their capabilities. This is the two-stage challenge facing us, and I believe we will have to deal with it over the next five years.

■ *After the Maastricht Treaty on European union, the Union's development policy has been accepted as a common policy. For 30 years it was developed on the basis of political pragmatism, which nevertheless had the effect of making things systematic and coherent. Should we continue to deal with questions on an individual basis or should we adopt a doctrine?*

— I ought to say that I am a little afraid of doctrines, but I am a great believer in principles. My approach is that there are principles which have to be absolutely clear-cut. In particular, we have to work on the basis of respect for democracy, human rights, individual freedom and the rule of law. However, although these principles are valid for everyone, we must be flexible enough to adapt them to each individual situation and each individual country. All the ACP countries are different, just as we are within the European Union. We must find an approach flexible enough to allow us to help with sustained and internally driven development in each country.

There are, of course, other principles which must also be taken into account — what English speakers call 'good governance', meaning the effectiveness of whatever policies are pursued.

National parliaments and public opinion increasingly want to know how the money they give to the public authorities, of their own countries or the Union, is spent. We therefore have a major responsibility, as do our ACP partners, to continue to improve the efficiency of projects or programmes we support.

We have to find the optimum path to success without the responsibility of the ACP countries being diminished or reduced. This is something which will require a great deal of in-depth debate but it is, nevertheless, extremely important for the future.

*'There can be no one-way cooperation'*

■ *You spoke just now of internally driven development. If we suppose, for instance, that development is first and foremost internal and not only economic, how do you see the role of aid, which many experts would like to see put into its proper context?*

— There is a Chinese proverb which is always worth quoting in this context, although it is very well known. They say that it is preferable not to give a fish but to teach people to catch fish. I think that is the right way forward. If our development policy and the Lomé Convention were to remain no more than a matter of handing out grants, well, I think that the supporters of the Chicago School who, as you know, have their doubts about aid for development, would be right. But if the object of our policy is to teach fishing, i.e. encourage internally driven development, I believe that our approach is absolutely proper and necessary.

One could maintain that, to do this, the countries concerned could borrow money from abroad, but not only would that mean that they would be in the difficult situation we see at present, but it

would have the same consequences for future generations. The role of aid is to avoid signing away future generations, prevent indebtedness reaching unacceptable levels and, at the same time, to help make sure the priorities set by the countries concerned are carried through.

I remember a far-reaching discussion, when I was young, between economists and planners on an overall theory of relationships between the various sectors of the economy. It was a standard theoretical tool which was of some help in identifying the correct path for optimum use of resources. I do not think we can impose the application of this, that or the other theory. What we need is not an approach from the North towards development but a different approach conceived as a result of the dialogue between the North's concepts and the South's vision. All policies must be both acceptable and satisfactory for both sides. There is no one-way cooperation.

■ *The mid-term review of Lomé IV raises two essential questions as far as the general public is concerned: the relationship between democracy and development and the need for a balance to be struck between performance levels and partnership. How do you feel about this?*

— I see no contradiction. I would say, first of all, that democracy is making headway in quite a number of countries, especially in Africa, because in the Caribbean and Pacific there already were several countries with sound democratic systems. In point of fact, as democracy moves forward, citizens themselves and the local institutions in the ACP countries are the ones who will be calling their leaders to account as to the effectiveness of aid. In that sense, calling for improved performance levels is in everyone's interest.

'How do we get there?' This could make all the difference. I do not believe in shifting responsibility for the ACP countries onto, for example, European Union experts. But I do think we will have a duty to develop a closer relationship with them in the interests of efficiency in the monitoring and assessment of our cooperation, without that being seen as patronage, which is something I completely reject. We can work together and

for the same goal. I do not think things are as contradictory as that!

■ *Do you think it is always possible to measure how efficient aid is?*

— Obviously it is difficult to measure it in absolutely strict terms. There are schools of economists who, on the basis of the same figures, put forward completely opposing arguments.

What I would say is that, for a politician, development comes down to the same thing as not only the economic but also the social and human growth of each individual and, to measure that, even if there is no absolute indicator, we do nevertheless have our gut feelings and relative indicators. The process of taking a number of concepts linked to democracy and to the market system into account seems to me to be capable of measurement not only directly but also indirectly. For example, what is the investment in human resources? How does the legal system operate? What forms do information and communication take within the countries concerned? What have the people had to do to get an electricity supply or drinking water to their homes? Finally, what has been the role of private investment, not only domestic but also foreign investment, in each of these countries? These are all indicators from which we can form an idea of how things have gone on.

I would also point out that the four Lomé Conventions are behind the fact that there are countries which are true showcases of success. The island of Mauritius, for example, immediately springs to mind as a remarkable case of success in a country where natural resources are very limited, but there are many others!

To conclude, I would say that it is possible to arrive at an evaluation over a long period of time but we must reject the idea that we can arrive at it by looking at certain factors and will always end up with a clearly defined evaluation as if we were in a controlled system. That is not the way things work — everything is variable!

■ *For several years, you were Foreign Minister of Portugal. How will your experience in that post influence your concept of current negotiations with the ACP states?*

— There are two aspects to this round of negotiation, perhaps even three. There is the technical aspect which involves finding the best outcome in a number of cases. There is another aspect which is primarily political: how is the degree of progress in the negotiations to be evaluated? Finally, there is a third aspect, which is the question of the budget. I think that this will be the last item on the agenda. It always is! It would be rather peculiar if we were to increase our contribution several times over compared with the funding earmarked for Central and Eastern Europe and the Mediterranean. However, the Lomé Convention cannot be financed at a rate which does not grow at least as fast as the average growth of the Community budget overall. That would be odd and would be taken as a bad sign by those outside the Union. In any case, I am fully aware that it will be difficult for various countries in the European Union to make contributions beyond what I have just said. If we just can achieve that, I would say that it would be an acceptable result.

For the moment, I prefer not to go any further, since I admit that the ground covered at the most recent meetings was not very great. Those on different sides are still a long way from one another — we have to do our homework and make contact with the various countries, possibly in parallel with ministerial meetings in our attempts to find the road to success.

***'Transparency is a good basis from which to build confidence'***

■ *In your previous post as European Commissioner, you supported, amongst other things, a new Commission information and communications policy. Do you believe that communication can be both an instrument of, and a factor for, development?*

— Yes, of course. As I said just now, democracy and social and political development are closely linked to the concept of free speech and to the quality of

the information which is produced and available. Principles are all very well but putting them into practice is also very important. People must receive the information in legible, visible and comprehensible language and communication must not be a monologue but an interactive dialogue.

This does not relate only to transparency of procedures in the sphere of information but also to policies. This was perhaps the major change I was able to bring in in Commission policy. Today, we have transparency in our policies and I believe that that is the right path to take. Nothing is hidden and we have no ulterior motives or secret documents! Transparency is a good base from which to build confidence. I hope that in my new job I will be able to implement the principles I believe in.

■ *You are both a politician and an intellectual. Do you think that the economist Albert Hirschman was exaggerating when he said, 'When thought is geared towards action, it is rarely distinguished by coherence'?*

When you analyse a situation and want to take action, there are always three states of mind you can be in. The first is stagnation, which means you do nothing. The second is revolution, which means changing everything. And the third consists of development and reform and that is the approach I believe in.

Since politics is the art of the possible, it must be supported by a basis of intellectual knowledge so that we know where we are heading and what ideal we want to achieve. However, at the same time, politics must be pragmatic enough to recognise that an ideal moves further away all the time as soon as you do anything, and it is precisely that which defines development!

Coherence must always be measured against two yardsticks: the ideal which has been set — that has to be defined before you start — and the resources available to achieve it. That is especially important when the resources available are always limited! Intellectual knowledge and action are not two separate things. ■ Interview by Dominique David

## ACP-EU SOCIAL AND ECONOMIC REPRESENTATIVES

# A frank, wide-ranging debate on ACP industrial constraints

The 18th annual meeting of ACP/EU economic and social representatives took place in Brussels from 30 September to 2 October at the headquarters of the ESC (Economic and Social Committee). The aim of the meeting between both sides of industry was this year to assess and examine industrial development prospects in ACP states. Industrialisation has long played a central role in development strategies for ACP countries and, now that the Lomé Convention, mid-way through, is being renegotiated, it appeared useful to take stock of progress achieved, obstacles encountered and measures devised for relaunching industrial activity in ACP states. 'Industrial development is a major sector of the economy in ACP countries and one of the decisive factors in long-term development', declared *Mr Laur*, ESC Vice-Chairman, on behalf of Chairman *Carlos Ferrer*, at the opening of the meeting. Believing that representatives from economic and social circles are particularly well placed to appraise and identify industrial potential (also a topic for the forthcoming round-table meeting), *Mr Laur* referred to provisions in the Convention (Art. 77) which call for a strategy aimed at integrated and viable development to be set up, providing a link between activities in different sectors so as to ease the way to the goals required of industrialisation. Under the Convention, sector-based strategies must therefore be designed for the major dynamic sectors in the economy. This would make it possible to maximise local added value and to create an export capability for ACP countries. This was a point emphasised by the ESC Vice-Chairman.

*Mr Laur* added, however, that 'it suffices, alas, merely to glance at harsh

reality in the ACP states as a whole to realise that industrial development and the economy in general are making only very erratic progress there and that it is even possible to register a decline. It is all the more regrettable that certain developing countries which are located in other regions of the world have, over recent decades, achieved astonishing progress and have sometimes attained, or even crossed, the threshold for entry into the category of industrialised countries. From an objective standpoint, we have no choice but to observe that, despite long years of development cooperation, the results we have obtained are definitely not up to the level we hoped for,' concluded *Mr Laur*.

In their analyses, the two *rappor-teurs*, *Mr Seydou Diarra* (ACP) and *Mr Arena* (EU), attempted to describe the principal causes for the problematic start of industrial development in ACP states. *Mr Diarra* pointed out that the causes of 'the failure' included 'to an increasing extent, the absence of democratic structures which would have made it possible to monitor economic policies followed by the various governments'. The chairman of the Chamber of Industry and Commerce for Côte d'Ivoire, however, pointed out that 'there has also, above all, been a total absence of discussion on development models, this discussion having been replaced by ready-made formulae,' and he also deplored 'the absence of development targets based on the actual conditions and requirements of the countries concerned' and 'the method of use of available resources'. *Mr Diarra* added, 'Whereas it has long been thought that the economy of ACP states suffered essentially from the absence of technology and financial resources, we now have to understand that our approach was, at the very least, the wrong one.' *Mr Diarra*, who referred to the key role of the private sector in a new industrial policy for ACP

states stated that 'the economic results of ACP countries over the last 20 years have, overall, been only mediocre', adding that, in ACP states, 'the attitude of the public authorities does not always favour the development of private initiative, be this individual or collective, or the accumulation of capital'. *Mr Diarra* also underlined the need for ACP states to set up a proper local and regional market for their products so as to develop trade on an internal basis, this being the only means of creating viable industries in ACP countries.

*Mr Arena*, too, explored the major economic problems experienced by ACP states, such as debts and structural adjustments, and remarked that the parameters of most sectors of the economy were not exactly brilliant. In particular, he mentioned that there had been a steep decline in ACP countries, with the EU *rapporteur* emphasising that the constraints on cooperation between ACP states and the EU are mainly political ('non-transparency'), or cultural ('lack of direction in company management'), not forgetting 'an unfavourable international climate'. *Mr Arena* went on to say that all this makes the 'assets of sub-Saharan Africa in industrialisation terms extremely modest'. However, he added that, 'in the field of industrial cooperation, in particular, the Lomé Convention offers a host of opportunities and Lomé IV represents modest but genuine progress', be this in CDI resources or in the use of EIB venture capital. It was his opinion that the development of a fabric of private small and medium-sized businesses must be regarded as one of the priorities in curbing economic decline in ACP states. The role of the State must be reconsidered, its goal being to establish a framework favourable to economic growth and to set up basic infrastructures. 'The state must not get involved where private enterprise can do the job better,' declared *Mr Arena*.

*Mr Francesco Granell*, Director at DG IV, pointed out that the European Commission attached great importance to promoting the private sector, whose role in the process of development in the countries in question needed to be supported in accordance with Art. 111 to Art. 113 of the Lomé Convention. EU support for the ACP private sector relates, particularly, to the fields of taxation, aid for setting up businesses, and technology



transfer and research, but also to training programmes, setting up local savings systems, and restructuring and reform of financial institutions. He added that, 'we at the Commission are perfectly aware that a prosperous private sector encourages dynamic and long-lasting development and creates the conditions for a more equitable redistribution of the benefits of growth within the population as a whole by attacking the problem of unemployment at its very roots'. The Director, who is responsible for management of the Instruments of the Convention, offered an assurance that 'an improved economic climate, the desire of the EU to contribute to development of the private sector in a revised Lomé IV, and the new horizons offered by expansion of the Union will constitute a further asset, providing ACP states with a better environment for development of their industrial sector'.

In this connection, *Mr Biancarelli*, Director of the ACP Department at the EIB, explained the involvement of the EU's financial institution in the ACP private sector: 'Commitments under the terms of the Lomé IV Convention for development of the industrial sector have risen to a total of ECU 450 million, including ECU 268 million on own resources and ECU 182 million on venture capital.' However, he also pointed out the fact that the quality of the political, macro-economic and institutional environment is a determining factor in the decision of local and foreign businessmen on whether or not to invest, thus emphasising the observation made by *Mr Chambrier Rahandi* op Gabon, in his opening speech, to the effect that the ACP states are aware of the 'damage done to the free sector by the burden of bureaucracy, which among other things, deprives it of technical and financial cooperation'. After this 'admission of failure' by the joint chairman of the ACP/EU round-table meeting, he declared that he wished to see a 'true partnership' set up between the Union and the ACP states as well as the establishment of a 'wide economic area' in each of the ACP regions, which would facilitate the setting-up of viable industrial units.

Nevertheless, it was during the general discussion that it became possible to assess the extent of difficulties which may be encountered by businessmen or potential investors in ACP countries. Mr



Arena again declared, therefore, that 'we must review a past characterised by enormous financial waste and draw lessons from it because,' he said, 'ACP countries have lost 36 years during which EU aid has been unable to prevent them being overtaken, as they have today, by Asian countries.' He added that, 'ACP states are profoundly in debt and this is a political matter more than an economic one. I am opposed to any form of aid which makes people lazy. In ACP countries, when something breaks, they wait for the spare part and the technician to carry out the repair to arrive on a plane from Europe. How, then, is it possible to speak of development in countries where there is virtually no subcontracting sector and where, moreover, it is still impossible to change currency from a neighbouring country within the free-trade area?'. *Mr Bishop* (Grenada), emphasized that this was what had led businessmen and also many ACP states to adopt foreign currencies as the only reliable means of exchange.

It is generally apparent that all the representatives of organisations involved in the annual meeting of workers and employees regard the private sector (craft-based and small and medium-sized businesses) as the true driving force behind industrialisation in ACP countries. However, although the role of technical aid is still important in the process, according to the chairman of the ESC from Benin, this 'deprives ACP countries of the means of giving their higher-ranking workers the

In the foreground, Mr Arena and Mr Darra (2nd and 3rd from the left); behind them (from right to left): Mr Granell, (...), Mrs Glenys Kinnock, Mr Chambrier Rahandi and Mr Graziosi (ESC Director-general)

opportunity to prove themselves'. In his closing speech, Mr Arena also confirmed the importance of this aspect of the problem, stating that 'the ACP countries must, themselves, give their peoples the freedom which is essential for creation, they must do away with bureaucracy and corruption, which are a great burden on national resources and discourage initiative. Industrial colonisation is worse than political colonisation, the former creating managers who will leave without having contributed anything.'

A final declaration on ACP industrial constraints, including 17 resolutions, was adopted, the seventh resolution stipulating that '*the development of a fabric of private industrial small and medium-sized businesses must be regarded as one of the priorities for curbing economic decline in ACP states. To this end, European aid for the development of private enterprise should concentrate on countries offering favourable conditions for investment and which have decided to allocate part of their national programme*' to this sector. ■

Lucien Pagni

## The EU and Haiti: an original form of emergency aid

The concept of emergency aid in Haiti appears to be a matter for rhetoric since, in this disaster-stricken country which has endured three years of military dictatorship, everything is urgent or almost urgent. This is the view taken by officials at the ECHO (European Union Humanitarian Office), who have recently granted ECU 12 million in aid to Haiti, to cover a range of activities including the removal of refuse and support for *Marins sans frontières*.

In early December 1994, the weather was hazy and the peaks of the mountain ranges, interwoven with one another and disappearing into the distance, were indistinct and blurred. Day break was 'sweet and cool like a damsel' as the Creoles from the north of the island poetically describe it when dusk is approaching, wavering between rain and sunshine, and shakily balanced between laughter and tears. Haiti is in limbo, between the end of fear and unease about what the future will bring. Satisfaction at seeing the Generals depart did not instantly inspire a move towards celebration because both the country and the people were emerging as if stunned from three years at the edge of night. One intellectual we spoke to said, 'Everything is fine. I have got back my children whom I had to send abroad for safety after a rape threat from the death squads. My sister's husband was in hiding, but they are now together again. However, our recovery is not yet complete — it is as if the country is undergoing a period of convalescence'.

### Sweeping-up as a sign of contentment

The lady who spoke to us is one of the optimists. Over three years, Haiti has been bled dry: large population centres were already run-down, but deteriorated further to become shanty towns. Workers became unemployed, electricity was a rare commodity, and as for the telephone system... well, only in name. Only meagre supplies of drinking water were available and rubbish was piling up every where. In addition to a marked decrease in the level of fear which was eating away the very basis of everyday life, the most visible change was the disappearance of the piles of refuse which had become the symbol of Haiti under the Generals. Volunteers took the rubbish away, the people thus taking charge of the only parameter in the apocalyptic scenario over which they had control. 'When people are happy, they clear up,' joked a journalist, 'and when

people are no longer happy, they put down their brooms'. Despite the hazy weather, a certain dynamism has returned — although there is not much to laugh about. Officials from the EU's Humanitarian Office, in Haiti since the beginning of December to launch their programme, have witnessed encouraging signs.

The ECU 12 million emergency aid granted by the European Commission will be managed under an assistance plan which prides itself on breaking new ground owing to the speed of response, its integration into development aid which Haiti will receive under the terms of the Lomé Convention, its flexibility and the desire to cooperate with efforts of other donors. The aid is to be seen as complementing the priorities set by the Haitian government, namely health, water and nutrition. The ECHO assistance plan involves an adaptation to the current situation both as regards international aid and greater definition of the choices available to the Haitian government. In the medical field, attention is being given first to peripheral health structures which closely affect the population, including supplies of essential medicines and medical equipment, the training of staff, vaccination and measures for combating epidemics. Food aid will be given mainly to rehabilitation and nutritional education centres which cater for children and expectant and nursing mothers. Funds allocated to drinking water will take in more than the mere provision of a tanker lorry and will include the laying-on of water supplies to the shanty towns around Port-au-Prince.

Refuse collection (staff pay, logistics), comes under the heading of prevention of epidemics. The current phase of

Marbial (Haiti), Dec. 1994  
Initial aid, three weeks after the  
hurricane



emergency aid will be spread over a six-month period and will probably be followed up by a second phase and then a medium-term rehabilitation plan permitting a link-up between emergency aid and funds for reconstruction.

### Three weeks waiting for initial aid

The first priority in a country such as Haiti where organisation has broken down, is perhaps making people aware of the degree of urgency. During the afternoon of Wednesday 7 December 1994, the noisy arrival of a US Army Hercules stopped children in their tracks. They whirled around, imitating the mechanical dance of the two enormous propellers. The downforce of this monster made those who came to watch cower on the ground, most of them behind a pathetic shelter. The aircraft also had the reverse effect, with the cargo it was carrying and its nose which was crammed full of supplies, of lifting up tons of dust and all but uprooting the fragile blades of grass covering its makeshift landing strip. This was three weeks after Hurricane Gordon had devastated the island, claiming hundreds of victims, and Marbial, which had been worst affected, was only then receiving its first supplies of aid. Meanwhile, at Jacmel, the area's capital, volunteers had been active for three weeks, packing up international medical and food aid, sacks from the United States with US painted in enormous red letters on the one hand, sacks printed with the pale blue stars of the European Union on the other hand, tents, water-purification equipment from *Médecins sans frontières* bearing the ECHO sticker, etc. It was just at this time that Marbial was receiving us, the first group of journalists to visit the area. The track running along beside the river had been washed away, leaving precipices in those places where it hung over the water. At dawn on that December day, one of these precipices had helped the hurricane claim its last victim, a young man who, it appeared, was the worse for drink and who had lost his footing. His body was lying on the ground as we went past. Despite our driver's skill and local knowledge, it took a good two hours and not a few anxious moments to

travel the 11 km between Marbial and the area's capital. It had taken every ounce of perseverance on the part of the official from *Médecins sans frontières* from Belgium, who was on the spot, to persuade the US Army, after days of negotiations, to let him make use of their helicopter. This man never stopped — on our way back from Marbial, we came across him helping a Haitian worker who was tirelessly repairing all the water pumps in the region that had been out of service for some time. This was a *Médecins sans frontières* initiative, financed by the ECHO.

ASSODLO, a Haitian NGO present in various regions in the country, has a reputation for its work in the capital's most deprived shanty towns, namely 'Cité Liberté' and 'Cité de l'Éternel' which grew up illegally with no regard for even elementary safety and security at the end of the Duvalier era on marshy ground where it is impossible to construct cesspools. Here, there are 80 000 people wasting away on barely 20 hectares. ASSODLO's work has been to set up large-capacity tanks and to supply water in return for a small contribution from recipients, but it has also been concerned with increasing the level of awareness regarding management of natural resources. ECHO supports this project just like it supports some 40 others managed by a score of mostly European, but also Haitian and American non-governmental organisations. Albert Schweitzer Hospital financed by Grant Foundation, is an American association set up approximately 40 years ago in Central Haiti. Its hospital is dedicated to the memory of Albert Schweitzer and was set up by two doctors who were disciples of the pioneer of humanitarian medicine. The hospital's founder, now over 80 years of age, is still working. Despite being in the middle of nowhere, this centre is visited by specialists and students from major US universities, making it the country's point of reference in many medical fields. It retains its bush-hospital atmosphere, but has a good medical library open to its staff, decent surgical facilities and good laboratories. In addition, there is an entire non-medical infrastructure for developing the village which surrounds it, namely a vocational school, a crafts centre, etc.



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Haiti, Dec. 1994  
Between the end of fear and  
uncertainty about the future

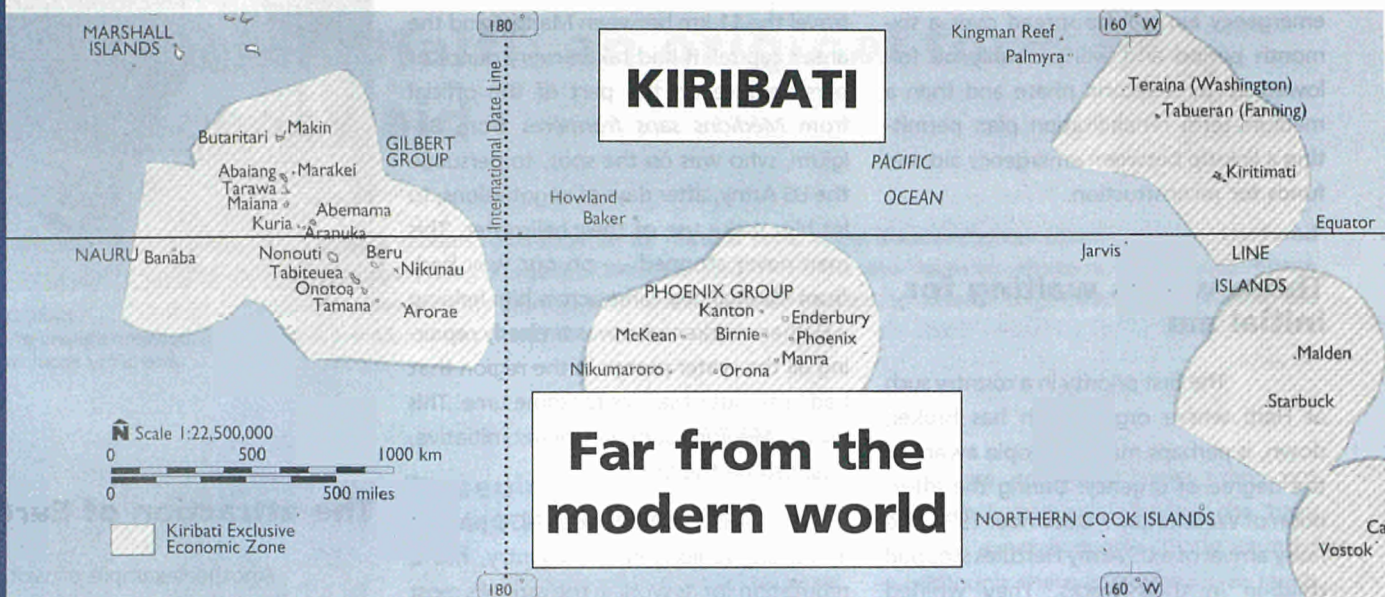
### The attraction of Europe

Another example of work done by the ECHO is *Pharmaciens sans frontières*, which has been set up at Les Cayes, in the south of the country, which, for a low price, offers health centres a complete range of essential and generic medicines defined by the WHO and OPS (Pan-American Health Organisation) for Haiti.

ECHO's emergency aid to support *Marins sans frontières* is undoubtedly not the most original aspect of its work. For an island nation which is no stranger to the phenomenon of boat people and where overland and air transport is extremely unreliable, technical aid to local sailors, ship owners and builders can actually be perceived as urgent.

The European Union is often the first to supply aid but it leaves it to others to publicise the fact. Yet this does not appear to be the case in Haiti. For various reasons, cooperation with Europe is particularly valued.

On the day of the press conference with Hubert Onidi, (ECHO unit official) and Renaud Moulinier, (*chargé d'affaires* at the Commission's office), a former employee at the US Embassy, who had been accused of robbery and the assassination of two members of embassy staff, had just been arrested after having been on the run for a long time and for whose capture there was a reward on offer. The police had organised their press conference on this sensational story to take place at the same time as that on EU emergency aid. Haitian journalists and foreign correspondents flocked to the Commission's offices. ■ Hégel Goutier



## Far from the modern world

For a visitor unused to the Pacific environment, there is something daunting about the islands sprinkled thinly across the surface of that enormous ocean. None are so few and far between as the groups which form the Republic of Kiribati. On the map they look like a handful of pepper scattered carelessly over the page; from the air, as the atolls come into view they seem like the rims of ancient volcanoes just protruding above the sea — which is in fact what they are. On dry land, the ground is as hard as rock yet the footing seems precarious. Islets round the edge of an atoll can be so narrow that a single glance takes in the lagoon inside and the ocean outside. At many points the waves eat away at the shore, and tropical storms throw down floods of rain which only heighten the uneasy feeling that one may be swept overboard at any moment.

Luckily the coral of which the islands are formed has withstood many centuries of battering by the elements. Its Micronesian people are just as resilient, and take their position in the world's geography with a stoic calm for which the unrelenting equatorial heat can only partly account. Using traditional navigational skills, they sail unconcernedly through gaps in the jagged reefs and out onto the open ocean in light craft just like those in which their distant ancestors first arrived three or four thousand years ago. In the modern world of global markets, a more routine concern for them than any fear of being engulfed by the sea is the range of practical, especially economic, problems created by the vast distance which sep-



A fisherman in a traditional sailing canoe crosses the lagoon inside Abaiang atoll

arates the islands from each other and from the outside world.

A census in 1990 put the population of Kiribati at some 72 300 (with a current rate of population growth of 2.24% per annum). These are spread across 33 coral islands and atolls forming a land area of only 823 square km, 103 of them uninhabited, and in some places the population pressure is high. Ninety-six per cent of the population lives at one end of the country, in the Gilbert Islands, seat of the capital, Tarawa. Elsewhere, the emptiness of both land and sea is staggering. The distance from Tarawa to Kiritimati (or Christmas Island) at the other end of Kiribati is such that it takes the jet planes which fly that route over four hours non-stop to make the trip, and over the whole

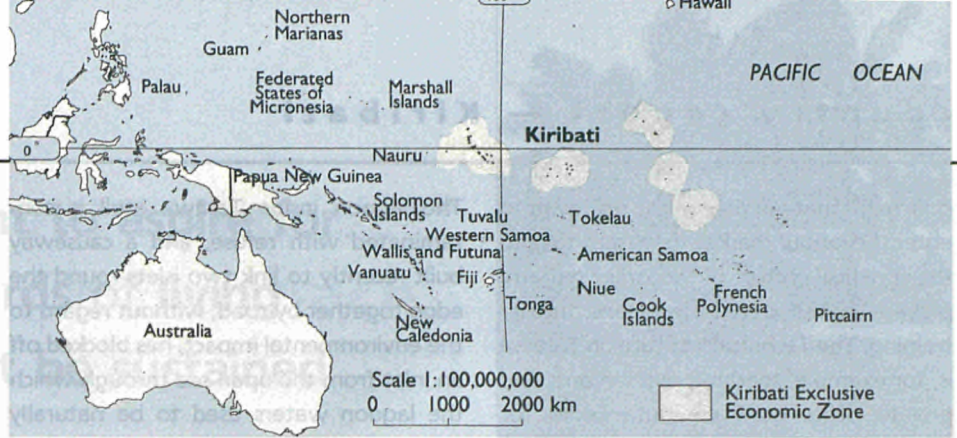
stretch not a single dot of land, boat or other sign of life can be seen on any horizon. The archipelagos which form the country — the Gilbert, Phoenix and North and South Line Islands — all lie in an immense curve far out of view. *En route* the flight crosses the International Date Line, so that the traveller who sets off in an easterly direction today lands yesterday. Tarawa is actually much nearer, at roughly 2540 km, to Australia, New Zealand and Japan, but there are no direct flights to any of those. All this empty ocean gives Kiribati an astonishing sea to land ratio of 4000:1 and an exclusive economic zone of 3.5 million square km, a resource which might make the country rich if it could be more thoroughly exploited for Kiribati's own good.

As it is, most of the population (over 80%) lives by artisanal fishing and subsistence farming on some of the most infertile soil in the world. There is a growing rural to urban drift, however, and one third of the country's total population now lives on the tiny islets of one atoll, South Tarawa, where the administrative centre, Bairiki, is situated. Urbanisation is starting to create social problems as people are uprooted from traditional lifestyles and, through the extended family system, there is a tendency for people on outer islands to rely on the earnings of their family members employed in South Tarawa rather than survive by the traditional, sustainable livelihoods. Remittances also come in from I-Kiribati emigrants

working in the phosphate mine on the nearby Pacific island of Nauru or as merchant seamen around the world. The economic pressure to earn a living starts at an early age, too: average life expectancy at birth is only 53 years, and the median age of the people is 20.

Efforts to encourage a market orientation of the economy have met with only limited success, and there is little by way of a private sector or of a capital base from which private enterprise could be built up. Government is therefore left with the responsibility of providing basic services, and 70% of the workforce in the formal economy is employed in the public sector, which, in addition to administration, carries on such activities as electricity generation, communications, printing and even the running of a hotel on South Tarawa and guesthouses elsewhere. The government wage bill and other outgoings are consequently high, while revenue-generating resources are low.

Trying to balance the two sides of this equation is naturally the top priority of any Kiribati Government. To look at revenue first, the country's production base remains very narrow, and the only exports are fish and copra, neither of which has performed well in recent years. Sea slugs and seaweed are now being developed as export products, but do not yet account for a significant proportion of GDP. Phosphate deposits on Banaba island were once the main resource but were exhausted just after independence from



British rule in 1979. With foresight, revenue surpluses from the mining sector had been deposited in a Revenue Equalisation Reserve Fund, the interest on which has been drawn on since that time to cover the fiscal deficit, together with generous aid grants from donor countries and organisations. In fact cautious husbandry of the Fund has increased its value from approximately AUS \$70 million at its establishment in 1979 to AUS \$260 m at the end of 1991. Thanks to a tight fiscal policy, the economy as a whole is, though undiversified and vulnerable, stable and there are hopes of modest growth.

Another revenue source is the sale of fishing licences to foreign vessels, mostly from the USA, with smaller numbers from Japan, Taiwan, South Korea and the Federated States of Micronesia. Since Kiribati has only one patrol boat to monitor what is happening in its vast sea area, however, checking catch sizes is problematic and poachers also get in and out uncaught. A great deal more deep-sea

Traditional lifestyles in rural areas use nature's resources sparingly

The Kiribati capital, Tarawa, is roughly 2500 km from Australia, New Zealand and Japan

fish could be caught without harming stocks, and encouraging the country's own fishermen to expand their operations is high on the government's list of priorities, not just in order to keep fish as a foreign exchange earner in I-Kiribati hands but also to create employment and savings on the outer islands and thereby encourage their inhabitants to stay and work there.

This will involve training fishermen in improved practices, and the same needs to be done for farmers, whose productivity could be raised significantly if they were introduced to better planting and fertilising methods. The lack of productive skills usable for development is a deep-seated problem in many sectors of the Kiribati economy. Going back to reduction of the public-sector wage bill, like many other countries trying to apply modern recipes for development Kiribati has been trying to cut down the numbers in government employment and encourage redundant civil servants to set up as entrepreneurs on their own account. In practice, with the lack of practical expertise among members of that group and the modest amounts of capital available for start-up, this can only mean creating small businesses. One quarter of the country's National Indicative Programme for the first five years of Lome IV is being devoted to setting up a project to streamline the 2500-strong civil service and train its personnel in skills appropriate to their likely future, whether inside or outside the public sector.

The long-term aim is to raise standards throughout the education system and fit every I-Kiribati citizen who wants it for productive employment. At the moment there is a serious job shortage outside subsistence activities. Two thousand young people leave school each year, and the public sector can only take a



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quarter of that number; if the rest want to enter the labour market they must turn to the private sector or become self-employed, either of which means further training. The Technical Institute on Tarawa is, for example, teaching civil servants and private office staff computer skills for career advancement, and gives courses in rural development and sustainable technology as well. Making this kind of scheme self-sustaining is difficult, however, for as soon as I-Kiribati nationals have been trained by expatriates to a level where they could act as instructors themselves, they are recruited by skill-hungry employers outside, thus perpetuating the dependence on foreign expertise.

Development of natural resources will have to be properly controlled, as the natural balance of the islands is frail and already under severe strain in densely populated areas. There are no controls on pollution or proper waste management systems. As the officials of the Government's Environment Unit put it: 'Everything that comes into this country by ship stays here.' Solid waste is dumped on the beaches, and there are no facilities for recycling glass, plastic and oil waste. On South Tarawa scrapped buses, lorries and cars are simply left on wasteland to rust.

A trainee in the carpentry workshop at Tarawa Technical Institute



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The lagoon inside Tarawa atoll is contaminated with refuse, and a causeway built recently to link two islets round the edge together by road, without regard to the environmental impact, has blocked off an inlet from the open sea through which the lagoon waters used to be naturally regenerated. In some parts of the capital the underground freshwater supply — the only kind there is in Kiribati — is in danger of being made undrinkable by seepage of human and animal waste, and the level of gastro-intestinal disease there is the highest in the Pacific. As for environmental degradation by coastal erosion, that is part of the dynamic cycle of the growth of atolls and, if it cannot ultimately be stopped, a way of living with it would be to move out of its way, except that the traditional land tenure system keeps the families in affected areas clinging on to their vanishing property because, when they are finally forced to migrate, others will be reluctant to let them occupy new land. For some years, therefore, there has been a policy of moving people from the overcrowded Gilberts to resettle deserted islands in other groups, while traditional knowledge of natural resource conservation is being exported back from the outer islands and studied by development planners in the capital.

Politically, Kiribati, formerly the Gilbert Islands, is a sovereign republic which achieved independence from Britain in July 1979. Traditionally, authority was exercised by the older men in island communities, younger men and all women being excluded from political power, but the Constitution now provides for a democracy with a 41-Member House of Assembly and a President elected by universal suffrage. Local government is carried on by two urban and 17 island councils, whose members are publicly elected. The bedrock of social life in rural areas, nevertheless, is the traditional custom of deciding community matters by public discussion in the *maneaba* or meeting house. In national politics the issues are dictated more by the interests of different parts of the country or clan groups than by ideological differences. In 1994 the 15-year rule of the National Progressive Party was brought to an end amid allegations that members of the Government had misused



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'Everything that's shipped in stays here'  
Scrap vehicles on Tarawa atoll are simply left on wasteland to rust

public funds, and in elections in October Teburoro Tito of the Maneaban Te Mauri Party defeated three rival candidates from his own party to become President. The new Administration is continuing its predecessor's policy of friendly relations with foreign countries and is active in many regional bodies and selected UN agencies. Mr Tito's priorities include reducing dependence on overseas aid, particularly by obtaining a better return on fishing licences in the EEZ, so by gradual steps the arduous battle to win economic as well as political independence will continue to be waged. ■

Robert Rowe

**'It is not sufficient to aspire for improved standards of living when this cannot be sustained in the long run'**

## **An interview with the President of Kiribati, Teburoro Tito**

Under the Constitution of Kiribati promulgated in 1979, the *Beretitenti* or President is both head of state and head of government of the republic. The present incumbent, Teburoro Tito, came to power following elections in October 1994. Mr Tito, who was one of the three candidates standing for the Maneaban Te Mauri Party, won by an outright majority in a hotly contested poll. *The Courier* asked the President for his view of the present political and social situation in Kiribati now that the election process was over.

— I regard the present situation as calm, stable and progressive. I accept the fact that prior to the recent elections there was excitement among the people as to who should be their leader. The elimination of the candidates of the previous Government for the Presidency (which included the former President) called for a change in Government. As one of the four candidates for the position, I had every confidence that the people knew best who should be their leader, in spite of the legal battle brought against me by the former President to discredit my candidature. All attempts by the former President and his supporters to downplay my candidature failed and, God willing, the elections have been completed, my colleagues and I in Cabinet and in Parliament have immediate tasks ahead to reconstruct and prepare Kiribati for the 21st century.

■ *What are the difficulties of governing a country with Kiribati's combination of*

*isolation, long distances and scattered population?*

— The coordination role of Government is affected greatly by Kiribati's isolation, compounded by the long distances and scattered population. Politically, it is essential that the population is unified and that Government has access to its people wherever they are located. The scattered population on widely dispersed islands with long distances in between demand greater resourcefulness on the part of Government in the provision of essential services. Administratively, there are bound to be delays in the implementation of government policies given the circumstances, but I have every confidence that we will overcome this problem in the not too distant future.

■ *What are your main economic concerns in Kiribati and how do you intend to address them?*

— Our main economic concern in Kiribati is our ability to improve and sustain the living standards of our people. It is not sufficient to aspire for improved standards of living when this cannot be sustained in the long run. We must have the necessary infrastructure and the productive sectors developed to support what we want to aspire for. At the same time, our human resources must be trained and our civil servants paid sufficient remuneration. On other islands, where most of our population live, the price of copra has been raised so that they get a better return and produce more. This also means that



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Life in Kiribati: simple but sustainable

Government must work hard to identify copra markets overseas so that we get a better return from our exports of copra. Similarly, local handicrafts and local produce will be promoted with a view to exporting these on a regular basis.

As a small nation, Kiribati will have a difficult task addressing these concerns. But I am confident that with our own political commitment and the continued support of the international community, we will achieve what we aspire to. I want to emphasise that the primary task is with us as no one will be willing to help if we cannot even help ourselves.

■ *What are the main steps which you intend to take in your first months in office?*

— Let me list some of the immediate major tasks required in order to achieve our desired goals.

The price of copra had to be increased, and this has been done. We aim to increase the salary of Government's civil servants to keep pace with the increased cost of living. We must establish two new Ministries, one to be responsible for international trade and the other for social welfare, *Unimane* (old men's) associations, women, youth, sports and nongovernmental organisations. Financial support will be injected into government-owned companies whose financial status is critical and stringent measures will be applied on the management side to boost the output of those companies. We will strengthen our international relations and consider the establishment of Kiribati diplomatic missions overseas to complement domestic efforts in our aspiration for improved living standards. And we need to create large export and import-substituting industries, including tourism.

■ *Kiribati has developed a strong cultural identity and sustained itself economically at a certain level since time immemorial. Is there a risk that a push for western-style development will disrupt society, throw the economy off balance and jeopardise what has been achieved?*

— I should perhaps say that no country can isolate itself from the rest of the world. It goes without saying therefore that the influence of western-style development will continue to be felt and it is important for Government to identify those western styles of development that will be useful to Kiribati and disregard those that have the potential to affect the cultural identity of the people of Kiribati.

The risk that I see in the western style of development is where such developments do not help us to secure a better quality of life and at the same time do not conform with our culture and identity as I-Kiribati people. But in saying this it is important to realise that it is not always a good idea to insist on maintaining a certain cultural aspect for the sake of maintaining our identity if this would undermine all other efforts to achieve our desired goals, including our aspiration for improved living standards.

■ *Are the extended family system and traditional land tenure patterns a help or a hindrance to development?*

— A family system in our traditional sense is important for us. The fact that Kiribati has been a peaceful society is attributed to the coherence of the family system in villages and on different islands in this country. The extended family system together with strong religious activities contributes to a peaceful society.

The situation with regard to our traditional land tenure system is a little different. At the moment, there are numerous lands undeveloped and underdeveloped for reasons relating to our traditional land tenure system, whereby parents do not immediately allocate or distribute their land plots to their children until they get old to see who, among their children, has cared more for them. This is one example where our traditional land tenure system may hinder our development.

■ *Is Kiribati's primary need more money or more skilled manpower?*

— Our primary need is the development of our manpower resources. We must have skilled manpower. We will not be able to achieve our desired goals without the appropriate skilled manpower. Money is, of course, needed to get things started and it is essential that we have the financial ability to support all our activities. But the development of our manpower resources should be given priority.

■ *Have you plans to involve women and young people more fully in public decision-making?*

— The involvement of women and young people more fully in the public decision-making process is an area which received little attention from the previous Administration. In fact, we should not blame anyone for this, because the root of the problem is with our tradition and custom whereby the place of women and youth is not in the *Maneaba* where village and community decisions are made. This is the kind of problem that we are facing continuously and which requires urgent attention, especially in view of the potential contribution of women and youth to society. In recognition of the potential of these groups to Kiribati society as a whole, my Government has also agreed to the establishment of a new Ministry to be responsible for social welfare, including women, young people, *unimane* associations and nongovernmental organisations. This will be operational in 1995.

■ *What is your view on the scope for greater regional cooperation in the Pacific?*

— I view regional cooperation in the Pacific as a vehicle to help each Pacific island country develop towards achieving its desired goals in the Pacific context. Regional cooperation would not serve its purpose and meaning if certain Pacific island countries lost out more from any regional undertaking while others enjoyed the benefits. This is what has happened in the past and to a certain extent it is still happening. We must ensure the benefit from any regional undertaking is equitable and the members are satisfied.

I believe there is scope for greater regional cooperation in the Pacific but this has not been fully explored yet because individual countries are more preoccupied with their own interests and would not be prepared to accommodate the interests of others, especially those who may be more disadvantaged. There may have been certain improvements in this direction but more attention should be devoted to the promotion of intra-trade and intra-shiping, and other regional cooperation activities.

■ *How do you regard your country's relations with the European Union through the Lomé Convention? What changes, if any, would you like to see to the Convention now that it is being revised?*

— Our relationship with the European Union through the Lomé Convention is one which is normal, friendly and helpful. In the past, we have had difficulty with the procedural requirements of the EU, especially for project funding, under the Convention. At one time the Delegate of the EC (as it was called then) for Kiribati was based in Port Moresby, Papua New Guinea, and communications were quite a problem. Later, the Office of the delegate was moved to Suva, Fiji, and this relieved some of the problems as flights to and from Fiji are more frequent. The recent establishment of the small EU office in Kiribati to look after all EU matters in this country is a positive development in our efforts to streamline our operations with the EU under the Lomé Convention.

As the Convention is being revised, I feel it is important that the concerns of countries under the Convention should be incorporated in the changes to be adopted. In the first instance, I feel the Stabex fund should be increased with a view to increasing the allocation for countries such as Kiribati which are heavily dependent on copra. Further, I would advocate the need for the establishment of a separate Stabex fund for marine resources, particularly seaweed. My Government is presently engaged in the identification of appropriate markets for these commodities, to produce better returns, and I believe the EU, through the Lomé Convention, will have an important role to play in this regard. ■ Interview by R.R.



## 'Kiribati should adopt a mutual benefit approach with aid donors,' says the Minister of Finance and Economic Planning, Beniamina Tiinga

Kiribati's Ministry of Finance and Economic Planning is, among other things, responsible for development, aid administration and relations with the country's overseas development partners. At its head is Beniamina Tiinga, a member of the new Administration appointed after the elections in October 1994. *The Courier* asked the Minister how far Kiribati depended on aid for its recurrent and capital expenditure.

— Strictly speaking Kiribati does not depend on aid for its recurrent budget. Kiribati can finance its recurrent budget from its own resources. There have, however, been aid funds used to finance activities which are recurrent in nature, such as operating our cargo and passenger shipping services, running our fishing vessels and renovating public buildings and houses.

Kiribati capital expenditure is generally funded with aid funds. Every year over 90% of the development budget expenditure is financed with aid money.

■ *Do you consider that the country is overdependent on foreign donors and lenders?*

— Given the very narrow resource base of the country and the generous aid funds available one can argue that Kiribati has to be dependent on foreign donors and lenders. The word 'overdependent' is rather extreme and difficult to justify given the fact that foreign donors and lenders are more than geared to provide assistance. I think the issue is: why should we use our scarce resources when there are grants readily available? Following this, one could then ask a question on the effective use to which aid funds are put. This is an

important question and Kiribati has been trying to ensure that such grants are used effectively in order to reduce our dependency on external aid in future.

When we gained independence in 1979, the UK agreed to support our recurrent budget. By the mid 1980s, Kiribati unexpectedly decided to do away with UK budgetary support. With this event, I think Kiribati should do away with the old concept of aid being a charity of the rich towards the poor for their development efforts but should adopt what I call a mutual benefit approach with aid donors.

■ *What are the main potential areas for development in Kiribati?*

— The areas identified by the current plan are resource-based small industries with greater private-sector involvement; tourism, particularly in the Line Islands; and fisheries, especially on a joint-venture arrangement.

■ *What is Kiribati's current international trading position, and what comparative advantages does the country possess which it can exploit to secure itself a place in the world economy?*

— It is true that Kiribati has been importing more than it exports and the country's comparative advantage would lie mainly in the fisheries sector.

■ *The copra producer price has recently been substantially increased. What are the financial implications and how will they be covered?*

— It is estimated that additional sum of AUS \$800 000 to 1 million *per annum* will be required to subsidise the increased copra price of 40c per kg. Initially the subsidy will come from the Govern-

ment Special Reserve (which is Stabex money) saved from last year's payments. Current projections expect raw copra prices in Europe not to improve in future and that could mean continued subsidy until better markets are located and more local milling established to improve the price. We have not yet decided to use the Revenue Equalisation Reserve Fund for this purpose.

■ *Do you have any plans to cut down the size of the public sector?*

— This Government is to establish two additional Ministries and it would be most unlikely that the public sector will be reduced.

■ *In what sectors are you encouraging privatisation and with what results?*

— The Government encourages privatisation only in those areas which can be handled by local businessmen. The policy is not to sell public companies completely to foreign investors. Foreign investors are encouraged to establish their own businesses and to assist in improving the performance of existing public companies through management contracts.

■ *Are you concerned about the effects of development, both in Kiribati and in the wider world, on the country's environment? What action is Kiribati taking to protect its environment?*

— This Government is very concerned about the effects of development on our environment. Internally, Government has undertaken various awareness programmes, revised existing legislation and actively participated in regional workshops, training sessions and seminars on the environment. On the international scene, Kiribati is a party to several conventions; for example, the London Convention on the Prevention of Marine Pollution by the Dumping of Wastes, the Vienna Convention for the Protection of the Ozone Layer and the UN Framework Convention on Climatic Change. Kiribati was an active participant at the World Conference on the Environment and Development held in Rio and at the Barbados Meeting on the Development of Small Island States which took place last year. ■

Interview by R.R.

## Gardening for pleasure and profit

Since as far back as the records go, the I-Kiribati have subsisted largely on coconuts and fish. Nature has provided their islands with a supply of both that can be drawn on almost indefinitely and with practically no effort. An occasional treat of pork or chicken, generally at a religious or social ceremony, virtually completes the traditional diet. Large quantities of imported rice, flour, sugar and canned food are modern additions and are appreciated because they both vary the choice and are easy to prepare.

Breadfruit, banana, pandanus, fig and swamp taro, a green leaf plant grown in flooded pits and of low nutritional value, are the local fruit and vegetable crops.

The effects of this fattening fare on the physique are all too often apparent to the mere layman, but it has taken modern medicine and nutritional science to detect the hidden dangers to health. Obesity brings the risk of cardiovascular conditions, and an unbalanced diet undermines the organism in other ways: the vitamin A shortage produced by the absence of green vegetables in the local food, for example, has left 14% of all children in Kiribati suffering from night blindness.

As an attempt to find solutions to these problems, a regional programme financed from the European Development Fund has been set up to promote greater nutritional awareness and dietary variety in Kiribati and several of its Pacific neighbours. On Tarawa, the main atoll, a programme called Sustainable Systems of Food Crop Production in Atolls researches and develops plant varieties and planting methods from all over the South Pacific to produce better crop yields, greater disease resistance and higher nutritional value.

In the five years since it started, the University of the South Pacific research centre where the programme is being carried out has found that several varieties of vegetables, root crops, tree fruits and traditional plants can be grown successfully by planting them in trenches, drums and pits rather than straight into the generally infertile ground. They include vegetable crops such as beans, cabbages, carrots, cauliflower, cucumber, gourds, melons and tomatoes, root crops like taro, sweet potato, cassava and tannia, as well as fruit crops like pawpaws, mangoes, guavas, citrus fruit, custard apples and grapes. Traditional Kiribati crops also showed a marked improvement. Moving onto field

New planting methods increase the yield from atoll crops



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The swamp taro, a staple of the Kiribati diet

trials, further discoveries were made. For example, a reclaimed area of swampland near the airport was planted with coconuts, but in the unfamiliar environment ... their roots became waterlogged and the trees died. Experimental intercropping with swamp taro successfully aerated the saturated roots and subsequent plantings of coconuts have thrived. Pigs and ducks are now being raised at the same site and feed off the plant waste generated, producing meat and manure themselves.

A new tomato variety which flourishes in the sunbaked atoll climate has been developed and christened, appropriately enough, Tomatoll. In Kiribati's equatorial climate, a sour kumquat variety (*citrus mytis*) has been found to produce fruit all year round, a very useful botanical curiosity. The drumstick, a large green leaf plant, produces nutritious leaves for salad, stewing and mixing with fish, as well as acting as a sturdy boundary marker when planted in rows — hence its nickname, the living fence post. Experiments with Pacific ferns have produced a powerful fertiliser which also improves the taste of the cacao plant, a type of mangrove, round which the rotting fern leaves are placed as compost. A soil improvement mix has been developed out of vegetable and animal waste, cutting by three quarters the amount of compost traditionally required for planting in trenches. Empty oil drums sliced in half lengthwise and filled with this mix have also turned out to make good substitutes for beds dug into the ground, which everywhere consists of hard coral with a thin topsoil.

Many members of the public cultivate home gardens to supplement their diet, and they have been familiarised



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with new ideas and varieties very effectively through field days at which hundreds of plant cuttings and seeds are distributed. Instructors are being trained, and workshops have been carried out on almost all the country's many islands. Women's organisations have helped devise recipes using the new plants. As word of these new and sustainable crops and growing methods spreads, it can only have a positive effect on public health — and increase the pleasure of eating.

Growing plants as a cash crop, not for consumption, is also getting encouragement through European Union funding — but this is gardening with a difference. The traditional agricultural export earner is copra, the dried flesh of the coconut, but competition, mainly from the Philippines, has hit producers hard, so some are now turning their attention from planting the land to harvesting the sea. The shallow offshore waters of the lagoons inside Kiribati's atolls are ideal for cultivating seaweed, and a programme now under way with EU support of ECU 1.1 million aims to introduce improved varieties of the plant and turn it into a major export product. An agency called the Atoll Seaweed Company Ltd is working with the government ministries responsible for commerce, industry and employment, foreign affairs and international trade, and finance and economic planning, to exploit the important market which exists in the EU for Kiribati's native seaweed type, *euchema cottonii*. This species is refined into carrageenan, a fixative used in the

The dried seaweed fetches a good price at market



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pharmaceutical, cosmetic and food processing industries.

To the northwest of Tarawa and separated by a treacherous channel of open ocean lies Abaiang, an atoll with a population of 5000 people living in 14 villages. One in ten of its inhabitants now lives on the proceeds of seaweed growing, which has become the community's most important economic activity. The seaweed is planted in the seabed at a distance from the shore where it can be easily tended at low tide, and the plants are trained along string slung between stakes. When harvested, it is taken and dried onshore and then sold to visiting buyers from the Atoll Seaweed Co., who pay AUS \$0.35 per kg for the dried product.

Farmers in one village, Nuotaea, have planted the whole lagoon-side shoreline of their islet with seaweed and say they can earn AUS \$100 a week for their community, double their previous earnings from other activities. The money goes to buying extra food plus such imported conveniences as outboard motors, large cooking pots, sewing machines and thermos flasks and to paying school fees. The villagers are Christian believers and contribute to building projects run by the atoll's Catholic and Protestant churches. They have also invested collectively in a video recorder and cassettes for the public meeting house. A deeper though less visible change in their lives is that they are no longer forced to beg from their relatives in paid employment in Tarawa to pay for

Harvesting seaweed at low tide, Abaiang atoll

anything beyond the mere necessities of life. And if the scheme works in the long term, there can be some hope of economic self-sufficiency without exile to the capital or abroad.

Production levels for the whole of Kiribati stand at some 1200 tonnes *per annum* at present, and the export value of the seaweed accounted for 25% of the total value of the country's exports in 1990. Looking to the future, the Government's hope is to secure funding for a processing plant in Kiribati itself. At the moment the seaweed is all shipped to Denmark to be processed there, and the overseas freight charges are understandably high. Part-processing at source would reduce these costs, add value in the country itself and create more employment. And Kiribati could process for its neighbours, the Marshall Islands and Tuvalu, which have also shown considerable interest in seaweed production. So both the local and the regional economies would benefit. ■ R.R.

## EU-Kiribati cooperation\*

# Developing telecommunications and natural resources

The European Union is a significant donor to Kiribati. EDF assistance over the years has mainly been concentrated on infrastructure, particularly telecommunications, and on marine resource development. Stabex transfers, too, have played a key role in supporting the copra sector.

Kiribati was allocated ECU 3.5 million under the Lomé I National Indicative Programme (NIP), which was used principally to provide a telephone system on South Tarawa, the island where the capital is situated. In addition, airstrips were constructed on two outer islands, and an 80-hectare fish farm was established to provide baitfish for the local tuna fishing industry.

Under the Lomé II NIP, Kiribati was allocated ECU 4 million, of which a significant proportion was utilised for the construction of two 26-metre pole and line tuna fishing boats. Remaining resources were used to complete the South Tarawa telephone system and for a multiannual training programme. A microprojects programme was also undertaken, covering copra sheds, water and sanitation, seaweed cultivation and fish ponds.

The grant element of the Lomé III NIP consisted of ECU 6.5 million, of which almost 90% was utilised for the further development of the telecommunications sector. Under this programme, new telephone exchanges were installed on Tarawa and Kiritimati (Christmas Island), together with a new air and marine guard radio system. Remaining funds were used to finance the overseas training of telecommunications and public-sector personnel.

Under the Lomé IV NIP, signed in April 1991, it was agreed that 90% of the

programmable resources managed by the Commission, totalling ECU 6 million, should be concentrated on two sectors, natural resources development and communications. The remaining 10% would be used for technical cooperation, training and cultural cooperation.

Since 1991, a number of preparatory studies have been undertaken which have resulted in one project already being approved and three other projects being identified for possible EDF support. A seaweed development programme was approved in late 1994 and ECU 1.1 m allocated to it. The project seeks to expand the production of seaweed for export,



The satellite ground dish and telecommunications mast which link Kiribati's capital Tarawa to the outer islands and the world. EU aid to Kiribati has focused on this sector

together with the introduction of new, higher-value species. The three other projects which have been identified comprise a training programme, which aims to increase skills in certain key sectors, mainly through in-country training; an airport

development project to upgrade facilities at the country's three main airports (Tarawa, Kiritimati and Kanton); and an environmental programme to remove the large number of vehicle wrecks on South Tarawa.

The considerable distance between Kiribati and the Delegation of the European Commission for the Pacific, based in Fiji, poses day-to-day problems in respect of communications and the management of the EDF programme in Kiribati. To help overcome these problems, a technical assistant has been supplied to the National Authorising Officer since 1992. Up to the end of 1993 the post was held by a European, but since then the task has been undertaken by a local I-Kiribati national employed under contract. The presence of the TA to the NAO has certainly facilitated the implementation of the EDF programme in the country.

Since 1975 Kiribati has received 10 Stabex transfers totalling almost ECU 7 m, all relating to copra exports. These funds have been used by the Government to support the copra producer price during periods of depressed world prices. This has enabled rural incomes to be safeguarded and helped to stabilise copra production.

The European Investment Bank has financed one risk capital operation in Kiribati, covering additional shareholding in the Pacific Forum Shipping Line, at a cost of ECU 200 000. The EIB has also agreed to provide a minimum allocation of ECU 1.5 m in risk capital to Kiribati under Lomé III and IV.

Under the EU AIDS programme, Kiribati was supplied with blood testing equipment at a cost of ECU 50 000 in 1992.

Kiribati has participated fully in the various projects financed under the Pacific Regional Programme, notably in the areas of agriculture and fisheries, telecommunications, energy and tourism. ■

\* From information supplied by the EU Delegation for the Pacific.

# Tuvalu

## 'We just try our best to look after ourselves'



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Tuvalu, formerly known as the Ellice Islands, is a constitutional monarchy which became independent of Britain in October 1978. The

Head of State, Elizabeth II, is represented by a Tuvaluan Governor-General and central government is in the hands of the majority grouping in the country's 12-member, single-chamber Parliament. Politics are based on personalities and island affiliations, not on ideologies, and the present executive took office in November 1993 when Kumata Latasi broke the deadlock in a hung parliament by joining with the previous opposition to form a majority. There is freedom of expression, association and religion. Tuvaluans have a language of their own and English is used in education and administration. At the economic level, natural resources are extraordinarily scarce and fragile, and Tuvalu is classified by the UN as one of the world's least developed countries.

The country is a string of islands 570 km long, but most of that distance consists of empty expanses of sea between the nine islands. Five of them are coral atolls, thin reef platforms surrounding a central lagoon and seldom rising more than four metres above sea level. Although the country has an exclusive economic zone of over 750 000 square km of the south-west Pacific Ocean, its total land area is just under 24 square km and the entire population at last count, in 1990, stood at 9045, making this remote and beautiful place the smallest member of the ACP group.

The capital, Funafuti, stands on an elongated strip of eroded coral reef

with the ocean to the east and the lagoon to the west. One tarmacked but potholed road runs all the way from top to bottom of the islet, widening out into two in the middle where a small town of some 4000 people nestles among coconut palms, breadfruit trees and banana plants. Fairy and noddy terns wheel overhead, the people, who are Polynesians like those of Samoa, seem like figures from Gauguin's paintings of the South Seas, and the traditional houses are well adapted to the tropical climate with their thatched roofs, open sides and spare furnishings of woven mats. But the 20th century is present too. Government and municipal buildings, a hospital, schools, communal meeting houses, churches and a branch of the University of the South Pacific testify to modern development, and a regular public minibus service links them all together.

All this takes place in a space of just 2.36 square km, yet the ratio of water to land is so high at Funafuti that it takes a boat with outboard motor 40 minutes to cross the lagoon from the wharf at one side of the atoll to the uninhabited islets, with their golden beaches, on the other. This is in fact one of Funafuti's organised attractions and a popular excursion with the few hundred visitors who come here each year, mostly on official business. They all arrive in Tuvalu on its only regular and reliable link with the outside world, a turboprop service run by Air Marshall Islands three times a week northwards to its home base and Kiribati and southwards to Fiji. The arrival of the little Avro Hs 748 is a big social event in the capital. Sirens warn that the

'plane is five minutes off, a colourfully dressed crowd flocks to the one-roomed air terminal and when the craft lands everyone presses forward to see who will get off. Radio Tuvalu passes any interesting details on to the rest of the country. When the 'plane leaves again, passengers being seen off by their friends are decked with shell necklaces and other handcraft items (sales of which make a surprisingly large contribution to GDP).

Links to Tuvalu's outer islands are much more problematic. No aeroplanes serve them — there is nowhere to land. The government operates a passenger and cargo vessel called the Nivaga II which calls at every island in the archipelago once a month, as well as sailing to Fiji a couple of times a year. A former captain of this ship is Huate Iele, now the Minister for Labour, Works and Telecommunications. The Nivaga is too small to be economically viable even when full, he says, and when she needs repairs there is no back-up, so a second ship is needed. But the Government cannot afford to replace her or buy another one, and no donor or private operator has shown any interest. Overseas feeder services by the Pacific Forum Line were discontinued two years ago. 'We just try our best to look after ourselves,' says Mr Iele with resignation. His portfolio also includes responsibility for radio communications: here again, talking to the rest of the world by satellite link is easy, but for an outer island to get in touch with Funafuti is 'very, very hard'. There can be little hope of developing tourism as long as transport and communication facilities are so weak

(and expensive to use), though the country could be a paradise for visitors who appreciate sun, sea and solitude.

Outside the capital, life has for centuries depended on subsistence agriculture and coastal fishing. Coconut flesh and juice, rootcrops including sweet potatoes, breadfruit, bananas and plantains provide the bulk of food for humans and livestock (pigs, poultry and ducks) and coconut, breadfruit and pandanus furnish the traditional building materials. To vary the diet, backyard gardeners also grow pumpkins, water melons, cucumbers, tomatoes, sweet peppers, chillies, Chinese cabbage, okra, sugar cane and egg plants, and some forest woods, flowers and leaves are used for thatching, handcrafts, local cigarettes and garlands, which people of both sexes and all ages wear. Fishing for the family is done from outrigger canoes built of breadfruit wood. Other products taken from the sea include oysters, seaweed, crabs, lobsters, clams and shells. These forms of activity are all sustainable but produce little or no cash income, and the influence of foreign administrators and missionaries arriving from 1820 onwards has accustomed Tuvaluans to imported products such as sugar, flour, rice, cooking oils, tobacco, mineral fuels and, most recently, canned drinks. And Tuvaluans are prepared to go heavily into debt for their pleasures: regular feasting is a traditional cultural activity and the amounts taken out each year in bank loans to pay for celebrations are second only to the sums borrowed for housing. Many young men

Handcrafts, here being sold at Funafuti airport, are one of the few small cash-income activities in Tuvalu



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work abroad as seamen and support members of their extended families with generous remittances, but growing numbers of islanders who want to stay in Tuvalu see internal migration to the country's one urban area as the only way of financing a better quality of life.

Funafuti, with its greater facilities for education, work, health care and recreation, is in fact draining people and much of the life from the outer islands, and congestion is beginning to create problems of urbanisation never seen before in this traditionally close-knit society with its simple but sustainable lifestyle. Resources, especially drinking water, food, building materials and land, are coming under strain, and the Government has set up a special unit to counter cultural and social alienation by encouraging traditional games and social pursuits. The pressures are perhaps worst for women and young people. In Tuvalu's traditional culture these two groups enjoy low status, do most of the work but are excluded from decision-making, which for centuries was the prerogative of elderly male chiefs. Each outer island group now has its traditional meeting house in Funafuti, but it is still only the men who have any say there, although many women in the capital exercise responsibility and authority in their jobs. Another time-bomb ticking away is the rising population: it is already ten times as dense as on the other eight islands, and is estimated to be growing at 5.1% a year. There is already talk of Funafuti descending into 'environmental squalor'.

Most of the jobs which attract people to the capital are in the public sector, and the Government, as Prime Minister Kumata Latasi explains in the interview which follows, is turning much of that into autonomous corporations with a view to eventually privatising it in the interests of greater efficiency and lower public spending. In the private sector, Funafuti boasts a sort of High Street of small businesses and shops, predominantly involved in retail trading of imported goods and locally made clothes, but there is virtually no manufacturing industry. The state-owned Tuvalu Development Bank (partly financed by the European Investment Bank) lends most of its funds to small, individual entrepreneurs to buy fishing or



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Coconuts and the juice of the coconut tree are a major part of the staple diet

agricultural equipment. There is not the local know-how or capital to do anything much else. To remedy these deficiencies, national economic planning up to the end of 1994 has concentrated the government's very limited finances and manpower on human resource development (through the 'Education for Life' programme described in *The Courier* No 148, November-December 1994, pp. 84-5) and on commercial fishing for domestic consumption and export. About 40 vessels from Taiwan and South Korea hold licences to fish in Tuvalu waters, but marine resources generated only 6% of GDP in the 1980s and there is wide scope for expanding the fishing industry to create local employment and wealth, possibly by joint ventures between Government and foreign interests — if investors can be attracted.

The sad fact is that Tuvalu depends extremely heavily on overseas aid and remittances for its development. Imports now outpace exports by a factor of 17 to one, since the traditional copra export trade was wrecked by external factors in 1992. Annual injections of grants by donors, including the EU, run to between 40 and 60% of GDP. The Tuvalu Trust Fund set up in 1987 to help cover recurrent government expenditure now stands at some AUS \$37 million and drawdowns from it have covered between 8.5 and 24% of such expenditure in recent years. The five-man government is fully committed to cost-cutting, possibly by cutting down the 450-member civil service, and to showing a proper return on whatever financial help the country can attract. It is also concerned not to degrade the environment any further.

Some of the sacrifices made for the sake of development have indeed been costly. Funafuti airstrip, for example, was built by the American forces which occupied the country during the Second

World War as a base from which to launch air attacks on the Japanese-held Gilbert Islands, now Kiribati. Without it Tuvaluans today would have no regular link to the outside world, but the price of building the runway has proved considerable in environmental terms: the site used to be a mangrove swamp, the materials for filling it in were quarried out of the coral rock at the extremities of the islet, and the pits left behind, invaded by sea and rainwater, are now stagnant pools of festering rubbish, both a waste of land and a health hazard. The plan is to fill the borrow pits with refuse till it consolidates firmly enough to build on — but that will take another 20 years. And the strip itself, a band of concrete useless for any other purpose, takes up two fifths of the surface of the islet, leaving the town right next to it nowhere to expand. Before the present tarmac surface was laid in 1992, incidentally, the young people of the town used the cleared land as a games field; now it is too hard, and the lack of a large open space for exercise and recreation declares itself visibly in greater obesity among its former users. No study of the social impact was carried out before the work was done.

Part of Tuvalu's problems in coping with the modern world can surely be put down to one of the very characteristics which make its people so friendly and generous in human relations. There has never been a tradition of individuals amassing inordinate wealth or power (although the country's many Christian churches, most of them protestant, levy large contributions on their adherents and



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are rich by local standards). The philosophy in the islands is that all surpluses are shared, particularly within the extended family, rather than being bought or sold. Unfortunately this selfless attitude leaves the unsophisticated open to exploitation, is not conducive to commercial enterprise and will not win Tuvalu a favoured place in the global economy. And subsistence living in a country where the basic foodstuffs are plentiful and free does not inculcate a talent for forward planning. For a people who are not grasping or calculating, the lessons of forethought and competitiveness are proving harsh and hard to learn, but they are being learned. A characteristic illustration comes from Pula Matia, Cultural Affairs Officer in the Community Affairs Division of the Prime Minister's Office: women involved in a poultry-raising project on one of the outer islands in the early 1980s killed *all* their hens for a

Gouging out coral as building material for the airport 50 years ago has left a legacy of environmental squalor: stagnant pools of festering rubbish

Imports exceed exports by 17 to one, as these containers of processed goods from overseas at Funafuti docks testify

feast. Now, after business training funded by overseas donors, they market eggs to fellow islanders, in Funafuti and to visiting ships, and have expanded into pig-breeding as well.

In Tuvalu's human and natural environment, small-scale, decentralised schemes like these offer the best hope for a sustainable social and economic future. A report to the Government of Tuvalu by George Clark of the Australian International Development Aid Bank, published in July 1993 as 'Life and Living in Tuvalu', puts the case for modest, polycentric development well: given Tuvalu's exiguous resources, it 'cannot hope,' he says, 'and it should not attempt, to copy any large-scale, costly land-use, urbanisation, roads, traffic or other infrastructure model simply because such a model may have been tried, and might eventually be made economically and environmentally sustainable, in other places.' Solar power for individual households in rural areas, for example, rather than diesel-generated electricity delivered through a costly grid — this is a scheme which has been running successfully for 10 years now. The proverb says 'Great oaks from little acorns grow', but what Tuvalu can sustain is small oaks, planted at sensible intervals all over the country where everyone can benefit from them. ■

R.R.



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# Keeping heads above water

## An interview with the Prime Minister of Tuvalu, Kumata Latasi

Tuvalu's problems differ only in degree, not in type, from those of much larger countries. It has few natural resources, infrastructure is severely underdeveloped and there is very little private enterprise. Most workers in the formal sector are employed by government and support large extended families. Trying to make the economy more efficient without disrupting the society is something Tuvalu's year-old government is finding a great challenge. And always in the background lurks a threat, however remote, of physical extinction. *The Courier* asked Prime Minister Kumata Latasi what it was like running his tiny nation on a viable basis.

— It is a struggle, I must say, it certainly is a struggle.

■ *What are your main constraints and your main problems?*

— First of all, we've just finished our civil service review. That was the first thing we set in motion, so they can give us some indication of whether the service is overstaffed — it appears so — and some directions to assist us in formulating our future policies on our human resources development, to give us a service that will do the best job possible at the least cost.

■ *Does the public sector employ too many people as a percentage of the active population?*

— Well, in comparison with other countries it's not so bad, but in the last couple of years we find there has been a fast increase in the civil service. So maybe the civil service is too big for a small country like ours. There will come a time when we will not be able to sustain it, and when the service will stop being provided although we have this big organisation. So what we are trying to do is either corporatise or privatise a few areas in the government,

and also decentralise from headquarters to the other islands.

■ *What is the relationship between central government and the other islands, with their island councils?*

— The island councils come under the Prime Minister as Minister of Home Affairs, and rural development and all that is controlled from headquarters. What I really want now is to give more autonomy to the island councils, to reduce the bureaucracy that has existed for so many years, through which everything is run from here, which does not give the councils any incentive to work for themselves. At the moment all the councils do is meet, with an executive officer responsible to the Secretary to the Minister here: that's how they work. So decision-making for the islands all has to be done here by the Minister and the Secretary, and Ministers and Secretaries change now and then. So there is no real move towards improvement on the other islands, nor will there be till you get people to make decisions for themselves. Also they levy tax on the people and they must show the people that the tax money is being properly used for the development of the islands.

I need to transfer the whole local government to them, let them decide their own projects, pay for their own staff, carry out their own development. I think they should also be able to seek external funding, and I am sure aid donors are very keen to assist nongovernmental organisations. It is a bit difficult for this aid to come to government: I think government is something that is being faded out now.

■ *You mean to devolve power, then?*

— Yes, because I think they are the right people to know exactly how



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many people they want to employ to develop such and such a project on the island — building a sea wall, say — without being directed from here. Here at headquarters it's just talking on the telephone, you cannot actually see what is going on there.

■ *When it comes to corporatising or privatising some parts of government activity, is there the capacity or indeed the organisation in the economy and in the society of this country to do that?*

— I think we have reached the point where government is not an agency to run business and everything else. As I said, the bureaucracy is overstaffed. A simple example: at one stage there was a Public Works Department, including painters. You gave a job to the PWD, they sent one or two blokes to paint the office here, for example, and it would take about three months — and it didn't matter if it was speeded up, slowed down or what, they'd still get their pay. But you corporatise it, let them run their own organisation like a unit and then they will care for their money and they will know that they mustn't waste their time, they have to do the work, and that's an incentive. It makes a big difference. I'm not trying to say that Tuvalu people don't work, but there is always that tendency where government is involved, unless the boss is right on the spot. But you cannot be in every place at all times. But if you run your operation like a small company you really care for your survival



because, if you don't do the work, you lose money and your company or corporation collapses.

■ *So it's a matter of changing people's mentalities.*

— Yes, and I think they are already changing. Over the last two or three years people have set up their own companies on a small scale. Now you see them running around with a truck which they put their timber or cement on, they own their own roofs. Ten years ago nobody dreamed of doing it, they'd only say: 'There's no money, there's no money.' But they can do it, if they carefully supervise their business. I think the time has come for this place here to realise that Government is not God, Government is not the only organisation that can give service to the people. Government is there to advise and assist in every way that it can, but the time has gone when Government could run a public works division, the electricity supply and everything else.

Of course there is also a danger in giving away certain departments — you cannot privatise hospitals, they are essential — so are schools. Government must be very careful in giving away too much, because private companies may turn around and make the people suffer, whereas Government can always adjust itself. In fact Government is slowly corporatising before it actually privatises.

■ *You gave an address recently on Education for Life, which is an interesting idea as a way of looking at the future. What will that entail in the context of Tuvalu?*

— We only own one living resource that we are definitely sure of, and that is our human resources. We really need to educate every child of Tuvalu so that they will be able to look after themselves, get the best education they can, because if you've got an educated population you won't be facing some of these problems that we are now being faced with.

Also at the moment we have got about 400 or 500 seamen overseas, working in Europe and sending help to the people. We're sending out our human resources, because already Tuvalu is the

most populated country in the Pacific region, and that is the number one problem for me now. We have reached the point where the population is about 9 000 or 10 000, and that is the maximum sustainable population that this country can manage. Beyond that we have to look to other countries, and I have been pleading with New Zealand and Australia to assist us by opening their doors, relaxing their immigration laws so that some of our people could be accepted in those countries.

■ *What kind of response have you had?*

— It has been very favourable. Last month I was attending the meeting of all the leaders of the Pacific Forum in Brisbane, and the response was very encouraging. Australia, New Zealand and even other Pacific islands responded that they would start looking at the problem. It's up to us now to get the ball rolling from this end.

■ *Isn't the danger in that case that the most enterprising and inventive people will leave the country?*

— Not really. I mean, eventually you cannot hold the people back, that's for sure. If you educate the people, they are going to leave, looking for greener pastures, but if everybody is educated it doesn't matter whether 10 leave or 20 leave, we will still be all right. We have survived for about 20 years, since we separated from Kiribati. We had no graduates, they were all just primary-school leavers, yet we managed all these years. Now we have so many degrees, diplomas and all this.

■ *Tuvalu has been accused of being too dependent on aid from foreign donors, and there does not seem to be a prospect of that situation changing very much in the near future. Do you feel there are dangers in that situation?*

— Definitely. I myself don't want to be dependent on aid always. I want to work for my own account, I want to live on what I get out of my work, but there are certain areas at the moment that we need to have aid on. But I am not asking for aid to build luxury hotels or get flashy cars — no, I only ask for aid in areas like the development of our sea fishery resources,

where we don't have the capital to get the right ships to tap this resource with. These are the kinds of aid we need. We need some aid for extending our airfield so 737-size planes can land on it. At the moment it's only the 748, as you know, and every airline in the region is changing. If we don't upgrade our airfield we will be missed out, we will just be looking up at the planes passing through our airspace. I think those are the kinds of development we need so that we can at least export our fish. If no ships come we can use the plane. We are already sending our red snappers to Honolulu, but the planes are too small, and we need a bigger plane.

But as soon as we can stand on our own two feet, and I hope that will come in my lifetime, I will not be asking for any aid from anybody, because I know we are asking for aid from somebody who also has his own problems. The time will come when we will have to look after ourselves, live on our own means instead of trying to live beyond our means — which is when you start begging, saying: 'Please help us.' I don't think I have that mentality you mentioned.

■ *What are relations like at present with the main foreign donors to Tuvalu?*

— We have got our local friends like Australia and New Zealand, Japan, Taiwan, with some aid from the French, the European Community, and I think that's all.

■ *Are you disappointed that Britain has apparently lost interest?*

— I am personally disappointed, because we have been under New Zealand authority and the British ever since I knew, and it is only lately, when we became independent, that the UK started more or less phasing out and eventually just this year they have given us no more, that's finished, and they are leaving us. I am very disappointed about the whole thing because, even though they have been very good to us in certain areas — they helped to set up our trust fund, which is actually working very well now and we are getting the interest to run our recurrent budget — on the other side they need to help us more than that.

When we were together with Kiribati, development in the Gilbert Islands

could not be compared with what they did in the Ellice Islands, now Tuvalu, which was practically nothing. When we separated, there was practically nothing here. We were only given one ship, and that was all. We lost out in the Phoenix Islands, the Line Islands, Kiribati. If you look at the map, we are closer to those islands than the Gilberts are. But we missed out, presumably, because we were the ones who requested to separate from the Gilberts, and I think we've more or less been punished for that. And we didn't get a share of a trust fund that we had together with the Gilberts, so we had to start from scratch. I think the British should have assisted us more in that respect.

On the education side, I look at the way New Zealand has treated the Cook Islands, Niue, Tokelau, Samoa. We were under the British, and not more than ten Tuvalu people are being given the chance to go to school in the UK. Of course the British pay for some of the education of our people maybe in Fiji or New Zealand, but that is not much, so at the moment it is New Zealand, Australia and other countries like Japan, Taiwan, and the French who are assisting us in education.

■ *This country has a unique culture — and also a unique environment. Is modern development endangering traditional culture?*

— Yes, I can see that here in headquarters, in Funafuti. But I do not think it will do as much damage as it does in other countries. Here, I think because of its smallness and people living in one village, it's very difficult for foreign ideas to change the culture and customs. At the weekend you can see people doing the twist in the hotel, live bands and all this, but they cannot take away the traditional dances that the people do know — they are not forgetting them. But certainly their way of living has changed, it's not the life that I knew 30 or 40 years ago, it's certainly changed from a subsistence economy. But on the other islands they are still maintaining their culture intact.

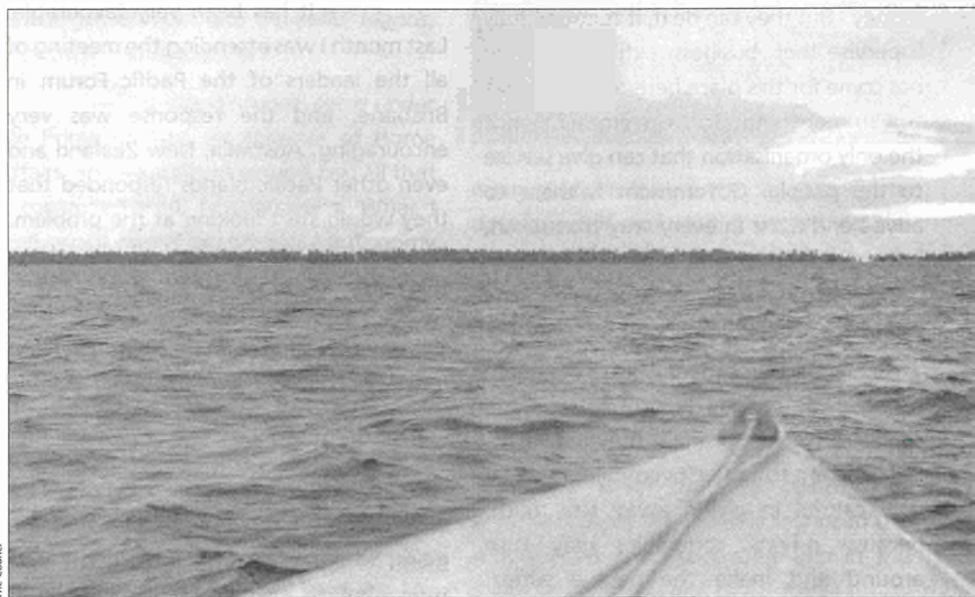
■ *Talking of the environment, this country is actually in direct danger from global warming. It could disappear under the sea if the polar icecaps melt and the sea*

*levels rise. What representations have you been making on this subject?*

— We have actually been making a lot of noise about it, but, let me tell you, that's all we can do, just make a noise. We cannot just say to the United Kingdom or Europe or Australia and New Zealand: 'Stop doing that!' But during the last Forum meeting I really spoke out. I said: 'Look, we are the people who will be the first to suffer from what these countries are doing. We will be the first to disappear under the sea.' So they have got an

everywhere, there are high tides and all this — these are new sorts of climatic conditions we are now being faced with. Of course we are not scientists, but we keep reading this and hearing that — there must be something in it, to explain why the climate has changed. We are very, very concerned about the environment, make no mistake about it.

■ *How do you assess the Lomé Convention as a framework for your relations with the European Community? Are there changes that you think should be made to it?*



obligation to Tuvalu to assist us, because, if they cannot stop what they are doing that is causing this rise in the sea level, they cannot just sit there, as the water comes in, and watch us floating round the Pacific Ocean. Something must be done and it must be done now, not wait until it is too late. What I told Australia and New Zealand is this: they cannot accept political refugees from here, but I'm sure they can accept environmental refugees. I will send Tuvalu people there as environmental refugees.

■ *You mean if the country is overwhelmed, in the worst case, you will ask for the whole population to move over there?*

— Of course. I'll have to do that. There's no point in leaving anybody when the sea rises. It's already a nightmare to us. This time of the year is supposed to be the best time, but this year the wind is blowing

« We will be the first to disappear under the sea »  
Fongafale island houses the capital, Funafuti: the highest point is four metres above sea level

— We are actually reviewing it now with my Cabinet, so I am afraid I cannot tell you exactly what we now feel, but, as we see it, we certainly need a review of the whole of Lomé, in relation to the assistance that we definitely need most. Sometimes we ask, 'This is what we need most,' and it's quite contrary to what they feel, and they come back and say: 'No, no, that is not what you are supposed to do. Do this.' But that is not what we want, and I think it is about time that this kind of organisation should at least take into consideration what the country needs, because we are the people, we know what we want. Of course it's not our money, it's their money, but at least they should give us due consideration. ■ Interview by R.R.

## Exporting fish... and human beings!

Koloa Talake, Minister of Finance and Economic Affairs, looks at future economic prospects for Tuvalu

The coconut is life and death to the people of Tuvalu. The trees grow almost as prolifically as dandelions do in more temperate climes, providing enough fruit for average consumption of 18 nuts per household per day and leaving an ample surplus for export as well. But dried coconut flesh is the country's only exportable resource, demand is falling and the need to diversify is pressing. *The Courier* talked to the Minister responsible for future economic planning about the prospects for developing his country's other, scant resources. Did Koloa Talake foresee a day when Tuvalu would be able to stand on its own two feet economically?

— Our main prospect for economic independence is our resources in the sea. Tuvalu is the country with the biggest ratio of sea to land area in the world. We have a project to do a study in our waters on bottom-line or long-line fishing on sea mounts in our 200-mile economic zone, and the results to date are very encouraging. There are plenty of fish, and a fishing industry would be viable, provided we set a level of catch whereby we don't overfish the area, as has happened in other places.

■ *Tuvalu has only one fisheries vessel, which means that if you want to exploit the zone you must either acquire more boats or license foreign fishing companies to come in. Will you be calling in fishing boats from other countries?*

— If we finally decide to start a fishing industry in Tuvalu we would certainly purchase about six more fishing boats. A bit smaller would be the ideal size for bottom-line fishing and would be very

profitable. We are thinking of confining this long-line fishing to the local people only. Then we have the migratory species like tuna, skipjack, that type will be only for foreign investment, and we would like to invite foreign investors to set up joint ventures with private firms or public corporations we have in Tuvalu, to fish for the migratory species. One positive investor who has shown very considerable interest is a business person from Germany, who is also the biggest employer of our seamen. He has got a fishing fleet in Europe. I am very interested in encouraging this man to come because he has the boats, he has the know-how on processing and packaging, and he has the market, and those are our main problems here, where we are so isolated.

■ *How will indigenous fishermen be able to afford the boats which they will need for bottom-line fishing?*

— We are thinking of providing them with funds to purchase boats, through the Tuvalu Development Bank. We have ECU 0.5 million from the EIB and they have agreed to the funds being used on fishing projects here, because that is the backbone of our economy in the future.

■ *The Development Bank says grants are also available for agriculture, commerce and industry. What state of development have these sectors reached?*

— Commerce started developing a long time ago, but traders have been focusing on importing things and retailing them here in Tuvalu, which is not good in terms of developing your economy or being self-sufficient. But I would like to see the processing or manufacturing side develop too, so that we can close the gap between the import bill and export



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earnings. At the moment we export virtually nothing apart from stamps. I would like to see the private processing sector develop so as to process some of our local resources into finished products and export them, so we can earn some foreign exchange on them or cut down the import bill on products which we can produce here, like washing soap. We have coconut oil here, and copra used to be our main export commodity, but with the advent of new substitute products it is not as widely needed as before. So we have that coconut resource which we can turn into products to cut down our import bill, or we can import raw materials, process them into finished products and re-export them using cheap labour here and getting some benefit from our trade agreement with the two big partners of the South Pacific Forum, Australia and New Zealand. Import substitution and light industries are what I would like to see.

■ *The population of Tuvalu is rising at a fairly high rate, particularly on the main island. What effect does that have on your economic planning for the future?*

— That is a worrying problem, the influx of people from the outer islands into the capital, and, with Funafuti a very small island, it creates a lot of social and economic problems. Two policies we have been testing are decentralisation of some government departments to the outer islands and development of the outer islands so that the people remain there and work on developments or start up their own businesses using trained workers coming back home from jobs in the Nauru phosphate industry. And with fishing, again, we would like every island to participate in the industry. People would then find that their island was as good as

the capital in terms of facilities for them to work and earn some money.

On the other hand, concentration of people in one area could be good for economic development, in that you have a bigger market where you can produce and sell. And talking about the development of the outer islands, we have identified one sector, infrastructure, to improve outer-island transportation so that what they can produce on the islands, including agricultural products, cassava, sweet potatoes, taro, bananas and coconuts, germinating nuts, surplus to their requirements, they can send over here to Funafuti, which is our biggest market, to sell them here or export them.

■ *Does the customary system of land ownership in Tuvalu make economic planning difficult to achieve?*

— The land tenure system we have here does not help at all with economic planning and development, because the land is owned by the people — the government is landless. A person here leases land from the landowners for its use. It was OK years back, but with the growing population, owners are very reluctant to give up their land for lease by government or anybody else, because of the increasing numbers in the families. I really don't know what the best way of overcoming that problem is. But we are at least floating the idea of the government leasing a large land area for economic development and subletting it to businesses, because at the moment it is individual, person-to-person negotiation. If I want to put up something on a piece of

land, I have to find out who the landowners are and negotiate with them, and the tenancy is always difficult because landowners don't trust individuals. They would rather trust the government that the land will not be misused and they will certainly get rent from government on the due dates.

■ *Will remittances from Tuvaluans abroad continue to be an important component of revenue?*

— That will continue, from my own knowledge of government efforts to keep that going. The seamen at the moment remit about AUS \$2 million a year into the country, to their families and into their savings accounts here in Tuvalu. The people employed by the Nauru phosphate industry and fruitpicking on a work permit scheme in New Zealand also remit, I would say, about a quarter of a million per year.

In fact the money will grow, because the owner of the shipping company which employs many of our nationals abroad has given us an indication that in about a year he will be employing about 300 more seamen to man all his new ships which are being built, and he says the crews of the ships will be confined to seamen from Tuvalu. Also he is the only employer who has established a scheme of training cadet seamen who have the potential to become officers or engineers. At the moment he is training eight and looking to recruit another 16. So those new ships may be the first to be officered by Tuvaluans. And we have two other shipping employment agencies here who are also recruiting our boys to be seamen.

■ *It could be said that Tuvalu is a country that lives partly on services, except that the services are carried out not in Tuvalu but*

*abroad, on the ships, so that one of your productive exports is human skills.*

— Exactly, that's quite correct. I always make a joke in conversation with people talking about exports or trade — we have one very important commodity for export: human beings. We export human beings!

■ *The European Union is one of the major development partners for Tuvalu. Does cooperation between you run smoothly or are there aspects of it which you would like to improve?*

— At the moment the European Union is our biggest development partner and our cooperation has been very good indeed. We have strengthened cooperation between ourselves by employing the technical assistant to the national authorising officer here to see that the conditions laid down on each project are strictly followed and to report back to the EU delegate in Suva, because we want to keep that relationship. It is very precious to us.

One area where I would like to see change is for the interval between Lomé agreements to be shortened a bit so that we can have the development funding more regularly, because our record is very good with the EU in terms of using our allocation or committing our allocation to projects.

The other one is the tying of aid to country of origin or member countries of the Union. I do not have strong objections to these rules and conditions, because if I put myself in the EU's position I would like to do the same thing, but given our very isolated situation and distance from the big markets, that's one of the factors which slows down implementation of projects funded by the EU. If that rule can be relaxed a bit, say, if equipment we needed were available in some of the countries in the Pacific region, a big one like Fiji or Papua New Guinea, I would like to ask the EU to take that into account and relax that rule a little — or even in Australia and New Zealand if the equipment is only assembled in those two countries and the parts or components of the equipment itself originate in EU countries. That would be very good and would help us to proceed smoothly with our drive to improve our standards of living here. ■

Interview by R.R.

Stamps — virtually Tuvalu's only export commodity at the moment



# The fuel import programme

## A unique EDF grant scheme

by James M. Conway\*

'... the Community will examine the possibility of providing assistance [to the economic infrastructure sector] by means of a contribution to the Tuvalu Trust Fund.'

(Tuvalu/EDF Lomé IV National Indicative Programme, April 1991)

That is far easier said than done, but let that go for the moment. Of more general interest here is the question of whether small is, indeed, beautiful. Tuvalu is the smallest ACP state but now has one of the highest national commitment rates under the seventh EDF. This is largely the result of something called the *Fuel Import Programme* (FIP), a clever and perhaps unique application of EDF grant assistance.

The FIP, which was approved by the EU in July 1992, has two main objectives: to support the Government in its efforts to attain financial self-sufficiency (through the provision of balance-of-payments and budgetary support), and to generate funds in local currency through payments by the Tuvalu Electricity Corporation for fuel provided under the Programme. The subtext, indeed the main purpose, of these objectives is to make a contribution to the Tuvalu Trust Fund. Early indications are that the FIP will succeed on both counts.

In November 1991, shortly after the Lomé IV NIP was signed, a delegation from the Tuvalu Government met EU officials in Brussels and discussed the possibility of using EDF funds to support the Tuvalu Trust Fund. Since the EU cannot provide working capital directly as a contribution to financial mechanisms such as a trust fund, a creative financing facility would be needed that met both EDF

funding criteria and gave the Trust Fund access to EDF resources.

### The Tuvalu Trust Fund

The Fund was established in 1987 for the purpose of reducing aid dependence and to provide a source of discretionary income for funding the Government's recurrent expenditure. The largest initial contributors to the Fund at the outset were the United Kingdom, Australia and New Zealand, and its market value at the end of June 1994 stood at AUS \$36.8 million. However, experience has shown that the degree of security it offers has been a troublesome variable. In 1989, for example, the Fund's portfolio significantly underperformed and the automatic distribution from the Fund amounted to zero. Similar concerns arose in the first two quarters of 1984 as the Government saw the 'maintained' value of the Fund decline by nearly 7%, signalling the possibility that distribution would again not be possible.

As a new means of contributing to the Fund, the FIP is a relatively

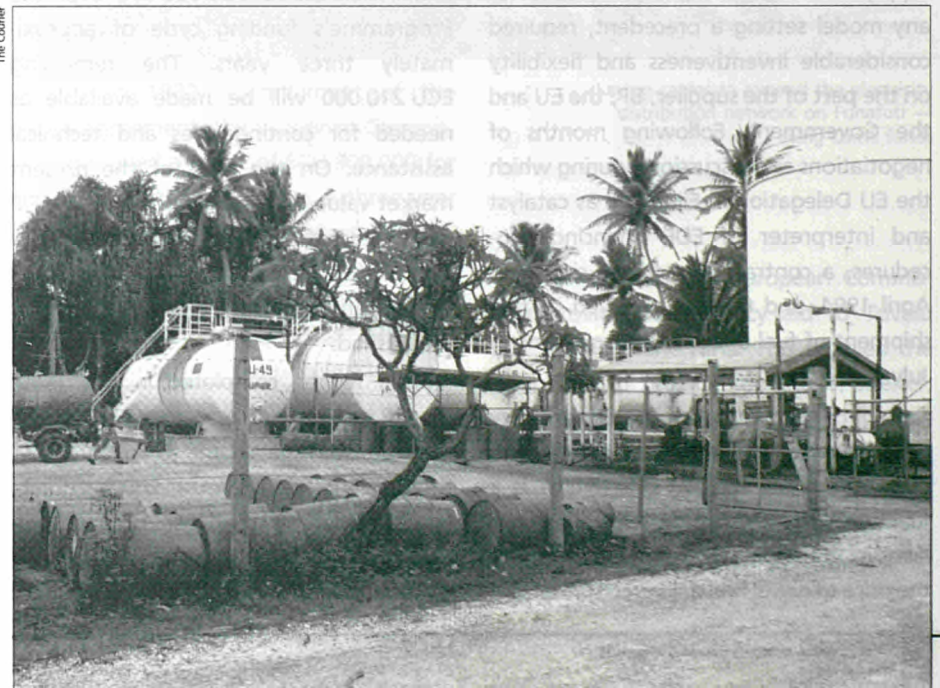
straightforward idea, although it turned unwieldy during the design and implementation phase, owing partly to the complexity of EDF financing procedures. In the case of Tuvalu, where technical and administrative support is limited, EU procedures are often overloaded compared to the absolute size of the funding commitment, and often require a massive effort on the part of the executing agency to meet the goals and objectives set forth in the indicative programme.

### How the programme works

In brief, the FIP uses EDF counterpart funds under the Lomé IV NIP to purchase diesel fuel (from BP South-West Pacific Ltd) to supply the Tuvalu Electricity Corporation (TEC) for the purpose of generating electricity at the main power station in Funafuti. In return the TEC pays the Government a sum equivalent to the value of the diesel fuel consumed by the Corporation.

The use of counterpart funds, first proposed by the EU Delegation in Suva, Fiji, offers a financing mechanism which allows this type of 'indirect' transfer of EDF resources. As stipulated in the financing agreement, the FIP will 'use counterpart funds for targeted budgetary support and an equivalent reduction in the drawdown from [or equivalent reinvest-

Fuel supplied by BP generates counterpart funds which can be used to cover recurrent government expenditure



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\* EU Technical Adviser for Energy and Economic Planning to the Tuvalu Government.

ment in] the Tuvalu Trust Fund'. Priority has been given to expenditure of counterpart funds on health and education, which account for roughly 32% of recurrent expenditure and 27% of capital expenditure. It is estimated that this type of targeted use of the counterpart funds 'will particularly assist vulnerable groups'.

EU fuel payments to BP are made monthly in arrears, while payments by the TEC to Government are made in agreed instalments on a quarterly basis, beginning three months after the date on which the Programme was launched. The counterpart funds may be used for the agreed budgetary purposes (on education and health) at this time, once the Government has transferred equivalent funds into the Tuvalu Trust Fund. The Tuvalu Electricity Corporation also benefits from participation in the Programme in that it is entitled to retain the interest it earns on the accumulated capital during the three-month period before it is due for payment to Government.

The fuel is shipped from Singapore via Fiji and the value of each payment, either by the EU or by the TEC, varies from month to month or quarter to quarter according to the price of the fuel supplied and, of course, the quantity. The wholesale price ex-BP depot is based on the price of fuel on the Singapore market — the regional reference price — and adjusted in line with pricing developments on the international oil markets.

The most vexed and critical component of the FIP was the drafting of the supply contract, which, in the absence of any model setting a precedent, required considerable inventiveness and flexibility on the part of the supplier, BP, the EU and the Government. Following months of negotiations and discussions, during which the EU Delegation in Fiji acted as catalyst and interpreter of EDF financing procedures, a contract was finally signed in April 1994, and the TEC received its first shipment of fuel under the Programme in July.

The duration of the FIP will vary somewhat depending both on the growth rate in fuel use by the TEC (which is a function of growth in demand for electricity in the Funafuti service area) and on the price of diesel fuel delivered to the TEC.



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Nonetheless, the EDF funding commitment is expected to be fully utilised and in the Trust Fund by early 1997, roughly one year earlier than was anticipated in the financing proposal, owing mainly to a higher than expected growth in demand for electricity in Funafuti.

### The funding commitment

The EDF grant under the FIP totals ECU 900 000, of which the Trust Fund will receive ECU 690 000 over the Programme's funding cycle of approximately three years. The remaining ECU 210 000 will be made available as needed for contingencies and technical assistance. On the basis of the present market value in Australian dollars, the FIP will increase the value of the Trust Fund by just over 3%, representing the fifth largest share contribution to the Fund since it was established.

When completed in late 1996, the FIP will have utilised over 70% of EDF grant assistance available to Tuvalu under the first financial protocol. This is significant considering that for similar time periods disbursement rates are usually much lower. It also raises the intriguing

Monitoring output at the Tuvalu Electricity Corporation. Three years' supply of generator fuel is being financed by the EU

question of whether a nation's size — Tuvalu, for example, has the smallest GDP, land area and population of any ACP state — is inversely proportional to the rate at which a country is able to absorb EDF funding. Probably not, but the example amply demonstrates that smallness does not necessarily impede the disbursement of EDF funds, given the right programme and under the right institutional arrangements. It also suggests that small is not only beautiful, it can also be ambitious. ■

J.M.C.

## EU-Tuvalu cooperation\*

# Aid focuses on infrastructure

Tuvalu acceded to the Lomé Convention in January 1979 and the European Union is one of its main donors. Programmable assistance over the years has mainly been concentrated on infrastructure development. Stabex has been important in supporting the country's only agricultural export, copra. The European Investment Bank has made available risk capital resources, and Tuvalu has also received emergency aid.

The Lomé I National Indicative Programme (NIP), which amounted to ECU 600 000, was mainly used to establish a new power station on Funafuti, the island housing the national capital. The remaining funds were allocated to two microproject programmes under which copra sheds and water tanks were constructed.

These activities were continued under the Lomé II NIP, which totalled ECU 1 million. In addition, the electricity distribution network on Funafuti was expanded. A coastal protection programme was also undertaken, involving the construction of seawalls to prevent erosion of coastal areas by the sea.

Under the Lomé III NIP, an amount of ECU 2 million was made available to Tuvalu. This was used to finance a second phase of the coastal protection programme. An electricity development programme was also approved; its purpose is to upgrade the electricity supply and distribution system on Funafuti as well as to provide solar power lighting to households on the outer islands.

Under the Lomé IV NIP signed in April 1991, it was agreed that the programmable assistance managed by the European Commission, totalling ECU 1.3 million, should be concentrated on the economic infrastructure sector. In the

light of the particular problems facing Tuvalu, it was also agreed that the Commission would give special attention to the coverage of recurrent costs of projects, including the possibility of providing such assistance by means of a contribution to the Tuvalu Trust Fund. This Fund was established in 1987 to provide a source of recurrent budgetary revenue, and is the key element in the Government's fiscal policy.



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In 1992, in fulfilment of the above agreement, the European Commission approved a grant of ECU 900 000 for the fuel import programme, a three-year scheme (described in a separate article) whereby the EDF will meet the cost of fuel purchases by the Tuvalu Electricity Corporation, which will pay equivalent amounts into a counterpart fund to be used by Government for agreed budgetary purposes. This will enable the Government to reinvest an equivalent amount in the Tuvalu Trust Fund.

Since 1992 the EU has also paid the salary of a volunteer development

worker to act as technical assistant to the National Authorising Officer. This has facilitated the implementation of the EDF programme in Tuvalu and improved communication flows between Tuvalu and the European Commission Delegation in Fiji.

Tuvalu has received 13 Stabex transfers since 1975, totalling ECU 485 000, all in respect of copra exports. Despite this assistance, however, copra production has been in continuous decline owing to a combination of low world prices and high transport costs.

The European Investment Bank has provided two risk loans to Tuvalu, to cover additional shareholding in the Pacific Forum Shipping Line and as a line of credit to the Development Bank of Tuvalu, for on-lending to small businesses.

Laying cables to expand the electricity distribution network on Funafuti — using Lomé funds

In 1993 the European Commission provided emergency aid to Tuvalu following Cyclone Nina. This enabled the Red Cross to provide foodstuffs, shelter, medical supplies and utensils to people whose homes were destroyed.

Tuvalu has also benefited under the Pacific Regional Programme, notably in the areas of civil aviation, energy, fisheries and tourism. ■

\* From information supplied by the EU Delegation for the Pacific.

# Vanuatu

## A divided legacy

Most of the ACP countries were once colonial possessions of one or other European state, but Vanuatu, uniquely, was ruled over by two at once. Until independence in 1980 this South Pacific archipelago, known as the New Hebrides and lying between New Caledonia and Fiji, was an Anglo-French Condominium. Although this now sovereign state, with a population estimated in 1990 at 155 000, contains many indigenous cultures with widely differing customs and languages, the dual Anglo-French legacy still leaves a heavy imprint on the conduct of Vanuatu's political and economic affairs.

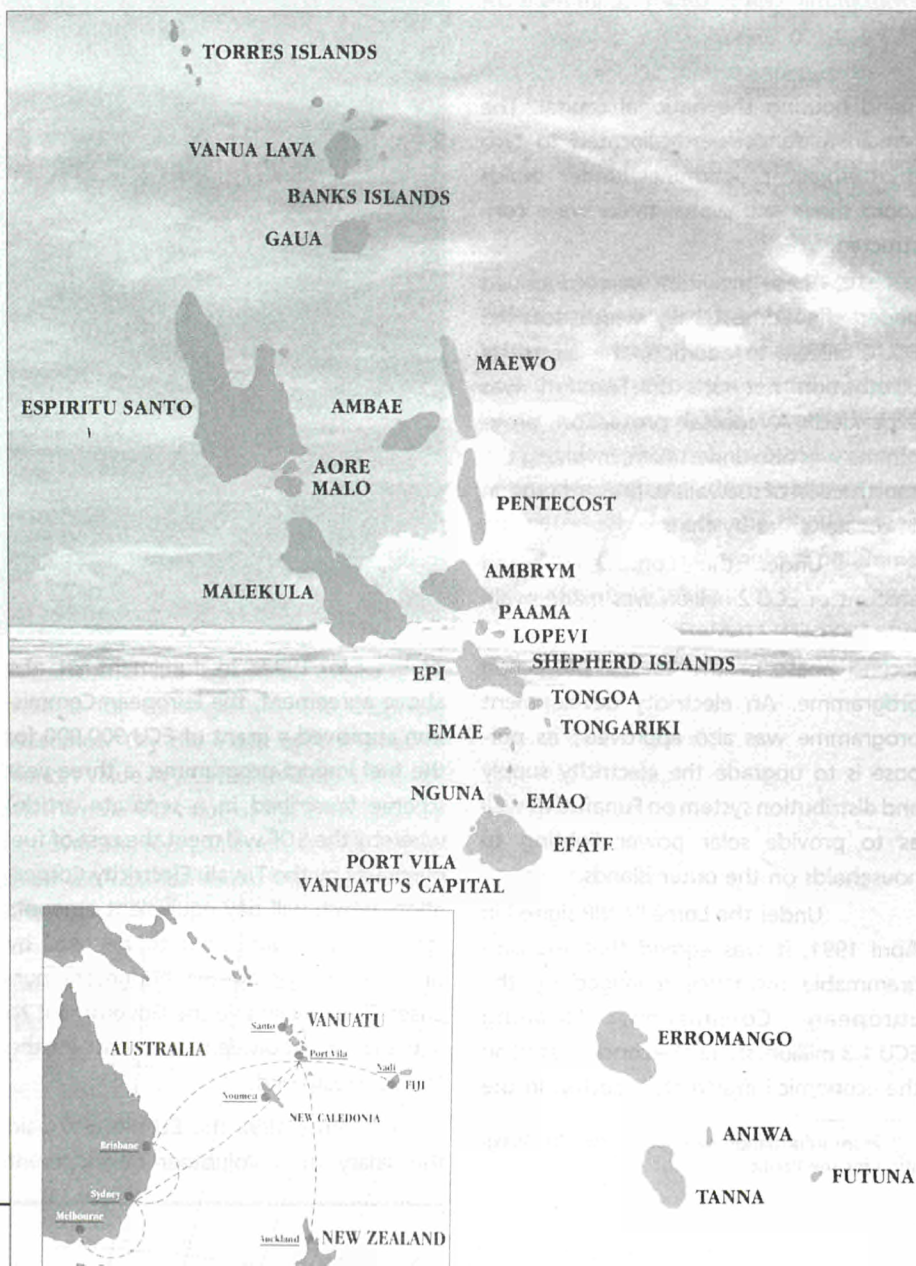
Vanuatu's indigenous Melanesian population is descended from migrants, originally from south-east Asia, who are believed to have settled the islands some 2500 years ago. Clan-based, male-dominated communities developed in the widely scattered settlements, separated by sea or thick scrubland and often taking mutual hostility to the point of cannibalism. The first Europeans to arrive were Spaniards who came from Peru in 1606 but failed to establish a settlement. French and British explorers followed from 1768 onwards; trading with the ni-Vanuatu (as the people are called) for sandalwood began in 1825 and, when the over-exploited stands were exhausted, European merchantmen turned instead to kidnapping islanders for forced labour overseas. This practice was not banned until 1913. First Presbyterians, then Anglicans and Roman Catholics worked to convert the islanders to Christianity from 1839 onwards, each denomination treating the others as rivals and all of them varying in their tolerance of local customs.

Competition between Protestants, mainly British, and Catholics, mostly French, was paralleled by rivalry between farmers of the two nationalities who settled there. In 1906 the Condominium was set up to give the two colonial powers equal influence and shared sovereignty

over the islands. Practical arrangements were cumbersome, with two bodies of laws, two police forces, two prison systems, two health services, two education systems and even two currencies. The tiny cash economy was dependent on copra, but after the Second World War, during which the United States maintained a huge naval base on Santo, economic prospects brightened with diversification into stockbreeding, commercial fishing and tourism. As European settlers took over land customarily owned by ni-Vanuatu, an indigenous movement known as Nagriamel to protect traditional rights sprang up and, in 1971, petitioned the United

Nations for independence. In the same year an Anglican minister called Walter Lini set up the first national political party, eventually to be known as the Vanua'aku Pati (VP), with the support largely of English-speaking Protestants, and in 1974 also called for independence. French-speakers, meanwhile, rallied behind several political groupings, known collectively as the Moderates, which wanted the Condominium to continue or for France to take over alone.

A general election in November 1979 produced a clear majority for Walter Lini's Vanua'aku Pati (VP) and independence was fixed for 30 July 1980. In May, however, French-speaking secessionists in Santo declared an independent republic on their island, to be followed soon after by Moderates in several other northern islands under the leadership of Nagriamel. A force sent by the Condominium powers

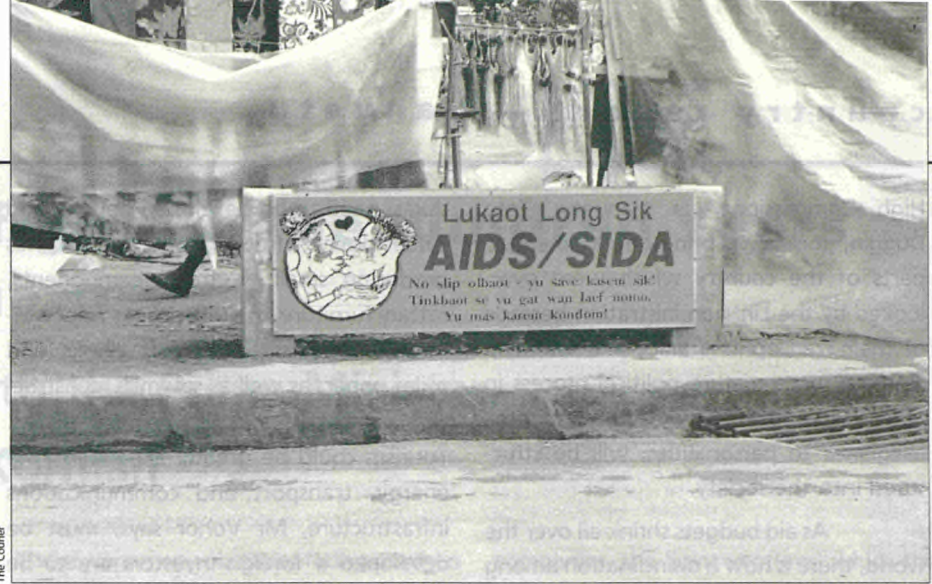




failed to restore order, and it was left to the Lini Government to put down the secession with the aid of troops from Papua New Guinea, indirectly supported by Australia. Documents found in Santo suggested that France had all the time covertly backed the rebels in the north.

Fr Lini became Prime Minister at independence, which took place as planned, and remained in power until 1991. Throughout that period he advanced English-speakers' interests in the public and private sectors and Britain was the leading foreign player in budgetary and development aid, though in the international arena the VP's policy of 'Melanesian socialism' led the country along a basically non-aligned path interspersed with friendly approaches towards the Soviet bloc and even Libya. Commercial and political relations with France were poor, and there was serious disagreement over the issue of French nuclear testing in the Pacific region. When demonstrations for independence from France broke out in New Caledonia in 1984, the Vanuatu Government backed the independence movement. Fr Lini in turn accused France of supporting the opposition Moderates in a general election in Vanuatu in 1987 and expelled the French Ambassador, whereupon France cancelled its outstanding aid payments.

The failure of a leadership challenge to Fr Lini in 1988 led to the foundation of a split-off group, the Melanesian Progressive Party (MPP), which made a pact with the Francophone grouping now known as the Union of Moderate Parties (UMP), under Maxime Carlot Korman, to fight the VP jointly at the next election. In September 1991, however, Fr Lini was ousted from power by his own erstwhile supporters, who had lost patience with his autocratic style of government, and Donald Kalpokas of the VP served as Prime Minister until elections in December. The VP split again as Fr Lini took his supporters off into a new formation, the National United Party (NUP). Disarray and defections on the English-speaking side left the way open for the UMP to take 19 of the 46 parliamentary seats in the election in December, whereupon its leader, Mr Carlot, formed a coalition with the NUP and retained Fr Lini



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as his adviser. When the opposition broke apart in a leadership dispute in May 1993, however, Fr Lini took his NUP supporters back out of the coalition, though Mr Carlot comfortably survived a no-confidence vote in parliament and is currently in power. Several disgruntled NUP members have now set up yet another party, the People's Progressive Party (PPP), and recruited a former Minister of Agriculture from the Lini camp. Strong personalities vie for power within the governing UMP too.

The political divide is now not just between the two language groups but, as campaigning gets going for the general election due in November this year, within them as well, especially inside the English-speaking opposition. One of the richest people in Vanuatu, a millionaire businessman of Vietnamese origin called Dinh Van Than, openly supports the NUP and is much resented by the other parties for his alleged influence over Fr Lini. The opposition's inability to help its supporters was demonstrated when a mass strike in support of a wage claim in the public service broke out at the end of 1993. The courts declared the strike illegal and hundreds of administrators, doctors, nurses, agricultural officers, teachers and other public servants were dismissed, the majority of them English-speakers, and replaced by mostly inexperienced recruits with lower qualifications. The leader of the 6000-member (in 1991) Vanuatu Council of Trade Unions, Obed Massing, claims that efficiency has plummeted and everything in the public service is now politicised: 'If you come out strongly against decisions of the Government, they fire you.' When the Council appealed to the opposition parties to take up its cause, they could not agree to do or promise anything, and the leader of the National Union of Labour, Ephraim

Signs of a dual legacy: a public health notice in English, French — and Bislama, the pidgin understood by all ni-Vanuatu

Kalsakau, and the President of the Public Service Association, Barton Bisiwei, agree that the consensus among union members now is to go openly political and get a government favourable to workers' interests into power in the next elections. If any existing party will accept a charter of trade union rights, the unions will support them; if not, 'We'll go our own way. This strike taught us the meaning of solidarity — before it was only on paper.' If that means setting up another political party, it will introduce a new, ideological element into the political scene.

Meanwhile Vanuatu has had a reconciliation with France, though Mr Carlot's apparent expectation that upon his election Paris would pour in trained experts such as doctors, of which there is a serious shortage, has not been realised, and French aid for the moment goes not towards development *per se* but to the propagation of the French language through education and the media. France's commercial objective in Vanuatu, according to its Ambassador in Port Vila, Jean Mazéo, is to encourage exports, particularly of Vanuatu's high-quality meat, to New Caledonia. Greater numbers of tourists and a little investment are coming over from the French territory in return.

British aid to Vanuatu since 1987, when direct budgetary aid stopped, has consisted mainly of a supply of skilled experts or advisers whose purpose is to stimulate endogenous development by training ni-Vanuatu staff to take over their functions. The swing of the pendulum back towards the French-speakers since 1991 is positively welcomed by Britain, says its

High Commissioner in Vanuatu, Tom Duggin, since it will bring development to parts of the country which were overlooked by the Lini administration because of their Francophone links, and will help create a more mature political process in which dissent over issues, rather than mere allegiance to personalities, will be structured into the society.

As aid budgets shrink all over the world, there is now a disinclination among Vanuatu's traditional donors, which also include the European Union, Australia and New Zealand, to go on being played off against each other as a sort of 'renewable resource' or providing help regardless of the use made of it. The recent diplomatic closing of ranks over the reckless over-exploitation of forestry resources is a case in point which is described in another article.

Vanuatu's Government too, having been through a steep learning curve about economic realities in the last three years, says better use needs to be made of the country's scarce capital assets. The Minister of Economic Affairs, Serge Vohor, points out that 85% of the population lives from agriculture, producing copra, cocoa, coffee and kava (a root used locally for brewing and exported for processing into pharmaceutical products) or breeding cattle, and says that more farm-based light industries, as well as processing of mineral and forestry pro-

ducts, need to be developed now to add value locally. Already there are factories producing small electronic components, rattan furniture, metal roofing and windows, fibreglass, beer, soft drinks and toilet paper, as well as sawmills, construction companies and fish canning plants. Tourism could be greatly expanded. The energy, transport and communications infrastructure, Mr Vohor says, must be developed if foreign investors are to be attracted, and there are special incentives for joint ventures with Vanuatu private-sector companies. As a Guide for Investment in Vanuatu published by the Ministry puts it, 'the private sector, whether from overseas or already resident in Vanuatu, is the indispensable partner of the government in preparing for the future'. This is certainly true when it comes to finding the money to pay for further development. Agricultural exports and tourism are at the mercy of foreign market conditions outside Vanuatu's control, and, apart from a shipping registry, there is no other large foreign-exchange earner except the highly successful offshore finance centre established on Vanuatu in 1971. The financial infrastructure is sound though mostly in foreign hands, and the Government makes money out of its transactions only by

Agriculture, particularly coconut growing, sustains 85% of Vanuatu's population

levying charges and fees, as there is no direct taxation. Any suggestion of imposing a personal income tax to raise more revenue would simply drive away the expatriates whose expertise is needed to run the finance centre (very few ni-Vanuatu have more than basic schooling).

Vanuatu's National Planning Office sees scope for expanding the fisheries in the Exclusive Economic Zone, but ni-Vanuatu are not deep-sea fishers by tradition and would need training in sustainable fishing methods and access to capital. At the moment 20 Taiwanese vessels are licensed to fish in the EEZ, and there is already concern that fishing above officially determined sustainable levels may be taking place since their catches are not required to be reported in Vanuatu. In any case the department responsible for licensing and monitoring fishing is operating below par because of the mass sackings which followed the public service strike. There are those who say that a more sustainable way of harvesting fish resources would be to concentrate on catching high-protein species for local consumption, not export. But, as with forestry, observers still wonder whether the Government is willing to abide by the spirit of its own rules. A foreign vessel has been licensed to fish off Efate inside the 12-mile limit which is supposed to be for ni-Vanuatu fishermen only; this single boat has enough capacity to wipe out the fish stocks round that island within a year. And the Ministry of Economic Affairs has set up a trade promotion agency in New Zealand specifically to encourage more fishing — and logging. Both Government and Opposition are free with accusations that the other side is incompetent and incapable of acting in the best long-term interests of the whole nation. Vanuatu's donors are among those who have warned that the partisan in-fighting for immediate sectarian interests in which the political class as a whole engages, and which seems to be part of Vanuatu's inheritance from pre-independence times, may obstruct further economic progress. ■

Robert Rowe



The Courier

# 'We're still fighting the Hundred Years' War in Vanuatu'

## An interview with the Prime Minister, Maxime Carlot Korman

In a general election three years ago, the predominantly English-speaking administration which had held power since independence in 1980 lost power to a grouping led by the French-speaking Maxime Carlot Korman, leader of the Union of Moderate Parties, who became Prime Minister. The change of guard meant a change of course too. The new government found itself heir to an economy burdened by debt and showing the effects of eleven years of state interventionism. It had quite a different view of how the economy of the country should develop, and embarked on a policy of public-sector spending cuts and liberalisation. Some say the new Government is as biased in favour of Vanuatu's French speakers as Fr Lini's administration was in favour of the Anglophones.

*The Courier* asked Mr Carlot what kind of situation he found when he came to power.

— It was the end of a regime both in political and economic terms. The fact was that my party had a different view from the old administration as to how to develop a country economically. The country had a high level of debt and we therefore had to get working in order to attempt to go on paying off the debts as arranged. We were then faced with a situation in which, although we had an independent government, it was an insular one — we are a small country. Therefore, despite the efforts made by the previous government to try to keep hold in economic terms and to retain independence, the economy was still fragile and poor. It was also vulnerable for natural reasons.

■ *What changes have you tried to introduce?*

— We have fought to reestablish peace since, in our opinion, a country must be stable and unified if it is to progress.

There were many obstacles facing us when we took over power because, for the first time, there was a coalition government. Obviously, those who were against the change found the political climate conducive to an attempt to bring down the government but the government worked extremely hard politically in order to gain stability and, after that, we began to rebuild the country. At a social level, we have restored confidence in the education system so as to create an atmosphere of renewed balance and opportunity for both languages. We would not say yet that we have succeeded in this and we must continue to make an effort for French-language education, which had lost ground and had been suppressed, to regain the position due to it constitutionally in Vanuatu. French speakers had given up hope and even French-speaking families had begun to send their children to English schools, saying 'There is no future and they will not find work.' For ten years we were told that French was a foreign language, although it was there in the constitution.

Then there was the question of the economy. We set up a review of



companies, the 'joint ventures' which the preceding government had set up and which did not bring in any income and were always asking for finance from the ordinary operating budget. So we set about rationalising them and even set up new companies which, after two years, or even after only one, are bringing in dividends for the government. However, we have also encouraged free enterprise in order to give much greater freedom to the private sector. Previously, existing partnerships were well-established and it was they who had the say over development, the economy, licences and trading dues.

Next, we set to work on infrastructures in the rural sector, reviewing the existing plans and projects to ensure that these could actually be carried out and produce some end result.

We then consolidated our links with the European Community by working both here and in Brussels. We did a lot of work to make the system of obtaining a project in our favour more flexible. The EC was financing projects which were supposed to be government-oriented but the government had to meet certain conditions imposed by the European Community to secure such projects. One of the first sectors affected was the Stabex fund intended for Vanuatu but which was frozen. It was since my government approached the European Commission, via the resident Adviser, Mr von Bieler, that we have been in a position to start seeing European projects gradually being put into effect.

■ *What does the decentralisation policy you are pursuing at the moment consist of?*

— Firstly, we worked at drafting a law on decentralisation, as defined in the constitution, and having this adopted by

Parliament. We acknowledged that the 11 local governments we had set up did not really amount to decentralisation. This is what people had tried to make the country believe but there was neither decentralisation nor a redistribution of national income towards the regional governments. We intend to set up six provinces which will have fields of jurisdiction assigned to them by the law and the elected provincial governments will have to decide for themselves on a budget they can use to administer and develop the islands.

■ *Will the new provinces be responsible for collecting their own local budget resources?*

— Yes. They will be able to impose taxes at regional level and will also be able to create taxes on services, not only on income, but indirect taxes, i.e. taxes on property, namely real estate and also movable assets, television and vehicles, for example.

Currently, the local government in Efate does not receive a single vatu from the road tax paid to the national government, whereas thousands of vehicles are driven in the province, from here to Port Vila. This would generate an income and it might be the case that road taxes will continue to be collected by the national government with a percentage being paid out annually, which would constitute a significant proportion of the regional or provincial budget.

Then again, we also intend that the country should do its bit for independence in the sense that, when a business is running and making a profit, it is normal for a small percentage to be given to the province in the form of taxation. A Ni-Vanuatu who can afford to build a house with electricity and running water and spend eight or nine million on it should expect to be regarded as capable of contributing 1000 vatu to his province for roads, services, water, etc. The regional government must have this power nowadays — this is what is meant by a country's independence.

So we think that there will be a budget out of which a small province can afford to pay for three or four officials, or 11 in the case of big provinces, as we anticipate. There will be room for qualified

people who are excluded at the moment, but councils at 'département' level must also be elected bodies. There has been no discussion of this yet. In administrative terms, we want to make this new system operational before the end of the year but we also have to deal with the education and training of the people who will work in the system. We intended to cut the cake in half and begin by looking at what proportion of education should be managed by the province and what should remain under national control. The same applies to health. There has to be decentralisation.

**'We believe that decentralisation is necessary'**

■ *You mentioned striking a new balance between English and French speakers. Was there resentment from the English-speaking population when you took over power because they had grown used to being the ones who ran the show here?*

— No. That is not a problem, although the Opposition makes a fuss about it and criticises us for favouring French speakers. What we are doing is opening up the services to French speakers. If you were to count the number of French speakers in the service sector at present, they are always in a minority as compared with English speakers. Although my party never fought to favour the French-speaking population, the party in power up to 1991 was completely anglophone, and the government was completely anglophone, with 100 % anglophone ministers, so you have to understand that those people who made up that government will certainly have a reaction to the change. However, we are not aiming at a strict 50-50 balance. Numbers will always be approximate. The government must take care, now, not to take its revenge, increase the number of French speakers excessively. It is natural for those who are no longer in power to be fearful. This is a natural fear but there are no grounds for it at the moment.

There are two or three ministers from the former government, now in

opposition and very much in the minority, who are putting forward these ideas.

And then, of course, there is also foreign pressure. I ought to point out to you, as a European like myself, that the Hundred Years' War is still being fought in Vanuatu between the English and the French. The English speakers are very apprehensive about it at the moment and they will even invent things we have not done. For example, take the allocation of student grants, which was a prerogative of the Prime Minister in previous times. According to the statistics, 500 English speakers went abroad (to Australia, New Zealand or the United Kingdom) for their education as against a meagre 30 or so French speakers. Almost 100 grants have been awarded recently to French speakers as against 600 who will be going to English-speaking countries. This is being used against the government as evidence that it is favouring French speakers.

As you see, we are simply putting the situation back into balance. You will come across departments where there are two French speakers for one English speaker, but this really is very rare. In this sense, these are no longer French speakers but bilinguals. It should be pointed out that, in Vanuatu, it is the French speakers who are bilingual. English speakers were taught to feel animosity towards the French language because it was a foreign language and all our politicians, all our English speakers with intelligence, did not speak French. Now, since my government came into office, there are English speakers who speak French, which is a very good thing.

We have modified education policy precisely to set up a bilingual society and we are doing so in everyone's interest. Although we want both French and English to remain national languages in the field of work and to have international standing, there is only one policy we can implement i.e. we must give people the opportunity to choose one or other of the languages as a working language and require them to learn the other one. When seeking work in the future, be this a post where English or French is spoken, the Ni-Vanuatu will be equally proficient in both languages.

■ *In the trade union sphere, there was a serious labour dispute in the Civil Service last year which lasted several months. What are your views on that strike and why did you adopt such a hard line against the strikers?*

— Our labour laws, here, allow trade unions to exist. These laws were broken by the trade unions and we simply applied to the courts for a decision before the negotiations. The government is working for an increase in wages and it is raising wages but, if you look hard, the unions were only out for political gain. They wanted a strike to stop the government in its tracks. Fortunately, we overcame this hurdle because we had to face up to trade unions at the regional level and even world level. We were condemned because we took legal measures and the justice system also came out against the trade unions. The government was condemned by virtually all the world's trade unions, but when we gave our response, saying 'this is what happened', everyone understood, yet, when it started, it was simply a political manoeuvre to bring down the coalition government. In spite of this, however, the government remained sensitive. I myself said that those people who had lost their jobs owing to the law would be reinstated if they asked for them back. The only condition we require of those taking back their jobs is a little bit of loyalty towards the government. We do not want to recruit people who are going to attempt to impede my government, refuse to carry out administrative work and consult the Opposition. All that has to stop.

It is very difficult, you see, because within the administration there are people who are civil servants but who were politicians in the former regime. I, as Civil Service Minister, held meetings with the trade unions, accepted their proposals and let them have all the time they asked for, but they replied 'No, no discussions, we reject this but we want such-and-such immediately', although they knew that, if you ask for the moon, you have to give the other side time. Next year we are granting an increase in wages and are already going beyond what they were asking for in the strike. Many of them now admit it was a political ploy and have said that they are

prepared to work for the government once again.

■ *What is your view of the Lomé Convention? We have already talked about the Stabex problem, which is currently being settled, but, otherwise, is this a fair Convention in your opinion?*

— These groupings are a good thing but there has to be some rationalisation. In future, European Community structures ought to allow for a geographical grouping of the South Pacific with the Pacific region or Oceania, but not with the Caribbean and Africa, which are so far away. However, that is perhaps a question for the long term.

***'In the future, a new geographical grouping of the South Pacific with the Pacific region or Oceania ought to be envisaged'***

As a small country, we are extremely satisfied with the current structure. We would like to monitor matters in Brussels and to keep track of procedures through a resident ambassador for Vanuatu's economic affairs in Europe who would be primarily concerned with working hand-in-hand with the Pacific group and the ACP group in Brussels.

In economic terms it is difficult for us to put up a presence and to play our part as a body representing the Pacific countries. We have to play our role in the ACP group satisfactorily and shape the ACP so that it can function properly.

However, I am very satisfied with the way the aid is allocated and, when I talk about our not having a presence in Brussels, I am also referring to the problem of things happening so slowly. Procedures take too long. This is understandable because, geographically, we depend on bodies which are part of the European Community, but I think we have to play

our proper role there, too, so as to help speed up procedures.

World problems do require the European Community to carry out an international mission — that cannot be avoided — but I believe that, even so, the European Community should give the ACP group higher priority and not concentrate so readily on political or human problems caused by undemocratic regimes.

The last time I was in Europe, we talked about Latin America and there was a suggestion to invest more resources there because there were greater problems. I am not in favour of this policy whereby the European Community too easily concerns itself with problems without requiring governments and the United Nations to protest against the existence of such regimes in today's world — and there are many such regimes in Africa.

It would be better for the European Community to invest in the Pacific as well if this is necessary to set up democratic regimes.

And, in the event of natural disasters arising, the European Community should become more involved. When a small country such as Vanuatu, Fiji or Tonga is hit by a cyclone which devastates all its agriculture, destroys coconut palms and sweeps away houses, it means five years of penury, five years without food, and we think that European Community action should focus on operations of that kind.

Nevertheless, the Lomé Convention has given a great deal of aid to my country and has made a great contribution to infrastructure in the Pacific region, and I am not questioning its existence — quite the contrary. ■

Interview by R.R.

# 'Vanuatu has fallen a long, long way from where it was in 1991'

## An interview with Opposition leader Walter Lini

Walter Lini is an Anglican priest who served as Prime Minister of Vanuatu for the first 11 years after independence, at the head of the anglophone Vanua'aku Pati (VP). At the change of government in December 1991, Father Lini and his supporters left the VP and formed a breakaway group called the National United Party (NUP), which went into coalition, as junior partner, with the francophone Union of Moderate Parties headed by the present Prime Minister, Maxime Carlot Korman. Two years later, however, the NUP itself split into two factions, and Fr Lini's group went into opposition, where it has remained since that time. Having been seen as a champion of non-alignment and collectivism during his term as Prime Minister, he now maintains that his is a party of the centre. *The Courier* asked him how he assessed the performance of Mr Carlot's Government.

— The way the Government has been trying to do things is inconsistent with what we had been doing in the previous 11 years. Political promises or propaganda are one thing. When it comes to running a government, it is also very important to make sure that the government is run in the interests of the whole population and not for the few. I considered that the Government had begun to move away from the people and was concentrating very much on the interests of the Government itself and the political parties which are in power.

So if you ask me now whether the present Government has done a lot of good things for Vanuatu I will say no. It has tried to do a lot of things in Vila town, but as far as the purchasing power of the population is concerned, there is no money in the villages; in the last two and a half years Vanuatu has fallen a long, long way from where it was in 1991. It seems as if the money is only with the people in the

governing party, not anyone else, and I think that over the next two years the economic situation in Vanuatu will still be very difficult to cope with for the ordinary man on the street and in the villages. Maybe the Government will find it easier because it will continue to charge customs duties on things being imported and exported, but in local areas today a lot of people are not even able to buy kerosene or soap. In islands where you can use mats to barter for what you want, it is still possible to buy something with your savings, but in some of the islands where they do not use mats or pigs to trade with, life is very difficult.

■ *Are you suggesting that people in the Government are lining their own pockets?*

— Yes. I say that mainly because — and that is why I moved out of the coalition Government — I didn't agree to raise the salaries of Ministers when teachers and civil servants were demanding a rise in salary, to the point where they had to strike and a lot of civil servants were terminated.

■ *Do you believe that the UMP found that strike a heaven-sent pretext for clearing people that were politically hostile to them out of the civil service? Or just for cutting the numbers altogether?*

— I think it found the strike a pretext to cut the number, but if it had been able to cut the number without the strike the public service would still be functioning. Today in my view the public service is not functioning, in any of the departments.

■ *Did many members of your own party lose their jobs?*

— Yes, most of the executive members of our party were terminated, and not just from the public service but from bodies that the Government runs,

such as the Copra Marketing Board and the National Provident Fund. All of us are out of the Government now, just living and working for a general election to come back.

■ *It is said that when you were in power you packed the public service out with English-speakers. Could this now just be an attempt to redress the balance?*

— Well, it would be, I guess, a judgment which I would consider making maybe after ten years, but not now, because in the last 11 years my Government always tried to make sure that the civil service was for both Anglophones and Francophones. Even the people I put in, like the Director of Central Planning, I encouraged to go on courses because I think that's an office which needs a person who speaks both languages, and Bislama, so that the people can understand and also to

'We haven't really done anything to help the ni-Vanuatu feel that they are enjoying the fruits of independence economically'



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keep up with the different donors and problems outside.

■ *Before the elections in November 1995 what policies are you going to put forward to the electorate?*

— Well, our own party has embarked on a policy to try and encourage economic development to come to the ni-Vanuatu. At the same time, we will continue to encourage business for anyone who wants to invest in Vanuatu. Even in my 11 years in the Government, we concentrated mostly on legislating and on creating the infrastructure throughout the country, but we haven't really even started to see how we can begin to move as a self-reliant nation. So my party at the moment will be concentrating on policies that will help the ni-Vanuatu to bring their standard of living up.

■ *How will you finance such a policy if you get into power?*

— We need to make some amendments to certain laws, because a lot of our laws we passed in the last 11 years have been very much to cater for the foreign businessman and we haven't really looked specifically to see how we can help our own business people to be properly established. For example, the finance centre is good, but in effect it only helps foreign companies to go on servicing the country, so we could amend some of the laws to encourage the ni-Vanuatu to participate, but not as servants or employees in foreign companies: ni-Vanuatu should have their own companies. In areas like shipping, we tried in my Government to specifically say that only ni-Vanuatu will own ships. That has completely gone now, but at that time we could see money was coming to the ni-Vanuatu shipowners and it was going to the villages. It is these things that we need to look carefully at, and then at laws which can help ni-Vanuatu to begin to maybe taste the fruits of independence. In the last 11 years we were able to taste our political freedom, but we haven't really done anything to help the ni-Vanuatu feel that they are enjoying the fruits of independence economically.

■ *Your Government in its day imposed a ban on foreign companies logging in*

*Vanuatu, and then this Government lifted that ban and imposed it again. What did you think of that?*

— I still maintain that it is very important to control logging in Vanuatu so as to have the sawn timber or finished product exported, not the logs, because the country loses a lot of revenue and the companies that do it make a lot of money out of the logs they get out of Vanuatu. The present Government decided to lift the export ban, and I was against that but by then I was not in the Government. But I am glad that the Government has now seen the danger that allowing logging to take place poses for the future of Vanuatu and have decided against it.

The other problem is the attitude of the foreign companies that were granted licences to take logs and then had the licences stopped again. I think the reputation of the Vanuatu Government has been totally damaged in the last two and a half years by just doing that.

I think that in the long run it is best for the forests of Vanuatu to be exploited but not on such a grand scale as the companies had wanted to come and take logs off Erromango. A lot of logs or timber is also being extracted from Efate and Santo. To people locally it is good, though it is still not the best answer, because if the ni-Vanuatu can have their own sawmill company to cut logs themselves, so that they can make money out of it, it will be good, but at the moment no real ni-Vanuatu has established a sawmill. It should be the ni-Vanuatu who are gaining, not anyone else.

■ *As you prepare for the elections next year, which sectors of the population are you looking to for support?*

— Our party is mostly supported by the people in the rural areas and people who were in the Vanua'aku Pati before. They will continue to support the policies that we have stood for before, so maybe when elections come round the Vanua'aku Pati will still put up candidates and maybe the NPP, as we were one group before, they will put candidates, and the NUP will put candidates, but most of the candidates who will stand for those three parties in

principle have the same mentality and have the same policies that they want to support. But we haven't really been concentrating on trying to win a lot of people who are in NPP and Vanua'aku Pati to come. Our main concentration in the last two and half years has been mostly to win the support of the people who were in the UMP before, and most of our supporters, and a number of our supporters who are coming to our party today are people who are from UMP in Santo, in Malakula and in Tanna.

■ *They are disillusioned, you mean, with the reforms of this Government?*

— Yes.

■ *Vanuatu in your day was a prominent member of the nonaligned movement. Now that the Cold War is over, how would you see Vanuatu's place in the world?*

— If we were in government again we would maintain the position we held before. Of course, the international situation has totally changed, but our nonaligned policy was not based on a Russia/US presence in the world. We just wanted to make sure that no other government in the world was able to force us to do whatever we didn't want to do. So if I am still leader of the party and become leader of the government again, we will continue to maintain the same stand. ■

Interview by R.R.

## The government media neglect the truth, claims Opposition party Secretary Peter Taurakotu

The official Leader of the Opposition in Vanuatu is the present head of the Vanua'aku Pati, Donald Kalpokas. Like many politicians at any given time in a country of widely scattered islands, Mr Kalpokas was away from Port Vila on the campaign trail during *The Courier's* visit, but instead there was an opportunity to meet with the man who founded the VP with him 24 years ago. Peter Taurakotu is now Secretary of the Vanua'aku Pati and a trenchant critic not only of the present ruling coalition but of the renegades, including Walter Lini, who break off from the VP to pursue their political careers elsewhere. How did he assess the state of relations between the Opposition and the Government?

— It is not very good at the moment in many respects. For example, the Government does not reply to our correspondence, but mainly in the Parliament we are disappointed that, since the general elections in 1991, the Government has not made any provision in the budget for the Leader of the Opposition's office. In democratic countries I believe the Government provides for the Leader of the Opposition's office, and we are experiencing great difficulties at the moment, especially this year,<sup>1</sup> when the Government has also decided not to give any allocations to Opposition Members of the Parliament.

■ *Do you mean that the Opposition Members receive no salary?*

— They receive their salaries, their allowances as we call it, but there is a special allocation which is called Members of Parliament's allocation. The total is one million vatu, and a Member of the Parlia-

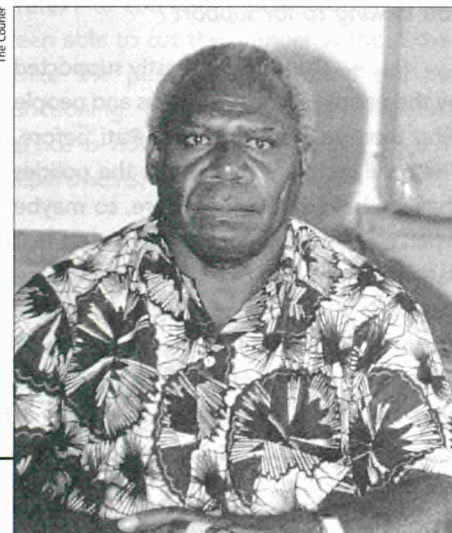
ment who is entitled to that allocation can use it to help people in his constituency with projects.

The other thing that dissatisfies us is the use of the media, Radio Vanuatu and the Vanuatu Weekly, not only because we are prevented from using them but because the Government is using the media as a political weapon of their own to beat the Opposition with.

■ *How do you get your message across to your members and to the public in that case?*

— One of my jobs is to produce a weekly newsletter to tell them what the Government is doing that is not right and what it is saying on the media that is not right. I'll give you an example: last weekend the Minister of Agriculture, who was elected on a Vanua'aku Pati ticket in Port Vila constituency, but defected, went to his island in North Efate and when he came back Radio Vanuatu reported that everybody in that island supports him. It was not true, the fact is the people told him they were disappointed with him for crossing the floor and that his trip to his island was a disaster. That's an example of the facts

The Government ignores Opposition correspondence, Peter Taurakotu says



that Radio Vanuatu is not reporting to the nation. They only put out what they think is right for them and what they think might gain them more supporters, and they neglect the truth.

■ *You have had difficulties in the recent past with divisions within the Vanua'aku Pati. The largest split was when Fr Lini and supporters of his moved out of the party altogether. What caused that, in your view?*

— First, the party made a mistake by leaving him as the President of the party for too long. The term is two years, and we had been reappointing him since 1971, up to 1991 when we had no choice but to pass a motion of no confidence in him. Anyone left too long in a position like that begins to become dictatorial, and we found that we couldn't carry on because Walter Lini would want something done and couldn't bear to wait for a Minister to go through the normal procedures, so he would grab the portfolio and give it to himself. We tried to replace him at our 1991 annual congress and we failed to do it at a party level, so we had to come back to the Parliament and we were pleased that Tan Union were willing to support our motion of no confidence. He then decided to start a new political party, the National United Party. Normally in democratic countries if a motion of no confidence is passed on a leader the leader goes away quietly and lets the party carry on, but now the Vanua'aku Pati is split into the NUP, the People's Democratic Party and the Melanesian Progressive Party.

But the Vanua'aku Pati has never, in our view, lost the election and we are hoping that one day all the supporters will come together, which is something we are working on at the moment.

■ *What are the basic policy objectives of the Vanua'aku Pati?*

— When we founded the Vanua'aku Pati in 1971, we saw our land being divided by an attempt to split off the northern part of the country and declare it a separate country on its own, and the secessionists went as far as the United Nations, so we felt we should do something to bring everybody together, and we made it our

<sup>1</sup> This interview took place in 1994.



first policy from then that everybody should be united to keep these islands together. And we were successful: in the first national election, which was held in 1979, Vanua'aku Pati got a two-thirds majority.

At that time we had a major task of unifying the two public services that were left by the Anglo-French Condominium. It was not easy, but we were pleased that the British, the French, the European Union and the Australian and New Zealand Governments helped quite a lot with funds. But we are disappointed

*over the French-speakers, and now what is happening is that the tables are being turned on them by the UMP Government. Does that theory hold water?*

— That is not true. We advertised every post in the public service in all the languages, and people who were appointed to work had the qualifications to do the jobs they were selected to do: it was not because the Vanua'aku Pati favoured the Anglophones. I for one am jealous because I cannot speak French, but we had some very good ni-Vanuatu nationals with fluent English and French

service because they feel they cannot work with such people.

■ *The Government says it is in favour of liberalising the economy and encouraging private enterprise, Walter Lini now describes himself as heading a centrist party, so where does that leave you?*

— These categories do not apply here, because the population is small. I think the Government is trying to import some free enterprise ideas from other countries, for example maybe from New Zealand or Australia, where they have bigger populations than Vanuatu. The time is not ripe to introduce such a policy in a small country, it puts our people at a disadvantage because they are not at a level where they can compete with foreign investors, and now the Government is holding the door too wide open for powerful multinational corporations to come in and take over the economy. Our people will be left out on the wayside watching what is happening. There has to be time to train our people and that time has not been allowed.

As for Walter Lini's NUP, it is a one-man party, and ni-Vanuatu people are being dragged along behind it. The NUP has actually been engineered by Dinh Van Than, a businessman in this country. We are sad that a lot of our people are being misled through NUP, but there is a lot of money being thrown all over the place. That is why the Leader of the Opposition and the Secretary-General of our Party are touring to explain this situation to everyone in the islands.

■ *Can you patch up your differences for the election campaign in 1995?*

— We are working on that, but it has been difficult to bring Walter Lini round. We are willing to forget the past and come together. It would not be difficult for us to work closely with Tan Union and MPP, we have regular meetings, we are at the moment discussing how we could field joint candidates for the next election. So we are ready. ■ Interview by R.R.



The Courier

that we did not really settle matters as we would have liked to do.

Then people decided that it was time for a change, so we have a different Government today. If the Vanua'aku Pati had not been split, we would still be in government and we would have completed the task properly. But now the Government is having its own difficulties with the public service — there was a strike, a lot of civil servants have lost their jobs, and we feel there has been a lot of money (from our friends) and time wasted to train these people. Now we have people in the public service who are inexperienced and not qualified to do what they are expected to do.

■ *The accusation is made that the Vanua'aku Pati, when it was in power, favoured English-speakers in the country*

*Who will occupy Vanuatu's splendid new Parliament building after the elections? And will the Opposition be able to patch up its differences in time for the November poll?*

working in key positions. In the Government we wanted to maintain the tradition left by the British and the French, we could not throw out any of our nationals who spoke just one language, just because they only spoke French. We live here together, the islands are so small, the extended family system is so powerful that we want to cater for everyone, we want to make use of every talent that we have; but we feel that this Government has gone too far and, because of their political beliefs, they've taken into the public service people who do not have the right qualifications. Even some very good French-speaking ni-Vanuatu are now leaving the

# The price of development?

## Sustainable forestry v short-term profit

Many of Vanuatu's islands are richly covered in tropical forest of great age and diversity. About 70% of the land surface consists of dense rainforest where as many as 1500 species of trees, shrubs and flowers grow in profusion, forming a natural resource which is vital to the islanders' traditional lifestyle. Unfortunately ni-Vanuatu are not the only ones interested in the living to be made from exploiting this resource.

Logging for tropical timber is not a recent innovation in Vanuatu. It has been a mainstay of the economy of several islands, notably Erromango and Anatom, since the last century. Sandalwood, once the most desirable species, was almost completely worked out 150 years ago, and the most valuable crop now is a New Zealand variety of kauri. This tree is large, produces an attractive cream-coloured wood suitable for buildings and furniture, and grows straight upwards, making it easy to cut into planks and boards. Local softwoods such as whitewood and milk tree are also in demand for domestic use and, in small amounts, for export to Japan.

Timber is Vanuatu's only capital asset currently being exploited, and it has traditionally generated local added value and employment through sawmills and factories in Efate and other islands which process the raw timber into planks, veneer and parquet flooring. Until recently, with technical help from abroad, especially Britain and Australia, the country had succeeded in managing forest development and exploitation on a sustainable basis. The troubles for Vanuatu started when, because of logging restrictions in other Pacific countries, covetous foreign eyes began to scan the Pacific for new

sources of timber to replace the supplies they had lost in their own countries.

The prime example is Malaysia, where logging of tropical hardwood had been so rapid and intensive that hardwoods were in danger of extinction, and a government order was issued clamping down on felling of the threatened species. Suddenly the timber processing plants in Malaysia fell idle and their owners urgently had to look elsewhere for logs to keep their spare capacity working. Papua New Guinea and the Solomon Islands were conveniently situated and proved to be willing suppliers, but the Malaysian loggers' 'clean up and clear out' policy was so ruthlessly applied there that those sources of timber too were soon approaching exhaustion. This was when the Malaysian — and other Asian — logging companies first took an interest in the commercial potential of tropical forests even further afield, including Vanuatu.

Vanuatu's most valuable hardwood tree, the kauri, grows to heights of 25 or more metres and produces fine white wood



Stephen Wyatt

### Logging banned — for a time

In Vanuatu there was such concern about the threat to the environment, local employment and the country's longer-term economic future posed by reckless overlogging for overseas commercial gain that in 1990 the government of Walter Lini imposed a ban on exports of logs. Only finished forestry products processed in Vanuatu could be exported. An NGO-run scheme financed by the EU was set up to train landowners in sustainable forest management. In 1992 the Vanuatu Government took part in the UN Conference on Development and the Environment held in Rio and signed the protocol pledging itself to promote sustainable development of natural resources. The following year, a forest inventory was carried out to determine the annual allowable cut consistent with sustainable forest management.

In 1994, however, there was a sudden and unaccountable change of policy. Three Vanuatu government ministers were invited to Malaysia as the private guests of logging interests based there, the 1990 log export ban was lifted and logging licences for the felling and export to Asia of huge quantities of tropical hardwood were issued. On Erromango alone, two Asian companies moved in, concluded agreements with the local landowning communities to make cash payments in return for 25-year rights to log in their forests and, in January 1994, began rapid, large-scale felling of what was intended to be 75 000 cubic metres a year. This figure, for a single island, is three times more than the maximum sustainable cut calculated by Vanuatu's own National Forestry Department for the entire country.

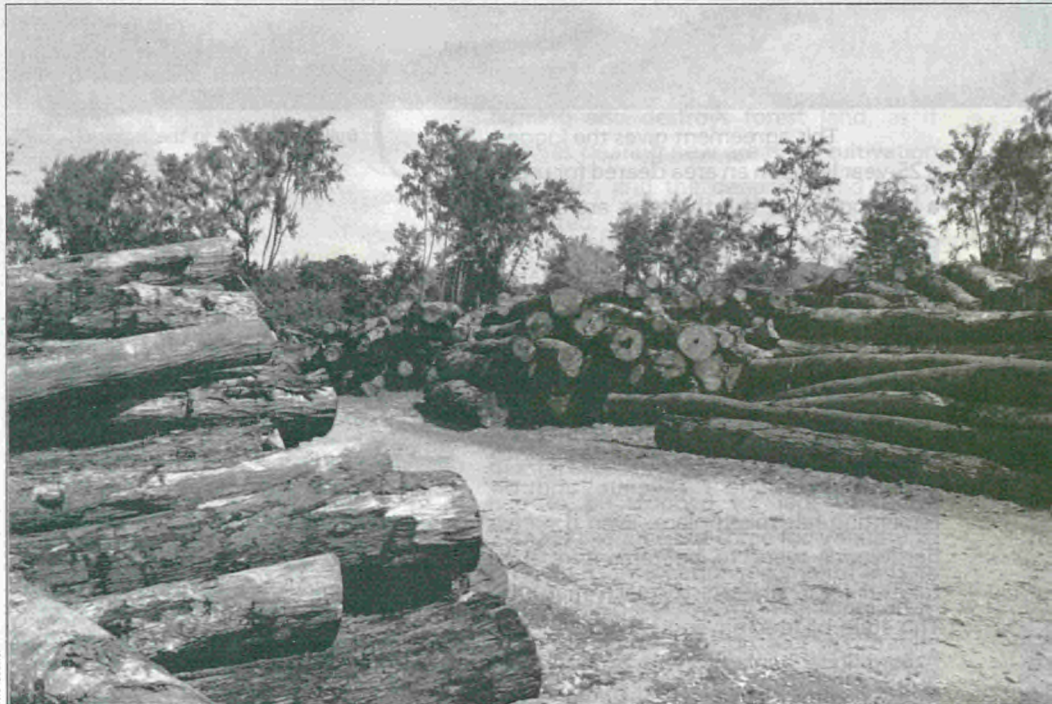
## Diplomatic moves

Without any apparent awareness of inconsistency, the Government then sent representatives to the UN Global Conference on the Sustainable Development of Small Island Developing States which took place in Barbados in April and May 1994. A declaration adopted at the conference concluded that 'The efforts of small island developing states to conserve, protect and restore their ecosystems deserve international cooperation and partnership'. Armed with this resolution and the Rio Protocol, Vanuatu's development partners, who had become increasingly concerned at the course of events, made a diplomatic démarche to the Prime Minister, Maxime Carlot Korman, in which they made it clear that their concerns over deforestation would have to be taken into account by a country heavily dependent on them for aid. A leading role was taken in this move by the European Union through its resident adviser in Port Vila, together with the British and French diplomatic representatives, and there were other approaches by Australia, New Zealand, the Asian Development Bank, the World Bank and NGOs working in Vanuatu.

Mr Carlot reacted well to these expressions of concern and shortly afterwards the Council of Ministers, at his prompting, decided to suspend all licences for foreign logging companies on Erromango, once again ban all exports of logs from Vanuatu and review the contracts already reached with the logging companies to make sure they were in line with Vanuatu's international environmental commitments. The Prime Minister regretted, in fact, that the Council of Ministers had ever agreed to sign these contracts in the first place, but explained that there had been pressure from certain regional councils and customary chiefs. The reimposition of the ban and the review of the agreements were likely, he thought, to provoke resistance from the 'interests' involved, and indeed the country's Attorney-General was shortly afterwards instructed to prepare Vanuatu's case for the defence should the Malaysian companies take the Government to court for breach of contract. More foreign support for the new position was forthcoming from a

South Pacific Forum meeting held in Brisbane in August, which said that 'Leaders were strongly concerned about the exploitation of tropical forests in the region and strongly welcomed the recent initiatives by Vanuatu [...] to halt the spread of unsustainable logging practices [...]'. The Vanuatu Minister responsible for forests was dropped from the Cabinet, while other ministers suspected of signing away forestry rights in return for personal advantage were quietly relieved of certain duties, the governing coalition being too fragile for more drastic action.

earner, until the supplies of both ran out. From 1980 to 1991 the chief had championed a forest planting project with labour paid for by Australian and New Zealand aid funds, and the arrival of a Malaysian logging company in 1993 had seemed like a godsend. Villagers were offered a royalty in return for permission to fell trees which the company would then export to Japan as logs for processing. Thousands of cubic metres were logged and taken down to a wharf near Ipota for shipment out — at which point the foreign development partners intervened and the Government imposed the export ban on



The Courier

## Logs = cash

What was this regional pressure to which the Prime Minister referred? To put it bluntly, some island communities in Vanuatu with nothing to sell but their trees want money now and will worry about the environmental impact later. *The Courier* visited a heavily logged area in Erromango and attended a public meeting in Ipota, a village which owns forest where a Malaysian company had been operating until the recent logging ban. According to the village chief, his people's only immediate concern was to earn some cash income. They had tried various schemes in the past: some had bred cattle but were defeated by the cost and difficulty of getting the meat to market in Port Vila. Picking coconut crabs and shellfish from the inshore waters had been a useful

The Government's new export ban has stranded these felled trunks on Erromango island

unfinished logs. The company had meanwhile bought a sawmill on the main island, Efate, and said it would process the logs there instead. The villagers, however, say the company undertook to install a sawmill on Erromango, so they refuse to allow the logs to be shifted from their island to Efate. Half the agreed royalty has been paid, but the logging company has refused to pay the remainder until it is allowed to move the logs. There was also an agreement whereby the company was to build a good-quality road, put up buildings and lay down a water supply, none of which, the chief of Ipota says, has been done to the agreed standard or at all.



Stephen Wyatt

This agreement gives the loggers a 25-year lease on an area cleared for use as a logging camp, but the trees are coming down at such a rate that a local landowner says there will be nothing left to fell after two years. The company is supposed to plant saplings to replace what it has taken, but instead pays a levy to the Government for that purpose and denies responsibility. The reforestation levy disappears into general government revenue and no replanting has taken place. Even if native hardwoods were to be replanted, they take at least 50 years to reach maturity. The style of logging also causes concern. According to Stephen Wyatt, an Australian forester employed by an EU-funded forestry NGO, the trees with commercial value occupy only 30 square metres per hectare, so the damage done to the remaining ecosystem by removing them is not immediately obvious, but they are so big that

Bulldozing gaps in the forest canopy to remove felled trees creates empty patches which erode and never regenerate

falling them leaves a large hole in the forest canopy and trucking them out wrecks everything in their path. The bare soil left behind then starts eroding and valuable topsoil is washed away in the rains, leaving bald patches where fast-growing vines invade and no reforestation or natural regeneration can take place.

## Deadlock

At the time of writing, the situation on Erromango was still de-

Logs can be processed into planks *in situ* using portable sawmills

adlocked. According to Vanuatu's Attorney-General, Patrick Ellum, the logging company was free to process the immobilised logs there or anywhere else in Vanuatu, but seemed to be leaving them lying at the wharf as a tactic to twist the Government's arm. There was some concern that the logs, which weigh many tonnes each, might be swept into the sea or hurled against nearby houses if they were not moved before the coming cyclone season. If the Asian logging companies affected by the export ban were to take the Government to court for breach of contract, the Government might invoke as grounds for rescinding the companies' permits «mutual mistake» as to the amounts of timber which could be sustainably harvested. It might admit, in other words, that it was party to a misunderstanding over sustainability and so argue that the permits should never have been issued in the first place.

At the official level a number of lessons have been learned from the Asian onslaught on Erromango and on two other islands where overlogging has occurred, Efate and Santo. Aru Mathias, the Government's Director of Forestry, says the Government from now on has to be the main partner in negotiating any contracts between landowners and companies and making sure they are complied with.

It imposes conditions designed to safeguard local interests and the environment: for instance, as little damage as possible must be done to surrounding areas or the forest canopy, and trees felled must be a minimum of 60 centimetres in diameter.

Loggers must move felled trunks by winching them to the authorised road with 30-metre cables rather than bulldozing a passage for lorries through the forest to each trunk. The cubage allowed to be taken out must be plotted more accurately by ground, not aerial, surveying, with Ni-Vanuatu officials taking part, and a realistic limit for sustainable cutting has been set.

Signs of a greater concern for forests are starting to appear. The forestry

Stephen Wyatt





way forward by replanting 100 ha of forest which it had logged on Santo. And a popular theatre company performing in the Bislama language, Won Smolbag (One Small Bag), has a successful environmental play for ordinary people which it tours the country with.

The Government's Environment Unit has just started to apply a National Conservation Strategy and, as part of it, has produced a poster in Bislama to persuade ordinary people that trees are worth conserving (plus others on protecting birds and reefs). 'Look after your forest and it will look after you,' is the message. The Unit's Director, Ernest Bani, points out that commercial logging is his main but not his only concern: traditional subsistence farming also destroys forest land, as it involves clearing new areas for cultivation each year, and the denuded land is not replanted.

So the behaviour of the general public needs to be changed too, but under existing laws the unit is only an advisory body with no powers of enforcement. And very little money: a weekly radio programme it used to produce on environmental issues such as the greenhouse effect had to be stopped for lack of funds. Perhaps the time has come for Vanuatu to back up its international commitments to sustainable development with some domestic legislation to protect its fragile environment — and to restrain those 'interests' who rate quick profits above a secure future for the benefit of all. ■

R.R.

department has an extension unit which has started supplying farmers with seedlings, and a priority for the future will be planting new areas with high-value trees. The Prime Minister himself is among the unit's customers for seedlings. Trials of local species are under way in Santo on a 6000-hectare plot leased with funds from the EU. The aim is to determine how fast the trees actually grow, a figure never accurately established yet, and whether the

A Government poster shows the many uses of Vanuatu's native trees

60-cm diameter trunk threshold is sensible, given that some species never reach that size. Trials done by Stephen Wyatt's NGO show that logs can be processed at the site of felling with transportable sawmills and do not need to be moved out of the country. A commercial sawmill company owned by a New Zealander has shown the

## Culture and tourism: a rewarding partnership

A European arriving in Port Vila might well find first impressions of life in the Vanuatu capital strangely familiar: the French restaurants and supermarkets, the duty-free shops retailing Swiss watches, Parisian perfumes and the wines of Bordeaux and Burgundy, the radio playing romantic *chansons* from the French hit parade. 'What happened to the South Pacific?' such a visitor might wonder.

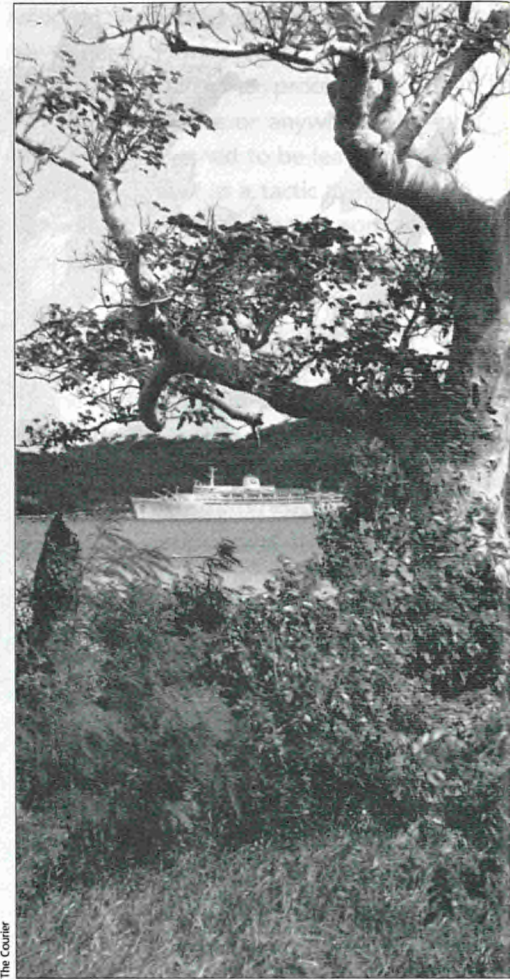
At the level of the passing tourist trade, Europeanness is actually the whole point. In 1993, some 45 000 business and tourist visitors came to Vanuatu, and most of them were from Australia and New Zealand, countries of predominantly Anglo-Saxon culture whose people welcome the chance to indulge a hankering not so much for sun, sand and colourful South Sea folklore, which they can find at home, as for exposure to 'Continental' taste and sophistication. Hence this outbreak of un-Antipodean exoticism dotted along the Port Vila waterfront. Cruise liners call in at least once a week, and for the hundreds who step off each one for a hurried day visit, this jewel of a town, with its Café de Paris and verandahed houses, momentarily is France. With more than a hint of Britishness thrown in, of course, so that at one and the same time the flavour is both exciting and yet reassuringly familiar.

To find what the real Vanuatu has to offer takes a little more time. The obvious beauties of the country are its luxuriant natural endowments of coral sands, reefs, mountains and forests, and many visitors with days or weeks to spare do come for rest and relaxation in these surroundings. Among the highest attractions in Vanuatu, though, are the people themselves, with their sunny disposition in relations with strangers, their great cultural diversity and the many picturesque

customs which still regulate their lives outside the towns. The National Tourism Office in Port Vila says that a recent survey of foreign visitors found that what they appreciated most during their stay were, indeed, the friendly people, the relaxed atmosphere, the climate, the scenery, the beaches, the traditional villages, diving and watersports — in that order.

The tourist industry only started in 1982 but now employs some 3000 ni-Vanuatu and, for a developing economy, is well organised at both the official and the informal levels, with both public and private-sector operators providing services. Air Vanuatu, the national flag carrier, flies a Boeing 737 regularly to and from Sydney, Brisbane and Melbourne in Australia, and there are flights with aircraft of similar size from Papua New Guinea, Solomon Islands, Fiji and New Caledonia, with connections to and from New Zealand. Larger planes could land at Port Vila airport but there is not enough hotel capacity yet to cope with a jumbo jet-load of passengers. The domestic carrier Vanair operates connecting flights to 27 airfields all over the country, including two services each daily from the capital to the largest island, Santo, and Tanna, the southernmost island, where traditional Melanesian culture flourishes.

In the outer islands the pace of life changes completely, but local people are quite aware of the income-generating possibilities their environment and lifestyle can offer. There is a village in Tanna, for example, where people carry on their ordinary lives in traditional costume and housing but are very happy to show them off to tourists for a fee. 'They're pretty rich,' as the chief information officer at the National Tourism Office, Max Aru, puts it. True to tradition, however, the villagers do not use their wealth to buy a connection to the outside world by telephone, and they



A cruise liner at anchor off Port Vila. Visitors like the tropical scenery and exotic French flavour of the capital

hear of visitors' arrivals by drum messages from the coast. Another peculiarity of this island is the Jon Frum movement, a religious cult whose adherents believe that their god will one day return from the skies bringing them money, possessions and freedom from sickness. Tourists are free to visit their villages and do, of course, bring in some money, but, because of repressive measures taken against believers in Jon Frum when the cargo cult started in the 1940s, white visitors do not qualify to fulfil the prophecy of the second coming.

The most remarkable traditional custom in all Vanuatu is surely the practice of land diving, a fertility rite which takes place at ceremonies held on Pentecost island between April and June each year. Boys and men make death-defying leaps from high towers, their fall broken just before they hit the ground by liana vines tied round their ankles. These heart-stopping performances can be seen by

outsiders, whether foreign visitors or ni-Vanuatu from other parts of the country, on payment of very substantial fees to the villages concerned, and package tours including land diving and organised by private operators are booked up months ahead. Traditional dances are also performed in brightly decorated costumes and masks on Ambrym island at set times of the year, and tourists are allowed to see them if they respect various taboos. Malakula island, once the home of cannibals, is the setting for a variety of magic rituals, some of them confined to men or women respectively, which it is less easy to get permission to see, a clear sign that these customs are alive and well and are not simply being re-enacted for a paying audience.

An activity in which visitors can take part, if invited and, in most places, only if they are male, is the custom of kava drinking. Kava is an intoxicating beer-like drink made in many parts of Vanuatu from the roots of a pepper shrub. Drinking sessions are occasions for sealing friendship, so that preparation and consumption are surrounded by etiquette and ritual. The effect, unlike that of alcohol, is to calm rather than excite the drinker, though in places where a very strong brew is prepared drinkers often claim to have had religious experiences while under the influence. The pounded root has analgesic, anaesthetic and sedative properties and



National Tourism Office, Vanuatu

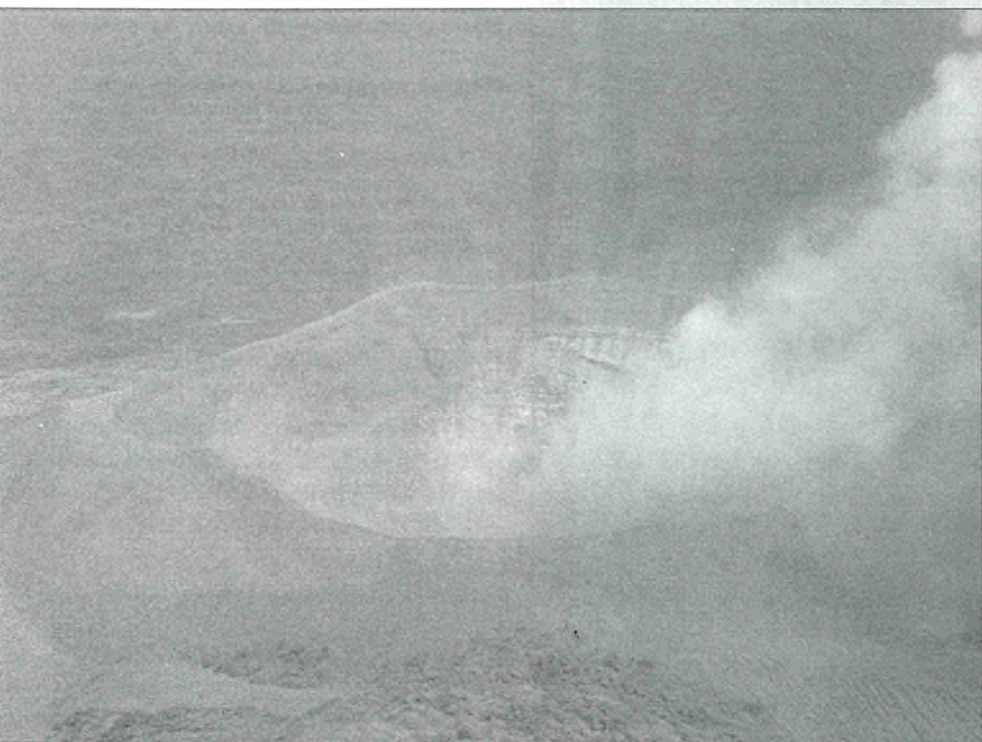
has been used quite effectively as a bush medicine.

The country proliferates with sites of geological interest, including active volcanoes — those on Ambrym and Lopevi are highly dangerous but on Tanna guides take visitors right up to the lip to look

Vanuatu has several active volcanoes. Some are dangerous, but intrepid visitors can walk up to the brim of this one on Tanna

Tanna island is the main centre for ritual dances, and its people cling firmly to their cultural traditions

down into the crater. There are also forests, rivers, lagoons, reefs and caves of great natural beauty. The National Tourism Office is thinking of encouraging organised ecotourism as a way of seeing these attractions, on adventure holidays or bush walks, without harming the environment. Less obvious to outsiders though just as important to ni-Vanuatu are the customary historical sites found in every part of the country. These may be burial grounds, settings for traditional ceremonies or places where, according to oral tradition, significant historical events are believed to have occurred in legendary times. As in Australia, insensitive construction and development projects in the past have disregarded and destroyed some of these sites, and the EU has funded a Vanuatu Cultural and Historical Sites survey (VCHS) to make sure they are recorded for the future. Sixty volunteer fieldworkers visit sites in different linguistic and cultural areas, record songs, dances and customary stories and report their findings back to a government-run Cultural Centre in Port Vila. According to the Centre's director, Clarens Marae, some archaeological sites have been dated to 3600 years ago. Village people and their chiefs are keen to preserve these vestiges



Stephen Wyatt

## EU Development Council

# Enhancing efficiency and sustainability of aid

Development ministers of the European Union, meeting in Brussels last November and in response to the provisions of article 130 u of the Maastricht Treaty, have laid down the ground rules for the implementation of EU's development policy up to and beyond the year 2000. Henceforth the watchwords are complementarity, cohesion and coordination on the level of both the European Commission and the Member States. These guidelines must be applied if the effectiveness and sustainability of EU development aid are to be enhanced, according to the Council President, *Carl-Dieter Spranger*, who is Germany's economic cooperation minister.

This November session was unique in the sense that ministers from Austria, Sweden and Finland attended. The Norwegian minister of development cooperation, *Kari Nordheim-Larsen*, whose country narrowly rejected membership in a referendum in December, was also there.

There were a number of important items on the Council's agenda including Rwanda and draft resolutions on food security and on education and training. These provided an opportunity for a lively debate on the modalities of putting the principles of complementarity, cohesion and coordination into practice given certain national sensitivities, the structural changes in international trade resulting from the new GATT accord and the repercussions of the reform of the EU's Common Agricultural Policy on the production and distribution of food in the world. *Jan Pronk*, the Dutch minister of development cooperation, for example, cautioned against coordination leading to the Union substituting itself for Member States in contravention of the principle of subsidiarity. In his opinion, the European Union should complement the actions of Member States in the developing countries rather than coordinate. On the other hand, the Council had before it reports on the effects on the West African market of EU food exports to that region.

*Manuel Marin*, Vice-President of the Commission, described complementarity and consistency as dynamic processes. However, recognising the sensitivity

of the subject and the danger of the Council getting 'bogged down' in debate, in the absence of any papers, he suggested meetings be held in January, on the one hand, between the Commission's Directorates-General for Agriculture and for Development and, on the other, between the Directors-General responsible for development in Member States, to iron out differences and harmonise positions so that reports can be drawn up for a Joint Council of EU agriculture and development ministers sometime during the year (which many speakers described as vital) and for the May session of the Development Council itself. This suggestion was accepted by the Council.

A pilot project of operational cohesion and coordination of Member States' development policies is already underway in six selected countries — Bangladesh, Côte d'Ivoire, Costa Rica, Ethiopia, Mozambique and Peru — so that lessons learned could be generally applied. *Lynda Chalker*, the UK's Overseas Development minister, emphasised the importance of this project and appealed to her colleagues to give appropriate instructions to their representatives in these countries on the need to share information and plans well in advance of project implementation. There was no point in doing so 'after things had been done,' she argued. The pilot project, she said, will establish whether this new approach to development is effective or not. The Finnish foreign minister, *Heikki Haavisto*, speaking for the first time, reminded the Council of another dimension. He pointed out that the donors' role is

to complement the actions of recipient countries and as such it is also important to adopt a tripartite (EU — Member State — beneficiary) approach.

These themes recurred in the examination of the draft resolutions on food security and on education and training. On the former, ministers agreed that access to food at all times is an essential goal in the fight against poverty which is at the heart of Article 130 u of the Maastricht Treaty. They noted with regret that food aid, which is aimed at providing a short-term solution to food shortages, has become, for a large number of developing countries, a way of life. Food aid, it was stressed, should be integrated into food production. The right emphasis for the EU's policy here should be 'relief and development', as Baroness Chalker put it. And in pursuit of this, speakers such as the Belgian minister, *Erik Derycke*, expressed support for 'triangular operations' — the practice of purchasing food from a country with surplus production for another with a deficit — preferably in the same region.

On education and training, the Council recommends, among other things, stronger support for elementary education and vocational instruction, especially teacher training. As for universities and other higher institutions, it believes that 'emphasis should be placed on capacity-building in the developing countries themselves.' However, 'studies can be undertaken in Europe or in neighbouring countries in disciplines that are not available locally but are vital to (the) development' of the countries concerned.

Ministers debated the situation in Rwanda at length. They recalled that 'respect for human rights, the rule of law and democracy are indispensable for the normalisation of relations and cooperation with Rwanda.' The Council called on the Rwandan government to take concrete measures to ensure national reconciliation which the international community desperately wants to see. It authorised the release of ECU 67 million in aid to the country for various projects. ■

Augustin Oyowe





## Urban development

Why have we chosen to complete our current series of dossiers on sectoral policies with one that deals with urban development? One good reason is that cities are coming under increasing pressure. This is particularly true of Africa (especially in coastal conurbations) where land settlement patterns have been undergoing a fundamental transformation.

The forecasting and evaluation services of the Commission's Development Directorate-General are looking closely at this subject and they often find that urban situations provide a particularly suitable setting for the implementation of specific sectoral policies.

In this dossier, we have, therefore, decided to take a closer look at some of the main themes and issues associated with urban development. Of course, situations vary widely from one city to another and it is not possible to reduce the subject to a series of simple models or conclusions — indeed, some of the conclusions are likely to prove contradictory. But even if there is no all-embracing 'doctrine' underpinning the policy response to urbanisation, there is, at least a measure of

agreement among the main international actors about the broad outlines — the struggle to combat urban poverty, protecting the environment, strengthening the powers of local authorities and improving city management.

It may be that institutions are currently focusing their efforts on the provision and maintenance of infrastructures, but this will probably change in the future, with much greater emphasis being placed on the broader problem of managing space and territory.

For the dossier, we have sought contributions both from researchers and from people working in the field. And we have found that our contributors have tended to go beyond the strict confines of their own particular fields of expertise, thereby underlining the horizontal and trans-sectoral nature of most urban problems. We have avoided too detailed a scrutiny of the technical aspects of urban management or of individual projects which reflect specific political choices. We felt that our priority should be to seek a deeper understanding of the underlying

urban problems and challenges that need to be tackled.

We begin with a review of the history of cities in black Africa before going on to look at the phenomenon of urbanisation more generally in developing countries. These articles are followed by a contribution to the 'rural-urban' debate, a discussion of environmental aspects, and a text which examines the particular impact of structural adjustment policies on cities.

Then we have a series of more specific contributions on urban land issues, the access of poor people to land in towns, the activities of the urban informal sector, the story of a Burkinabe entrepreneur, and the problems facing the poorest city people in gaining access to credit.

Finally, the dossier offers some views on decentralisation and ways of supporting local institutional development through training and technical assistance. Included here is a project case study from Kenya.

This dossier has been coordinated by consultant, Marie-Thérèse Manchotte. ■■■■■ D.D.

# Towns in black Africa: history's legacy

by Catherine Coquery-Vidrovitch\*

Urban development is, above all, physical expansion: the means 'whereby men form communities in relatively large numbers over a relatively small area'<sup>1</sup>. But it is also a social process giving rise to ethnic, linguistic, professional and class contradictions. It is not only a pole of attraction but also one of diffusion and is thus a cultural phenomenon and a place where memories become intermixed. The town brings together and combines contributions from outside — as in the case of Swahili culture intermixed with the Bantu and Arab in East-Coast ports — and, in turn, projects them far and wide: the medieval models of Timbuctoo or Jenné spread their ideology and architecture throughout Western Sudan.

In Africa, as much as in Europe, the criterion is not one of size. There may be towns with 1000 inhabitants and villages with 50 000 people, both capable of defending themselves in the event of attack. The 'river country' of the Mid-Congo was populated by large fishing villages of up to 20 000 inhabitants. However, these settlements disappeared without trace within 20 years at the turn of the century owing to sleeping sickness and, although nothing other than the information passed on by the first explorers is known of them, they were clearly very large centres.

The town no longer depends on population density. The Ibo country in South-East Nigeria did not generate a precolonial urban civilisation comparable to that of the Yoruba country in the south-west despite having twice as dense a population. Rwanda, until recently a totally rural country, is, nevertheless, one of the most densely populated countries in Africa. In colonial towns and cities, the very

free grid pattern of residential districts — mainly an Anglo-Saxon legacy — had a population density which was almost lower than that in neighbouring rural settlements.

African urban areas could also include enclaves within their boundaries, for a population depending largely on the produce of the land. Even 15 years or so ago, before the generalised use of cement, the vast and heavily-populated Poto-Poto district of Brazzaville still had the feel of a large village because the inhabitants were using traditional construction techniques.

If, in order to qualify a town in historical terms in Africa, it were necessary to adopt only one criterion, this would not be writing, as proposed by Western historians, but rather, as emphasised by Max Weber, the fact that in economic terms, the lives of the entire population were not based on agriculture<sup>2</sup>. This gives rise to the heterogeneous character of the population, an outward-looking society involving trade, markets and exchange of non-agricultural (craft-type) produce.

Three conditions were thus necessary for urban development and these are found in Africa and elsewhere:

— The possibility of agricultural surpluses to feed non-producers. Prior to the technological revolution in intercontinental transport, it was impossible to conceive a town without an agricultural hinterland.

— Commerce implied the presence of a merchant class specialising in the distribution of supplies. For example, in 12th-century Cairo, there were 36 000 boats, and 30 000 people hiring out mules and donkeys. There were indeed markets outside the towns, particularly in West

Africa, but there was never a town without a marketplace.

— All this implied the presence of a ruling class controlling use of the surplus by non-producers.

This is why no towns ever emerged in so-called 'stateless' societies, i.e. those where the equilibrium had a linear basis and the network of village chiefs was solely concerned with subsistence. On the other hand, the city states, such as the Hausa cities between the 16th and 18th centuries in Northern Nigeria, exerted their ascendancy over their immediate rural area. Sometimes, the political or religious power of a metropolitan centre spilled widely into the surrounding region, as did Old Oyo (Katunga) in the south-west of Nigeria, dominating four Yoruba provinces each administered in turn by a main town. The centres were scattered every 20 or 30 km, the distance most suited to transport capabilities at the time, and were characterised by limited production, low per-capita income and rudimentary communications.

The ideas of network and hierarchy are thus inherent to the urban development process. The strongest town or city incorporated others into its system by going out and recruiting the necessary manpower, whether as slaves or as vassals. The influence of this structure sometimes lasted from the precolonial era up to the present, hence the area of influence of Yoruba towns and cities, of Bobo-Dioulasso (in Burkina Faso) or even of the towns and markets in present-day Ghana. The break in tradition at the time of colonisation consisted not so much in the creation of towns as in the replacement of one network by another, giving primacy to coastal ports to the detriment of the interior.

How do present-day African towns and cities differ from those in the rest of the Third World? There is the same poverty affecting the majority of the population (recent immigrants) in a context of accelerated urban migration. There is the same distortion created by planners: recent upmarket properties created as business and administrative centres contrasting with the often huge areas of low-level poor dwellings established on under-equipped and poorly-integrated land where the absence or mediocrity of sup-

\* Author of *'Histoire des villes d'Afrique noire des origines à la colonisation'*, Evolution de l'humanité Collection, Paris, Albin Michel, 1993, 412 pp.

<sup>1</sup> Mabogunje, Akin, *Urbanization in Nigeria*, New York, 1968, p. 33.

<sup>2</sup> Max Weber defines the town as a settlement in which the inhabitants are principally engaged in non-agricultural productive activities. However, in history, this majority could easily have been a minority, also in Europe. Weber, Max, *La ville*, Paris, Aubier Montaigne, 1982, p. 18 (translated from a work dated 1921).

port services brings accelerated degradation. Insufficient transport gives rise to the daily spectacle of hordes of pedestrians and congestion caused by overcrowded, ancient and ramshackle minibuses combined (in Ouagadougou, for example) with a sea of mopeds which have replaced the bicycles of yesteryear. Finally, the animated atmosphere in the vast, noisy and colourful markets is astonishingly similar throughout the continent. How do these elements differ from those in any other major town in the Third World. The answer is that these towns and cities have been and remain peopled by Africans, i.e. by people, groups and nations who react as a function of a given historical and cultural heritage.

## Typology or chronology

A chronology can therefore be proposed for this process of urbanisation, rather than a typology. Such an approach obviously scales events down, since division into periods of time obliterates long intermediate phases of transition. Nevertheless, analysis is necessary, provided that one's thinking is always in cumulative terms. In Africa, successive urban influences have each left their mark. And these cumulative legacies have given rise to a process of merging and to the creation of a new urban culture arising from the interaction of old and new. We therefore have to try to sense how much cumulative urban history citizens in Africa and elsewhere have behind them, and which the recent massive expansion of towns and cities into today's centres of a million or more inhabitants has been unable to eliminate. African towns and cities were not born of colonisation in the image of Western development, as is too often assumed. Africans were not 'strangers' to the town, despite the impact of colonialism which obviously accelerated change in the 20th century. Virtually throughout the continent, one detects a complex and deep-rooted urban legacy which may be described as follows:

— Ancient towns and cities whose emergence, depending on their location, corresponds to the agricultural expansion which enabled non-productive groups of leaders to emerge. Examples range from Jenne-Jeno, the most ancient town known

to archaeologists, on the river Niger, to the fortified towns and cities of the lakeland area in Central Africa in approximately the 13th century, and including the fascinating example of the stone builders in the Shona cultural area in Southern Africa, the most famous of which was Grand Zimbabwe which disappeared in about 1450.

— The towns and cities created, from the east coast to the western Sahel, through trading contacts with Islam and the Arab world seem more conventional and familiar. Their function as a trading and cultural meeting point is obvious, but there is the question of degrees of transition between the first and the second, via often diffuse and indirect contacts. Not in every case did influence come from Arab towns or even from Islamic towns, but rather from partly Islamic towns and cities which, from the 12th century, gave rise to, and from the 16th to 18th centuries spread, specific forms of urban culture, hence the Swahili ports on the east coast which bear witness to an authentic urban civilisation and the successful cultural intermixing between mainly male influences of Arab origin and mainly female native influences, and also the large numbers of religious or military settlements which spread rapidly across the Sahelian/Sudanese zone, Western and Central Africa.

— The second half of the 15th century saw the introduction of coastal fortresses and Portuguese architecture and then, soon after, other more widespread European models. The Western model therefore originated much earlier than the colonial period. Nevertheless, except in the exceptional case of early Portuguese colonisation on the Angolan coast, surrounding towns still developed in an autochthonous manner without the characteristic dependence on the metropolitan centre. In fact, from the beginning of the 19th century, the penetration of Western capitalism modified the course of this old-style urban evolution, well before the phase of colonial imperialism in the strict sense. Between the mid-18th century and the mid-19th century, most African towns were more or less incorporated into the world economic system.

— Colonial urban history was certainly a privileged point of transition, doubtless constituting a new departure yet grafted on to earlier urban elements. The colonial

phase above all worked decisively in favour of 'useful' towns and cities. It could even be suggested that, initially, colonisation did away with more towns than it created, its role being primarily to select amongst those towns bequeathed by history, the centres it would, in turn, form into the privileged centres of the new power system. Several stages, from military and administrative outpost to economic and maritime metropolis, must also be distinguished.

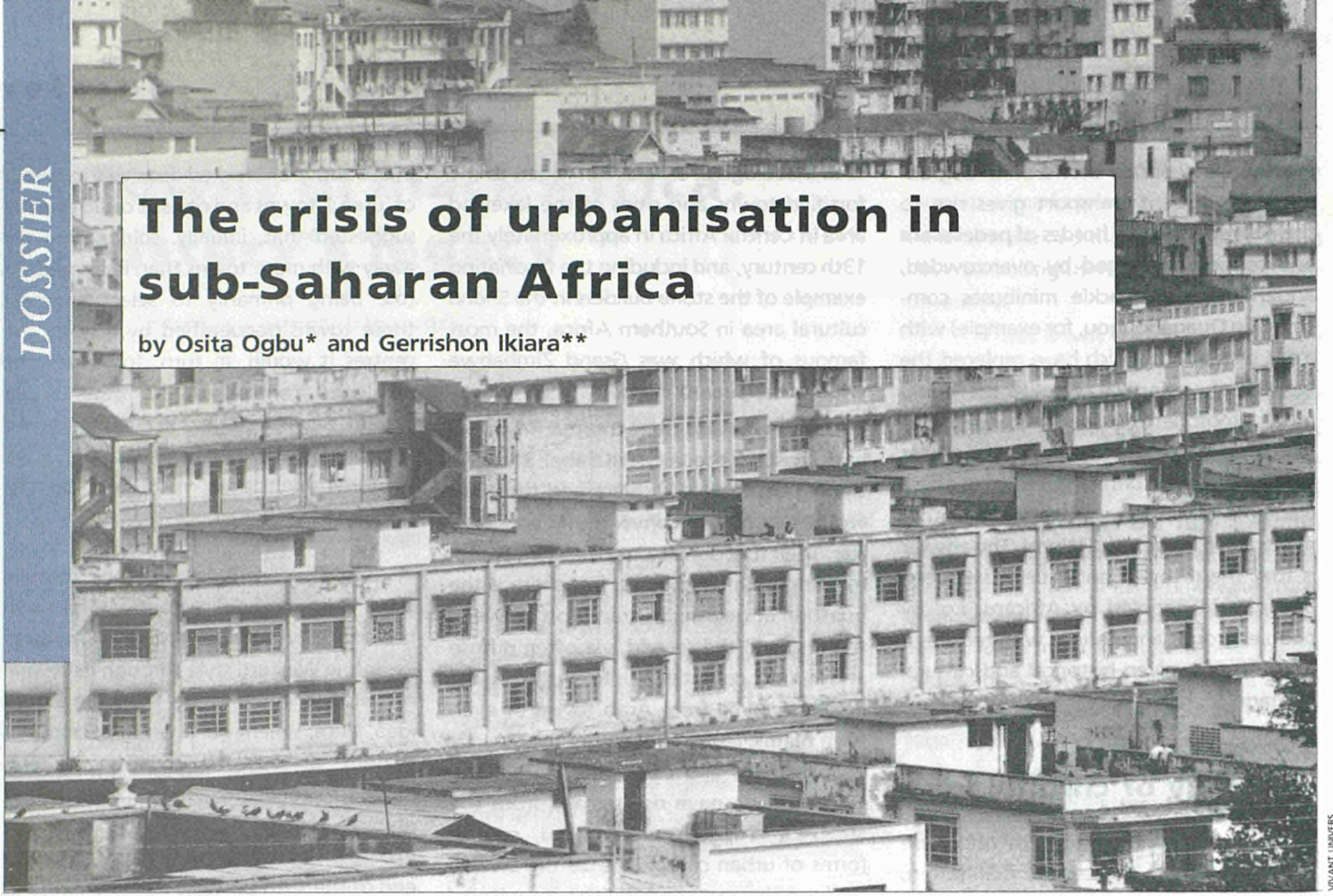
This concept of the 'colonial town' is biased from the outset. This town has implicitly been regarded as 'modern' i.e. in the Western style through its system of planning, and a 'white' town, an absurd idea, since, whenever a white person was present, at least 10 Africans were employed to meet his needs. Except in the atypical case of Cape Town before the expansion in the mining industry at the end of the 19th century, towns arising out of colonisation therefore always had a mainly black population, which the Europeans needed despite rejecting the idea. Even if created by decree (Cotonou or Kampala), every colonial town or city thus acted as a crucible in economic, political, social and also cultural terms, ceaselessly creating a society consisting of a continual combination of the old and the new.

This explains the enormous complexity of the urban question in the current era of independence. Towns and cities have changed in terms of scale, but have not necessarily altered their significance for African citizens who have only very provisionally been 'excluded' from a supposed European style of citizenship. This is an amazing paradox barely explained in recent studies on 'the informal urban environment'. This concept, supposedly 'discovered' by the ILO at the start of the 1970s, was, in fact, if not introduced, at least considerably enhanced by colonists right from the beginning of the century.

Drawing from examples from the subcontinent as a whole, we are attempting to position, explain and confront these successive waves of urban development which make both the present and past African citizen, much more than is believed in the West, first and foremost a man 'like any other'. ■ C.C.-V.

# The crisis of urbanisation in sub-Saharan Africa

by Osita Ogbu\* and Gerrishon Ikiara\*\*



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One of the main challenges facing policy makers in Africa today is how to harness and manage the phenomenal growth of the continent's urban population, as well as deal with the squalid settlements that this engenders.

Africa's urban population has been growing at a rate beyond the ability of these generally poor economies either to utilise the available labour resources effectively or to provide an adequate level of basic social services. The weak infrastructure base produces an urban dichotomy with affluence and extreme poverty existing side by side: beautiful estates on the one hand and inhuman slums on the other — with a significant proportion of the population denied access to clean water, minimum health services or sanitary facilities. Another factor which complicates the urban situation in Africa, and which is often not given sufficient attention in the literature, is the influx of refugees occasioned by the civil strife, both open and latent, which is widespread in the region. These urban problems are compounded by the fact that institutional and managerial capacities are inadequate to run the cities as political, social and economic entities.

The continuing rapid growth of the urban population is expected to

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broaden the crisis and test the various institutions operating in the social, political and economic sphere. Even at the present level of urbanisation, the crisis is highly visible. In the average sub-Saharan African city today, a large proportion of the population lives in squalid urban slums with few or none of the essential infrastructures and services, whether it be in terms of housing, education, health, water, sanitation or transport. The towns suffer from high levels of unemployment, poverty, inequality, crime, congestion and pollution. Available evidence shows, for instance, that by the end of the 1970s, 95% of the population of Freetown (Sierra Leone) did not have access to a water-borne sanitation system and relied instead on shared pit latrines. In 1979, in Abidjan (Côte d'Ivoire), 65% of the inhabitants were using pit latrines and only 20% were served by a sewerage system. And by mid-1994, it was estimated that 47% of the labour force in Nairobi was either underemployed or unemployed.

A 1988 study of cities in Africa and other developing regions found that, in spite of attempts by governments and donors to improve urban economic and social conditions, living standards were still extremely poor, with underprovision in virtually all types of service. The homes of

Kampala

23% of the urban population in developing countries generally, and of 35% of those living in sub-Saharan African cities, were more than 200 metres away from a source of drinking water. Road congestion had spread causing an escalation in transport costs and substantially lowering productivity in the urban areas. Housing shortages were common while the scarcity of resources for service provision to the urban centres was very often aggravated by spending on inappropriate services.<sup>1</sup>

A study, published in 1992, of how Kampala households cope with urban stress and structural adjustment, found that both health and education had been seriously impaired by the economic crisis which the country had suffered during the 1970s and 1980s. Schools and hospitals were overcrowded as demand far outstripped supply. The resulting high school fees, and the collapse of the bursary system, had curtailed the education of children from poor families. Some 13% of the households surveyed had at least one child who could

<sup>1</sup> Akin Magobunje: 'A New Paradigm for Urban Development', *Proceedings of the World Bank Annual Conference on Development Economics 1991*, World Bank, Washington, 1992.

not attend school due to lack of money to pay the fees.<sup>2</sup>

Urbanisation in Africa has not, in most cases, been accompanied by other essential structural changes. Consequently, some of the positive externalities which are associated with the urbanisation process, such as the emergence of technologically intense production processes in rural agriculture, have not manifested themselves significantly in the economies under discussion.

### Structural adjustment

The on-going structural adjustment programmes (SAPs) in sub-Saharan Africa have introduced new issues, and imposed new constraints, that have added to the dilemma of policy makers as they attempt to deal with the urbanisation process. In the last decade, many countries in the region have implemented considerable economic reforms in the context of World Bank and IMF-supported SAPs. These programmes focus on the reduction of the direct role of government in economic activities, the removal of price controls and subsidies, the liberalisation of exchange rates, the reduction or elimination of foreign exchange controls, the promotion of the role of the private sector and reduction of the government regulatory structures and policies that had previously characterised the majority of sub-Saharan African economies.

Of particular relevance to urbanisation is the SAPs' insistence on public expenditure reductions designed to bring down the ever-increasing budget deficits. This has led the state to withdraw from many of its traditional obligations, especially in respect of providing basic social services.

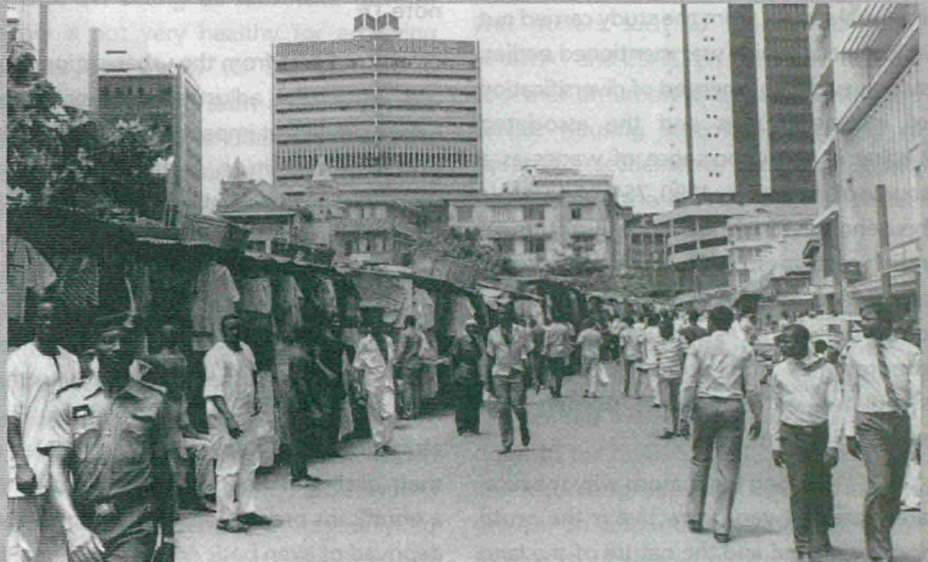
The *a priori* expectation from implementing these programmes, especially as they relate to the liberalisation of agriculture pricing and marketing, was that the terms of trade between rural and urban areas would be reversed in favour of the former. It was assumed that this rural bias would, therefore, stem the flow of

## Historical trends

In the period 1960-65, African cities grew at an average annual rate of 4.3%. At this time, Africa ranked fourth, in terms of the rate of urban population growth, among the six major developing regions of the world. The three leading regions during that period were West Asia (5.7%), East Asia excluding China (5.2%) and Latin America (4.4%). Below Africa came South-East Asia (3.8%) and South Asia (3.5%). By the period 1975-80, Africa had surpassed all the other regions, the growth rate having risen to 4.9%. The figure for 1985-90 was 5.0%.

proportion of the urban population will be concentrated in cities of more than a million inhabitants. This will pose an even greater challenge in terms of resources and will further intensify the disparities in access to basic services. UN projections suggest that by 2025, almost half the population of Africa (49%) will live in cities of more than a million people.

While there are considerable similarities in the urbanisation process between the developed and the developing countries, one notable difference is that large cities in the former emerged only after high



A street scene in Lagos, one of Africa's largest cities

Africa is thus now the region with the highest urban population growth rate in the developing world. The rate has always been high, but it appears to have accelerated in the 1970s and 1980s. UN estimates predict a decline in the growth rate to 4.7% for the last five years of the century but this will still be much higher than in other developing regions.

By the end of the 1970s, there were 28 cities in Africa with more than half a million inhabitants. Two decades earlier, the figure was just three. And there were 35 major African cities where the population was growing at annual rates of between 6% and 8.5%. Such high rates of growth would lead to a doubling of the population of the cities in question within nine years. Between the end of the 1970s and the year 2000 the overall urban population in Africa was expected to quadruple.

levels of income and (intermediate) urbanisation had been achieved. In the developing nations, particularly those of sub-Saharan Africa, large cities have appeared despite very low levels of both income and urbanisation. Migration to cities is largely driven by an 'urban illusion' - the promise of a job and a better life that may never, in fact, materialise. This has tended to create an urban crisis because the continuous influx of unskilled, uneducated migrants creates an atmosphere ripe for criminal activity, intensifies the stress on available services and resources, and exposes the inability of governments to deal with the situation. It has also meant that it has not been possible to maximise the technological and economic benefits normally associated with the urbanisation process.

Of particular concern to leaders in the developing countries is that a large

<sup>2</sup> A. Bigsten and M. Kayizzi, 'Adaption and Distress in the Urban Economy: A Study of Kampala Households', in *World Development*, Vol. 20, No. 10, 1992.

people to the towns and cities. In fact, there was even the expectation of reverse urban-rural flow following the retrenchment of some public service employees and on account of the attraction which the improved terms of trade in rural areas represents.

In terms of stemming the flow or even reversing the migration trend, the evidence is mixed. There are some instances of reverse migration but this has been in trickles. On the other hand, there is some strong evidence that those who have lost their jobs have settled into informal sector activities within the urban and peri-urban areas. The African urbanisation process is now largely driven by the opportunities which exist in the urban informal sector. From the study carried out in Kampala, which was mentioned earlier, strong evidence emerged of diversification of income sources and the associated decline in the importance of wages as a source of income. By 1990, 75% of Kampala households were engaged in profit-generating activities, with 'business' income accounting for 47% of total incomes. The data show that structural adjustment programmes and economic crisis had stimulated entrepreneurial pursuits and self-employment activities.

Among the reasons why the rural areas are not very attractive is the acute scarcity of land and the nature of the land tenure system in many sub-Saharan African countries. This makes engagement in small-scale agriculture extremely difficult. In other words, Malthusian forces are still at work in fostering rural-urban migration in Africa. But, more importantly, there is the recognition that the intended benefits of structural adjustment for rural dwellers have not actually materialised. More specifically, the positive effects of price liberalisation have often been 'hijacked' by interest groups other than the farmers. In the absence of genuine democratic and institutional reforms and empowerment, the benefits deriving from the current reform efforts will continue to miss their intended target. A secondary issue is that most rural dwellers are net purchasers of food. This means that, from the outset, the exact impact of price liberalisation on small rural farmers has not been properly understood. It is therefore clear that, given the

current institutional context under which the structural adjustment programmes are implemented, rural-urban migration will not be stemmed. This was more or less the conclusion reached by Mabogunje in 1991 when he articulated a new paradigm for urban development in Africa. He argues that, 'irrespective of the economic outcome, the regime of structural adjustment being adopted in most developing countries today is likely to spur urbanisation. If structural adjustment actually succeeds in turning around economic performance, the enhanced gross domestic product is bound to attract more migrants to the cities; if it fails, the deepening misery — especially in rural areas — is certain to push more migrants to the city.' (See footnote 1)

Apart from the urbanisation process, structural adjustment programmes have a significant impact on the lives of the poor who constitute, in most cases, more than 50% of city dwellers. Public expenditure cuts have meant a reduction in governments' role in the provision of basic social services. The withdrawal of subsidies and the semi-privatisation of these services have limited the access of those who can least afford the private alternatives. The aforementioned Kampala study revealed a sharp decline in urban living standards with a significant proportion of the population deprived of even basic education or health services. But it is always difficult to distinguish between those effects which are due to worsening economic conditions (and would have occurred anyway) and those which are directly attributable to SAPs. It is clear that prior to structural adjustment, the policy direction of most sub-Saharan African governments was not sustainable. In spite of this, we believe that, in the short-to-medium term, the urban poor's access to services is likely to be affected negatively in a significant way. This is because, as a group, they are least well-equipped to take advantage of the new incentive structures and would still require considerable protection from the effects of the sudden switch to market-driven economies. Moreover, the rationalisation of civil service employment and the privatisation of public enterprises are likely, in themselves, to increase the stress on existing services, institutions and structures

which are directly relevant to the lower strata of society, not least because the changes involve large-scale layoffs.

It is important to note, however, that structural adjustment programmes have also created new opportunities and engendered a higher level of creativity required to survive in a fiercely competitive urban informal sector environment. For instance, higher import costs due to devaluation have led, in some instances, to improvisation and small-scale innovation. Competition among producers has also resulted in improved products and enhanced consumer welfare. Unfortunately, at a time when the sector is becoming a major source of employment and income, strong supportive institutions are lacking and there is no public policy stance. Even those who drafted the SAPs did not anticipate the importance of this sector and accordingly, they did not articulate any policy response. In spite of the recent recognition, public policy support for the urban informal sector has been mainly *ad hoc*, piecemeal and, sometimes, contradictory.

### Towards effective government and donor interventions

It is not always clear whether there is a pro-active public policy position towards urbanisation by most governments in the region. There are, of course, discussions and statements of intent in planning and public policy documents. Urban policies, therefore, tend to be more reactive than pro-active except for those that relate to zoning and housing standards. The infrastructure necessary for the provision of urban services is constantly under stress because the demand for these services is not properly anticipated. Efforts by governments, through local government administrations, have centred on the provision of health, educational and water services. But the quality of these services varies depending on the exact location of the school or health clinic. Moreover, governments' concern about legitimising illegal slum settlements, as for example in Nairobi, has prevented the extension of services to a significant proportion of the urban population, and has led to a policy



D. Mhishi, STDP

vacuum on the issue of squatter settlements.

As the economic conditions worsen and the imperatives of structural adjustment set in, non-governmental organisations (NGOs) rather than governments have become the major providers of many basic services, especially in Eastern and Southern Africa. But even when NGOs and other donors have moved in to provide the services, there are still many factors which hinder effective delivery. These include epidemiological and ethnological aspects, issues related to the job market and gender-linked household dynamics. Some of these factors are naively taken for granted by many NGOs. Furthermore, since the issues of access, utilisation and effective delivery of the various services are interrelated, successful intervention in one area which is not accompanied by significant amelioration elsewhere will only offer temporary relief. Poverty alleviation requires a comprehensive approach. For instance, if housing conditions, income or nutritional intake are grossly inadequate, the health status of slum dwellers will not improve just because they have access to a health clinic. A practical example is the failure of donors' 'shelter' programmes to improve the living standards of the target groups in many African cities. This has been due to their failure to tackle poverty issues comprehensively. In a study by R. Wainaina in 1986, the author concluded that 'shelter alone cannot form (the) solution to the root causes of urban poverty'. He went on to suggest that 'shelter programmes for the urban poor must be planned along with other programmes aimed at raising (their) income earning opportunities.'<sup>3</sup>

<sup>3</sup> R. Wainaina: 'Displacement Trends at Dandora Site and Service Scheme, M.A. Thesis, University of Nairobi, 1986.

*'Policy vacuum on the issue of squatter settlements'*

The intervention of NGOs is always welcome. But certain NGOs' insistence on acting as substitute governments is not very healthy for achieving broad-based access to the services in question on a long-term and sustainable basis. It must be understood that the democratisation process does not just entail multi-party politics and 'one person, one vote'. This process, and the definitional context, must be understood to include significant elements of human rights and human dignity, including the explicit recognition of a right to basic services and decent housing. These services do not necessarily have to be provided directly by the government. However, it is the duty of government not only to provide the enabling environment for their provision, but also to see that they are affordable. When NGOs act as substitute governments, they shield the authorities from internal pressure from their constituents. These pressures are necessary for accountability, broad-based participation and genuine democracy.

It is, therefore, extremely important that donors and NGOs work as partners with and not substitutes for governments. The NGOs should act within the framework established by the government but should also participate in establishing such frameworks as part of their advocacy role. Such frameworks must recognise that to change the status of the poor, several sectors and issues must be dealt with at the same time. But the process and model of delivery must be indigenous in order to ensure a successful outcome.

However, both governments and the NGOs must understand that there is no substitute for growth. Poverty alleviation measures for the urban poor must go hand in hand with income enhancing ones as well as measures that improve the general productivity of urban economies. The latter would lead to long term sustainable development as well as strengthen linkages between the urban and rural economies.

Governments and donors have made some attempt to work together in the past, although most of these collaborative efforts have only involved UN agencies and multilateral institutions. For instance, there have been modest attempts by governments on the one hand, and donors such as the World Bank, HABITAT and USAID on the other, to work together on urban issues such as site and service housing schemes, upgrading of squatter settlements, water supply schemes and the development of water-borne sanitation.

There have been notable failures in some of these attempts at collaboration. For instance, site and service contracts which were not comprehensively designed had limited impact. This was due, especially, to the displacement of the targeted low-income groups by middle income groups, on account of the inability of the former to develop the site provided. In

Child receiving treatment at a health centre in Malawi

*'If housing conditions, income or nutritional intake are inadequate, the health status of slum dwellers will not improve just because they have access to a clinic'*

Suzanne Eschle, GTZ





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Nairobi's biggest site and service project at Dandora, more than 50% of those originally allotted plots were subsequently displaced (see footnote 3).

One of the issues that will need considerable attention in the coming years, if low-income housing is to improve, is to devise a more effective way of enhancing private sector participation in the supply of housing for this category of people. In many African countries, there is a major imbalance in the supply of housing as between low and high income groups. Private sector developers have largely served the latter and have virtually ignored the former. Both governments and donors will have responsibilities in coming up with appropriate financing schemes (the development of a secondary mortgage market for housing finance), research, and engineering and other technical services. There is, for instance, a need to design more realistic norms for urban housing commensurate with the low income levels of most urban dwellers. In Nairobi, efforts by the low income population to acquire ownership of houses have been frustrated by the high standards and cost of conventional houses, lack of collateral for home loans, the high cost of urban land and conventional construction materials, and high rates of housing loan repayment.

## Positive impact of urbanisation

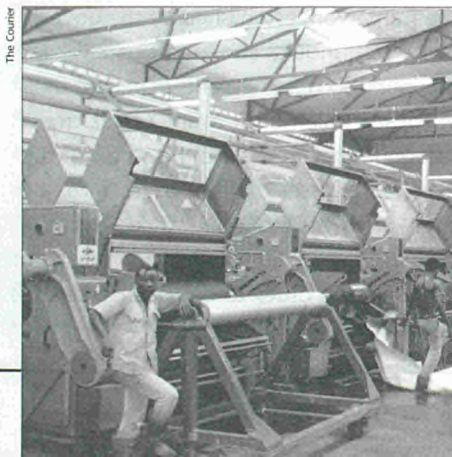
Urbanisation should not always be viewed negatively. The phenomenal growth of Africa's urban population and the limited ability of African economies to deal with the resultant pressures on infrastructure and social services have tended to make governments and the donor community view the process mainly from a negative perspective. Thus, many

New houses under construction in Nairobi — but high rents put them beyond the pockets of those who are most in need

African governments have attempted to design various schemes to arrest or discourage the migration of people to the cities.

This emphasis on the negative aspects of urbanisation has often meant that policy makers have failed seriously to consider the enormous potential for the industrialisation process represented by the presence of a critical mass of low-cost labour. As African economies are reoriented towards exports, they will need a low-priced but disciplined labour force in the urban areas — which are the points of production — if they are to compete effectively. The experience of the newly-industrialising countries of Asia is not very different. Thailand and India are two such countries that are currently maximising the use of their urban workforces to penetrate export markets. What is missing in Africa is a policy that recognises the strong relationship between industrialisation and urbanisation. A major element of this relationship is the purchasing power of city dwellers that is required to sustain industrial

A factory in Tanzania  
*'Enormous potential for industrialisation represented by the presence of a critical mass of low-cost labour'*



The Courier

production. The relationship can be mutually reinforcing. In fact, rising urban accumulation can influence the rate of modern sector job creation, especially in the manufacturing and service sectors.

This could, in turn, encourage further rural-to-urban migration and higher levels of urbanisation.<sup>4</sup>

There are, of course, other efficiency gains for the entire economy which can be attributed to the shift of a large proportion of the labour force from low-productivity rural agricultural activities to urban ones which involve higher labour productivity.

Thus far, this has not been effectively harnessed because the urban labour force has not been treated as a productive resource.

Policy makers in Africa are only now beginning to reckon with the immense contribution of the urban informal sector in terms of employment and income. If this sector is not carefully promoted, the urban crisis will definitely worsen.

## Conclusions

Current trends in urbanisation in Africa are likely to continue. The crisis which this threatens to provoke can be averted if public policy provides the enabling environment and creates appropriate institutions for the support of informal sector activities. Donors and NGOs should work as partners within the framework established by governments. In the process, poverty alleviation measures should be combined with measures that enhance the productivity and income of the urban poor. ■

O.O. & G.I.

<sup>4</sup> See J.G. Williamson: 'Macroeconomic Dimensions of City Growth in Developing Countries: Past, Present and Future', *World Bank*, 1992.



# Urban development and rural change

by Jonathan Baker \*

The role and functions of small towns as agents for rural change and transformation in Africa (and elsewhere) have generally been neglected by the aid community as well as by academia. This is somewhat surprising given the fact that, for a variety of reasons, the majority of rural people in Africa interact most often with small urban centres rather than with the capitals and other large cities.

In the 1960s and 1970s, many donors adopted so-called integrated rural development programmes (IRDPs) which treated the agricultural sector in isolation. The importance of small urban centres for rural populations was neglected or even considered a problem. Since the 1980s, this narrow focus on rural development through IRDPs has lost its appeal as the anticipated results have not materialised. The emphasis has shifted, and is still shifting, towards a concern with the interdependence and complementarity of the rural and urban sectors.

One recent example of this shift in donor interest to the small town level was the commissioning by the Swedish International Development Authority (SIDA) of studies in Tanzania (1993) and Ethiopia (1994) of which the present writer was joint author. Each study involved looking at three small towns in the country concerned.

It is misplaced to talk about a rural-urban dichotomy. The rural and urban economies are intertwined and interlinked to a degree that makes distinctions impossible and irrelevant. An example will illustrate the point. A common phenomenon in Africa is household splitting and the existence of multi-active households across the urban and rural

spheres, or what has been termed as the 'one family, two households' system. It is often the case that a wife and children remain in the countryside tending the farm, while the husband lives and works in a town. He may stay there for many years, while maintaining close contact with 'home', with the aim of saving money to improve the farm, purchase more land, pay for his children's education or indeed simply to obtain extra income for household survival. In short, the husband is in town to save and invest in his rural farm and household. He does not consider himself as a permanent urban resident and often hopes to retire to his farm.

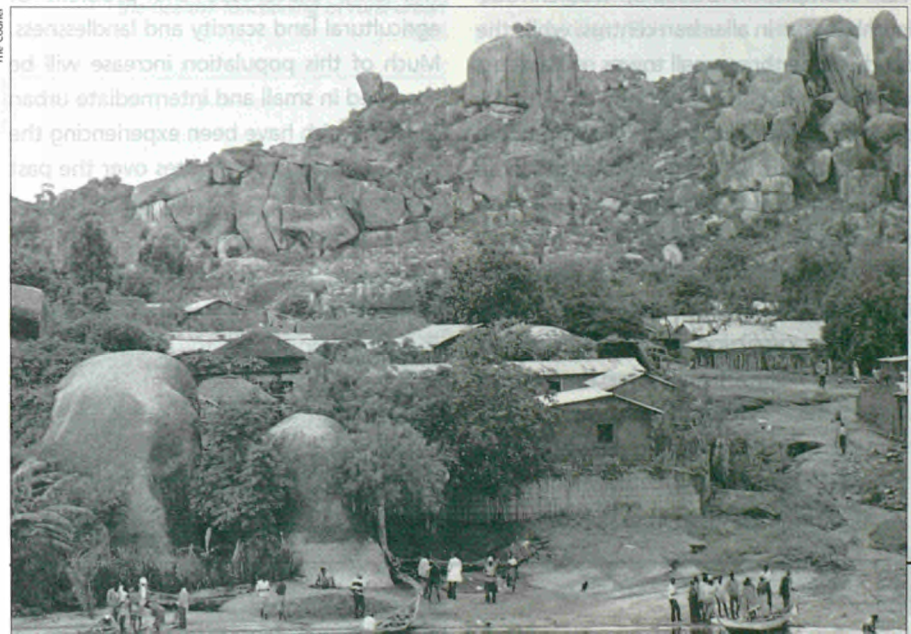
More generally, many aspects of rural life are rooted in small towns which offer rural people markets for their agricultural produce, extension services, health and educational services, recreational facilities, employment opportunities and so on. In turn, rural households provide resources (such as food, payment for public services through taxation, labour and demand for urban goods and services) which enable small towns to expand their economic, administrative and social functions.

## Rural income

Much rural income is not derived directly from agriculture, but takes the form of off-farm and non-farm income generated by farm households in small rural towns. In some cases in sub-Saharan Africa, as much as one-third of rural income may be derived from such sources. The results of the SIDA-commissioned study of three towns in northern Tanzania show that the most economically successful and secure households in surrounding villages are those which combine crop production and sales with a variety of non-farm and off-farm income-generating activities. 'Non-farm' production refers to work which is carried out on the farm but which is not related to crop production; for example, making furniture and bricks for sale in both small town and village markets. The term 'off-farm' refers to activities carried out elsewhere. These include employment in town (ranging from work in the administrative sector to casual labouring), and the ownership of urban assets such as shops or rooms for renting.

Moreover, access to farmland (either in town or on the outskirts) for food production by small town dwellers is usually a vital element in household survival. While most townspeople in the Tanzanian study reported their occupations as being of an urban type, in the great majority of cases income from sales

A village in Northern Tanzania  
*'The rural and urban economies are intertwined to a degree that makes distinctions impossible and irrelevant'*



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of agricultural produce represented a surprisingly large percentage of household income (between 61% and 71% in the three towns surveyed).

While the above examples reveal the close interdependence between the rural and urban sectors, the research findings from the Tanzanian and Ethiopian studies point to the importance of rural demand in stimulating the economies of small urban centres. For example, during the time the studies were being carried out, both countries were suffering severe drought conditions, with Ethiopia particularly badly affected. As a result, the rural populations were facing conditions of considerable economic stress. This had the effect of leading to a dramatic decline in rural demand for urban goods and services. As a corollary, all urban entrepreneurs (from grain millers to sellers of locally-produced alcohol) experienced economic hardship following a major drop in their business.

### Opportunities for women

Emphasising development at the level of the small town is important for three other reasons, besides those mentioned above.

First, small urban centres offer independent rural (and urban) women a livelihood in a range of informal income-generating activities, which are not available in the countryside. It has been documented that increasing numbers of rural women are moving to towns in sub-Saharan Africa as independent migrants. For example, in Ethiopia, women outnumber men in all urban centres, while the study in the three small towns of Tanzania revealed that the number of female-headed households was high — ranging from 24% to 29% of the total. Some women obviously migrate to town to find a husband, but many apparently move following a divorce. Divorced and other independent rural women often have difficulties in gaining access to agricultural land as a result of male-based customary land tenure systems and other cultural constraints.

Consequently, many rural women come to town in search of better

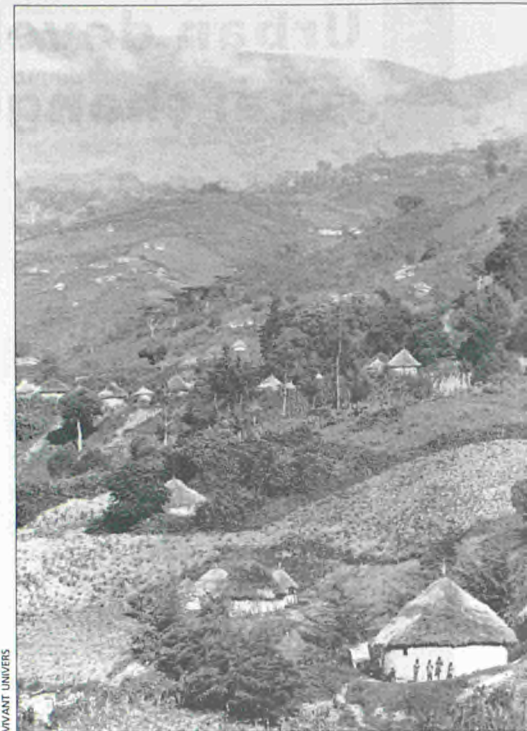
economic opportunities and employment. Common activities which require little skill and training and are easy to enter include the production and selling of alcohol, spinning or dressmaking, domestic service, firewood and water selling, trading and prostitution.

Second, the economic opportunities provided by the small town, for rural populations increasingly subject to economic and ecological stress, is being recognised. For example, small rural towns provide 'safe havens' and employment opportunities for nomadic populations in countries such as Sudan, Somalia, Ethiopia and Kenya.

Furthermore, small towns will become more significant for employment and income-generating activities in countries and regions of sub-Saharan Africa which face problems of agricultural land scarcity, including Kenya, Ethiopia and a number of Sahelian countries. Thus, much more emphasis needs to be placed on developing the employment potential of small towns to cater for the needs of the increasing numbers of landless rural people.

Kenya is an obvious example of a country which is experiencing a squeeze on its agricultural land due to population pressures. About 20% of the country's 583 000 square kilometres is considered to be high or medium-quality land, and an additional 9% can be cultivated but is subject to periodic droughts. Kenya's total population, estimated at 26 million in 1992, will increase by 5 million by the year 2000. As rural population densities are already high, further population growth will only exacerbate the problem of agricultural land scarcity and landlessness. Much of this population increase will be absorbed in small and intermediate urban centres which have been experiencing the highest urban growth rates over the past few years.

Third, a number of analysts are concerned with the management and environmental problems associated with the rapid growth of the largest cities in Africa. Between 1980 and 1990, the number of cities in sub-Saharan Africa with populations of more than one million increased from 13 to 26. Given that much of this growth is due to in-migration of



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Here in Kenya's Cherangani Hills, rural population growth is putting pressure on finite land resources

rural people, one way of reducing and diverting this movement is to make urban settlements more attractive and sustainable, thereby 'capturing' would-be migrants to the megacities.

### Enhancing small town-rural relations

It would be misleading to imply that rural-urban linkages always function effectively. Below are some central issues which should be considered when attempts are made to enhance the smooth functioning of small town-rural relations.

#### Entrepreneurship

The central role of entrepreneurship should be stressed. It appears that support for small local enterprises is vital if small towns are to play a meaningful role and provide fruitful interaction with their rural hinterlands. Often, such enterprises are of an informal nature and they have the capacity to create some employment and to provide low-cost goods and services to urban and rural dwellers. At present, local authorities are often hostile to these small operations, while the entrepreneurs lack the required skills, raw materials or support services. Access to credit is also

problematic as loans are often too expensive and informal operators seldom have the collateral to obtain loans. Taken together, these factors make it difficult for such entrepreneurs to create and maintain market niches.

Data from the small towns in Tanzania and Ethiopia show that many entrepreneurs see poor roads, irregular transport and high transport costs as inhibiting factors for their businesses. Other problems relate to inadequate water and electricity supplies.

Many small towns in Africa are primarily market, service and administrative centres, and not manufacturing ones. The most successful entrepreneurs are those concentrated in the service sector which is characterised by rapid turnover (general stores), high value (fuel distribution), or a combination of the two (lodging houses and bars). The least successful enterprises are those engaged in productive activities, such as repairing, and small-scale manufacturing, where lack of capital and difficulties in obtaining spare parts and raw materials are major factors. If small towns are to be more self-sustaining and are to have a more dynamic relationship with their hinterlands, then it is necessary to provide more support and encouragement to the production sector.

### Roads

Improved roads which link rural areas with small towns and larger centres in the urban hierarchy are prerequisites for the healthy functioning of rural-urban links. Improved rural feeder roads and small town regional roads, for example, provide an enabling environment which enhances the efficiency of rural-urban linkages and encourages crop and livestock commercialisation. However, the role played by incentive pricing policies for agricultural produce, as well as the availability of agricultural inputs, are vital considerations, without which improved rural and regional roads would not be of much use. A realistic approach entails having both the physical infrastructure in place to enable increased agricultural production to be moved to major markets, and the incentives and inputs to stimulate greater production.

### Health

If small towns are provided with adequate and effective health facilities (for example, district hospitals and mother and child clinics), these can provide for the needs of both the urban and surrounding rural populations. However, in the present African context, with government spending cuts imposed through structural adjustment programmes, standards of health provision have declined as governments are often unable to pay employees or purchase necessary drugs and equipment. This has been the case in Ethiopia, Tanzania and, doubtless, many other countries. From this perspective, it is likely that reversals are occurring at the rural-urban interface in health improvements achieved over the last 30 years.

More specifically, there is a need to upgrade urban water and sanitation systems (in many small towns, households often lack any kind of latrine facility) to enhance health status and prevent outbreaks of cholera, typhoid and dysentery. These diseases, together with malaria, are major factors maintaining high mortality rates, particularly among infants.

### Fuelwood

Little research has been conducted in Africa to assess the impact of small town fuelwood (firewood and charcoal) demands on surrounding rural areas. The research that has been undertaken in this field has focused on major urban centres and, consequently, the problem is perceived as being only a large city one.

Construction work on a rural road in Ethiopia.  
*'Improved roads are prerequisites for the healthy functioning of rural-urban links'*



However, the impact of small town fuelwood demands does have serious repercussions on adjacent rural areas in terms of environmental deterioration and erosion. Evidence from Tanzania and Ethiopia indicates that such demands are rapidly increasing and this is reflected in escalating prices, which in turn reflects the increasing distance to fuelwood sources. In Ethiopia, under the former regime of Mengistu Haile Mariam, many tree-planting schemes were implemented, but the approach used was top-down and authoritarian. The result was to create resentment on the part of the peasantry, who often illegally cut down trees in state and community forests. The major lesson learnt, and it is applicable for all of sub-Saharan Africa, is that reforestation schemes succeed when participatory approaches are used.

### Two final considerations

Any discussion of small towns and rural-urban interdependence must bear in mind at least two considerations. First, universal generalisations concerning African small towns are often not valid and the uniqueness of each centre is an essential point. Any planning models or strategies which assume otherwise will be untenable. Second, small town and rural hinterland relationships do not exist in a political or economic vacuum, but are shaped by wider politico-economic actions emanating from the centres of national decision-making which, in turn, are often influenced by global forces.

Government policies, however, can do much to stimulate the development of small towns provided they are willing to permit greater decentralisation of decision-making. This means allowing local authorities more power to decide on important issues. This entails, among other things, giving them the ability to raise taxes and spend the proceeds locally. Examples of countries which have encouraged greater devolution of power to the local level include Botswana, Zimbabwe, Nigeria, Ethiopia and Kenya. With the move generally towards greater democratisation in Africa, it is to be hoped that more devolution of power from central government to the grassroots or small-town-rural level will take place.

# The four 'environmental revolutions' for cities

by David Satterthwaite\*

There are four distinct environmental 'revolutions' that must be achieved in cities, if both local and global environmental goals are to be met. These are:

- the environmental health revolution;
- the reduction in chemical and physical hazards within the home, workplace and wider city;
- achieving an ecologically sustainable relationship with the city-region; and
- reducing levels of resource use and wastes so that these are compatible with sustainable development at a global level.

Most cities in Africa, Asia and Latin America have yet to implement fully the first and second of these; indeed some have hardly started. Great progress has been made in Europe, North America, Australasia and in some cities in other regions in both the first and second mentioned 'revolutions'. A few cities have also made considerable progress on the third but almost none have addressed the fourth.

## The environmental health revolution

The environmental health revolution eliminates the public health problems that can arise as a result of large concentrations of people living in high densities. It is achieved by greatly reducing or eliminating human contact with faecal matter and with other life and health threatening biological pathogens in the air, water, food and soil. This is done through obvious measures that are now

taken for granted in cities in the North: provision for piped, treated water and for toilets inside each individual house, flat or self-built shelter; provision for storm and surface water drainage; services to collect and dispose of rubbish and other solid wastes; disease vector control (for instance of rats and, in tropical areas, of the *anopheles* mosquitoes that spread malaria); and preventive focused health care. Improving housing conditions is also important, both to reduce overcrowding and for ensuring that all households have adequate provision for water and sanitation. Although health care is often not considered part of environmental health, a primary care system with a strong orientation towards preventing disease is an essential part of this 'revolution'. This is not only because it can rapidly treat injuries and diseases — including diarrhoeal ailments and acute respiratory infections that are often the main cause of death, despite the cheap and easily applied cures — but also because of its capacity to ensure people are protected against the many communicable diseases for which immunisations are cheap and effective.

Close to 100% of the population of most cities within Europe, North America and Australasia and some Asian and Latin American cities have implemented this environmental health revolution. In such cities, it is very unusual for someone to die of diarrhoeal diseases, typhoid, typhus and yellow fever — yet all were major causes of death until relatively recently. The same is true for acute respiratory infections, tuberculosis (the single largest cause of adult death worldwide) and measles. The speed of this transformation in the health of urban populations is often forgotten. It is only in the last 100 years or so that societies have developed the knowledge, capacity and competence to protect against diseases

that formerly thrived, especially in crowded cities. This can be seen in the infant mortality rates that existed only a century ago in the world's most prosperous cities. Today, infant mortality rates in healthy, well-served cities are around 10 per 1000 live births and it is very rare for an infant or child to die from an infectious or parasitic disease. Most prosperous European cities 100 years ago still had infant mortality rates that exceeded 100 per 1000 live births; in Vienna, Berlin, Leipzig, Naples, St Petersburg and many of the large industrial towns in England, the figure exceeded 200 and in Moscow the rate topped 300.

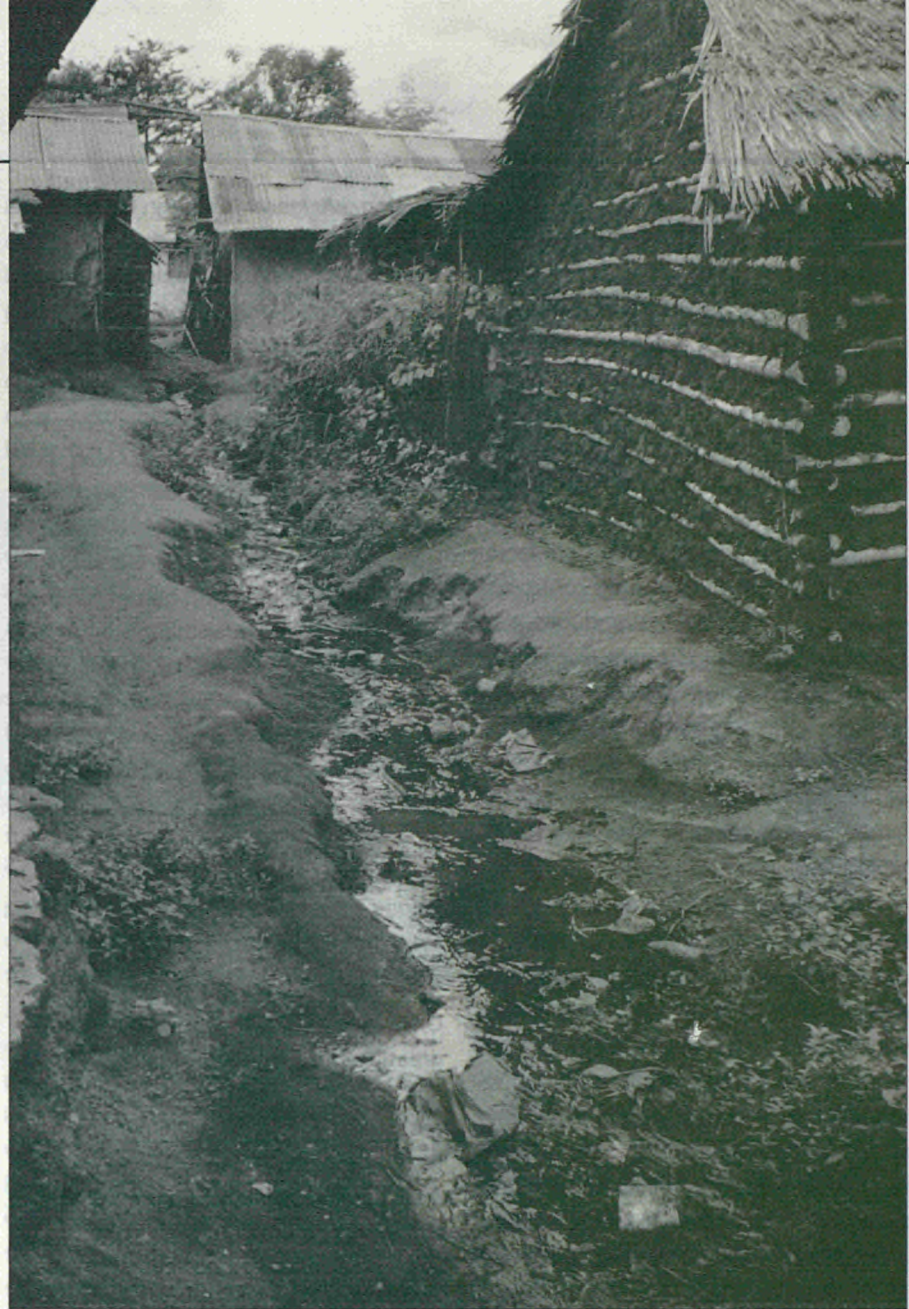
In most of the South, much remains to be done. Infant mortality rates of 100 or more per 1000 live births still remain common in cities in the South or in the urban areas where low-income groups live. Much higher infant mortality rates are common in the informal or illegal settlements where there is no provision for water, sanitation and health care. A 1990 estimate suggested that 600 million urban dwellers in the South lived in shelters and neighbourhoods where their lives and health were continually threatened because of the inadequate provision of safe, sufficient water supplies, sanitation, removal of solid and liquid wastes, and health care and emergency services. Many health problems are linked to water — its quality, the quantity available, the ease with which it can be obtained and the provisions made for its removal, once used. Hundreds of millions of urban dwellers have no alternative but to use contaminated water — or at least water whose quality is not guaranteed. A minority have water piped into their homes while rather more have to collect water from a standpipe nearby. As one specialist commented, 'those not served are obliged to use water from streams or other surface sources which in urban areas are often little

\* Director of the Human Settlements Programme at the International Institute for Environment and Development. This draws from the book *Environmental Problems in Third World Cities* that Mr. Satterthwaite co-authored with Jorge E. Hardoy and Diana Mitlin, Earthscan Publications, London, 1993.

more than open sewers, or to purchase water from insanitary vendors. It is little wonder that their children suffer frequently, often fatally, from diarrhoeal diseases.<sup>1</sup>

The quantity of water available to a household and the price that has to be paid can be as important to a family's health as its quality. The cost of water and the time needed to collect it influence the quantity used. Where public agencies provide no water supply — as is common in the illegal or informal settlements in which most low-income groups live in cities in the South — the inhabitants often obtain water from private vendors. They can pay between four and 100 times the cost per litre paid by richer groups who have publicly provided piped supplies. Water vendors probably serve between 20% and 30% of the Third World's urban population.

Water is also very heavy to carry any distance. A family of five or six needs around 300 litres of water a day to meet all its needs, the equivalent of 30 or more full buckets. Governments often claim that if a household is within 100 metres of a public standpipe, they are adequately served. But the amount of water a family uses will be influenced by the distance it has to be carried. Long queues at a public tap (especially if water is only available for a few hours a day) and repeated trips back to the house takes up time that could be used in earning an income. The time and effort required to carry water a long distance will mean that the further away the supply, the less water will be used. Limited quantities of water mean inadequate supplies for washing and personal hygiene — and for washing food, cooking utensils and clothes. Eye and ear infections, skin diseases, scabies, lice and fleas are very difficult to control without sufficient water supplies and a good standard of personal hygiene is difficult to maintain. If all city and national politicians had to spend just a few days of their life, living in a shelter, having to cope with children who are sick, having to fetch and carry water from a distant public standpipe, and with no readily available health



service to turn to, the priority given to water, sanitation and health care would rapidly increase.

Removing and safely disposing of human excreta and waste water is also a critical environmental health need. Around two-thirds of the South's urban population have no hygienic means to dispose of their excreta and an even greater number lack adequate means to dispose of waste waters. Most cities in Africa and many in Asia have no sewers at all. Rivers, streams, canals, gullies and ditches are where most human excrement and waste water ends up, untreated. For those cities with sewers, rarely do they serve more than a small proportion of the population — typically the richer residential, government and commercial areas.

A lack of drains or sewers to remove waste water and rainwater can lead to waterlogged soil and stagnant

*'Removing waste water is a critical environmental health need'*  
Open drainage channels, such as the one pictured here in Kenya, are all-too-common in Third World towns and cities

pools that can transmit diseases such as hookworm. Pools of standing water can spread enteric diseases and provide breeding grounds for mosquitoes which spread filariasis, malaria and other illnesses. Inadequate or no drainage often means damp walls and damp living environments.

There are also problems with waste collection services in most cities in the South since these often do not serve the lower-income city areas. As a result, refuse accumulates on open spaces and streets. The results are not difficult to imagine — smells, disease vectors and pests attracted by the rubbish, and overflowing drainage channels clogged with refuse.

<sup>1</sup> Cairncross, Sandy, 'Water supply and the urban poor' in Jorge E. Hardoy et al. (Editors), *The Poor Die Young: Housing and Health in Third World Cities*, Earthscan Publications, London, 1990.

## Reducing physical and chemical hazards

The second environmental revolution is government action to reduce the chemical and physical hazards within homes, workplaces and cities. The scale and severity of many such hazards increases rapidly with increasing industrial production and with the growth in road traffic. Probably the most important factor in terms of improving health is controlling occupational hazards that includes people's exposure to dangerous concentrations of chemicals and dust, inadequate lighting, ventilation and space and a lack of protection from machinery and noise. Action is needed in these areas from the large factories down to small 'backstreet' workshops.

One of the most serious chemical hazards in many cities is indoor air pollution from smoke or fumes from open fires or inefficient stoves. This is especially so when coal or biomass fuels are used. High levels of indoor air pollution can cause inflammation of the respiratory tract which, in turn, reduces resistance to acute respiratory infections while these infections in turn enhance susceptibility to the inflammatory effects of smoke and fumes.

There is also a need to reduce to a minimum the risk from accidents within the home and its immediate surroundings. These are often among the most serious causes of injury and premature death as it is common for four or more persons to live in one room in a shelter made from temporary (and inflammable) materials and with open fires or stoves used for cooking and (where needed) heating. It is almost impossible to protect occupants (especially young children) from burns and scalds in such circumstances. Action at the neighbourhood and city level to reduce the risk of injury is also very necessary in most cities in the South where a considerable proportion of the population live on land sites that are subject to floods, mudslides or rockfalls. Low-income households choose such hazardous sites simply because they are often the only sites within easy reach of the employment that is available to them. Safer sites are far too expensive and any attempt to occupy these illegally and develop housing on them would result in

eviction. A good primary health care system is also important so that those who are injured can get rapid emergency treatment.

Traffic management in residential areas is also required, together with adequate provision for play and recreation for the entire city population. Clean, safe, stimulating and supervised playgrounds for children are needed most in the poorest residential areas where there is the least space within and around homes for children to play. City-wide, there is an urgent need for a full range of measures to promote healthy and safe working practices in all forms of employment and to penalise employers who contravene them.

There is also a need to control air and water pollution. As cities become larger, more industrialised and wealthier, the need for more comprehensive and effective control of emissions and wastes from industries and motor vehicles arises. Once problems of indoor air pollution are greatly reduced by the use of cleaner fuels, and occupational hazards are greatly reduced by effective enforcement of health and safety regulations, governments usually have to turn their attention to reducing ambient air pollution. If industrial pollution has been much reduced, it is often motor vehicles that become the main source of air pollution.

## Rural-urban linkages

The third environmental revolution is reducing the damage done by the production, consumption and waste generation concentrated in cities on their region's ecology and on the health and livelihood of its inhabitants. Many large and prosperous cities have seriously damaged the ecology of their region. A considerable part of the 'solution' to rising levels of solid, liquid and gaseous wastes in the first two environmental revolutions described above is to dispose of such wastes in the wider region. Solid wastes (including toxic and hazardous wastes) are disposed of on land sites around the city, often with little or no provision for preventing these from contaminating local water resources. As provision for sewers and drains improves in the city, the impact

of the waste water on the wider region increases. This is because it is dumped untreated into a river, estuary or sea, close to the city. Air pollution from city-based industries, space heating and motor vehicles often results in acid precipitation that damages terrestrial and aquatic ecosystems outside the city. City populations and businesses also draw on regional resources — for instance the soils and gravels needed for buildings — often with damaging environmental consequences. In addition, in the larger cities, the demand for fresh water has usually outgrown local sources of supply and city consumers and businesses have come to rely on water that is drawn from ever more distant watersheds — which often suffer serious damage as a result.

It was only in the 1960s that this aspect of cities' environmental impact began to be addressed in the North. The growth in environmentalism from the 1960s onwards led to pressure for major reductions in air pollution and for large investments in the treatment of liquid wastes and in the management of solid wastes. Among the world's wealthier nations, this has considerably reduced the environmental impact of city-based production and consumption on the wider region. It has also begun to set limits on the environmental impact that city-based demand for freshwater can inflict on distant watersheds. However, in most major cities in the South, much remains to be done.

## Sustainable development

The fourth environmental revolution is ensuring that a city's ecological impact on global resources and systems (what is often termed its 'ecological footprint'<sup>2</sup>) is compatible with limits at a global level in terms of resource use, waste and the emission of stratospheric ozone-depleting chemicals and greenhouse gases. The largest and wealthiest cities have, to a considerable degree, transferred the environmental costs that were previously imposed on their region to other regions

<sup>2</sup> Rees, William E., 'Ecological footprints and appropriated carrying capacity: what urban economics leaves out', *Environment and Urbanization* Vol. 4, No 2, October 1992.

and to global systems. Thus, the demands they concentrate for food and raw materials are met by imports from distant ecosystems. Wealthy cities can maintain high environmental standards in their own regions because the ecological damage is being done hundreds or thousands of kilometres away as forests and croplands are overexploited to produce the goods they demand. Air pollution may have been cut but emissions of carbon dioxide (the main greenhouse gas) continue to rise. While there is disagreement as to whether ecological limits exist and exactly where the limits are, it is clear that the level of waste and greenhouse gas emissions per capita created by the lifestyles of most middle and upper income households in the North (and South) could not be sustained if most of the world's population were to have a comparable level of consumption. Wealthy households in the South may have just as high a consumption level but it is the concentration of the world's high consumption households in the North that makes this a North-South issue.

Ironically, the poorer cities in the South are almost models of sustainable development in that the low levels of economic activity and limited consumption levels of most of the populations ensure that figures for resource use per person are very low. So too are per capita levels of greenhouse gas emissions and stratospheric ozone-depleting chemical emissions. Low-income urban citizens are also models of 'sustainable development' in that they use very few non-renewable resources and generate very little waste. They are also among the most assiduous collectors and users of recycled or reclaimed materials.

## Considerations for the future

The priority, worldwide, must be to promote and support the first two of these environmental revolutions in the South. Perhaps the most important underpinnings of these two revolutions are economic prosperity and democratic structures. Ironically, economic prosperity is the major cause of rising ecological damage done to city-regions and to global systems.

But this need not be the case; there are no contradictions between a high quality and healthy city and good environmental performance. Indeed, the fact that cities concentrate production and population gives them some obvious advantages over rural settlements or dispersed populations:

— High densities mean much lower costs per household for the provision of piped, treated water supplies, the collection and disposal of household and human wastes, advanced telecommunications and most forms of health, education and emergency services. Within the largest cities, population concentration can make sewage disposal problematic given the volumes of excreta and waste water produced. But this is not the case in smaller cities and towns — where most of the world's urban populations live. There are many examples of successful and safe utilisation of sewage for intensive crop production. There are also an increasing number of examples of effective sanitation systems that do not require high volumes of water. The techniques for enormously reducing fresh water use in city homes and enterprises, including recycling or directly reusing waste waters, are well-known, where fresh water resources are scarce — although it is agriculture, not cities, that dominates in the use of fresh water in most nations.

— The concentration of production and consumption in cities implies a greater range and more possibilities for the efficient use of resources — through material reclamation, recycling and reuse, and for the specialist enterprises that ensure this can happen safely.

— A much higher population concentration in cities implies a lower demand for land relative to population. In most countries, urban areas take up less than 1% of the national territory. The entire world's urban population would fit into an area of 200 000 square kilometres — roughly the size of Senegal or Oman — at densities similar to those of high class, much valued inner city residential areas in European cities.

— The concentration of production and households in cities implies a considerable potential for reducing fossil fuel use where homes and workplaces need to be heated,

for instance through the use of waste process heat from industry or thermal power stations or through cogeneration.

— Cities offer a much greater potential for limiting the use of motor vehicles and for reducing the quantities of fossil fuels used because they encourage walking, cycling or greater use of public transport.

Thus, implementing the environmental health revolution and reducing chemical and physical hazards can be achieved without high levels of resource use and waste emissions. But it is difficult to imagine households, communities and municipal authorities taking action without a certain level of prosperity and economic stability. Democratic structures are also essential in that without them, government authorities rarely respond to the needs of lower-income groups and seldom ensure that enterprises meet pollution control and occupational health regulations. Democratic structures also help ensure that needs and priorities are determined within each city and not imposed by external agencies — which so often impose the wrong priorities and technical solutions. External agencies must recognise that each city has its own unique mix of environmental problems, rooted in its own social, economic and political structures and underpinned by its own unique ecological context. They must recognise that there are some 30 000 different urban centres in the South and that only a small proportion of the South's urban population lives in very large cities. Perhaps the most relevant question in testing the effectiveness of external support aimed at tackling environmental problem is — how does such support address the needs and priorities of the cities' low-income citizens? ■

D.S.

# Urbanisation and Structural Adjustment Programmes

## The Zambian experience

by Dr Ngila Mwase \*

Zambia, with 53% of its 8.6 million people living in urban areas, is Africa's most urbanised country. Zambia's urbanisation was prompted by its copper-dominated mineral economy. Key towns include Lusaka, the capital, with two million people; the Copperbelt towns of Ndola, Kitwe, Mufulira, Luanshya and Chingola, inhabited by miners with a strong propensity towards imports and a modern lifestyle; railway towns such as Kabwe and Kapiri Mposhi; provincial centres such as Choma, Chipata, Mongu, Solwezi, Kasama and Mansa; and the tourist town of Livingstone. With the exception of Ndola and Kitwe, none of the towns mentioned has more than 100 000 inhabitants.

In general, Zambian towns are well planned, with their 'compounds' provided with basic facilities such as water, electricity and tarmac roads. However,

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Lusaka, where almost a quarter of Zambia's population lives 'Zambia is Africa's most urbanised country'

given urban councils' weak financial and administrative capacity to cope with rural migrants, unplanned settlements have sprung up which have very limited access to basic urban facilities. As the World Bank noted in its appraisal of Zambia-type urban situations in its 1994 *World Development Report*, 'the urban poor, typically housed in slums or squatter settlements, often have to contend with appalling overcrowding, bad sanitation and contaminated water. The sites are often illegal and dangerous.' We could note that Zambian towns are some of the most crime-ridden in Southern Africa. In October 1994, the Government's decision to close the 'unplanned' Soweto market and clear Lusaka's streets of illegal vendors led to widespread riots.

### The effects of structural adjustment

The development of towns and their inhabitants has been greatly affected by currency devaluation, the adoption of market-determined prices, privatisation of state enterprises, staff retrenchment and the abolition of subsidies. The last mentioned has resulted in big price increases, especially for consumer goods.

The strength of the Zambian Congress of Trade Unions (the country has the strongest organised labour in Africa), together with good prices for copper in the 1960s and early 1970s, led the 'humanist' government of Kenneth Kaunda to subsidise many products. This included some consumption in the 'luxurious' category but also staples such as 'mealie meal' (maize flour). Subsidising of urban consumption by keeping real consumer prices low encouraged rural-urban migration.

The collapse of copper prices, the fuel and debt crises (debt stands at \$7.3 billion) and the structural adjustment programme forced President Chiluba's MMD administration to phase out the maize subsidies altogether, prompting massive price rises. This was despite the urban riots of December 1986 and June 1990 which were prompted by increases in the price of mealie meal. On the latter occasion, 27 people lost their lives.

The MMD government's strict austerity policies in the monetary and fiscal fields, dictated by the primary objective of fighting inflation, which has been reduced to single-digit figures (from 190% in November 1991), has not boosted urban welfare. The massive devaluation of the Zambian kwacha (\$1 was worth ZK 0.9 in 1982, ZK 120 in 1991 and ZK 680 by 1994) has also adversely affected fixed incomes, pensions and wages, and has led to an astronomical increase in prices of both imported inputs such as fuel and chemicals, and local products.

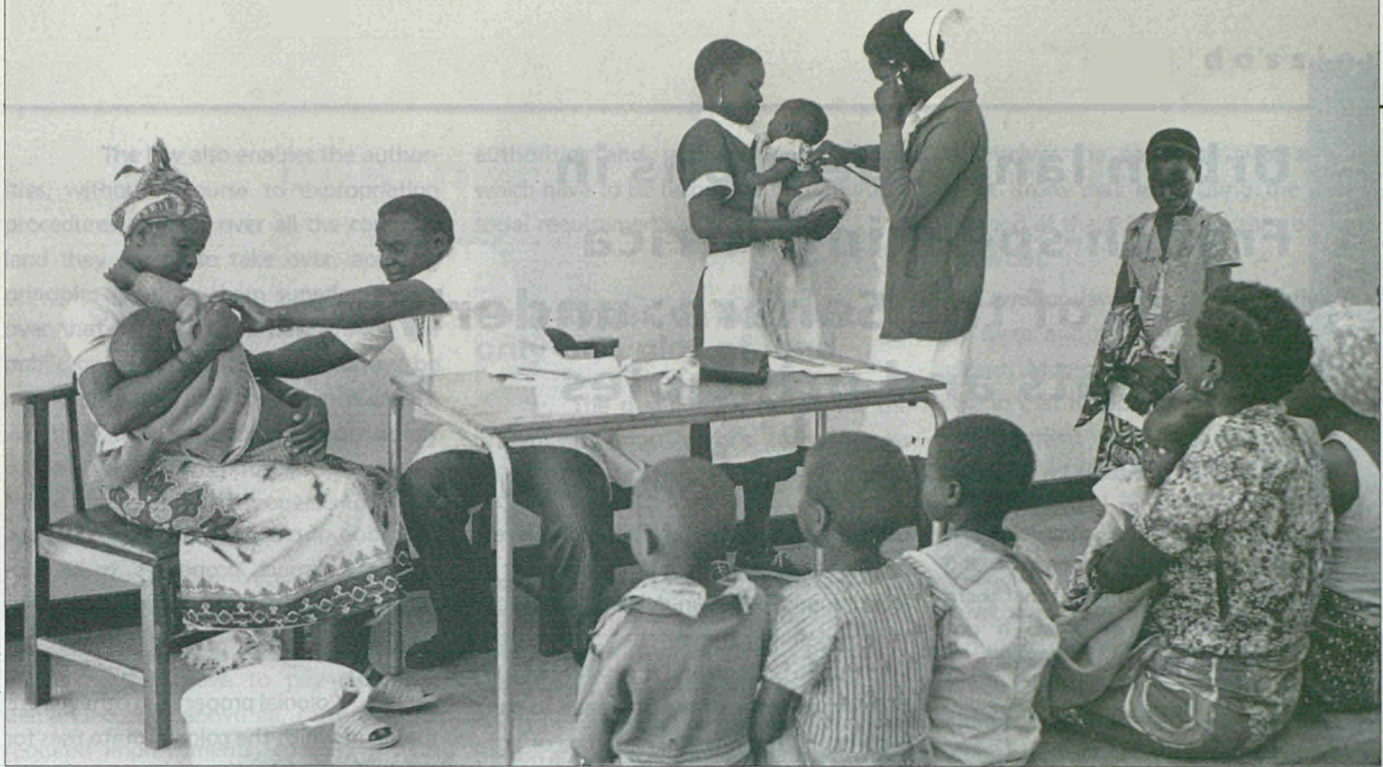
About 100 urban-based factories and more than 200 large and medium-scale farms have all but collapsed under a debt burden resulting from interest rates as high as 150% (July 1993), and this has had detrimental effects on urban employment. Currently, while interest rates in South Africa and Zimbabwe stand at 28% and 32% respectively, in Zambia, the figure is 58%. Urban producers, especially small-scale and micro-enterprises face stiff competition from cheaper and subsidised Zimbabwean and South African imports.

In addition to ending the maize subsidies, the government has reduced overall expenditure, including spending on social services, so as to bring down the fiscal deficit. This has fallen from 7.4% of GDP in 1991 to 2.2% in 1992 and just 0.4% in 1993. Thus, *per capita* expenditure on education declined from \$25.60 in 1982 to \$8.20 ten years later. Similarly, real health expenditure fell from K113 million in 1991 to K91 million in 1992. This trend has adversely affected accessibility to social services. However, the MMD government has indicated its determination to increase the



The Courier





Children getting a 'check-up' at a clinic — but the health sector overall has been cut back as structural adjustment bites

proportion of its budget going to the social sectors over the period 1994-96. The aim is for education to receive 15-17% of the total with health being allocated 13% and a further 6% going to water supply, sanitation and community development. A large proportion of the last-mentioned will be committed to urban development, alongside significant donor funds such as an Israeli grant earmarked for the main low-cost Lusaka markets.

Privatisation has exacerbated retrenchment. Although the planned privatisation of 95% of the 160 parastatals — which account for 80% of GDP and employ 140 000 staff — has only affected a dozen firms so far, the parastatals are neither investing nor being subsidised. Nor have the social 'safety nets' that have replaced the coupons for subsidised mealie meal cushioned the urbanised poor against economic hardships. The failure of rural resettlement schemes, rural neglect, urban bias and the resulting rural-urban migration, have, together with retrenchment, increased urban unemployment and poverty. According to the UNDP, 55% of the urban population live below the 'poverty datum line', with fully 26% living in absolute poverty. Although the severity of poverty in rural areas is greater, its growth in urban areas has been astronomical — from just 4% of urban dwellers in 1975 to 50% in 1993.

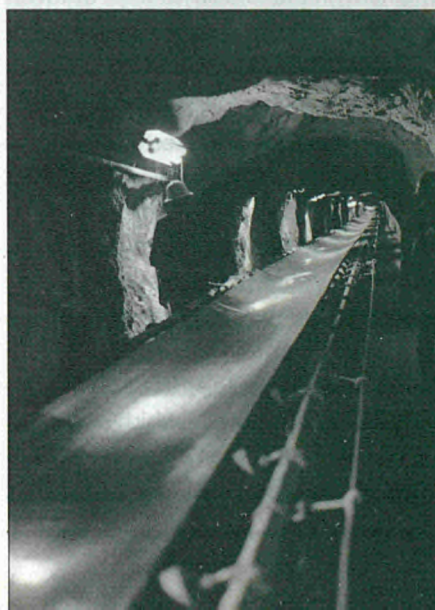
The social statistics reveal a serious deterioration. Between 1985 and 1992, life expectancy declined from 52 to

45 years while the infant mortality rate rose from 84 to 113 per thousand. The HIV/AIDS scourge also throws up some terrifying statistics. Some 30 000 cases of people suffering from AIDS-related conditions have been recorded while HIV rates as high as 33.6% have been measured among urban people in the 19-39 age-range.

Bus fares have increased several times in Lusaka during the past two years. By way of example, the shuttle transport linking the city to the airport costs as much as K15 000 — which is about half the take-home pay of middle level personnel. It costs K40 000, the equivalent of the net

Light at the end of the tunnel?

Many Zambians prospered during the copper boom but not everyone is convinced that the urban poor will automatically benefit from a future economic upswing



monthly pay of senior civil servants, to fill the tank in one's car! Ex-miners, in receipt of pensions as low as K165 a month (about 25 US cents), are almost starving and have to rely on famine relief food.

## Conclusion

If and when structural adjustment induces an economic upswing, today's victims of the programme *may* become beneficiaries. Whether this happens in practice depends, however, on the assumption that the assumed 'trickle down' effect will actually take place and/or on the effectiveness of income redistribution strategies. Given limited Government expenditure, urban renewal will increasingly depend on urban dwellers' own funding through (indirect) taxation and prudent, cost-effective utilisation of such funds.

With increased democracy, transparency, public accountability and good governance, the revenues generated from such taxes, user charges and various cost recovery/sharing schemes have a greater chance of being invested in urban development programmes. ■ N.M.

# Urban land questions in French-speaking Africa South of the Sahara: underlying concepts and principles

by J.-F. Tribillon\*

Even a superficial comparison of property law in Europe and land rights in Africa suggests that there are two very different, if not opposed, notions of real estate.

The European idea has a long tradition. Its roots are firstly rural, involving a system of small farms and stock-rearing units where the produce is both used on site and sent to market. This is principally a family-based structure. Secondly, it is a bourgeois idea, greatly influenced by the urban social classes of merchants, artisans, lawyers, intellectuals and others.

This tradition regards the ownership of land (property as something to be appropriated and real-estate law in 18th-century Europe as the legal basis for such appropriation) as a key to social order.

The second concept, which predominates in sub-Saharan Africa, traditionally does not place a value on the individual or family-based appropriation of land. Belonging to a powerful or influential social group seems, in historical terms, to be the decisive factor, but with colonisation came the more or less violent appropriation of landed property, which was to play a part in the newcomers' modernisation schemes. This usually consisted, for example, of land for agricultural development or the foundation and development of towns and cities.

According to the first notion, landed property exists with no distinction between urban or non-urban. The development of a property does not, in legal terms, alter the right of ownership. The most important changes relate only to the

conditions under which this right is exercised and, in towns and cities, it is 'conditioned' by urban-development regulations defining the extent to which the land can be built on and the nature of such building and then, if the go-ahead to build is given, by the physical existence or non-existence of services on the property connected to road and water-supply networks, without which no building permit will be issued.

According to the second notion, property ownership is a consequence of land being within an agricultural or urban boundary. The principal virtue of an urban-development plan is undoubtedly that it defines the boundaries and then authorises the procedure of division into plots and the concession of these plots for allocation. The land which, hitherto, had no boundaries was, in mythical terms, a kind of natural element, just like water, fire and air, but has, within a boundary, become an asset and an item of trade.

## Urban land tradition in Africa

There is something of a crisis over this issue wherever one goes. The tradition originates in the colonial concept of towns and cities, where a new social and, of course, land-ownership order is being developed.

The authorities see themselves as having tenure over the land, including that within urban boundaries, and dispose of it as they please. The colonial town planner is not only someone who plans the town, but also someone who distributes land to newcomers from the countryside. We are therefore witnesses to an irresistible town-planning/land power which confuses laying-out of the urban area (the organisation of the space) with plans for public

allocation of plots of land (division of the land into distinct 'properties' to be allocated to those recipients designated by the authorities).

Colonial property, in other words that land which the colonial State uses for the benefit of itself and its own, is very loosely defined, this being so because it denies the land rights of the occupants. The stated aim is to improve territory and any new installation or dwelling comes about only through a concession on the part of the State. The authorities thus take on the task of providing investors with the land necessary for their projects.

This aid is not, however, totally free, and the interests of the colony and those of the applicant have to be reconciled as far as possible. Concession is the preferred way of striking a balance, and concessions are granted in return for the payment of a sum of money and on condition that improvements are made in a set of specifications. Such a document may be extremely rudimentary, but it sometimes constitutes a whole list of regulations governing the actual occupation of the land.

The plan for subdivision of urban land defines the conditions and methods of use of colonial land in towns and cities. It sets boundaries for public areas and plots to be assigned to private individuals. In order to do this, it defines the functions of each zone, setting the boundaries of areas reserved for the public services, for traffic, for shops and businesses and for the native population. Under these conditions, the subdivision plan stands instead of the urban-development plan and is used equally for creating a coherent urban centre and for adding a new district to an existing centre.

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The law also enables the authorities, without recourse to expropriation procedures, to take over all the common land they see fit to take over, applying principles granting them superior tenure over that of the native population. This public ownership of land will always be regarded as the ideal by town planners, whether they are colonials or simply modernists — from public-health specialists to planners, from Europeans to Americans or Russians or anyone else.

Nothing prevents the native population coming forward as applicants for plots of land in European districts. However, they have to pay the price demanded and, above all, carry out the required improvements, complying with the most up-to-date regulations in respect of architecture, construction methods and hygiene.

It goes without saying that only a very small minority is able to meet these requirements and to live satisfactorily alongside the Europeans. This is why colonial land regulations make provision for the native population, provided they enjoy a reputation for respectability (which presupposes at least that they have had a family home in town for a certain length of time and have stable employment), to be able to acquire a plot of land in the 'native village' in the form of a 'dwelling permit'.

This plot of land is allocated *intuitu personae* and is in actual fact a favour which is granted according to the applicant's status and subject to the fulfilment of pressing current requirements. The title holder is thus required to occupy the land permanently, effectively and in person.

If the 'grantee' is able to take advantage of the opportunity offered him by building and planting on his plot, he can convert his permit into a title deed in return for a modest sum. These provisions are to 'facilitate access to land ownership for the native population'.

Recent ideological developments and also town-planning and management methods in towns and cities do not, in our opinion, break with this still very active urban land tradition which is based on scorn for and denial of common law, cutting off the town from the countryside, the parcelling-out of land by the public

authorities and multiple land by-laws which have to be reconciled with multiple social requirements.

### Four types of law, but only one plot of land

The past weighs heavily on the present, its most serious consequences being those relating to the law and to what could be called its 'partition'.

The majority approach in legal circles is to refer to a kind of unitary legal model. Lawyers believe that by using the appropriate instrument they can modify the content and distribution of duties and rights devolving on any physical or moral person and exercised in regard to any other party. We believe that this notion is misconceived in the field of African land law, which includes urban land law. We would put forward a few hypotheses, which are subject to verification and which lead back to a central hypothesis — the plurality of laws (or at least practices accepted as having legal force) to which those in society are subject.

We can, in effect, distinguish between four types of land law:

— The law of statutes and codes. This is familiar only to law professors and a few professionals in the field and its actual social impact is very small. Few ordinary people make reference to it. For example, who would, independently, on his own authority, require registration of the land of which he declares he is the owner? Would a homeowner (even in a non-urban context) dare to oppose eviction by the State on the grounds that, although he holds no title over or permit relating to the land, he is nonetheless owner of his own home and therefore can only obey a court order?

— Administrative law. Protected from popular criticism, the authorities blithely place themselves above the law, particularly that bequeathed by former administrations. They obey only the written law they have drafted themselves or Praetorian law invented on an ad-hoc basis. For example, on the pretext of defence of public interests and national development, the authorities arrogate to themselves a kind of superior tenure over all land, regardless of its status, and give

themselves the power to evict any 'suspect' from that land, using the easiest method at their disposal — they bulldoze them out.

— Common law. This is often influenced by Islam and continues to be fairly prevalent. Moreover, it plays a considerable role in that it applies to areas undergoing development which are, by definition, former rural areas with strong traditions. Is there a planner who has never come up against a village's wish to remain its own freeholder and to accept or reject any newcomer, regardless of the town-planning/land provision decreed by the authorities?

— Popular law or the new urban tradition. A new type of law is developing in towns and cities, which may be regarded as a combination of systems but in which the component of tradition is strongest, to such an extent that one is justified in speaking of a new urban tradition. This is a kind of immanent law practised 'naturally' by ordinary people. For example, any land, even land for which no 'papers' exist, may be sold by means of simple physical handing-over of the land in the presence of at least three witnesses and after having travelled around the entire boundary. This has overtones of Roman law.

Inconvenient as this situation may be for the legal profession, it is even more so for a person developing the land because the latter is unique and these disputes regarding which law to apply find embodiment in property conflicts and rival claims to the same land. These can include conflicts between the holder of an ancient title deed which has been more or less forgotten relating to land used by the authorities for the requirements of a public land-division operation and the new inhabitants; conflict between the village and the recipients of land from the authorities, the village claiming that such people are intruders and that the authorities are guilty of violating and despoiling their property; and conflict between the authorities who claim that land which is covered by a dwelling permit cannot be assigned without prior administrative authorisation and the purchaser who is acting in accordance with popular law and who declares, 'It's mine, I've bought it, you ask my witnesses!'. ■ J.F. T.

# Access of the poor to urban land

## New developments in land management

by Alain Durand-Lasserve\*

This article refers to some of the questions which were the subject of comparative research into policies relating to the integration of unauthorised settlements and their placing on a formal footing which was started in 1991 at the initiative of the Urban Management Programme. In 1992 to 1993, it gave rise to an initial series of studies dealing with nine towns and cities in Asia and Latin America. It was expanded in 1994 to include 17 African and Arab countries, and the conclusions of this second phase of the research will be presented and discussed during the seminar to be held in Abidjan from 21 to 24 March 1995 on the topic of 'Land Management, Legalisation Policies and Local Development'.

AITEC (International Association of Expert Technicians and Researchers) is handling scientific coordination for this project.

### Integration of unauthorised settlements and their legal recognition

Urban development in developing countries and the expansion of major population centres have continued at a sustained rate throughout the last decade, with growth rates in excess of those for 1965 to 1985 in the poorest countries. From a property standpoint, this has been reflected in the development and diversification of unauthorised forms of production and occupation of land for dwelling. The major population centres are particularly affected by this phenomenon.

On the basis of recent observations, unauthorised settlement of land is estimated to account for 30% to 80%, depending on the population centre, of urban growth in developing countries.

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Unauthorised status covers three types of situation.

The first involves occupations of central and pericentral built-up areas where property tenure takes various forms (squatting, renting, subletting). This situation is always difficult to resolve, principally owing to the high cost of real estate.

The most common phenomenon is that of human settlements occupying private or communally owned land which has been developed, has had basic services laid on and has been sold. The landowner may be the one who has instigated the housing development and then sold it, or he may use an agent acting with his agreement. The sale is often perfectly legal, but the housing-development operation may not be, in that the land has not been set aside for habitation, there is no permit allowing the land to be developed for letting, and standards relating to construction and levels of amenities are not complied with. This irregular situation is widespread in poor districts but it may also be seen in more upmarket areas occupied by the middle classes. Finally, the situation may involve settlements of squatters in the strict sense of the word: the land is occupied without the owner's

*'Unauthorised dwellings contribute 30% to 80% to urban growth in developing countries'*

agreement, it being possible for the owner to be a private individual, an institution or the state. Landowners demonstrate varying degrees of tolerance and the secure or precarious nature of the occupation depends on their attitude. In some cases, the land has been occupied progressively or, more rarely, has been the subject of a planned 'invasion'. These new districts certainly do not grow up spontaneously. Allocation and occupation of plots of land are subject to established rules laid down, in some cases, by the usual landowners, by the first families to install themselves on the site, by the group of residents or their representatives, or by local landowners or others.

In all cases, however, the occupants are unable to exercise any real rights over their land. They are not in possession of 'papers' (in particular, they have no title deed) and, at best, can only produce documents offering limited guarantees — sales certificates or attestations, or conditional and revocable land-occupation permits or authorisations.

This situation has three major effects on the families concerned. Firstly, they may be evicted. Secondly, they cannot assign or transfer their land or their dwelling and, thirdly, they cannot mortgage it for the purposes of a loan. Their investment in housing is thus compromised and their ability to develop productive activities is reduced. Moreover, the situation does not encourage the communities in question to participate in the management and maintenance of amenities.

For their part, the authorities are faced with complex problems when dealing with urban development operations and the provision of amenities. How are the legal owners to be identified? Who should be made to contribute to the provision of facilities in the district? Who should receive compensation in the event of expropriation?

Lastly, these situations have a major fiscal effect on both the state and the local communities. Which land and which properties have to be taxed?

In practice, implementing urban development projects often comes up against an illegal property situation in certain districts. Generally speaking, those responsible for the projects do not regard this obstacle as technically insurmountable, the authorities — the state administrative structure rather than the local authorities — frequently making this obstacle difficult to overcome by giving it a legal and political dimension.

Although major efforts have been made to understand formal land-allocation mechanisms and to incorporate them into urban-management regulations, little attention has been given to understanding the structure of demand for land and the diverse informal responses given to this. In most towns and cities in the regions in question, the current situation is now such that control and supervision of urban growth using conventional planning measures and regulations are becoming increasingly ineffective.

Nowadays, we therefore have to regard the topic of the integration and legal recognition of unauthorised settlements as the first act in an alternative method of creating towns and cities. Insofar as urban growth is principally the result of informal or 'illegal' practices,

## Mexico: towards a new model giving legal recognition to unauthorised settlements

Between 1940 and 1990, the population of Mexico City increased from under two million to more than fifteen million inhabitants. As only a small number of civil servants and employees of certain companies had access to social housing, the lower classes had only a limited choice: they either had to rent accommodation in the run-down city-centre 'vecindades', or establish themselves on undeveloped land on the outskirts. The latter consisted of private land or community property in the 'ejidal' sector (collective form of property resulting from agrarian reform), which, in principle, was inalienable and could not be developed. This practice gave rise to numerous disputes.

Since the end of the 1960s, inhabitants of these new districts have been demanding both that their situation be given legal status and that they be provided with essential urban amenities. In 1973, the state set up a body (CoReTT) which was given the task of 'anticipating the availability of space required for urban expansion'. It was to play a very active role in the area of according legal status to unauthorised settlements. In order to grant this status to a settlement, CoReTT asked the government to expropriate, in its favour, land which belonged to the 'ejidal' sector and then transfer the property to the occupants. This process involved the payment of compensation to the community which had already sold the same plots of land to the occupants or to intermediaries. The occupants then had to purchase their plots of land from CoReTT ('legally', this time), which had become the legal owner. The institution of such a mechanism is a guarantee and puts an end to all illegal transactions. Moreover, it forms part of a more global social project, ProNaSol ('National Solidarity Programme'), aimed at implementing measures to integrate the

should not those responsible for planning seek to implement new mechanisms and forms of urban management *a posteriori* based on new procedures relating to supervision, provision of amenities and legal recognition for unauthorised settlements?

This question seems particularly important today when access to urban land is often the decisive factor involved in integration into the town, the first stage in



Mexico  
'Housing in the run-down, city-centre  
'vecindades'

most deprived sectors of the population and to maintain a degree of social cohesion.

Since 1989, CoReTT's activities have grown apace; in 1990 and 1991, 54 000 title deeds in the private sector, out of 340 000 plots of land registered in 1989, and 48 000 title deeds in the 'ejidal' sector, out of 121 000 plots of land, were handed out.

By 1994, it was possible to consider the past and the property dispute between the former proprietors of developed agricultural land, their occupants and the state as largely settled. More importantly, without a doubt, the 'ejidal' sector, the final obstacle to complete development of an urban-land market, was abolished.

the recognition of full citizenship. In point of fact, in the majority of cases, land issues constitute an additional factor for exclusion in a context marked by the implementation of liberal economic policies, a rate of growth in urban land prices which is always in excess of the rate of inflation, debate concerning aid policies to guarantee the proper operation of urban services and the reduction of public housing and amenities programmes. This situation affects the

poor even more in that it is accompanied by the crumbling of traditional networks of solidarity and increasing trading in popular urban-land access channels. The virtually free forms of occupation which were still commonplace two decades ago have today totally disappeared.

### What should the response be?

For several decades, it was thought that settlement areas should be the result of a certain technical and planned rationality, the provision of services on the land preceding its allocation and followed by its occupation. Outside of the towns and cities, unauthorised settlements, wrongly thought of as 'spontaneous', grew up like transit camps, simultaneously tolerated and threatened, producing ephemeral, short-lived communities to be replaced, through extension, by the legally recognised and planned town with full amenities.

It is in this frame of mind that we should examine the various responses on the part of the state, local communities and the population to problems concerning land posed by unauthorised popular settlements.

Until recently, the authorities often wavered between two attitudes. The first is based on the view that illegally occupied land must be assumed to be free — the illegal status of the land thus constitutes sufficient grounds to order the eviction of the 'unauthorised' occupants if necessary.

The second attitude, very often expressed by the authorities and the administrative bodies, is dictated by the idea that a policy aimed at official recognition would encourage the development of illegal practices and therefore lead the authorities to abandon plans to establish ordered development in urban areas; urbanistic order channelling urban development and legal order defining lawful land-appropriation procedures.

Only since the mid-1980s have officially recognised land development projects appeared in a growing number of countries as a key component of housing policy.

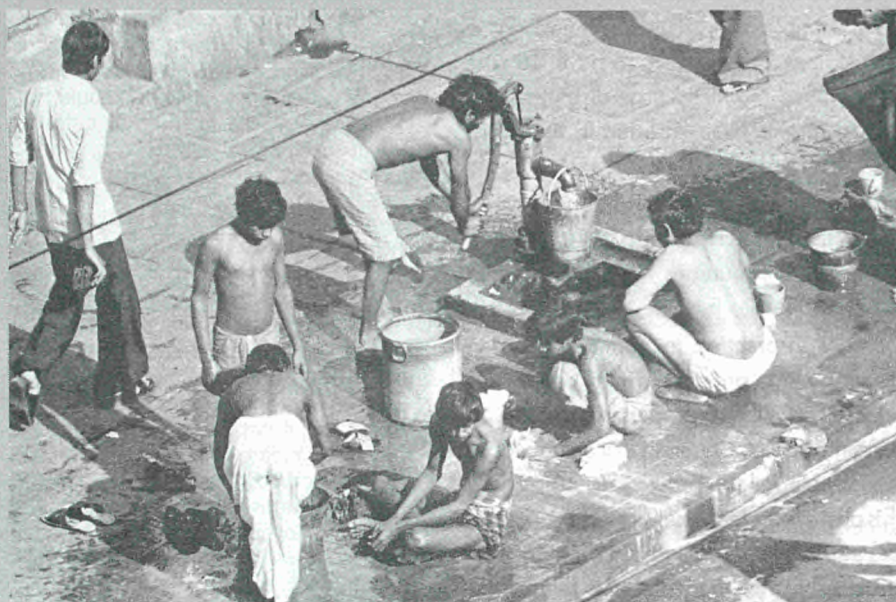
## India: first provide the amenities

Access to land and amenities is a major problem for the poor in Indian towns and cities. In Delhi, 36% of the 5.5 million inhabitants

are either squatters or live in settlements which are unauthorised and lacking in services. In Bombay, 40% of the 10 million inhabitants live a precarious life in the 'zopadpattis', 42% of the population of Calcutta live in 'bustees' (a popular subletting system) or refugee camps, 35% of the people in Hyderabad dwell in slums, and so the list goes on.

increase rents and to release the land that was required for such facilities.

The guidelines of the 1987 'Urban Basic Service Scheme' programme were reaffirmed in the National Housing Policy document of 1988. This presented rehabilitation of the slums as the most effective action to benefit the underprivileged classes in society. Emphasis was placed on improving the environment in the slums, providing amenities and



Federal state policy in respect of unauthorised land occupation did not initially envisage integration of these areas into the towns and cities. The Slum Clearance and Improvement Act of 1956 principally had repression as its objective. There were numerous evictions and the rehousing programme, launched in the same year, was a response to only a very small part of the demand, although additional funding was allocated to it from 1962. The provisions of the Environmental Improvement of Slums Act of 1972 constituted a major development. Its objective was to set up collective basic amenities in the slums of the country's 11 largest towns and cities. This was expanded to include all Indian towns and cities in 1979. Co-financed by central government and the states, it was placed under the supervision of the Urban Development Ministry. Between 1972 and 1992, this programme reached over 30 million of the country's inhabitants. Priority was given to slums on public land, but the construction of amenities could also extend to slums on private land if the owners of the latter undertook not to

In Calcutta, those inhabitants with no water supply have to fetch it from the communal pump  
*'The emphasis of the 'Urban Basic Service Scheme' programme is placed on improvement of the environment in the slums'*

cleaning them up, lowering the standards applied to construction and using community participation.

Security of occupation is regarded as a more important matter than legal recognition. Efforts were therefore undertaken to systematise letting leases in unauthorised settlements on private land. In the case of illegally occupied public land, the landowner would be asked to guarantee security of occupation for at least a few years. For example, within the context of the current aid programme to improve the urban environment, loans may be allocated to households illegally occupying local-authority land if said authorities issue them with a certificate bearing an undertaking not to implement eviction procedures over the next ten years.

Their objective is to integrate urban social groups who are excluded from access to land, services and amenities into the urban environment.

Despite resistance from state authorities responsible for land management, unauthorised occupations are being increasingly viewed by urban managers as a dominant and long-lasting way of producing popular housing. This is an ominous trend.

At the same time, public authorities are tending to call into question the conventional solutions they have implemented hitherto to respond to the requirements of low income (particularly fully serviced housing developments), on the one hand because they have rarely proved suited to the ability of the households in question to make a contribution and on the other hand because the resources likely to be allocated to these operations are on the decrease.

Moreover, it is increasingly commonly admitted that it is unrealistic to aim straight away at early and legal eradication of the unauthorised status of property. Even if brought to a successful conclusion, it would not address the question of the physical disorganisation of the settlements in question, nor that of their underadministration and even less that of the insufficient services offered to them. Another route is suggested nowadays, consisting of dealing simultaneously with all the dimensions of irregular property status so as to achieve the progressive integration into the towns and cities of the settlements in question and then, after a reasonable period, to complete this process of integration by legal means.

This new approach involves the simultaneous use of various forms of intervention. For example, the settlement must be the subject of an operation which combines rehabilitation and the provision of services, the setting-up of these services, consolidation of tenure, the settlement of property disputes, concomitant physical restructuring and, if appropriate, the rehousing of part of the population on another site.

## São Paulo: an integrated approach to unauthorised land use

In São Paulo (Brazil), the poor have three main channels of access to housing. These consist of unauthorised dwellings, the 'favelas' and, for those who cannot gain access to one of these two channels, the 'cortiços'.

The 'cortiços' consist of accommodation which is either rented or occupied by squatters. It generally affects run-down old properties in city-centre areas and this type of accommodation is the only alternative for those who have been unable to obtain land on an unauthorised housing development or in the 'favelas'. More than one-third of the population of São Paulo is affected, i.e. 3.5 million people. Attempts at restructuring this sector have virtually all failed because the price of land is too high.

Unauthorised or 'clandestine' housing developments without official permits and with no infrastructure, or with the absolute bare minimum of amenities, developed rapidly between 1960 and 1970 and constituted the most widespread means of access to land. The relatively low price of plots of land and the widespread practice of building one's own accommodation made it possible, without state intervention, to house a large proportion of workers who were needed for the industrial growth of Greater São Paulo. These under-equipped settlements occupied 35% of the built-up area and housed close on one-third of the city's population. Some of these unauthorised developments could, however, be occupied by those with high incomes.

The invasion of public land was either by means of progressive occupation ('favelas') or by means of organised mass occupation ('ocupações'), followed by the construction of accommodation. In 1993, the number of inhabitants in this type of accommodation was estimated at 1.1 million.

The 1970s saw the greatest expansion of the 'favelas', which was closely linked with the increase in the price of land in unauthorised housing developments and to the drop in wages. Population growth

rate in the 'favelas', always much higher than that in the city overall, is now falling off slightly: between 1973 and 1980, while the population of São Paulo increased by 30%, the population of the 'favelas' increased by 440%. However, between 1980 and 1987, these figures stood at only 23% and 117%, dropping even further between 1987 and 1990 to 7.8% and 29%, although this is still very high.

As recently as 1980, the threat of eviction was the principal concern of those living in the 'favelas'. Being highly organised, those who establish themselves on public land today benefit from relatively secure conditions of occupation. The situation of the 'favelas' occupying private land is more precarious, the principal obstacle being the price of land, which makes negotiations difficult for the district associations (purchase) and for the local authorities (compensation payments).

The trend now is for local authorities to implement integrated operations within the context of ZEIS (Special Interest Zones). Since the beginning of the 1980s, these zones have received grants and have benefited from programmes for installing basic amenities (water, electricity) and from a degree of protection against market pressures. Moreover, construction standards have been reviewed and made more flexible. However, physical restructuring projects (Pro-Favela) and rehousing schemes in areas with services (Pro-Morar), between 1980 and 1983, have had to be abandoned owing to lack of resources. Legal recognition of occupations which began in 135 favelas (235 hectares, 35 000 families) was initiated in 1990, with the draft law on expropriation which enabled the public authorities to gain better land control. Nevertheless, by 1992, none of the 'favelas' in question had gained legal status.

It also implies recognition, by the State and authorities responsible for operations relating to legal recognition of property, of associative structures and organisations acting as mediators. This has been a striking development in recent years, with international institutions — the CNUEH in particular — and the NGO federations involved in housing playing an important role in this field.

This new approach means that more flexible legal formulae will have to be sought. Up to the mid-1980s, the allocation of real property rights (more precisely an individual title deed) was regarded as the primary objective of policies for giving legal status to and integrating living environments. Recent case studies in Asia, Latin America and, to a lesser extent, in Africa emphasise that this

## Towns in sub-Saharan Africa: resistance to change

Resistance to change on the part of state administrations responsible for land management constitutes the main obstacle to current reforms, particularly — but not exclusively — in towns and cities in sub-Saharan Africa. Two means of access to urban land coexist in that region, namely allocation by the authorities and the market. The existence of the administrative channel is justified on the part of the authorities responsible for it by a concern for fairness (the poor in the population are unable to purchase land and the state therefore has to provide them with it) and for efficiency (only the state is capable of having a coherent land policy). Each of these two

channels has a corresponding, and different, price system. There is an 'administrative' price which represents the amount payable to the authorities by those allocated a plot of land (administrative fees, possibly a contribution to the costs of providing services on that land), and there is a market price which is the price of assigning land in respect of which an actual property right exists. Prices may vary by a factor of between one and ten as between the two channels.

Having the public authorities assign one a plot of land and subsequently selling it at the market price is thus the preferred

method of enrichment for 'state clients' and those who have access to the administration. In fact, the land must firstly be provided with services (there is a long waiting list), and then title must be obtained over what is often, at the time of allocation of the land, only a provisional concession. The difference between the administrative assignment price and the market price is shared between the agents of the authorities concerned and those who are allocated the plots of land. The political and financial stakes in such a system are, as will be imagined, considerable.

objective is no longer a priority, firstly because it unnecessarily complicates the legal aspect of operations and secondly because it has a number of detrimental effects within the communities in question (greater vulnerability to market pressures, breakdown of social cohesion). The populations themselves regard immediate security of occupation as much more important than legal status. In the expectation of a clarification of the rights of occupants of land, it will often be the case that, in order to provide services for a settlement, an undertaking from the landowner not to proceed with evictions is sufficient (see Box 2).

Finally, it involves seeking methods of financing to improve the environment which are better suited to the economic situation of the families in question and, in particular, better coordination between financing bodies, institutions responsible for programmes dealing with the allocation of legal status and the groups of people concerned. The obstacles encountered here are still the same: high costs (facilities to be constructed in an area which is already built up, land charges), insufficient available resources (poor cost coverage, lack of fiscal resources at local level), absence of procedures permitting allocation of a collective loan, and difficult access to mortgages for the families in question owing to a lack of documents confirming title to the land.

### Towards a redefinition of the role of the public authorities?

Land constraints and the extraordinary pressure they exert on urban management force us to take a completely fresh look at urban development and management of living-environment projects. The early provision of amenities should not be a prerequisite for occupation of land. The latter is not a transient phenomenon but the dominant form of urban development in the majority of towns and cities in developing countries.

A modest and pragmatic approach has to be adopted, striking the right balance between preventive action, incentives and *a posteriori* intervention. More and more of those responsible for urban management regard this reversal of outlook as indispensable.

Today, we have to incorporate land management in any consideration of local development. All studies on the topic of placing land use on a formal footing reveal the absence or weaknesses of intermediate levels of management and decision-making endowed with real powers. At the level of central government, state authorities have a clearly defined area of competence which is extensive in the sphere of urban property management, yet they have neither the means to ensure application of the rules they themselves have decreed nor the

desire to modify them, nor, above all, any desire to relinquish their prerogatives in favour of other agents. Their power, their network of clients and the preservation of their monopoly in the area of property make them the principal obstacle to change.

At local level, the inhabitants or district authorities often demonstrate astonishing management and innovative capabilities where property is concerned (identification of title holders, settlement of disputes, social supervision of restructuring projects, setting up popular credit systems in respect of the environment in which they live, contribution to the effort to provide amenities, etc.) but, without an appropriate institutional or legal framework, they are unable to have a long-term effect on the process of consolidation of the living environment and integration into the towns and cities of the districts in question.

Between these two levels, there is a void which the municipal authorities can occupy only with difficulty, owing to lack of experience, autonomy and financial, technical and human resources. In actual fact, they are the vital component in the long-term implementation of a policy for the provision of amenities, the integration of unauthorised settlements and the placing of these on a legal footing. ■

A.D.-L.



## The urban informal sector

# Making a dynamic contribution to development

by Meine Pieter van Dijk \*

When the International Labour Organisation (ILO) started research on the urban informal sector at the beginning of the 1970s many people were surprised that often half the urban labour force (in the case of Dakar) or even three quarters (Ouagadougou) were making a living in the informal sector. This sector can be described as the sum of all micro enterprises: handicraft activities, small traders and all kinds of service activities. These units often lack a legal basis for their small businesses, which means the entrepreneur does not pay the legal minimum wage to the personnel and they probably do not benefit from the social security system. This lack of legal status could be taken as a defining characteristic of the urban informal sector. Others prefer size criteria (for example informal sector enterprises are those which have fewer than five or ten employees) or criteria based on the location (the economic activities in slums are informal) over legal status, to define the sector.'

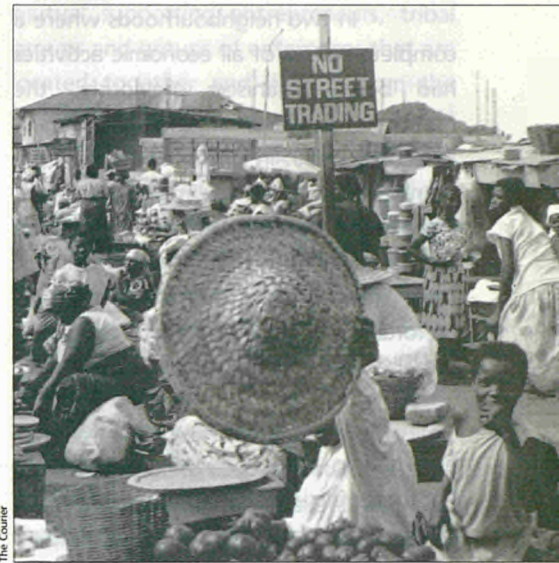
In the 1970s, assistance to develop the informal sector began to be given. The World Bank began a number of credit projects, while other donors focused on providing education and training. The underlying idea, however, was that the importance of the urban informal sector would decrease over time. 20 years later the number of people working in the sector in the Third World has probably increased in absolute terms, but also as a percentage of the total labour force. This increase is due to the decrease in government sector employment and the lack of growth of modern industrial and service sector employment. The importance of the informal sector has often increased be-

cause, in times of structural adjustment people are forced to take up additional economic activities to survive. This has clearly been the case in Tanzania, where many women have set up their own small businesses, or in Accra, where many people who were laid off in the formal sector started on their own account in the informal sector.

### Continuing relations with the rural areas

Although the informal sector is an important part of the urban economy, the people working in it maintain strong linkages with the rural areas, where they are likely to have been born. For example, in a study in Accra, more than three quarters of heads of household were migrants, in the sense of being born outside the capital. Migration can lead to success or failure. It is more often a success for those who have moved because they saw brighter opportunities to use the experience, skills, education or training they had acquired. The risk of failure, even as a small entrepreneur, is greater for people forced to move to a city, because they could not survive in the rural areas. Without relevant skills or experience and with no initial capital their chances of success are limited.

The process of people moving away from strictly agrarian patterns is described as de-agrarianisation (Bryceson and Van der Laan, 1994). This process can also be portrayed as losing one's rural roots but it is certainly not yet finished in most Third World cities. In Ghana for example, large numbers of people go from the capital, Accra, to the rural areas to plant during the rainy season, or to trade during the rest of the year. Among those involved



*'Lacking a legal basis'*  
A sign in Accra prohibiting street trading surrounded by... street traders!

in food processing in the city, many have indicated that they collect the raw materials from the rural areas or grow them themselves. Traders bring wood, charcoal, agricultural produce and fish from outside the city. Additionally, a number of items produced in Accra are sold in the rural areas, particularly by mobile traders.

### Changes in the urban informal sector

The urban informal sector has been studied for more than 20 years. Has it changed over time? In Burkina Faso, surveys of the informal sector were carried out in 1976 and 1991. In that country economic liberalisation measures were announced soon after the death of President Sankara in 1987. The new government began negotiations with the Bretton Woods institutions in 1988 and the first adjustment programme covered the period 1990-93. Significantly, many people in the capital Ouagadougou anticipated difficult times when negotiations with the World Bank and the International Monetary Fund (IMF) concerning structural adjustment started. Almost half of the micro and small entrepreneurs interviewed in 1991 had started to make a living in some way or another during the previous two years. The major changes were an increase in the number of activities and the number of people working in the informal sector.

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In two neighbourhoods where a complete census of all economic activities had been organised previously, the number of activities had increased almost 70% since 1980. In one of these half the number of current entrepreneurs counted were women while in the other, the figure was just over one third. The presence of many new activities and changes in the sectoral composition of the informal sector are also important developments.

A number of new activities have emerged in these two neighbourhoods. Photocopying shops, mobile manicurists, tailors and barbers, bucket repairmen and women offering home-produced yoghurt are the most visible. Traders also sell products that were not sold in 1980 and some services are supplied which were not available ten years ago, for example secretarial services and repairs to electrical engines and generators.

The number of handicraft activities has diminished substantially in both neighbourhoods. This subsector of the urban informal sector has often been considered its most dynamic part. An additional census of economic activities in a peripheral neighbourhood revealed that handicraft activities had not moved to these areas, nor had the productivity of the remaining enterprises increased substantially. It was concluded that the number of handicraft activities has declined because of competition from the modern industrial sector and from imported products. Tailoring suffered for example from all kinds of competition (from the modern sector, from illegal imports and from second hand clothes), but a substantial decline was also recorded in the number of furniture makers because of the emergence of more modern and bigger firms.

Artistic handicrafts and construction activities were as unimportant in 1991 as before. Services (in particular motorcycle repairs, laundries and barbers shops) and trade activities (especially of raw and processed agricultural products, drinks and manufactured goods) have become much more numerous. The result is a clear trend towards tertiary activities. In short, the informal sector has increasingly become a service and trade sector.

We found dynamic developments in the informal sector of Ouagadougou after 15 years, but also a process of differentiation, which had resulted in a few successful enterprises and a large number of marginal mobile handicraft workers and traders with very limited prospects. Examples of the latter include tailors from Ghana carrying their machines on their heads, itinerant Nigerian barbers, Hausa people specialising in metal bucket repairs, mobile radio repairmen and manicurists.

Finally, the typical entrepreneur of 1991 is no longer the head of a large family. One third of the entrepreneurs interviewed are single men or divorced women. This is possibly due to the effect of rapid urban growth. Single men and women are in a better position to accumulate savings which are necessary to finance investments. It is also an indication that urbanisation does change traditional cultural patterns.

## Constraints for women

What are the major constraints for female entrepreneurs planning to start working on their own account and to expand their informal activities? Essentially, these are to be found in the limited access that women have to basic resources such as education, credit, technology, land and labour. These specific constraints will now be discussed briefly.

From the sample of small entrepreneurs surveyed in Ouagadougou, it emerged that women do not have significantly fewer years of education than men. In fact, the female entrepreneurs had received vocational training more frequently and for longer periods, indicating that they are somewhat different from the average urban resident. It appears that those women who have learnt a trade are more inclined to set up on their own than other women.

Access to formal or informal credit is limited for male entrepreneurs, but even more difficult for female ones. While women do have access to certain credit programmes they are clearly under-represented (compared to men) in terms of

participation and access to financial services.

Male and female entrepreneurs in Ouagadougou who use medium or high level technology (machines or more complicated tools) tend to be better educated, invest more in their business and employ more people. They are also concentrated in certain activities, with a clear gender division operating. The men are to be found mainly in metal working and electrical repairs while the women who use equivalent technologies are active in hairdressing, tailoring and preparing edible products. The men also have a significantly higher weekly turnover while the study revealed more generally that it was more difficult for female entrepreneurs to gain access to a higher level of technology.

House demolition, street clearances and changing land-use designations often cause problems for small entrepreneurs, particularly female ones who are often restricted to their houses. Rental charges for Chamber of Commerce kiosks are regarded as too high by female fruit and vegetable sellers and they are often located too close to each other. Municipal authorities could help by reserving space for small enterprises, providing the necessary infrastructure and assuring security of tenure.

Women are less likely to take on employees than their male counterparts and those that do usually employ only one type of worker. It is more difficult for them to find apprentices and skilled workers, the latter being in particularly short supply. This is an argument for more training, particularly for women working in the informal sector.

## The future

Is there a future for the urban informal sector in developing countries? The sector will certainly not disappear, though it may gradually be formalised. Even in Europe, it exists on a smaller scale and it can sometimes be quite important (for example, the artisanal sector in Italy). We can see from the successes in East Asia that small and medium sized enterprises in particular benefit from an economic boom. They enter subcontracting relations with, or provide services to, the larger enter-



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prises. This process is sometimes called 'flexible specialisation' (Pedersen et al., 1994). The characteristics of a dynamic small enterprise sector, which are often interrelated and which are covered by the 'flexible specialisation' concept include:

- an innovative mentality on the part of entrepreneurs and their personnel, who receive 'on-the-job' training;
- the technology used, particularly multi purpose equipment;
- inter-firm cooperation, often in the form of subcontracting;
- clustering of micro and small enterprises;
- networking of micro and small entrepreneurs; and
- the use of skilled labour and proven flexibility.

In Africa, despite substantial adjustment efforts, modern sector development is generally slow and the East Asian model of subcontracting and flexible specialisation may, therefore, appear less relevant. But in the somewhat longer term, it is reasonable to anticipate a similar phenomenon developing in Africa, notably in countries such as Kenya, where the small and medium sector is relatively well developed. In the short run, the urban informal sector can still play a dynamic role in the development process by providing goods and services cheaply to the urban

Fierce competition in the hairdressing business?  
*The urban informal sector has shown enormous dynamism*

population and by offering employment opportunities to large numbers of people.

The urban informal sector has shown enormous dynamism offering many opportunities to women in particular. The changing economic situation in the 1980s in general, and the new policy context after structural adjustment in particular, explain why so many entrepreneurs have started on their own account. They use their skills, tools and location to improve and expand their businesses. In policy terms, the authorities should be giving these small entrepreneurs more opportunities by removing as many constraints as possible.

### Clusters and networks

Both modern and traditional forms of 'clusters' and networks exist in most Third World cities, with entrepreneurs taking advantage of those which are particularly beneficial to them. Among the different forms of clustering and networking that can be identified are large formal groups, rotating savings and credit associations (Roscas or tontines in most West African countries), small groups of

mutual supporting entrepreneurs, tribal groups and groups of enterprises that are located together and benefit from the clustering.

Small entrepreneurs make good use of their networks and establish different types of cooperation between them. In Ouagadougou, for example, they have been very creative in finding ways to work together. There, we distinguished five forms of cooperation. These involved entrepreneurs:

- in one activity working together to limit competition or to reduce costs;
- in different, but complementary activities working together to offer a more attractive 'product' to clients;
- making use of other enterprises to obtain equipment and/or training and gradually to develop their own business;
- coming together to form 'partnerships'; and,
- letting their workshops to other entrepreneurs, or opening branch offices.

Traditionally, appeals to family members, other households in the community, friends and people from one's tribe or region have offered a 'fall-back' mechanism for small entrepreneurs in difficult times. In extreme cases poor people use these networks to obtain money and food. Similarly, people use their social networks to find work. However, in an urban context, where everybody is facing the same problems and where traditional ties are becoming less important, it may no longer be possible for some of the poor to fall back on their family, friends, kinsmen or people from their region. The only option for them is to try to make a living in the urban informal sector.

### Recommendations

Economic growth is important for the reduction of poverty in developing countries. The urban informal sector is one way in which economic growth filters through to the poorer sections of the population. Urbanisation has created new opportunities and the development of the urban informal sector can contribute to economic growth. To achieve this, however, policies, projects and assistance are needed. Governments should formulate and implement the macroeconomic po-

licies necessary to create the conditions for economic growth. They should take a more positive attitude to the informal sector activities of poor people and women, and try to stimulate the necessary increase in the productivity of these activities. Appropriate macroeconomic policies will help the development of micro and small enterprises. Technology policies could be directed towards developing products and to improving the production methods of micro and small entrepreneurs. Physical planning policies can help to make land and appropriate infrastructures available to them.

At present, many rules and regulations make the life of small entrepreneurs complicated and selective deregulation may help the development of this sector. Similarly a large number of taxes are levied and it is not always clear to entrepreneurs how much and, indeed, which taxes they must pay, or what purpose they are intended to serve. The government could clarify the system and redesign it in such a way that small enterprises are not driven into illegality. Education and training need to be geared more to the market: in this case, the needs of small entrepreneurs.

A whole range of projects and policies directed at informal sector activities can contribute to a labour-intensive development of the informal sector. Often the private sector will have to be stimulated to start these activities, to provide access to small entrepreneurs if they undertake them already and to subcontract to the informal sector. Priorities are:

- the development of organisations of small entrepreneurs. In many branches there are already associations and some of them work very well. These should function as a platform for discussion and for the exchange of new ideas and experiences. They should also be the interlocutor for negotiations with government. Communication opportunities for small entrepreneurs also help them to build up the networks they need to expand their business;

- the reservation of space and the provision of infrastructures by local and municipal governments for micro and small enterprises;

- clarification of the tax system with the government explaining how small entrepreneurs can benefit from the use of the revenues;

- development of subcontracting and other relations between micro, small, medium-sized and large enterprises;

- to stimulate technology development and innovation diffusion. Micro enterprises and female entrepreneurs need special attention and multi-purpose equipment can help them to become more innovative;

- to stimulate the development of clusters of economic activities, including the physical grouping of enterprises of different sizes;

- to help small entrepreneurs gain access to existing credit, training and marketing channels. Private banks and training institutes need convincing that this is an important market;

- to ensure maximal use of innovation diffusion centres, which can play an important role in the development of small and micro enterprises. To achieve this, a business and technology support system need to be put in place;

- encouragement of entrepreneurship development programmes, which can be particularly useful for enterprises which are blocked at a certain level and find it difficult to take the next step;

- the use of networks, clusters and different forms of cooperation to bring new ideas into this dynamic sector;

- to facilitate access to government orders and credit lines for entrepreneurs who are involved in a cooperative arrangement and for participants in clusters and networks;

- to remove barriers to entry by deregulating, and by facilitating administrative procedures. Information and assistance should be given to small entrepreneurs on how to deal with existing formal requirements. Different taxes and the use to which the funds are put need to be explained;

- to stimulate specialisation, by training entrepreneurs in changing designs, products, production methods and marketing channels; and,

- to stimulate further the flexibility of small entrepreneurs, which is one of their

key assets. Entrepreneurs achieve their optimum when they can move freely between niche and broader markets.

Creating the conditions for exploiting the enormous dynamism of the urban informal sector is a challenge for the future. The priorities listed above reflect the role to be played by the different actors in this field. Donor organisations, such as the European Community and the World Bank, can help to create the proper macroeconomic context by helping to change the economic policy context after adjustment to achieve more equitable development.

Small entrepreneurs have already responded massively to the new environment by seizing new opportunities and striking out on their own. The national authorities should respond to this by formulating the necessary policies. They need to give small and, in particular, female entrepreneurs, more opportunities by removing as many of the constraints as possible. It is clear that over time, the informal sector has become an important target group for government policies and donor-supported projects. Research has helped us to gain an insight into the functioning of this sector in the urban areas. At the same time, the 'flexible specialisation' concept has played an important part in allowing us to identify its dynamics, and the factors which influence it. ■

M.P.v.D.

## From towns to cities and from trading to industry

# One man's progress in Burkina Faso

by Bernard Ganne\*

On the basis of recent work carried out in Burkina Faso, it has been possible to identify the potential of minor towns.

While studying that country's business development strategies and, particularly, the development of trading areas, together with the way a number of industries operated, we were surprised to find how major areas of activity which are nowadays concentrated in the capital had in fact originally developed in certain minor centres in Burkina Faso, despite unfavourable or at any rate unstable conditions any rate.

The town of Ouahigouya, taken here as an example, is a relatively isolated population centre in the north of Burkina Faso, in the heart of the Sahelian area. This urban centre of 60 000 inhabitants got its first metalled road link to the capital only three years ago. Although it is on an ancient transit route (the Salt route), the town had few traders up to the time of independence. It seemed, in fact, to suffer from a wide range of handicaps, notably a high level of internal tension exacerbated by the succession of political upheavals which rocked the country during the 1980s.

In actual fact, over the last 15 years or so, this town has witnessed the development of a full range of activity networks in all types of trade, in transpor-

tation, in the bakery industry, etc., these being set up not only in the two main urban centres of Burkina Faso, Ouagadougou and Bobo-Dioulasso, but also in the country's small towns, with an area of influence, in certain fields, extending as far as Côte d'Ivoire and Togo. Initiatives have thus flourished and some businesses have diversified into industry.

One of these progresses, leading somewhat unusually from a medium-sized town to the capital and from trading to industry, is what we wish to describe here.

We will follow the progress of a businessman, a 'self-made man', from the town of Ouahigouya who, over some 15 years, has developed and diversified his business to a considerable degree.

From a one-man trade in bicycles to the setting-up of a small industrial group concerned with energy problems (batteries, gas, matches), S.D.O.'s 35-year progress has been marked by a series of hiatuses which have each time turned out to be a springboard towards the future.

The son of a farmer and stock-breeder living in the small town of Ouahigouya, the Yatenga capital of the Mossi kingdom in the north of the country, S.D.O. started up his own bicycle sales business in 1955 on the death of his father. The business consisted of buying bicycles in Bamako and selling them again in Ouahigouya. At that time, the market was buoyant, with the Mossi people of Yatenga returning to the country from a spell of trading in Côte d'Ivoire and bringing back resources which they generally used to buy bicycles as a means of transport.

In 1960, S.D.O. expanded his activities into the bicycle spares business, forming his initial links with the country's two main towns, Ouagadougou and Bobo-

Dioulasso. He was soon to make inroads into the moped spares business.

Ten years further on, he added to these activities by entering the petrol business, opening up a service station in Ouahigouya. In order to be independent in terms of petrol deliveries, he then bought his first tanker lorry, a medium-sized vehicle, and went into the transportation sector, quickly following this up with the purchase of a second and then a third tanker.

However, it was at this time that serious socio-political disputes arose in the town, affecting traders like everyone, and partly owing to the appointment of one of the two local Yatenga leaders as Prime Minister of Upper Volta in 1970. This appointment served only to increase tension in the town, which was deeply split socially and politically even before independence.

The governing party, in fact, was to award those traders who supported it a monopoly on sales of the main products (sugar, oil, cigarettes, etc.), and other traders were boycotted, to a certain extent. Finding himself on the 'wrong' side, S.D.O. had difficulty dealing with the situation, to such an extent that, in 1974, he had to leave Ouahigouya in order to set up his business in the capital where, paradoxically, pressure was less direct. He started his business up again in Ouagadougou by buying a petrol station to which he added a shop selling car spares. At the same time, he continued to develop his fuel transportation business and prospered by keeping a low profile.

After the 1980 *coup d'état*<sup>1</sup>, S.D.O. was able to operate in a more favourable environment, expanding into rice trading (buying large quantities of rice abroad and selling it on to wholesalers). This business was to prosper despite the various military *coups d'état* which took place in 1982 and 1983,<sup>2</sup> at least until the CNR (National Revolutionary Committee),

<sup>1</sup> The overthrowing of Lamizana by Colonel Saye Zerbo and the installation of the CMRPN (Military Rehabilitation Committee for National Progress).

<sup>2</sup> These were the principal stages: In November 1982, officers collaborating in the CSP (People's Salvation Council) took power and appointed Jean-Baptiste Ouedraogo as President. On 4 August 1983, the CNR (National Revolutionary Council) of Thomas Sankara, Blaise Compaore, Henri Zongo and Jean-Baptiste Lingani came to power.

\* GLYSI (Lyons Industrial Sociology Group), Université Lumière Lyons II. This case study is taken from a 'Campus' research programme funded by the French development cooperation agency and relating to the study of the 'development of areas of activity in the sub-Saharan zone'. The present survey was conducted in collaboration with Mr Ouedraogo from ORSTOM (cf. report entitled 'Urban development and areas of activity', multigr. GLYSI/FASEC-FASH, Ouagadougou-Lyon, July 1994, 455 pp.).

led by Thomas Sankara, took back the monopoly on the import and sale of rice in 1985.

Seeing himself deprived of one of his main branches of activity, S.D.O. then turned towards the international fuel business, carrying on his trade with Lomé and Abidjan using heavy lorries. It was also at this time that he began to invest in industry.

Discovering that a battery-manufacturing company, a subsidiary of Wonder in Burkina, was seeking to increase its capital, he took an initial 23% shareholding.

When Thomas Sankara's CNR brought in the requirement that companies set up in Burkina should have citizens of that country as majority shareholders, S.D.O. negotiated with Bernard Tapie, then chairman and managing director of Wonder, and increased his holding by 28 points, from then on controlling 51% of the company's capital.

In 1988, S.D.O. also took a minority holding in a cardboard factory and, in 1989, purchased BATA, a shoe factory which was then in difficulties and due for restructuring. Finally, in 1991, he took part in setting up a new match-manufacturing unit, taking over the shares which the State had held in this new semi-nationalised company since 1988 — to no avail, however, as the factory was not getting off the ground.

In parallel with these purely industrial investments, 1989 saw the setting-up, together with other Burkina Faso shareholders, of a new company for distributing petrol in Burkina. Its service stations were to spread rapidly throughout the country and, in four years, actually equalled the number of service stations owned by the BP Company, covering 17.5% of national fuel distribution in 1993.

The shoe factory did not get off the ground, but what with the batteries, matches and fuel distribution, not to mention other activities such as a franchise from Camping-Gaz, a respectable small industrial/financial group gradually growing up in the energy sector. The period from 1993 to 1994 saw a range of investment operations in other companies

in neighbouring countries, particularly in Niger.

S.D.O.'s activities underwent considerable diversification into industrial production sectors from the mid-1980s, and it was also during this period that he and his business became the hub of a whole network of entrepreneurs, all of whom came from Ouahigouya. The 'Rectification' carried out in 1987 subverted former political divisions and, although Thomas Sankara's CNR had fiercely criticised the old divisions, from the Rectification onwards there was a new *de facto* grouping together of once rival factions. A whole miscellaneous group of businessmen arrived from the north and, while still retaining a link with their original town, they came to the capital and set themselves up around S.D.O., forgetting their former political differences and becoming actively involved in heavy investment in Ouagadougou.

Is this a success story? To judge from S.D.O.'s progress, it certainly looks like one and highlights the current importance in the country of operators from Ouahigouya. However, any summary of this path to success should not try to conceal its randomness or the ups and downs S.D.O. had to go through.

### From commercial capital to industrial capital

The diversification of activity which puts its stamp on S.D.O.'s progress should not blind us to the succession of hiatuses it involved or its ironies. To take three of them:

— in the context of capital city/minor town relationships: the irony of finally seeing development get under way but starting in the provinces and not in the centre;

— in the context of moving from industrial capital to commercial capital: the irony of seeing that what favours the movement from commercial capital to industrial capital is ultimately the climate of crisis;

— all this may perhaps be summed up in the close overlapping between various forms of social, economic and political system.

1) As regards conventional economic programmes for evolution and develop-

ment, it can be seen that, in the case of Burkina Faso, it is not so much social groups and networks originating from the capital which, in recent years, have asserted themselves as the driving forces of development as channels originating from areas thought of as being more peripheral. Of all the groups actively involved in the Ouagadougou economy, businessmen from the medium-sized town in the north referred to here constitutes an extremely prominent core of activity at the moment.

The reasons for this are complex, but there are grounds for supposing that the strong social and political structure of the town which gave rise to the violent confrontations referred to earlier is also a major asset in the hands of the reformed groupings once the conflicts are settled. The early installation of S.D.O. in the capital to escape the internal political conflict going on in his own town at the time seems to have played a major role in creating a sort of bridgehead before many others were able to do so and, once former differences had been overcome, this was to be a springboard for everyone engaged in business in this town. Thus a temporary set-back turned into a sizeable asset.

2) By bringing the economy under its control, the Revolution initially constituted a serious threat to S.D.O.'s position when it took over the monopoly on imports and sales of rice. However, the indirect and paradoxical effect was that it was this very intervention by the State in economic affairs which was to motivate S.D.O. to look to industry and invest in companies.

Was this the expected effect of such measures? Probably not, as the most common reaction at the time was on outflow of capital from the country, to await more peaceful times. Believing that, despite a stated determination to take control, the Revolution did not, in fact, have anything like the means to achieve its ambitions in the industrial domain and would even have had to rely on local businessmen, S.D.O. and several of his colleagues were to opt for this unusual course of action.

The disturbances of the time did not, in this instance, work to the detriment of industrial private investment but, on the

contrary, encouraged diversification of investment.

3) The third point actually summarises the previous two. Far from being only isolated incidents with marginal effect, the to-ings and fro-ings which took place in our example between economics and politics, both at the individual level (cf. S.D.O.'s first departur control, the Revolution from his small town) and at the more general level (cf. the revolutionary government's, takeover of the rice monopoly) actually form the very framework for the developments which occurred and of the new driving forces coming into play. These obstacles are the very foundation on which business activities have been built up and diversification carried out. It is uncertain whether, in this context, against a calmer and less pressing background, there would have been sufficient pressure to diversify and move from commercial towards industrial activities — but this does not mean that the developments we have seen may not be short-lived.

### A few weak points

In the course of just a few years, the businesses taken over by S.D.O. have certainly seen great changes in their position.

We will confine ourselves to those businesses based on energy, namely the battery plant, whose activity in 1985 consisted essentially of the assembly of parts received from abroad but which has moved on to total integration of its production. It has even diversified into the manufacture of another type of battery. Quality has improved considerably and exports have increased. There has also been an upturn in profits since, in 1990, this factory was in second place in Burkina Faso in terms of profitability.

The match factory, meanwhile, got off to a good start in 1991, and in just a few months, by implementing a strict policy, it managed to cut its production costs by two-thirds. However, competition was still fierce and saturation of the market by rival products was to lead, after a time, to lay-offs.

This reveals the weakness in the system, a weakness due to the prevalence of what might be called the trading reflex

faced with the inextricable system of competition in which a number of local industries are trapped, particularly in the face of competition from the Far East (batteries and matches from the Far East are shipped to ports close to Lomé and Abidjan at approximately two-thirds of local production prices). Although selling these imported products in Burkina Faso is forbidden, it is, in fact, difficult to prevent. Sub-regional markets are thus inundated by these various products, but how can anyone keep track of what is happening in a country which has no fewer than six frontiers in common with neighbouring countries?

The situation, then, is something of a paradox. It might be thought that problems of internal organisation or lack of production know-how would lead to difficulties with industrial investment already made, but this is not the case. Investors have actually taken the plunge on their side, taking the risk of investing in industry and accepting a type of profitability different from short-term commercial profitability. Moreover, businesses have made real improvements in their production structures but the marketing side, even though it was thought to be the sector most familiar to the various investors and businessmen involved, had turned out to be a real weak point.

At any rate the battle has not been won, despite initial breakthroughs in terms of investment. Indeed, faced with the problems which have occurred, there can be a strong temptation to return to more familiar commercial activities. However, perhaps the desire for national independence and a determination not to see the capital invested in new industrial activities being jeopardised will eventually win the battle and prevent a retreat.

In the case we have been looking at, the problems of moving towards industry were not exactly where they were expected to be.

In any case, we should remember that what might, here, appear to be negative factors (such as the absence of a strong commercial tradition, major socio-political confrontations and forced departures towards the large towns) seem, in

this case, to have been real assets to development.

From this viewpoint, medium-sized towns certainly do not enjoy fewer advantages than large towns and cities, provided we are able to recognise their peculiarities and do not try to apply to them too many ready-made development schemes designed originally for large towns and cities.

We have at least seen that, although the more restricted socio-economic structure of medium-sized towns (which can, from this viewpoint, appear to be a disadvantage vis-à-vis large centres of population) may, for a time, have made internal differences appear more acute, it is, nevertheless, currently having a quite favourable effect in the capital, where it creates favourable conditions for the organisation of a group with a more closely-knit structure which enables it to capitalise on its complementary nature. This, at all events, is the driving force which is currently behind areas of economic activity originating in Ouahigouya.

This greater degree of social integration is very probably what makes the business networks which have been established so effective.

Ouahigouya's trump card is that it allowed the external development of an entire network to supplement, to some degree, the internal constraints of its own business circles and that it has remained part of those networks.

In other words, it is not so much instances of endogenous development — on which aid is often concentrated — which have left their mark on the recent development of the town as network-type forms of development. What is more, they put this town at the head of an entire economic system which spreads a long way beyond it, and nowadays that is certainly another important way of conceiving urban development, giving, in one's approach to activities, as much importance to the study of the 'network space' as to that of the 'territory space'. ■ B.G.

# Credit and local development

## The case of the CONTIGO Foundation

by Juan Pablo Martí\*

Reassessment of local development and of the workers involved leads to increasingly greater distinction being given to initiatives aimed at encouraging and supporting the local economy and those working in it. This is the context for the experience of CONTIGO, a support organisation for the micro-business sector, located in a *población*<sup>1</sup> in the city of Santiago de Chile. This article describes CONTIGO's activities over the last five years or more, the results it has achieved and the challenges facing it today.

In Latin America we have witnessed the failure of various national development projects. For many years, attempts were made to imitate development models from countries in the North, but these were unsuccessful. Priority was given to macroeconomic variables, to large businesses and those shaping the economy at national level. However, in the majority of cases, no attention was paid to those creating resources at local level, hence the need to concentrate more on them and on the factors involved in national development seen on a micro-social scale or at local level. A new development concept has now come into being — one which gives priority to results in terms of their concrete impact on man and his environment.

With this in mind, the local dimension has been reassessed in terms of the potential for development it intrinsically possesses. This brings us to the need for local development conceived not as development on a local scale, but as a unique process specific to a concrete area and to a carefully identified human group. Local workers are very important here. At the political, economic, social and cultural level, they are the ones who make proposals aimed at better combining local potential.

As a result of the crisis in the 1980s, many *pobladores*<sup>2</sup> chose to enhance the value of their work capabilities by developing an independent activity aimed at guaranteeing their day-to-day existence and their basic needs. Working on the fringes of formal circuits in the economy, they constitute a genuine sector which is integrated into the nation's economy. These micro-businesses which make up the popular economy are one of the main agents in local development.

### The approach

This background of vigorous expansion in independent activities saw the birth of CONTIGO in 1989. This non-profit-making private foundation chose to gamble on the potential of these micro-

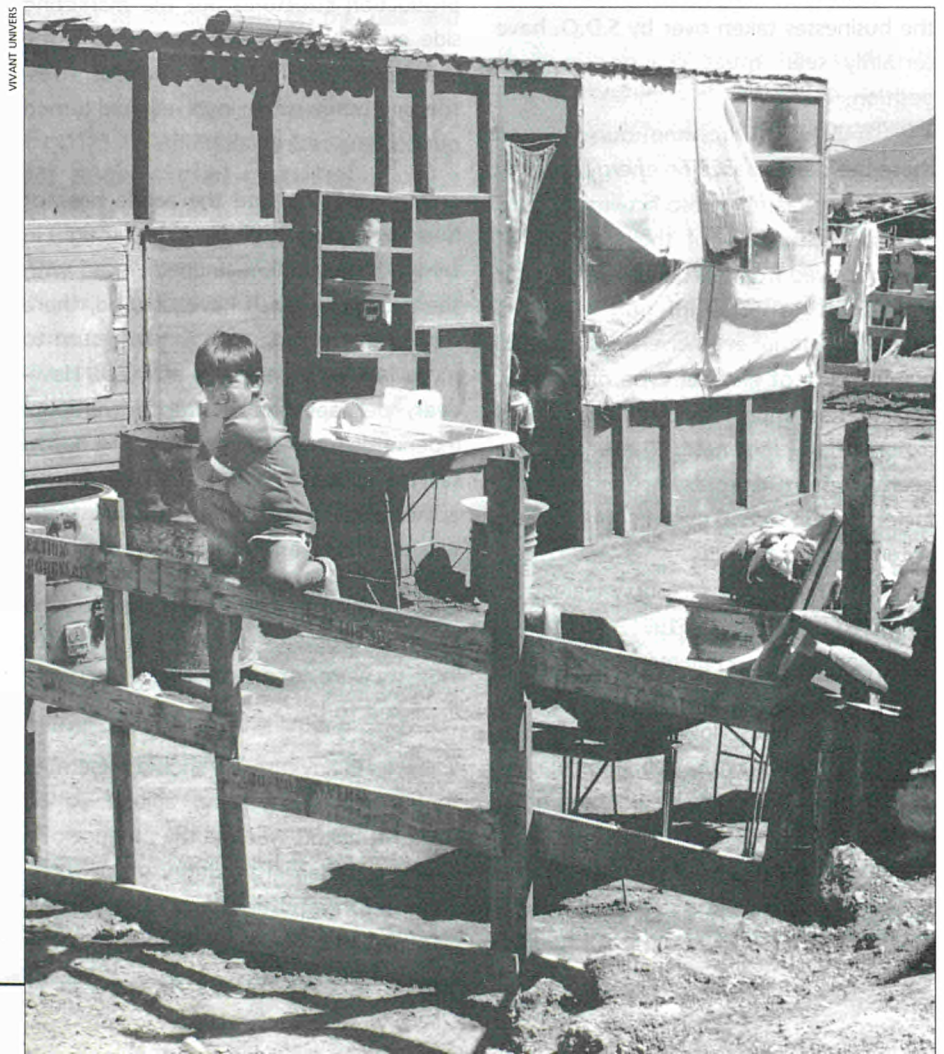
businessmen through the granting of credits and by providing training.

Our meeting with a young independent worker provides a good illustration of the origins of CONTIGO and his story is similar to that of many like him.

'Seventeen-year-old Danilo, a young worker and father of a two-year-old child, used to make wooden combs by hand for sale later the same day on the street. Each day, Danilo sold all that he had produced — 10 combs. This earned him 10 francs (ECU 1.5). He would very much have liked to increase his output and to meet increasing demand, but this was impossible. He would have needed more wood and an electric motor for his old mechanical lathe. Moreover, nobody was willing to risk lending him any money

<sup>2</sup> *Pobladores*: those living in these poor districts.

A Chilean *población*



\* CONTIGO Foundation, Santiago, Chile.

<sup>1</sup> *Población*: name given in Chile to poor districts in towns and cities.



because he had no stable employment and could offer no security. A bank would never have extended the smallest amount of credit to him and, as for the money lenders, they would have given him a loan at an interest rate of 10% per week. Finally, a small joint study demonstrated to us that Danilo needed only FF 100 (ECU 15). This was how he received his first loan from CONTIGO and, when we came back one week later, Danilo had set up his workshop behind his wooden hut.'

His pride in being his own employer and his happiness that someone had been prepared to place their confidence in him form the basis of the CONTIGO project. Its objective is to enable those with least resources to improve their living conditions through access to loans intended for productive investments.

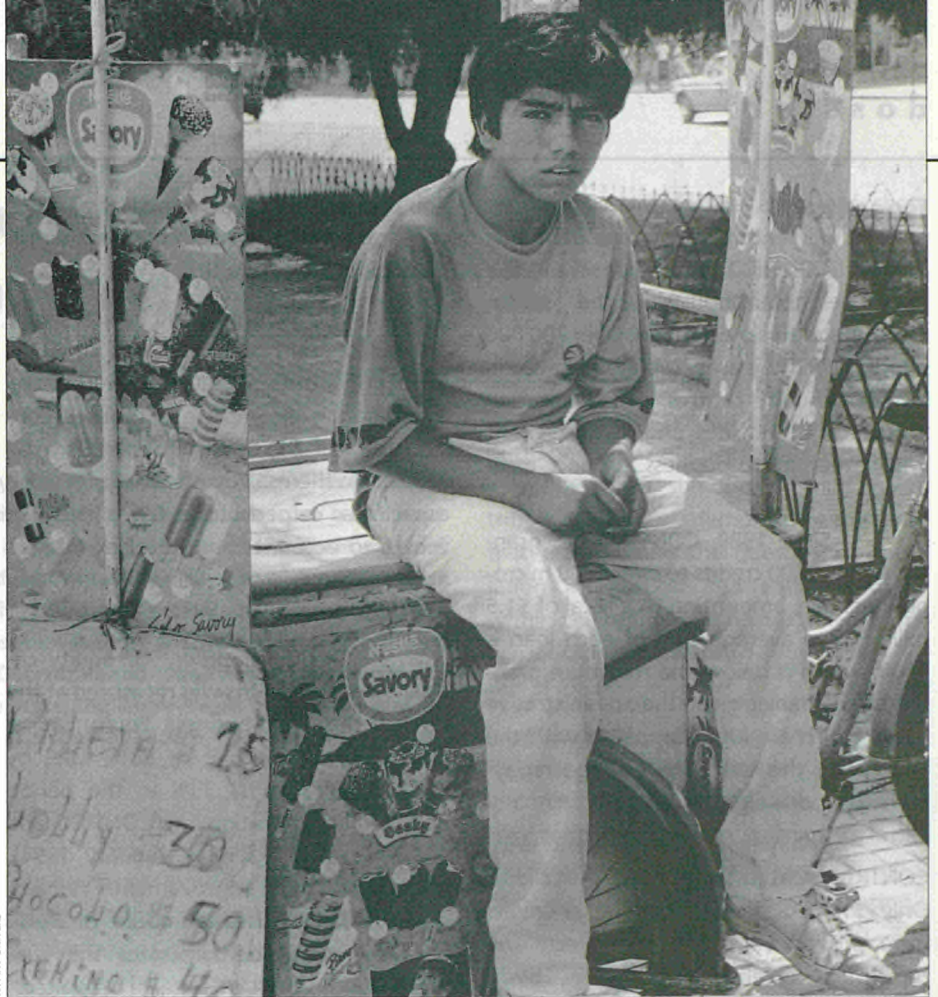
CONTIGO began by working out a methodology for granting credit to suit the individual situation of each micro-businessman and which would allow better access to such credit. This was called the pilot phase.

Two years later, when the methodology had been validated and modified by experience, we were able to begin an operational phase and to increase the amount of the credits granted. Our mode of operation has been adapted over time but essentially remains the same as in 1989.

We believe that four particularly important elements underlie our philosophy of work.

First, there is involvement at local level. Our offices are located in the centre of the *población*. This enables us to acquire in-depth knowledge of the processes at work in the zone in question. A city-centre office would set us apart from the driving forces of the *población*, and the micro-businessman, unused to this type of approach, would find it more difficult to make the first move.

Another important element is the system of groups of backers. To be able to receive a credit, the micro-businessmen must combine in groups of three to seven people who will provide joint backing for one another. Experience shows that the main brake on obtaining finance for a micro-business is the lack of genuine guarantees to back the credit. Solidarity is the only thing the micro-businessmen can contribute. CONTIGO extends credit to and places its confidence in a person who inspires confidence in his peers. On the one



hand, this ensures repayment in due course, the members of the group having to accept liability as guarantors, in fact, in the event of failure. On the other hand, we use this as a new type of risk analysis carried out this time by people well acquainted with the subject of the project and who have faith in his work.

A third key element in the success of financing is, in our opinion, the integration of credit, training and advice into a single service. After a project has been analysed, one often discovers that the micro-businessman has more important needs than the financing which initiated his approach. Marketing problems or poor management are, for example, aspects which have to be tackled jointly with the loan. To this end, and before credit can be granted, we require attendance on a training course during which the micro-businessman will be able to identify the positive aspects and weak points of his business. In addition, each participant has an assessor (person responsible for analysing and monitoring projects) who provides personalised supervision at the project-planning stage.

The last characteristic we regard as significant is the need to place emphasis on human training. This type of economic initiative cannot be regarded as a 'traditional small-size business'. A traditional business is a capital investment involving

Icecream-seller in Santiago  
*'The horizons of micro-businessmen have always been limited by the need to satisfy daily requirements'*

diverse production factors, which aims to maximise the return on the funds invested. In micro-businesses, the principal factor is not capital but the work itself, i.e. the choice on the part of the micro-businessman to use his work capability independently, thus offering an alternative to paid work for another person. Taking the essential position of the work factor within these organisations into account, we ought to give particular attention to the worker as a person through human training. Moreover, the origin of the micro-business is closely linked to the accumulation of experience gained whilst working in the past as a labourer or employee. In times of economic crisis and high levels of unemployment, these are the people who became micro-businessmen. This is principally a strategy for maintaining one's subsistence level. Their horizons have thus always been limited to meeting daily needs. We encourage micro-businessmen to dream and to turn their desire for growth into practical plans in order to escape from this short-term view imposed on them by their precarious living conditions.

## Results

CONTIGO currently works in five poor neighbourhoods in the south-western suburbs of Santiago. Over 700 000 people live in this area. We are involved in two community centres in collaboration with local authorities and in agreement with other micro-business support institutions.

Since 1989, CONTIGO has granted nearly 2500 credits to over 1500 micro-businessmen, amounting to a total of \$1.5 million. The average sum of each loan is \$600, which is below the minimum granted by the banks, given the administrative costs, which are high compared with the amount of the loan. The average repayment period is eight months.

Repayment of the loans since CONTIGO started up has been excellent. Only \$11 500 handed out as 29 credits have proved impossible to collect. The repayment level is now 99.6%, demonstrating the potential of credit as an effective development tool. This is a good result, compared with conventional financial institutions, and has been an area we have concentrated on in particular. As our resources for supplying the Rotary Fund in terms of loans are limited, good repayment levels enable us to extend further loans. Moreover, we believe that the only good credit is one which can be repaid without the family having to be relegated to second place in order to do so.

After two exceptional years, 1994 has been a bad one for the popular economy sector. In pursuing its anti-inflation policy, the Government made a fiscal adjustment to counteract a possible overheating of the economy. This provoked a slowdown in Chilean economic expansion. The unemployment rate rose temporarily from 4.5% to 6.5% and the effects of this in popular sectors was soon felt, particularly in the case of the micro-businesses whose sales are closely linked to the salaried sector. This is all the more true of those micro-businesses attracted, by being able to obtain credit rapidly, to consumer goods — it is they who have run up debts beyond their means.

Because of this situation, our rate of arrears (measured on a weekly basis) has risen to 11% for the first half of 1994. An internal study to analyse the causes indicates a correlation between the size of the sum granted and the payment arrears.

This phenomenon is explained by a lack of preparation of the micro-businessmen in managing their growth.

The figures, albeit limited, give an idea of the results obtained by CONTIGO at institutional level. However, any evaluation is incomplete without a consideration of the impact of loans on the recipients themselves. A study on this aspect was carried out in March 1994. It took into account three levels for evaluation: the micro-business, the micro-businessman and the latter's family.

The development of equity capital, sales and profits was measured at the level of the micro-business. Equity capital increased, on average, by 68%, sales by 39% and profits by 33% in the period between incorporation into CONTIGO and the time of the survey (January 1994). Moreover, this improvement remains closely linked with the amount of credit received, which demonstrates that the micro-businessmen are capable of capitalising this external financing.

It is interesting to note that access to the credit programme has been able to bring about personal changes. More than two thirds of those questioned recognise that there have been changes on a personal level. Generally, the aspect most frequently mentioned is connected with confidence: confidence in the future, in oneself or in one's colleagues. This reveals a further value, in addition to the loan, for marginalised people who are unused to having confidence placed in them.

As for the micro-businessman's family and, in more global terms, improvement of the quality of life, it has been observed that consumption increased significantly. The most important change appears to be making purchases for the home (59%), followed by spending on housing (36%), clothing (29%) and food (23%). The micro-businessman therefore seems to give priority to consumer goods he can enjoy immediately rather than to the health or education of his children (26% and 25%, respectively), which are longer-term investments. Last place goes to spending on holidays (16%) which is understandable, given the 10-hour working days devoted to the micro-business.

This evaluation of the impact of loans on the recipients supplements assessment of CONTIGO results as they stand. It demonstrates that developments are not

only economic in nature but also, to a great extent, social.

## Prospects and challenges

In 1994, CONTIGO entered an expansion phase, generated by our starting up activities in other districts in the south of Santiago. Two main problems weigh heavily over the near future and are a challenge for this new stage of CONTIGO's growth. First, there is the question of loan repayments and the over-indebtedness of micro-businessmen, as discussed earlier. Second, there is the problem of marketing. This appears to be the Achilles heel of micro-businessmen and is one of our major challenges in promoting local development as micro-businessmen are outside formal distribution circuits.

A study commissioned by the El Bosque district, but which may be applied to other districts in which we work, indicates that there is a flaw in the economic circuit at local level. Micro-businessmen have a very limited market of end consumers. The district's population actually purchases the majority of its goods outside the local area. This is a structural problem of demand. Efforts on the part of individuals in terms of supply, or on the part of one micro-business in particular, will be unable substantially to solve the problem or reshape purchasing behaviour. The solution to this problem requires the implementation of measures coordinated between the various bodies involved locally, namely the local authorities, micro-business associations and support institutions in the sector.

The main challenges in our work are thus those of maintaining a satisfactory level of repayment and helping micro-businesses become integrated into adapted distribution circuits. ■ J.P.M.

# Decentralisation in sub-Saharan Africa

By Jean-Pierre Elong M'Bassi\*

Decentralisation is on the agenda everywhere in sub-Saharan Africa. There are now barely more than 10 countries out of the 50 which make up the region which have not, in one way or another, started a process of reforms of the distribution of powers between the central State and the lower administrative and management echelons. Decentralisation is universally regarded as the necessary consequence of democratisation and is offered as a possible response to the financial crisis and lack of efficiency of the State apparatus. Decentralisation has its place in the general context of a review of the role of the State, the involvement of society's players and raising of the latter's awareness, and consolidation of the role of the private sector.

It is widely acknowledged that greater importance should be attached to the position of local communities in managing the environment in which people live and in promoting development at a local level. Local communities are seen as offering a suitable framework for rebuilding peoples' confidence in public institutions and for raising the same peoples' awareness of the notion of mutual interest and public interest. This is indeed a turning point in the evolution of institutions in African countries which, after 30 years of centralised State government, are now looking to make significant changes in the way public life is managed. This determination to decentralise manifests itself differently in different contexts, and expectations of decentralisation vary similarly.

An analysis of these expectations and of the underlying risks should make it possible to gain a better perception of the opportunities and limits of decentralisation policy in sub-Saharan Africa and to formulate those support activities which are best suited to consolidate decentralisation and make it irreversible.

## Current and future context

Sub-Saharan Africa is experiencing profound demographic, economic and social-political change and policies aimed at decentralisation must be put in place.

\* Municipal Development Programme (PDM), Cotonou, Benin.

Sub-Saharan Africa, as a region, has the fastest-growing population in the world: it has increased from 130 million inhabitants in 1930 to slightly over 500 million in 1990. Between now and 2020, the figure will exceed one billion and a billion and a half from approximately 2030. The last three decades have seen extraordinary expansion in urban growth, with the rate of urban development growing from 14% in the 1960s to 30% in the 1990s. At the same time, more people have been moving away from small population centres into the major towns and cities: whilst, in 1960, 44% of the urban population lived in small towns (with less than 50 000 inhabitants), this proportion has fallen to 29% in 1990 and, in 2020, will be around 20%. Conversely, it is expected that 37% of the urban population in sub-Saharan Africa will be living in cities with over one million inhabitants by 2020, as against 22% in 1990 and 4% in 1960. The number of towns with a million or more inhabitants stood at 18 in 1990 but is expected to rise to 70 by the year 2020. This considerable population redistribution has two major effects on development and democracy:

— Virtually all communities in sub-Saharan Africa are demographically unstable in terms of both their physical location and their composition: whereas the number of migrants remains proportionally very high, the average productivity of the areas which receive them remains low. Moreover, the fact that the majority of the population is very young poses a critical

problem regarding the ability of these communities to take responsibility for their development on the basis of their savings alone.

— Communities are continuously intermixing, which constantly calls into question sociological and political equilibrium; disputes between native residents and incoming populations, sometimes giving rise to tribal disturbances, demonstrate the sensitivity surrounding the question of population integration and social harmony within the nation in a context of extreme demographic instability.

Far-reaching economic changes have accompanied population movement. Regarded initially as essentially agricultural and mining-based, sub-Saharan economies have tended to diversify in step with urban development. Towns produced two-thirds of regional wealth in 1990, representing a rise from only one-third in 1960. The economic destiny of sub-Saharan Africa is thus increasingly closely linked to the efficiency of its towns and of the local communities which manage them. The general crisis affecting virtually all countries in the region radically changes the circumstances surrounding the level of efficiency that African towns and local communities can offer: the gross domestic product per inhabitant has been falling for the last 10 years and the share of sub-Saharan Africa in worldwide trade is now half what it was in 1960, its debt having increased 20-fold. Growth in the modern sector of the economy dropped to around 1% in the decade from 1980-90, as compared with 5% for the ten years from 1970 to 1980, i.e. four times as low as urban growth. In the long term, the growth rate in this sector will remain one point below the urban growth rate but, to avoid social catastrophe, the 'informal' sector should have growth rates in the region of 5%, making this the sector receiving close on 60% of the regional population increase. This trend towards 'informalisation' of the African economy has very adverse effects on public finances. Expansion in the informal sector actually leads to a reduction in tax revenue which, in turn, contributes to a restriction of possibilities for State intervention and objectively sets up the conditions for sharing responsibility for the provision of services with the local communities. This movement is under way even though most countries are currently implementing re-



countries. In France, local government finances represent 10% of the GDP, 40% of the state budget and 75% of public-sector investment.

This virtually total lack of local resources is combined with a slump in state budget transfers, which reinforces the trend towards a drop in public investment and leads to a cumulative delay in investment at a local level, despite this being essential to maintain the competitiveness of local businesses. In point of fact, the less a local community invests, the less it is able to mobilise its resources and the greater difficulty it has in convincing its citizens of the usefulness of the public service. Local communities in Africa are thus drawn into a vicious circle which must be broken as a matter of urgency if decentralisation is to become a credible partner with development. Without far-reaching reform of the systems of financing local public investment, using appropriate mechanisms of local community credits, any desirable progress is likely to come too late. We are, in effect, faced with the paradox that African towns, which are some of the poorest in the world, are also those which are obliged to live virtually from hand to mouth. Whereas large-scale urban investment elsewhere can be paid off over at least two generations, African towns, which are all at the stage of setting up their infrastructure, have to pay off these enormous sums in under 20 years. For some schemes, the repayment period may be even less, making this a problem which will influence the evolution of these communities and the level of performance they can achieve.

Community management must, however, offer sufficient guarantees of efficiency and reliability. Proper standards in spending, transparency in management and concern about being answerable to the people are still generally well-meant but unrealistic aspirations. It is therefore easy to understand the lingering doubt surrounding decentralisation in relation to development and the difficulty which exists when it comes to attempts to mobilise the population in this sphere, particularly in urban local communities.

As regards the second expectation, decentralisation tests democracy at local level. This is the place where different institutional levels establish a sense of belonging and give structure to the life of

structuring policies which limit their ability to combine the transfer of administrative authority to the local communities with a concomitant transfer of resources.

Although African society will undeniably become increasingly urban in character, the fact remains nevertheless that the towns will also become, more and more, places for the expression of Africa's social malaise, with 'dead town' operations, crisis in the schools and universities, marginalisation of the most vulnerable social strata, particularly the young and women, a crisis of social and moral values, but also degradation of the environment in which people live, unplanned urban development, deterioration of ecosystems, increased pollution and an upsurge in feelings of insecurity. These threatening trends in African urban development conflict with current political thinking which sees freedom, democracy and respect for human rights and the citizen as universal values. Expectations in the field of the right to work, the right to freedom of speech and the right to vote are tending to merge, whereas the physical conditions in which these rights should be exercised are becoming harder to find and vary widely according to the context. This situation creates socio-political tensions and upsets the pre-existing balance. Decentralisation policies must therefore be implemented in Africa in an essentially unstable environment in which the usefulness of public institutions and authorities is called into question both by African countries' own populations and by their partners.

## Expectations and risks

Three major categories of motivation have been put forward as arguments for implementing decentralisation policies in sub-Saharan Africa:

*'Trend towards informalisation of the African economy'*  
This is a painting entitled 'The Jua Kali Artisans' by the Kenyan artist Andrew Kamondia

— decentralisation as a way of enhancing population mobility to produce long-lasting basic development: this is the motivation behind the priorities of those countries which were the first to follow the path of decentralisation, e.g. Senegal, Côte d'Ivoire and Nigeria (the only federal state in the region) in West Africa, and Kenya, Mozambique and Uganda in East Africa;

— decentralisation as a means of increasing and consolidating democracy at local level: this is a firmly established view in countries which have gone through a period of democratic transition, e.g. Benin, Burkina Faso, the Congo or even Zambia and Namibia;

— decentralisation as a way of restructuring the State and according renewed legitimacy to public institutions: this motivation is found particularly in countries which have once had Soviet-style political regimes, followed by military regimes, before the first signs of democracy have burgeoned forth. Guinea, Mali and Madagascar are cases in point.

In every case, as regards development, population mobility cannot be achieved unless the decentralised community framework allows for a revival of the local economy. From this standpoint, the situation is a major cause for concern — small population centres everywhere carry very little financial weight: compared with state GDPs and budgets, the budgets of local communities represent, respectively, between 0.3% and 1.2% on the one hand and between 2.5% and 5% on the other.

These are extremely low figures when compared with those of developed

the people, making their democratic representation highly complex. In fact, all Africans are simultaneously living at three main institutional levels:

— the traditional level, based on ethnic origin, where a set of rights and obligations links the individual to his or her economic community by means of a code of customs which grants paramount importance to solidarity with one's family as opposed to individual freedom;

— the religious level, which does indeed acknowledge a person's autonomy but positions it within the framework of the ethic of community spirit and of sacrifice, enhancing social harmony and submission to divine order, as opposed to individual competition and the search for material well-being;

— the modern level, which confirms the paramount importance of individual expression over references to the group and would, theoretically, like each person to have a say, regardless of his or her position within the group. The individual becomes a social driving force in his or her own right and must therefore in this role take part directly in deliberations on the evolution of the community.

The content and reality of local democracy at the level of both popular representation and participation stem from the way in which it has been possible to hybridise the various levels or in which it has been possible to promote competition between opposing views of legitimacy, so as to arrive at compromises in the exercise of local power. Attempts to establish such compromises are in progress in countries like Botswana, Ghana, Nigeria and even Uganda, and this matter is also on the agenda in Burkina Faso and Benin, amongst others.

In view of the almost universal crisis of government, is decentralisation a risk that the State can afford to run, or an opportunity to rebuild peoples' confidence in public institutions? Opinion is divided on this subject. Some people take the view that decentralisation costs dear in political and financial terms, without necessarily making a positive contribution to the establishment of a State of law, a prerequisite for the institutionalisation of power and the existence of an effective State. The republican ideal of equality for all before the law and of the neutrality of the public service may, in effect, suffer

from the excess of social interaction on the part of local communities as compared with the State, which is more distant and therefore less susceptible to influence. Those who hold this view advocate far-reaching devolution in preference to decentralisation, at least during the current stage of establishing new democratic states.

Others believe, on the contrary, that decentralisation offers an advantageous opportunity for giving thought to the State and its institutions. Application of the principle of subsidiarity means that new public institutions can be built and only effective decentralisation, which reverses the problem associated with shared assets, is capable of restoring legitimacy to the various institutions, and also to the State. In most sub-Saharan states, local communities currently offer the only credible framework for the emergence of the notion of citizenship. Decentralisation in this area offers nations an opportunity and should therefore be made a priority when development policy is being drafted.

The difficulty lies in the identification and monitoring of reforms to be implemented so that decentralisation goes beyond the stage of *petitio principii*, the stage it is still at in the majority of sub-Saharan countries.

By causing communities to aspire not only to a national ideal, but also to a refocusing of their own evolution, does decentralisation not, in fact, act as a brake on national and regional integration and does it not risk going against the flow of history?

This is a real risk which should not be ignored. However, there is a sense that

the principle of subsidiarity could just as easily apply inside a State's borders as beyond them. Under these conditions, far from being a handicap, decentralisation which is implemented with a sense of respect for this principle should actually enhance regional integration.

## International cooperation

In sub-Saharan Africa at present, a large proportion of decentralisation policies will not be implemented unless they receive the support of international cooperation. This basically takes two forms:

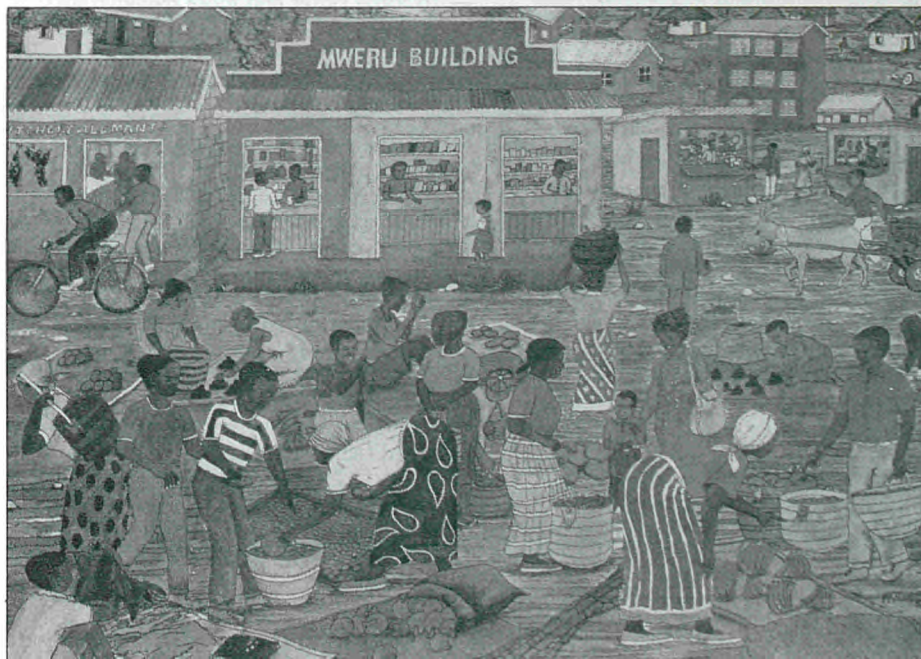
— state support in implementing decentralisation policies, through institutional support programmes and municipal development projects;

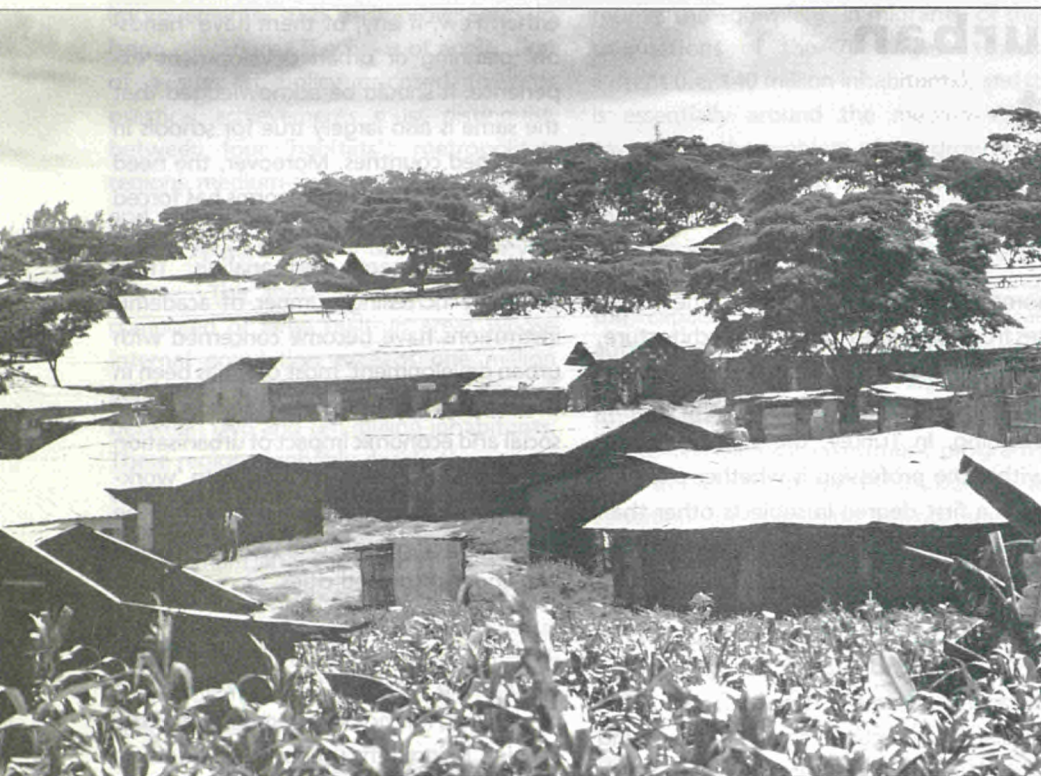
— decentralised cooperation.

Support for implementing and giving formal structure to the legal framework for distributing authority between the various levels of public bodies and for the exercise of this authority is the most important element in cooperation programmes supported by the partners of African countries. Without detracting from the advantages of this form of cooperation, it has been observed that decentralisation will not gain credence with citizens until it is accompanied by environmental

*'In small villages, support should consist of taking into account the driving forces of trade with the countryside'*

This is a painting entitled 'Fruit Sellers' by the Kenyan artists Frederick Kamau Mbugua





To overcome the shortages of adequately trained and qualified planners, urban development projects added 'on-the-job training', whereby the planning agency's staff were to be instructed in the skills and techniques being deployed by the project consultants. However, the consultants for urban projects were, for the most part, chosen for their ability to deliver the project, not for their training skills, and the hoped-for 'learning by osmosis' rarely lived

Shanty town on the outskirts of Nairobi  
*'Uncontrolled developments have far outstripped those that are formally planned'*

up to its promise. Indeed, in order to ensure successful projects, many donor agencies resorted to the establishment of 'Project Implementation Units' (PMUs), often with extraordinary powers, and with specially hired staff. Thus, although the projects could be executed successfully, there was little or no institutional development or public learning as far as the government or public sector agencies, that were supposed to 'replicate' the projects thereafter, were concerned.

The gap between the training of planners and the needs of planning has, if anything, increased over the last decade, to the extent that training has effectively dropped out of project budgets. Similarly, in the training 'wish list' of most countries seeking development assistance, or in the training offers made by donors, urban planning no longer has any priority.

Yet there are examples to suggest that it is possible to provide more effective training in urban planning, mainly through processes that stress the practice of urban planning by integrating theoretical learning with practical aspects. Not only does this mean a change in the content of what is being taught, but, more

## 'For-the-job' training

For-the-job training programmes, in which trainees use the ongoing problems they face in their working environment as the basic study material, have been evolved in Sri Lanka, Indonesia, Ghana and Nigeria. Thus training is used to implement planning, and the programmes are employed to make government institutions carry out specific tasks needed to implement particular policies. This form of training means that rather than depriving institutions of scarce manpower resources while the people concerned are away on courses, usable outputs are produced during the training period itself. By concentrating on their own, actual problems, the interaction between trainer and trainee becomes more focused, and this results in a more motivated learning situation.

importantly, it requires a change in the style of training that reflects more accurately the practical situations that planners are likely to face. Rather than producing academic papers and sitting examinations, the emphasis is on the production of planning reports that are focused and to the point, recognising that decision-makers are unlikely to spend too long perusing lengthy documents that discuss the issues but often fail to make recommendations. This form of training also stresses the necessity of working in groups, building and developing cross-disciplinary working relationships and emphasising cooperation and compromise rather than individual achievement. Finally, it means agencies and consultants involved in planning working alongside and in concert with academics engaged in research and analysis of urban development, in the training of urban planners and in building capacity within urban development institutions. ■

B.M.

## Training for real

For many years, the Development Planning Unit (DPU) has been running a course on urban planning practice where the students complement their training in London with a field trip to put their learning into practice. For some time now, Nairobi in Kenya has been the destination chosen for the trip and it has now become an established event there, eagerly awaited by the local planners. The participants have operated as a planning consultancy, analysing problems and making recommendations. In the process, they have worked closely with municipal staff, NGOs, government, and other officials in Nairobi, undertaking field surveys across the city and making proposals which have been presented to a 'client' group made up of city planners and others concerned with the Kenyan capital's development. In later years, planning officials began to use the visit as a way of testing the likely public response to new and sensitive issues.

# Technical assistance to small and medium-sized towns

## A practical example from Kenya

by Ursula Eigel \*

Kenya, with 25 million inhabitants, is in transition from a predominantly rural society to one where a third of the population will soon live and make its living in towns. Population forecasts predict that 15 years from now, out of the projected 37 million Kenyans, more than 11 million will be urban residents (today, their estimated number is five million). 50% of the annual national population growth will then occur in towns. While the increase of the urban population in absolute figures is still highest in Nairobi today, the relative percentage of growth in the country's smaller towns (7.6%), has already exceeded that of the bigger cities (4.4%).

Since the late 1970s, the Government of Kenya has developed and supported policies that seek to ease the growth pressures on the large cities such as Nairobi, Mombasa and Kisumu, to facilitate the growth of small and medium-sized towns and to promote rural-urban interaction. A landmark document entitled 'Economic Management for Renewed Growth' which was published in 1986 (Sessional Paper No. 1) detailed the 'Rural-Urban Balance Strategy'. The approach was reconfirmed during 1994 with the publication of a further sessional paper on 'Recovery and Sustainable Development to the Year 2000'.

In principle, strategies needed to link these policies to political decentralisation and effective autonomy for municipal, town and county councils — the three types of Kenyan local authority which legally have a semi-autonomous status — are in hand. Major difficulties

have been encountered, however, in rendering them operational. In fact, since independence, Kenyan local authorities appear gradually to have become weaker — with their reputation dwindling at the same time — to the point where, in the late 1980s, questions were being raised as to whether they should not be abolished altogether. There are many reasons for this degenerative process, most of them closely related to the country's socio-political history and culture.

At present, local authorities, particularly in urban areas, face serious problems. They cannot cope with the rapidly increasing demand for infrastructure, housing and other communal services, they are not able to offer enough incentives to private investors and they do not have the skills and political strength adequately to manage the urban land within their jurisdiction.

In spite of an existing legal framework which allows local authorities to raise local taxes, fees and charges, and to use them for the variety of services that they are supposed to offer to their residents, most of them do not exploit these resources sufficiently and consequently do not provide services, or provide them so poorly that local taxpayers are reluctant to pay their dues to the council. Revenues collected and reaching the council's treasury are, to a large extent, used to pay council staff salaries and councillors' allowances and, frequently, no money is left to maintain council facilities, let alone finance new projects. Councils are often poorly staffed — especially the small ones — and badly organised. Most of them are highly indebted to various government institutions (the reverse is also true) and not credit-worthy to the private banking sector. The relationship between the councils and the



Daily life in a small town in Kenya. This is the banana market in Lamu

Ministry of Local Government (MLG) — which is based in Nairobi and is meant to supervise them — has, for many years, been an ambiguous one. As the central government is facing increasing economic constraints, transfer payments to councils in the forms of 'grants' have largely been discontinued.

Since the mid-1980s, actors in the local government arena, in particular the MLG, and members of the donor community including the World Bank, USAID, GTZ, KfW (the German financial assistance institution) and the Friedrich Ebert Stiftung (a German foundation), have been discussing strategies to rebuild local government in Kenya, and they have initiated steps to implement a local government reform agenda. The Small Towns Development Project (STDP), a joint venture between the MLG and the GTZ, is part of this reform process, which is designed to professionalise local government and to implement policy reforms.

### Outline of the project

The project began in 1988-89 with the initial objective of improving

\* The author works for the Small Towns Development Project (STDP) in Kenya run by the Ministry of Local Government with support from the GTZ (the German technical cooperation agency).

management capacities in six small towns of between 6000 and 30 000 residents. These towns all belonged to the category the Government wanted to promote under the 'Rural-Urban Balance Strategy' and related policies.

Over the past six years, the project's scope and the number of towns involved have increased steadily. At present, the STDP is cooperating with 16 towns, with populations of up to 55 000. Some of them are in fairly remote areas of the country. The project operates from its base in the MLG's Urban Development Department (UDD), which was created in 1989 and has been functioning since 1992. It works through a mobile team of up to 10 MLG staff and an equal number of GTZ personnel (70% of whom are Kenyan). The staff come from various professional backgrounds and include urban management specialists, economists, civil engineers, finance officers, urban planners, social workers, organisational consultants and lawyers. The team goes out in small, interdisciplinary groups and provides training and on-site consultancy services to the partner towns.

After an experimental phase in the initial six towns, which helped to develop the project's 'tool-kit', the STDP is now offering a number of services to councils, most of which are supported by manuals, guidelines and the like. Typically, the full set of STDP services would comprise the following elements:

**Improvement of planning capacities**

Project towns are being assisted to develop medium-term investment

plans, referred to as Local Authority Development Programmes (LADPs). The project has devised training guidelines for this purpose and the towns are taken through a fairly rigorous process of assessing the needs of the local authority and its residents, undertaking pre-feasibility analyses for projects and prioritising them. Emphasis is on affordable projects which are in line with councils' financial capacities. Councils are encouraged to plan for at least one project per year which they would finance from their own resources, during the budget year. The LADP is also used as the basis for seeking donor funding.

**Enhancement of financial management and organisational strength**

During and after the preparation of the LADP document, the councils' financial and managerial capacities are scrutinised, and action plans are developed to overcome weaknesses. Major areas of assistance include:

- development and monitoring of transparent and realistic council budgets (the project has drawn up budgetary guidelines for this purpose);
- improvement of the organisational structure of the councils (again, guidelines have been drawn up);
- improvement of the revenue base of councils (the guidelines developed in this area are designed to help councils assess their revenue potential and implement

action plans to tap the resources more effectively);

- improvement of collection and enforcement procedures for specific council services.

**Improvement of service provision**

In the past, physical and organisational support has been provided by the STDP for certain infrastructure services in the project towns. Related projects were given high priority in the relevant LADP. All projects have been undertaken as joint ventures between the councils and the STDP with each partner being required to provide inputs in terms of manpower, money and management. Projects are used as 'learning cases', which means that the local authority is taken through the whole process of planning, implementing, operating and monitoring a specific service. In this context, open-air markets, bus parks, and sanitation services (solid and liquid waste collection) have been improved in project towns. By and large, service provision has been enhanced and the councils' revenue base has been boosted through these joint ventures, whose individual budgets do not exceed DM 200 000 (ECU 105 000).

**Upgrading of informal settlements**

Another area of project activity deals with squatter settlements in project towns where residents are living informally; in other words, without any legal security of tenure or services organised by the local authority. The STDP, in collaboration with the local authority and the Commissioner of Lands, initiates and follows up the 'legalisation' of the residents. This involves the handing over of the title deeds, the provision of basic infrastructure and, above all, the organisation of the communities concerned. As in other STDP initiatives, the upgrading process is structured as a joint venture between the MLG, the local council and the residents, and project investments are implemented on a cost-sharing basis. In one town, a new land management model is being implemented where land ownership is granted to the community and not to the individual residents in order to prevent 'buying out' of poor residents by wealthy outsiders once the land is in reach of market mechanisms. This model, called the Com-

Councillors and officials in Voi municipality meet to discuss their first medium-term investment programme



Ursula Egel, STDP



munity Land Trust (CLT), is unique for Kenya, and it is hoped that it will become a milestone in the country's attempt to cope with the ever-increasing number of squatter settlements.

### Project approach and inputs provided

The STDP is gradually involving as many MLG officers as possible — not only from the UDD but also from other departments in the ministry — in project planning, implementation and monitoring and in the various training events so as to enable the MLG to make use of the STDP approach in its routine operations. By doing so, the MLG is also gradually changing the emphasis of its role from policing local authorities to assisting and guiding them and becoming their 'lobby' institution in the dialogue with other government ministries and donors.

At the central government level, the STDP participates in the policy dialogue between the MLG, the donors and other ministries, and it has so far assisted in a number of workshops which have helped reorganise the MLG and reformulate the legal framework for local government.

While the STDP *concept approach* is also applicable in assistance programmes for bigger cities, the complexity of their tasks requires more refined instruments than those provided by the project. It has also become clear that, in future, the MLG will have to put greater emphasis on assistance to the smaller towns where professional and management capacities are so thinly spread.

GTZ contributions to the project consist essentially of technical assistance inputs, with a grant component of DM 1.15m (ECU 600 000) reserved for small investments in the towns (the improvement of service provision mentioned earlier). Three GTZ long-term advisers are working in the project. A large number of local consultants, together with a few from overseas, are also part of the team. Scholarships and local training opportunities have been offered to staff of the MLG and partner towns. The project is paying for operational costs and work equipment while the MLG provides and pays for its own staff who are seconded to the project and has rented offices for the



UDD and STDP. The overall GTZ project budget for the period 1988-1995 is DM 8m (ECU 4.2m)

Residents of Voi, which has benefited from participation in the STDP, celebrating during a resettlement ceremony

### The future

A project extension for three to five years is planned for 1995. It is hoped that by the end of this period the STDP and the MLG will have jointly created a 'critical mass' of know-how in the ministry, among local consultants and in the town halls, enabling the design of a long-term routine support programme for local authorities which will be provided and funded by the Kenyan side.

The difficult question to be answered in this context is how such a programme can be made institutionally and financially sustainable. Currently, the MLG takes care of the whole range of technical assistance, training and development of policies to strengthen the local government sector. However, it is possible and seems desirable that the renewed interest in a strong local government system, which has been spurred by the financial constraints affecting central government, will lead to the local councils' own lobby institution, the Association of Local Authorities of Kenya (ALGAK), becoming more active again and taking on the role of moderator and transmitter of information for local authorities. At the

same time, existing training institutions will be able to make use of experience gained and tools developed through the STDP to establish a multidisciplinary training curriculum for local government.

Under such an arrangement, the MLG would continue to play the key role in policy development and implementation, and technical assistance to small towns. It would also be its responsibility to enhance service delivery by local authorities through guidelines and a set of incentives and disincentives which have yet to be developed. Training could, however, be institutionalised elsewhere, removing some of the burden from the MLG. The larger and/or better-off towns should be made to pay for staff training and consultancies provided by the MLG, so that the resources required for capacity-building in the towns do not have to be provided by the MLG alone.

A support structure which is institutionally more diverse, and the introduction of cost-sharing mechanisms among the various actors, will help to ensure that the programme endures after the formal project cooperation has ended. ■

U.E.

# The EDF and mining developments in the Sahel

by Michel Bal \*

Two examples of projects that have made a significant contribution towards realising the mining potential of landlocked countries with fragile economies regularly weakened by chronic droughts.

As a recent World Bank publication pointed out<sup>1</sup>, in a good many African countries, the mining sector's potential is largely underdeveloped. Yet for more than half the countries of Africa this sector forms an important source of foreign currency and tax revenues.

International mining activity is very much dominated by the private sector and accordingly only arouses limited interest on the part of the bi- or multilateral development aid donors.

It is, however, important that in order to manage and promote their underground resources in the best possible way, states should first have accurate information about them.

It is within this context that the EDF — either directly or through SYSMIN — has recently financed two large prospecting and mining inventory projects, one in

Mali (1987-89), the other in Niger (1989-94).

Archaeological studies and research carried out over the last few decades have shown that in West Africa, gold panning activities have been practised since at least the eighth century, especially in the Bambouk Upper Senegal area, ('Mali West I' project area) and the Liptako-Gourma area (see 'Gold Prospecting in the Liptako', below). **History relates the famous pilgrimage to the Holy Places in 1324 of the *mansa* Kankou Moussa who, when passing through Egypt, distributed a great quantity of gold which was 'sufficient to upset the gold to silver ratio in Cairo for several decades'**<sup>2</sup>.

Even today, gold panning is sometimes a very important subsidiary activity for the rural communities of these areas.

## The 'Mali West I' project

From the geological point of view, two regions of Mali offer great mining potential, in particular for gold. These are the Kayes-Kenieba region (the

Bambouk), in the west, and the Bougouni-Kangaba region, in the south. They both consist of very old formations (Lower Proterozoic, approximately 2 000 million years old) where deep-seated intrusive masses ('granites' in the broad sense) alternate with Birimian volcano-sedimentary formations. The latter, formed, as their name implies, of alternating volcanic, pyroclastic and sedimentary sequences, have undergone a long and complex tectonic history and include, in particular, the gold fields of the 'Gold Coast' (Ghana). The great Canadian, Australian and South-East African deposits are also found in similar formations.

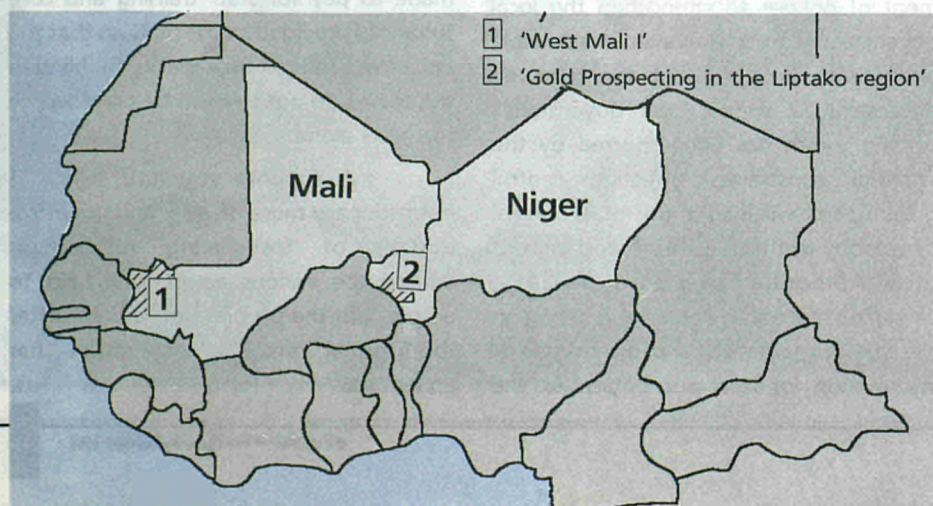
The aim of the project was to prepare regional maps and carry out a systematic mining inventory of a vast area of 27 000 square kilometres (as a comparison, the area of Belgium is approximately 31 000) of which 9 000 square kilometres are Lower Proterozoic formations. This objective was all the more ambitious since the time allowed was very short (two years and thus two field campaigns of six to eight months). Thanks to a mutually harmonious integration of the Malian experts into the project contractor's organisation and also to the excellence of this Malian team, including up to a dozen geological engineers and prospecting technicians, the work was able to be completed well within the deadlines allowed. In fact, the regional prospecting operations went so well that it was possible, using some of the financing left over, to focus the investigations in the second year on two indicators brought out by the strategic prospecting. This led to the discovery of the Sadiola field, since developed by a large mining consortium and which is proving to be one of the largest gold deposits known to date in West Africa.

In total, during the project, some 65 000 soil samples were taken, processed and analysed for their content in eleven elements. It is worth noting here that the contractor chose a Bamako laboratory to carry out all the gold analyses. This huge order greatly contributed to the growth of this laboratory which is now set up as a particularly dynamic, self-sufficient prospecting organisation in a fast-expanding mining sector.

\* Geologist, former project manager in Mali and Niger for the German project contractor company KLOCKNER Industrie-anlagen, («Design and Consultancy» Dept.). He is now in charge of geology for Hansa GeoMin Consult, Duisburg, FRG (Tel.: (49 203) 99 243 13, fax: 99 243 19).

<sup>1</sup> Strategy for the mining sector in Africa. World Bank technical document number 181 F, 1993.

<sup>2</sup> Valleys of the Niger, National Museums publication, Paris, 1993. (collective).



In addition, the project prepared the official 1:200 000 geological map of the area in question (three sheets each covering a square degree), thus producing a document vital to realising its full mining potential. Since then, thanks to this work and to that of the Mali West II project (entirely carried out by Malian teams), the Mali authorities have been able to promote the region and a number of prospecting licences have been allocated to private companies.

## The Liptako gold prospecting project

This project, financed by a SYSMIN loan, had almost the same aims as its Malian predecessor. However, covering a much more limited area (4 000 km<sup>2</sup>), the terms of reference provided for going farther forward in the mining procedure by making borings based on the indicators revealed by the strategic prospecting and refined by more detailed tactical work. Furthermore, mineralogical studies and ore treatment tests were also conducted with

a view to the design of a pilot plant. The final implementation of this was abandoned in favour of equipping an ore processing laboratory at Niamey.

The substratum, of the same character as that in West Mali, consists of three 'belts of green rocks' (volcano-sedimentary) surrounded by deep-seated blocks of the intrusive type.

A few figures will serve to give an idea of the scale of this project: in total, nearly 65 000 samples were taken and analysed (43 000 of them in surface geochemistry). 2 415 km of geophysical profiles were measured. 16 700 m of borings were made and some 10 000 m of trenches were dug.

It should also be mentioned that part of the gold analyses on the surface geochemistry samples were entrusted to the Bamako laboratory (the laboratory of the National Mining Resources Department of Niamey at that time not having the equipment necessary both for the very low analytical detection limits demanded and for carrying out large numbers of analyses within very short deadlines). The

contractor, incidentally, entrusted all of the trench and bore sample analyses, as well as the mineralogical study and treatment tests, to a Zimbabwean laboratory, thereby instituting a close South-South cooperation (Zimbabwe being, should we need reminding, a country with a strong mining tradition).

Regional geochemical prospecting identified about twenty gold-bearing anomalies and a dozen of these were explored tactically. The trenches and borings confirmed the existence of several mineral occurrences, among them the Samira deposit whose potential in oxide ore was assessed at over a million tonnes with an average content of the order of 2.5 grammes per tonne.

As in Mali, the outcome of the project allowed the Niger authorities to promote Liptako's underground resources, especially at the occasion of the round table (TRIPAL) organised in October 1993 at Niamey for international investors. Numerous mining companies indicated their interest and several prospecting licences have already been allocated. ■

M.B.

## Gold-panning in Niger's Liptako

by Michel Bal and Georg Jöbkes \*

Gold-panning is currently experiencing a great expansion in most of the countries of the Sahelian strip. As we have seen in the article above, it is a very ancient activity going back more than 12 centuries. On the fringe of the EDF-SYSMIN project 'Gold Prospecting in the Liptako', the authors became interested in the practices and socio-economic structures of this traditional activity<sup>1</sup>.

The traditional working of gold deposits by panning is a parallel economic activity which is almost completely outside the control of the state. This is not, however, for lack of interest in the considerable (and untaxed!) contribution that this 'proto-industry' makes.

Whether based on domestic funds or on international financing, several

projects in the Niger and/or the sub-region, have been devoted to the study of the phenomenon of gold-panning. But it should be pointed out that these projects are most often basically analytical and confine themselves to making very general recommendations which are too theoretical to implement.

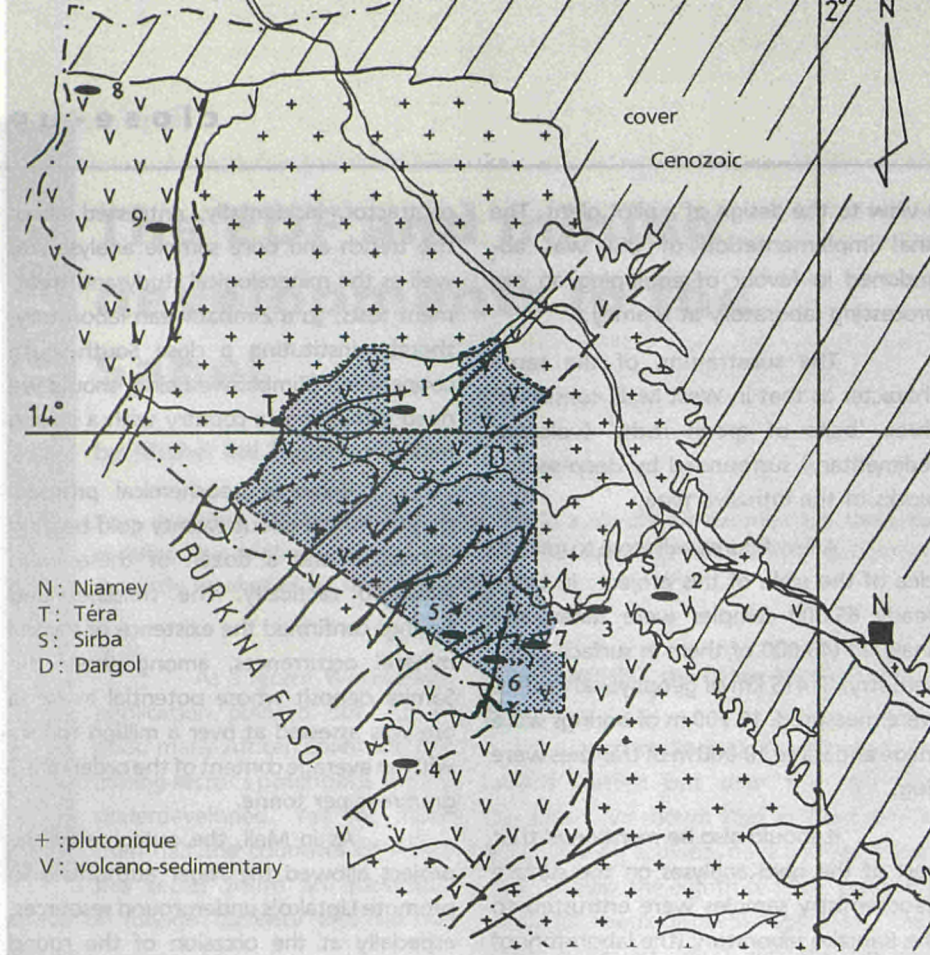
Some of Niger's gold-panning fields of the Liptako are shown on the map above. Only the largest are indicated, since signs of the gold-panners are spread all over the Liptako, from simple surface scratchings to the largest excavations. Sometimes there are only traces of

A gold-panner, with his pick and his pan at Libiri



\* Geographer, University of Bonn, FRG.

<sup>1</sup>This article is based on extracts from the «Preliminary Summary Report» prepared by KLÖCKNER («Design and Consultancy» Dept.) in 1992 within the framework of the project «Gold Prospecting in the Liptako».



The main gold-panning fields in the Nigerian Liptako. (shaded area, the region covered by the 'Gold Prospecting in the Liptako' project)

1: Koma Bangou	4: Déba	7: Tialkam
2: M'Banga	5: Boulon Djounga	8: Kossa
3: Tourey	6: Libiri	9: Manda

'prospecting', and the mining geologist, with all his battery of techniques and sophisticated resources, can only bow before the amazing efficiency of these prospectors who have only their eyes by way of a spectrometer and, what is more, cost nobody anything.

Obviously this implies an ant-like activity performed by a large number of very mobile individuals. With the help of the 'tom-tom', as soon as a new site is discovered, the neighbouring gold-washing fields are deserted by their inhabitants.

In fact, as illustrated by the table below, the gold-panning populations vary widely over time and space.

At the start of 1992, the Libiri sites were practically abandoned, while at

**Gold-panners officially registered in Tialkam and Libiri in 1988-89 <sup>1</sup>**

Site	31.12.88	28.02.89	31.05.89
Libiri	1 050	1 826	30
Tialkam	532	838	20

(<sup>1</sup>) Gold-panning operation mission. Report on progress and inspection of gold-panning activities in the Liptako Gourma of the Niger. 1988-89 campaign. Records of the Ministry of Mines and Energy, Niamey, Niger.

Tialkam, after a very good year during the dry season of 1990-91, activities clearly slowed down in 1991-92. Koukou Djangou, non-existent in 1989-90, grew up in October 1990, expanded very rapidly to several hundred, even thousands, of gold-panners and then ceased all activity in January 1991. Boulon Djounga, after a flourishing activity in 1989, slowed down very abruptly in 1990-91 and resumed again very strongly in 1991-92.

A mixture of people is involved, mostly of course from the Liptako, but also from other regions of the Niger as well as from neighbouring countries (Burkina Faso, Togo, Benin, Nigeria, Mali, G.Jöbkes, 1992 <sup>3</sup>). They have adopted a semi-nomadic life (there are no solid structures in the villages near the sites), migrating from one site to another as new discoveries are made.

According to the site, the gold is extracted either from secondary surface enrichments (laterite, loose deposits at the foot of slopes, e.g. Koukou Djangou), or

<sup>3</sup> Summary report on the «traditional» gold prospectors in the Liptako. Unpublished.

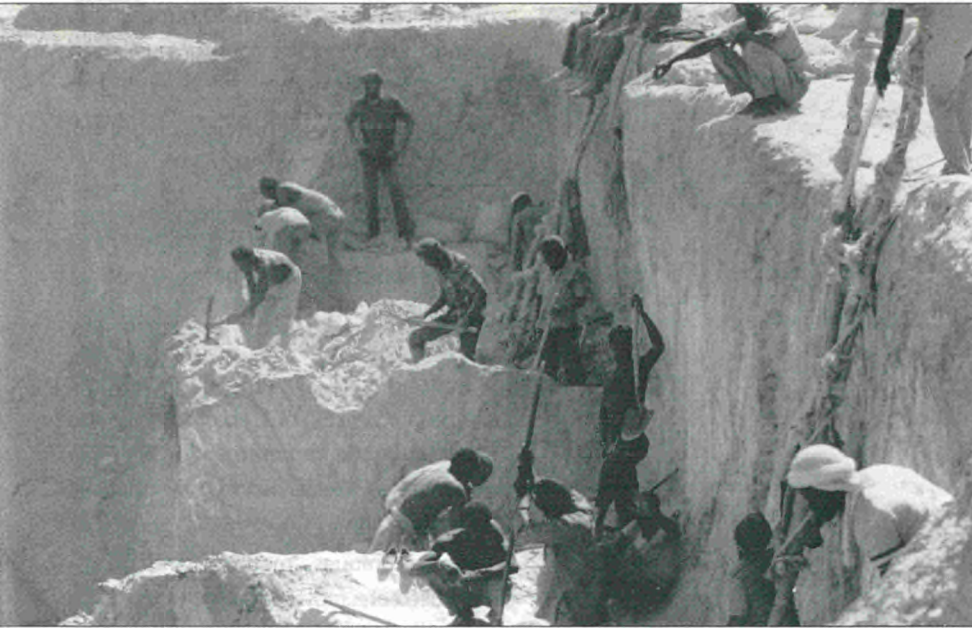
primary mineralisations (e.g. Tialkam), or both (e.g. Boulon Djounga or Libiri).

In the surface deposits, where the secondary gold often appears as larger grains or nuggets, the processing method simply consists of pouring the ore, as it comes, from a container held at the height of a man into a pan placed on the ground. The wind, very often moderate to strong in the Liptako, carries off the light fines. The material gathered in the pan is shaken and broken up, then redécanted into the first container. The whole operation is repeated several times, until a concentrate is obtained from which the gold is extracted by hand or, possibly, by washing in water (according to its availability and price).

At Tialkam, where only the primary ore is worked, the quartz is separated from its matrix during digging. Later, it will be crushed manually in the bottoms of industrial gas bottles using rams consisting of lorry drive shafts. The product from the crushing is regularly sieved and the reject is sent back for crushing. The sieve is made with metal 'mosquito' netting and so has a mesh of about a millimetre. At Tialkam, a site close to the Sirba, where water is available all year round in relative abundance though requiring transport, the crushed ore is washed, most often in a pan, but sometimes in a trough or sluice (see illustration below). These are made from tin drums cut and shaped into a 'U' with a flat bottom, about 15 to 20 cm wide. These metal sheets are placed end to end on pieces of wood stuck in the ground. The whole assembly is three to four metres long and has a slope of about 15 to 25°. The inside of the trough is lined with felt cloth which traps the heavier gold particles as the gold-bearing mud flows over it.

Two comments should be made at this point. The first is that apparently the gold-panners only work gold-bearing quartz, when very often the secondary rocks are also mineralised. This could be due to the fact that the gold particles in rock are very much finer and so cannot be seen with the naked eye nor recovered by washing.

Secondly, within the framework of the investigations undertaken by the project, samples were taken at various stages of the traditional process (crushed ore, concentrate, tailings). Analysis of



Shovels, picks and crowbars

these samples showed that, by washing, the gold-panners only recovered at best about 30% of the gold content of the quartz veins. Washing tests carried out in the laboratory after very fine crushing (300 mesh) could scarcely improve the recovery rate.

In principle, primary ore workings were carried out in open pits with steeply sloping walls, which may in some instances reach at least 40 m in depth. One or more teams of several men equipped with shovels, picks and crowbars work at the bottom of the hole. They fill woven plastic bags with 5 to 10 kg of (barren) rock and at the same time sort out the pieces of quartz which are initially stored separately. Ladders made with branches tied together with home-made ropes are fixed into the walls from the bottom of the hole up to the surface. Men hold onto these ladders and pass the bags of unproductive material from hand to hand in a human chain up to the top of the waste heaps surrounding the excavation where the barren material is dumped. From time to time, this chain changes direction and the bags of ore are, in their turn, raised up to be stored in the village.

At Boulon Djounga, a part of the working is carried out under the lateritic capping and is therefore set up rather as an underground 'mine'. After a shaft has been cut through the capping, the man, or team of men, may start to open up exploratory side 'galleries', enlarge them if they prove productive or abandon them and resume

driving shafts until a promising level is found. The extent of these underground workings is both a function of the richness of the discoveries and the recklessness of the man or men working at the bottom.

Small pits may be worked by a single man or by a small group, for example from the same village or the same region.

In large workings, belonging to an 'owner', the workforce (up to 150 men or more per crew!) is hired under the authority of a foreman. The hiring conditions set the 'payment terms' in advance, which generally consist of a redistribution of part of the ore taken out. During the work of stripping the cover, which can sometimes last several weeks before any mineral deposit is reached, the workers are looked after by the owner. This will, of course, be taken into account in the later sharing out of the ore.

The treatment and washing operations are generally carried out by different crews, trusted by the 'owner' and paid in the same way.

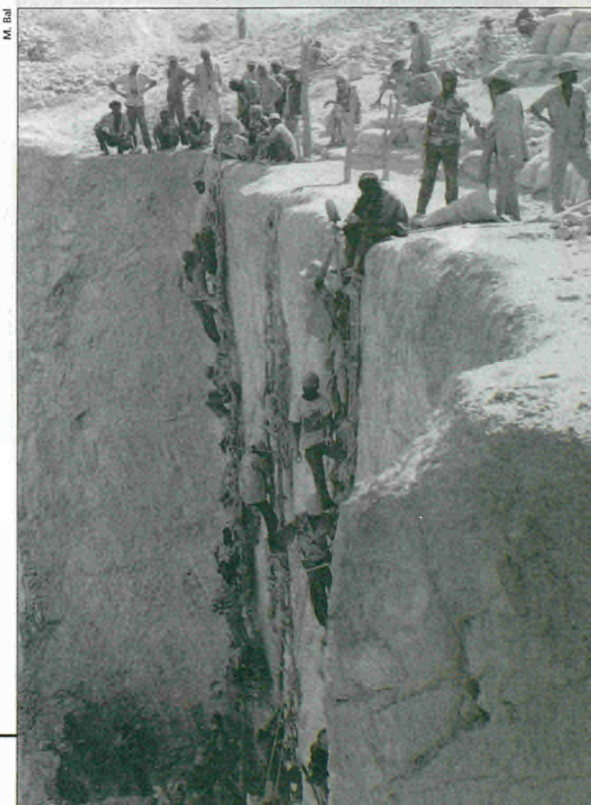
The workers sometimes process their ore themselves, but, most often, hand over this processing to a 'specialist' whom they trust (same family, same village, etc.).

At Boulon Djounga, another method of payment was observed, namely in cash after the sale of the extracted gold.

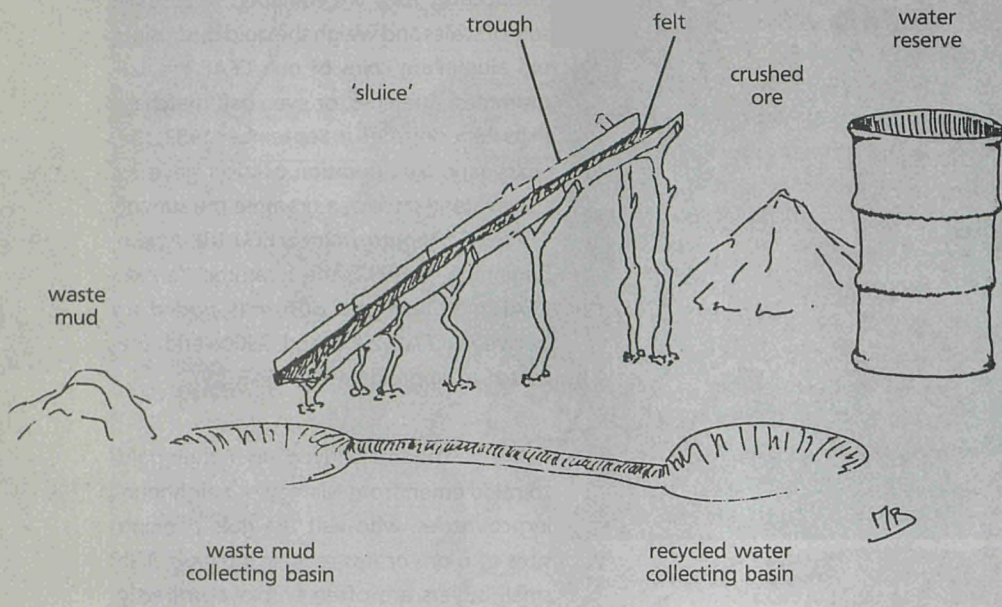
'Small' buyers live in each village of gold-panners, collecting the gold from various 'producers'. They are equipped with small sets of scales and weigh the gold dust using old aluminium coins of one CFAF (= 1.1 grammes), matches, or even half matches. In its Report, issued in September 1989, the Gold-panning Operation Mission gave as the average price of a gramme the sum of CFAF 3475 (approximately ECU 10). At the beginning of 1992, the 'gramme' (a one CFAF piece) of gold dust was traded at between CFAF 2700 and 2900, and the match at approximately CFAF 200.

The small buyers resell their gold to middlemen from Niamey or neighbouring countries, who visit the gold-panning sites at more or less regular intervals. The small buyers are often employed directly by the middlemen. These same middlemen, working on behalf of large wholesale traders, also provide the village shops with fresh supplies of foodstuffs, clothing, cigarettes and sundry ironmongery, including the necessary tools for working (shovels, picks, pans, etc.). This is also in response to the rapid growth around these sites of 'offshoot' economic activity such as: 'bush taxis', miscellaneous shops, transport and sale of water (generally not available in the villages themselves), blacksmiths for servicing and repairing tools, 'restaurants', 'bars' (there were even in

Roped to rudimentary ladders



Some old drums and a few bits of wood....



Tialkam, during an especially prosperous period, two 'cinemas' equipped with a video tape recorder and a television set operating on a generator), but also less legal businesses...

As far as gold production is concerned, it is very hard to obtain reliable

The gold buyer's equipment



G. Jibbers

and consistent figures due to the fact that there has been no continuous official monitoring of gold-panning operations in the Liptako. During the 1988-89 campaign, a joint ministerial team under the direction of the Departmental Board of Mines and Energy of Tillabery carried out 'monitoring and inspection of gold-panning activities in the Liptako Gourma of Niger', sanctioned by a Report issued in September 1989. In particular, this Report gives sales statistics for several sites around the Sirba, from December 1988 to May 1989. These figures have the merit of defining a scale of magnitude for gold production by panning, but do not necessarily reflect the relative importance of the various sites since, as we have seen previously, activities there fluctuate enormously. This Report gives the following figures for the three main sites of the region covered by the project:

**Sales statistics on three gold-panning sites**

Site	period	sale (g)
Libiri	12.88-06.89	30 472
Boulon Djounga	04-05.89	48 552
Tialkam	12.88-05.89	31 000

More recently, from 19 April 1992 to 17 May 1992, the National Mining Resources Department set up a purchasing

counter on the Boulon Djounga site. During this period the counter purchased 13 884 g of gold from which 13 kg of gold was melted into ingots, i.e a loss to impurity of the order of 7% (verbal communication).

Numerous similar studies have been carried out on gold-panning in West Africa. It basically emerges from these that:

- this unofficial economic sector escapes all official control, but according to the estimates made represents, for Niger, a production of several hundred kilograms of gold per year.

- the techniques, methods and equipment used are mostly extremely primitive (generally speaking they have not gone beyond the 'pick, shovel and pan' stage) and the workings are conducted in an empirical manner without respecting the most elementary safety rules.

- these activities lead to a characteristic 'social system', namely over-exploitation of an underpaid workforce which has to get into debt to survive. This situation, which is obviously favoured by the economic difficulties of the sub-region, is accentuated by the generally low profitability of these activities as well as by a profit-sharing which clearly favours owners and financiers. ■

M.B. and G.J.



Henri Perrier

## Djibouti's dhows

by Henri Perrier\*

The history of the city of Djibouti, which has given its name to the smallest republic in the Horn of Africa, compared with its neighbours (Somalia and Ethiopia), is not as ancient as that of the dhows which used to be built there and which, for the most part, are no longer seen nowadays.

This city became a modern port mid-way through the 20th century, but, until the end of the 19th century, was only a cape surrounded by small coral islands similar to those we can still admire at Masha and Markali. These lie seven miles to the north east of Djibouti, and their coral flora and fauna inspire admiration in all who see them.

In the past, a few Yemeni merchant sailors used to use Ras<sup>1</sup> Djibouti as shelter for their fleets or put in there to take on provisions of wood or water.

France occupied Obock but soon abandoned it (1887), moving to Djibouti. Tadjourah, 17 miles to the north west of Djibouti, had for centuries been a small port where mooring was unsafe. In 1708 Mr de la Merveille had put in there on the frigate *Le Diligent*. All the caravan routes bringing goods for trade from Abyssinia — ostrich feathers, gold, various essential oils, shells, skins, ivory and so on — converged there. This merchandise was exchanged for manufactured goods from the Orient or Europe, such as cotton goods, hardware and carpets which came in mainly on Yemeni dhows, and arms trafficking<sup>2</sup> flourished up to the First World War, as did

the slave trade.<sup>3</sup> Slaves arriving from Abyssinia were put onto the dhows for immediate departure to the Yemen and this practice is still remembered locally.

One result of these various types of trade was a degree of intermarriage between people of Dankali (Afar) origin on the one hand and from Yemeni farming traditions on the other.

A number of carpenters established themselves at Tadjourah, offering their services in the repair and, on occasion, construction of dhows. In 1972, Tadjourah was to see the last dhow launched from its port and, in 1986, the last to be renovated. The carpenters would remove all the sheathing, leaving only the frame, so that defective and parts could be replaced. As the city and port of Djibouti developed there was a concomitant increase in demand for sailing craft.

Carpenters of Yemeni origin therefore constructed and launched about 20 dhows over some 30 years (from 1950 to 1980) at the port of Djibouti and one of these is now preserved in dry dock at l'Escale, Djibouti's national port.

Since those days, the business of the naval carpenters has considerably diminished and is now limited to careening services for dhows: recaulking<sup>4</sup> the sides, protecting<sup>5</sup> the hull against damage by ship worm or replacing defective structural components.

This maintenance work is all part of the normal life of a wooden-constructed

vessel and does not really require the levels of skill passed on by the Yemeni carpenters from father to son and still practised today at Mukala, Dubab or Mokha.

To illustrate this, in 1992 alone, Al Kokha, a large village of some 1 000 inhabitants in the desert area of the Yemeni coast (Tihama) to the south of Mokha, saw the launching of some 20 dhows with a water-line length of approximately 15 metres.

What types of dhows can be seen in Djibouti? Djibouti's flotilla of dhows is made up of approximately 30 vessels with an average water-line length of between 12 and 18 m. All have been built in the Yemen and have had engines fitted, meaning that rigging (lateen or Arab sail described by historians of sailing in the Indian Ocean) nowadays has only a support or emergency role.

The flotilla of dhows at Djibouti consists basically of about 20 *IB'RIS* vessels with straight rakes, a single *ZARUQ*<sup>6</sup> and one *MAHADI*.

A small beached *SANBUQ* can be seen at l'Escale, but this vessel will probably never sail again. Another *MAHADI*, once again a beached vessel, is still awaiting repair.

This flotilla is poorly maintained and ageing. Since the dhows now provide only a much-reduced service for tourists between Djibouti and the Musha islands, most are no longer equipped with rigging suitable for use in the event of engine failure. Only two or three vessels still ply between Djibouti and Tadjamah, but these have engines. For how much longer will they continue to operate? H.P.

<sup>6</sup> This vessel sank in Djibouti national harbour in September 1994.

<sup>3</sup> Although not a historical document, J. Kessel's novel, *Fortune Carrée*, illustrates this problem very well, setting it against its own time.

<sup>4</sup> Sealing the gaps between the strakes of the sheathing using cotton packing (sennit) followed by a covering of gum.

<sup>5</sup> The lower part of the hull is coated with *Sha'am*, a mixture of lime and animal fat.

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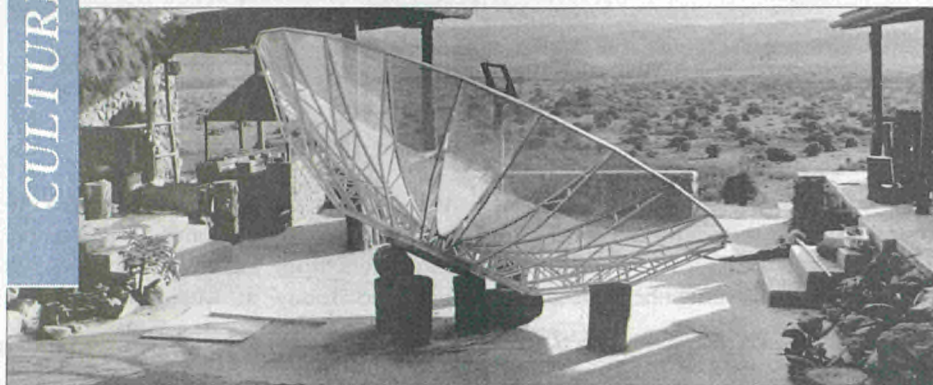
<sup>1</sup> Ras: Arabic for 'cape'.

<sup>2</sup> Arthur Rimband's letters to his family on this subject make interesting reading.

## New technology opens up the small screen

by Ted Killham \*

New technologies are boosting the prospects of television in Africa — and unleashing a debate about cultural imperialism. While some enthusiasts feel that the new local stations are what Africa needs to supply itself and the West with its own images, film director Idrissa Ouédraogo of Burkina Faso says that United States and European dominance of satellite TV is putting African film makers out of work.



German News

Amadou Coulibaly, director of Mali's private Radio Klédu, is even more pessimistic. He insists that local private TV cannot work because Africa does not have enough money to produce quality images. 'There are already many images on the air. Africa needs them. People say that they will contaminate Africans with foreign culture but in five years technology advances will make it impossible to avoid anything,' he says. He is also unsure whether anyone knows what African viewers want.

Jacques Barbier de Crozes, director-general of Canal Horizon of Côte d'Ivoire (the African affiliate of Canal Plus, a French pay-channel 34% controlled by a French government agency), is cynical about some of the complaints. He acknowledges Western dominance of the television landscape but points out that over the last two-and-a-half years his channel has shown 54 African (including North African) films and has 35 in preparation. But while the demands appears to be high, he says, 'the people grumbling about the small number of African films are the same ones who turn off the set because they're hard to watch.'

Satellite dishes brought TV to a 'tiny elite' in Africa but new technologies offer potential for much wider distribution

In most of sub-Saharan Africa, television did not get under way until the early 1980s. A tiny elite turned to satellite receivers but the high cost of satellite time and the small market inhibited growth.

Sean Roosen of SOTECOM, a satellite dish distributor in Abidjan, estimates that the 350 million potential viewers in sub-Saharan Africa have the buying power of 400 000 North Americans. Few African cities contain enough solvent consumers to pay for quality local TV through advertising, and cable networks are expensive to set up. But with the new Multichannel Multipoint Distribution System (MMDS), entrepreneurs are hoping they can increase the availability of TV and reduce the costs to broadcasters. Under the system, users pay, as with cable, but do not have to come up with the \$2000 it costs to install a dish. The TV stations receive programmes on a satellite dish and re-broadcast it to customers, using a micro-wave signal.

The advent of new digital technology will also increase the carrying capacity of existing satellites, reduce the cost to broadcasters and increase the channels available to MMDS operators. Governments seem still to be under-

estimating its potential. Properly exploited, it could even finance local production. The first MMDS operation began in Libreville, followed by Dakar, Abidjan, and, most recently, Lomé.

The Pan African Rebroadcasting Network (PANAFNET), a private consortium of French-based satellite equipment distributors, is working with Top Canal in Lomé to negotiate group broadcasting rights for international satellite channels. At moderate cost, local MMDS operators will be able to choose a few channels from among a larger sample than currently available.

The US-based Black Entertainment Network, TNT Cartoon and ESPN Sports networks, as well as Canal Horizon and CNN, could become available in middle-class homes and neighbourhood meeting places. PANAFNET wants to install 36 networks for 350 000 subscribers within two years.

In Dakar and Libreville, the advent of Canal Horizon, TV5 and MMDS systems has altered the TV landscape and pushed governments into initiating second, state channels. Côte d'Ivoire is even experimenting with a controversial television tax to finance improved state TV. The dream is that a new class of African media entrepreneur will make this technology work for them and beat back the dominance of the Northern images of Africa.

PANAFNET, besides selling broadcast rights for European and US programmes, is developing a pan-African satellite channel to trade images between African TV stations and to export them to Europe.

National TV networks may still be best placed to stimulate African images. As Sean Roosen says: 'They ought to be able to market their way out of this problem. They already have the access, authorisations and equipment' - sometimes excellent equipment bought in pre-structural adjustment days when money was more freely available.

But old monopoly habits die hard and governments remain nervous about the new medium. Even in relatively liberal Mali, Amadou Coulibaly recently had his partially-installed MMDS equipment dismantled by order of the Minister of Communication. ■

T.K.

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## 'African Chairs' and 'Dogon Art'

# Paris succumbs to the charm of Africa

Two exceptional exhibitions were staged in Paris at the end of 1994 — 'African Chairs' and 'Dogon Art'. The preparatory work for the exhibition on Dogon Art had another surprise in store: many of the wooden sculptures date back more than a thousand years (verified by carbon-14 dating), which pushes back even further the limits of wood preservation and those relating to the 'antiquity' of Negro civilisations, to use the word of Cheikh Anta Diop.

A century ago, Picasso, Braque, Vlaminck, Matisse, etc., those who were to revolutionise European if not world art, saw their discovery of African art as a revelation, particularly in terms of its 'modernity'. These prestigious artists failed to bring everyone around to their viewpoint and it took time for them to win general approval, African art coming, too often, under the heading of ethnography. Some connoisseurs and art critics opposed to this 'ethnologisation' waged an ideological battle in favour of an aesthetic approach to this art.

The two exhibitions staged in Paris, 'African Chairs' at the Museum of Art from Africa and Oceania and 'Dogon Art' at the privately owned Dapper Museum, amply represent the beauty and modernism inherent in the African artistic heritage. In the case of 'African Chairs', the word which comes most often to mind is 'design' — the exhibition was first staged by the Vitra Design Museum (Weil am Rhein, Germany) — although many critics point to the difference between the mechanical attraction of modern design and the artistic and human quality of the objects on show here and between the minimalism of the former and the elegant sobriety of the latter. Until recently, the admiration, inspired since the end of the 19th century by art treasures from Africa, was restricted to sculpture, ritual objects, masks and, to a lesser degree, to hair styles. It was not until 1980, at the Indianapolis Museum of Art in the United States, that the very first exhibition in the West, devoted to everyday objects and furniture from Africa as works of art, took place. This made it possible to move away from the mystical aura which has always surrounded the 'Africanist' interpretation of works of

art from the Dark Continent and aroused the current interest in the pure outlines, the stark beauty and the internal dynamism of these forms of African creations. It is a pity that the stage chosen by the French museum concentrates too much on 'Africanism'. Ought we to hope that the Africa Museum in Tervueren, which is very much like its Parisian counterpart in terms of sensitivity, will opt for a wider vision when, in 1996, it becomes the sixth European museum to receive the exhibition — an exhibition which it played a great part in preparing?

Every one of the 140 chairs is worthy of inspection, but as our real favourite we would have to mention the Tshokwe (Zaire and Angola) or Tshokwe and Pende caryatid stools in brass-studded wood, with copper-wire ornamentation, which offer a spatial balance highlighting the inner beauty depicted in the hieratic profile of the women, or, perhaps, a Lobi (Ivory Coast) chair whose back has a slender veil structure reminiscent of those of the ancient Arrawak native chiefs in the Caribbean in the pre-Columbian era, a Bamoum (Cameroon) throne upholstered in pearls and cowry shells, and also a Dogon stool supported by five pairs of women, facing outwards, their bodies prostrate and their faces, breasts and arms hanging down.

The 'Dogon Art' exhibition at the Dapper Museum, a small private museum which is quite charming, represents a precise instant in Western knowledge of African art in terms of the research carried out in the field of dating and also the beauty and appeal of the 90 works of art presented, which span a period of more than one thousand years. The works range from wood sculpture to metal statuettes, everyday objects to masks, etc. One is torn between the haughty beauty of the



(Dapper Museum Photo)

'Seated couple'  
Dogon Art, a forerunner of modern sculpture. A wealth of attention, a distant feeling of sensuality and a warm depth

equestrian statuettes, the anguish of the figures with raised arms which appeared at the end of the previous millennium during the so-called 'pre-Dogon' period, or the tenderness of the mother-and-child scenes and the timelessness of the seated couples — we cannot tell whether the man and the woman are joined in conjugal love or if they are mythical twins melting into each other. This is of little importance. Each of these compositions may be seen as a forerunner of modern sculpture, each exhibiting a wealth of attention, a distant feeling of sensuality and a warm depth. ■

Hégel Goutier

# Standing by the future of the stand-by crop

by Sarah Reynolds

A young man, unable to find the white collar job in government service that he has always dreamed of, goes back home to his village. He has no money but he does have a piece of marginally productive land. What should he plant? He cannot afford to wait three or four years for cocoa, tea or coffee to bring in an income and in any case the soil is too poor. He needs to be able to make money from his land reasonably quickly, and throughout the year, and furthermore, he wants to have control over the selling price of his produce. This thoughtful young entrepreneur decides to plant what his mother, his grandmother and all the women of his family have always planted on this type of soil — cassava. The difference is that he is going to grow it for cash.

Cassava, for so long grown as a subsistence crop to be left in its underground store until needed, is now the most widely traded food crop in much of sub-Saharan Africa. Millions of people rely not only on the tubers but also on the fresh leaves, which are a surprisingly good source of protein. Cassava can produce twice as many calories per hectare as maize and at much lower cost. The recent and continuing experiences of drought in eastern Africa have proved to urban populations what rural people have always known, that cassava is more reliable than any other food crop.



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Will governments continue to import large quantities of grain to feed their politically active urban populations? This policy has discouraged millions of rural farmers from growing cassava for sale in town, but times are changing. Most nations can no longer afford to rely on cereals for food security. Cassava could fill the gap.

Cassava has potential beyond the scale of the small farmer and the nearby town. Although about 85% of the world's cassava crop is used domestically for food, animal feed and industrial uses, the remaining 15%, about 30 million tons, is exported to Europe and Japan as either chips or pellets, and starch. At the present time this export market is served by Thailand, Indonesia and China. However Zimbabwe is applying its expertise in commercial agriculture to large-scale cassava production, despite the fact that on the whole Zimbabweans prefer to eat maize. They see potential in cassava as a commercial crop for the industrial production of starch. They also recognise the importance of cassava for satisfying the needs of the urban population in time of drought. Countries such as Lesotho, Botswana and Swaziland, which have not traditionally grown cassava, are also taking a hard look at the commercial opportunities for industrial starch, livestock feed and even alcohol.

So if small-scale farmers and commercial growers alike can be confident of a buoyant market which, contrary to most markets is likely to expand if the economic situation worsens, what are the challenges they face as they attempt to increase production? As with any other crop, huge losses occur as a result of infestation by pests, weeds and diseases. Reducing these losses could dramatically increase and improve the quality of yields. There is, however, a certain amount of anxiety among the scientists concerned with crop protection that as cassava

increases in value so farmers may be tempted to use chemical pesticides in an attempt to improve the quantity and quality of their produce. There seems little likelihood of this in the short term because the cost would be prohibitive but since non-chemical solutions to pest and disease control take a long time to develop, and even longer to implement, there is no time to be lost if suitable alternatives are to be made available to those more enterprising farmers who want to grow cassava as a business venture.

There are three main alternatives to chemical control, two of which are within the power of the grower to implement. These are to plant varieties which are naturally distasteful to pests or resistant to disease, and to control the cultivation of the crop in such a way that pests, diseases and weeds are discouraged. The third alternative is biological control. Where a classical biological control programme is initiated, farmers need do nothing except avoid practices which might reduce the impact of the introduced, beneficial predatory insects. There is, however, much that farmers can do to encourage naturally occurring beneficial insects that help to control pests. Agricultural research scientists ought to be able to come up with practical, effective, technological advice for a wide variety of farming systems and for all the different end uses to which cassava may be put. There still seems to be some way to go.

## Tributaries of specialised knowledge

One of the problems has been that the very nature of science encourages specialisation. This has resulted in deeper and deeper knowledge about less and less. A virologist looking for African cassava mosaic disease may fail to notice the weeds that he is standing on or fail to give any thought to the nematodes that may be blocking the fine roots underground which convey water and nutrients to the growing tubers. The entomologist hunting for a mealybug may forget to hunt for bacterial blight. They may both have forgotten the farmer or fail to realise that he or she cannot get access to disease-resistant planting material or that other crops need

attention at the very time that the cassava should ideally be weeded. There is a real need for more integration between scientists if they are going to come up with realistic options for farmers to consider. And those scientists must also include socio-economists. After all farmers have to integrate their plant protection activities with every other aspect of their farming system, which in turn has to fit in with their way of life. So many good intentions, like good plants, have failed in the barren soil of insufficient foresight.

Scientists in Sierra Leone approached an internationally renowned research institute for cassava varieties that would produce higher yields and be less susceptible to disease. They specified that the varieties should be suitable for the swampy lowlands where their farmers grow short-duration cassava, principally for the leaves, which are popular all year round but which become scarce during the dry season. The varieties supplied proved to be quite unsuitable. It seems they had been developed for a long growing season in highland conditions. Sierra Leone has now developed varieties suited to its own growing conditions. Integration does not mean that one super variety should be developed to suit all situations. This would clearly be impossible to achieve and furthermore it would be undesirable to seek to do so.

There are already serious concerns about the loss of genetic diversity within many of the world's major food crops. There is a real risk that thousands of cassava varieties could be lost if there are major programmes to distribute a handful of improved varieties throughout the cassava-growing countries of Africa. Perhaps the greatest risk comes after a particularly devastating attack of a pest or disease, such as the widespread outbreak of cassava mosaic disease in Uganda at the present time. Many hectares of cassava have been completely destroyed as a result of an outbreak of the white fly vector of mosaic virus, *Bemisia tabaci*. Combined with drought, which has resulted in failure of other crops, the destruction of the normally safe standby crop of cassava has led to serious food shortages in the region. There is a massive multiplication and distribution programme under way to re-

establish cassava production with disease-resistant varieties and it will obviously be quicker and more economical in the short term if the number of varieties involved is limited. The long term impact may be different. The scientific community has to find a balance between properly coordinating and integrating its efforts in order to obtain, and then use, the limited funds now available and yet not streamlining to such an extent that the tributaries of specialised knowledge become blocked or silted up with inactivity.

## Weeds and wellbeing

Very little work has so far been done on the impact of weeds on the yield of cassava. One of the difficulties with assessing the wellbeing of the cassava plant is that what you see is not necessarily what you get. The state of the top growth is not necessarily an indication of the state of the tubers. Weeds compete for water and nutrients, they can also be a host for pests. On the other hand the weed *Chromolaena odorata*, which seems to encourage grasshoppers with the volatile oil from its flowers may be worth preserving. While the grasshoppers are on the chromolaena they are not on the cassava and if the chromolaena was removed grass would take its place as a weed and this would be far worse.

A seminar on *Integrating the management of pests, weeds and diseases of cassava in Africa* was held in Kampala, Uganda from 27 June to 1 July with the major objective of promoting discussion between scientists of different disciplines on the possibilities of achieving a more integrated approach to the management of cassava crop protection. The seminar, which was sponsored by CTA and organised by CTA, Britain's NRI (Natural Resources Institute) and NARA (National Agricultural Research Organisation of Uganda), was well-timed. It gave an opportunity for the voice of crop protection to be heard and linked with that of crop production. Participants represented 19 countries within the cassava growing regions of East, West and Central Africa. There were representatives from national



Participants at the Kampala seminar

and international institutions based in Europe, Africa and South America.

International cooperation has already proved its value with the work on the biological control of cassava mealybug and work on cassava green mite is at last beginning to show good results in some areas. Much of the initial work on finding a biological control agent for cassava pests must be undertaken in South America from where the plant, and therefore its pests, originate. Cooperation is such that should other pests be introduced, such as another mealybug or the cassava hornworm, for example, control measures could be introduced almost immediately. Of course prevention is much cheaper than cure and so every effort should continue to be made in order to keep such pests out of Africa. However, it is cheaper to develop control measures that can be taken off the shelf and used if needed rather than wait until an introduced pest causes huge economic losses to an important crop and then spend ten years or more searching for a cure.

Preventive pest management is at the heart of the non-chemical approach to plant protection but it does require scientists to cooperate closely with farmers as well as with each other. It is impossible to plan a programme to serve tropical agriculture from an air-conditioned office. As research priorities are defined for the new role cassava looks set to play in African agriculture the scientific community would do well to bear in mind the young man — or young woman — with their eye on the market in town. ■

S.R.

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## Africa: The Challenge of Transformation

by Stephen McCarthy

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1994 . ISBN 1-85043-820-x

Stephen McCarthy, who has written on a number of occasions for *The Courier*, has spent much of his life working in Africa on development projects at the grassroots. His career has taken him to various parts of the continent and, in this book, he draws heavily on this experience as he seeks to analyse Africa's chronic development problems.

The book is beautifully written in a clear narrative style. It is impossible to attempt a work of this nature without some recourse to the jargon of development but the author has succeeded, nevertheless, in presenting his information and arguments in a way which captures and holds the reader's interest. For those who know little of the economics and politics of Africa, and would like to learn more, it is the ideal text. At the same time, it should be recommended to 'old hands' in the development scene who may have become so immersed in the subjects that they can no longer see the wood for the trees. This is not because it develops new theories (there have probably been too many of these over the past two decades), but because it pinpoints the key issues in such a clear and readable fashion.

The first chapter, in which the author gives a snapshot of African society, focuses on positive as well as negative images of the continent with descriptions of rural life, poverty and disease, the environmental challenge and essential cultural features, notably as regards religion and family structures. The author then goes on to tackle the thorny question of Africa's development in the context of the increasingly dominant Western model of modernity with its focus on individualism and market forces. He provides a useful analysis of economic and social indicators in African states. And, in seeking to offer a meaningful assessment of 'sustainable development', he argues, in particular, for 'national asset registers' which the year-on-year changes in renewable and non-renewable resources, physical assets, human capital and financial assets of individual countries would be measured. Such an exercise, McCarthy suggests, could be revealing although the conclusion might also 'be very disheartening, showing a steady drawing

down of the continent's natural wealth.'

In the two chapters which follow, the author offers a historical survey and looks at the 'first generation' politics of the continent (i.e. covering the immediate post-independence period). Of necessity, these can only be a 'whistle-stop' tours, but they nonetheless provide some sharp insights into the traditional, colonial and other influences which have gone towards shaping African political structures today. The second of these chapters describes the challenges faced by Africa's post-independence leaders — nation building within artificial boundaries bequeathed by the colonial powers and the search for legitimacy. The author then discusses the forms of government which emerged; the one party systems, military governments and 'personal' regimes before bringing us up to the present day with a look at the contemporary issues of human rights and democratisation.

As one would expect, McCarthy devotes considerable attention to the economic aspects, dealt with in two chapters entitled 'Economic Debates and Development' and 'External Aid'. He recalls the unfavourable circumstances facing the new nations of Africa at the outset — the lack of trained manpower, dependence on a limited range of commodities, poor infrastructures and so on, and argues that the 'various handicaps... combine into a vicious circle of underdevelopment' which explains the continent's decline in the global economic league. He offers, in particular, a balanced critique of the structural adjustment process with some pointed speculation as to the appropriateness of pure *laissez faire* economics. Successful South East Asian economies, he observes, (with the exception of Hong Kong), 'were subject to strong interventionist governments with firm but flexible objectives.'

His analysis of external aid, in which he surveys past approaches and criticisms made of the system, is succinct and particularly well-argued. He does not suggest, as some do, that aid has been a complete failure. Nor does he advocate massive resource increases, which would be politically unrealistic in the current climate. Instead, he suggests practical solutions such as ending the artificial distinction between capital and recurrent expenditure, focusing on 'human capital formation' and broadening 'the choice of intermediaries to receive aid finance' beyond governments and large NGOs. In essence, he suggests that aid agencies should be able to offer assistance to 'anyone or any group in the recipient country prepared to

work towards the objective of human development.'

The final chapter contains the author's conclusions and his assessment of the outlook for Africa. In contrast to many development writers, Stephen McCarthy does not see it all as unremitting gloom. He talks of the progress that has been achieved in the course of the 'Second African Revolution' and of fundamental changes taking place beneath the surface. There are, among other things, the progress of democratisation, the changing role of the State (at a global level) which renders 'nation-building' increasingly obsolete, and, at a more practical level, advances in education and knowledge within Africa itself. In keeping with the tone of the whole book, McCarthy does not become starry-eyed about Africa's future, postulating also the anarchic outcome which we may already be witnessing in a number of African countries. But overall, the book, written by someone who knows what it is like to work in development at the grassroots, offers an upbeat assessment which is frank, constructive and realistic. ■

Simon Horner

## Transnational corporations: globalisation of the world economy

'World Investment Report — Transnational Corporations, Employment and the Workplace UNCTAD' 1

This report by UNCTAD (United Nations Conference on Trade and Development) carries out a very detailed assessment of the place of transnational corporations in the world economy. According to the report, the total volume of sales of the 37 000 corporations controlling 200 000 subsidiaries amounts to 4 800 billion dollars, which is well in excess of the world trade figure.

The top hundred transnational corporations (disregarding the banking and financial sectors) alone hold assets totalling 3 400 billion dollars (1992 figure).

Throughout the world, 73 million people work in transnational corporations. This is equivalent to ten percent of non-agricultural jobs; the figure reaches 20% in the developed countries.

Direct foreign investments (DFI) of these corporations grew substantially, even through they went through a period of stag-

nation during the recession at the beginning of the 1990s. Growth took off again at the end of last year. But employment did not follow the investment curve.

Direct foreign investment came to 95 billion dollars in 1993 (as opposed to 171 billion in 1992), although this figure is still way below that of 1990 (232 billion). With regard, more particularly, to the developing countries, it appears that China exerted the greatest pull on investments, coming second after the United States worldwide. The developing countries saw 80 billion dollars arrive in 1993, i.e. 40% of DFI, of which 26 billion went to China. In comparison, the United States received 32 billion.

The Americans occupy the first place as investors, with 50 billion dollars invested abroad, followed in order by France, Germany and Japan, with Great Britain, the leading world investor in the 1980s, tagging along behind them.

Foreign investments in the LDC are distributed very unequally, with the countries of South, East and South-East Asia scooping up the lion's share of 57%. Latin America and the Caribbean are quite highly thought of as well, since their power of attraction has doubled over a decade.

Africa is the poor relation here with 3 billion dollars, and, the report stresses, this is in spite of the progress in the implement of the structural adjustment programmes in several countries of the continent. Central and Eastern Europe fare scarcely any better. These countries only attracted 5 billion dollars in 1993, as did Mexico alone, and the grand total DFI received by them only just reaches 13 billion dollars, the same level as Thailand.

With regard to employment, the surprise of the report was to reveal a far lower level of delocalisations than might have been expected, notwithstanding the fact that the number of jobs in transnational corporations grew far more in the subsidiaries than in the parent companies this applies particularly to the Swedish and American corporations during the past decade. In the 1980s, Japanese subsidiaries benefited most from the growth in employment. In recent years, the LDC took the lead, with total jobs rising from 7 million in 1985 to 12 million in 1992. Again, it was the countries of East and South-East Asia, especially China, which did best out of this. The importance of transnational corporations will increase in future, the report considers, following the growing liberalisation of the world economy through a large number of international or multinational

(1) United Nations Publications (Sales No E.94.II.A.14).

Continued on inside back cover

## THE CONVENTION AT WORK

### 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). Major projects and programmes are highlighted:

#### Economic and social infrastructure

**Cameroon:** ECU 1.65 million for a decentralised cooperation programme designed to upgrade poorly-equipped districts of several major cities.

**Cape Verde:** ECU 3.42 million to improve living conditions in the centre of Praia. Three types of action are envisaged: urban management, awareness raising among the population, and protection of infrastructure and habitats.

**Cape Verde:** ECU 507 000 towards a regional solar power programme aimed at improving living conditions on the islands of Maio and St Nicolau.

**Mali:** ECU 43.4 million to support a priority roads rehabilitation and maintenance programme.

**Mozambique/Zimbabwe:** ECU 28 million for rehabilitation of the road between Beira and Inchope.

**Tanzania:** ECU 4.5 million to restore the Ibanda-Uyole road, the main route linking Dar-es-Salaam with northern Malawi.

**Tanzania:** ECU 1.9 million to train officials in the Ministry of Public Works, Communications and Transport with a view to improving the road infrastructure.

**Zimbabwe:** ECU 6.1 million to improve water supply and basic sanitary installations in the rural districts of Gokwe.

**Suriname:** ECU 19.7 million for road improvements, in particular, the access route between the north-west and the east of the country.

**Turks and Caicos:** ECU 3.7 million for the installation of drinking water supply pipes and drains.

#### Trade promotion/structural adjustment

**Burkina Faso:** ECU 10.65 million for the 1994-95 structural adjustment programme.

**Comores:** ECU 1.9 million for the vanilla and ylang ylang marketing systems, to help maintain foreign exchange earnings.

**Ghana:** ECU 32.2 million for a general import programme in support of structural adjustment.

#### Agriculture

**Burkina Faso:** ECU 6.1 million for the agricultural sector support programme (PASA), and in particular, the cereal marketing system, to strengthen food security in both the short and the longer term.

**Burkina Faso, Central African Republic, Chad, Guinea, Mauritania, Niger, Senegal, Uganda:** ECU 32.9 million towards the Pan-African campaign against rinderpest.

**Malawi:** ECU 7 million to help revive agricultural production following the drought of 1993-94.

**Mali:** ECU 4.3 million to exploit surface water resources in the Fifth Region with the aim of improving food security.

**Jamaica:** ECU 5 million to support the Morant Yallahs agricultural development project covering some 2000 farmers. The project will provide technical assistance with a view to improving productivity.

**Trinidad & Tobago:** ECU 5 million to support the Young Agricultural Credit and Training Project (YACTRAP) designed to improve agricultural production.

#### Health

**Botswana:** ECU 800 000 for the programme to combat HIV/AIDS.

**Kenya:** ECU 1.577 million for the programme to combat HIV/AIDS.

#### Education

**Angola, Cape Verde, Guinea Bissau, Mozambique, São Tomé & Príncipe (Palop countries):** ECU 2.6 million for the regional training centre for nurses.

**Antigua & Barbuda:** ECU 2.2 million to support the upgrading and expansion of the Antigua Hotel Training Centre.

**Caribbean region:** ECU 21 million for a regional university programme.

**Kiribati:** ECU 1.475 million to train personnel in six key areas: health, fisheries, small enterprises, agriculture, education and the public service.

#### Environment

**Ethiopia:** ECU 2 million towards a rehabilitation programme for national parks in the south of the country.

**Kenya, Tanzania, Uganda:** ECU 8.4 million towards phase two of the Lake Victoria fisheries project (regional).

**Dominican Republic:** ECU 750 000 towards a national parks conservation programme.

#### Institutional support

**Nigeria:** ECU 1.98 million for technical assistance to the National Authorising Officer to strengthen the Management Support Unit (MSU) and improve the management of EDF projects.

**Sierra Leone:** ECU 20.5 million to support the Sierra Leone Roads Authority with a view to improving the road network.

**Uganda:** ECU 1.4 million to support the Uganda Investment Authority with a view to promoting private sector investment.

**Jamaica:** ECU 3 million for the National Water Commission's institutional strengthening programme which is designed to upgrade the water supply and improve the treatment of waste water.

**Pacific region:** ECU 100 000 for interpretation facilities for the South Pacific Commission.

#### Miscellaneous

**SADC member states:** ECU 6.7 million for a study into the integration of transport and communications in the Southern Africa region.

**Aruba:** ECU 1.9 million for technical assistance to train management personnel.

### EUROPEAN INVESTMENT BANK

#### Loans

**Ethiopia, Eritrea, Djibouti:** ECU 16.8 million to develop and strengthen the telecommunications network within and between

these three countries, and to improve international connections.

**Mozambique:** ECU 40 million to finance the upgrading and rebuilding of the high-tension electricity lines linking the South African network with the hydro-electric power station at Cahora Bassa.

## VISIT

### President Arap Moi of Kenya

Vice President Marin had a meeting in Brussels with Kenyan President Daniel Arap Moi on 14 November. Subjects discussed included the political and economic situation in Kenya, Kenya's role in East Africa and the Horn region and the country's bilateral relations with the European Union.

Mr Marin praised President Moi's personal involvement in the peace efforts in Somalia and Sudan, and the support given by the Kenyan Government to humanitarian operations mounted in the region by the EU and the international community.

## ACP COUNCIL OF MINISTERS

### South Africa asks for task force on alignment with Lomé

The 59th session of the ACP Council of Ministers, which took place in Brussels from 27 November to 2 December 1994, was marked by the presence of South Africa, participating as an observer.

With the role of the Republic in regional economic development exercising minds since the advent of the Government of National Unity and speculation rife about its future relationship with the European Union, there was considerable interest in what its representative, *Trevor Manuel*, Minister of Trade and Industry, had to say to the ACP Council. His speech disappointed no one; it gave the clearest indication yet of the thinking of the South African Government on the Lomé Convention.

Mr Manuel said that, from several points of view, South Africa could not claim the status of a developed country. It was 'more at home in an environment of developing nations than in the club of developed ones.' Although it has been classified as a developed country by the GATT, the UNDP's Human Development Index ranks it 70th — below many developing countries. However, GATT's classification has resulted in South Africa's exclusion from preferential markets, such as those provided by the Lomé Convention, which are enjoyed by its

neighbours. This has created disharmony and severely affected regional cooperation and integration.

But 'what will be the impact of our alignment with the Lomé Convention?', Mr Manuel asked. 'Our analyses inform us that, whilst our export profile is similar to that of ACP countries', he said, 'most of our products are different. The bulk of our exports to the European Union are minerals and do not affect the ACP at all as almost all of these already enter the EU duty free. Agricultural products constitute a small percentage of our exports — about 5% of our total — and these are mainly temperate products which we export into Europe and are not produced to any significant degree by most ACP countries.' The Minister pledged that if there were areas where South African products posed a threat to ACP's exports, 'we would welcome a discussion on developing synergy amongst ourselves.'

Mr Manuel continued: 'We are aware that the ACPs are currently occupied with the Lomé mid-term review and thus do not want to be burdened with yet another complex issue. However, we plead your indulgence to consider South Africa's relationship with the Lomé Convention as a matter of urgency. South Africa needs to kickstart her economy now — to stabilise the country, to be able to respond to the high expectations of our people... and contribute to the reconstruction and development of Southern Africa — in which we are inextricably involved. We therefore urge that a task force be established to begin discussion on how South Africa can be aligned with the Lomé Convention. The task force could be mandated to undertake the necessary research that is required to find ways in which South Africa can be an asset and a stimulus to growth and development of all of the ACPs'. ■ A.O.

## EUROPEAN UNION

### Sweden votes to join EU but Norway says 'no' again

In a referendum held on 13 November, the Swedish electorate voted in favour of joining the European Union. The result was 52.2% in favour and 46.9% against.

Two weeks later, Norwegians voted against accession by an almost identical margin (No 52.2%, Yes 47.8%). Norway originally applied to join the EC at the time of the first enlargement in the early 1970s

but this was rejected by the voters in a plebiscite.

The result, which had been predicted in opinion polls, means that the enlarged European Union will only have three new members (Austria, Finland and Sweden) as of 1 January 1995. ■ S.H.

## PARLIAMENT

### New MEPs

The accession of Austria, Finland and Sweden to the EU means that the Parliament will gain 59 new members bringing the total to 626. Pending elections in the acceding countries, the places have been filled by nominees. The composition of the expanded Parliament is as follows:

Socialist (PES)	221	(+ 23)
European People's Party (EPP)	173	(+ 16)
Liberal (ELDR)	52	(+ 10)
European United Left (EUL)	30	(+ 2)
Forza Europa (FE)		27
European Democratic Alliance		26
Greens	25	(+ 2)
European Radical Alliance (ERA)		19
Europe of Nations (EN)		19
Non-attached (Ind)	32	(+ 5)

One of the new members has still to choose a political group.

## COUNCIL

### Sanctions on Haiti lifted

On 14 October, the Council of the European Union reached a common position on the lifting of restrictions against Haiti and adopted rules ending the suspension of certain financial and economic relations with this country.

These measures are in accordance with UN Security Council resolution 944 of 29 September which bring to an end the restrictive measures previously in operation. This follows the events leading to the return of the democratically-elected President, Jean-Bertrand Aristide, to the country.

## COMMISSION

### Cooperation with development NGOs

The 1993 Report on cooperation between the Commission and the non-governmental development organisations was published on 3 November. Community financial support for the year in question amounted to



ECU 703.3m, an 11% increase on 1992. The breakdown (in MECU), was as follows:

— Co-financing development activities in the developing countries	120.8
— Food aid	169.0
— NGO food purchases	5.0
— Humanitarian aid	200.0
— Assistance to refugees and displaced persons	39.5
— South Africa action programme	90.0
— Southern Africa rehabilitation programme	16.0
— NGOs working in Gaza and the West Bank	35.0
— Fight against drugs	5.7
— Support for the democratic process and economic cooperation in Chile	4.8
— NGOs working in Vietnam	2.0
— NGOs working in Cambodia	1.0
— Awareness-raising in Europe about development issues	13.5
— Decentralised cooperation	1.0

The last-mentioned represents an innovation in Community development policy. Using a budget line established in 1992, its main aim is to promote the decentralised cooperation approach by informing, mobilising and strengthening the actors concerned — development NGOs, local public and private organisations, and relevant economic interests.

It should be noted that the development NGOs have also received help for pilot actions and other specific projects financed under other budgetary lines, or through the EDF itself.

## COMMON FOREIGN AND SECURITY POLICY

### Common position in Rwanda

The Council has published its common position under the CFSP on the EU's objectives and priorities with regard to Rwanda (Official Journal L/283 of 29 October). The essential elements are as follows:

- aid is to be provided on a progressive basis with reference to the progress made towards reconciliation, the consolidation of the new government in power and the creation of the conditions necessary for the return of the refugees;
- the objectives and priorities fixed are (a) the provision of humanitarian aid for refugees, (b) coordinated short-term restoration measures, notably in the priority areas of water and electricity supply, education, health and housing, (c) the gradual re-establishment of development cooperation, assuming certain conditions are met, and (d) the launching of coherent measures

designed to repair the damage suffered by neighbouring countries as a result of the refugee crisis.

In addition, the EU:

- believes that there is a need to increase the number of human rights observers working in the country;

- underlines the importance of bringing those who are responsible for serious human rights violations (notably genocide) to justice;

- underlines that, in the long term, conflicts of this nature should be resolved within Africa itself. For this purpose, the Organisation of African Unity (OAU) needs to be equipped with the means to prevent regional conflicts and to tackle them when they arise.

The common position also sets out the EU's concerns about the political situation in Burundi, where violence is becoming increasingly commonplace.

### Statements

Within the framework of its Common Foreign and Security Policy (CFSP), the European Union has recently issued a number of statements, details of which are set out below:

### President Aristide's return to Haiti

#### Statement of 15 October 1994

It is with deep satisfaction that the EU welcomes the return of freely elected President Aristide to Haiti and the restoration of constitutional government under his leadership. This has become possible thanks to the successful action of the multinational force headed by the USA.

The EU hopes that the United Nations Mission in Haiti (UNMIH) will now be able to assume the full range of its functions in a secure and stable environment.

The EU is well aware of Haiti's urgent need for generous solidarity from the international community and expresses once more its willingness to participate in the reconstruction of the country and to do everything in its power to support emergency aid programmes for the suffering people. Finland and Norway associate themselves with this statement.

### Mozambique: appeal to Renamo leader...

#### Statement of 27 October 1994

It is with great alarm and concern that the Presidency of the EU has learned about the intentions of the Mozambique opposition

party, Renamo, not to participate in Mozambique's first multi-party elections.

The explanation, given only a few hours before the opening of polling stations, that the National Election Commission could not guarantee the free conduct of elections is not convincing. The elections are monitored by more than 2000 international election observers from the UN and the EU. All political parties have the right to follow the election process with their own observers. Despite inevitable logistical difficulties, the conditions have thus never been better for a free and fair election process.

The signing of the Rome Peace Accord in October 1992 marked the beginning of the Mozambican peace process which should culminate in the elections on 27 and 28 October. Renamo must not frustrate the hopes of the Mozambican people and the international community for lasting peace and must continue on the path of reconciliation. The Presidency of the EU urgently appeals to Renamo's leader, Afonso Dhlakama, to keep his promises and face the decision of the voters of Mozambique.

### ... and congratulations on a well-run election

#### Statement of 21 November 1994

The EU notes with satisfaction that the first multiparty presidential and parliamentary elections in Mozambique, which took place from 27 to 29 October 1994, have been declared free and fair by the Special Representative of the UN Secretary-General in Maputo and fully associates itself with this assessment.

The EU shares this evaluation, based on the UN observation effort, into which 200 EU election observers were integrated.

The EU and its Member States also contributed in a major way to the operational costs of the election process, thus proving their strong commitment to the democratic process in Mozambique. It is particularly noteworthy that the elections have taken place in a peaceful manner and without serious incident. Furthermore, the EU pays tribute to the efficient organisation of the election by the National Election Commission (CNE) and its President, Dr Brazao Mazula. In its view, the remarkably high turnout and the dedication of the electorate under sometimes difficult conditions reflect the intense interest of the Mozambican people in participating actively in the democratic development of their country. These elections are a decisive step forward in the continuing peace process, which began with the signing of the General Peace Agreement for Mozambique in Rome in October 1992, and lead the way

to a lasting and peaceful settlement of a civil war that has devastated the country. The EU wishes to congratulate all parties involved in making this process a success. It especially praises the UN Special Representative, Mr Aldo Ajello, whose contribution was essential for keeping the process on track, and the UN operation in Mozambique, ONUMOZ, which has played a vital role in creating the necessary conditions for confidence and security. The EU is confident that the parliament and government formed on the basis of these elections will continue the process of national reconciliation with the aim of establishing lasting stability, prosperity and peace in Mozambique.

Finland, Norway and Sweden associate themselves with this statement.

### **Niger-Tuareg peace agreement**

#### **Statement of 27 October 1994**

The EU congratulates the Niger government and the Tuareg 'Armed Resistance Coordination' (CRA), and the mediators from the three friendly countries (Algeria, Burkina Faso and France), on the signing of the peace agreement in Ouagadougou on 9 October 1994.

Mindful of the urgency of a return to security in the north and of the need to promote a successful conclusion to the process initiated, it urges the parties to find solutions to the unresolved problems as quickly as possible, in order to put an end to a situation which is causing suffering and harm to the people.

The EU hopes that the aspirations for peace can quickly be fulfilled through frank and calm discussion amongst the parties concerned and the abandonment of armed conflict and persecution on the ground.

### **Disturbing events in Sudan**

#### **Statement of 3 November 1994**

The EU notes with deep concern that the government of Sudan continues its campaign of destruction of squatter settlements in the Khartoum area and the forced relocation of their residents to primitive sites in the desert far outside Khartoum. In particular, the EU condemns the use of violence by Sudanese security forces on October 15, 1994, in response to a protest by settlers in Omdurman against the razing of their homes. These clashes left at least five squatters dead and at least 14 severely injured.

The EU calls upon the government of Sudan to halt its violent campaign against the inhabitants of the squatter settlements, to compensate the victims of this cam-

paign, and to hold accountable those responsible for the recent killings. The government of Sudan is also called upon to investigate and fully explain the circumstances behind the incident of 15 October.

Sweden associates itself with this declaration.

### **Angola peace agreement...**

#### **Statement of 3 November 1994**

The EU welcomes the initialling of the peace agreement between the Angolan government and Unita in Lusaka. The conclusion of this agreement underlines the will of both parties to put an end to the devastating civil war.

The EU hopes for rapid implementation of the Lusaka agreements as well as a complete and lasting reconciliation. Considering the developments following the 'Accordos de Paz' and the elections of autumn 1992, every effort should be made to avoid another derailing of the peace process. The Union stresses the urgency of agreeing a ceasefire and repeats its call for an immediate end to military operations. The EU supports the recommendation of the UN Secretary-General to increase the strength of UNAVEM II to its original authorised level with a view to consolidating the peace accord in its initial and most critical stages.

18 years of civil war have devastated Angola and caused terrible suffering to the people. To rebuild the country will require, first and foremost, the communal sense and resources of both the Angolan government and the people of Angola, jointly assisted in that effort by the international community. The EU will continue its extensive humanitarian aid programme to Angola and is ready to cooperate closely with the Angolan government in the reconstruction of the economy. This cannot be achieved, however, without lasting peace and true national reconciliation.

Austria and Sweden associate themselves with this statement.

### **...but the ceasefire must be respected**

#### **Statement of 22 November 1994**

The EU welcomes the signing of the peace agreement between the Government of Angola and UNITA, which took place in Lusaka on 20 November 1994.

The EU pays tribute to the UN Special Envoy, Mr Alioune Blondin Beye and to the troika of observers from Russia, the USA and Portugal for their efforts at mediation.

The Lusaka Agreement may mark the end of a war which has lasted for 18 years,

claiming countless victims and devastating an entire country. The signing of the agreement is an important step along the road to peace and national reconciliation in Angola, but the distance still to be covered is considerable. In particular, the observance of a ceasefire by both parties in the conflict is an essential precondition for the continuation of the peace process.

The EU is confident that the parties to the agreement will do their utmost to ensure that the progress represented by the signing is irreversible, so that the people of Angola may embark upon a new life of peace, stability and democracy.

The implementation of peace agreements must be based on a climate of trust, to be created in the first instance by the parties themselves, and to which the international community, and in particular the United Nations, should contribute by speedy and effective action.

The EU's support has been substantial and uninterrupted, both in terms of development and rehabilitation aid and in the area of humanitarian aid. It is prepared to continue to assist the Angolan Government in its efforts to rebuild and develop Angola, so that peace will be based on a stable and solid economic foundation.

This statement is endorsed by Finland and Norway.

### **Gambia's election timetable is too long**

#### **Statement of 3 November 1994**

The EU has noted the announcement of a four-year election timetable by the armed forces provisional ruling council of Gambia. It has also noted the AFPRC's extensive proposals for the reform of various sectors.

That Gambia, a country with a previously good democratic and human rights record, should be ruled by a military government for a further four years is unsatisfactory and unnecessary. The EU believes that the restoration of constitutional government to Gambia should be the most urgent priority of the AFPRC. Any necessary reforms may then be carried out with the mandate of the Gambian people. The EU recalls the measures adopted on 12 October (suspension of all military cooperation and balance of payments support, review of new aid projects on a case-by-case basis). Implementation of these measures has already begun and will be maintained until progress is made towards a return to democracy.

## Elections in

### São Tomé & Príncipe

#### Statement of 3 November 1994

The EU has noted with satisfaction the sense of civic responsibility once again demonstrated by the people of São Tomé and Príncipe on the occasion of the elections of 2 October. The EU earnestly hopes that São Tomé and Príncipe will be able to establish a stable government, which is essential for the country's economic and social development, and appeals to all political forces to commit themselves seriously to consolidating a democratic society. Austria associates itself with this declaration.

### Elections in Namibia

#### Statement of 14 December 1994

The EU welcomes the efficient and orderly conduct of the first general and presidential elections in Namibia on 7 and 8 December. It considers that the country, its electorate and all political parties have demonstrated a remarkable degree of democratic maturity. The result can be seen as a clear mandate to continue the successful policy of national reconciliation. The EU encourages all political forces to cooperate to improve the economic and social well-being of all Namibians, guided by a spirit of nation-building in which national interests prevail over those of individuals or particular groups. The EU has made a considerable contribution to the elections and to voters' education, underlining the importance it attaches to the democratic process in Namibia, both for the interest of the Namibian people and as a model for other African countries. Austria, Finland and Sweden associate themselves with this statement.

## GENERAL INFORMATION

### AID FOR REHABILITATION

The Commission has recently approved 23 projects costing a total of ECU 9.75m under the budget line for rehabilitation and reconstruction in developing countries, and a further 8 projects to the value of ECU 3.225m under the Southern Africa rehabilitation programme. These are as follows:

**South Africa:** ECU 18 926 to support a training programme for South African nationals.

**Angola:** ECU 200 000 for a rehabilitation project benefiting 6000 people. This includes training, the establishment of a nutritional centre, making credits available and the provision of a school canteen.

**Angola:** ECU 360 000 to support 2000 families through the rehabilitation of social infrastructures covering, among other things, the provision of training and local authority organisation.

**Angola:** ECU 370 000 for technical assistance and the training required for the proper functioning of an orthopedic centre in Lubango.

**Angola:** ECU 398 720 to support the rehabilitation of sanitary facilities in Cazenga.

**Angola:** ECU 475 000 for a hospital in Luanda that treats victims of the war suffering from burns.

**Angola:** ECU 716 400 for basic health services in Lubango and Huila province.

**Eritrea:** ECU 621 805 to improve living conditions for 4500 families, to renovate schools for 3000 children and to train demobilised soldiers in the production of local construction materials.

**Eritrea:** ECU 852 380 to supply equipment and material for the construction of 4500 houses, using local methods, by 24 000 people voluntarily repatriated to the country.

**Ethiopia:** ECU 550 000 for technical assistance, for a 20-month period, in the coordination of NGO rehabilitation.

**Ethiopia:** ECU 150 000 to provide livestock, small-scale credits and access routes for 150 families who have re-established themselves in the Ogaden.

**Ethiopia:** ECU 174 000 to combat erosion and facilitate agricultural production, through reforestation and the setting up of irrigation systems, in order to provide food security for some 60 000 people.

**Ethiopia:** ECU 260 314 to rehabilitate water sources, and provide medicines and veterinary equipment, for the farming population of the Ogaden.

**Mozambique:** ECU 475 527, targeted at 600 families, to promote food self-sufficiency and employment, for the rehabilitation of socio-economic infrastructures, and to support rural organisations.

**Mozambique:** ECU 632 000 to improve transport arrangements in the four districts of Lower-Zambezi.

**Mozambique:** ECU 238 112 towards rebuilding education and health infrastructures and for the training of demobilised soldiers.

**Mozambique:** ECU 629 960 for the rehabilitation of health centres in six districts, covering some 181 000 people.

**Mozambique:** ECU 320 000 to provide services for handicapped people and to train district nurses working in rural hospitals.

**Mozambique:** ECU 906 900 to establish a team to manage the natural resources of the Sofala region. The project includes provision for demining operations in certain areas and technical assistance for the rehabilitation of infrastructures.

**Mozambique:** ECU 308 882 to build six trading depots for stocking food and other products in Tete province.

**Mozambique:** ECU 140 000 to provide professional training to demobilised soldiers in Beira.

**Mozambique:** ECU 581 000 to improve the conditions of primary education for 50 000 pupils in Inhambane province.

**Mozambique:** ECU 422 000 to improve agricultural production and socio-economic conditions in Gaza province.

**Mozambique:** ECU 474 650 to support an artisanal fisheries project designed to increase fish production in Vilankulos.

**Mozambique:** ECU 349 700 for the construction of a building to house girls who have been orphaned, abandoned or made destitute as a result of the war.

**Zaire:** ECU 250 000 for technical assistance for the preparation of the multi-sectoral rehabilitation programme.

**Zaire:** ECU 270 000 for the rehabilitation of vehicles, the upgrading of water supplies and improvements to hospital hygiene, in North Kivu.

**Zaire:** ECU 450 000 to support health programmes (sanitation, water supply, electricity and medicines) in South Kivu.

**Zaire:** ECU 750 000 to help combat leprosy and tuberculosis in Kinshasa.

**Zaire:** ECU 230 000 to help prevent malnutrition in Kinshasa by upgrading allotments and supporting small-scale livestock activities, with training and help for the most vulnerable sections of the population.

## HUMANITARIAN AID

### Aid decisions

The Commission has recently taken the following decisions to provide humanitarian aid (including emergency and food aid):

#### General

Support for two projects aimed at counteracting the adverse effects of disasters by improving prevention and preparedness: ECU 150 000 for a training project for Spanish humanitarian aid workers. ECU 60 000 for an international workshop on practical ways of bridging existing gaps between emergency humanitarian aid and development action.

**ACP countries**

**Angola:** ECU 6 million for a global aid plan aimed at meeting the basic needs of large numbers of displaced people and to provide basic medical and sanitary assistance.

**Djibouti:** ECU 355 000 to help victims of the recent flooding.

**Guinea-Bissau:** ECU 100 000 to help victims of the cholera epidemic, the impact of which has been particularly serious in the autonomous Bissau district and on the islands of Bijagos and Oio.

**Liberia:** ECU 600 000 to provide drinking water and sanitation for people from Monrovia and the counties of Marghibi and Grand Bassa, displaced as a result of the war.

**Rwanda:** ECU 5 million for an urgent programme to restore Kigali's electricity and drinking water supplies.

**Rwanda:** 22 000 tonnes of food products and 9500 tonnes of seeds, tools and agricultural inputs, together with technical assistance for the management of the aid by NGOs and international organisations.

**Somalia:** ECU 497 500, principally for improving health facilities.

**Sudan:** ECU 8 million for a series of aid projects in the medical, nutritional and sanitary fields, with a particular focus on Southern Sudan.

**Haiti:** ECU 12 million towards a global programme spanning a six-month period. The assistance covers nutritional support, medical aid and sanitation work to augment drinking water supplies and facilitate refuse disposal. It also includes logistical support and technical assistance.

**Non-ACP countries**

**Bolivia:** ECU 225 000 for the distribution of food and medical assistance to some 10 000 families affected by the severe drought in Santa Cruz.

**Peru:** ECU 400 000 to provide essential foodstuffs and medical treatment for flood victims in the Amazon basin.

**Peru:** ECU 530 000 to provide food and medical assistance, through reception centres, for abandoned children in the Amazonian forest region.

**Cuba:** ECU 350 000 for construction materials to build temporary housing, and for sanitary measures in Guantanamo and the Sagua de Tanamo region, following the passage of tropical storm 'Gordon'.

**Guatemala:** ECU 470 000 to help repatriate Guatemalan refugees in Mexico.

**Nicaragua:** ECU 500 000 for medical assistance in the north of the country, where an upsurge in fighting has occurred.

**Albania:** ECU 550 000 for food aid and hygiene materials for the people of the Tropoja district.

**Belarus:** ECU 1 million for the supply of medicines and basic medical equipment to hospitals treating victims of the Chernobyl nuclear accident.

**Bulgaria:** ECU 1 million for medical supplies, to help make good shortfalls resulting from the economic and budgetary crisis.

**Russia:** ECU 2.1 million for the prolongation of support to refugee reception centres in four cities, a network of canteens in Moscow and an aid programme for elderly and handicapped people and victims of the Chelyabinsk nuclear accident.

**Ukraine:** ECU 200 000 for medical aid designed to help tackle the cholera epidemic in the south of the country, with a particular emphasis on the people of the Mikolayiv region.

**Ukraine:** ECU 230 000 to cover the setting-up of 'social kitchens' for the poorest people in the cities of Kiev and Lviv.

**Algeria:** ECU 350 000 to provide essential materials and equipment to Tuareg refugees in the south of the country.

**Egypt:** ECU 130 000 to restore the health centres in the villages of Abohorz and Palizza in Upper Egypt, which were devastated in the recent floods and fires.

**Afghanistan:** ECU 1.5 million to provide emergency aid following the upsurge of fighting in Kabul. The aid consists of shel-

ters and other basic essentials for refugees in the camps near Jalalabad as well as medical and sanitary help for Kabul itself and for the province of Kandahar where fighting has broken out once again.

**Afghanistan:** ECU 450 000 in medical assistance for the northern provinces, where there has been an increase in fighting.

**Cambodia:** ECU 380 000 to provide material for the manufacture of artificial limbs, required for victims of anti-personnel mines, and for the training of orthopedic technicians and related personnel.

**Mongolia:** ECU 1 million to help cover the serious shortfall of medicines in the country. The aid will be used to distribute medical supplies and equipment to health centres and hospitals in the urban area and for the provision of basic materials so that existing facilities for producing medicines can be brought back on line.

**Ukraine:** ECU 800 000 for a medical 'follow-up' programme for rural victims of the Chernobyl nuclear accident living far from public health centres.

**Philippines:** ECU 150 000 for flood victims on the island of Luzon.

**Philippines:** ECU 200 000 to provide basic essentials for victims of the earthquake in the coastal area of eastern Mindoro.

**Sri Lanka:** ECU 365 000 for the transport of basic essentials and medicines to the Jaffna peninsula, cut off from the rest of the country by the recent fighting.

**Vietnam:** ECU 500 000 for victims of a typhoon and the resulting floods in the Mekong delta.

**Vietnam:** ECU 250 000 to help flood victims in the commune of Tan Tay in the Mekong Delta.

**FOOD AID**

The Commission has recently taken a number of decisions to finance food aid as set out in the chart which follows:

Country/organisation	Cereals (tonnes)	Milk powder (tonnes)	Vegetable oil (tonnes)	Other products (tonnes)	Other products (ECU m.)
Angola	40 000		5 000		2.85
Cape Verde	5 000		1 400		
Egypt	100 000				
Eritrea	18 000				
Honduras	1 350	630	81		1.58
Malawi	30 000				
Nicaragua	2 000	80	1 300		0.20
Peru	35 000	1 000	1 500		2.70
Senegal					0.50
Tanzania	25 000				
NGOs	75 000	1 300	6 000		1.60
(three decisions)	65 000	1 200	5 000	1 200 sugar	3.455
	200 000	7 000	12 500	455 sugar	2.00

# PARTNERSHIP

Information Bulletin from the Centre



for the Development of Industry

## Professional meetings corresponding to the expectations of EU/ACP industrialists

*Over the last few years, the CDI has developed an original formula for promoting Europe-ACP cooperation. The aim of this new type of "Professional Meeting", targeted both sectorally and geographically, is to bring together carefully selected European and ACP businessmen to discuss "business" and "technology" in an open and concrete manner. "The primary vocation of the CDI has always been to act as a link between the worlds of ACP and European companies", explains Jean-Marie Delchambre, Head of the Centre's Interventions Division. "The approach adopted for the*

*preparation, organisation and follow-up of these Professional Meetings is built on the experience acquired by the Centre in performing its very specific role. The contacts which operators establish among themselves on the occasion of these meetings, which are thoroughly prepared in advance by the associate experts cooperating with the Centre, allow interesting forms of partnerships to be established on the basis of commercial links which can quickly be given tangible form." The dossier below describes the CDI's experience in the practical organisation of these meetings.*

### An approach in terms of commercial partnerships

*ACP entrepreneurs do not only need help in starting up or modernising their factories; above all, they have to find outlets for the goods produced by their industrial units, to "do business", to carve out market shares for themselves. In many sectors, European companies have shown an interest in purchasing finished or semi-finished products.*

**A**t your price, as soon as you have modified your drying installation, I could place an order with you for three containers."

- "To be honest, I hardly thought that the European market could be interested in us for supplies of parquet strips..."

- "...And I did not think that here in Cameroon I could find a production capacity corresponding to our needs..."

Conversations of this kind could be heard here and there throughout the Professional Meetings on "Second-and third-stage processing of tropical timber" held from November 28th to December 3rd 1994



*The participants at the Meeting on "Second-and third-stage processing of tropical timber" (Central Africa, December '94) on a visit to Cameroon holdings.*

in the little town of Kribi, close to the major forestry region of Cameroon where several companies in this sector have set up. For almost a week, some twelve timber profes-

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*Following the meeting on the "Development of sea products" in Mauritania at the end of '92, the CDI gave its support to on-the-spot training for small scale-fishermen in trawl-line fishing techniques, to enable them to diversify their catch and obtain species in demand on European markets.*

sionals from five countries of Central Africa talked "business" with an equal number of representatives of companies specialising in the processing and distribution of these products on the European market (see inset p. 5).

Developing companies in the ACP countries is a difficult process, due to numerous constraints encountered both internally (search for financing, training requirements for management and technical staff, compliance with quality standards, etc.) and externally (control over supplies, market intelligence, handicap of transport costs, etc).

It was gradually realised that the "case-by-case" treatment by the CDI of over-diversified projects spread over a host of different countries was running up against too many obstacles, with insufficient impact on the development of better structured and more dynamic companies. Consequently, the Centre has been placing the accent more on closely targeted individual sectors involving limited geographical areas (regions, country or limited group of adjacent countries).

This double concentration strategy - sectoral and geographical - is the very basis of the concept of the Profession-

al Meetings. But there is also another idea underlying this approach. "It is essential to diversify the implementation of industrial partnership formulas between ACP companies and European firms", explains Jean-Marie Delchambre. "Beforehand, it was a question of acquiring a holding in the capital of ACP companies. Then there was a move towards technical assistance: the Europeans involved in projects in ACP countries acted above all as suppliers of equipment and technology, know-how and training. But ACP entrepreneurs do not only need help in starting up or modernising their factories; they also need to identify their market and adapt to it. We at the CDI are more and more convinced that European firms in many sectors are also interested in this approach. Proof of this can be seen in the attendance level and the quality of the participants accepting the invitation to the Professional Meetings organised so far."

### A well-tried approach

The CDI now has two years' experience in organising Professional Meetings, with a tally of seven Meetings in the fishing, non-metal minerals, ornamental stones, animal feed and timber

sectors (see table p. 4).

The Meetings are different from the more "general-purpose" industrial forums with their specific role of encouraging a large range of projects on an inter-regional scale (a role assumed for several years by specific initiatives of the European Commission). Nor are they theoretical international conferences on industrial development.

The formula consists above all in allowing a carefully selected group of industrialists to discuss very concrete and pragmatic subjects connected with their trade. "Our main aim is to provide the possibility for exchanges of precise information between the participants, whilst placing the discussions within the framework of working meetings on the main problems already identified in the sector", underlines Paul Chotard, one of the CDI officers in charge of organising these Professional Meetings. "The typical Meetings organised so far have brought together a maximum of ten to twenty ACP companies and representatives from a more or less equivalent number of European firms, together with a limited number of experts. The atmosphere is that of a professional exchange, in a suitable working environment allowing discussions and practical demonstrations on the occasion of company visits".

The Meetings generally involve several neighbouring countries or regions, but this not a rigid practice. The same approach and the same spirit can give rise to meetings limited to just one country, as with the Meeting on the development of sea products in Nouadhibou, Mauritania, or more targeted meetings such as the marketing of hake at the meeting in Walvis Bay, Namibia. "The experience that we have accumulated can lead to less formal meetings among professionals: following on from the Meeting on the development of sea products in Mauritania, we were able to bring some of the participants together again during a visit by Mauritanian operators organised at the markets of

Barcelona (Spain) and Lorient (France). Similarly, on the occasion of the SIAL exhibition in October 1994 in Paris, a "mini-meeting" was held between companies from the Dominican Republic invited by the CDI and some ten European firms specialising in the import and marketing of fruit-based products".

### Selective preparation

In the preparation work, the Centre's essential task is to ensure optimum selection of both the theme and the participants.

• **Selection of an industrial sector where, in both an ACP area and in Europe, operators can find common commercial interests.**

Here, the CDI enjoys the benefit of the in-depth sectoral work that it has been carrying out for several years. In effect, it is the efforts to concentrate on a certain number of growth sectors that have enabled it today to achieve a sufficiently incisive analysis of existing industrial potentials in various ACP countries.

The very concept of "growth sector" should be clarified: it is a question of selecting fields - which can be reduced to a limited category of products - so as to bring together people from both sides with complementary commercial interests in the short term. "At a pinch, we hope - and this has actually occurred at several meetings - that industrialists will go home with good business contacts and, if possible, trial orders which could begin a trade relationship", remarks Paul Chotard. "But whilst we are as precise as possible in our sectoral targeting of the content of the Professional Meetings, we also try to ensure that all the operators in the sector, from production to the market, are also sitting around the table".

To develop a local resource, it is necessary to produce it in accordance with the exact standards required by the markets and also to process or

## The stimulus of quality

One of the most dynamic aspects of the Meetings formula lies in the highly practical demands raised by quality problems, generally concerning all the aspects of a sector (raw material supplies, processing standards, packaging, transport, etc.). Going beyond their commercial objective, the Meetings play a very fruitful role in terms of the transfer of know-how and technical advice. For ACP industrialists, this direct contact with European professionals who have come to set out quite

clearly which types of products they are prepared to purchase, process and distribute on the markets that they control, constitutes a real opening-up of the European market. At all the Meetings, a large proportion of the working programme is devoted to visits to local industrial or small-scale installations. In this way, discussions on products or technical processes take place "backed up with arguments", confronted with real products and equipment in operation.

## The need to organise for ACP professionals

Whilst the Meetings allow ACP professionals to rub shoulders with their European counterparts, they also cast light on the interest that these ACP operators have in developing a stronger cooperation between them. Very frequently, operators in the same sector discover that they are running up against the same constraints - in the fields of quality of supplies, distribution on markets, transport, training, etc. - which could be overcome better with the help of common trade structures. At the December 1994 Meeting on the timber industry in Kribi (Cameroon), the ACP participants consid-

ered that it would be useful to create a cooperation structure for companies in five Central African countries (Cameroon, Central African Republic, Congo, Gabon and Equatorial Guinea). Similarly, at the non-metal minerals and ornamental stones Meetings in the Caribbean, industrialists from the different islands were made aware of the prohibitive costs of transporting heavy products. One of the conclusions reached by the participants was therefore to launch a project for a regional consortium within which producers could not only regroup their shipments but also pool their marketing efforts.

present it appropriately, package it and forward it. "Consequently, the transport of products to Europe is never the least of our concerns and, whenever possible, we endeavour to ensure that capable operators are invited to present the requirements of the markets in question, as re-

gards transport, distribution and commercial logistics."

• **Selection of ACP industrialists with significant activities in the sector, at both technical and commercial level.**

To get some solid work done, you

must have ACP operators around the table who already have an interesting potential to offer. Consequently, the Meetings must be based on the presence of a nucleus of existing companies capable of quickly adjusting to demand in Europe or other markets. This does not mean that they necessarily have to be very large companies. In some cases, in the fishing industry for instance, groups of fishermen with a good know-how can take part in the discussions. Promoters ready to develop interesting new activities can also be invited.

**• Selection of complementary European firms with well-established practices on international markets, either as industrial operators processing raw materials or semi-finished products or as commercial operators or as specialised suppliers of technology.**

The choice of a company offering a concrete response to a problem identified by an ACP operator is obviously of prime importance if this complementarity is to result in trade. This does not mean, however, that the per-

sons selected must necessarily have a long tradition of trade with the ACP countries. Some European operators invited to the Meetings, although well acquainted with international activity in their sector, have admitted their surprise at coming across possibilities of interesting trading relations with ACP companies when looking at this area for the first time or having often postponed their plans to prospect in that part of the world.

### The CDI's specific niche

*"This selection of sectors and European and ACP promoters is the very task for which the CDI is best qualified within the context of the financial means at its disposal",* said J-M. Delchambre. *"For years, we have been assisted in our tasks by associate experts with an in-depth knowledge of the most promising sectors in the ACP States. Today, we have a capacity for technical and economic evaluation of the most interesting interlocutors both in the ACP countries and in Europe."* Following this preparation in the field, the Meeting does not represent the

conclusion of the operation but a key stage in a process continued by the Centre's long-term follow-up work. *"We are convinced that the Meetings, openly focused on the development of trading relations as swiftly and as concretely as possible, can quickly generate cooperation efforts in the much longer term",* adds J-M. Delchambre. *"When a European company considers that it has an advantage in working with an ACP operator, it will be guided by its own interests towards involving itself in improving the efficiency of the latter. The relationship then changes. The ACP industrialist no longer has in front of him someone whose job it is to sell equipment, training or advice but a business partner interested in the quality and regularity of his production."*

### Listening to companies

The CDI plays an active and essential role in making the most of the spin-offs from these Meetings. By keeping closely in contact with the participants who forged these links, the CDI is in a position to place its various forms of assistance at the service of the development of concrete exchanges between companies that it already knows. The impact of this assistance, corresponding to the real needs of ACP companies faced with a demanding market, is reinforced in this way. A good knowledge of all the production and marketing problems of the same family of products also allows the CDI to be more effective in making the necessary resources available to ACP companies. ■

## Main Professional Meetings organised under the aegis of the CDI<sup>(1)</sup>

Theme	Place	Date	Participants ACP (2)	Participants EU (2)	Articles published in Partnership
Exploitation of sea products - Mauritania	Nouadhibou (Mauritania)	Déc. '92	20	12	n°6 n°10
Non-metal minerals - Caribbean	Port of Spain (Trinidad & Tobago)	Avr. '93	22	18	n°8
Exploitation of sea products - Indian Ocean	Mombasa (Kenya)	June '93	13	18	n°9
Poultry and animal feed - West Africa	Saly (Senegal)	Nov. '93	30	12	n°11 n°16
Marketing of hake - Namibia	Walvis Bay (Namibia)	Apr. '94	18	10	n°14
Marbles and ornamental stones - Caribbean	Santo Domingo (Dominican Republic)	July '94	20	21	In this issue
Second- and third-stage processing of tropical timber - Central Africa	Kribi (Cameroon)	Dec. '94	12	12	In this issue

(1) Excluding "light" meetings of the SIAL type (cf. article)

(2) Number of companies or bodies represented, excluding individual experts.



## Two recent Professional Meetings

### Ornamental Stones (Caribbean - July 1994)



Cover of a brochure on marble and ornamental stone resources in the Caribbean, published by the CDI following the Meeting organised on this theme in the Dominican Republic (July '94).

**Background:** for over two years, the CDI has been carrying out intense sectoral work in the Caribbean prospecting for and identifying projects in the field of non-metal minerals. At a first Professional Meeting organised in April 1993 in Trinidad and Tobago, one of the sectors identified as being very promising was the exploitation of ornamental stone resources, particularly marble, in which several countries in the region have an excellent potential. This approach has been taken much further since then. From June 29th to July 2nd 1994, the Dominican Republic hosted a Euro-Caribbean Professional Meeting devoted specifically to marbles and ornamental stones. The diagnoses conducted at the request of the CDI by experts from the Italian group IMM (Internazionale Marmi e Macchine Carrara Spa) served as a basis for exchanges between the participants: 22 European companies and 22 Caribbean firms in the extraction or processing business.

Between 1981 and 1991, world pro-

duction of ornamental stones rose from 20 million tonnes to over 30 million. For the Caribbean, apart from a significant regional demand (particularly connected with tourist-related investments), there are also very real opportunities in the US and European markets.

#### Main conclusions reached by the Meeting:

- regional potentials, often unknown to European industries, were largely brought to light;
- the need to step up investments in extraction technologies and to improve both the general level of productivity and quality standards (Europe can provide appropriate technologies);
- marketing: strengthening relations between producers and users (architects), especially to meet quality requirements; to develop their products, industrialists in the Caribbean region must work out a new joint marketing strategy to be directed by a professional consortium; Europeans are interested in partnerships with Caribbean firms to enable them to attack the American market together;
- need for greater coordination of sea transport, which weighs heavily on the prices of products from the Caribbean;
- by the end of the meeting, 5 cooperation projects between Euro-Caribbean partners had been placed on the drawing board.

### Second- and third-stage processing of tropical timber (Central Africa - December 1994)

**Background:** The countries in the subregion concerned (Cameroon, Central African Republic, Congo, Gabon and Equatorial Guinea) have

the second largest forestry reserves in the world. There are vast reserves of high-quality species, but the rational development of these resources with the necessary respect for the ecosystems runs up against many obstacles: isolated mountain ranges, underinvestment in processing, poor company management (lack of information and contacts on markets, irregular quality, low productivity and shortage of technical skills).

The Meeting was aimed essentially at exploring the potentials offered by development of the second- and third-stage processing of tropical timber.

#### Main conclusions reached by the Meeting:

- the regional potentials, often unknown to European industrialists, were largely brought to light; the possibility of exploiting secondary species, too often underused, seemed to be both a major course for future development and a factor in rational forestry management;
- it was clear that the European companies present, interested in commercial development with regional operators, were capable of providing solutions both in the identification of certain specific markets and as regards technical aspects (seasoning) and the design of finished products;
- creation by industrialists in the region of an inter-regional professional study group to make up for the current lack of cooperation among them faced with the constraints on the sector (particularly with regard to the lack of coherent legislation and the need for a combined response to the requirements of local markets for the construction and fitting out of tourist centres, schools and hospitals).

# CDI Guides

*The CDI guides are effective tools for ACP promoters and industrialists wishing to start up or diversify their industrial activities and European companies interested in partnerships in the ACP countries.*

## **I. "CONTRACTS AND PARTNERSHIPS"**

### **I. Purchasing industrial equipment**

*(Joint publication with BIVAC International/Bureau Veritas)*

Details of each stage before, during and after the purchase of capital goods or a modest industrial plant.

*Available in French and English*

### **II. Setting up in ACP countries**

*(Joint publication with Imparco Consult - Belgium)*

This guide is intended to help EU companies considering setting up in an ACP country to identify the main characteristics of the administrative, legal, fiscal and economic environment of the host country, with the help of detailed checklists drawn up on the basis of the CDI's experience.

*Available in French and English*

## **2. "TECHNOLOGIES"**

The works in this series are intended above all for promoters interested in developing a new industrial activity. They are written in an original and practical way: 1. presentation of the basic technical and commercial data; 2. a second methodological part, generally set out in the form of a questionnaire allowing the potential promoter to carry out a prefeasibility study; 3. a list of European equipment suppliers, selected by the CDI for their reliability.

### **I. Briquetting of vegetal residues**

*(Joint publication with the Gembloux Agronomic Research Centre - Belgium)*

Combustible briquettes obtained through a densification process.

*Available in French. English version: 1st quarter of 1995*

### **II. Valorisation of phosphates in Africa**

*- Volume 1: production of simple fertilisers*

Particularly useful for the exploitation of small deposits, moderate initial investment.

*- Volume 2: production of phosphoric acid Product with a high added value.*

*Available in French. English version: 1st quarter of 1995*

### **III. Soap production**

How to obtain a quality product from a modest investment in a basic activity.

*Available in French. English version: 1st quarter of 1995*

### **IV. Paint production**

A product for which there is sustained demand in the ACP countries.

*Available in English. French version: 1st quarter of 1995*

### **V. Compressed earth blocks**

*(Joint publication with CRATerre-France)*

There is growing demand for this building material today in the ACP countries. The document gives an inventory of equipment marketed by ACP and EU companies for the production of compressed earth blocks. It enables entrepreneurs to make an appropriate choice.

*Available in French. English version: 1st quarter of 1995*

### **VI. Polyurethane foam**

Used for the manufacture of mattresses and in the furniture industry. The discontinuous process is particularly suitable for ACP countries.

*Available in English and French: 1st quarter of 1995*

### **VII. Guide to poultry farming in the Sahel**

This guide is a spin-off from the professional meeting on animal and poultry feed organised by the CDI in Senegal in November 1993. It looks at the problems of each subsector of the poultry-farming industry, tackles the evaluation of the projects in the industry and gives details of some suppliers to the poultry-farming business.

*Available in English and French: 1st quarter of 1995*

## **3. "PROJECT EVALUATION AND FINANCING"**

### **I. Financial Resources for Industrial Projects in ACP countries**

List of EU and ACP public and private financing or guarantee institutions intervening in industrial projects in ACP countries. Description of the conditions to be fulfilled and the types of financing granted.

*Available in English and French: 1st quarter of 1995*

### **II. FINAN Manual**

This guide is accompanied by a software on diskette, adapted by the CDI, allowing an initial financial analysis of a project with the help of a basic set of data.

*Available in English and French: 1st quarter of 1995*

### **III. Facilities and Instruments for Industrial Cooperation**

This guide is a list of North/South industrial cooperation institutions and instruments, particularly ACP/EU, specialising in the promotion and financing of technical assistance during the different development stages of a project.

*Available in English and French: 1st quarter of 1995*

## **4. "TAX AND BUSINESS"**

### **I. Zimbabwe**

*(Joint publication with Deloitte Touche Tohmatsu International)*

Essential basic information on Zimbabwe for companies wishing to set up or develop an industrial activity in this country. Taxation, employment, financing, import/export procedures, accountancy rules, etc.

*Available in English only*

# Creation of CBSL, a Service Company in Trinidad & Tobago

*Caribbean Business Services Ltd (CBSL) was launched on last December 16th in Port of Spain. This service company, which has government backing, will provide close support to the country's industrial sector in its modernisation efforts and export drive.*

**C**BSL has been set up to meet the needs generated by the rapid growth of the industrial sector in Trinidad & Tobago. It will offer high quality services, operating in close liaison with experienced technical resources drawn both locally and internationally. By enhancing the viability and potential of local industrial projects, this service will generate a more favourable environment for private or institutional investors. CBSL will target its interventions on small and medium-sized industries, helping them to develop their exports to the regional and world markets and particularly to Europe. It will also provide support to industries wishing to modernise their equipment or diversify their product range.

## Assistance on various fronts

CBSL, which is not a financial institution, will intervene at different levels:

- setting up financial, technical and commercial partnerships with European entrepreneurs;
- carrying out and cofinancing feasibility studies for new industrial projects or for the restructuring of existing companies;
- technical and marketing assistance for existing industries or within the context of restructuring, expansion or product range diversification.

CBSL should be operational as from spring 1995 and will make around forty interventions a year. Apart from its director, the permanent team will comprise two professional staff consultants recruited on the spot. It will also give assignments to local consultants.

The CBSL shareholders are local financial and industrial institutions: Development Finance Ltd, Royal Bank Ltd, Republic Bank, the Chamber of Commerce and Industry, the Trinidad & Tobago Manufacturers Association and the Angostura Group. Day-to-day management will be the responsibility of the CDI. Additional funding was required by the government of the Republic of Trinidad & Tobago to the European Commission within the framework of its National Indicative Programme.

The long-term objective is to enable CBSL gradually to become a company managed and owned entirely by Trinidadians and self-financed through revenues from services provided. CBSL is the first example of an operational MATS\* in the Caribbean, this type of service company constituting one of the key features of the CDI's strategy of decentralisation towards the ACP countries (see inset). ■



*Signature ceremony for the launch of the MATS\* in Trinidad & Tobago.*

• **Information:** in Trinidad & Tobago, Mrs Judy Joseph, CDI correspondent, tel.: 809 - 623 7143; at the CDI, Mr Gary Aylmer.

\*Management Advisory and Technical Services Company (MATS)

## MATS: close support for ACP entrepreneurs

**M**anagement Advisory and Technical Services Companies" (MATS) are instruments providing direct assistance to ACP industrial promoters, a completely innovative concept adapted to the local specificities of a given country or region. They are set up as commercial companies, as a prerequisite for their efficiency and as a guarantee for their independence from political or other interferences. Their shareholders are financial, development or other institutions concerned with industrial development. Contrac-

tually, day-to-day management of MATS is the responsibility of the CDI, which will recruit local experts and place its entire European and ACP networks at the company's disposal. The CDI is encouraging the development of MATS in the ACP countries. The Centre's ACP network will be improved by the existence of these MATS and, thanks to their proximity to the companies assisted, the speed and efficiency of its interventions will be improved (see detailed explanation of the MATS principle in Partnership No. 10).

## EU NETWORK

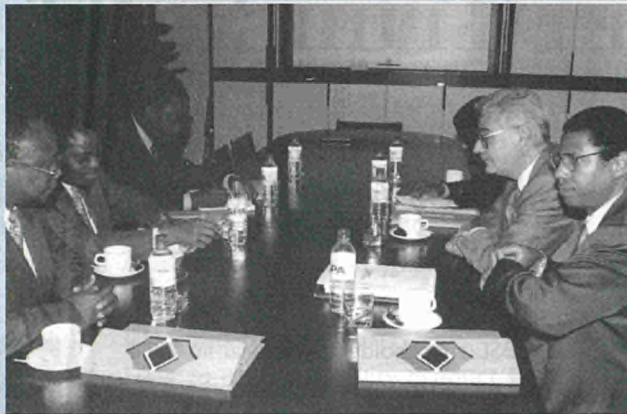
■ **France.** *Interco 95*, the 5th "Aquitaines Days" of international cooperation and industrial partnership, is to take place on January 24th and 25th 1995 in Bordeaux (France). This initiative is aimed at encouraging the creation of partnerships between companies in the Aquitaine region and the Caribbean. The CDI will be participating with a workshop on industrial cooperation opportunities offered by the Caribbean, based in particular on various examples of successful interventions by the Centre in that region.

■ **Luxembourg.** A Luxembourg expert, Mr Jean-Marie Roth, has joined the CDI team in Brussels. He has been assigned to the engineering and metalworking sector. This expert has been made available to the Centre by his country within the framework of a cooperation agreement signed between the Luxembourg government and the CDI on June 2nd 1994. This agreement provides for the mobilisation of Luxembourg resources (potential partners, consultants and equipment) likely to contribute towards industrial development in the ACP States. A renewable fund of 10 million LFR will also be placed at the disposal of the CDI for project assistance to be on a case by case agreed by the Luxembourg authorities.

Through this agreement, Luxembourg hopes to open up new technical cooperation possibilities for its SMEs, and the CDI to pave the way for preferential access to Luxembourg resources for ACP entrepreneurs. The European network of CDI partner institutions has thus been extended to 28 members.

## ACP NETWORK

■ **Cameroon.** Mr Frix, Director of the CDI, went to Yaoundé and



■ **Benin.** A delegation led by Mr Robert Tagnon, Minister for Planning and Reconstruction of Benin, and comprising Mr A.E. Cakpo-Tozo, Ambassador to the EU, made a visit to the CDI on October 12th 1994 within the context of an information session on the consultations to relaunch the private sector, which took place on November 3rd and 4th last in Cotonou. Benin has decided to introduce an industrial policy focused on gradual State withdrawal and on the emergence of a new class of private Benin entrepreneurs. The CDI's contribution towards this programme will be based on transforming the Centre For The Promotion And Supervision Of Small- And Medium-sized Enterprises (CEPEPE) into a Service company.

Doula from October 13th to 16th 1994, accompanied by Mr A.T. Adade-Helledy, Regional officer for Central Africa. The CDI delegation met two members of the government, who expressed the hope that a service company could be set up shortly for Cameroonian SMEs. The delegation also visited three local companies receiving assistance from the CDI.

■ **Central African Republic.** At the invitation of the President of the Republic and the President of the National Assembly, Mr Frix, Director of the CDI, went on a mission to Bangui, accompanied by the Regional officer for Central Africa. The CDI delegation was received by the Head of State, the Prime Minister, the President of the National Assembly and various ministers, prominent economic personalities and company heads. They examined the pos-

sibility of introducing a development programme for the timber industry, with a view to exports. The CDI plans to send out a specialised consultant to study the timber sector in this country.

■ **Côte d'Ivoire.** The first Côte d'Ivoire-Spain Partnership Forum took place from November 7th to 11th in Abidjan. This initiative followed on from the annual trade exhibitions traditionally organised by Spain in the Côte d'Ivoire. It allowed thirty or so Côte d'Ivoire and Spanish companies to meet up with a view to future technical and commercial cooperation. The

event was backed by the ICEP (Spain) and the CDI.

■ **Togo.** At the invitation of the Togolese government, a CDI delegation headed by Director Mr Paul Frix carried out a mission to Lomé from October 25th to 29th 1994. They were received by the President of the Republic, the Prime Minister and three members of the government, and also met some Togolese trade organisations. At the end of the mission, it was agreed in particular to provide assistance to ten selected companies, to study the creation of a "Company Assistance and Support Centre" and to promote the free zone through the CDI's European network.

## PUBLICATIONS

■ **Symposium.** *The Symposium on the future of Euro-ACP industrial cooperation*, organised by the CDI and the AGCD (Belgium), took place in Brussels in November 1993, under the patronage of the Belgian Presidency of the EU Council of Ministers. Over 200 participants from various backgrounds conducted an in-depth analysis of the obstacles to the growth of a dynamic private sector in the ACP countries and issued a series of concrete proposals. The full proceedings of the symposium have just been published in a bilingual French/English document available from the CDI on request. ■

Partnership is a publication of the Centre for the Development of Industry (CDI), created under the ACP-EEC Lomé Convention.

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# Operational Summary

## No. 84 — January 1995



(position as at 9 January 1995)

## EC-financed development schemes

The following information is aimed at showing the state of progress of EC 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 EC, which get the same type of aid as the ACP countries;

— the Mediterranean countries (Maghreb and Mashraq), which signed cooperation agreements with the EC 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 EC 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::

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Please cover only one subject at a time.

# DESCRIPTION SECTOR CODE

## A1 Planning and public administration

- A1A Administrative buildings
- A1B Economic planning and policy
- A1C Assistance to the normal operations of government not falling under a different category
- A1D Police and fire protection
- A1E Collection and publication of statistics of all kinds, information and documentation
- A1F Economic surveys, pre-investment studies
- A1G Cartography, mapping, aerial photography
- A1H Demography and manpower studies

## A2 Development of public utilities

- A2A Power production and distribution
- A2Ai Electricity
- A2B Water supply
- A2C Communications
- A2D Transport and navigation
- A2E Meteorology
- A2F Peaceful uses of atomic energy (non-power)

## A3 Agriculture, fishing and forestry

- A3A Agricultural production
- A3B Service to agriculture
- A3C Forestry
- A3D Fishing and hunting
- A3E Conservation and extension
- A3F Agricultural storage
- A3G Agricultural construction
- A3H Home economics and nutrition
- A3I Land and soil surveys

## A4 Industry, mining and construction

- A4A Extractive industries
- A4Ai Petroleum and natural gas
- A4B Manufacturing
- A4C Engineering and construction
- A4D Cottage industry and handicraft
- A4E Productivity, including management, automation, accountancy, business, finance and investment
- A4F Non-agricultural storage and warehousing
- A4G Research in industrial technology

## A5 Trade, banking, tourism and other services

- A5A Agricultural development banks

- A5B Industrial development banks
- A5C Tourism, hotels and other tourist facilities
- A5D Export promotion
- A5E Trade, commerce and distribution
- A5F Co-operatives (except agriculture and housing)
- A5G Publishing, journalism, cinema, photography
- A5H Other insurance and banking
- A5I Archaeological conservation, game reserves

## A6 Education

- A6A Primary and secondary education
- A6B University and higher technical institutes
- A6Bi Medical
- A6C Teacher training
- A6Ci Agricultural training
- A6D Vocational and technical training
- A6E Educational administration
- A6F Pure or general research
- A6G Scientific documentation
- A6H Research in the field of education or training
- A6I Subsidiary services
- A6J Colloquia, seminars, lectures, etc.

## A7 Health

- A7A Hospitals and clinics
- A7B Maternal and child care
- A7C Family planning and population-related research
- A7D Other medical and dental services
- A7E Public health administration
- A7F Medical insurance programmes

## A8 Social infrastructure and social welfare

- A8A Housing, urban and rural
- A8B Community development and facilities
- A8C Environmental sanitation
- A8D Labour
- A8E Social welfare, social security and other social schemes
- A8F Environmental protection
- A8G Flood control
- A8H Land settlement
- A8I Cultural activities

## A9 Multisector

- A9A River development
- A9B Regional development projects

## A10 Unspecified

# 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 «Post-emergency».** 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. 7th EDF. EDF ANG 7007 A7

**Secondary industrial institute in Luanda. I.M.I.L.** Resp. Auth.: Ministry of Education. 2.700 mECU. Supply of equipment and T.A. Int. tender for supplies **★ launched. Project in execution.** 7th EDF. EDF ANG 6016(7) A6d

**Artisanal fisheries in Namibe.** Resp. Auth.: Ministry for Fisheries. Estimate 10.400 mECU. Works, supply of equipment and boats, T.A., training, line of credit. Project on appraisal. 7th EDF. EDF ANG 6032(7) A3d

## 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) A3a

**Upgrading and expansion of Antigua Hotel Training Centre.** Construction of and equipment for part new and part renovated and upgraded facilities. Estimated cost 2.200 mECU. Works, supplies, design and supervision, T.A. and training. Project on appraisal. 7th EDF. EDF AB 7001 A6d

## BARBADOS

**Upgrading of Fishing Facilities at Consett Bay and Skeete's Bay.** Resp. Auth.: Ministry of Agriculture, Food and Fisheries. Total cost 1.789 mECU. EDF 1.546, local 0.243 mECU. Off-shore construction works (dredging, improvement of the existing jetty, anchorage, channel (markers) and on-shore works (improvement of the access road, construction of a terminal, a parking and paved area, electricity supply installation). Works by restr. tender after prequalification. Final design: short-list to be done. Project on appraisal. Date foreseen for financing February 95. 6th and 7th EDF. EDF BAR 6007 A3d

## 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

**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 in execution.** 7th EDF. EDF BEN 6017 A2d

## BOTSWANA

**Support for HIV/AIDS Programme.** Resp. Auth.: Ministry of Health. 0.800 mECU. Training, works and supplies. Project on appraisal. 7th EDF. EDF BT 7005 A7b,c

## BURKINA FASO

**Tougan — Ouahigouya — Mali border road.** Resp. Auth.: Ministère des Travaux Publics. Modern earth-road. Supervision: short-list to be done. Estimated cost 13.5 m ECU. Project on appraisal. Date foreseen for financing **1st half 95.** 6th and 7th EDF. EDF BK 7004 A2d

**Support for the Structural Adjustment Programme. General Import Programme. 94-95.** Hard currency allowance to import ACP and EC goods, with negative list. 10.65 mECU. T.A. for starting and follow-up. Project on appraisal. 7th EDF. EDF BK 7200/002 A1c

**Sectoral Adjustment Programme — Agricultural — Cereals.** 6.100 mECU. Support for institutional reform, works, supply of equipment, 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. 1.350mECU. Rehabilitation works, supply of equipment, training. Project in execution. 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. 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

**Support programme for the National Authorising Officer.** Resp. Auth.: Ordinateur National. Estimated cost 1.570 mECU. Supply of equipment. T.A., training, evaluation, support mission. Project on appraisal. 7th EDF. EDF BU 7014 A1c

## CAMEROON

**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, equipment, T.A., training. Project on appraisal. 7th EDF. EDF CM 6002/7001 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

**Local urban development (decentralised cooperation).** 1.650 mECU. Investment Fund for micro-projects, training, T.A. and follow-up by G.R.E.T. (F). 7th EDF. EDF CM 7006 A8a,c

## CAPE VERDE

**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 'rural Praia'. (Diesel power station and LT/MT distribution network). Project on appraisal. 7th EDF. EDF CV 7005 A2ai

**Solar Regional Programme. 3rd part.** Resp. Auth.: Cellule nationale de réalisation du P.R.S. Estimated cost 0.507 mECU. Construction, rehabilitation, equipment, support mission, awareness-raising. Project on appraisal. 7th EDF. EDF CV 7006 A2b, A3e

**Improvement of living conditions in the centre of Praia.** Resp. Auth.: Praia Municipality. 3.240 mECU. Rehabilitation works in block 16 by direct labour. Renovation of the Ponta Belem area. Work, by acc. tender. T.A. for Ponta Belem and for the Municipality. Project on appraisal. Date foreseen for financing November 94. 7th EDF. EDF CV 7007 A8a

## CENTRAL AFRICAN REPUBLIC

**Support for the Structural Adjustment. 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

**Support for the agricultural production and for rural centres self-promotion.** Resp. Auth.: Ministère de l'Agriculture et de l'Élevage. 8.500 mECU. Works by direct labour. Supplies by int. tender. T.A. evaluation, audit, training and follow-up. Project on appraisal. Date foreseen for financing February 95. 7th EDF. EDF CA 6005/001 A3a

**Support for Primary Health Cares in the Basse-Kotto region.** Resp. Auth.: Ministère de la Santé, Publique et de la Population. 1.900 mECU. Buildings, Warehouses, Healthcentres, medical equipment, vehicles, medicines, T.A. evaluation, training. Project on appraisal. 7th EDF. EDF CA 7004 A7, A8

**Rural roads maintenance in the Central-Southern region.** Resp. Auth.: Ministère des Transports, des Travaux Publics, de l'Habitat et de l'Aménagement. 1.750 mECU. Rehabilitation of 240 km rural roads. Works, supply of equipment, T.A. evaluation. Project on appraisal. 7th EDF. EDF CA 6005/002 A2d

**Support for the Agence Nationale de Développement de l'Élevage (ANDE) - Studies and Livestock system actions Units.** Resp. Auth.: Ministère de l'Agriculture et de l'Élevage. 1.900 mECU. Works, supplies and T.A. Project on appraisal. 7th EDF. EDF CA 6001/001 A3a

## COMOROS

**Support for the Structural Adjustment Programme. General Import Programme. 93-95.** Hard currency allowance to import ACP and EC goods, with negative list. 6.600 mECU. T.A. for starting and follow-up. Project in execution. 7th EDF. EDF COM 7200 A1c

**Sea-access to Moheli island.** Resp. Auth.: Ministère de l'Équipement - 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 cultivation for export. Vanilla and Ylang Ylang.** Resp. Auth.: Ministère du Dev. Rural. 1.900 mECU. Vanilla and improvement of quality (laboratory, management, marketing). Supply of non-wood ovens. Crop diversification. Equipment, T.A. and training. Project on appraisal. 7th EDF. EDF COM 7004 A3a

## CHAD

**Support for the Structural Adjustment. General Import Programme.** Hard currency allowance to import ACP and EC goods with negative list. T.A. foreseen. 15.200 mECU. Project in execution. 7th EDF. EDF CD 7200/001 A1c

## CONGO

**Support for the forthcoming 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 for the Health Development National Programme.** Resp. Auth.: Ministère de la Santé. 10 mECU. Construction and rehabilitation works, T.A., training, supply of equipment and medicines. Project in execution. 7th EDF. EDF COB 7005 A7

**Support for the Structural Adjustment Programme. G.I.P.** 14.250 mECU. Hard currency allowance to import EC and ACP goods with negative list. **Project in execution.** 7th EDF. EDF COB 7200 A1c

## COTE D'IVOIRE

**Support programme for 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 end 94. 7th EDF. EDF IVC 6016 A3a

**Support for 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

**Coastal forests development.** Resp. Auth.: Ministère de l'Agriculture et des Ressources Animales (MINAGRA) and Société de Développement des Forêts (SODEFOR) 1.990 mECU. Studies, T.A., training, evaluation. Works by acc. tender. **Supply of equipment by int. tender. Project in execution.** 7th EDF. EDF IVC 7011 A3a

**Orumbo-Boka forest development.** Resp. Auth.: MINAGRA and SODEFOR. 1.750 mECU. Studies, T.A., training, evaluation, follow-up, works and supplies. **Project in execution.** 7th EDF. EDF IVC 7006/001 A3a

**Irrigated rice-growing areas in the Central and Northern Central regions.** Resp. Auth.: Ministère de l'Agriculture. Estimated total cost 18.500 mECU. EDF 16.100 mECU, local 2.400 mECU. Infrastructure, organization, training. Works, supply of vehicles, equipment, T.A., studies, training. Project on appraisal. 7th EDF. EDF IVC 5021/001 A3a

## 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., scholarships, seminars, training. Project on appraisal. 7th EDF. EDF DI 7101/002 A7e

**Construction of a laboratory for water and soil analysis.** Resp. Auth.: Ministère de l'Agriculture et du Dev. Rural. 0.115 mECU. Works and supply of equipment. Project on appraisal. 7th EDF. EDF DI 7005 A3e,i

## DOMINICAN REPUBLIC

**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

**Los Toros Hydroelectric project.** Construction of a 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

**Puerto Plata. Provincial development programme.** Resp. Auth.: Oficina Técnica Provincial de Puerto Plata. 1.400 mECU. Drinking water, sanitation, education, equipment. Project in execution. EDF DO 7013 A8b,c

**Park conservation programme.** Resp. Auth.: Direction National des Parcs (DNP). 0.750 mECU. Works by acc. tender. Equipment by direct agreement on local market. T.A. by AECI (Agence Espagnole de Coopération Internationale). Project on appraisal. 7th EDF. EDF DO 7014 A3

## 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. Project in execution. 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

**Wildlife conservation in Southern Ethiopia.** Estimated cost 2 mECU. Works, rehabilitation, equipment, T.A. and training. Project on appraisal. 7th EDF. EDF ET 7011 A3c,d,e

**Social Rehabilitation Programme.** EDF 6.868 mECU. Rehabilitation of health (including water and sanitation) services and of agri-pastoral activities. Works, supplies, T.A. and training. **Project in execution.** 7th EDF. EDF ET 7012 A3-A7-A8

**Reintegration of displaced Ethiopian nationals from Eritrea.** Estimated cost 2 mECU. Works, training, line of credit, T.A. and supply of equipment. Project on appraisal. 7th EDF. EDF ET 7255/001 A8b,e

## GABON

**Mining development programme and diversification.** Resp. Auth.: Minis-



tère des Mines, de l'Énergie et des Ressources Hydrauliques. Estimated cost 14 mECU. Works by direct labour and int. tenders. Equipment by int. tender, T.A., follow-up and evaluation. Project in execution. 7th EDF. EDF/SYS/GA 9999 A4a

**Support for Structural Adjustment.** 13.2 mECU. Project in execution. 7th EDF. EDF GA 7200 A1c

**Rural water supply and micro-projects in 3 provinces.** Resp. Auth.: Ministère de l'Eau et de l'Énergie. 8.600 mECU. 300 new wells and rehabilitation of 210 existing water points. Drinking water for Haut-Ogooué, Ngounié and Woleu-Ntem provinces. Works, supply of equipment, T.A., training, follow-up. Project on appraisal. 7th EDF. EDF GA 6015 A2b

## GAMBIA

**General Import Programme. Support for Structural Adjustment.** Hard currency allowance to import ACP and EC goods, with negative list. 1.400 mECU. Project on appraisal. 7th EDF. EDF GM 7200/002 A1c

## GHANA

**Human resources development programme.** 5 mECU. Supply of equipments. T.A. and evaluation. Project on appraisal. 7th EDF. EDF GH 7003 A6

**Western Region Agricultural Development Project.** Resp. Auth.: Ministry of Food and Agriculture. 15 mECU. T.A., buildings and training, supply of equipment. Project on appraisal. 7th EDF. EDF GH A3a

**Lomé IV - Microprojects programme.** Resp. Auth.: Ministry of Finance & Economic Planning. 7 mECU. T.A., transport equipment, materials and supplies. Project on appraisal. 7th EDF. EDF GH A3a

**Protected Area Development in South Western Ghana.** Resp. Auth.: Ministry of Land and Forestry. 5 mECU. T.A., buildings, equipment and supplies. Project on appraisal. 6th EDF. EDF GH 7005 A3a

**Woodworking Sector Development.** Resp. Auth.: Ministry of Finance & Economic Planning. 4.5 mECU. Equipment, T.A., overseas training. Project on appraisal. 7th EDF. EDF GH A3c

**Transport Infrastructure Programme. Phase II.** Resp. Auth.: Ministry of Roads & Highways. 70 mECU. Works, supplies, supervision, training. Project on appraisal. 6th and 7th EDF. EDF GH A2d

**General Import Programme III.** Resp. Auth.: Ministry of Finance & Economic Planning. 32.2 mECU. T.A. for monitoring. Project on appraisal. Date foreseen for financing October 94. 7th EDF. EDF GH A1c

**University Link. University of Ghana - Vrije Universiteit Brussel.** Resp. Auth.: Ministry of Education. 1.2 mECU. T.A., equipment scholarships, evaluation. Project on appraisal. 7th EDF. EDF GH 7101/001 A6b

## 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 end 94. 7th EDF. EDF GRD 7002/001 A2d

## GUINEA

**Development of 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 equipment. 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 equipment, permanent T.A. follow-up, evaluation. Project in execution. 7th EDF. EDF QUI 7004 A3a

## GUINEA BISSAU

**Support project to improve land resources.** Resp. Auth.: Ministère des Travaux Publics. 1.260 mECU. Technical actions to prepare the creation of a land registry. Works, supply of equipment, T.A. **★ Project in execution.** 7th EDF. EDF GUB 7012 A1f

**João Landim bridge construction.** Resp. Auth.: Ministère des Travaux Publics. Estimated cost 23 mECU. Project on appraisal. 7th EDF. EDF GUB 7013 A2d

## GUYANA

**General Import Programme. Phase II.** Hard currency allowance to the Bank of Guyana to import EC-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 end 94. 7th EDF. EDF GUA 7200/001 A1c

**Development of small business credit initiative. Phase II.** 0.700 mECU. **★ Project on appraisal. Date foreseen for financing February 95.** 6th EDF. EDF GUA 7001/001 A5

## 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 2nd half 94. 5th, 6th and 7th EDF. EDF JM 5020 A4,A5

**Institutional strengthening programme.** Resp. Auth.: National Water Com-

mission (NWC). Estimated cost 3 mECU. Works, supplies and T.A. Project on appraisal. 7th EDF. EDF JM 7005 A8a,b,c

**Agricultural sector support programme (ASSAP).** Resp. Auth.: Ministry of Agriculture - Rural and agriculture dev. Auth. (RADA). 5 mECU. More sustainable farming systems, soil conservation, reforestation and Community education. Works, supply of vehicles, equipment, T.A. studies. Project on appraisal. 7th EDF. EDF JM 7004 A3a

## KENYA

**Road sector. Preparatory phase. Studies.** Resp. Auth.: Ministry of Public Works and Housing. Estimated cost 1.693 mECU. Studies and T.A. Project on appraisal. 7th EDF. EDF KE 7010 A2d

**Strengthening of STD and HIV/AIDS Programme in Nairobi and Mombasa. Special Treatment Clinic (STC) in Nairobi and the Ganjoni clinic at Mombasa.** 1.577 mECU. Works, supply of equipment by int. tender, T.A. training. Date financing January 95. 7th EDF. EDF KE 08000 A7b,c

## 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 in execution.** 7th EDF. EDF KI 7002 A3a

**Training for Kiribati.** Estimation 1.440 mECU. Human resources development. Supply of equipment, T.A. monitoring evaluation. **★ Date financing January 95.** 7th EDF. EDF KI 7004 A6

**Airport development programme.** Resp. Auth.: Ministry of Transport. 1.100 mECU. Upgrading of airport operations and security in Tarawa, Kiriritimati and Kanton atolls. Small scale building works and minor supplies with associated training and short-term expertise. Project on appraisal. 7th EDF. EDF KI 7005 A2d

## LESOTHO

**Structural Adjustment Programme. Phase II.** Hard currency allowance to import ACP and EC goods with negative list. 8 mECU. T.A. foreseen. Project in execution. 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

**Improvement of 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. Estimate 72.500 mECU. Rehabilitation works, supervision. Project on appraisal. Date foreseen for financing end 94. 6th and 7th EDF. EDF MAG 7004 A2d

**Support programme to rehabilitate social and economic infrastructures.** Interventions after cyclones. EDF part 17.500 mECU. Railways and road rehabilitation, small hydraulic works. Social infrastructure rehabilitation. Technical expertise study to be done for roads. Works, supplies, supervision and control, evaluation. Project in execution. 7th EDF. EDF MAG 7009 A2, A8

## MALAWI

**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

**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

**Better use of surfacing waters in the 5th region. Consolidation.** Resp. Auth.: Gouvernorat de Mopti. EDF 4.300 mECU. Works, irrigation, supply of pumps, inputs, T.A., follow-up and evaluation, training, research. Project on appraisal. Date foreseen for financing November 94. 7th EDF. EDF MLI 6005/002 A3a

**Support for the programme for the rehabilitation and maintenance of priority roads.** Resp. Auth.: Ministère de l'Équipement et de Transport. Estimated cost 43.4 mECU. Rehabilitation and strengthening of 380 kms of bitumenised roads (Ségou-Koutiala-Burkina Border-Ouan-Sévaré) and strengthening of 180 kms of the Diéma-Didiéni road. Supervision. Project on appraisal. Date foreseen for financing October 94. 7th EDF. EDF MLI 7004 A2d

**Support for the decentralisation programme.** Estimated cost 0.600 mECU. T.A., studies, communication campaigns, equipment. Project on appraisal. 7th EDF. EDF MLI 7009 A1b

## 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 2nd half

94. 7th EDF. EDF MAU 6004-7004 A2d

**National measures to support the Solar Regional Programme.** Estimated cost 2.520 mECU. Infrastructural works (tanks, wells, pipes) and awareness-raising, training and follow-up for the recipient communities, works and T.A. Project on appraisal. Date foreseen for financing end 94. 7th EDF. EDF MAU 6116/001 A2a,ai,b

**Increased provision for treatment and prevention of AIDS and STD.** Resp. Auth.: Ministère de la Santé. 0.350 mECU. Supply of equipment, training, management. **★ Project in execution.** 7th EDF. EDF MAU 7013 A7b,c

**Aleg lake region economic development.** Resp. Auth.: Ministère du Dév. Rural et de l'Environnement. Estimate 3 mECU. Irrigation in 2.000 ha. Works, studies, evaluation, T.A. Project on appraisal. 7th EDF. EDF MAU 7014 A3

**Institutional and technical support for applying and implementing land and soil legislations and regulations in the medium and upper Senegal river valley.** Resp. Auth.: Ministère du Développement Rural et de l'Environnement. 1.100 mECU. Supply of equipment, T.A. Project on appraisal. 7th EDF. EDF MAU 6007/002 A8b

**Support for farmers in Gorgol and Tarza regions.** Resp. Auth.: Ministère du Développement Rural et de l'Environnement. 1 mECU. Equipment, T.A. evaluation, follow-up. Project on appraisal. 7th EDF. EDF MAU 7015 A3a

## MAURITIUS

**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 for the Industrial and Vocational Training Board. IVTB.** 2.500 mECU. Rehabilitation works, supply of equipments, T.A. and training. Project in execution. 6th EDF. EDF MAS 6101/001 A6b,d

**Cyclone Hollanda rehabilitation programme.** 1.970 mECU. Rehabilitation of the telecommunication infrastructure for both national and international grid. Supply of equipment and alternative communication systems. Project on appraisal. 3rd and 5th EDF (remainder), 6th and 7th EDF. EDF MAS 7003 A2c

**National solid waste management project.** Resp. Auth.: Ministry of Environment and Quality of Life. Estimate 8.650 mECU. EDF 7 mECU. Construction of a fully engineered landfill to cater for about 600 t of solid waste per day. Works and supplies by int. tender. T.A. for supervision and evaluation. Project on appraisal. 7th EDF. EDF MAS 6017 A8b,c,f

**AIDS programme.** Resp. Auth.: Ministry of Health. 0.423 mECU. Prevention of sexual transmission, maintenance of safe blood supply, rationalisation of patient management. **★ Project in execution.** 7th EDF. EDF MAS 7004 A7b,c

## MOZAMBIQUE

**Training for railway staff. Phase II.** T.A. for the regional school at Inhambane and the provincial railway training centres. 20 mECU. T.A. and supply of equipment. Project on appraisal. 7th EDF. EDF MOZ-REG 6409 A2d, A6d

**Roads rehabilitation programme in Zambezia and Sofala provinces.** 30 mECU. Roads and bridges rehabilitation. Works and supervision. Project in execution. 7th EDF. EDF MOZ 7005/001 A2d

**Beira-Inchope Road Rehabilitation.** Estimation 25 mECU. Works over 111 Km. Supervision. Project on appraisal. 7th EDF. EDF MOZ (REG) 7005/002 A2d

**Institutional Support for the Ministry of 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

**Social-economic reinsertion of young people.** Estimated cost 1.950 mECU. Supplies, T.A. and pilot actions. Project on appraisal. 6th EDF. EDF MOZ 7017 A8b

**Supply of voting material.** Estimated cost 13 mECU. Project on appraisal. 7th EDF. EDF MOZ 7004/001 A1c

**Rehabilitation of the rural health system.** Estimated cost 42 mECU. Rehabilitation and renovation of 7 rural hospitals and 2 health centres. Supply of essential medicines and equipment, T.A. Project on appraisal. 7th EDF. EDF MOZ 7018 A7a,e

**Rehabilitation of the Cahora-Bassa/South Africa transmission line.** Resp. Auth.: Hidroeléctrica de Cahora-Bassa. EDF part 20 mECU. Erection of towers, demining, bush clearing by int. tender (conditional) launched in September 94. Project on appraisal. 6th and 7th EDF. EDF MOZ(REG) 7019 A2ai

## 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, 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 equipment, 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

**Rural towns Sewerage schemes.** Resp. Auth.: Ministry of Local Government and Housing. Estimated cost 2.500 mECU. Works, supplies and T.A. Project on appraisal. 7th EDF. EDF NAM 7015 A8c

## NIGER

**Vocational and technical training project (NIGETECH).** Resp. Auth.: Ministère de Finances et du Plan. 3.8 mECU. Seminars, scholarships, 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: earth station in Arlit and administrative centre in Niamey. Works and supervision. Project on appraisal. Date foreseen for financing end 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'Élevage, de la Santé Publique et de l'Éducation Nationale. 18 mECU. Rehabilitation works, wells, drilling, supply of equipment, T.A, training, evaluation and follow-up. Project in execution. 7th EDF EDF NIR 7012 A3a

**Support for 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

## NIGERIA

**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 agricultural productivity and water management. Assistance to farmer's associations. 16,100 mECU. EDF 15,400 mECU, local 0.700 mECU. Works, supplies T.A. training, research, line of credit. **★ Project in execution.** 7th EDF. EDF UNI 7009 A3a

**Human resources development.** Institutional support for community development and vocational training. Estimate 17 mECU. Supplies, T.A. training. Project on

appraisal. 7th EDF. EDF UNI 7006 A6b,c,d

**Management Support Unit. Technical and logistic support to the National Authorizing Officer — NAO's office in order to improve procurement monitoring and financial management of EDF programmes.** 1.980 mECU. Supply of equipment, T.A. Date financing January 95. 7th EDF. EDF UNI 7011 A1c

## PAPUA NEW GUINEA

**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

**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

**E.U. Programme Management Unit in support of the National Authorising Officer (NAO).** Estimated cost 1.200 mECU. T.A., training and auditing. Project on appraisal. 7th EDF. EDF PNG 6001 A1c

## RWANDA

**Drinking water supply in East Bugesera.** 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. 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 furniture for primary schools, supply of equipment, T.A. for supervision of works. Project on appraisal. Date foreseen for financing end 94. 5th and 6th EDF. EDF SCN 6001 A6a

## SENEGAL

**St-Louis regional development programme.** 22.5 mECU. Job creation, lines of credit, T.A. to the S.M.E's, training, studies. Health centres, clinics, medical equipment 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 2nd half 94. 7th EDF. EDF SE 6002/7002 A3a

**Support for the economic development of the Ziguinchor region.** 1.990 mECU. Line of credit for SME's and support for artisanal fisheries. Supply of equipment,

T.A. Project on appraisal. 7th EDF EDF SE 5024/7001 A3a

**Support to develop SMEs in the Dakar region.** 1.990 mECU. Line of credit, management unit in coordination with Banks, projects and NGOs. T.A. and supplies. Project in execution. 7th EDF. EDF SE 7010 A5

**Priority programme to generate employment.** P.P.G.E. Resp. Auth.: Ministère de l'Économie, des Finances et du Plan. 1.990 mECU. To alleviate the social impact of the austerity measures and of the CFA Franc devaluation on the least-favoured urban populations. Line of credit, supplies. T.A., audit. Project in execution. 7th EDF. EDF SE 7009 A8b

**Support for market-gardening export sector.** 1 mECU. Establishment of a Guarantee Fund, support and T.A. for professional organisations, air-freight programming. **★ Project in execution.** 7th EDF. EDF SE 7008 A5d

## SEYCHELLES

**Marine 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 A5f

**Support for AIDS programme.** Resp. Auth.: Ministry of Health. 0.139 mECU. **★ Training, information, equipment. Project in execution.** 7th EDF. EDF SEY 7005 A7b,c

## 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

**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

**Sierra Leone roads authority (SLRA) support programme.** Resp. Auth.: SLRA. 22.500 mECU. To strengthen SLRA's management capacity, to support its maintenance operations, to rehabilitate 160 km of road, to provide training and equipment to enable local private contractors to increase their role in road works. Rehabilitation works, equipment, T.A. to SLRA. Project on appraisal. 7th EDF. EDF SL 7002 A2d

## SOMALIA

**Rehabilitation programme.** 38 mECU. Project in execution. 6th EDF EDF SO 6029

## SURINAME

**Roads rehabilitation programme.** Resp. Auth.: Ministry of Public Works. 19.700 mECU. Meerzorg-Albina and Wa-

geningen-Nickerie roads. Works and supervision. Project on appraisal. 5th and 7th EDF. EDF SUR 7001 A2d

**Rice research and breeding station.** Resp. Auth.: Suriname National Rice Institute (SNRI). 3.215 mECU. Construction of research facility, laboratory, research, field equipment, office and transport equipment, T.A., training, monitoring and evaluation. T.A. short-list done. Works by acc. tender, supplies by int. tender. Project on appraisal. Date foreseen for financing February 95. 7th EDF. EDF SUR 60002 A3a

## 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

**Rural dams rehabilitation and construction project (Phase II).** EDF estimated part 1.993 mECU. Works, T.A. and supervision, training, surveys. Project on appraisal. 7th EDF. EDF SW 6012/001 A3a

## TANZANIA

**Support for Aids Control in Tanzania.** Resp. Auth.: Ministry of Health. 3mECU. To strengthen health and other support services. Supply of equipment and T.A. Project on appraisal. 7th EDF. EDF TA 08000/000 (7001) A7c

**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

**Support for Ministry of Finance, Zanzibar.** Estimated cost 1.300 mECU. Equipments and T.A. Project on appraisal. 7th EDF. EDF TA 7007 A1c

**Support Unit for the N.A.O.** Estimated cost 2 mECU. Equipment 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 equipment, 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, equipment, design and supervision. Short-list done. Project on appraisal. 7th EDF. EDF TA 7009 A2

**Support for the Structural Adjustment Programme. General Import Pro-**

**gramme. Phase III.** Resp. Auth.: Bank of Tanzania. 30 mECU. T.A. foreseen. Project on appraisal. Date foreseen for financing end 94. 7th EDF. EDF TA 7200/002 A1c

**Assistance for the 1994-95 electoral process.** Estimated cost 1.700 mECU. Supply of voting material and equipment. Project on appraisal. 7th EDF. EDF TA 7017 A1c

**Support for Tanzanian students in Eastern Europe.** Resp. Auth.: International Organisation for Migration (I.O.M.). 1.950 mECU. Provisions of monthly allowances to the students to enable them to continue their studies and provision of tickets luggage allowance and some starting capital to facilitate reintegration in Tanzanian society. **Project in execution.** 7th EDF. EDF TA 7016 A1c

**Ruvuma-Mbeya Environmental Programme.** Resp. Auth.: Regional Development Authorities. Estimate 10 mECU. Improvement of forest conservation and use. Supplies, T.A., studies, training, management. Project on appraisal. 7th EDF. EDF TA 7018 A3c

**Support to the Ministry of Works, Communication and Transport.** 1.900 mECU. T.A., studies and training. Project on appraisal. 7th EDF. EDF TA 7019 A1c

## TOGO

**General Import Programme.** Hard currency allowance to import ACP and EC 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 for the Structural Adjustment Programme. General Import Programme.** Hard currency allowance to purchase EC 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 2nd half 94. 6th and 7th EDF. EDF TR 7200 A1c

**Small business development programme.** Resp. Auth.: Small Business Dev. Corp. SBDC. 2 mECU. Supply of line of credit, training and supervision and evaluation. **Project in execution.** 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.** 29,700 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. Date foreseen for financing February 95.** 7th EDF. EDF UG 7200/001 A1c

**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 equipment, T.A. and training. Project on appraisal. Date foreseen for financing 2nd half 94. 7th EDF. EDF UG 6002/7002 A3a

**Support to the Uganda Investment Authority.** Resp. Auth.: Ministry of Finance. 1.950 mECU. Supply of equipment and T.A. Project on appraisal. 7th EDF. EDF UG 7005 A5e

**Road maintenance programme in the South West.** Resp. Auth.: Ministry of Works. 22 mECU. Works, supplies and supervision. **Project in execution.** 7th EDF. EDF UG 7004 A2d

**Animal water supply in Karamoja.** To establish water retaining structures in selected strategical areas. 1.950 mECU. Works, equipment, T.A. Project on appraisal. 7th EDF. EDF UG 7008 A2b

## 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

**Social Sector Support Programme.** Resp. Auth.: Ministries of Health, Education, Water Affairs and Local Government. 12 mECU. Rehabilitation works and health infrastructures, water supply, education. Supply of drugs and equipment, and T.A. Project on appraisal. Date foreseen for financing 2nd 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

**Rehabilitation of main runway at Lusaka International Airport.** Resp. Auth.: Ministry of Transport. Estimated cost 5 mECU. Works and supervision. Project on appraisal. 7th EDF. EDF REG - ROR 7319 - ZA A2d

**Structural Adjustment facility - Supplement to phase II.** 11.800 mECU. **General Import Programme. Project in execution.** 7th EDF. EDF ZA 7200/003 A1c

**Feeder roads rehabilitation programme.** 5 mECU. To rehabilitate rural feeder roads in the central and copperbelt provinces. Works and supervision. Project on appraisal. 7th EDF. EDF ZA 6027 A2d

## 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 wildlife resources, 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 in execution. 7th EDF. EDF ZIM 7200/001 A1c

**Support for the Faculty of Veterinary Science of the University of Zimbabwe.** Resp. Auth.: Faculty of Veterinary. 9.1 mECU. Supply of vehicles and equipment. T.A., University link, fellowships, scholarships. For Zimbabwe and SADC region. Project on appraisal. 7th EDF. EDF ZIM 5004/7001 A6b

**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

**Gokwe north and south rural water supply and sanitation project.** 6.100 mECU. Rehabilitation of existing water-points, new domestic water-points, latrines, maintenance, health education, T.A., training, evaluation. Project on appraisal. 7th EDF. EDF ZIM 7001 A2b

## 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 for the 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.** EDF 1.900 mECU. A training unit will train private and public executives and will advise companies on demand. Supplies T.A. and evaluation. Project on appraisal. 7th EDF. EDF ARU 6006 A6b

## MAYOTTE

**Water supply. North East and North West network interconnection.** Resp. Auth.: Direction de l'Agriculture et de la Forêt. 6.700 mECU. Row water, lines, water treatment, storage tanks. Works: int. tender (conditional) launched in September 94. Supervision and evaluation. Project on appraisal. *Date foreseen for financing February 95.* 6th and 7th EDF. EDF MY 7003 A2b

## 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 research. Project in execution. 7th EDF. EDF POF 6006 A3d

## FRENCH PACIFIC OCTs

**Interpretation equipment for the South Pacific Commission.** Resp. Auth.: SPC. 0.100 mECU. Purchase and supply of 40 new table units, a new infra-red control/electronics system and 150 infra-red receive only head sets. Purchase by restr. tender. *Date financing January 95.* 7th EDF. EDF REG 7801 A1c

## 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

## ST. PIERRE AND MIQUELON

**St. Pierre airport building.** Resp. Auth.: Préfecture de St. Pierre. Estimate 4.500 mECU. EDF 3.400 mECU. Collectivité Territoriale 1.100 mECU. Works, supply of equipment, supervision. Project on appraisal. *Date foreseen for financing February 95.* 6th and 7th EDF. EDF SPM 7001 A2d

## WALLIS AND FUTUNA

**Holo-Fakatoi Road in Wallis (RT2).** EDF 0.600 mECU. Bitumen road. Project on appraisal. 7th EDF. EDF WF 7001 A2d

**Construction of territorial road n° 1 in Futuna.** 0.840 mECU. Works and rehabilitation. Project on appraisal. 7th EDF. EDF WF 7003 A2d

## Regional Projects

### BENIN — BURKINA — NIGER

**Regional project for the management of the 'W' national park and adjoining game reserves.** Estimated total cost 10 200 mECU. To establish three management units, 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

## CENTRAL AFRICA AND UDEAC

**Inter-state 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

## PALOP COUNTRIES — ANGOLA — MOZAMBIQUE — GUINEA BISSAU — SAO TOMÉ & PRINCIPE — CAPE VERDE

**Regional training for middle-ranking statisticians.** 3.5 mECU. Training of 900 middle-ranking 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

**External trade and investment promotion.** 2.600 mECU. *Project in execution.* 7th EDF. EDF REG 7901/006 A5e

**Technical support for the general cooperation of the PALOP programme.** 1 mECU. T.A., supplies, evaluation. *Project in execution.* 7th EDF. EDF REG 7901/007 A1c

**Regional training centre for nursing administrators.** 2.600 mECU. Trainers training, supply of equipment, T.A. and evaluation. Project on appraisal. 7th EDF. EDF REG 7901/005 A6c, d, A7

## CENTRAL AFRICA

**UCAC — Central Africa Catholic University.** EDF 1.800 mECU. Support for the Ekounou Campus in Yaoundé. Road works and distribution networks, student house building. Project on appraisal. 7th EDF. EDF REG 7204 A6b

**CIESPAC — Public Health Education Centre in Central Africa.** 1.900 mECU. Student accommodation, equipment, scholarships, T.A. Project on appraisal. 7th EDF. EDF REG 7205 A6b

## MEMBER COUNTRIES OF I.O.C. — INDIAN OCEAN COMMISSION COMORES — MADAGASCAR — MAURITIUS — SEYCHELLES

**Technical cooperation framework programme.** 1.800 mECU. T.A., auditing and evaluation, equipment, training. Project on appraisal. 7th EDF. EDF REG 7501 A1b

**Regional programme for applied research: fruit-fly.** Resp. Auth.: Ministry of Planning and Development — Mauritius. 1.900 mECU. Supply of equipment, T.A.,

evaluation, training, follow-up – management. Project on appraisal. 7th EDF. EDF REG 7502 A3a

**Development of Exchanges Regional Integrated Promotion. (PRIDE).** Resp. Auth.: I.O.C. Secrétariat. EDF 10.500 mECU. Equipment. T.A., training, management. Project on appraisal. 7th EDF. EDF REG 7503 A5

## 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

**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 end 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 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 equipment. Project on appraisal. Date foreseen for financing end 94. 7th EDF. EDF REG 6704/001 A3a

## 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 2nd 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. 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 2nd 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

## TANZANIA – KENYA – UGANDA – RWANDA – ZAMBIA – BURUNDI – ETHIOPIA – ERITREA – DJIBOUTI

**Development and installation of the Advance Cargo Information System. ACIS.** 8.500 mECU. Supply of computers software and T.A. Managed by UNCTAD. **Project in execution.** 7th EDF. EDF REG 7312 A2c, d

## KENYA – UGANDA – TANZANIA

**Lake Victoria Fisheries Research Project (Phase II).** Project headquarter in Jinja-Uganda at FIRI-Fisheries Research Institute. EDF part 8.400 mECU. T.A., supplies, training, monitoring and evaluation. Project on appraisal. Date foreseen for financing November 94. 7th EDF. EDF REG 5316/001 A3d

## CARIBBEAN REGION

**Regional Tourism Sector Programme.** Resp. Auth.: S.G. Cariforum. 13 mECU. Marketing, Promotion, Education, Training, research and statistics product development and protection of cultural heritage. Works, equipment and T.A. Project on appraisal. 7th EDF. EDF REG 7601/001 A5c

**Regional Trade Sector Programme.** Resp. Auth.: S.G. Cariforum. 14 mECU. Access of Caribbean firms into identified market, strengthen the competitiveness of export oriented firms, improve the availability of trade information and support institutional development. Supply of equipment and T.A. Project on appraisal. 7th EDF. EDF REG 7601/002 A5d,e

**Caribbean Examinations Council (CXC) – Development Programme.** Resp. Auth.: Registrar of CXC in Barbados. 2.500 mECU. T.A., external consultancies, equipment. Project on appraisal. 7th EDF. EDF REG 7603 A6a

**University level programme.** Resp. Auth.: S.G. Cariforum. 21 mECU. To train a critical mass of Caribbean ACP nationals at masters degree level in development economics, business administration, public administration, agricultural diversification, natural resources, management and architecture, works, educational equipment, T.A., scholarships. Project on appraisal. 7th EDF. EDF REG 7604 A6b

**Caribbean Postal Union.** Resp. Auth.: S.G. Cariforum. 0.500 mECU. T.A. and other action necessary for the creation of the Caribbean Postal Union. Project on appraisal. 7th EDF. EDF REG 7605 A2c

**Caribbean Telecommunication Union.** Resp. Auth.: S.G. Cariforum. 0.500 mECU. T.A. for the accomplishment of the C.T.U. and the harmonisation of legislation on Telecommunication within the Cariforum member states. Project on appraisal. 7th EDF. EDF REG 7605/001 A2c

**Regional Airports Project.** Resp. Auth.: S.G. Cariforum. 2 mECU. Upgrading of equipment and improvement of training of staff. Improvement safety and air navigation standards in two airports in Suriname and one in Guyana. Project on appraisal. 7th EDF. EDF REG 7605/002 A2d

**Caribbean Regional agriculture and fisheries development programme.** Resp. Auth.: S.G. Cariforum. 21 mECU. Creation of an agricultural credit revolving fund, research and training activities to support commercial opportunities, establishment of an information network and sub-programmes in the fisheries, livestock and rice subsectors. Supply of equipment, T.A. and programme management short studies. Credit Fund. Project on appraisal. 7th EDF. EDF REG 7606 A3a

**Education policy and dialogue.** Resp. Auth.: Cariforum S.G.. 0.450 mECU. T.A. for regional common policies in three education areas: basic education, technical and vocational training, language teaching. Project on appraisal. 7th EDF. EDF REG 7607 A6a,d

**Cultural Centres.** Resp. Auth.: S.G. Cariforum. 1.500 mECU. Promote cultural identity and foster mutual knowledge of the rich cultural panorama. Restoration of buildings, supply of equipment, T.A. in artistic fields and management. Project on appraisal. 7th EDF. EDF REG 7610 A8i

## ACP COUNTRIES

**Trade promotion. Trade development project. ACP-EC.** To improve com-

mercial performance. Estimated cost 7.200 mECU. T.A. actions, in twenty ACP countries for a preliminary period of two years. Project in execution. 7th EDF. EDF REG 70001/010 A5d, e

**Support for the ACP cultural events in Europe - 94/95.** Estimated cost 2 mECU. Project on appraisal. 7th EDF. EDF REG 7000/016 A5g

**Assistance to the ACP/EU organisations working on the improvement production and commercialisation of base agricultural products on foreign markets.** Resp. Auth.: APROMA. 7.7 mECU. Training and information actions, coffee, cocoa and oil seeds. **Project in execution.** 7th EDF. EDF REG 6048/002 A5d

**Technical support for the health system in ACP countries.** 1.850 mECU. **Studies, T.A. Project in execution.** 7th EDF. EDF REG 70012/012 A7e

**Support to the Collaborative Masters Programme in Economics for anglophone Africa.** Resp. Auth.: African Economic Research Consortium (AERC). EDF part 2 mECU. Participation of Departments of Economics in 17 universities. Equipment and teaching materials, scholarships, management, studies, evaluation. **Project in execution.** 7th EDF. EDF REG 70004/010 A6b

## 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

**EACH - Europe Africa Cooperation for Handicrafts.** Resp. Auth.: GTZ/PRO-TRADE (G) for German aid 1.164 mECU and for EDF 2.297 mECU. Beneficiary countries: Burkina Faso, Côte d'Ivoire, Ghana, Kenya, Namibia, Nigeria, Tanzania and Zimbabwe. T.A. in the ACP producer countries and in target European countries (295 man/months) — promotional campaigns in Europe — ACP participation in specialized trade fairs. Project on appraisal. Date foreseen for financing February 95. 7th EDF. EDF REG 7001/009 A5d, e

## MEDITERRANEAN COUNTRIES

### ALGERIA

**Structural Adjustment Support Programme. Sectoral Import Programme for building materials to finish 100,000 social housing units.** 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). 1st int. tender launched. Project on appraisal. **Project in execution.** SEM AL 688-92 A1c

**Support for the Algerian rural sector.** 30 mECU. Project in execution. SEM AL A3a

### EGYPT

**Banking Sector Reform - Assistance for the Central Bank of Egypt.** Resp. Auth.: Central Bank of Egypt. 9.9 mECU. Improvement the Central Bank capacity through training, provision of T.A. and equipment. **Project in execution.** SEM EGT 689/94 A1

**St. Katherine Protectorate Development Project.** Resp. Auth.: Egyptian Environmental Affairs Agency, EEAA. 6 mECU. Protection of critical habitats, ecosystems and cultural heritage sites, through zoning and a management plan. Works, supplies and T.A. and training. Major equipment by int. tender. Project on appraisal. SEM EGT 783/94 A3a

**Support to population programme in Upper Egypt.** Resp. Auth.: Ministry of Population and Family Welfare (MPFW). 10 mECU. Service delivery, contraception, supply and distribution, family planning, management unit, T.A. evaluation and monitoring. Project on appraisal. Date foreseen for financing November 94. SEM EGT 867/94 A7c

**Private Sector - Development Programme. PSDP.** 25 mECU. Improvement of performances of private companies in domestic, regional and international markets. Business support programme. Information, T.A., monitoring, evaluation and audit. Project on appraisal. Date foreseen for financing November 94. SEM EGT 898/94 A5

**Veterinary Services Programme.** Resp. Auth.: Ministry of Agriculture and Land Reclamation (MDALR). 20 mECU. Line of credit training, T.A., equipment. Project on appraisal. Date foreseen for financing November 94. SEM EGT 932/94 A3a

**Upper Gulf of Agaba Oil Spill Contingency Project.** Resp. Auth.: Egyptian Environmental Affairs Agency (EEAA), Ministry of Environment for Israel and Agaba Ports Authority for Jordan with a representative from the EC. EC 2.900 mECU, Egypt 0.200 mECU. Procurement of the equipment, development of local infrastructure, training and T.A. Project on appraisal. Date foreseen for financing January 95. SEM EGT 1171/94 A8f

### JORDAN

**Support for Structural Adjustment. Phase II.** Hard currency allowance with negative list. 30 mECU. Project on appraisal. Date foreseen for financing end 94. SEM JO 414/94 A1c

### MALTA

**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

**Support to promote and development of remote sensing.** Resp. Auth.: CRTS - Centre Royal de Télédétection spatial. EC 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 end 94. SEM MOR 486/94 A3a

**Support for the Caisses Locales de Crédit Agricole.** EC contribution 16 mECU. To strengthen local banks providing 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 end 94. SEM MOR 486/94 A3a

**Support for the Agricultural Development Fund.** Resp. Auth.: Ministère de l'Agriculture et de la Mise en Valeur Agricole (NAMVA) - Caisse Nationale du Crédit Agricole (CNCA). 50 mECU. Line of credit and training, information, evaluation. Project on appraisal. Date foreseen for financing November 94. SEM MOR 930/94 A3a, A5a

**Support for Mother and Child Care.** Resp. Auth.: Ministère de la Santé Publique. 9 mECU. Works by int. tender, studies, T.A., evaluation. Supply of equipment. Project on appraisal. Date foreseen for financing November 94. SEM MOR 930/94 A7b

### SYRIA

**Electricity Sector Support Programme.** Resp. Auth.: Ministère de l'Electricité - Société Publique d'Electricité. SME. EC 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 end 94. SEM SYR 415/94 A2a, i

**Banking Sector Support Programme.** Resp. Auth.: Syrian Central Bank (SCB) and the Commercial Bank of Syria (CB). 4.5 mECU. Supply of T.A., computer equipment, training monitoring and evaluation. Major equipment by int. tender. Project on appraisal. Date foreseen for financing November 94. SEM SYR 899/94 A1

**Demographic sector programme in Syria.** 2 mECU. Provision of quality Mother and Child Health/Family Planning services, population and housing census, strengthening civil registration system. Project on appraisal. Date foreseen for financing November 94. SEM SYR 890/94 A7c

**Private Sector Development.** Resp. Auth.: Syrian-European Business Centre. 7 mECU. To improve the performance of indigenous business in local, regional and international markets. Establishment of the SEBC. T.A., monitoring, evaluation and audit. Project on appraisal. Date foreseen for financing January 95. SEM SYR 1189/94 A5d, e

## TUNISIA

**Hill barrages and irrigation systems development.** Resp. Auth.: Direction Générale des Etudes et des Travaux Hydrauliques. 3 mECU. Works by acc. tender. Supply of equipment, studies, T.A. and training. Project on appraisal. Date foreseen for financing November 94.  
SEM TUN 883/94 A3a

## TURKEY

**Vocational training programmes for tourism and mining.** EC contribution 5.4 mECU. Seminars, staff, trainers, supply of equipment, studies. Project in execution.  
SEM TU A5c, A4a, A6b

**Programme to broaden relations between EC and Turkey.** EC 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

**Rehabilitation programme for Palestinian ex-detainees.** 10 mECU. To reintegrate 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

**Demographic indicators for the Occupied Territories.** Resp. Auth.: Palestinian Bureau of Statistics (PBS). 1.400 mECU. Project in execution.  
SEM OT 94/06 A7c

**Support for the electoral registration process: registration materials.** 0.100 mECU. Supply of registration materials. Nationals Elections Office - Palestinian Commission for Local Government and Elections. Project on appraisal.  
SEM OT 94/07 A1c

## EURO-MAGHREB COMMUNICATIONS S.A.R.L. PARIS

**Euro-Maghreb training programme in communications.** EC 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

## ARGENTINA

**Integrated development Ramon Lista.** EC contribution 4.962 mECU. T.A. Support for indigenous populations. Project on appraisal. Date foreseen for financing March 95.  
ALA ARG 94152 A3a

## BANGLADESH

**Coastal Embankment Rehabilitation Project (CERP).** EC contribution 15 mECU. Flood protection, forestry, agricultural development. Works, supplies and T.A. Project on appraisal. Date foreseen for financing 2nd half 94.  
ALA BD 9320 A3a

**Bangladesh rural advancement Committee (BRAC).** EC contribution 8.150 mECU. Project on appraisal.  
ALA BD 9307 A3a

**New Options for Pest Management (NOPEST).** Resp. Auth.: CARE Bangladesh 6 mECU. To motivate and assist 32,000 farmers in rice growing areas of Mymensingh and Comilla districts. Training, equipment, T.A. by CARE, monitoring and evaluation. Project on appraisal. Date foreseen for financing December 94.  
ALA BD 9431 A3a

## BOLIVIA

**Promotion and assistance for small private companies.** EC contribution 8.795 mECU. T.A. and credit management. Short-list to be done. Project in execution.  
ALA BO 9373 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.** 16,410 mECU. Different, T.A. for bridges, canals, improvement of cultivated soils. Project on appraisal.  
ALA BO 94/49 A3a

**Support for 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 in execution.*  
ALA BO 94/52 A5d

**Support for artisanal fisheries and aquaculture.** T.A. to improve know-how. 4 mECU. Project on appraisal. Date foreseen for financing 1st quarter 95.  
ALA BO 94/53 A3a

## BRAZIL

**Support for unprivileged children in the urban environment.** EC contribution 8 mECU. T.A. and micro-projects. Short-list to be done. Project in execution.  
ALA BRA 94107 A8e

**Cooperation for the quality in the industrial sector.** EC contribution 0.400 mECU. T.A. Short-list to be done. Project on appraisal.  
ALA BRA 9465 A4g

## CAMBODIA

**Support for the agricultural sector and primary education.** EC contribution 49.800 mECU. Supply of equipment, different T.A. studies. Project on appraisal. Date foreseen for financing end 94.  
ALA CAM 94/14 A3a

## CHILE

**Integrated development programme in the South.** EC contribution 5.500 mECU. T.A. and supplies. Short-list done. Project in execution.  
ALA CHI 93174 A3a

**Study to create a technological Centre in Santiago.** 0.500 mECU. Short-list to be done. Project on appraisal.  
ALA CHI 94/172 A6b

**Fruit prices control system.** 0.420 mECU. T.A. Short-list to be done. Project on appraisal.  
ALA CHI 94/180 A3a

## CHINA (P.R.)

**Development project to improve potato production in Qinghai.** EC contribution 3.100 mECU. T.A. and supply of equipment. Project in execution.  
ALA CHN 9410 A3a

**China-Europa International Trade School.** EC contribution 14.85 mECU. Situated in Jinqiao Pudong region - Shanghai. Conception - supervision of construction equipment, teachers, non academic staff, training. Project in execution.  
ALA CHN 9408 A6b

## COLOMBIA

**Basic social services in Ciudad Bolivar.** 8 mECU T.A. to the local services. Training. *Project in execution.*  
ALA CO94/101 A8b

**ACTUAR Project - Family enterprises.** 4 mECU. T.A. Project on appraisal. *Date foreseen for financing 1st quarter 95.*  
ALA CO 94/40 A5c

**Support for the creation of basic technological enterprises.** 0.900 mECU. T.A. Project on appraisal.  
ALA CO 94 A5c

## ECUADOR

**Management and control of supply and demand of the electricity. (CO-GECEL).** EC 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. Date foreseen for 1st quarter October 94.  
ALA EQ 94/44 A3a

**Environmental impact of the oil exploitation in the Amazone region.** 7.050 mECU. *Date foreseen for financing December 94.* Project on appraisal.  
ALA EQ 94130 A8f

**Ministry of External Relations Modernization.** 0.400 mECU. T.A. and supply of equipment. Project on appraisal.  
ALA EQ 94/161 A1c

**«La Huella» of Europe in Latin America.** 0.300 mECU. T.A. Project on appraisal.  
ALA EQ 94/171 A5c

## EL SALVADOR

**Health and basic health programme in the western region.** EC participation



10 mECU. Drinking water, sanitation, health centres, infrastructures, training, T.A. Project in execution.

ALA SAL 9391 A7c

**Training in the geothermic energy sector.** 0.600 mECU. T.A. and training. Project in execution.

ALA SAZ 94/36 A2a

**Support for the Informal Sector.** ★ **Phase II.** EC contribution 7 mECU. *Project in execution.*

ALA SAL 9483 A5e

**Support for the library system of the University of Salvador.** EC contribution 0.950 mECU. Project on appraisal.

ALA SAL 9467 A6b

## GUATEMALA

**Development aid to the indigenous populations in Central America.** EC contribution 7.500 mECU. T.A. and supply of equipment. Project in execution.

ALA GUA 9355 A3a

**Programme to help street children in Guatemala City.** EC contribution 2.5 mECU. T.A. and training. Short-list to be done. Project in execution.

ALA GUA 94109 A8e

**Support for the informal sector.** 7.500 mECU. T.A. training, line of credit.

★ *Project in execution.*

ALA GUA 94/47 A5

**Rural development programme in the Totonacapan Department.** EC contribution 7.500 mECU. Works, supplies, line of credit, T.A. *Project in execution.*

★ *Project in execution.*

ALA GUA 9481 A3a

**Rural Development in Baja Verapaz.** EC contribution 8 mECU. Works, supplies, line of credit, T.A. *Project in execution.*

★ *Project in execution.*

ALA GUA 9489 A3a

**Rural Development in Alta Verapaz.** EC contribution 7 mECU. Works, supplies, line of credit, T.A. *Project in execution.*

★ *Project in execution.*

ALA GUA 9490 A3a

## HONDURAS

**Programme to help street children.** EC contribution 0.600 mECU. T.A. and training. Project on appraisal.

ALA HO 94118 A8e

**Programme de support SME's farmers in the Olancho area (PROLANCHO).** Resp. Auth.: National Planning Ministry (SECPLAN). EC contribution 9.860 mECU. Supply of equipment by int. tender, T.A., monitoring. Project on appraisal. Date foreseen for financing December 94.

ALA HO 94/124 A3a

## INDIA

**Transfer of Technologies for Sustainable Development (BAIF).** Resp. Auth.: NABARD — National Bank for Agricultural and Rural Development. Project management BAIF (Indian NGO) EC contribution 19.5 mECU. Wasteland development, Wadi programme, sericulture, cattle development, T.A., training, monitoring and evaluation. Project on appraisal. Date foreseen for financing December 94.

ALA IN 94/32 A3a

**Saline Land Reclamation in Maharashtra. Phase II.** Resp. Auth.: Irrigation Department's Khar Lands Development Circle (KLDC) EC contribution 15.5 mECU. Works, equipment, T.A. monitoring and evaluation. Project on appraisal. Date foreseen for financing December 94.

ALA IN 94/27 A3a

## INDONESIA

**EC-Indonesian Forest Sector Support Programme.** Resp. Auth.: Directorate General for Forest Inventory and Land Use Planning — Ministry of Forestry. EC 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. EC 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

**Gunung Leuser development programme.** Resp. Auth.: Indonesian Planning Ministry-BAPPENAS. EC contribution 32.5 mECU. Works, infrastructures, supply of equipment, T.A. training, monitoring evaluation. Project on appraisal. Date foreseen for financing December 94.

ALA IND 94/26 A3a

## MERCO SUR

**EC-Merco Sur cooperation programme and T.A. for the agricultural sector.** EC participation 11.200 mECU. Institutional and technical support in the phyto-pharmaceutical and veterinary sectors. T.A., supplies, training and awareness raising. Project in execution.

ALA REG 93143 A3a

## 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 93144 A3a

**Urban water supply and sewerage.** Resp. Auth.: Instituto Nicaragüense de Acueductos y Alcantarillados (INAA). EC contribution 11 mECU. Three drinking water supply projects in Chichigalpa, Masatepe — two towns in the Pacific region and Camoapa. Two sewerage networks plus provisional basic drainage in the towns of El Viejo and Jinotepe. Works, equipment, T.A. monitoring and evaluation. Project on appraisal.

ALA NI 94/123 A2b

## PAKISTAN

**Post-flood rehabilitation and protection project.** 20.5 mECU. T.A., road works, dam construction. Works by acc. tender. Project on appraisal. Date foreseen for financing end 94.

ALA PK 94/04 A8g

## PANAMA

**Support for rural SME's in the central region.** 5 mECU. Supply of T.A. and line of credit. Project on appraisal. Date foreseen for financing December 94.

ALA PAN 94137 A3a

## PARAGUAY

**Durable development of the Paraguayan Chaco (protection of the indigenous zones and ecosystem).** EC contribution 14.800 mECU. T.A. and training. *Project in execution.*

ALA PAR 93/40 A3a

## PERU

**Support for export promotion.** EC contribution 3.774 mECU. T.A. Short-list done. Project in execution.

ALA PE 9357 A5d

**Colca valley development programme.** EC contribution 5 mECU. T.A. and supply of equipment. Short-list to be done. Project on appraisal.

ALA PE 9433 A3a

**Women in rural situations.** EC contribution 5 mECU. Piura and Ayacucho regions. Improvement of the women's conditions. Social services. Project in execution.

ALA PE 94/106 A3a

**Vocational training programme.** 9 mECU. T.A. training technical qualifications for non qualified young people. *Project in execution.*

ALA PE 94/55 A6d

**Street children.** 7 mECU. Project on appraisal. *Date foreseen for financing December 94.*

ALA PE 94127 A8c

## PHILIPPINES

**Rural integrated development programme in the Aurore zone.** EC contribution 13 mECU. Works, supply of equipment and T.A. Project on appraisal.

ALA PHI 9326 A3a

**Tropical forest protection in Palawan.** EC 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 9393 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

**Integrated development programme for rural communities.** 5.150 mECU. T.A. Project on appraisal.

ALA URU 94/39 A3a

## VENEZUELA

**Support for the establishment of the National Centre for Energy and Environment.** EC contribution 1 mECU. T.A., local services, training, seminars. Short-list to be done. Project on appraisal.  
ALA VE 9415 A2a,A8f

**Social Structural adjustment in Venezuela.** Resp. Auth.: The Foundation set up to oversee the Experimental Vocational Training Centre. Estimated total cost 12.2 mECU. EC contribution 5.3 mECU, Provincial Government of Guipuzcoa (Spain) 0.959 mECU, local 5.941 mECU. EC contribution. Equipment and furniture by intender. T.A. Project on appraisal. Date foreseen for financing December 94.  
ALA VEN 94/112 A6d

## VIETNAM

**T.A. programme for transition to market economy.** EC contribution 16 mECU. Project in execution.  
ALA VIE 9336 A1b

## ASEAN

**COGEN Programme EEC-ASEAN Phase II. Technology transfer for co-generation of energy from biomass.** EC contribution 5 mECU. Execution: Institut Asiatique de Technologie (AIT) in Bangkok. T.A. and equipments. Project on appraisal. Date foreseen for financing end 94.  
ALA/ASN/REG A2a

**ASEAN-EC Energy Management Training and Research Centre - (AEEMTRC) phase II.** Resp. Auth.: Project Steering Committee of AEEMTRC and EC Representatives. EC contribution 4 mECU. T.A. and training. Project on appraisal. Date foreseen for financing December 94.  
ALA/ASN/REG 94/33 A2a

## AL-FA

**AL-FA (Latin America - Academic Training).** Community/Latin America un-

iversity exchange programme. EC contribution 32 mECU. Postgraduate exchanges, student exchanges and T.A. Project in execution.  
ALA 94/04 A6b

## LATIN AMERICAN COUNTRIES

**Cooperation programme with European Union towns, regions and local collectivities.** 4 mECU. T.A., training. Project on appraisal.  
ALA REG 94/168 A5

## ANDEAN PACT

**Programme to eradicate foot and mouth disease.** EC contribution 1.800 mECU. Project on appraisal.  
ALA REG 9463 A3a

**T.A. programme for customs.** 5 mECU. T.A. and training. Project on appraisal. Date foreseen for financing 1st quarter 1995.  
ALA REG 94/163 A1b

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agreements. And also because of the relative weakness of the trade unions trapped within national structures, whereas the transnational corporations operate on a world scale, especially as, within countries, the trade unions have to brave the governments, which consider them as being obstacles to foreign investments. ■ H.G.

## The irrational fear of inflation

*'United Nations Conference on Trade and Development - Trade and Development Report,*

*1994'*<sup>2</sup> and *'United Nations Conference on Trade and Development - The outcome of the Uruguay Round - an initial assessment - Supporting Papers to the Trade and Development Report, 1994'*<sup>3</sup>

This United Nations report starts with a pessimistic finding: the improvement in the world economy does not meet expectations for a period of revival. It is too small, even if only a long-term lasting growth rate is taken as a basis. The UNCTAD experts are very critical of the policies pursued by both the industrialised countries and the multinational institutions and which are based solely on supply at the expense of demand, and solely on private initiative.

Only the latest GATT agreements find favour in their eyes, in that they form a bastion against the temptations of protectionism.

The consensus currently prevailing in the industrialised countries and the international institutions, which gives pride of place to supply and fears inflation more than unemployment, is considered unhealthy. The policies criticised have in fact dammed up inflation for the past ten years, but they have also jeopardised growth, generating private over-indebtedness, which lends itself to speculation and tension on the foreign-exchange markets. According to the report, the commercialism and blatant individualism of each country banking on an improvement in its own competitiveness are a snare and a delusion. For many will be called, but few will be chosen. It is an illusion to believe that all countries can win at this game. Scorning world demand wastes energy and creates a situation of latent conflict between States drawn into a stampede. American industry has won this poker game by increasing productivity and a gambling on a depreciation of the dollar. Japan, on the other hand,

if it fails to halt its under-consumption and its excessive dependence on exports, is liable to be engulfed by unemployment comparable to that of the United States. The report advises Japan to instill a social component into its economy, promoting wages rather than profits and opting for deregulation of both the services sector and the consumer goods sector.

The report also condemns the process of economic and monetary union provided for in the Treaty on European Union (Maastricht Treaty), which would aggravate unemployment through its alacrity in adjusting the Member States' debt levels. It advocates a cut in interest rates in the Union and a postponement of budgetary adjustments until after recovery has taken hold. The UNCTAD experts call for an increase in financial resources for the developing countries. The situation of these countries is extremely delicate. The 4% economic growth of the developing countries as a whole in fact relates to the Asian countries. Latin America did receive 55 billion in foreign funds last year, but it was mostly in the form of high-risk junk bonds. These countries have still not become solvent again. The African countries, and others depending on staple commodities, are in a state of stagnation.

As for the countries of Eastern Europe, although the restructuring of their enterprises is encouraging, their State structures and lack of training keep their capitalist development in a precarious state.

Despite the compliments paid to GATT, the report considers that the developing countries do not derive sufficient benefit from it. A number of their exports still have prohibitive 10% duties imposed on them (non-tropical agricultural products, textiles, clothing, leather, footwear).

In a sense then, the report advises the developing countries not to give up and to keep up pressure so that the loopholes in the agreement are discussed during future trade rounds. ■ H.G.

## L'état du monde 1995

(The State of the World 1995)

*Annuaire économique et géopolitique mondial. Editions La Découverte,*  
*9bis rue Abel Hovelacque, 75013 Paris - Bfrs 1054 - FF 155 - 1994*

Every year since 1981, an account of the state of the world has been published simultaneously in several languages. This year some hundred specialists take stock of the events and developments of the year in the world's 225 countries and there are 64 pages more than in previous editions. The directory comprises 280 articles, 55 pages of maps, 90 bibliographies, about a hundred pages of statistics, 10 chronologies, a general index with 2 000 entries, not forgetting the drawings by Plantu to break it all up.

The book is divided into six main sections: strategic questions, States and geopolitical groupings, conflicts and tensions, economic questions, a dossier entitled 'the state of the international organisations', and appendices which form an interesting new section containing a directory of international and regional organisations and tables of statistics on world population, GDP at purchasing power parity and the human development indicator or HDI. This new indicator, which has been calculated by the UNDP (United Nations Development Programme) since 1990, allows a more realistic approach than the traditional gross domestic product (GDP) per capita, since it combines three factors: the level of health as represented by life expectancy at birth, the level of education taking account of the adult literacy rate and the average number of years of study, and income, obtained by adjusting GDP and chopping off the highest incomes.

The dossier on the international organisations also merits special attention at a time when the UN is celebrating its 50th anniversary, despite the many difficulties which it has to cope with but which should not cause us to overlook the progress made in certain international negotiations: GATT, NAFTA, entry into force of the Maastricht Treaty, enlargement of the European Union. The section on economic questions is worth reading, particularly as regards the devaluation of the CFA franc and the developments in all the developing countries, where annual growth has been picking up slightly, at a time when the growth rate in Africa is still very low (1.1%) and per capita GDP has therefore continued to fall. In the same section, it is also an interesting exercise to consider 'the worrying success of derivatives', a group of financial instruments which emerged at the start of the 1980s. ■

Alain LACROIX

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The chairman of Abaiang Island Council, Kiribati, inspects an outrigger canoe he is building to a traditional design (Photo The Courier)

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# Kiribati



