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Dossier

Trade in the new world order

Country reports

Benin

Côte d'Ivoire

COUNTRY REPORT

Benin

Benin has gained a reputation for leading the field in the post-Cold War move towards democracy in West Africa. Since 1959, the country has had eight constitutions, six putschs, eleven presidents and various experiments in how society should be run. In 1990, following a national conference which brought together representatives from across the spectrum, the Beninois opted decisively for a democratic system. Seven years on, the country has an air of bustling enterprise. The capital, Cotonou, bubbles with economic activity – though a boom in vehicle ownership has made it one of the most congested cities on the continent. Benin also has a rich culture and an attachment to history – as we witnessed in Abomey, where the ancient kings held sway and where a monarch still holds court.

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COUNTRY REPORT

Côte d'Ivoire

In the first two decades following independence, Côte d'Ivoire successfully exploited its agricultural potential - above all in producing coffee and cocoa - to achieve a level of economic development envied by other African nations. Chill economic winds struck the country after that, dashing the hopes of many who had been looking forward to an even more prosperous future. After ten years of sluggish economic performance, the signs are that Côte d'Ivoire is beginning to re-emerge, with business picking up. This is happening against a political backdrop far less tumultuous than elsewhere on the continent, despite the changes that have occurred since the death of President Houphouët-Boigny. Whether it is sustainable growth or merely a false dawn remains to be seen.

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DOSSIER

Trade in the New World Order

Trade liberalisation promises improved overall growth. The downside is that it pitches the weak against the strong, with profits amassed by the highly efficient few. This could threaten some of the main exports of the South. Many ACPs are responding by trying to become 'leaner and meaner' - and by diversifying production, improving marketing and attracting new investment. There is also a growing lobby that questions unfettered free trade where 'ethical' questions are at stake. They argue instead for a system which guarantees producers a proper price, and does not ride roughshod over the environment or employees' rights. As ACP and EU negotiators set about the task of drawing up a successor to Lomé IV, we feature some of the issues they face in adapting to the new global situation.

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Harvesting pineapples in Côte d'Ivoire
(Thomas Dorn/Comission)

Inside front cover
'Taxis motos' in Cotonou, the capital and main economic centre of Benin (top)

Work by a Côte d'Ivoire artist recalling a traditional way of life (middle)

Swazi-produced grapefruit being prepared for export.
World trade is changing rapidly – and ACP countries need to adapt (bottom)

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A young Beninoise draws water from the river
(Thomas Dorn/Commission)

The ACP-EU Courier

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Rubens Ricupero, UNCTAD Secretary General

'What is the use of preferential tariffs if the minimum conditions needed to make the most of them do not exist?'


L. BIANCO, GENEVA

At the end of August, The Courier interviewed Rubens Ricupero, Secretary General of the Geneva-based United Nations Conference on Trade and Development (UNCTAD). The main task of this body is to accelerate the economic growth and development of developing countries. A former Finance Minister of Brazil, Mr Ricupero was appointed to head the organisation in September 1995. Below, he shares with us some ideas on how to improve economic growth and per capita income through trade, and how a successor to Lomé IV can make a more effective contribution. The resounding message is that trade preferences are not enough. He suggests an 'integrated strategy' to help diversify ACP economies out of commodities and to boost foreign direct investment (FDI).

■ *Eighty per cent of ACP exports earnings are still derived from commodities and the volume of ACP exports to the European Union market has declined over the past 20 years. What can be done to diversify exports and build up their industrial base?*

– What is needed is an integrated policy beyond commodities and foreign trade. Like you, I was struck, reading the Green Paper, that between the mid-1970s and mid-1990s, the ACP share of the EU market dropped from 6.7% to 2.8%. This was not exclusively due to ACP commodities being replaced by more modern products from Asia. The ACPs even lost ground in traditional areas like tea and coffee. These reduced export volumes indicate that trade preferences alone will not do the trick.

A lot depends on the efficiency of the productive system. If non-ACP countries, even without preferential tariffs, are much more efficient at low-cost production and at commercialising their products, ACPs will not be able to compete. This is what is happening now. There are countries in Asia which were not traditional producers of tropical beverages, like coffee for example, which are now strengthening their position. I don't dispute that trade preferences – and the whole structure of the Lomé agreement – may be necessary, but it's not enough. The legacy of successive Lomé agreements is proof of this. It really is very striking to look at the differences between the ACPs and Asian countries, which were never favoured by preferential tariffs.

I would like to raise a question I have already discussed with some European friends – to which I have never received a satisfactory reply. ACP arrangements were always supposed to be a model of a new relationship, based on past historical and cultural links, and the assumption of a kind of responsibility for the past. Despite this, they have never been able to generate the kind of regional dynamics we have seen involving Japan, first with East Asian nations and later extending to South-East Asia. We refer to this as the 'flying geese paradigm'. During the late 1950s, the Japanese began transferring 'sunset industries' such as textiles and footwear to places like Korea and Taiwan. These countries then initiated investment flows to the so-called 'third generation' neighbours like Myanmar.

■ *Why didn't this transfer of low-cost industry occur between European and the ACP countries?*

In fact, Japan and the Asians had a lot less in their favour. They were former enemies and there were none of the old colonial ties. Most of the ex-colonies inherited a whole package of institutions, and had things in common with Europe based on language, legal codes and so on.

There are several explanations for the different way things developed. There was the problem of political stability, and the kind of 'nation-building' institutions that were set up, based on one-party rule or regional Marxism. There were also cultural aspects and the fact that Africa does not have the kind of investment climate that exists in Asia. I think, however, that at least part of the explanation lies in the fact that no attempt was made to bring about this kind of industrial transfer. It never occurred to the Europeans that the relationship had to be dynamic. The ACP-EU system was seen as a sort of framework that would more or less stabilise the old economic and trade links. Unfortunately, it didn't work, for the simple reason that you can't stay put. If you don't move ahead, you end up slipping back. I recently asked an EU representative at a seminar why this kind of investment was never attempted. He replied that European investors did not feel secure putting money into Africa because the Africans never offered the necessary guarantees. If this is true, and I think it is partly so, then the solution to the ACPs' problems lies in a much more integrated approach. This must include FDI, but also the reinforcement and, in some cases, the creation of conditions for a market economy. What is the use of trade arrangements or preferential tariffs if the minimum conditions needed to make the most of them do not exist?

You need a productive system to take advantage of tariffs. And it should supply domestic demand. You can't start off by thinking about conquering foreign markets. This is clearly seen in some sectors in Latin America, for example, where firms initially developed the capacity to service the local market. It was only after they had consolidated themselves as efficient producers at this level that they turned their attention overseas. There are exceptions, for instance, FDI to trade processing zones, where the explicit intention is to produce for the export market. But these are few and far between, and I doubt their contribution to a more integrated economy. You need a policy mix. Previously, this was not realistic because of widespread political instability, civil strife and some serious mistakes in macro-economic policy.

And now?

We are on the brink of a unique opportunity for a number of reasons -including what I would call the creative power of crisis. Practically all aspects of the negative picture I have just painted are slowly improving, although the task hasn't yet been completed. Some countries are still in very bad shape. But we are moving in the right direction, in terms of political stability, more democratic institutions and better macro-economic policy. For the first time, there is a real possibility of doing something beyond trade.

In the forthcoming negotiations on a successor to Lomé IV, what is needed is a broader perspective. Investment will create opportunities, but I don't see FDI in isolation nor indeed, taking a lead role. While foreign investment is extremely important, it is not as important as building national capacity for economic production and export. FDI could play a catalytic role in Africa, for example, involving companies experienced in the food commodity sector. Firms could bring the finance (which is generally the bottleneck in commodity diversification), the technological know-how, management capacity and marketing links to include those countries in a distribution network. At the same time, I believe that there should be an effort to use FDI to build up networks of local suppliers – as happens in some industrial sectors where companies producing for export are supplied by small and medium sized local enterprises. This would create the conditions for the development of something lasting, and the capacity to export. It would also avoid the errors of the past, where FDI created 'colonial' enclaves. This is clearly what happened in the former Zaire. Three decades ago, Zaire was exporting about 300,000 tonnes of copper a year. Now the figure is down to less than 50,000 tonnes – because when the troubles started, foreign investors withdrew, leaving virtually nothing behind.

So, I envisage a strategy where trade arrangements are just part of a wider picture. You must try to create the conditions to attract investment – investment which gives priority to the industrial base, commodity diversification, food processing and textiles, and then move upwards. At the same time, you need to build national capacity and create what we call, 'the conditions for a market economy.' We all know that the private sector should play the leading role, but we often forget that conditions in most countries are far from conducive to a market economy. The market economy is an abstraction. What is a market? It is a place where you have producers and consumers and you have to create enterprises, even micro-enterprises, within it.

Businesses do not pop up like mushrooms. In some countries you already have an entrepreneur culture, but this is not the norm – and less so in sub-Saharan Africa. Special attention has to be paid to the enormous problem of technical cooperation. You need public institutions, not just for legislation and tax, but also to create the conditions for training and representation of SMEs. In UNCTAD we are trying to set up 'National Systems of Innovation.' Nowadays, if an enterprise wants to succeed, it has constantly to change. And innovation doesn't exclusively mean being able to undertake highly sophisticated technological work. Sometimes it is just the ability to present your product in a different way.

Harvesting tea in Kenya.
Even the ACP share of the EU tropical beverage market has declined

The Courier

■ *Could you tell us about any particularly successful entrepreneur ventures in sub-Saharan Africa?*

There are several. In Zambia, a women entrepreneur was enormously successful in building up a major industrial enterprise providing European markets with natural-based food colourings. She was able to develop a wide network of providers. Because she had studied European markets, she knew of the market preference for non-chemical and natural products, and was constantly able to innovate in the production process. There is a need for this kind of thing. You can't think solely in terms of trade arrangements. It's clear that in the developing world, countries which have been able to upgrade their productive capacities have done so largely by trading amongst themselves, and by trying to integrate in a larger framework. This phenomenon is clearly seen in Asean and Mercosur. But it exists only at a very low level in Africa, notably through SADC in the south of the continent.

There is enormous potential for inter-regional trade as the basis for industrialisation. In Africa, there hasn't been much of this because of political difficulties and infrastructure problems.

■ *Which is more appropriate – 'South-South' or 'North-South' integration? In the latter case, isn't there a danger that developing countries would lose out by establishing free trade zones with developed nations?*

I do not think that full reciprocity, in a free trade agreement with industrialised countries, is the best way forward for LDCs. As I have already indicated, if developing nations are to engage in international trade, they first have to consolidate themselves as suppliers to the local market. How can they do this if they are immediately exposed to competition with powerful transnational companies, and markets with low prices? You could accept a situation where LDCs allow free access in areas where they can't hope to develop local capacity – for example, electronic goods or computers. This would give industrialised states lucrative opportunities. But areas of labour-intensive production, where developing countries could compete given the opportunity, should be left out of such agreements. I don't think that would hurt Europeans. Europe is more interested in exporting goods with technological content and value added.

I visited Cambodia four months ago. They told me there that, in the context of the negotiations on accession to the WTO and ASEAN, they don't have a great deal to protect. Because they don't have much local industry, the Cambodians are ready to accept many far-reaching liberal provisions. But they want to preserve the basis in those areas where they have have pinned their hopes for industrialisation – garments, textiles, footwear and so on – which could attract investment from neighbouring countries. For them, there is no point in creating obstacles to the entry of cars or lorries, because they have no intention of manufacturing these. I feel that this is where some flexibility is needed. Europe, which has a tradition of progressively building a unified market with less developed zones such as the Mediterranean, understands this point of view. It makes no sense to demand full reciprocity from these countries.

'It makes no sense to demand full reciprocity from developing countries'

Competition is at the heart of the trade debate. It's a game, and like all games, it requires not only rules and arbiters, but also training. An analogy can be drawn with the Olympics. If you or I wanted to run in the 100 metres, say, we would not be allowed to do so. We would have to prepare for the competition and reach the required minimum standard. And I want to stress a point frequently left out of the discussion – the LDCs are starting from a very, very low point.

In October, we are going to hold a high-level meeting here for the LDCs: those with a *per capita* income of less than $350 a year – which is less than one dollar a day. There are now 48 countries in this category. In 1990 when the Paris programme of action for the LDCs was launched, there were 43. Since then, only Botswana has succeeded in 'graduating' and meanwhile, several others have moved down to LDC status. Of the 48, 33 are in sub-Saharan Africa and most of these are ACPs.

We may well be talking about integrating the LDCs into the world trading system, but of the 48 only 28 are currently members of the WTO and just 10 have permanent missions in Geneva. How can these countries effectively participate in all the UN meetings here and in the WTO dispute settlement mechanism? Dispute settlement is proving to be more important in generating trade opportunities than bilateral negotiations, but it is very expensive and you need legal advice from specialised lawyers who charge very high rates. How can these states, who cannot even afford to open an office, fight such battles?

I propose that we start with the fundamentals. We have to integrate these countries into the WTO. UNCTAD provides a lot of technical assistance to countries in the negotiating process, but we do not have enough human or financial resources to do this in a systematic way. We have recently begun a project with the WTO and the International Trade Centre in Africa. Each of our three institutions deals with an area of expertise to promote trade. The project covers four developing and four least-developed countries in Africa, and if the means were available, we could expand it.

There is a curious paradox today. On the one hand, official development assistance is still being eroded. Indeed, it has never been so low. Following the decision of the United States to cut ODA, we have had more recent announcements from Germany and Japan about substantial reductions. And it is not true that FDI can replace aid. There are things that aid does, like infrastructure, health and education, that no foreign private investor would consider doing.

On the other hand, we have the renegotiation of Lomé, which involves some 70 developing counties and almost all the LDCs.

There are the Japanese and USA tariff proposals for Africa. And we ourselves are holding a high level meeting here in Geneva for LDCs – which is a direct consequence of the WTO meeting in Singapore. So there is a proliferation of trade initiatives. Is there a way of weighing the effects of these against the reduction of ODA? Do donors believe that trade measures will suffice without technical aid? And if technical help is needed, where will it come from? These are key questions.

■ *Is there a conflict between the efforts to liberalise trade globally and the removal of barriers to trade at a regional level?*

As I have already suggested, I don't think that many developing countries could proceed immediately to full trade liberalisation. Regionalism is a step on the road towards that. Many trade specialists believe that were it not for European market integration, France and Italy would never have accepted the trade liberalism contained in the GATT rounds. The view is that they became converts to tariff reductions following their experience in the European market. So regional integration is the best way to prepare countries for full liberalisation.

■ *Do you believe the industrialised world should reduce tariffs further to allow easier access for LDCs?*

I fully agree with the proposal of *Renato Ruggiero* (Secretary General of the World Trade Organisation) which was made prior to the Singapore ministerial meeting. The idea, which UNCTAD has also proposed in the past, is that the international community should grant the LDCs unrestricted market access – in other words, zero tariffs and zero trade barriers. If people are sincere about establishing a date for the abolition of all barriers to trade, we could start by giving this treatment to the least developed. But I know very well that this is a non-starter.

■ *What is UNCTAD's position on 'ethical' subjects now on the international trade agenda, such as protection of the environment and labour practices?*

I think they are goals for all countries and societies and should be encouraged by positive means. In UNCTAD, for instance, an expert group meeting has been convened on positive trade measures for the environment. How can you come up with trade incentives to help countries adopt better environmental measures? The same could be done to improve labour conditions. I don't think we should be talking about measures which are protectionist or could be seen as 'punishment', because the issues involved are generally very complicated. Take child labour, for instance. Subjects like this are so complex in terms of societies, and you can only find a solution with an enormous and gradual effort, through incentives. Sanctions would not work. I think you have to discuss matters which have a stronger social content in institutions which are best prepared to deal with such matters. And trade negotiators are not the best qualified people to deal with complex societal questions.

'Trade negotiators are not the best qualified people to deal with complex societal questions.'

■ *Can you tell us a little about how UNCTAD is organised?*

We have undergone serious reform over the past two years. There used to be nine divisions in the Secretariat and now we are down to four. There has also been a 12% reduction in professional staff – double that of many other UN bodies. The intergovernmental machinery has also been greatly simplified. Instead of a dozen commissions and bodies, we now have only three and they correspond more or less to three of the divisions. These divisions deal with globalisation and macro economics; trade and commodities and; investment, enterprise and technology. The fourth is a sort of practical arm, dealing with trade efficiency, modernisation of customs and so on.

There has been a deeper process of rethinking the organisation's role. UNCTAD has gone through an identity crisis with the end of the long struggle for a new international economic order, and following the creation of the WTO. We now have a very clear mission: to try to help countries in transition, developing countries and LDCs in particular, to integrate into the world trading system and economy. That doesn't mean that everything in the world economic system is perfect or that you can't improve things. But we hope that through our involvement in this integration process, we can influence the changes to make the system more receptive.

The economy is only an instrument. It is formed through social choices and values – and society has to choose the values that are capable of promoting and developing the poorest among us. Any society will ultimately be judged on the way it treats its least-advantaged members. This is as true for the United Kingdom or the United States as it is for my own country, Brazil. It is also true for the international community.

Most of the trade negotiations nowadays are done in the WTO. In our trade division, a large part of our work involves preparing countries for those talks. We have developed a very satisfactory relationship with the WTO, in which we take care of the pre-negotiating phase and part of the post-negotiating agenda. In Singapore, the developing nations had only a defensive strategy. We are trying to draw up a positive agenda to identify new trading opportunities. For example, there are many developing countries that are able to export health services. And there are numerous possibilities in electronics: India, for instance, has the scope to export software. We give advice to countries participating in financial services talks. At the implementation stage, we are running a series of projects covering trade participation, efficient enterprise development, national systems of innovation, use of technology and attraction of foreign investment. So there's a lot to do – more, in fact, than we can accomplish with our means. ■

Interview by D.P.

Winding up the Green Paper debate

400 participants, including many big names in ACP-EU cooperation, gathered in Brussels at the end of the September for a major debate on what should come after Lomé IV. The event was organised by the European Commission in collaboration with the *Club de Bruxelles*. The consultation process was launched by the Commission a year previously when it published its Green Paper on future relations between the EU and the ACP countries. In the intervening period, a number of major meetings have been staged, and the Commission has received suggestions from many interested parties.

The first speaker at the Brussels conference was Commission President *Jacques Santer*. He spoke warmly of the ACP-EU relationship, describing it as 'one of the most deep-rooted' that Europe enjoyed. His main emphasis, however, was on adapting to new circumstances. Mr Santer referred to changes taking place in the EU: the move towards a single currency; a more coordinated foreign policy; new provisions on conflict prevention, and the prospect of further enlargement. Founded on 'peace, solidarity and cooperation,' he said, the Union was strengthening its voice in the world. But it needed to boost the impact of the resources it gives to development cooperation.

The Commission President acknowledged the difficulties facing many ACPs in adjusting to rapid globalisation. To help overcome these, he called for genuine partnership. Development cooperation, he observed, had always enjoyed European public support but 'we need to be inventive' in finding new ways to make the system more effective.

The ACP Group's keynote speaker was *Matthew Rukikaire*, Uganda's Finance Minister. He also spoke about the changing global context, and the way this affected the conception and implementation of ACP-EU cooperation. 'We cannot shy way from this', he acknowledged. The Minister spoke of the need to narrow the gap that had opened up between developed and developing countries and expressed concern about the impact of eroding trade preferences. 'Do we need another Convention?' he then asked, answering the question himself with an emphatic 'yes'. The Lomé system, he argued, had brought many benefits – one of the less recognised ones being the consolidation of links among a diverse group of developing countries.

Mr Rukikaire highlighted three areas he felt should receive more prominence in any new arrangements: the role of the private sector; the environment; and population growth. These subjects, he believed, were not dealt with sufficiently in existing texts. And he concluded with a blunt assessment, speaking of the need to eliminate 'the economic and social differences which continue to make one partner superior and the other inferior'.

Prime Minister of France, *Michel Rocard*, who chairs the European Parliament's Development Committee, spoke next, raising a series of issues that his Committee felt were important. These included the need to improve the 'partnership' concept, support democratisation, provide for conflict prevention, and broaden the system beyond the existing 'inter-state' approach.

He spoke of the need for a profound review of the content of the Convention, with a particular emphasis on trade. Having acceded to the World Trade Organisation, he observed, it would no longer be possible for the ACP and EU states to operate a system of 'asymmetric preferences'. It was, therefore, necessary to discuss other possibilities with the WTO. Mr Rocard was also pessimistic about the volumes of aid which would be available in future. 'At best, these will stagnate', he said, 'and the amount available could even fall.' In these circumstances, it was essential that aid be deployed very differently... and more effectively. Mr Rocard also highlighted the importance of decentralised cooperation, food self-sufficiency, measures to protect tropical forests, debt alleviation and the role of women in development. He concluded on a relatively upbeat note. 'Even if the situation is grave in many ACP countries, it is not irretrievable.'

The final speaker in the opening session was Development Commissioner, *João de Deus Pinheiro*. He highlighted five areas that would be central during the coming negotiating phase, which may be summarised as follows:

– *The sense of ownership*. The ACPs are the 'owners' of their future development and this must be reflected in the discussions.

– *A political partnership*. Europe, in forging ahead, was acquiring a more marked political dimension and this should lead to a deeper dialogue with the ACPs.

– *Bringing in new partners*. Civil society wants a more active role in the system. Reflecting this, the Commission would propose giving non-governmental actors the opportunity to participate, and there would be systematic consultation.

– *Geographical scope*. While the move was towards cooperation based on 'differentiation' (recognising the varying needs and development levels of different ACP countries and regions), the Commissioner was 'struck by the sense of ACP solidarity'. The Lomé Convention, despite its shortcomings, remained a model of North-South cooperation.

– *The trade dimension*. The options here would have to be weighed carefully and anything decided must be in line with WTO rules. There was a need, however, for ACPs to be given time to adapt.

Participants at the meeting went on to discuss more detailed questions in five thematic 'round tables'.

The Brussels event may have been the final phase of the Green Paper consultation but, as Professor Pinheiro pointed out, the debate was by no means over. The Commission would shortly draw up a set of political guidelines for submission to the EC Council – taking account of observations made during the consultation phase. This will be followed, later, by a draft negotiating mandate. ACP leaders will, meanwhile, be meeting in Gabon (in November 1997) to discuss their negotiating position. Formal talks between the two sides are due to begin in Autumn 1998. S.H.

ACP

The argument against splitting the ACP

by Sir Shridath Ramphal

A former Secretary General of the Commonwealth, Sir Shridath Ramphal has been associated with ACP-EU cooperation since its earliest days. He was one of the driving forces behind the first Lomé Convention in the early 1970s and now, a quarter of a century on, he is back at the negotiating table, representing the Caribbean in the discussions about what should replace Lomé IV. In June, he attended a consultative session of the Commission's Green Paper organised in London by the UK Government. Here, we publish an abridged version of his speech – in which Sir Shridath spoke forcefully about the importance of ACP solidarity.

I have been asked to speak from a Caribbean perspective on 'the argument against splitting the ACP'. Let me make clear at the outset that the Caribbean is now not just the familiar CARICOM Group of English-speaking countries but CARICOM enhanced by Dutch-speaking Suriname and now subsumed for present purposes into the CARIFORUM Group – which includes French-speaking Haiti and the Spanish-speaking Dominican Republic. We are perhaps now the most multi-lingual part of the ACP.

And I must make something else clear. I am perhaps not the most neutral person to speak about the 'splitting' of the ACP Group. Modesty forbids me claiming paternity; but I was among the 'founding fathers'. That 'ACP' logo – which I am glad to see has passed the test of time – was drawn in my office in Guyana's Foreign Ministry. So I speak with some awareness of what were ACP hopes and ambitions back in 1975.

Lomé I was a Treaty between the European Economic Community as it then was and 46 countries of Africa, the Caribbean and the Pacific. It was after we signed that Treaty in Togo that the ACP was formally created by the Georgetown Agreement of 6 June 1975. To understand how we got there – and what 'splitting' the ACP Group means I must recapitulate a little.

Twenty-five years ago, in mid-1972, what were to become the ACP countries were the 'Associates' and the 'Associables' as Europe saw them. The pressure from Brussels was for an arrangement which reflected one of the 'options' the Community had prepared and packaged in Protocol 22 of the Treaty of Accession. These options included allowing 'Associables' to join the existing 'Associates' in a revised Yaoundé Convention, a separate Arusha-type Convention for the 'Associables' under article 138 of the Rome Treaty, or a simple trade agreement. What eventually emerged, despite Community mythology to the contrary, was a *sui generis* agreement – the Lomé Convention. The fact that such an agreement was able to emerge from the negotiations held between 1972 and 1974 was in large measure attributable to the emergence and solidarity of the ACP.

Driving that thrust for ACP unity was the determination of 'Associates' and 'Associables' alike that the nature of their economic cooperation with the Community, consequent on its enlargement, would not be in the mould of 'colonial' arrangements, but be responsive to their yearning for a new economic order in the world and their commitment to South-South cooperation. The negotiating countries were there because history, including European colonialism, brought them there; but the Lomé Convention was not about post-colonial reparation. Some of the European partners did not carry that baggage at all – as most of the new partners do not. But all carried a responsibility for cooperating with this group of developing countries whom history had brought into cohesion and into a unique relationship with an enlarging, integrating Europe.

This is not just reflective analysis. In my own first words at the opening of the ACP-EEC Conference on July 26 1973, speaking then on behalf of the Caribbean, I said:

'...so long as our negotiations are conditioned not by the precedents of a passing era but by a resolve to identify a model of relationships more relevant to the needs and the mood of the 1970s and beyond, there is no reason to doubt our joint capacity to devise it.... We seek from the Community arrangements for cooperation in the area of trade and economic development that are just, enlightened and effective – arrangements informed by past effort and experience but determined by the criteria we establish for relationships of the future.'

And that is what we did. The result, as I said in Lomé, was not as just, as enlightened or likely to be as effective as the ACP would have wished; but the effort was about newness – a new partnership, a new way of cooperating for development. Europe, in the end, helped to make it possible, but it was ACP insistence that compelled it.

That insistence came, as it could only come, through solidarity forged resolutely by the ACP. In the short period between 1972 and 1974, ministerial meetings were held in Lagos, Nairobi, Dar-es-Salaam, Abidjan, Dakar, Kingston and Accra. Abidjan was where a united African approach to the negotiations was forged, with the adoption of the 'eight principles' that the ACP as a whole would subsequently adopt.

At the first meeting, held in Brussels in July 1973, each ACP region had its own representatives. This was the only time this happened. Therafter in the negotiations, they spoke to the Community with one voice. It was often an African voice, sometimes a Caribbean or Pacific one, but always one that represented the whole Group. At the final negotiating session with European ministers, the ACP's spokesmen on the key sectors came from Gabon, Mauritania, Guyana, Fiji, Jamaica and Senegal.

'Unity is not won easily but the cost of losing it is dear indeed'

My point is that it was ACP solidarity, unity and togetherness that made the Lomé Convention possible at all – and made it possible as a new way forward, not an old way reinforced. That solidarity was hard won; it united Africa as never before in its economic relations with Europe (at least to the extent that they were covered by the Convention) – and I like to think the Caribbean made a contribution to that. A quarter of a century of working together as the ACP has not been without its strains; but who knows better than Europe that while unity is not won easily, the cost of losing it is dear indeed.

The time has come to move on. The world has changed, and post Lomé IV arrangements must take account of these changes – as the *Green Paper* has in this respect correctly observed. But I am as certain as one can be of anything in these uncertain times, that if those updated arrangements are to be worthy of the efforts we are about to undertake they must be founded on the rock of ACP solidarity – in the interest of the ACP of course, and I suspect in the interest of Europe too, but most of all in the interest this time of truly just, enlightened and effective arrangements. Notions of 'splitting' the ACP do not offer a pathway to such arrangements.

Let me add another dimension. Europe, in its approach to the negotiations, can obviously contribute to the 'splitting' of the ACP – even without wanting to. Ideas like 'differentiation', 'regionalisation' and, most pertinently, 'graduation', can work in this direction – though not necessarily so. But let it not be forgotten that for all its closeness to the Lomé process, the ACP does not exist solely on the basis of the Lomé Convention. It can be split only by the ACP itself, as Europe can be split only by Europe itself. I have talked already about the Georgetown Agreement – the ACP's organic instrument. It is instructive that when last month, South Africa acceded to the Lomé IV, our 71st ACP member country simultaneously, but separately, signed the Georgetown Agreement. South Africa became a member of the ACP Group not by signing the Convention but by signing the Agreement. That Agreement does not end in February 2000. Under it, the ACP countries are obliged *'to define a common stand for the ACP Group vis-a-vis the EU'* on these matters.

So let us think positively of new arrangements between the EU and the ACP Group of countries – which is today the most structured example of North/South economic cooperation. With imagination and a willingness on all sides to be creative, post-Lomé arrangements can be a model that accommodates the needs of the peoples of all the partner countries as we go into the 21st century. That very South African experience of joining Lomé has demonstrated the capacity of the Convention to accommodate quite substantial differences in the situation of ACP states.

The Caribbean countries wish to negotiate such arrangements, and will not lack in imagination and creativity. But we will not lack either in resolve to protect the interests of our people. We will not be impressed by arguments which sacrifice or imperil those interests on the alter of fashionable doctrine. We will insist on our special needs as small states, impoverished in real terms, being acknowledged for the reality they are. We will seek this in the interest of human security in the Caribbean. We will seek it in the interest of sustaining our democracies – some very old, some very new. We will demonstrate why these two objectives must be pursued in tandem.

'Indiscriminate and insensitive ideology masquerading as the new order'

For us this is no theoretical exercise in future planning. We are living through the terrible experience of the threat to our small societies and fragile economies at the level of bananas – the kind of threat that arises for people, some among the poorest, when arrangements designed to redress inequality – like the Banana Protocol – are threatened by indiscriminate and insensitive ideology masquerading as the new order. The Caribbean does not seek a future dominated by a culture of preferences; but it *does* seek a future. We believe we have a right to do so; and the EU has a responsibility to help us. We look specially to Britain for understanding and practical support in this matter.

Bananas are a warning to us of the serious implications of the post Lomé IV negotiations. A part of that warning is what we must do to live in this new world; what dangers we must guard against; what opportunities we must take; above all, what we must do to prepare ourselves for the vicissitudes of the future. But it should be a warning to the EU too of what must not be undone; how the best of Lomé must be strengthened; how the rest of Lomé must be improved and how new approaches and arrangements must enhance this unique partnership between almost half the world's countries.

S.R.

An educational snapshot of North-East Somalia

A pilot survey, conducted by three researchers[1] in the Bari area of Somalia, provides some useful data about literacy levels and educational provision available locally. Since the overthrow of the Siad Barre regime in January 1991, Somalia has had no central government and in parts of the country, clan conflicts are still taking place. However, Bari, which is in the far north-east, is largely peaceful. It has a functioning regional administration and significant trading links with the countries of the Arabian peninsula.

The survey, the results of which were published in August, highlights the scale of the challenge facing the authorities, notably in broadening educational access for young people. The researchers interviewed 411 randomly selected adults over a ten-day period in March. The latter answered a series of questions about their own education needs and literacy levels, their children's schooling and their radio-listening habits.

Information about 1263 children was gathered in the interviews. Of these, only 14% were receiving formal schooling with boys outnumbering girls by almost two to one. The researchers acknowledged that the overall percentage of children in 'official' schools in the region was probably less, since the sample was weighted in favour of urban areas. Significantly, 37% of children were receiving Koranic tuition and 15% were involved in other educational activities. These figures underline how non-formal approaches to education have been developed to fill the gap left by the public authorities.

Allowing for overlaps (children getting both formal and non-formal tuition, or both Koranic and other non-formal education), just over half the sample was benefiting from some schooling. 48% received no structured education and among girls, the proportion was almost two-thirds.

Replies to questions about their own educational achievements revealed that two thirds of adults can read and 60% have basic literacy and numeracy. Interestingly, the percentages for 'declared' and 'proven' literacy were almost identical – which shows that the people of Bari are honest in replying to questionnaires.

The proportion of adults who had received further education in one form or another was encouragingly high (38%). Here, the gender bias was reversed, with significantly more women than men involved. More than 40% of respondents (male and female) were able to speak a second language.

In replies to questions about their educational needs, many interviewees revealed wider preoccupations including, not surprisingly, the desire for peace, the restoration of legitimate government and a better quality of life. More specifically, subjects such as getting a job, having access to everyday materials, and the possibility of migrating were mentioned. Concerns about water supply and managing during drought periods rated highly in this arid region. As for education, people naturally wanted better opportunities both for themselves and their children. A desire was also expressed for improved access to information.

78% of respondents said they had listened to radio at some point during the preceding year (70% in the previous week and 54% the previous day). 68% of households had radio sets but a significant number of people were unable to use these at times because of power cuts or difficulties in obtaining batteries. Over half of those questioned felt that radio should be used to broaden education in Somalia with many supporting the idea of specific programmes for this purpose.

Given these replies, the researchers suggest that radio is probably the best medium available for developing education, particularly in the countryside and in areas containing internally-displaced people. As a practical measure, they recommend that educational programmes should include the provision and distribution of batteries, and of 'wind-up' or solar power radio sets.

Given that Bari is one of the most peaceful and organised regions of Somalia, the figures for young people's education make worrying reading. It may be possible to learn to read and count without structured teaching, but it is obviously a lot more difficult. In this context, the fact that literacy rates among adults are higher than school attendance rates among children should ring alarm bells. The educational vacuum left by the civil war may have been partially filled (mainly by the religious authorities) but it is still the case that a new generation is growing up with less access to schooling than their parents enjoyed. S.H.

[1] Main findings of an education survey in the Bari area of Somalia, conducted by A. Abdi (UNDOS), J. Antoine and A. Khan (World View).

Selected survey results

	Number	% of total sample	% female
Children (sample 1263)			
Receiving formal schooling	178	14	34
Receiving Koranic education	471	37	38
Involved in other educational activities	194	15	35
Total receiving education	653	52	37
Adults (sample 411)			
Declared literate	278	68	45
Declared numerate	262	64	45
Both literate and numerate	246	60	43
Involved in further education activities	157	38	49
Speak other languages	167	41	42

The creation and development of industrial enterprises: a new approach

by Fernando Matos Rosa*

Since the first Lomé Convention came into force, the main concern of the partners has been to create the right conditions for the balanced development of the developing states in question. However, as preconceived ideas of development have evolved and the instruments and mechanisms of support have become more specialised, it is natural that today's concerns are no longer exactly the same as yesterday's. What was perceived as a priority 30 years ago is probably still a priority today, but it has now been incorporated into a broader, more harmonious whole which encompasses new priorities as well. In any case, the ultimate objective – providing the people of developing countries with improved well-being and living standards – can no longer be left to the initiative of governments alone. It is just as much – and indeed increasingly – a matter for society and the private sector, given the important role the latter plays in job creation. To achieve the goals of development, there remains a need to create new enterprises, develop trade and, of course, continue building the basic infrastructures and get them working. Similarly, we need to improve the business environment, basic education and vocational training. The Centre of the Development of Industry (CDI) certainly has a part to play.

The CDI was set up 20 years ago, at a time when the Lomé Convention was still in its infancy. The place of the private sector and SMEs in development was different then. In most cases, they were seen as 'important but not essential'. The CDI, in those days, presented itself as a 'marriage bureau', encouraging the establishment of joint ventures with European partners. Its success was modest, bearing in mind the conditions that existed at the time.

Confronted by recent changes, the CDI has successfully adapted to its new priorities. Calls upon its services have increased over the years, from about 190 actions in 1993 to more than 600 in 1996. New projects now account for only a third of the total, the remaining two-thirds being existing projects, with the assistance of the Centre being sought for rehabilitation or expansion of business activities. The most important point to note is that 60% of the projects are strictly local, with no foreign partners. The concept of partnership itself has, in any case, changed, moving away from a straightforward joint venture with a participating interest in the capital, towards a broader concept of technical and commercial partnership.

The CDI has developed a comprehensive service approach, very close to the firms, in the framework of its role as a provider of direct assistance to industrial companies. As far as existing enterprises are concerned, it is rare for problems to be exclusively due to production factors. The CDI, therefore, carries out an in-depth expert analysis of the enterprise before embarking on long-term assistance. On the other hand, where new ventures are concerned, it plays a critical part in finding the right scale for the project and taking the right market approach. This comprehensive, multifunctional service philosophy is an example that is still virtually unique among multilateral institutions. It is a form of assistance designed to be highly diversified, covering every phase of the project cycle, from conception to production, with the exception of financing.

Although it is not itself a financial institution, the CDI works closely with the European Investment Bank (EIB). Within the framework of the Lomé Convention, good operational coordination is ensured both with the bank and with the European Commission. The Centre also cooperates with financial development institutions (especially in Europe), such as the EDFI Group (40 projects in 1996), the International Finance Corporation (IFC) and the African Development Bank (ADB). This is not to mention our work with large numbers of development banks, risk capital funds and guarantee funds in the ACP states. In this area, the CDI's role in helping to set up financial packages is expanding rapidly and is much appreciated by promoters. In addition, the Centre is able to provide advice on project financing options, while encouraging improved project structuring by reference to the characteristics of, and markets for, the products in question.

Collaboration which is appreciated

It would be wrong to see the role of the CDI as being merely that of an administrative facility. Half its executives are actually employed in technical functions. These are extremely important for new projects (conception, establishment and production) and existing ones, where the issues are restructuring, rehabilitation and the expansion or diversification of industrial units.

Although a good number of the Centre's actions originate in requests from promoters, most arise from the CDI's own initia-

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(Fiji Ministry of Information)

Industrial operation in Fiji.
Confronted with recent changes the CDI has been able to adapt to the new priorities

tives. For some years, the CDI has implemented a policy of concentrating on specific sectors and subsectors which offer the potential for creating and developing enterprises in the ACP states. One example is agro-industries, which account for about 40% of its activities. The CDI has organised propagation, contact and promotion schemes in various subsectors, ranging from production of packaging to the export of organic farming produce (including fruit and fruit processing, specific dietary products, etc). A further example is the production and processing of meat, poultry and ostrich. Other sectors benefiting from the Centre's services are skins, leather, footwear, woodworking, textiles, clothing and ornamental stones.

At present, more than 40% of the CDI's activities originate with initiatives in specific sectors. Others arise from the industrial fora which it organises jointly with the European Commission. In these cases, the issue is the monitoring and establishment of contacts in order to consolidate projects that come into existence between European and ACP partners.

As the CDI's services are based in Brussels, it has established many contacts within the ACP countries and the Member States of the Union. As far as the former are concerned, these networks are in the form of more than a hundred branches, while in the latter the CDI has signed cooperation agreements with 42 European promotion, development and trading institutions, both regional and national. The Centre thus maintains active, daily cooperation with the various instruments and mechanisms of development cooperation in Europe. The activities of the CDI here are well known and appreciated by most European institutions – which are involved in the joint financing of the bulk of its projects. It should be noted that a European or ACP partner does not have to approach the CDI directly. Its ACP branches or partner institutions in Europe can arrange the establishment of contacts and the preparation of the files.

The Centre's activities and the number of projects it assists have increased year by year. This prompts a thought for its future. Since the institution is clearly oriented towards the private sector (98% of projects have private-sector partners), it will be important to ensure that future needs are satisfied, and that it is ready to deal with the changes resulting from economic recovery in a good many ACP countries. Already, more than 50 ACP states have recognised the development of the private sector as being important or very important for their economies. The CDI, for its part, will have to speed up the decentralisation of its activities. This has already been done in a small number of ACPs, working in conjunction with the European Commission.

It will also be necessary to broaden the mandate of the Centre (presently confined to industry) to include the service sector, converting it to a centre for the development of business. This, of course, will involve providing assistance to local institutions, vocational and technical training departments, financial institutions involved in project evaluation, and companies supported by risk capital and guarantee funds.

Even though the development of private economic activities is not a universal panacea, the IMF is predicting a 6.4% growth rate for the developing countries during 1998 – much higher than Europe's 2.8%. The prospects are encouraging and, to the extent that it can with the resources available to it, the CDI aims to plays an ever more active role as a reliable partner in development.

F.M.R.

EUROPE

The fight against AIDS ten years on

by Marijke van Hemeldonck*

Dynamism and generosity are the hallmarks of the European Union's development policy. The same is true of its anti-AIDS campaign which is characterised by flexibility, the competence of the services who deal with the subject, and the remarkably democratic way in which EU institutions operate.

Back in 1981, it was no more than a rumour or perhaps two ignoble rumours replete with prejudice and racism. The first was that a terrible plague was threatening public health world-wide, affecting, in particular, a poor, weak population in the Caribbean. The second was that in this new disease, the gods had placed a curse on certain sexual minorities. We didn't want to believe it was all happening.

Around 1984, the rumour was confirmed by science. The human immunodeficiency virus (HIV) was tracked down and identified and, for the first time since the great epidemics of the Middle Ages, all humankind seemed at risk from an unknown pandemic of terrifying proportions. Everyone was horrified, but this time we believed it.

We went into action, and it was not long before the EU institutions (in many cases well in advance of the Member States) began to take the HIV/AIDS factor into account when working out and implementing their actions and programmes.

A political challenge

The size of the political challenge could be measured by the obstacles that stood in the way of intervention by European or government agencies. In the initial stages of the epidemic, there was much political activity in an attempt to define a legal framework which would allow the disease to be kept in check. Public health policy had to be reoriented, health structures strengthened, and social and civil solidarity with AIDs victims developed. But the public, the press and the decision-makers were not yet fully aware of the gravity of the problem. Any political decision meant taking a risk, because everything was so unfamiliar – so it required extraordinary courage and commitment. Moreover, it was possible that EU action might come up against the argument put forward by at least two Member States at the time – which was that the Treaty of Rome did not give the Community any competence in the area of health policy.

Vice-President *Lorenzo Natali* was the first to take on the political risk. He resolutely set the Commission on the road towards intervention, giving more emphasis to the spirit of the Treaties than to their letter. He went before the European Parliament's Development Committee to explain his approach, arguing that, under the Lomé Convention, Europe had a duty of solidarity and concern for the welfare of people living in the developing countries. This led to the launch, in mid-1987, of the Commission's AIDS programme. This was initially set up in the framework of cooperation with the ACP states but from 1988, it was extended to cover all developing countries.

The approach attracted wide support from the EU institutions and the Commission services. Indeed, a few MEPs broached the subject at the ACP-EC Joint Assembly in autumn 1984. The Assembly discussed the issue but was unable to recommend a policy because of the disinformation emanating from the national authorities in the countries concerned. For its part, the European Parliament actively encouraged the Commission's action with budgetary proposals from the Development and Research Committees and other specific resolutions.

On 23 July 1986, the Council of Ministers, in turn, gave its backing. With this, the European Union became the World Health Organisation's main partner in the campaign against AIDS, and the top donor in global terms – thereby proving that it is much more than merely a 'Common Market'.

Institutional flexibility

A special Health/AIDS Unit was set up in the Commission's Development Directorate-General (DG VIII). Thanks to particularly well-informed officials, and a group of experts from outside, the EU was able to adapt and redirect its strategy in line with developments in knowledge about the disease and experience acquired in the field.

What initially appeared as an urgent operation in response to a lightning-fast epidemic, evolved over time into an integrated policy. The original 'public-health problem' was quickly recognised as a society-wide problem encompassing aspects such as poverty, inequality and social status.

It is estimated that some 30 million people are HIV-positive and 90% of these are in the developing countries. Given the extent of this disaster, it was imperative to deal with the most pressing and essential aspects: prevention programmes, the security of blood supplies, support for research, and strengthening of the health sector. The most urgent issues were to assess which health problems were specific to women and children, to eliminate risk factors and to monitor fresh outbreaks of other transmissible diseases among exposed populations. To this end, from 1987 onwards, the EU has distributed more than ECU 159 million to 365 programmes in the developing countries, particularly for prevention and support actions.

* Former Member of the European Parliament.

There is still no effective vaccine but, in the industrialised countries, recent developments in the treatment of sufferers affords a measure of hope. The prospects for HIV-positive patients in the developing countries, however, remain a matter for grave concern. There seems to be no relief for their suffering and that of their families. Public-health systems are collapsing, social budgets are exhausted, the pool of qualified personnel is diminishing, people are drifting away from the countryside towards the towns (with the land they leave behind reverting to desert), children are receiving no education and the traditional structures of family and local community solidarity are being eroded. At the most recent Davos Summit, President *Nelson Mandela* called on international donors to take account of the long-term socio-economic consequences of the pandemic.

The EU's anti-HIV/AIDS campaign is well regarded by other specialised agencies in the field, including UNAIDS (the UN's common action against AIDS) and the World Bank – which are its partners in the developing countries. The image of the Vice-President of the Commission, *Manuel Marín*, willingly giving blood at an EU-funded blood bank in Uganda, was seen as symbolic of Europe's ongoing commitment to the fight against AIDS.

Media aspects aside, the role of democratic dialogue in the campaign against the disease cannot be underestimated. Since the crisis emerged, representatives of ordinary people have been given information, formed associations and been consulted about the AIDS programme, through the Joint Assembly and the European Parliament. The ACP-EU Council of Ministers, the Commission and the Member States have met on a regular basis for consultations aimed at improving their cooperational approach. And through close collaboration with NGOs, the EU has been able to extend its action, enabling it to reach those who might be regarded as on the 'bottom rung' of society's ladder. So, while the pandemic clearly represents a serious threat to family structures and society, the effort mobilised against the 'plague' has also prompted democratic innovation. The desire to preserve human dignity amid distress, to respect individual choice and differences, and to protect the weak and underprivileged have led several states to pay more attention to the rights of the individual, to expand social protection and to build a more tolerant society.

The Courier

Vice-President Manuel Marín visiting the Nakasero Blood Transfusion Centre, in Kampala, which was rehabilitated with EDF funds

It cannot be denied that, in the long term, AIDS is a threat to the very basis of society and traditional culture in developing countries. However, EU aid has caused family and local structures and traditions to be reexamined or remodelled, communications to be adapted and modernised, and culture and concepts of life itself to be looked at more closely.

The EU, together with other bodies, is involved in the organisation of an international colloquium on *Religion and AIDS* which will be held in Senegal. This is in response to a wish expressed by the Joint Assembly which called on traditional and religious leaders to carry out a review of the human condition and basic values, to update their precepts and practices to take account of HIV/AIDS, and to guide citizens towards solidarity and tolerance.

In the ten years since its campaign against AIDS began, the EU has demonstrated the democratic vigour of its institutions, the flexibility of its interventions, the vigilance and competence of its staff and, above all, its genuine commitment to development and to people in distress. Ten years of action, however, have not prevented the disease from progressing and the scourge is still with us. This year, solidarity will again be expressed in the form of new budget appropriations, new strategies and new initiatives. Even the worst Eurosceptic cannot deny that the 'Common Market' – the predecessor of the Europe of the Twelve and forerunner of the European Union – has developed a humanist strategy to combat AIDS. M.v.H.

From Dahomey to Benin

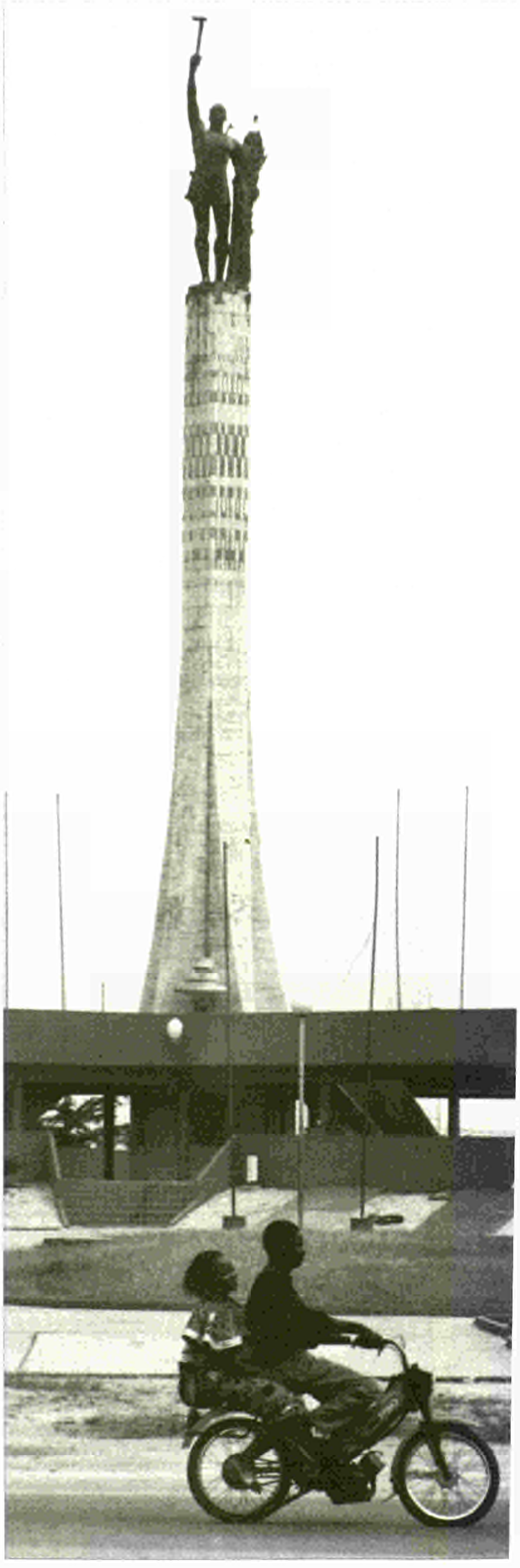
The vagaries of history

Abomey, some 130 kilometres from Cotonou, is today the main town of the Zou district of Benin. In former times, it was the seat of a powerful kingdom. The local chief, *Dan*, is reputed to have exclaimed in exasperation: 'Enough – you'll soon be building on my stomach!', referring to the ambition and impatience of *Aho*, grandson of the chief of *Allada*, another kingdom to the south. His words were prophetic. Sometime later, Dan's mortal remains would be buried in the foundations of an Aho house. *'Dan ho mé'* means literally, 'in Dan's stomach', and from this, it is said, came the name 'Dahomey', the country that is now known as Benin. (This story may be apocryphal. There are other interpretations of 'Dahomey', depending on which witch-doctor you ask). What is not disputed is that Aho founded the kingdom of Abomey, derived from 'Agbomé' which means 'fort precincts' in the *fon* language. From the fortifications, a town developed and there is widespread agreement that this is Benin's 'mother-city'. A king, together with his court, still reigns there amid relics of the past. These include sad reminders of the area's importance during the slave trade, which saw thousands forcibly transported to the Americas.

A visitor to Benin will also be struck by the widespread freedom of speech. Gone are the days of Marxism-Leninism and the atmosphere is now very businesslike. Nowhere is this more striking than at the 'Djonké' roundabout in Cotonou, where you can hire a taxi and go all the way to Nigeria. The *Naira* (Nigeria's currency) is as acceptable here as the CFA franc. Indeed, Benin's capital is a showcase of economic liberalism. The roads seem to be filled with vehicles – a never-ending stream of cars and lorries, and hundreds of motorcycles that dance an intricate ballet as they weave in and out of the traffic. During the rush hour, central Cotonou is gridlocked. The city has not been able to cope with the increase in vehicle ownership which has tripled in Benin in the space of eight years. The old bridge spanning the lagoon groans under the weight of the traffic. It is a part of the main route linking Cotonou with Nigeria in the West and Togo in the East. Paradoxically, given the air pollution, Cotonou and its port are the lungs of the national economy – and they have never been so busy.

Politically, events have turned full circle in Benin with the return of *Mathieu Kérékou* to the Presidency. Having held power for 18 years during the Marxist-Leninist period, he bounced back to defeat the democratically-elected incumbent *Nicéphore Soglo*. There are few signs, however, of an economic 'U-turn' – which is significant for businesspeople, including the many who are involved in the informal economy. The era of state economic management has passed and those who were regarded as dissidents during the Marxist-Leninist period have been 'rehabilitated'. Privatisation, begun under the first Kérékou regime and pursued under Soglo, is continuing. Trade, transport and the informal sector are all still 'surfing' on the wave created by burgeoning consumerism. Now, as before, the country's main economic activity is trade with its neighbour, Nigeria. In 1996, earnings from trade and transit activities accounted for almost 50% of GDP. Agriculture and industry accounted for 38% and 13%, respectively.

Mathieu Kérékou won the second round of the March 1996 presidential election with 52.5% of the vote against 47.5% for Nicéphore Soglo. His victory deserves to be seen as a measure of the country's political dynamism. As yet, there are not very many examples in the Third World of incumbent presidents being beaten in a free and fair poll. In fact, the margin of victory was small – just 95,000 votes out of approxi-



The Courier

A relic of the Marxist-Leninist era.
Red Star Square

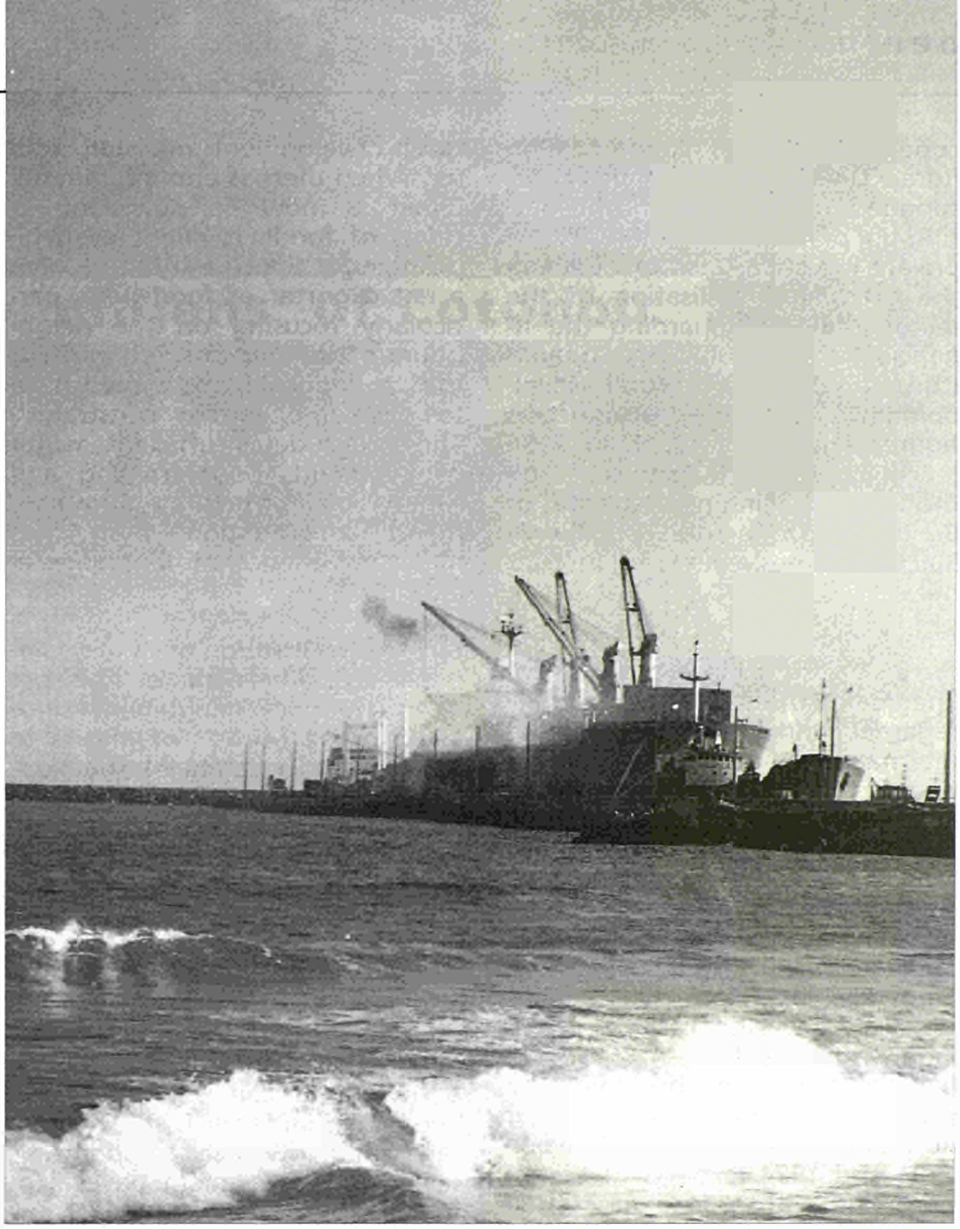
mately 2 million cast. Mathieu Kérékou's return to power should not be seen as an indictment of the democratic process, but rather as evidence that the system is running smoothly. Kérékou himself used a rather apt analogy when he said during the electoral campaign, that the 'chameleon' had climbed back to the top of the tree. In fact, he chose the chameleon emblem because it is the symbolic animal of Akaba, one of the ancient kings of Abomey. But reassuringly for business, it suggests that old rulers have adapted to new circumstances.

The number of political parties involved in government reflects the mood of electoral restlessness which characterised the 1996 campaign. There are no fewer than eight parties in the administration (and 48 overall in this nation of just five million people). Although accepted as being broadly fair, significant shortcomings were observed in the way the poll was conducted. These included a lack of polling-station equipment, the late opening of polling stations and multiple cases of fraud in the first round. Indeed, the Constitutional Court issued a statement to the effect that 'the unsatisfactory organisation' was 'likely to compromise the legality and transparency of the elections'. It recorded fifteen types of irregularity and also declared null and void 22.8% of the votes cast in the first round.

At the same time, the results demonstrated the population's geniune interest in the country's affairs. The vote confirmed the defeat of the outgoing president, whose support had collapsed in the centre of the country, and the re-emergence of General Kérékou. Benin's democratic model, which first sprung to the attention of the world at the national conference attended by the 'great' and the 'good' of the country in the early part of this decade, has been reconfirmed. Since the end of the Cold War in 1989, Benin has gained the reputation as a leader of the democratic movement in West Africa.

A smooth path to liberalisation

Benin's transition to democracy was triggered by the economic collapse which led to the downfall of the previous system for managing public affairs. The results of the national conference may have been extraordinary, but it should not be assumed that renewed political stability means all the obstacles to sustainable development have been overcome. The initial transfer of power from Kérékou to Soglo could be attributed to the financial collapse and the rebirth of open politics. The popular view is that the explanation for the recent swing back to the country's old leader lies in the former government's failure sufficiently to change the way in which public affairs were administered.


The Courier

Cotonou Port.
Half the country's GDP comes from re-export activities

Owing to its geographical position, Benin is a gateway to the sea for the landlocked countries of the hinterland and, as mentioned earlier, it earns about half its income from commerce and the re-export of goods. Most of these transactions, however, take place in the informal economy, which means that revenue from taxation does not reflect the tonnages exported.

Two thirds of the working population is involved in agriculture, notably in the cotton sector. Benin is one of the top cotton-growing countries in Africa (in third place behind Egypt and Mali) and is the eleventh largest producer worldwide. 15 years ago, the country produced just 14,500 tonnes of cotton and a decade ago, like the rest of the economy, the sector was struggling, recording a deficit of CFAF 6 billion. An overhaul was initiated in 1988, when Benin launched its structural adjustment programme. By 1991, production had soared to 177,000 tonnes. The problem now was that the growers were surpassing the country's ginning capacity. The 1990-1991 season produced a cotton surplus worth CFAF 2 billion with the cotton gins only able to cope with 140,000 tonnes. The Rural Development Ministry responded by authorising the setting-up of new ginning units by private investors, thereby allowing the gradual liberalisation of the sector while safeguarding the financial equilibrium of Sonapra (the National Agricultural Development Association). Production figures jumped by 33% in 1996 reaching 350,000 tonnes – although the ginning capacity of Benin's twelve factories is still only 300,000 tonnes, even working flat out.

Cotton is thus a key driving force in the country's economy. The quality of the product is highly regarded and it sells well on the international market. As mentioned, the problem since structural adjustment was initiated, is that more raw cotton is being delivered than local industry can handle. And institutional reform of the sector, involving the transfer of management of raw-cotton ginning facilities – formerly administered by regional rural development action centres – to Sonapra, has not solved the problem. The sector's economic contribution is nonetheless impressive. Between 1991 and 1994, exports of cotton fibre and cotton seed accounted for more than 74% of the total value of Benin's exports. In 1995, the proportion rose to 87%.

Food crops are also doing well with marked increases in the production of beans and, more recently, pineapples. According to ministry sources, bean production rose from 44,000 tonnes in 1988 to 62,000 tonnes in 1992. Overall, agriculture has expanded at an average annual rate of 4% over the last two decades. Finance Minister *Moïse Mensah*, who is a former rural development minister, told us; 'When there is enough rainfall, Benin is now self-sufficient in terms of food'. It might even be possible for the country to become a net exporter of foodstuffs, particularly focusing on the neighbouring Nigerian market, but for this to happen Benin would have to overcome certain constraints. These include insufficient water management, poor training and supervision structures, environmental degradation, bush fires and the absence of land legislation.

Privatisation of public companies continues apace. This has been a donor 'requirement' since 1988 in the context of efforts to reorganise and stabilise the budget under the structural adjustment plan. The cement, brewing, textile and tobacco sectors have all been sold off. Indeed, six major public companies had already gone over to the private sector before the end of the first Kérékou administration. The process of liberalisation continues, much to the delight of foreign companies (82% of investment comes from abroad). The industrial fabric is still in its infancy and low levels of domestic saving and investment have a lot to do with this high figure for foreign involvement in the economy. Viewed as a success by the IMF, the privatisation process has also enabled companies to start operating again at a profit, now that fixed price systems have been abolished. Public investment programmes in the 1997 draft budget look set to allocate substantial sums to the production sector.

Fuel from Nigeria.
The prices charged at these 'petrol stations' cannot be bettered

The Courier

The informal economy

Informal trade between Benin and Nigeria still provides a livelihood for a significant proportion of the population, particularly amongst the Yoruba, who are reputed to account for 70% of the re-export trade in textiles from Benin to Nigeria.

Trade between the two countries involves a large number of other goods as well and Yoruba saleswomen can always be seen at the travelling fairs and markets along the border with Nigeria. The Beninese sell rice, spirits and cigarettes to the Nigerians and in return, purchase vehicles, beverages, radios and, above all, petrol. Benin's customs authorities estimate that some 300,000 litres of fuel – the equivalent of 60% of Benin's imports – cross the border illegally every day.

Drivers and *'zemidjans'* (riders of taxi-bikes) take advantage of such smuggling activites, to the detriment of the state's coffers and those of Sonacop (the National Petroleum Product Marketing Company), which has the official monopoly on fuel distribution. There are thousands of outlets for Nigerian petrol along the borders with Nigeria and Togo. It is a business which the Nigerians prize highly because they are paid in CFA francs – which are convertible while the Nigerian *naïra* is not. The state turns a blind eye and allows the situation to continue because petrol smuggling provides a living for many unemployed workers as 'street-corner' traders.

The 'black' economy is part of everyday life in Benin and has increased in size in the wake of company closures and cutbacks in public service. Many of those who have lost their jobs try their hand at commerce, setting themselves up as pavement traders. The trouble is that as the informal sector goes from strength to strength, the state loses ever more revenue. Nevertheless, mouths are fed and social tensions are moderated somewhat. From a trading standpoint, Benin is clearly an 'entrepôt' state. Scarcely 20% of imports are consumed locally, the remainder being re-exported to landlocked countries in the hinterland.

The 'Zemidjans' of Cotonou

Special training and qualifications are not required – if you want to earn a living in public transport, all you need is access to a motorcycle. The *zemidjan* (taxi-bike) sector has prospered in the economic turbulence. Unemployed university graduates can earn enough to support themselves and civil servants can boost their monthly income. A journey in Cotonou will cost you CFAF 100 – or perhaps more, depending on the length of the trip and whether or not you know the dialect. The 'taxi-bikes' run from five in the morning until well into the night and have stolen the show from conventional public transport. The riders are easily recognisable in their yellow tops.

'I've got a piece of paper to prove I've passed my exams, but I don't have a job', one of these young entrepreneurs told us. 'But if someone were to offer me a job right now, I would refuse it. I can earn more than enough riding my bike!' A quick calculation confirms that he is right. A taxi-bike operator can earn CFAF 5,000 daily (and up to CFAF 10,000 on a good day), grossing perhaps CFAF 150,000 a month. The busiest time of day for most *zemidjamen* is the rush hour when civil servants, school pupils, traders and housewives are out and about.

There is never a shortage of customers – and the bike riders have no hesitation in upping the fare when buses are in short supply during peak periods. Their trade is highly valued by the Beninese and the sector is well-organised. Proof of this is the fact that comfortably off civil servants are investing in bikes which they 'lease' to the *zemidjamen*. In most cases, the riders sign a proper contract before the competent authorities. Our driver confided that the bike he rides belongs to a secondary school teacher, and he pays CFAF 1,500 a day to the owner in rent. After two years, the bike will be his. He arranges his day so that he earns the owner's CFAF 1,500 early in the morning and then has the rest of the day to work for himself. Even bound by such a contract, the *zemidjan* rider does well. This 'industry' is also helped by Cotonou having a distribution centre for two-wheeled vehicles of all kinds.

The *zemidjamen*'s day begins at five in the morning. Around ten o'clock, he breaks for a breakfast of beans and maize flour. This keeps hunger at bay until about one in the afternoon. After another break, work recommences at 2.30 and goes on until 5 p.m. when the children come out of school and civil servants leave for home. At around 10 in the evening, it is time to call a halt, wash the bike and, before taking it back to the owner, fill it up for CFAF 1000. When all expenses have been deducted, the rider can expect to take home a net profit of at least CFAF 4000. At this rate and by working six days a week, he can earn CFAF 100,000 a month.

The petrol, purchased from itinerant dealers, will almost certainly have been smuggled in from Nigeria. No other suppliers can compete on price. The system is highly organised, enabling petrol to be sold at CFAF 150 per litre (the official Sonacop pump price is CFAF 275). The system suits everyone concerned (except perhaps, Sonacop): the customers appreciate the flexibility that this mode of transport gives them and the *zemidjamen* make a reasonable living, while looking forward to the day when they can own their bike themselves.

Sadly, the prospering of the cotton sector and the informal economy is not reflected in the country's social indicators. According to a recent UNDP study, 55% of those living in towns and cities survive on less than CFAF 66,000 (ECU 100) per annum. In rural areas, the situation is even worse, with households getting by on an average of just CFAF 56,000 per annum. With more than a quarter of the working population in urban areas now unemployed, the situation is giving the government increasing cause for concern. Another headache for the government is the voluble criticism it has encountered from the opposition concerning its ambitious national employment programme. This was launched in June 1996 with a promise to create 20,000 jobs. The opposition has formed mainly round the party led by *Rosine Soglo*, who is the wife of the former President.

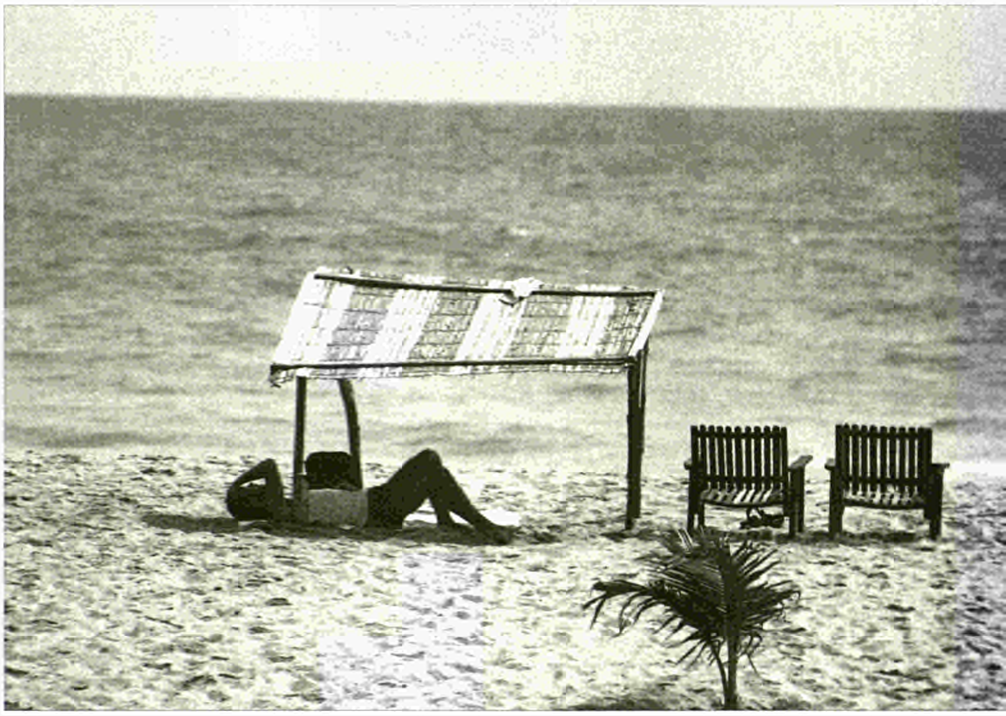
Not the least of the government's challenges is clearing the salary arrears owed to civil servants. These result from the problems encountered by the Finance Ministry in the 1980s. The debt has still not been fully settled and, despite the fact that a plan to balance the accounts enabled CFAF 5.8 billion to be paid over in 1996, there are still CFAF 10 billion outstanding.

Boosting tourism

Tourism currently makes only a small contribution to Benin's economy (2.5% of the GDP in 1993), but the combination of culture and economics looks set to make it a more powerful factor in the country's economic and social development. Benin has a rich and varied heritage, capable of meeting a wide range of demand (spas, cultural and safari tourism, etc.) – were it not for the poor condition of the road network which hinders development of such activities.

The potential for developing tourist facilities is far from fully exploited and the majority of interesting sites are still awaiting improvement. The hotel system is limited and accommodation is unevenly distributed over the country as a whole. More than 75% of boarding establishments are concentrated in the area around Cotonou. The other eleven provinces of the country have a wide range of interesting sites, however, in terms of tourism potential. These include the Ouémé forests in the Zou district, the Birni forest in Atakora and the Kpassezoumé forest. History tells us that it was in the last of these that King Kpassé disappeared, turning into an *iroko*. Furthermore, the lack of holiday villages prevents possible tourist destinations from benefiting from wider development. If capacity could be increased, resorts should be able to offer services more competitively, at lower cost. Since the abolition of the National Tourism and Hotel-Trade Office (Onatho) in 1987, the private sector has taken over the task of tourism development.

The jewel in Benin's tourism crown is the lake city of Ganvié located in a picture-postcard setting. Situated on the North-Western shore of Lake Nokoué, upstream of the Sô River, Ganvié (literally, 'protected community') was a refuge in earlier times, for those fleeing from the slave hunters who held sway in the surrounding kingdoms, particularly Abomey. Ganvié has been called 'the Venice of Africa' and its inhabitants (*ganvienus*) are not just fishermen but fish breeders as well. They 'cultivate' the fish in beds specially prepared in the shallows (*akadjas*) of the Lake using lopped-off branches. It is the menfolk that 'harvest' the 120 or so species which inhabit the lake. Working out of Ganvié, the women, meanwhile, preserve and sell the fish. They are past masters in the art of navigation, paddling their flimsy vessels with their long square sails confidently from hut to hut or as far as Abomey-Calavi, the embarkation point for tourists going to Ganvié. And they carry on a profitable trade – awaiting nightfall so that they can steer their launches from lake to lake as far as Nigerian territorial waters, where they sell their wares and smuggle in others.



(Thomas Dorn/Commission)

Partial view of the Gulf of Benin.
In terms of tourism development, existing potential is poorly exploited

Tourism has developed over the last few years and the authorities have now become increasingly aware that this should be a distinct part of the national economy. One tip for visitors. If you stop somebody and ask the way in this land of King Béhanzin, you will not hear the words 'street' or 'avenue' being used. People here will talk instead about the first, second or third '*von*'. M.F.

Prime Minister Adrien Houngbédji

Liberalism rehabilitated

The Courier

The political career of Benin's Prime Minister, Adrien Houngbédji, has certainly had its ups and downs. This doctor of law was condemned to death under the Marxist-Leninist regime (1972-1990) because of his support for liberalism. He escaped from prison and took refuge in Gabon, going on to practise as an international lawyer, before returning to his own country in 1989 under a general amnesty. He then threw himself into politics. He took part in the 1990 National Conference and founded the PRD (Democratic Renewal Party), which won 19 seats in the 1995 legislative elections. Elected President of the National Assembly, it was not long before he found himself in conflict with President Nicéphore Soglo. He stood for the Presidency in 1996 and polled strongly (19% of the votes in the first round) before standing down in favour of Mathieu Kérékou. The latter was duly elected and appointed Adrien Houngbédji to the new post of Prime Minister. As leader of the Kérékou II government since 4 April 1996, Mr Houngbédji has to tread a delicate political path, working with a fragile coalition of eight political parties. Although public opinion would describe him as a future presidential candidate (the next poll is in 2001), the opposition is scornful, dubbing him the 'Prime Minister without power'. President Kérékou, they point out, is also the head of government. We began by asking the Prime Minister to review his first 15 months in office.

– As you are aware, the Prime Minister is responsible for coordinating government action and institutional relations. In that sense, my office (the *'Primature'*) acts as an intermediary, overseeing sensitive issues which generally involve a number of ministerial departments. We have done a great deal of such work in the first year of our five-year mandate and the results have been significant. I believe we have had a genuine impact on the daily lives of Benin's citizens.

Let me give you an example. It is well-known that the government is anxious to relaunch the country's economy, and there has been a great deal of behind-the-scenes work to turn political will into political fact. Our efforts in this area have rapidly enabled us to set up an economic-promotion fund, and the state's contribution – CFAF 1.5 billion – has already been released. The money will be used to finance small and medium-sized businesses, to boost our economy.

What is more, the government has been responsible for setting up a 'business formality' centre – a kind of 'one-stop shop' enabling people to complete all the formalities involved in setting-up a business in just one place. We hope that both domestic and foreign economic operators will appreciate the advantages they can gain in terms of time saved and a more efficient management of their affairs.

This is not all. The Head of State has entrusted us with various overseas missions on behalf of the government and this has allowed us to gain the support of development partners in financing various socio-economic projects. We have also acted as mediator in a successful search for a peaceful solution to a neighbour's political crisis.

On 24 April, the President appointed me as the government's official spokesman. Under the terms of the decree, I have been given the job of making the public, both at home and abroad, aware of what the administration is doing, explaining its programme to the country's citizens and using media opportunities to speak on issues of national concern. In this context, my department is currently drawing up a common communication strategy. The idea is to establish a fruitful dialogue between the government, the country's citizens and all those who are involved in development here. So the *Primature* will be at the centre of communication policy, creating the proper channels whereby our people can be informed about the administration's actions, decisions and concrete achievements.

■ *You were previously President of the National Assembly and today you are Prime Minister. What was the reason for the change?*

– I don't think there is anything particularly surprising about a former President of the National Assembly becoming Prime Minister. Life in politics is, by nature, very fluid and events move on.

But I would point out that our political grouping played a key role in the support given to President Mathieu Kérékou during the changeover of power in 1996. It was at that stage that the Head of State decided to appoint a Prime Minister, responsible for coordinating government action and institutional relations – and he chose me.

■ *The next presidential election is set for 2001 and you are widely seen as a person with political ambitions. Have you any plans?*

– This is still 1997, and I believe very sincerely that it is premature to talk about political ambitions for 2001. My current concern is to put all my efforts into making the President's five-year mandate a success. You know, of course, that my party has made a commitment to support General Kérékou throughout his term in office. Personally, I have a deep sense of honour and am a man of my word, so I am giving my full attention to carrying out my duties responsibly.

■ *There is a great deal of speculation in parts of the international media about your relations with the President. What is the position, exactly?*

– There you have it. You have chosen precisely the right word: speculation. My relations with the President are most cordial and are conducted in an atmosphere of mutual trust. An ongoing concern of both of us is to solve the day-to-day problems of our compatriots and to launch our country on to the world scene in order to bring it genuine economic progress. That's about it. Everything else is just trivia and speculation.

■ *Moving on, now, to Benin's economic situation, isn't the cross-border smuggling between Benin and Nigeria a drain on your country's exchequer ?*

– The issue of smuggling across that particular frontier is not as clear-cut as it might seem. The customs services do their best and I *could* give you a simplistic explanation, but the reality is somewhat more complicated. You see, ethnic groups with similar cultures straddle the border between the two countries. So there is a kind of 'osmosis' in the frontier region. Customary ceremonies on the Benin side may draw in people from the Nigerian side, and vice versa. Indeed, depending on where you are in relation to the border, you will often find families in which some members live in Benin and others in Nigeria. So there are two 'populations' living alongside one another, sharing a common culture, and not paying attention to a man-made frontier, which they don't regard as having any significance. It is as if the people there are already experiencing the integration which is so strongly advocated by the ECOWAS – although they are doing it in their own way, of course.

■ *Does Benin have a role to play in promoting a spirit of goodwill between French- and English-speaking countries in Africa ?*

– Owing to its geographical position and its port, Benin is a transit point for landlocked countries, such as Niger, Burkina Faso and Mali. We also take on the excess when Togo's and Nigeria's ports are overloaded. Likewise, on land, goods being transported between Togo, Ghana and Nigeria go through Benin – so you could say that we are a buffer between the French– and English-speaking countries in West Africa.

■ *Benin is famous for its cotton production and relies heavily on this commodity for export income. This makes you particularly vulnerable to movements in international prices. How do you see the future for this sector?*

– We are currently addressing the problem of overhauling the cotton sector and our case is being considered by our partners at the World Bank. In the context of the structural adjustment programme that we have signed with our partners, we have undertaken to establish a new sectoral strategy. The aim is to strengthen the role of cotton producers and reduce the part played by the state, by creating a joint venture to take care of the essential production and marketing functions. We are also in the process of setting up a special fund for the cotton sector.

■ *Turning, finally, to the Lomé Convention, what is your assessment of EU-Benin relations?*

– Generally speaking, cooperation with the EU is most satisfactory. As you know, we have just come to the end of the 7th EDF, which is worth CFAF 87 billion to us. The sectors eligible for financing under this programme were infrastructure, which received half of the resources, health, which got a quarter and rural development which was allocated 15% of the total. To see what the funds have meant to the health sector, you have only to visit the Porto Novo Hospital in the Ouémé region. So the 7th EDF has made a great difference to development in Benin. In March, we signed agreements under the 8th EDF. The money allocated to us – which amounts to CFAF 76 billion – will be distributed in more or less the same way as the sums we received under the previous programme.

The opportunities made available to us through the 8th EDF will enable us to invest further in the road network, privatise highway maintenance and set up a toll system. I don't know if you have seen the road between Parakou and Djougou, which is now almost completed. We have also rehabilitated a large number of rural routes.

Another priority is to adopt land reform measures. Work on this is currently under way and five laws are before the National Assembly. It is our aim to have this reform, and a decentralised administrative system, in place in Benin by the end of the year. ■

Interview by M. F.

BENIN

Profile

General information

Area: 112,622 km²

Population: 5.4 million

Population growth rate: 3.1% per annum

Population density: 30 inhabitants per km²

Urban population: 40%

Official language: French

Currency: CFA Franc (the country is in the monetary zone of the Central Bank of West African States). ECU 1 = FCFA 659

Political structure

Independence: 1960

President: Mathieu Kérékou

Prime Minister: Adrien Houngbedji

Political parties: There are said to be about 100 political parties of which 48 took part in the 1995 legislative elections. Eight parties are represented in the government.

With the *'Conférence des forces vives de la Nation'* which was held in 1990, Benin undertook a democratic transition which had a significant impact on the wider West African region. Since then, power has been transferred peacefully following elections on two occasions. This is viewed as promising for the country's infant democracy and contrasts with what has happened in some other states in French-speaking Africa. In August 1996, a law was adopted on the organisation of territory for administrative purposes. This divides Benin into 12 *'départements'* (there are currently 6).

Economy

GDP: $4.75 billion (1994 figure)

GDP per capita: ECU 285

Main exports: cotton (78% of the total), oil (10%, in the form of re-exports)

Benin's economy is closely tied to the fortunes of the autonomous port of Cotonou through which 80% to 90% of the country's total trade passes. As the main transit point for trade with neighbouring Nigeria, the port is a pole of attraction generating widespread economic activity. In 1994 it handled almost 1.5 million tonnes of goods.

Social indicators

Life expectancy at birth: 51 (UNDP estimate)

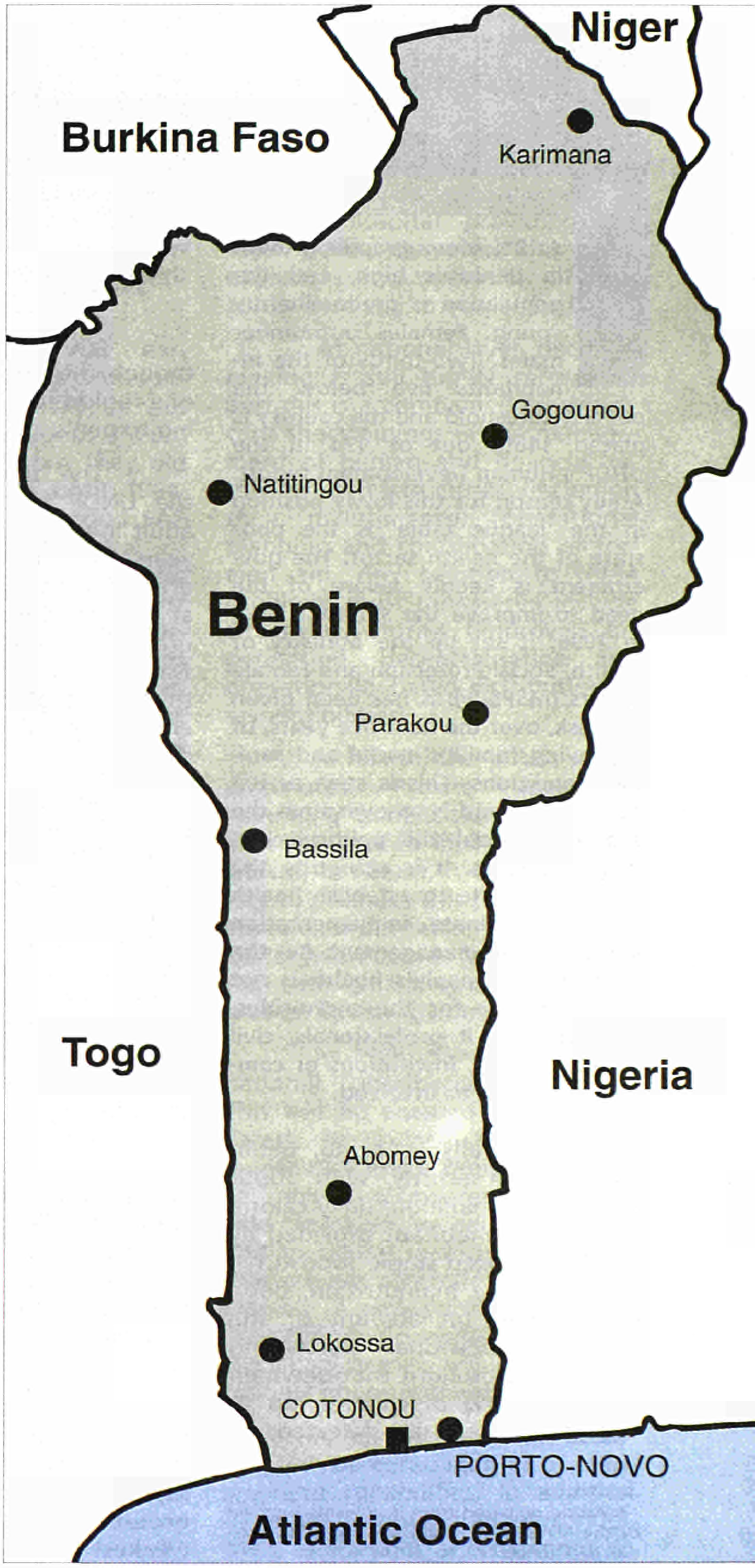
Population with access to drinking water: 68%

Adult literacy: 33%

Enrolment in primary education: 66%

Religions: Animists 50%, Christians 15%, Muslims 15%

Human Development Index rating: 0.368 (146th out of 175)



Sources: UNDP, Eurostat, International Trade and Development Statistics (European Commission), World Development Report, 1995.

Health for all*

The Porto Novo Hospital
EU aid aims to improve hospital administration and the operation of surgical and laboratory services

At 3%, demographic growth in Benin is high, and the population is predominantly young. Females outnumber males. Two-thirds of the inhabitants live below the poverty threshold and the country is placed 146th out of 174 in the UNDP's Human Development report. A key reason for this lowly position in the 'league table' is the poor state of the health sector. The government is keenly aware of the need to improve the situation and, in 1996, it set up the Ministry of Health, Social Protection and Female Affairs (MSPSCF). It has been given the task, over the next five years, of improving families' social and sanitary conditions. This is seen as important if Benin is to overcome the economic, social and political challenges it faces. It is obviously the job of the state to establish health policy, coordinate implementation and supervise management. But the state of the people's health is not just a matter for the authorities. Everyone, be it professionals, civil society 'actors', institutions or communities, must be involved.

Generally speaking, Benin enjoys food security, with about 95% of the minimum daily calorie intake per inhabitant provided by locally produced staple foodstuffs. There is some malnutrition, however, mainly on account of the drop in individual purchasing power. It is thought that between 10% and 20% of children up to five years of age are affected, although the proportions vary from one region to another and according to one's social class.

The figures published by the UNDP in 1996 showed that adult life expectancy was just 48.7 years. The mortality rate for children of less than one year was put at 98.6 per thousand while the figure for those up to the age of five was 162 per thousand. Overall, there is a high morbidity rate, and environmental conditions are declining.

As for ailments, endemic/epidemic maladies predominate (40% of the total incidence of disease). These include malaria, which alone is responsible for 31.7% of all disease cases, and various forms of gastroenteritis. The latter, linked to poor hygiene and faecal contamination of water supplies, is one of the main causes of death in children of four and under. Access to drinking-water remains poor, particularly in rural districts, household refuse removal is patchy and disposal of waste water is still largely insufficient. On top of this, industrial effluent, estimated at over 77,000 cubic metres per year for the city of Cotonou alone, is discharged untreated.

Benin aspires to good governance - and sees this as including the right to life and health, the right of women to play a part in government and the right of the weakest in society to receive protection. The country has set itself the objective of boosting access to health services and improving their quality. It also wants the people to play a more active part in community affairs and to make greater use of the health facilities that do exist. The approach is based on policy options for the sector which were agreed in 1989 and reiterated at a Round Table in January 1995. The aim is to ensure basic care for the population as a whole and to take the steps needed to minimise the negative impact of structural adjustment programmes (SAPs) on those who are least privileged.

Aware of the importance of the role women have to play in the health sector, the MSPSCF has been actively promoting this role. The ministry believes that literacy, information and health-education programmes should help women assume a higher profile within the family and in the national development effort. Investing in women's potential, and offering them new goals, appears the best way to contribute to economic growth and human development overall.

Despite their numbers (52% of Benin's total population) and the fact that they are important in economic terms (32% of farmworkers and over 90% of those working in trade), women in Benin are still subject to a wide range of legal, political, socio-cultural and economic constraints, and 80% of them are illiterate.

Under the terms of its social protection programme, the government is committed to promoting national solidarity and improving the administration of international aid. The MSPSCF intends to implement a policy based on 'holistic citizen care'. This entails reducing poverty within families and the community at large, removing obstacles to the development of children (particularly those living in difficult conditions) and providing the conditions to enable handicapped people to return to school and follow socio-vocational programmes. It is also aimed at reintegrating society's 'misfits', displaced people and refugees, protecting groups that

* Article prepared from documents supplied by the Ministry of Health and the EC Delegation in Cotonou.

are at risk, creating family-oriented mutual associations and social-security systems, and targeting international aid more towards those who are most deprived.

Between 1989 and 1993, Benin's health strategy emphasised prevention and remedial work. The former included vaccination, mother-and-child health, family planning, hygiene/clean-up operations, information, education and communication. The latter involved the establishment of a pharmaceuticals policy, the overhaul or setting-up of health infrastructures and tackling sexually transmitted diseases (STDs). One achievement of the policy was the administrative restructuring of the Health Ministry, but by no means all the problems identified in 1989 had been solved by the end of the four-year period. Following on from the conclusions of the above-mentioned Round Table, it was therefore decided to refocus health policy and adapt it to the process of decentralisation in which Benin was already involved.

EU support

European Union support for Benin's health policy is part of its global cooperation strategy initiated in 1961 under the first European Development Fund. Since 1991, EDF intervention has been linked to support for structural adjustment, the latter including a significant commitment to health provision.

The Lomé IV indicative programme provides, as one of its focal points, for intervention in the public health sector to consolidate the sectoral policy established under Lomé II. The interventions in question fit into the overall framework of the new national health strategy. The aim is to improve the day-to-day running of the health system (particularly in districts in the south of the country - Ouémé, Mono, Atlantique), to mitigate the social impact of structural adjustment and to step up the campaign against AIDS. Specific objectives include the refurbishment and equipping of existing infrastructures such as district hospitals and community health centres. Mention should also be made of support (amounting to ECU 11 million spread over four years) for the Porto Novo district hospital, the finance being aimed at improving hospital administration, and surgical and laboratory services.

The health component, set out in protocols to the EU's support programme for structural adjustment in Benin, is designed to back up the government's efforts and more specifically, to pay for recurring non-wage costs in the sector. The medium-term objective is that these costs should be brought within the national budget, with a transparent system of revenue collection, operated in accordance with the priorities identified by the authorities.

CFAF 1.36bn was earmarked under the first SAP support programme. Initially, it was intended that these funds should be available in 1992 but they did not come on stream until 1994. The protocol for the second SAP (1994-95) was worth a total of CFAF 3.323bn to be spent in two separate programmes. The first tranche contained CFAF 958m, targeted at non-wage health costs foreseen in the national budget. The second made a further CFAF 1.05bn available for non-wage health costs, and CFAF 450m to support state intervention in health centres, maintenance and restoration work, and other operating costs. CFAF 50m was spent on an audit agency to monitor and supervise the operation, and funds were provided for refurbishment of social infrastructures and further development of human resources.

These three successive programmes of support for the health sector have enabled progress to be made, but the observable results, particularly in terms of the impact on the population, have not matched expectations. A lot is justifiably expected from the reorganisation that is currently under way - which should lead to better management and an improved capacity to put funds to good use. Indeed, there are already signs of this happening and the expenditure of the Health Ministry for the 1997 budget year has been increasing.

What does the new millennium hold in store?

National health policy is set to develop in five main areas over the next few years. The first element is the decentralisation of health structures and the expansion of cover.

The quality and accessibility of health care in outlying regions needs to be improved and the plan is to move away from the existing 'pyramidal' set-up. 'Health zones' are to be established, each with its own web of services, the regional hospital providing the focal point. However, the tasks, objectives and operation of such zones have still to be clarified.

At national level, decision-making is still highly centralised and this is accompanied by significant shortcomings in the management of human and financial resources, infrastructures (including their maintenance), operational planning and coordination of foreign aid. Any solution to these problems must necessarily include structural reforms (improved organisation, decentralisation and operationally-based distribution of responsibilities).

In health, the public sector dominates. Private operations have long 'gone it alone' with very little integration into the national system. In future, it will be necessary to promote this sector's development and enable it to provide better health cover for the population through the operational integration of its activities.

In 1989, Benin drew up a national pharmaceutical policy. This will be pursued and consolidated, particularly through the launch of a major campaign aimed at increasing awareness of the risks involved in self-medication and in taking medicinal products that are not controlled or are sold illegally. A new pricing system for essential medicines will be set up, as will a system to regulate the traditional pharmacopoeia.

A second area for attention will be consolidation of management capabilities. In addition to a lack of qualified personnel, there are major shortcomings in terms of infrastructure and equipment administration. Schemes have been outlined to place functional infrastructures, which fit in with the socio-economic realities, at the disposal of both the people and health-sector staff.

A review of financing procedures will be the third main area dealt with under Benin's health policy. Between 1990 and 1993, about 3% of the national budget was allocated to health. This was one of the lowest proportions in the world (assuming no account was taken of health-related expenditure falling under other budget headings which included the cost of hospitalising soldiers and civil servants, and of maintaining health centres).

Under the terms of Benin's third SAP, the country committed itself to increasing this share to 5.8% in the interim and to 8% by the end of the programme period. The interim objective was surpassed in 1996 (5.9%) and for the current year, the proportion is expected to increase marginally to 5.95%.

The 1980s in Benin were dominated by economic and financial austerity, and in 1988, the government was forced to opt for a broadly-based community financing system, involving cost recovery from all areas of the public health sector.

The funds generated as a result of this policy are used to provide fresh supplies of medicines and to help pay for the operation of the health system. It is estimated that 7% of the sector's total resources come from community financing provided by the people.

Foreign aid for the health sector also increased after 1990, although recent years have seen some cutbacks. Ironically, the 'absorption capacity' for this assistance - insofar as it is earmarked for prevention, combating disease, and training - has been poor.

A number of reasons can be cited for this: a certain lack of flexibility, the ponderous nature of some management structures, administrative lethargy and a failure to comply with rules and procedures laid down by donors.

A sectoral finance policy is vitally important and any such policy should take account of the contribution made, not just by the state and its development partners, but also by local communities.

The fourth area to be addressed is improving the integrated treatment of the principal diseases. Given the precarious nature of Benin's socio-health indicators, a number of programmes have been set up to combat the main causes of mortality and morbidity. These include projects to improve hygiene, clean-up operations, campaigns to combat endemic diseases that can be treated by vaccination, and STD/AIDS prevention. An 'Information-Education-Communication' (IEC) programme, which targets the population in general and certain vulnerable groups in particular, is a cornerstone of this approach.

Finally, given the high rates of maternal and infant/juvenile mortality, more attention will focus on improving reproductive health. There are various reasons for such high mortality rates - the overall policy is ill-defined, there is no real strategy or structure for training personnel and refresher courses, health services are sometimes underused for geographical or financial reasons, infrastructures are dilapidated, some staff lack motivation, and the quality of the care can be poor.

The Eighth EDF

The underlying objective of the Eighth EDF is to improve basic health care for the population (particularly the most underprivileged and vulnerable groups). The strategy is to establish a pool of experience and guarantee a degree of fairness in the way resources are shared out. About a quarter of the ECU 120.5m earmarked for Benin's national indicative programme in the second phase of Lomé IV will be targeted at the health sector (broadly defined to include water supplies, hygiene and clean-up operations.)

In outlying areas, resources will mainly be directed towards implementing the government's decentralisation policy (promoting the establishment of health zones) and local development operations aimed at improving the quality of health care and taking the needs of the people into account. By integrating existing private structures, the strategy should also help develop alternative health systems and consolidate activities in the public sector. This may lead to some state involvement in the private medical sector, for example in the form of 'association' contracts. Such contracts could also be drawn up with local communities, church bodies and other grassroots organisations.

Meanwhile at the centre, and at intermediate levels of the health system, work done in recent years will be consolidated through the provision of institutional support. This will go to central and district services to improve the administration of sector budgets, enhance human resources and make better use of property and other assets. Public-health programmes relating to blood transfusion (providing secure blood supplies), information/education, and AIDS will also be stepped up. Under the decentralisation programme, the necessary measures will be taken to improve the legal, regulatory and ethical framework of services provided by the private sector. Similarly, improvements in the quality of health care and living conditions in urban areas will be monitored, to cater for the increase in population in major towns and cities.

ed M.F.

Rosine Soglo, president of the *Renaissance du Bénin* party

A tenacious opposition


The Courier

It is as if Benin's opposition had gone into exile in Chicago. According to the country's press, Nicéphore Soglo and his team are over there putting the finishing touches to their strategy for retaking power. However, although the former president (he was defeated in the second round of the most recent presidential elections by Mathieu Kérékou, by a margin of only 97,000 votes) is currently living in the US, his wife is still at home, either leading the Benin Renaissance (RB) party, which she set up and leads, or in the National Assembly, as part of the Democracy-Action parliamentary grouping. Since Mathieu Kérékou returned to power, Mrs Soglo, a barrister by training, has become a significant figure in the radical opposition to Kérékou's government. Her party currently has 26 parliamentary seats, following the defection of other opposition groups which preferred to support the administration. We met Mrs Soglo at her villa in central Cotonou where the to-ing and fro-ing of the party faithful is proof that political enthusiasm still exists, despite the party's fall from power. President of the RB since last February's national council, she dismisses the allegations of those who would discredit her, accusing her of wanting to take over the political group in her husband's absence. She reminds us that she was present at its very creation, while the former president did not join until 1994. Mrs Soglo maintains that she has no personal political ambitions and began our meeting by giving The Courier an overview of the years when her husband was President of the Republic.

– Allow me first to take stock, as it were, of the years when President Nicéphore Soglo was in power. Our political grouping – and my husband, in particular – has been heavily criticised for not having a social chapter in its programme, and for the state of the nation's economy – which, incidentally, was in ruins when we came to power. We inherited a country where the banking system no longer functioned – just one striking example of the legacy bequeathed to us. The four main banks were bankrupt, with a debt of CFAF 660 billion, which generated a charge of some CFAF 10 billion per day at the Central Bank of West African States.

Discharging this debt was the Soglo regime's primary objective so that Benin could take advantage of new credits to relaunch the economy and enable it to pay its dues at the various regional levels on time. If one is aware of the size and scope of the problems facing our countries, the social chapter, which includes the campaign against unemployment, could obviously not have been implemented immediately. Society in even the developed countries is currently split owing to the crisis. In addition, in the wake of a conspiracy mounted by our political opponents and promoted through the media, responsibility for the devaluation of the CFA franc was attributed to *our* political group. It was a completely unjustified allegation because the decision to devalue was taken in Dakar by all Heads of State of countries in the franc zone.

■ *If you don't mind, can we now talk about General Kérékou's return to power after a break of six years. Do you think that political and constitutional freedoms are still being respected?*

– As for political freedoms, I would say yes, because you can see that I am at liberty here today, and am able to express myself freely. We fought hard for that privilege! In the immediate aftermath of our electoral defeat, we had to deal with a raid on the President's residence. He was to be arrested and there were various trumped-up charges alleging that we had stolen state vehicles. It was a real conspiracy, I can tell you! Not only that, but high-ranking figures in the administration and in state companies, who had been appointed under Soglo, were dismissed by the new government and replaced by inexperienced politicians and other such people – a genuine loss for the country. And those who demonstrated their support publicly for the former regime were quite simply deleted from the administration's files. How can you run a country like that?

You also mentioned constitutional freedoms. Well, since President Kérékou returned to power, constitutional power censures itself. We don't hear anything about the Constitutional Court any more, and we don't even know if it still exists. Under Soglo, the Court was systematically involved in affairs of state. There were sometimes even suggestions that we had 'government by judges', given that there is no appeal against the decisions of the Court. Its prerogatives are based on certain chapters in the Constitution, the most significant of which concern human rights and violations of the Constitution itself. During the first legislature, the National Assembly voted in a Constitutional law giving outrageous powers to the highest court. In fact, these texts were adopted simply to thwart President Soglo, and the results were not slow in coming. The Court intervened directly in the executive. For example, the Constitution states that the President is responsible for setting the date of the first and second rounds of the presidential elections. As things turned out, in the second round, the Constitutional Court told *us* when the elections would be held, in violation of the Constitution. It also declared null and void some of the votes cast and the President's appointments to the College of Magistrates, despite the fact that the President is guarantor of the Constitution. So you see, there is no doubt that the Court intervened directly in the executive during President Soglo's five years in office! Nowadays, it is virtually invisible, and the same might be said of certain sections of the press.

■ *'Certain sections of the press', as you put it, have called into question your active role in the management of Benin's affairs suggesting you may have had an influence in the appointment of certain ministers. In simple terms, they accuse you of having been the reason for President Soglo's downfall.*

– Admittedly, I did, perhaps, get into bad habits, but let me explain precisely what happened. First of all, Nicéphore Soglo and I have been married for 45 years. Second, we found ourselves in exceptional circumstances. My husband was seriously ill when he came to power and he nearly died. Those who criticised my presence close to him did not know just how seriously ill he was, and we were unable to enlighten them. Later, we held a press conference to give an explanation. I was so afraid for his health that, when he was better, I simply carried on following him around in order to take care of him.

■ *There have been allegations of misappropriation of public funds during the run-up to the election and afterwards. Some observers suggest that this was also a key factor in bringing down the Soglo regime. What are your views on this?*

– These accusations refer to a sum of CFAF 10 million, which I am said to have used to go to France for my health. Some ministers in the current government seized upon this and parliament debated the topic for several weeks. I never even set eyes on that money. It is just a conspiracy, and you can see further evidence of it in Cotonou, where utter nonsense about us has been scrawled on the walls. Curiously, though, those who conducted this defamation campaign are those currently in power – and members of their extended family have taken over entire sectors of Benin's economy without a word of criticism being spoken. But during Soglo's time at the helm, trumped-up charges were made to discredit the powers that be at the time.

■ *How would you assess the economic reform programme implemented in Benin? Do you see it as a basis for your country's economic development?*

– There is a lot that has to be done. The people of Benin face up to economic difficulties with stoicism, because they are powerless. They realise that the promises made during the election campaign are unrealistic. Dahomey was long referred to as 'Africa's Latin quarter', and is, I believe, currently falling behind other countries which have not had our potential. So we have to go back to our roots and take stock of present circumstances – otherwise we will stagnate. Another thing we must do is stop thinking that we have to stay dependent on certain powers which still control our future and make decisions in our place. That has to change, otherwise no one should be surprised if, in the next few years, an army of angry young men emerges across Africa. What have they got to lose? That is what I am most concerned about. It must be stopped.

■ *Would your party – Renaissance du Bénin – be prepared to enter government if invited? Would you favour 'cohabitation' with the current government?*

– We are not the only opposition party. Others can take part in government if they wish! There is no secret about our party's position. The answer is no! Our parliamentary group – Democracy Action – had 35 members when President Soglo was in power but, over time, some have gone over to the opposite camp. It began with the Union for Democracy and National Solidarity (UDS), whose leader, one of President Soglo's former ministers, left, taking five of his parliamentary supporters with him. Others have left since and now we have only 26 members in our group. Now, however, we are among friends, by which I mean that we can be true to our political choice.

■ *Do you feel your party has a sufficiently solid base to win the next presidential election?*

– Benin's citizens opted freely for change at the 1996 poll. As I mentioned at the beginning of this interview, I currently have no political ambitions, and this gives me a great sense of freedom, which was not the case two years ago when my husband was in power and when we had to face our critics on a daily basis. At the moment, this is not a question of immediate concern to me, but it should be a concern for those who are presently running the country. We wish them every success because all our interests are at stake.

■ *Yet you do oppose the current regime?*

– Oh yes, and the party I lead is certainly capable of making a bid for power, even if its president has no personal ambitions in that direction. ■ Interview by M.F.

Democracy day-to-day

The political system in Benin is democratic, with an elected President and elements of parliamentary government. The current framework is characterised by a powerful executive, a National Assembly having to steer a delicate course (with a coalition of various parties represented in government) and a judicial system which is still trying to find its feet. Having seen eight constitutional texts, six putschs and eleven Presidents come and go since 1959, the people of Benin warmly embraced the democratic option following the National Conference held in February 1990. The transition involved some hard bargaining, leading to a political compromise with President Mathieu Kérékou, who had been re-elected as President of the Republic in February 1989. Now, seven years on from the Conference, Benin arguably offers a model of how to run a democracy on the African continent.

Among those who played an important part in the transition were representatives of the archdiocese of Cotonou, and in particular *Mgr Da Souza.* He served as President of the Sovereign National Conference and subsequently headed the High Council of the Republic during the presidency of *Nicéphore Soglo* before his resignation in 1993. According to Abbot *Théophile Villaça* who received us at the archdiocese of Ouidah in place of Mgr Da Souza, who was unwell, 'one of the aims of the Church is to heighten awareness among Christians so that they may fully assume their responsibilities in the management of society'. The Church in Benin has acted as custodian of democratic values, not just through the sermons of its preachers, but also through a series of pastoral letters dealing with the economic, political and social difficulties that have afflicted Benin. One, in particular, highlighted the responsibilities incumbent upon Christians faced with the challenge of democratic renewal, and the demands of democracy.


Le Courier

Abbot Théophile Villaça

During periods of severe turmoil, especially in the Marxist-Leninist era, the Church was not shy about becoming involved in politics and in questions of how society should be governed. 'At that time, we used to say to the revolutionaries that Benin belonged to all of its citizens', Abbot Villaça told us. 'We would argue that we all had a duty to take part - followers of the traditional religions because of their convictions, Christians and Muslims because of their faith'. The Abbot spent 10 days in prison for subversion, following interventions like this. He even dared to include the 'seditious' topic of 'Christian thoughts on Marxism' in the curriculum of the Catechism and Training Centre which he runs. 'We got involved in 1990,' he explained, 'because things had gone too far'. Seized with Marxist fervour, the authorities had nationalised the private Catholic schools. While the Church did not formally oppose this particular decision, it decided to speak out more generally in order to provoke a national response.

In Africa there are numerous examples of the Catholic Church getting involved in politics. In addition to Mgr Da Souza in Benin, names such as *Mgr Monsengwo* in Zaïre and *Mgr Albert Ndongmo* in Cameroon spring to mind. In addition, many ordinary members of the clergy have paid a high price for defending the weaker members of society - in Rwanda for example. Why is it that the Church has become increasingly active in the politics of countries in the process of transition? According to Abbot Villaça, whether in Zaire or in Benin, the stance taken by the bishops was a response to the difficult conditions experienced in many African countries. As a general rule, he acknowledged that the Church's mission was not to take sides or meddle in politics: its job was to 'safeguard the truth and defend the common good'. This was the message delivered by Pope Jean-Paul II when he visited Benin in 1993. The Pope indicated that even if the Church in Benin had taken upon itself a temporary mission of a political nature, it should lose no time in returning to its true function.

How does the Church view what has happened in Benin in the meantime? Abbot Villaça expressed disappointment. 'After everything this country has been through, the impact - in terms of regenerating the country - has been less than anticipated. In fact, you could argue that it has largely been a failure. Instead of working together so that the country can make genuine progress and begin to rebuild, the politicians have been busy battling for power. An illustration of this lack of cohesion is the number of candidates who stood in the presidential election. In their manifestos, they all promised "genuine progress". But the same people then stab each other in the back and seem ready to run the risk of setting North against South, or provoking ethnic divisions. That is what we find so disheartening about politics.' The Abbot went on to stress, however, that the Church would always be there and, without necessarily meddling in politics, would 'always make the voice of truth heard - by condemning what is not right about the country'. It was in this context that, after the National Conference, the Church, in collaboration with Unesco, set up the Institute for Human Rights and the Promotion of Democracy in Benin.

Upheavals at the National Assembly

Since 1990, Benin has had one constitutional referendum, two general elections, two presidential polls (each leading to a change at the top) and a cohabitation experiment between the President and an opposition majority in the National Assembly (in 1995-96). Taken together, these events suggest that there has been significant democratic progress. They also offer a lot of useful material for those interested in the interaction between the three 'poles' of power : the executive, the legislature and the judiciary.

The Constitution stipulates that the President of the Republic is elected for a five-year term with the possibility of re-election for a second term only. The vote is by universal suffrage in two rounds, the second one being a 'run-off' between the top two candidates in the first ballot. The President is head of both the state and the government and thus has considerable powers. The country's other main democratic institution is the National Assembly, although its powers are weaker given that the system is weighted so heavily in the President's favour. The Assembly is frequently the arena for verbal sparring matches - confirming, if proof were needed, that democracy is alive and kicking in the country of King Behanzin. 18 of Benin's 48 political parties are represented there with eight currently in the governing coalition. With so many parties, alliances are constantly being forged... and broken. As a result the government is always having to 'fish' for votes to maintain a majority in the chamber.

One effect of this interplay of parties in the Assembly, according to its President *Bruno Amoussou*, is a tendency to focus on the principle of structural adjustment rather than the content of the actual programme. Mr Amoussou chided the opposition for 'shifting the debate' in this way. 'Discussions in the Assembly should concentrate on the details of the policy - where it is perfectly natural to have differences of opinion - not whether the structure of the economy needs to be adjusted.' He added: 'We are, however, still in the early stages of learning about the democratic model.'

Despite the successful transition to democracy in Benin, there is still inefficient management of public affairs in certain fundamental areas relating to long-term development. This indicates that the country needs to continue implementing reforms if the new democracy is to fulfil its potential. The fact that a dominant bureaucratic system still exists, remaining effectively unaccountable to the democratic and legal institutions, is a prime example of these unresolved administration problems. A programme of reforms is envisaged which will limit the powers of central government. Decentralisation is planned with more responsibilities being passed down to local authorities.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Bruno Amoussou, President of the National Assembly

The President of the Assembly also observed that there had been a marked shift in the composition of the legislature following the most recent elections. A lot of 'new blood' had arrived and, commensurately, few incumbents had got back into Parliament (just 17 out of 64). This electoral phenomenon of 'all change' had strengthened the resolve of the newly elected deputies to reflect the concerns of the people.

The work of the second elected National Assembly, which convened in 1995, has coincided with the beginning of the decentralisation process mentioned earlier. This should open up new political opportunities for the development of other models for managing public affairs at a local level. The pace of reform, however, is affected by political rivalries and the constantly shifting alliances within the legislature. The reality is that political parties here lack a national base. According to one opposition member, they are little more than 'electoral clubs', at the service of their respective leaders. The main aim of the latter, it is said, is to make a name for themselves in their own 'patch', relying on tribal connections. And regional interests are uppermost when it comes to coalition-forming... and switching allegiance.

The National Assembly has 83 seats from 18 electoral districts. Although there are 18 parties represented, most members gravitate towards one of four 'poles'. The 'pole' groupings are:

– the Party for Democratic Renewal (PRD), led by Prime Minister *Adrien Houngbédji*;

– FARD-ALAFIA, which brings together former and current supporters of President Kérékou;

– the 'Democratic Alliance' composed of the Social Democratic Party of *Bruno Amoussou* (National Assembly President) and the party 'Our Common Cause' led by *Albert Tévoédjré*, current Minister for Planning.

– The opposition 'Democracy and Action' (numbering about 28 deputies)- consisting of the Benin Renaissance Party led by *Rosine Soglo* (wife of ex-President Soglo) and other small groups;

There are also 10 non-aligned deputies, one of whom represents the Benin Communist Party.

The other guardian of democratic values is the Constitutional Court. Set up in 1990, this has, up to now, proved to be highly independent. Following accusations of intimidation and manipulation of the results during the presidential election, for example, the Court examined whether the election process had been conducted properly, and invalidated certain results. It also acted as aribiter on the occasions when President Soglo and the National Assembly disagreed on budgetary issues. Generally speaking, the Constitutional Court has acquired a reputation for impartiality.

The country's judiciary consists of eight Courts of First Instance, a single Court of Appeal and the Supreme (Constitutional) Court comprising three chambers - judicial, administrative and budgetary. The trouble is that there are not enough judges - just 178 to serve a population of five million. The problem is exacerbated by a lack of resources, which means that only about half of the magistracy is actually dealing with cases at any one time. Judicial recruitment all but came to a halt following implementation of the third structural adjustment programme. The result is that the country's ability to dispense justice has been seriously impaired, with legal proceedings taking up to three years to settle.

Arguably, it was widespread mismanagement of public affairs, more than anything else, which prompted the collapse of the old system and the move to replace it with democracy. This mismanagement had resulted in economic stagnation, and some would say collapse, driving the *ancien regime* below 'the minimum threshold required for political legitimacy'. As a result, it was forced to concede to the forces of democratic change.

Some progress has since been achieved in improving public administration but more efforts are clearly needed, and new reforms must be brought in, before Benin can claim to be managing its affairs in a truly efficient manner. The crisis in the courts is just one example. The consolidation of judicial independence deserves to be lauded but with the actual institutions in such a poor state, and needing to be brought up to scratch, substantial investment is obviously needed.

In terms of political power, there is also an issue of checks and balances. The Church - which played a major role in the democratisation process - has withdrawn from active involvement in political 'management'. Meanwhile, the Constitution restricts the scope of action enjoyed by the National Assembly, which has powers only to propose minor changes to the budget. The executive (which draws up the budget), seems to have the upper hand and, some, at least, would argue that these are not the most propitious circumstances for continuing healthy, democratic development. M.F.

The media

A breath of fresh air... but still some way to go

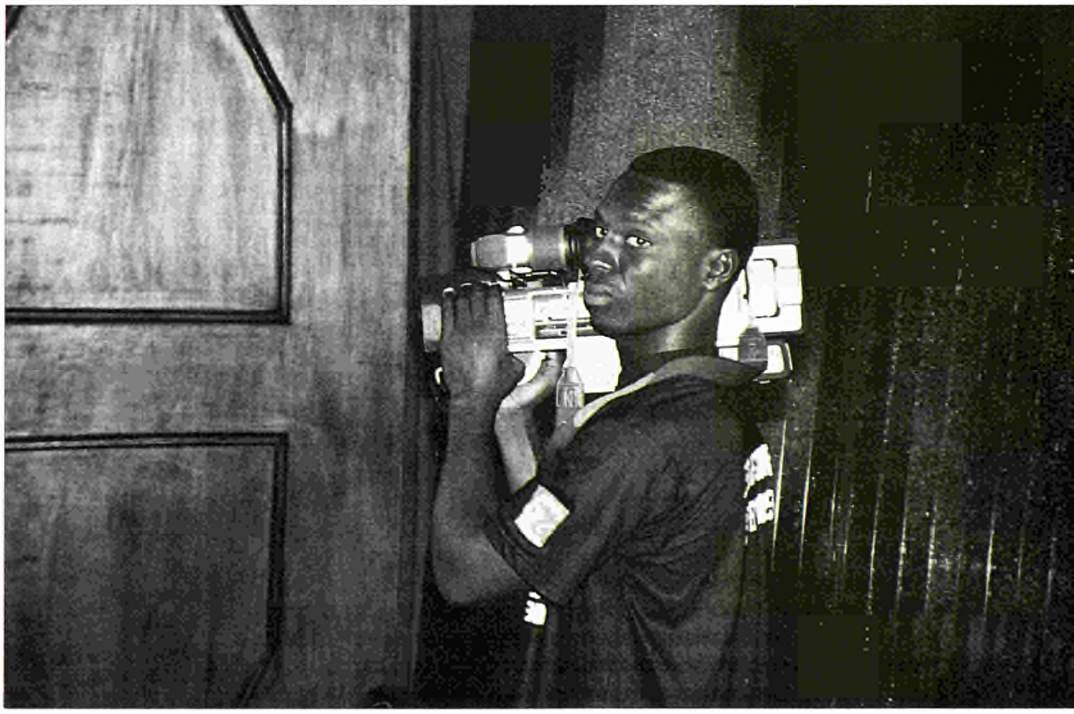
The creation of numerous privately-owned newspapers in Benin has caused radical upheaval in the press world. However, of the 170 newspapers registered with the Ministry of the Interior in 1990 – the year of the National Conference – barely half have appeared more than a handful of times, and publications that appear only sporadically are legion. This freedom of scope – where exposing scandals in the political and financial worlds plays a major role – has brought a breath of fresh air to the media in Benin, with caricatures and other 'sketches' of political figures finding their way into the daily papers. A private television channel (LC2) and radio station (Golf FM) have also begun broadcasting – without authorisation from the High Authority in charge of audiovisual and communication media. Benin is not a country where journalists are imprisoned for their opinions. So all in all, it could be said that there is genuine press freedom here. Those working in the information and communication sectors belong to one of two major associations: The Association of Journalists in Benin (AJB) and The Union of Journalists of the Independent Press in Benin (UJPB).

Since the National Conference, the legislative framework governing the media has been clearly defined, with press freedom written into the new constitution. The High Authority for audiovisual and communication media was set up in July 1994 with the aim of releasing the press from the straitjacket it was forced to wear during 18 years of Marxist/Leninist rule. Its job is to develop and defend the freedom of the press, and to regulate the media. In pursuit of its objectives, the High Authority drafted a bill authorising the creation of private radio and television stations. This measure should have been passed at the beginning of this year, but the bill is still being considered in the National Assembly. The delay, it is said, has been caused by a request to include a special clause relating to offences against the Head of State and the authorities – a proposal which has been rejected by the UJPB. The latter is a private press association (counterpart to the AJB which represents the 'official' press) and it is campaigning against the measure, arguing that its sole aim is to gag the media. However, the proposal has won the support of all political parties, both government and opposition. The Constitutional Court meanwhile, is backing the journalists. It has rejected the proposition and has asked the National Assembly to review the law relating to detaining journalists on remand and to offences against the Head of State.

According to *Brathier Léon*, Chairman of the AJB and chief editor of the daily newspaper *La Nation*, 'the private press in Benin is no longer taking orders'. Things are a little more complicated for the official sector. They have a public service to perform and are obliged in principle to reflect all points of view. Mr Léon says that even in the state-run media, 'the Head of State cannot exert direct pressure given that the government is a coalition of various political parties.' From this perspective, the picture is one of significant press freedom. According to Mr Léon, 'the situation is quite different from that of the Soglo era, when the Head of State made forays into the handling of information. Now, the issue is more one of how the press should handle its new-found liberty.'

While press plurality may have been achieved and recognised in the legislation, the battle for the abolition of restrictions on radio and television broadcasts continues so that these two sectors can take their rightful place in the democratic system. The reality is that both the print and audiovisual media are struggling to keep afloat. Beninese society in general, and private sector companies in particular, are not in a position to allocate large sums to advertising.

Television.
The private sector now has a foot in the door



The Courier

Security versus independence

In Benin, the management of printed and audiovisual communication involves a number of different players. On the 'official' side, one finds the government and its various departments (including the High Authority) and the National Assembly.

Since 1989, freedom of thought and expression has been a legal right written into the constitution. It is a liberty which some in government (past and present) are still uncomfortable with. This is reflected in the ambiguous nature of press legislation – especially insofar as it concerns the audiovisual sector. It also helps to explain the lack of support available to the independent press – which is still in its infancy and is thus particularly vulnerable. A prime example of official ambivalence during the previous Soglo administration was the decision to go back on a commitment to give tax concessions to privately-owned newspapers. It was a U-turn that hit the papers very heavily. Similarly, the government has still taken no action on the bill presented by the High Authority in 1994 designed to break the state monopoly on radio and television broadcasts. Indeed, when the measure was laid before the National Assembly, it attracted support from just one elected member. Under Benin's Constitution, both the executive and the legislature are involved in the law-making process, and the High Authority, striving to preserve its independence, has submitted its bill on press assistance (which was envisaged in the 1992 draft budget) to both government and Parliament.

Besides the institutional players, there are two associations of journalists, reflecting the divide that exists in Benin between the independent and state media. State-controlled newspapers offer journalists satisfactory working conditions and job security, but make it difficult for them to remain independent. As for the privately-owned press, Hervé Djossé observes that they have to pay a high price for their independent principles. All too many of them swiftly find themselves in a position where they can no longer resist the financial pressures. Another factor is that private newspaper owners have had no journalistic training, having embarked on a newspaper career simply to avoid unemployment. Indeed, one could argue that the main problem is not so much the limits imposed by ambiguous legislation but a crucial need for proper training. The challenge now facing the Beninese press is to remedy this lack so that journalists from the independent sector can play a valid role in the democratic system.

And producing newspapers and television programmes is a very expensive business. There are also problems in distribution which is a costly exercise. In fact, newspapers are only regularly available in the capital, thanks to the absence of a reliable distribution network in the rest of the country. According to *Hervé Djosse* of *Le Citoyen*, an independent paper, this state of affairs forces proprietors of economically vulnerable media companies to sell their services to political or other interest groups looking for an outlet to disseminate their ideas. The result is that the publications in question compromise their independent status.

In straitened economic circumstances, the only potential source of reliable income is the state. But the state – that is to say the government in power at any given time – has no real interest in seeing its policies and methods criticised. According to the General Secretary of the UJPB, 'in return for state support, journalists work under a certain degree of self-censorship. This is hardly the most solid basis on which to develop a critical and analytical press.'

The audiovisual sector has not been spared the upheaval that has affected the media. The ORTB (Radio and Television Broadcasting Office in Benin) suspended its broadcasts for two days as part of a campaign to repeal the law determining its legal status. The point at issue was that it was being forced to change from an 'office' to a legally and financially autonomous national company – part of the liberalisation of the audiovisual sector promised by the government. There was serious concern within the ORTB about the implications of such a move.

The private TV sector, as mentioned earlier, already has a foot in the door with the independent channel LC2, but it too faces frustrations. The head of programming for the new channel – which sees itself as a 'non-elitist' television company – told us that the 'necessary infrastructures have been in place for two years now. All we are waiting for is for the government to grant us our broadcasting licence.'

So despite the recommendations of the National Conference, the state continues to hold a dominant position in the audiovisual sector with most TV and radio broadcasts still effectively under its control. This is significant, given that the broadcast media (notably radio) are the most accessible for the majority of the population. So far, only five rural radio stations – with a broadcasting range no greater than 100 km – have been authorised. In a cash-strapped society, these stations have to pay their operating costs from their own resources, and this inevitably limits their ability to broadcast on a regular basis.

State radio and television channels also face financial constraints. These reach a larger audience than newspapers since they do some broadcasts in the various local languages, but most of their output is in French, which 40% of the population do not understand. It is important to take this into account when plans are being drawn up to improve the democratic management of public affairs in Benin. It goes without saying that democracy cannot be consolidated if people do not have access to the most fundamental information on how their country's political system works.

M. F.

Royalty and voodoo stand the test of time

Every year, during the rainy season, *Daagbo Hou Non* plunges into the waves. He strikes out for the New World to pray for those deported from the Gulf of Guinea and who died in slavery, their souls remaining in the voodoo fold for safe keeping. The spirit of voodoo is said to have travelled with them on the road to exile. Daagbo Hou Non is the supreme chief of the voodoos, and he acts as mediator with the world beyond, as adviser and even as magistrate. His Ouidah concession, the site of a former Portuguese fort a few kilometres outside Cotonou, is now an evocative museum to the slave trade and it is always busy. The site was one of the main embarkation points for slaves and is now the centre of the voodoo cult. Different religions co-exist here and the visitor will find a remarkable sacred-python temple immediately opposite the cathedral where *Monsignor Da Souza*, president of the national sovereign conference of Benin, preached in 1995.

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Far from being regarded as an opponent of modern political power, the king has contributed to the country's stability.
The current king, H.M. Dedjalagni Agoli-Agbo

Another prestigious place with strong historical connections – Abomey – is the site of the palaces of the ancient kings of Danxone and here, one finds the vestiges of Dahomey's regal history preserved. The kingdom of Dahomey is still in existence, the hereditary royal line having survived through twelve generations to the modern day. We met the current king, *His Majesty Dedjalagni Agoli-Agbo*. He was flanked by his ministers, the most important of whom is the *Mingan* or 'Prime Minister'. One does not address His Majesty directly. The Mingan (a retired former postal employee) acts as intermediary and interpreter for the king, although the monarch is himself a man of education.

The king's court – or, rather, his 'government' – is made up of seven 'ministers', whose portfolios include finance, defence, information and state affairs. Why seven? According to the Mingan, 'cosmogony and geomancy require the king to be engaged on a specific activity every day of the week. Depending on their role, each day the ministers have to perform certain tasks to contribute to the kingdom's durability'. At this court, all positions have a cultural significance. For example, the Mingan – who is descended from a royal line – and his retinue, are always placed on the right of the king, whereas the Méhou – the interior minister – and his retinue are on the king's left.

The voodoo religion aspires to recognition just like other faiths.
Daagbo Hou Non, voodoo high priest

The Courier

Far from being regarded as an opponent of modern political power, the monarchy is said to have contributed to the country's stability. When Dahomey was conquered, the colonial authorities made use of this traditional power base – which has never been called into question – to provide a firmer foundation for its policies. The approach continued when the country became the independent Benin. As the Mingan recalls: 'Royal power was consulted by the Republic's government, even under the Marxist regime, and its ministers are conscious of royalty's role in preserving and promoting traditional cultures'. Life at court is organised in accordance with the old traditions.

Tradition is also being kept alive by the art, songs and dances of the Amazon warriors (in former times, the personal guard of Dahomey's king), which are now being learned by new generations. Indeed, Benin is a land of culture, music, dance and folklore. Two traditional royal feasts are organised every year during the dry season – the 'Djahonou', which lasts 13 days, and the 'Gandahi'. The latter, which involves festivities spread over three and a half months, is staged at the central palace (now a museum for the 12 royal lines) and culminates in a procession of sumptuously robed priestesses representing the last 12 kings of Dahomey. The ceremonies are marked by offerings to the spirits of the ancestors and strengthen the links between royalty, followers of the voodoo cult – of which Benin is the traditional home – and the current authorities, who are invited to attend.

Voodoo

According to the supreme medicine man – the chief *juju* priest, Daagbo Hou Non (whose name means 'sea god' in the *Fon* language), 'all of Benin's territory is voodoo. When the ancestors were shipped off irrevocably into slavery, they came and laid down their voodoo here. This means that the religion's umbilical cord is in Benin and nowhere else'. Voodoo worshippers are numbered among the 20 ethnic groups in the country, each speaking a different dialect, although they communicate with one another in *Fon*, the language of the street, or in French, the working language.

In addition to his role in voodoo rites, the Daagbo Hou Non is consulted by the rest of the population about more worldly concerns. In the event of drought or a road accident, before the rainy season and during harvest, he acts as high priest, making offerings and sacrifices to the voodoo divinity to request permission or protection. Daagbo Hou Non's role is passed on from father to son.

It was *Nicéphore Soglo's* administration which first instituted a 'national voodoo day'. This is the day when, as mentioned above, the voodoo dignitary strides into the sea to meet the ancestors who were taken into slavery and sent to the Americas. He dedicates his prayers to the eternal rest of their souls. A bill is currently before the Benin National Assembly to designate a day once again for the voodoo religion – which aspires to recognition like other faiths, while maintaining its independence from the political regime.

The python temple

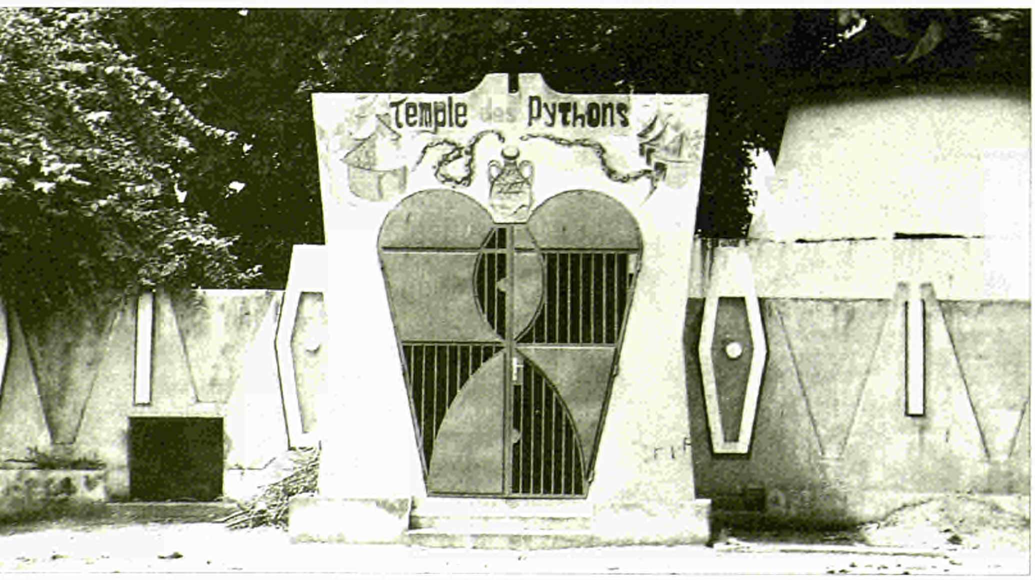
Most of Benin's population adheres to traditional beliefs which involve diverse and complex rites. There are, for example, the so-called *'cinq-cinq'* (people who have five scarifications on either cheek) who worship the pythons. They are the guardians of the temple in whose precincts more than 100 such snakes are buried. They practise certain rituals and, in particular, pay homage to a 400-year-old tree called *'Iroko'*. According to legend, it was in the sacred Ouidah forest that King Kpassé was transformed into *Iroko*. Animals are sacrificed at the foot of this tree. The altar in the python temple – which is home to a divinity through whom the snakes are addressed – is out of bounds to any uninitiated visitor. The laws to be observed in the temple are extremely strict and anyone violating them must enter a purification hut to be washed with certain decoctions which are supposed to get rid of evil spirits.

Every seven years, a great ceremony takes place in Ouidah. Its aim, according to our guide, is to 'purify Benin', using the huge sacred earthenware jar from the temple. Medicine men from all over the country attend the ceremony and, chanting incantations, capture evil spirits (embodied by infusions) in the sacred jar. When the ceremonies are over, these malign spirits which threatened Benin are thrown into the sea. Next, holy water is drawn from a place known as 'the slave road', to purify and protect the community.

Benin clearly has a great wealth of culture. It is the cradle of the voodoo cult and each village stages its own spectacular festivals and festivities. Throughout the country there are sacred sites and temples of great significance to the population. Anyone setting out to learn more about Benin's history and cultural heritage will find a lot to choose from but the starting point should certainly be a visit to the museums at Abomey and Ouidah.

M.F.

Sacred sites and temples can be found throughout Benin



The Courier

Benin-EU cooperation

Improving transport links

Cooperation between Benin and the EU began in 1961 with the first EDF. Since then, the country has benefited from aid totalling ECU 446 million, not to mention the ECU 13 million or so it has received in the form of loans from the European Investment Bank. Benin has enhanced its credibility in the eyes of the international financial institutions (obtaining increased support as a result). There are various reasons for this improved international standing: elections successfully conducted for the National Assembly in March 1995, and the Presidency in March 1996, developments resulting from the democratisation process, and the fact that the government has abided by the terms of the structural adjustment programme agreed with its foreign investors. As for EU cooperation, the focal area for funding is the road infrastructure and, in particular, the transcoastal route linking the four countries bordering the Bight of Benin. The road stretches from Ghana to Nigeria, passing through the French-speaking countries of Togo and Benin on the way. It is strategically important, particularly in the context of efforts to achieve economic integration within ECOWAS, and to reduce transport costs. As a result, upgrading the highway has been made a priority.

The stretch of the transcoastal road between Hillacondji and Cotonou never fails to take motorists using it for the first time by surprise. It is the only toll road in French-speaking Africa. 'Have your money ready', proclaim the signs. The charge is CFAF 400 for cars and CFAF 500 for heavy goods vehicles.

Approximately 93 km of road will be improved and modernised between the Godomey crossroads in Cotonou and Hillacondji, a town on the border with Togo.

This work will make a significant contribution to traffic flows on this key East-West link, and should help to improve trade between Cotonou and other regional centres in the country, especially in the South of the Mono region.

Since 1993, the EDF has financed a number of other major road projects: Sémé to Porto-Novo (12.7 km), Parakou to Djougou (72 km) and Béroubouay to Malanville (168 km). Built under the auspices of the Agency for Urban Works (Agetur), these projects generated numerous jobs for Benin's young people, who were taken on to do the resurfacing work. It is worth pointing out that Benin is the only French-speaking country in Africa to employ the paving technique, emulating the methods used in Europe. EU aid to the road sector is mostly concentrated in the Zou, Atlantic, Mono and Ouémé regions – in other words in the south of the country – with infrastructures in North Benin being financed through bilateral German and Swiss cooperation agreements.

Management of road infrastructures is mainly based on maintaining and upgrading existing routes, in accordance with the policies set out in the structural adjustment programme. Such ef-

Improving the Djougou to Naititingou road

(Thomas Dorn/Commission)

forts to improve the network also fit in with the country's macro-economic objectives.

One of these objectives is to open up rural areas. Maintaining and asphalting country tracks is, therefore, an important part of the overall scheme. 380 kilometres of rural roads are maintained each year, with work being carried out both before and after the rainy season. In addition, 580 kilometres of new country roads are being built. The route between Athiémé and Adjaha – which joins up with the transcoastal highway leading to Lokossa on the Benin-Togo border – is a good example of how such infrastructure policies are helping to open up rural regions. In an area primarily given over to agriculture, the villagers are finally able to send their produce to market. In the past, it sometimes ended up rotting where it lay, simply through lack of adequate transport.

Opening up the interior also benefits the cotton industry, which is the mainstay of the country's economy. The whole cotton production process, from ginning to weaving – takes place in the same plant. The road network allows all the cotton harvested in the region to be transported to the dozen or so processing plants – which are located mainly in the south. It is worth mentioning at this point that the National Agriculture Promotion Company (Sonapra) – which relies more than most on good road links – is gradually opening its doors to private-sector investment in line with the structural adjustment objectives.

Rural development and decentralisation

Another important area of Benin-EU cooperation is rural development in the narrower sense. The current policy has emerged from a lengthy process of negotiation which began in 1989. A study on the future of the rural sector was carried out at the time of Benin's National Conference. Its objectives included redefining the role of the state (by looking at ways of reducing government involvement), and focusing on the drive to ensure adequate food supplies. This provides the context for the Mono Region rural structuring programme which is funded by the 7th EDF. This aims to improve the people's standard of living by providing institutional support for local authorities, and improving water supplies (nine water distribution 'mini-networks' and 20 wells).

In the framework of decentralisation, European support is also directed to local schemes which aim to increase people's involvement in economic, social and political development. EU aid in this sector is targeted at supporting basic social infrastructures. In concrete terms, this means providing advice to village communities, training managers (of loan funds, tontines, seed banks, etc.) and providing institutional support for the establishment of structures which can gradually 'come on stream' once the decentralisation law has been passed by the National Assembly. The stakes involved in such a reform are high, given that its aim is to 'democratise' local authorities and redefine the role of the state. The latter is moving towards a very different kind of relationship with its newly empowered citizens. Under the plans, town and village councils will be representative local bodies with the power to decide on all local development issues.

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Moïse Mensah, National Authorising Officer of the EDF.
'Our relations are characterised by a mutual desire to be true partners in development'

The 8th EDF

Schemes funded in Benin under successive EDFs have tended to focus on infrastructures, rural development and the national health system. This approach will be maintained under the 8th EDF, which has an overall budget of ECU 120.5 million. 55% of the resources will be devoted to transport, with more assistance being provided for road networks and maintenance. A further 20% will be allocated to public health facilities – in particular enouraging access to generic drugs. The remaining 25% is earmarked for urban and local development projects.

This distribution of funds underlines the importance that is attached to improving infrastructures, whether in transport, health care, or some other social policy field. The weakness of infrastructures continues to be one of the biggest hurdles to developing the African continent. *Moïse Mensah*, National Authorising Officer of the EDF, and someone who is well aware of the problems (he used to be Rural Development Minister) expressed warm appreciation of the relationship his country enjoys with the EU. 'No further proof is needed of the value and effectiveness of our cooperation agreements with the EU. We understand each other perfectly and our relations are characterised by a mutual desire to be true partners in development'. He reported that efforts to achieve structural adjustment were progressing satisfactorily – a claim borne out by a recent survey which found that up to 80% of measures had been implemented. 'As for future cooperation', he added, 'I hope the EU will be sensitive to our regional concerns, both at WAEMU and ECOWAS level.' Mr Mensah concluded by confiding that he hoped to see European cooperation extended to prospecting and drilling for natural resources. These, he believed, offered enormous potential. On the basis of research already carried out, it is thought that Benin's subsoil contains 5.5 billion barrels of petroleum deposits and more than 90 billion cubic metres of natural gas.

M.F.

Côte-d'Ivoire

The barometer is set fair, but will the good weather last?

Anyone stepping ashore for the first time in Côte d'Ivoire is sure to be impressed by the hustle and bustle of economic activity. He or she may well want to know where all the dynamism comes from – and at least part of the answer is that this West African nation is going through a process of economic recovery after more than a decade of stagnation. In 1997, the growth rate is expected to be more than 7%. People may also be surprised to learn that, taking the country's size into account, Côte d'Ivoire is second only to Australia as the most popular destination for immigrants. 30% of the population is of foreign origin. And it has lofty ambitions for the next millennium, preparing confidently for what it regards as its future role – as the economic hub for all of West Africa.

Preserving political stability

When President *Félix Houphouët-Boigny* died in late 1993, many observers predicted an uncertain future and a difficult transition for Côte d'Ivoire. The man who had led the country since independence in 1960 had established a climate of social peace and political stability. Did anyone really want this equilibrium to be undermined in a bitter war of succession? It was difficult, at the time, to predict how things would go. There were those with a certain influence, and particular interests, waiting in the wings to see how things developed – in the hope of stepping out into the political limelight. Others were preoccupied with defending positions of privilege. With a 'new deal' in the offing, the country's shaky political scene certainly gave some credence to those who feared for the future. The situation had become extremely complex as a result both of the transition to a multi-party system and the economic decline which began in the 1980s.

Fortunately, the dark clouds dispersed, and Côte d'Ivoire – unused to major political upheaval – proved the harbingers of doom wrong. It skilfully negotiated the change in direction and embarked on a new era. To whom or what can the relative success of this transition be attributed? Was it thanks to the skill and ability of the politicians or the maturity and peace-loving nature of the people? From the events which immediately followed the death of President Houphouët-Boigny, the reasons for this orderly changeover are still unclear.

Côte d'Ivoire's constitution had made provision, in the event of a power vacuum or the death of the Head of State, for the President of the National Assembly to assume the top position. *Henri Konan Bédié* who held this post, automatically assumed power. The opposition was not at all happy with this, preferring the establishment of a caretaker government and a complete redefinition of the rules of the political game – in the shape of constitutional and institutional reforms. Understandably, the run-up to the presidential election held some two years later, in October 1995, was a rather tense period.

The main opposition parties – the Côte d'Ivoire Popular Front (FPI) and the Republican Rally (RDR) boycotted the poll. This left the field clear for the election of the incumbent, Konan Bédié, of the Côte d'Ivoire Democratic Party (PDCI) who took 95% of the vote. The PDCI is the political group that has been in power for more than 40 years. In the eyes of the international community, Côte d'Ivoire had satisfactorily come through its first post-Houphouët-Boigny presidential election without mishap. The political crisis that would have undermined the country's stability and credibility, compromising its prospects of economic revival, had been avoided.

Some insiders, particularly those without a close attachment to the PCDI, took a more sanguine view of the transition period. After such a long economic recession, it was vital, they believed, for the country to 'make up for lost time', and its capacity to do this, they felt, had been well and truly compromised. The view they expressed was that no progress was possible until the rules governing politics were made more transparent, with the process of democratisation being speeded up. The mindset of those holding the reins of power,

Abidjan University.
Students have regularly voiced their dissatisfaction, sometimes violently, making life hard at times for the university authorities

The Courier

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The emblem of the governing party. *The PDCI is a big political machine and has a massive advantage.*

they argued, had to change, and that change had to be reflected in concrete action. With 147 seats in the National Assembly as against 14 and 10, respectively, for the RDR and FPI, the PDCI had a big political machine and massive advantage. This does not appear, however, to have dampened the fervour of the opposition, which assumed its role enthusiastically. Indeed, it succeeded in extracting a promise from the government to reform the constitution in a number of disputed areas including the arrangements for a caretaker president in the event of a power vacuum, the criteria governing eligibility for president, the organisation of elections, the status of the opposition and the financing of political parties.

Those close to President Bédié have confirmed that one of his concerns has been to ensure that calm prevails in Côte d'Ivoire's democratic system. His proposals to include opposition representatives in government have given people a lot of food for thought. Several opposition members have admitted to having difficulties in striking a balance between their own political strategy and their genuine desire for reconciliation and consensus.

In a country where the distribution of the various ethnic groups within government plays an important role, it has been possible, up to now, to maintain the idea of national unity, with only a few dissenters. To preserve the climate of peace, which is essential for Côte d'Ivoire to achieve its much-trumpeted economic ambitions, the population as a whole needs to preserve and develop its model of political equilibrium, bringing in all the major ethnic and political components. The next presidential election, scheduled for 2000, will be a good opportunity to assess progress in this direction.

Diversification of the economic base

Balanced and stable economic development can be achieved only if the problems associated with relaunching a country's economy can be overcome. This is not something unique to Côte d'Ivoire – it is a lesson that has held good for most countries in sub-Saharan Africa since independence. Côte d'Ivoire actually achieved and was able to sustain an impressive economic performance for the first 20 years, on the basis of what was essentially a liberal economic policy. It opened up the country to inward investment and enabled its agricultural sector to prosper through exports. Some commentators dubbed this Côte d'Ivoire's economic 'miracle', and comparisons were even made with Japan. With a consistent growth rate of about 8% and a *per capita* income significantly higher than the average for West-Africa, the country managed to get itself into the group of so-called 'intermediate-income' states.

Côte d'Ivoire gets its foreign-currency reserves from agricultural export income. The main ones are cocoa, coffee, cotton, oil-palm products, hevea wood and other timber. In volume terms, cocoa and coffee are easily the country's most important raw materials. In the cocoa sector, Côte d'Ivoire managed to catch up with and overtake Nigeria and Ghana. Production increased from 179 000 tonnes in 1970 to between 950 000 and a million tonnes today. This makes it the world's top cocoa-producing country. It is also the fifth largest exporter of coffee after Brazil, Colombia, Indonesia and Mexico. Together, the two crops have enabled the country to consolidate its economic development, with relatively few problems.

It would be wrong, however, to paint too rosy a picture of the benefits derived from these key agricultural products. In the late 1970s, the world price of both suffered unprecedented falls. Combined with other structural factors at home, the effect was to plunge Côte d'Ivoire into deep crisis. This was the start of a long period of decline which was reflected in higher unemployment, large-scale migration from the country-side to urban areas and a scaling-down of investment programmes. The country contracted colossal loans in an attempt to bail out exporters and reduce the growing macro-economic imbalances. The crisis revealed just how fragile the economy really was, with its heavy dependence on a few export products and vulnerability to world price fluctuations. The recovery would prove to be a long, drawn-out process.

There were those who believed that the country would be on its knees for an even longer period but in 1994, the economy began to show signs of recovery. Economic reforms implemented over a number of years began to bear fruit, and there was the added bonus of rising commodity prices. At last, Côte d'Ivoire was able to start making money again

January 1994 also saw a devaluation of the currency *vis-à-vis* the French franc, which affected all the countries in the CFA franc zone. In many respects, this was a godsend for Côte d'Ivoire, providing a big boost to the economy. One objective of the adjustment – provided everything went according to plan – was to relaunch exports and investment. The government took a number of 'flanking' measures aimed at counteracting the likely inflationary and negative social impacts of devaluation. There was a price freeze on certain essential items and wage rises were kept in check. Prices paid to producers for export products were also raised slightly,

(Thomas Dorn/Commission)

A banana plantation at Nièky. *Côte d'Ivoire is, first and foremost, an agricultural country.*

taxes were cut and provision was made to boost funds for social purposes. Of course, devaluation in itself does not exactly help people to deal with their everyday problems, especially in a country which already has a reputation for very high living costs. Quite the reverse in fact. Families found that their weekly budgets did not go as far as before, while young people were left muddling through as best they could – hoping no doubt that the economic revival needed to restore their fortunes would not take too long to get going.

Students have regularly voiced their dissatisfaction, sometimes violently, making life hard at times for the university authorities.

The government is confident of growth of about 7.5% this year and believes that Côte d'Ivoire has the potential to achieve a rate soon which is in double figures. Multi-sectoral recovery policies are currently being implemented, with a view to strengthening, diversifying and liberalising the agricultural base, exports, services, mining and the promotion of private investment. Brimming with confidence, Prime Minister *Kablan Duncan* believes that his country is set to become the economic giant of the region, if not the continent.

Côte d'Ivoire is, first and foremost, an agricultural country and agriculture is still one of the key pillars of the economy. In 1994, the sector generated at least 30% of GNP and 40% of export income, providing employment for two thirds of the workforce. Programmes aimed at consolidating and diversifying farming are in progress. Apart from the coffee and cocoa that everyone has heard of, the country's farms offer a wide range of other produce to consumers and traders. The government's objective is to achieve a higher level of food self-sufficiency. In the past, they were often criticised for paying more attention to cash crops than to satisfying the nutritional requirements of the local people. Items such as yams, maize, rice and plantains are in great demand and, if you visit the renowned *maquis* (small-scale catering establishments), there is a good chance that you will see, smell (and perhaps taste) at least one of these local foodstuffs. Steps have been taken to increase and improve production, and there are plans to restructure distribution networks taking account of where the population is concentrated. The expectation is that these measures should soon produce results. Given that the population growth rate is about 3.8%, it is essential for the government to increase annual food production at a rate of between 4.5% and 6% between now and 2000. Côte d'Ivoire also intends to expand and intensify the production of onions, soya and potatoes.

As well as having implemented major reforms in coffee and cocoa (see the article entitled *Manoeuvring for position*), the government is looking closely at other sectors, and major privatisation programmes have been set in motion. The areas targeted include palm oil, with *Palmindustrie* being privatised to optimise exportable quantities of oil-bearing produce, and cotton, where the aim is to achieve an annual production figure of 300,000 tonnes and profit from the healthy state of the world market. Discussions have already begun with donors and companies interested in investing in cotton about the way liberalisation should proceed. In the expectation that these new privatisations will bring positive opportunities, some planters have already taken steps to organise their businesses more efficiently and safeguard their interests. In the pineapple sector, the authorities are seeking new markets. The same approach is required for bananas given the constraints imposed by the evolving global market and, in particular, the erosion of trade preferences resulting from the GATT Uruguay Round.

Côte d'Ivoire's economic development may have been agriculture-based for many years, but the country also has significant – and unexploited – mineral wealth. In the past, these resources attracted little interest from politicians, despite the discovery of petroleum and gas deposits in 1980. In March 1994, two new hydrocarbon fields, called *Lion* and *Panthère*, were discovered by the US company UMIC (United Meridian Company). Other deposits (*Foxtrot Bélier* and *Espoir*) have been located in the Atlantic coastal region. Current production capacity is estimated at between 20,000 and 25,000 barrels per day (bpd) – a figure which far exceeds national consumption requirements. The development of the oil sector fits in with one of the government's objectives, which is to guarantee that the country is independent in energy terms. The authorities would like to see production reach 40,000 bpd (and 30 million cubic metres per day of gas), enabling it to export energy to the wider region.

Other mineral resources the government is keen to exploit include gold, nickel, manganese, platinum-bearing tantalite and iron. Exploiting these should result in substantial added value for Côte d'Ivoire's mining sector, and a diversification of the country's export income. There are plans to give greater incentives to the mining sector. New codes governing investment in mining and petroleum have been drawn up with a view to attracting foreign companies that specialise in prospecting, extraction and processing of these hitherto unexploited sources of wealth.

Like all African nations, Côte d'Ivoire aspires to much more than merely leaving under-development and economic stagnation behind. It has its sights set on becoming an industrialised country, like those in South-East Asia, within a generation. Asia chose the images of dragons and tigers to represent the power of their economies – which emerged in spectacular fashion in the 1980s. Côte d'Ivoire, meanwhile, has chosen the elephant as the symbol of its intentions. The first step, if it is to conquer foreign markets and attract foreign investment, must be the establishment of a primary product-processing industry capable of high performance levels.

Uncertainties

Although the revival of Côte d'Ivoire's economy and the much-talked-of prospects for the future are a source of satisfaction, many observers feel that the government should tread cautiously. Admittedly, at 7% plus (which is above most other African countries), growth is on target, but the economy, nonetheless, shows some signs of weakness. The impact – which has still to work through – of all the economic reforms that have been implemented, will be decisive. In the meantime, only a brave person would dare predict the repercussions for the economy of a sudden drop in world cocoa and coffee prices.

Debt is perhaps the greatest threat to economic stabilisation and the achievement of Côte d'Ivoire's lofty ambitions. The amount the country owes is reason enough in itself for concern. At the end of 1996, the figure was a staggering $18 billion, external and internal debt combined. In local cash terms, the devaluation of the CFA franc had the unfortunate effect of doubling the amount involved, which is denominated in foreign currency. Servicing a debt of this size requires a sizeable proportion of the state budget every year. This does nothing to reduce the economic imbalances, and there are fears that social programmes and policies designed to encourage productive investment will not be sufficient to compensate for the effects of the debt burden. Debt reduction is already on the agenda in negotiations with the international agencies but current discussions with the World Bank and IMF have been somewhat rancorous. The Bretton Woods institutions are making debt rescheduling conditional on 'good economic housekeeping' and accelerated liberalisation, but the government is having difficulties implementing the required programmes. It looks as if the problem will be around for some time to come.

Privatisation of *Palmindustrie* is under way

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According to agronomists, the government, as in other agriculture-based countries, will also have to take steps to prevent significant soil erosion in the future. This is something which needs to be taken into account when implementing agricultural development programmes and strategies. Another area where attention is needed is the country's forests – which are truly an 'endangered species'. Deforestation is continuing, thanks to ill-thought-out timber exploitation and uncontrolled, illegal occupation of protected forests by businesspeople wanting to develop coffee and cocoa plantations. It is estimated that between 100,000 and 150,000 tonnes of these crops are produced in protected areas! Preservation of Côte d'Ivoire's forests must include the drafting and enforcement of a suitable land law applying to rural areas. This is something which is currently lacking.

Finally, if the current promising progress is to continue, the government needs to monitor the success of social programmes whose aim is to ensure a reasonably fair distribution of the results of growth. This is important if they are to avoid social and even political destabilisation.

It is suggested that crises come in cycles. Côte d'Ivoire has made a good start in recovering from the crisis of the 1980s/early 1990s – and would naturally like to disprove the theory by maintaining its development momentum over the longer term. K.K.

Daniel Kablan Duncan, Prime Minister

'Aiming to become a new industrialised country within a generation'

Daniel Kablan Duncan is no newcomer to Côte d'Ivoire's political scene. In 1990, he was Economics and Finance Minister and, in 1993, President Bédié appointed him Prime Minister, a post of great responsibility in a period of delicate political transition. After the 1995 elections, he was reappointed Prime Minister and also took charge of the National Plan and Industrial Development portfolios. Côte d'Ivoire's economic resurgence began in 1994 as the result of a combination of favourable factors - notably the rise in world prices of the country's main export commodities and the devaluation of the CFA franc. These aspects aside, Côte d'Ivoire's 'Number 2' is a skilled strategist. We began by asking him to give us a brief outline of the economic policy which has enabled his country to begin getting back on its feet again.

– The first thing I should point out is that we had a very strong economy, with high growth, during the first 20 years following independence. The average figure was 7% per year. After that, we suffered an economic crisis, which began in 1981 and went on until 1993. During that period, the GDP figure fell by 0.1% per year, although there was a short time between 1985 and 1986 when the outlook seemed a little brighter. The economy was out of balance and we implemented adjustment programmes in an attempt to revive the trend towards growth and make the economy competitive again. These structural measures were supplemented by the devaluation of the CFA franc in January 1994, and there was indeed an improvement in the currency position that year, which ran on into 1995. In 1996, rates were not as good but the economy continued to grow. The upward trend began in 1994 with 2% growth, jumping to 7% in 1995 and 1996. This year, we estimate it will be 7.5%. Obviously, this revival can be attributed partially to the rise in prices of our main export commodities, such as coffee and cocoa. But it is due, above all, to the fact that we have diversified basic aspects of our economy and implemented reforms in a number of other sectors. Côte d'Ivoire's economy is now more competitive and a great deal more attractive to private investors.


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Our unambiguous choice of private investment as the driving force for growth is one of the priorities of our economic policy. This contrasts with the two decades following independence, when we relied on the public rather than the private sector to promote growth. We aim to encourage prosperity through a programme of privatisation, awarding public works contracts to the private sector, and encouraging companies to locate in Côte d'Ivoire. Meanwhile, we will help those already here to develop and export their produce.

■ *Are you satisfied with the current rate of progress of your reforms?*

– Let's just say that we are ready to move on after the initial, fundamental stages. Implementing reform is a never-ending task and now we have to make sure that we stay ahead. A lot of effort has already been put in, but we obviously have many tasks facing us in the future. As regards our past achievements, we have overhauled the public finances, enabling us to release savings. In 1996, we had a surplus of CFAF 200 billion – more than 3% of GDP – whereas, in 1993, the deficit was CFAF 93 billion. Then, of course, there have been privatisations enabling us to attract know-how from outside, generate increased resources and thereby help the private sector play its part in the country's growth. The quasi-public companies are still at the restructuring stage. We have also begun to liberalise the important area of domestic and foreign trade through price liberalisation, together with a properly functioning system of competition. And we have established a more appropriate regulatory code, installing a 'competition commission' to act as conciliator. These are important parts of our economic programme.

On top of this, we have passed a new investment code, a special code applying to the oil and mining sectors, and a more flexible and attractive labour code for companies wishing to transfer to Côte d'Ivoire. In the monetary field, we have implemented measures which we hope will result in more effective control over the economy. Evidence of this is the fact that the inflation rate, which was 32% at the time of the CFA franc devaluation in 1994, fell to 7.7% in 1995 and has been running at just 3.5% since last year. We also need to implement legal reforms, particularly to improve Côte d'Ivoire's commercial-law environment.

■ *In connection with the business environment, you have made a number of trips abroad to encourage investors to look more closely at Côte d'Ivoire. What real investment incentives does your country offer?*

– We have produced a leaflet giving 20 good reasons why investors should consider Côte d'Ivoire seriously. One key reason is our political and social stability, which is fundamental for investors' security. Then there is the fact that the country is opening-up. In addition to this, there are the infrastructures: our ports and airports offer easy international connections and our communications and telecoms system means that companies transferring here should experience few problems. Furthermore, Côte d'Ivoire is the gateway to West Africa. We have two organisations in this region: the WAEMU with 60 million consumers, and the ECOWAS, covering 16 French-, Portuguese- and English- speaking nations. Many companies have their headquarters in Côte d'Ivoire, which enables them to operate in most of these countries.

■ *Concern has been expressed about the fact that foreign investors are free to acquire significant holdings in your country's companies. Are you making any efforts to encourage home-grown investment?*

– I don't believe that a country can develop its full potential on the basis of foreign investment alone. What you need to do first is encourage domestic development and ensure that the way your own investors are treated serves as an enticement to foreign investors looking to set up partnerships in the private sector. So we are keen on stimulating 'home-grown' investment. I will now anticipate your next question and tell you what we actually offer our domestic investors. First, the new investment code we have introduced is just as profitable for them as for foreign investors. Second, we are in the process of reorganising our business environment, for both small and medium-sized companies. Government help with organisation and equipment has enabled an SME federation to be set up. We also aim, through training, to help companies improve their management methods. We will offer finance via a national enterprise fund and help them gain access to credit more easily, either inside or outside the country. The domestic private sector represents at least one third of investments made in Côte d'Ivoire, but can doubtless be developed further.

■ *Domestic companies are not as competitive as their foreign rivals when it comes to gaining contracts, issuing shares or undertaking capital investment. In these circumstances, isn't there a danger that they will be excluded from key economic sectors?*

– This is a very fair question. In fact, we have been trying to organise the domestic subcontracting sector. When big companies win a contract, they cannot do everything themselves and have to subcontract part of the work. So Côte d'Ivoire's companies must start to perform better, their management methods must become more rigorous and they must meet deadlines – in order to establish their credibility once and for all. Domestic companies make up 80% of all firms established here, but they are mostly SMEs and they only have an 18% stake in the country's wealth. Our objective is to bring this above 30% by 2005. Having said this, there are certain domestic companies which operate on the international scene and look set to become 'multinationals', at least in an African context. We have to do everything we can to increase their numbers.

■ *It is clear that Côte d'Ivoire is beginning to find its feet again, but aren't you worried that everything might collapse under the burden of domestic and foreign debt?*

– You have touched on a subject of major concern. Côte d'Ivoire's debt is approximately $17 billion. Domestic debt reached CFAF 8 billion, and the government has spent the last three years paying back the arrears it owed to the private sector. That part is now settled and we are keeping up with the current payments.

As for the foreign debt, there are three main components: bilateral, trade and multilateral debt. Let me begin with the bilateral debt. In 1994, within the Club of Paris, we managed to have the debt rescheduled. 5% of it was cancelled after the CFA franc devaluation and we obtained an extension of the term up to 30 years. During those discussions, we agreed with our partners to renegotiate some of the conditions during 1997, the requirement being the proper implementation of the triennial consolidated structural adjustment programme. As that programme has been running smoothly, we will soon be meeting with the Paris Club. We hope then to renegotiate what are known as the 'Lyons terms', which grant us even further concessions, with 80% debt cancellation. As regards the trade debt, the Economics and Finance Minister signed a 'recycling' agreement with the Club of London in May, and 8% of the debt was cancelled. This was the culmination of two years of negotiation. As for the multilateral debt with the IMF, World Bank and ADB, Côte d'Ivoire is eligible for inclusion in the initiative that aims to readjust the burden on the poorest heavily indebted countries. Once the new structural adjustment arrangements have been settled, we expect to be able to benefit from this new instrument. Negotiations on the debt stock will not take place until 2000, but we expect Côte d'Ivoire to be in a better position economically by that time.

■ *Although the country is experiencing growth, this is not yet being reflected in improved living standards for many people. How do you propose to tackle the social aspects? Can you channel some of the fruits of economic revival towards the poorest members of society?*

– I mentioned earlier that we lived through 13 years of economic crisis and that growth did not start again until 1994. Three years is too short a time to achieve a complete turn-around after such an experience. However, the renewed growth is now enabling us to release resources for investment in basic sectors such as education, health, employment and infrastructure.

70% of our children are currently in full-time education and our aim is to get the figure above 90% by the year 2000, with all children receiving full-time education by 2005. Côte d'Ivoire allocates half its budget to education. We take the view that people are a country's main source of wealth. In 1963, we had just 463 students; now there are 61,000 – so you can see how far we have come. Another priority is to step up our adult literacy campaign. Approximately 56% of adults cannot read and we hope to bring this figure down to around 10% between 2005 and 2010. These are some of the basic challenges we face. Only a well-educated population – and I would include here, in particular, the female population – is capable of making a true contribution to development.

We have also implemented important measures in the field of health. If you have the time, you should tour the country and visit our teaching-hospital centres and community health clinics. There you will be able to see for yourself how much we have already achieved. During the crisis, child vaccination rates fell to 30%, but we have already brought this figure back up to 50% and expect it to reach 80% by 1998. We anticipate total coverage by 2005. Infant mortality rates are also declining markedly. So the government has concentrated its efforts on these two key areas of health and education.

At the same time, we are extremely concerned about the unemployment rate. We have to create jobs in the private sector because public administration simply cannot take on any more recruits. On the contrary, we are trying to cut back our civil service. People must be encouraged to go into business for themselves and we have set up social funds to help young people, the unemployed or those who have had little or no education. The scheme will apply to both the countryside and the towns and cities.

■ *What are your feelings about the recent World Bank report which highlights Côte d'Ivoire. It talks about increasing poverty levels, lower purchasing power, cutbacks in education and reduced access to health care for much of the population?*


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A country market.
The cost of living is high if one looks at it in terms of people's actual purchasing power

– Poverty is an area we have certainly been looking at. It was agreed, in the context of agreements with the Bretton Woods institutions, to review the poverty situation here so that donors could offer better support for our economic revival and help distribute wealth across the population as a whole. The study was based on figures from Côte d'Ivoire's National Statistical Institute, and it caused a great deal of fuss. People didn't really understand what we were saying and what the figures meant. The report said that relative poverty stood at 33% and absolute poverty at 10%. Well a recent report revealed an overall poverty level of 12% in Western Europe which is a pretty high figure for developed countries. What this shows is that it is not an easy problem to solve. Also, the World Bank representative who produced the study led us to understand that his conclusions had been misinterpreted. Compared with other countries in Africa, I can assure you that Côte d'Ivoire is not really that badly off. The figures have to be viewed in relative terms.

■ *Nonetheless, the cost of living is high here if one looks at it in terms of people's actual purchasing power.*

– Yes, of course. When we devalued, there was obviously a drop in purchasing power. The role of devaluation is to suppress external demand so as to promote exports and breathe new life into the economy. There were accompanying measures to ease the pain, but purchasing power takes time to catch up. If you look at the figures, you see that Côte d'Ivoire is the only country in the franc zone where there have been three successive wage increases in 1994, 1995 and 1996. The increase has been 15% for the low-paid and 5% for workers on higher incomes. But wealth can be distributed only insofar as more jobs are created. There are unemployed people or students who have finished their studies and have no job who are kept by their parents. When all family members are working, income increases dramatically. However, things have begun to change and employment has now risen by 10%. We hope that, by 2000, the country will be back to its former situation. Of course, the effects of liberalisation need to be recognised. When a government implements a liberalisation policy, this initially leads to increased prices – but the effect progressively wears off. Foodstuffs are the most important component in our price index. So it is particularly important that we boost agricultural productivity.

■ *What is the state of your relations with the country's private sector?*

– It was obvious from the moment that we decided to base our growth strategy on the private sector, that we would need to listen to them, understand their concerns, and offer them support. Since 1991, under the terms of a presidential decree, the government has been involved in a public-private sector liaison committee chaired by the Economics and Finance Minister. This brings together the key figures involved in the economy and politicians to discuss economic policy and the strategies that should be adopted. We have also established a private-sector committee chaired by the Prime Minister. These two structures aim to promote contact and discussion, and whenever major decisions have to be taken, the private sector offers its opinion. For example, we are in the process of preparing fiscal provisions for adoption in 1998, and the private sector has already submitted a document summarising its misgivings about the finance law. When measures to remove certain taxes were being discussed, work was carried out jointly by the state and the private sector. When we had to modify the legal system, a commission which included the private sector, the government and donors was set up. The private sector was also involved in the education reform law and takes part in consultative meetings with universities. So you see, it has a voice in many areas.

■ *Do you just hear this voice or do you actually listen to what it says?*

– Ask representatives from the private sector and you will see! The government certainly feels that it not only hears but also listens to what is said. We take the private sector's concerns into account, as far as we are able. Of course, it is not possible to meet all the demands on our resources. If, for example, it was suggested that taxation should be reduced to zero, this would clearly be very difficult to implement! Incidentally, the tax take of the government, as a proportion of GDP, has fallen from 23% in 1993 to 18% today. Taxation fell by CFAF 125 billion – to the benefit of Côte d'Ivoire's production sector. This helps to explain the significant role played by private enterprise in the economy. Private investment accounted for 69% of total investment in 1996.

■ *It has been suggested that Côte d'Ivoire could become an African version of South-East Asia's 'dragons' and 'tigers'. Are you optimistic that this is likely to happen?*

– We all want the best for the country in the future, as the President himself has often stated. We anticipate that Côte d'Ivoire will be one of the new industrialised countries by about 2025 – within a generation. That is why we speak in terms of the `African Elephant', which is our national symbol. We want to be the best, but we don't doubt that there are others in Africa who can help the continent throw off the burden of underdevelopment. We have to adopt a multi-faceted approach, with areas where growth is concentrated, promoting economic revival throughout Africa. The continent has a wealth of natural resources. Its human resources continue to grow and we are anxious to become part of the world economy. I have no doubt that Africa will emerge onto the world scene. Underdevelopment does not have to be its inevitable destiny.

■ *Earlier, you mentioned education as being essential for development. With this in mind, how do you view the current crisis in Côte d'Ivoire's universities?*

– I believe that this is linked to the crisis in society, which itself stems from the long years of economic recession and from political change. Students feel the effects of the crisis, too, and express their dissatisfaction in their own way. We understand this, but it is important to be able to talk and to work out a solution. Violence is not the answer. We have to work together, and the President aims to meet the students personally to discuss the crisis. That said, economic growth will make it easier to formulate a suitable approach to the unemployment problem, which is even now showing signs of improvement. As for the resources available to the universities, the government has invested nearly CFAF 30 billion in equipment, to improve living conditions on campus and to promote decentralisation. I also support improvements in teaching quality and the quest for excellence. We feel that the crisis will be resolved somewhat when students' general living conditions show an improvement.

■ *Lomé IV expires in February 2000. In your view, what key factors are involved in redefining the relationship, in order to make it more effective?*

– Anything built by humans is capable of being improved. I should stress that Côte d'Ivoire has profited from the relationship with the EU in trade, financial and technical terms. We have taken on board the suggestions contained in the Commission's Green Paper, and have also set up a national committee to discuss the future of the Convention. Documents on this subject have already been published. Côte d'Ivoire would like a number of improvements. First, on the trade side, the preferences granted under Lomé will disappear on account of globalisation and the role that the WTO looks set to play. We are calling for flanking measures to be implemented at a financial and technical level. We also believe that EU countries should open up their markets more, because liberalisation strategies in the Northern and Southern hemispheres are not in balance. Many markets remain relatively closed to the products, such as textiles or manufactured goods, that we make. The fact that some non-tariff barriers continue to exist shows that all developed countries – and not just EU ones – are fearful of the effects of liberalisation. Whoever it was that said 'Trade but not aid' hit the nail on the head! We must promote trade by opening up markets in the West for our countries' processed products. And we have to step up cooperation in the private sector because, given that levels of government aid are falling, growth can be stimulated only through foreign investment. So we have to encourage this option by removing a lot of the red tape. We need to guarantee exports and investment to enable companies in industrialised countries to cooperate more easily with their counterparts in the Southern hemisphere – with a view to setting up partnerships and accelerating development. This is a priority for cooperation in the future. In terms of financial cooperation, resources are limited, but the relationship with the less affluent countries must continue to enable them to purchase equipment and promote their own development. Another approach would be to step up decentralised cooperation involving local communities and NGOs. This will help to bring people together. ■

Interview by K.K.

Coffee and cocoa: manœuvring for position

Alain Gauze, Minister for Raw Materials, occupies a key post in the Côte d'Ivoire government. His ministry's main tasks are to draft and monitor marketing policy for basic agricultural products, and to find ways of consolidating Côte d'Ivoire's share of, and position in, foreign markets. He also takes the lead in international negotiations for agreements on basic agricultural products and monitors high value-added investment promotion in the context of industrialisation linked to the farm sector. A former diplomat based in Brussels, he plays a very active role in the various organisations representing coffee- and cocoa-producing countries and has a reputation for the skilful management of the government's reform programme in this sector.

There is no disputing the strategic importance of coffee and cocoa to Côte d'Ivoire's economy. These two raw materials – dubbed the country's 'green gold' because of the big contribution they make to development – have long been an important barometer of the nation's overall economic health. World commodity prices are erratic by nature. As a result, they constantly undermine domestic economic strategy and make it impossible to forecast future developments. Despite this, Côte d'Ivoire has, by and large, been able to make a profitable living from its two main agricultural products. Coffee and cocoa prices, which were at their lowest during the long years of crisis the country experienced in the 1980s and early 1990s, have bounced back to reasonable levels – and indeed, there is now talk of a coffee-price explosion.

Coffee and cocoa now represent a third of agricultural added value, about 7% of gross domestic product and some 46% of the total exports. The two sectors provide jobs for 60% of the working population, and there are about three million small-scale planters. Côte d'Ivoire is by far the world's largest producer of cocoa, with a weighted average of 950,000 tonnes *per annum*. Peak production sometimes reaches 1 million tonnes. It is also the world's fourth largest source of coffee, with an average annual production figure of 250,000 tonnes.

The challenge of liberalisation

The wave of privatisations currently sweeping the country has also left its mark on the coffee and cocoa sectors. Since 1993, the government has gradually been playing a less influential role in the production and management sectors and, encouraged, if not 'forced', by the Bretton Woods institutions, liberalisation of the coffee/cocoa sector is continuing apace. *Caistab* – the more familiar name for the Agricultural Produce Price Maintenance and Stabilisation Fund, which used to exercise significant control over the domestic and foreign marketing of coffee and cocoa, has been partially privatised under this scheme. The aim is for the state no longer to be the principal player in the management of production, particularly where the domestic and foreign marketing of these products is concerned. This important link in the chain is already run by private economic operators who currently manage most activities in the coffee/cocoa sectors. The same operators also control on-the-spot purchases in rural districts, transport coordination, the supply of sacks to peasant farmers, marketing, and ancillary activities related to shipping the product from Côte d'Ivoire's ports. Alain Gauze says that government involvement is now limited to defining and setting up the regulatory and institutional framework needed for the sectors to operate smoothly and harmoniously. In his opinion, the private sector must progressively take on even greater responsibility.


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Guy Alain Gauze

It will be some time, however, before the effect of coffee and cocoa liberalisation on the country's economy – and on the situation of planters and private companies – can be assessed. On the domestic marketing side, liberalisation has brought with it the closure of buying and collection centres controlled by Caistab, meaning that much of this agency's administrative burden has been eliminated. This measure has promoted greater fluidity in purchasing and has facilitated the transport of produce from collection centres to ports of shipment, much to the satisfaction of handlers and export companies. As things stand, Alain Gauze believes the results of liberalisation are positive overall, although he accepts that there has been a decline in product quality since Caistab's agents, who used to be responsible for quality control upstream, were superseded. It should be possible, he thinks, to solve this problem in due course. Meanwhile, there have been some difficulties over the management of sack distribution by private companies, and peasant farmers have been complaining.

The government envisages extending the liberalisation process to coffee/cocoa exports. The Finance and Economics Minister, and his Agriculture counterpart, have already begun negotiations with donors, although some problems have been experienced. According to well-informed sources, the radical approach of the World Bank – which is calling for accelerated liberalisation – is not in line with the government's more gradualist approach. In the coffee sector, the principle of total liberalisation is taken for granted and the authorities are committed to fulfilling their obligations within the next year or two. On the

Cocoa plantation
How can the technical mechanisms of the world market be explained to the small-scale peasant farmer?

other hand, owing to the volume of production and the high stakes involved, the treatment of the cocoa sector is causing serious tensions. The Washington agencies have indicated that the processing and recycling of part of the country's debt, together with the granting of agricultural structural adjustment credits (CASA), depend on Côte d'Ivoire's compliance with their demand for a speeding up of the liberalisation process. The Minister for Raw Materials, seeking to put these disagreements into perspective, stressed that the World Bank and IMF recognised the need for controlled liberalisation, taking account of Côte d'Ivoire's particular circumstances. The Bretton Woods institutions, he claimed, were aware of the potential consequences of an unsynchronised process.

The future of the Stabilisation Fund is the subject of much controversy. This instrument is regarded as a key symbol of the Houphouët-Boigny era, but it has also been attacked on the grounds that it has not been operated transparently, and has been fiercely criticised by producers who are keen on speedy restructuring.

At present, it is being examined by high-ranking World Bank officials, who are known to favour its outright privatisation. But will the Côte d'Ivoire government agree to losing its majority stake in the system? Although the authorities do not have too much trouble accepting the idea of in-depth reform to comply with the recommended liberalisation programme, they do not wholeheartedly favour the complete disappearance of the Fund. As Alain Gauze commented, Caistab 'is an instrument whereby we can make the most of our policy for marketing coffee and cocoa on foreign markets, and it has proved its worth. Given the globalisation of the economy, its functions and attributes ought to be refocused to meet new competitive challenges.' He sees a risk in liberalising a sector which generates close on a million tonnes of cocoa *per annum* without establishing a regulation, control and promotion mechanism to determine the rules of the game and to ensure that these are obeyed.

In addition, Caistab is regarded by many of its champions as a safeguard. It is seen as a protection for the country's farmers against the more predatory private-sector agents – whose commercial appetites have been stimulated by the prospect of a wholesale 'abandonment' of an industrial sector to the vagaries of market forces. So should it be dismantled or reoriented? Only time will tell which view will prevail.

Mobilisation and the stockmarket

Three factors govern price formation: supply (the volume offered to the market), demand, which corresponds to the driving force of consumption, and the amount in stock. Together, these are known as the 'market fundamentals'. A country with control over supply can influence prices through its marketing strategies – for example, by deciding to 'flood' the market. By doing this, it would create a disturbance probably leading to lower prices. This, of course, would not favour the producer nation, and Alain Gauze stressed that to influence world prices in a way which was favourable to the producing state, it was necessary, either individually or working as a group of exporters, to devise a rational marketing strategy – which takes account of world stocks and consumption patterns. The basic point here is that it is the flow of a product on to the market which determines its price.

So what has Côte d'Ivoire's policy been on this? As regards coffee, the government decided in 1993 – in the context of negotiations between producer and consumer members of the International Coffee Organisation (ICO) – to set up a market intervention mechanism known as the 'retention plan'. Under this arrangement, African, Asian and Latin American producers held back 20% of their exportable production volume, forcing consumer countries – which used to hold 22 million sacks of coffee in reserve – to draw on these to meet their needs. By bringing world coffee stocks down to 8 million sacks, producer countries managed to boost prices and influence the market. An immediate consequence was that African robusta, which used to sell at significantly below the basic production cost, tripled in price on the London futures market. The stocks held back were then gradually released in line with market requirements and producer countries were able drastically to reduce their reserves – thereby avoiding the high cost of storage.

New disturbances on the world market, however, revealed the limits of the retention plan, forcing Côte d'Ivoire to employ a different market regulation mechanism – export limitation. This is effectively a quota system. Set up by the Inter-African Coffee Organisation (IACO) whose 25 members are all ACP states, this programme for limiting exports was presented to the Asian and Latin American producers in January 1997. They have agreed to try it out in the context of the Association of Coffee-Producing Countries (ACPC). Both the robusta and arabica markets have now stabilised at prices which, for the most part, ensure a profit margin for the various producer countries. This, in turn has had a positive spin-off for the small-scale peasant farmers, according to Alain Gauze. What is not clear is whether the rise in coffee prices is exclusively due to the self-imposed disciplines adopted by the producer states.

It is also worth noting that Côte d'Ivoire sells its coffee and cocoa under the 'PVAM' (medium-term future sales policy) system.

How can the technical mechanisms of the world market and the importance of the issues at stake be explained to the small-scale peasant farmer, whether in Côte d'Ivoire or elsewhere? In rural areas, illiteracy levels are still high and government efforts to inform the main agents involved in the sector have some way to go. To achieve better results, the authorities plan to support the OPAs (Agricultural Vocational Organisations) and are preparing to reinforce their awareness-campaign efforts.

The processing challenge

Can a country seriously aspire to economic development if it contents itself merely with supplying unprocessed raw materials to the international market? Economic history provides few examples of successful development based solely on primary production. On the contrary, relying on just one or two agricultural products for the bulk of one's national income is a very high risk strategy. It can lead to complacency and stifle the imagination of key players in society, who may adopt the mindset that 'their' traditional product can be relied on to 'bring home the bacon'. This, in turn, may mask the country's potential in other areas by discouraging initiative. And when things go wrong (for example, if world prices fall), the result is likely to be macro-economic disruption, and increased fraud both within the domestic system and in relations with foreign partners. In the case of Côte d'Ivoire, it is perfectly clear that the entire economy catches cold when the world coffee and cocoa price mechanism sneezes. This was true in the past and is still true today, although new trends involving globalisation, a greater emphasis on competitiveness, and market integration suggest that the landcape is changing quite radically.

Aware of the risks in relying too heavily on primary activities, the authorities in Abidjan have included a progressive coffee and cocoa processing option in their economic programme. By the end of the century, the country aims to be processing 50% of its cocoa and 30% of its coffee locally. Currently, Côte d'Ivoire transforms 180,000 tonnes of cocoa and 15,000 tonnes of coffee a year into higher value products. The Minister for Raw Materials justifies the policy by pointing out how little Africa has benefited from the increase in world industrial production that has occurred in recent years. The idea is that the industrial added value created will have a positive impact on national wealth. Côte d'Ivoire, he adds, intends to increase its manufacturing output, consolidate its industrial fabric, promote a regional development policy, create jobs and increase the amount of tax revenue generated by finished or semi-finished products.

Mr Gauze also believes that more home-based coffee bean processing will lead to reduced supplies of this product on the international market, thereby putting upward pressure on fu-

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A coffee plant.
The aim is that by the year 2000, 30% of Côte d'Ivoire's production should be processed locally.

The chocolate debate: 'pure' versus 'diluted'

The European Community's Directive 241 of 1973 stipulates that only cocoa-derived products may be used in the manufacture of articles sold under the 'chocolate' name – with an exemption for certain countries. The basic principle derives from similar WHO and FAO rules. These two organisations are responsible for international legislation on products intended for human consumption.

Some EU Member States, including the United Kingdom, Denmark and Ireland, manufacture chocolate which includes up to 5% vegetable fat other than cocoa butter. These products may not be sold as chocolate in other EU countries which apply the basic rule. This situation, of course, conflicts with the idea of the single market. Accordingly, the European Commission has submitted a proposal aimed at harmonising the rules (see The Courier No. 158, July/August 1996). Under its draft directive, Member States who wish to do so are authorised to use a maximum of 5% of vegetable fats other than cocoa butter in the chocolate products they produce. Moreover, EU countries may not prohibit the sale on their territory of so-called 'chocolate' products manufactured lawfully in another Member State. Some experts believe that this could lead to a 'downward harmonisation' throughout the EU and a drop in demand for cocoa beans.

In Côte d'Ivoire, the authorities fear that such a measure could have disastrous consequences for their economy. According to the Minister for Raw Materials, it would mean a drop of approximately 200,000 tonnes in European consumption of cocoa beans, and a loss of the order of $800 million for his country. A recent study published by the International Cocoa Organisation states that, from 2000, there will probably be a one-billion-dollar drop in export income for all African, Asian and Latin American producer countries if the proposal is adopted. This raises real fears for producing countries, many of which are in the throes of structural adjustment and have big debts to service. They are obliged to use a proportion of their export income to stabilise their macro-economic and financial situation with a view to achieving further national development. Replacement of cocoa butter by alternative vegetable substances such as illipe fat, shea butter, palm oil or coconut oil would cause international cocoa-bean prices to drop.

For a country such as Côte d'Ivoire, the impact of such a directive could also be prejudicial to employment policy and industrialisation targets. Added to this is the worry that other countries such as the US, Canada, New Zealand and Australia may follow the European trend in order to remain competitive.

Despite its fears, the current Côte d'Ivoire Minister for Raw Materials, in his capacity as ACP spokesman, expressed confidence in the 'farsightedness' of MEPs and members of the EU Council. 'They are well aware of the issues at stake here', he said, 'and will find a balanced, long-term solution'.

According to some observers, the big question is whether the arguments in favour of 'pure' chocolate can prevail over the power of multinational groups which support the new rule. The sums involved are very substantial. There are some industrialists who attach a great deal of importance to the 'pure' nature of chocolate and they are also campaigning against the draft directive. A meeting of several of those concerned took place in Abidjan this year, in the presence of President Konan Bédié. While waiting for the European institutions to examine the case, the Côte d'Ivoire government has introduced a lobbying strategy which they say is aimed at making both decision-makers and consumers in Europe more aware of their problem – and of what exactly is at stake. The 'chocolate war' continues!

tures prices. The same is true of cocoa. If a significant proportion of Côte d'Ivoire's raw production is effectively taken out of the international system because of local processing, the remaining cocoa beans exported without value added should command a higher price. And given that it is the bean prices on the futures market that determine the prices further up the production chain, the result should be better returns on semi-finished products such as cocoa butter.

The question which arises is whether the conditions for adding value 'at home' have been met. According to the Minister, Côte d'Ivoire must continue modernising its industrial sectors and be prepared to implement a contract-allocation policy which, as far as possible, would involve domestic companies. A number of local firms – and large multinational groups – wishing to establish processing plants to Côte d'Ivoire are said to be waiting in the wings. It is reported that the Swiss groups *Klaus Jacobs* and *Nestlé*, the American giant *Cargill*, the French *Choc' Arbin* company and a number of others have already submitted applications to the Côte d'Ivoire authorities. At the same time, they are seeking to form partnerships with local industrialists.

Further challenges for the government include getting to grips with production costs, and finding markets for the processed products which should be coming on stream as the new policy is implemented.

Côte d'Ivoire's leaders are keen to stress that they have faith in the policy of expanding domestic processing in the country's two main agricultural resources. They refuse to be put off by the unhappy experience of a number of Latin American and Asian countries in this area. K.K.

Interview with opposition leader *Laurent Gbagbo*

'We have a multi-party system – but it is not true democracy'


The Courier

The accuracy or otherwise of this assertion, by Côte d'Ivoire's main opposition leader, is bound to be of interest to those who want to know more about this West African country's current level of political development. The political climate has undoubtedly changed since the death of President Houphouët-Boigny, the single-party system having given way to political pluralism. But Laurent Gbagbo – a historian by training and leader of the opposition Popular Front (FPI) – believes that progress towards 'genuine democracy' in Côte d'Ivoire is still too slow. He also thinks that many of the government's economic choices need to be re-examined, as he explains in the following interview.

■ *Côte d'Ivoire is experiencing renewed growth and many of the economic indicators look good. Which of the government's economic policies do you disagree with most?*

– Côte d'Ivoire is certainly experiencing renewed growth, but, contrary to what you might believe, not all the economic indicators are good. Is there anyone nowadays who knows what the real unemployment figures are? In this country, we do not count the number of jobless, we count those who are in work. We have a population of 14.5 million, approximately 8 million of whom live outside the towns and cities. In urban areas, only about 390,000 people earn a living from the 'modern' sector – public administration and the private sector taken together. That's a disastrous figure! All the rest of the urban population is either directly or indirectly unemployed, depending on whether they are involved in the 'informal' economy. So, you see, the unemployment indicator is nowhere near as good as the government might have you believe. Furthermore, studies conducted by international institutions show that between 40% and 70% of the people live in varying degrees of poverty, depending on how the figures are calculated. Even if you take the lower percentage, that amounts to 5 million souls living in poverty – which is far too many! And then there are the 10% defined as extremely poor, who do not even have the basic minimum with which to survive. Let's look at it a little more closely. What does economic growth in Côte d'Ivoire actually mean? In OECD countries, an extra half point in growth brings with it more jobs and further development, but this is not happening here, even with growth running at 7-8%. Our economy is based solely on coffee, cocoa and timber exports so we are heavily dependent on export income from these commodities. One of the dangers which comes with such dependence is, for example, that we have virtually no forests left. At the time of independence, they covered 16 million hectares. Now the figure is less than 2 million. This is not just an economic, but also an ecological disaster! Growth in Third-World countries needs to be viewed with extreme caution. For instance, growth in Congo, Gabon or Nigeria – based exclusively on petroleum exports – does not necessarily lead to internal development.

■ *The government maintains that the economic revival dates only from 1994, and that people must be more patient and work harder before they begin to feel the benefits.*

– The government's analysis differs fundamentally from ours. We do not believe that the country is out of the woods yet. If we were to hear today of problems on the New York, Paris or London exchanges leading to a fall in coffee or cocoa prices, then you would soon see growth here coming to a dead halt – and it would be unconnected with anything we do in Côte d'Ivoire. As long as we are unable to control the prices of the commodities we sell, we will not be able to view the crisis as a thing of the past. This is why it is imperative to move on from exporting unprocessed primary products to exporting semi-manufactured or finished goods with a high added value. If we can succeed in doing this, we will be able to influence the prices ourselves.

■ *But isn't it the case that the government's programme includes the objectives of economic diversification, product conversion and support for the private sector?*

– These days, the market economy is part of everyday life, for everyone. The government can hardly claim credit for inventing the idea. However, when it comes to diversification, there is still no solution in sight. This debate has gone on since 1960. Since then, our agricultural production has admittedly expanded to include bananas and pineapples, but the underlying economic logic in these sectors is the same as with coffee and cocoa. It is income from primary products over whose prices we have absolutely no control. As for coffee and cocoa, there are various factors which influence how well they are doing – the cost of labour, climatic conditions, price-fixing and even the fluctuating dollar. Recently, movements in the dollar have favoured exports of our raw materials, which are priced in this currency, but it also puts us at a disadvantage in terms of our debt because more than half of that is in dollars. Of the factors I mention, the only one over which we have any control is labour. Can we reasonably speak of having emerged from crisis when we actually control only one of the four key elements which affect the foundations of our economy? The debate over product diversification has been going on for 37 years, but what has really been done? All we have succeeded in doing is diversifying a little into sectors which are as uncertain as those we already relied on. So we find ourselves obliged to negotiate access to the European market under the Lomé Convention arrangements.

■ *In concrete terms, what alternative economic policy would you advocate to bring Côte d'Ivoire out of this 'crisis'?*

– The only possible approach is to convert our products and industrialise. But to achieve this we must first equip the country with basic services: electricity, water, gas, telephones, roads and so on. This implies the adoption of a genuinely decentralised approach and is obviously only feasible as a long term, planned strategy. The political decision to adopt such a strategy, however, must be taken now.

Second, we ourselves have to create a market. It's no good deceiving ourselves with references to the 'African elephant'. The 'dragons' of Asia developed because the Americans needed to counterbalance the influence of China and the Soviet Union by opening up their market to manufactured goods from Asia. That opportunity is closed to us today so we have to expand our internal market and, above all, take advantage of the size of our regional market – by which I mean the 200 million inhabitants of the ECOWAS countries. We have to accelerate the process of creating a single market.

Another problem we face is what direction agricultural production should take. In the developed countries, the task of the farming sector is, first and foremost, to feed the people. Here, it supplies foreign markets, providing them not with essential foodstuffs but with a surplus. For example, less than 2% of Côte d'Ivoire's coffee is actually consumed here. Agricultural yields have to be increased through modernisation of the sector, particularly with a view to improving production techniques. In the US, which is not a socialist country, less than 6% of the population works in agriculture, but they manage to feed the entire American population and export to the rest of the world. Another issue we have to address is the unresolved contradiction between agriculture and forestry. The first is destroying the second. Forests are an essential part of the ecosystem, but this country has never taken the time to look seriously at the problem.

Two or three sectors then have to be chosen for industrialisation, which the state should encourage. For instance, I think the pharmaceuticals sector should be included. A number of studies have shown that many of our native plants have enormous potential for combating certain diseases. And related to this, I believe that the level of scientific research in our universities needs to be raised. Why do we hang back from translating theoretical study into practical technology? I would even look favourably on lending to support this type of action, which could only be to our profit in the longer term.

The Courier

Unauthorised street hawkers in the streets of Abidjan.
'The vast majority of the urban population is either directly or indirectly unemployed'

■ *You have just returned from a tour of the country. What was the purpose of this trip?*

– I have been making frequent trips like this since 1990 because, although we may now have a multi-party system, we still do not have genuine democracy in this country. Our attempts at consolidating a democratic system are not yet complete. You can see this in the fact that the opposition has practically no access to the media. No-one mentions us on TV or radio. In response to this situation, we have set up a few newspapers of our own, but not everybody can read them given the high illiteracy levels and people's low purchasing power. So we have to go out to meet the people in the regions on a regular basis. By doing this, we learn about their problems, needs and priorities, and get our party's message across. This is the only practical way of getting to know the people.

■ *You are often critical of the electoral code. What are your real chances of becoming a credible political force in the short term?*

– We are critical not just of the electoral code but of the entire system. Let me explain the general philosophy that applies in Côte d'Ivoire – which also prevails in many other African countries. In Africa, those who are actually in power think that to organise elections and lose them is humiliating. So they use all the means at their disposal – both legal and illegal – to prevent the opposition from winning a victory, even if that is the will of the people. In African elections, a large majority of the victories go to those who actually organised those elections. You can say that this is due to fraud but more important is the philosophy that underlies such fraud – which requires anyone in government to hold on to power come what may. This is a dangerous philosophy that generates tension wherever you care to look. In Liberia in 1985, *Samuel Doe* organised the poll and claimed 51% of the vote although opinion surveys suggested he had just 15% support. This led to the outbreak of the civil war in 1989. In Burundi, an election brought a Hutu to power and some his discontented compatriots killed him, leading to civil war. In Congo Brazzaville, we have witnessed a conflict aimed at preventing democracy. *Sassou N'Guesso* and *Lissouba* are fighting because each wants to eliminate the other before polling takes place. It seems that everyone is willing to take part in elections – so long as they have no rivals! I could cite other cases, but the basic point I am trying to make is that we cannot yet count ourselves as a democratic nation. Côte d'Ivoire is one of those countries where, because of internal and external pressures, a multiparty system has been set up – but democracy has still to make a showing.

It needs to be understood that elections should enable people to express themselves freely on political issues and to choose those they want to implement the policies. It is absurd in this country to allow the government to organise elections, as might happen in France, for example. Many politicians here are so immature that they are incapable of abandoning their party allegiance in order to fulfil the role entrusted to them by the institutions. I would therefore like to see Côte d'Ivoire set up a truly independent electoral commission.

Let me tell you about an image I often use when I go out and speak to people: I tell them to imagine that we are getting ready for a football match. Our opponents, the PDCI, are in green and white, whilst we are in blue. Then I notice that the referee is also dressed in green and white. In fact, he turns out to be the PDCI's centre forward and the team captain. How can that be? What I want is a referee dressed in black. That is a basic principle. In France, people don't worry that the Interior Minister is responsible for organising elections, because the democratic system is functioning properly there. In our country, if you are a high-ranking civil servant, you feel duty-bound to have a party affiliation – and to campaign for the party in power. Party supporters should not be entrusted with organising elections.

■ *Some months ago, the President suggested that government should be opened up with opposition members being consulted. How did you react to this proposal?*

– I think it was a very generous gesture to offer us the chance of playing some part in governing the country. I believe in man's generosity but, because we are in politics, I am bound to wonder what lies behind this particular proposal. The idea of broadening the scope of government in this way came, I should stress, from the PDCI, not from us. The President first floated it at the PDCI Congress in late October 1996. We responded at the beginning of November by stating our concerns, the most fundamental of which is that the rules governing the running of elections should be redefined. A month later, a government delegation contacted us to discuss issues we wanted examined. They promised to come back to us but nothing has happened since that meeting. The ball is therefore in their court. We have said neither yes, nor no, and are still waiting for them to return for further talks.

■ *The PDCI has been the main party in power for many years. In order to have a credible political alternative, doesn't there need to be a genuine alliance of the most representative opposition parties? And isn't wrangling within the opposition likely to dent your credibility?*

– The PDCI has been in power for 40 years. That might give it strength, but it is also its weakness. How can we be attacked? Perhaps because we don't have the experience? This is the argument that all parties in power use, but it just doesn't stand up any more. *Tony Blair* is Prime Minister in Great Britain and the country has not foundered simply because of the lack of experience of government. I am as experienced in government as he was at the time of the election. On your point about the opposition, it is true that there are 90 political parties in this country but, in truth, there are only three that have significant public support and that are represented in National Assembly: the PDCI, the FPI and the RDR. I do not advocate restricting the number of parties because I am all for greater freedom. It is for the people to select the political groupings they want.

Moreover, no party in the world is unaffected by internal divisions. Take, for example, the French Socialists. Their entire history has been punctuated by disagreements. Human nature being what it is, people flock to you when they think you are going to win but, if you look like losing, they will turn against you. People generally do not favour the loser, hence the old Latin saying '*vae victis*' (woe to the vanquished). As long as one is in opposition, one will always have internal problems. This is what it boils down to. The PDCI has just as many problems in fact, but its dissenters keep quiet because ultimately they are looking for immediate material reward. A government supporter who has not been elected to parliament can hope to become a member of the Economic and Social Council, or an adviser to the President. This is why the parties in power like to give the impression that everything is in order. They conceal any divisions because they are all attracted by the prospect of gain. On the other hand, tensions appear more acute in opposition because many politicians have an eye on the posts I have just mentioned. Just cast your mind back to those major political parties that we once thought were all-powerful: the ones led by *Kwame N'Krumah, Sékou Touré, Modibo Keita, Moussa Traoré* or *Mobutu*. Where are they now? For our part, we are perfectly calm in our knowledge of the history of men, humanity and Africa, and we are making steady progress.

I am delighted to be able to contribute to your publication, as we have so much to learn from the European Union and the way in which it is being structured. I would like West Africa's ECOWAS to be just as successful. That is our major challenge for the future. ■

Interview by K.K.

Yamoussoukro: the sirens of destiny

Situated on the edge of the forest and the savannah, some 250 kilometres from Abidjan, Yamoussoukro is preparing to become the true capital of Côte-d'Ivoire. Besides being the birthplace of the nation's 'father', President Houphouët-Boigny, the town is blessed with numerous other assets which may help it soon to become a centre for African research. Following the death of 'The Old Man', worries were expressed about how much interest the country's new authorities would show in the town designated as the new capital. But recent political decisions suggest that this multi-faceted centre is destined to have an important role in the political and economic life of Côte-d'Ivoire.

In March 1983, a law adopted unanimously by the members of the Côte-d'Ivoire Parliament established Yamoussoukro as the political and administrative seat of the country. The nation thus witnessed its fourth change in capital in the space of a century. The first was Grand-Bassam, which was designated as the colony's administrative centre in 1893. The governors had already established their base there and it was strategically well-placed as a centre of trade. In 1899, the town was struck by a major yellow fever epidemic. Large numbers of residents, including Europeans, succumbed to the disease and because of this, the colonial authorities decided to transfer the capital to Bingerville (then known as Santey). The transfer was carried out in 1900. Abidjan then took over in 1933-34, in itself spectacularly embodying the economic progress made by Côte-d'Ivoire during the 'golden' years. 50 years later, the coastal city made way for Yamoussoukro.

Some time has passed since the decision was taken in Parliament, yet Yamoussoukro remains capital in name only. The administrative and decision-making centres of the country are still located in Abidjan and only two symbolic sessions of the Cabinet have ever been held in the newly designated seat of government. Some local people believe that it is all bound up in politics, and point to what they see as a steady deterioriation in the town over the last few years. They are unhappy at the fact that there has apparently been a slow-down in the public works programmes. The authorities respond that implementing such a huge project successfully requires time. The first priority, they argue, is to do the groundwork needed for a gradual changeover. And President *Konan Bédié* himself recently gave a keynote speech promising to accelerate the transfer of the capital and complete the work begun by his predecessor. This is one reason why *Jean Konan Banny* has been appointed Resident Minister in Yamoussoukro. Mr Banny described his role to us as involving 'ideas, coordination, harmonisation and action'. It is a big task for this former Defence Minister who comes from Yamoussoukro and whose long experience of politics in Côte-d'Ivoire should prove useful in achieving his goals. Yamoussoukro can at last dare to dream of its future role, historical circumstance and favourable politics having worked in its favour over the years.

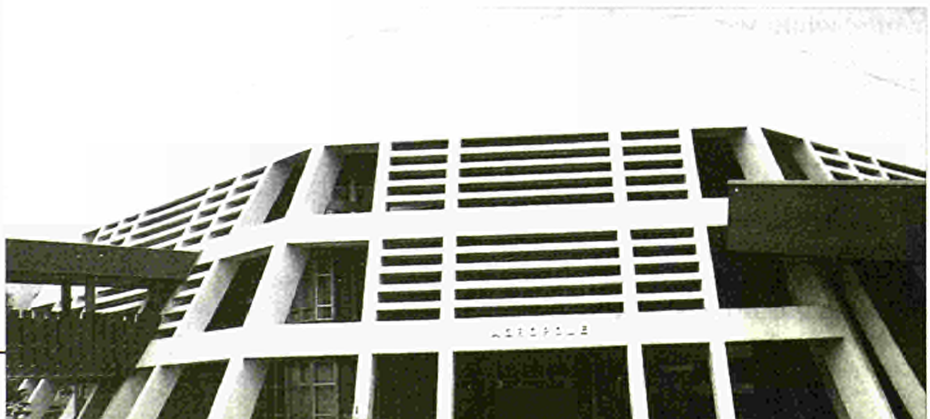
Religion, science and peace

The story of the town begins at the start of the century when French troops set up a post in the village of N'gokro. They later renamed it Yamoussoukro in tribute to Queen *Yamousso* – who was renowned for her authoritarianism and for the important role she played in soothing tensions between local people and the colonising French. History also records that the village of Yamoussoukro was one of the strongholds in the countryside revolt against the violations carried out by the new settlers. Houphouët-Boigny set up the African Farmers' Union here, the movement which would later become the Democratic Party of Côte-d'Ivoire (PDCI). It was also in Yamoussoukro that he established the African Democratic Rally (RDA) in an effort to involve other African peoples in solidarity actions. The current mayor, *Konan Fernand*, explained to us with obvious pride that Yamoussoukro can therefore claim to be one of the birthplaces of black African evolution.

It was not until 1962 that the first moves were made to transform this sleepy settlement into a major metropolis. Construction began on major new roads and buildings, under the watchful eye of Houphouët-Boigny himself. The aspirations of the president for his home town were, by now, clear to the public.

The imposing and now famous Our Lady of Peace Basilica, set in an area of 130 hectares, is a powerful indication of the importance of religion here. The immense structure was built in the

The Agricultural Training and Research Centre



The Courier

late 1980s. It is a work of architectural splendour constructed using the most modern technologies – but its astronomical cost made it controversial both within and outside the country. More 'down to earth', but no less important, is the Grand Mosque a few hundred metres away. This was built in the Moroccan style during the first phase of the work undertaken in the town. The local Baule religious tradition does not appear to have suffered from this cohabitation between Islam and Christianity. The celebrations and rites of Baule worship have lost none of their splendour and enthusiasm. This comfortable mingling of different religious traditions is one striking aspect of the social organisation of Yamoussoukro. And the beauty of the religious sites and festivals is a 'draw' for tourists.

Yamoussoukro has also become a centre for technology. Schools have been built to train the nation's future élite in wide-ranging disciplines such as civil engineering, technical training and agronomy.

Nor has secondary education been forgotten. Various colleges and professional training centres are working to prepare students for further education. Beyond training, the objective is to set up a special framework for scientific research. No expense appears to have been spared. In fact, in terms of equipment, there seems little to choose between these ultramodern centres and colleges in the West. But in focusing on the material needs, the suggestion is that the country's decision-makers may have neglected the human resources needed to achieve scientific excellence.

Yamoussoukro also has the good fortune of being a centre – at least symbolically – for peace. Most of Côte d'Ivoire's citizens believe that President Houphouët-Boigny's main achievement was his permanent quest for peace at both national and international level – his preferred 'weapon' being dialogue. A large international peace centre has been built in the south-west of the capital for UNESCO. *Federico Mayor*, representing this institution, suggested in 1989 that an international Houphouët-Boigny peace prize should be awarded to acknowledge the efforts made by groups or individuals toward peace. This idea was duly taken up and laureates have included Yasser Arafat, Yitzak Rabin, Nelson Mandela, Frederik De Klerk, King Juan Carlos of Spain and former US President Jimmy Carter. The Resident Minister sees the honour as a kind of first step towards winning the Nobel peace prize.


The Courier

The Houphouët-Boigny Foundation.
Quest for peace through dialogue

A number of peace accords seeking to resolve conflicts (for example relating to Liberia, Sierra-Leone and Angola) have also been signed in the capital of Côte-d'Ivoire. Only a philistine could come away from Yamoussoukro unaffected by its unique atmosphere – combining abstraction, rationality and peace.

In terms of economic infrastructure the town shows considerable promise. The farming potential of the area is already known, and the steady transformation of the village into a modern city continues.

Looking on the bright side

For many years it was the custom of Côte-d'Ivoire to mark the anniversary of the country's independence by selecting a different town every year as the venue for the celebrations. This tradition of rotating festivals, based on the Israeli model, was designed to stimulate public-spiritedness, reinforce national unity and 'show the government at work' to people in different parts of the country. However, the economic crisis of the 1980s forced politicians to abandon the practice. Taking advantage of the upturn, President Konan Bédié recently decided to reinstate the rotating festival and chose Yamoussoukro as the venue for the relaunch. This is seen as an acknowledgement of the memory of the man whom most citizens believe was the architect of the country's economic progress. Regrettably, things have not gone entirely to plan and the preparations for the event were not completed in time. Wisely, the decision was taken to put back until next year the festival scheduled for August 1997, even if this caused disappointment locally. Explanations vary as to why the postponement was necessary. Some say that too much was expected too quickly. Others believe the project was poorly conceived. Whatever the cause, it is clear that better planning was needed. Jean Konan Banny did not seem overly perturbed by the decision to postpone. Pragmatically, he acknowledged that the decision would irritate those who stood to gain financially from the festival. It was a frustrating situation, he said, but too much should not be made of it. Revealing his rural origins, he observed: 'Sometimes it looks as if it will rain but the storm never breaks'.

Mr Banny certainly does not accept that this 'glitch' will cast a shadow on the town's ultimate destiny. Transferring a capital, he insists, is an event for a generation, undertaken for their children. So the town's modernisation will continue at an unhurried pace. The second section of the motorway linking Yamoussoukro to Abidjan will soon be completed and there will be operational improvements to the airport, which already meets international standards. You might say there are two appointments to be kept: one next year and the other with history.

K. K.

A Centre to promote investment

'We are a country that is open to the outside world, with an age-old tradition of welcoming people'. So the political leaders in Côte d'Ivoire like to remind everyone. It is true that, in contrast to other African countries, the liberal policies adopted since independence and the economic progress achieved enabled Côte d'Ivoire to attract foreign investors. But the economic crisis of the 1980s nonetheless reduced the volume of direct investment, despite the rich potential of many of the country's economic sectors. Aware of the numerous benefits private investment could have on an economy which is having to cope with declining official aid, the Côte d'Ivoire authorities have decided to take action. The cards have been clearly laid on the table: improve the performance and competitiveness of the economy by implementing policies specifically designed to encourage investment. In pursuit of this approach, a special department has been set up, attached directly to the Prime Minister's office.

It is not surprising that the Plateau district – an area milling with businesspeople and the nerve centre of political and economic life in Côte d'Ivoire – should have been chosen as the home of CEPICI (the Centre for promoting investment in Côte d'Ivoire). This has set up shop on the fifth floor of one of the high-rise blocks that have turned the Plateau into a mini Manhattan. The Centre, which was established by a legal decree in September 1993, and has been operational since July 1994, sees itself as 'the true home of the investor' and has become an important focus of attention. The role assigned to it is likely to be fundamental in implementing one of the government's key strategies – to make the private sector a vehicle for nationwide growth.

CEPICI: establishing a special relationship with private investors

One of the Centre's primary tasks is to simplify the formalities investors have to go through – by improving reception facilities and providing more in the way of information and assistance. It's job, therefore, is to supply detailed and reliable literature on the various sectors of activity, information on investment, employment and taxation rules, and statistical data. It is also responsible for identifying and highlighting profitable sectors which offer good investment opportunities, while ensuring that investors are aware of the various incentives made available by the government. Examples of the latter include the new data banks and the electronic exchange network, both of which have made a major contribution to speeding up information management.

Another aspect of the work carried out by CEPICI is the organisation of promotional events such as specialised seminars, information campaigns and forums. These are staged both in Côte d'Ivoire and abroad. The Centre thus acts as a sort of middleman, bringing together companies looking to set up partnerships and aiming to simplify the whole process of foreign businesses working together, merging or signing subcontracts with national companies. Lastly, it acts as a liaison point between the authorities and the private sector, easing relations between the two sides through regular dialogue sessions.

By opting for this unique structure, the government is striving to eliminate the problems which face companies wanting to set themselves up in Côte d'Ivoire. The aim is for CEPICI to establish a special relationship with foreign investors. The country's inhabitants are well aware that for both international institutions and the business community, a plethora of largely disorganised and uncoordinated structures represents one of the major obstacles to private investment (in Côte d'Ivoire and elsewhere in Africa).

Only time will tell whether this government-led economic information tool can accomplish its mission with the resources it has been given. Its success or failure will ultimately be gauged by future levels of private investment in the country.

There are those who view intervention by the authorities as undermining the autonomy of the Centre which, in any case, does not have an independent status. This view is disputed by *M. Koffivi*, one of the General Managers of CEPICI, who insisted: 'the fact that our organisation is run under the authority and supervision of the Prime Minister actually works to our advantage'. To be fair, the authorities are now meeting deadlines and following appropriate procedures on a more consistent basis so that today, a company wishing to set itself up in Côte d'Ivoire can get through the relevant formalities far more swiftly. Not so long ago, the process could take at least two years. And information is now much more freely available. The CEPICI also benefits from the promotional work done by the President and the Prime Minister during their trips overseas. They are keen to stress that their country is politically and socially stable, has adequate infrastructures, has enjoyed impressive growth rates since 1994, protects investments and occupies a strategic geographic position in the region. These efforts to encourage foreign investment, we were assured, are beginning to bear fruit and, as a result of this, the Centre expects to raise its profile worldwide. K.K.

Profile

General information

Area: 322,463 km²

Population: 14 million (of whom 35% are recent immigrants)

Urban population: 45%

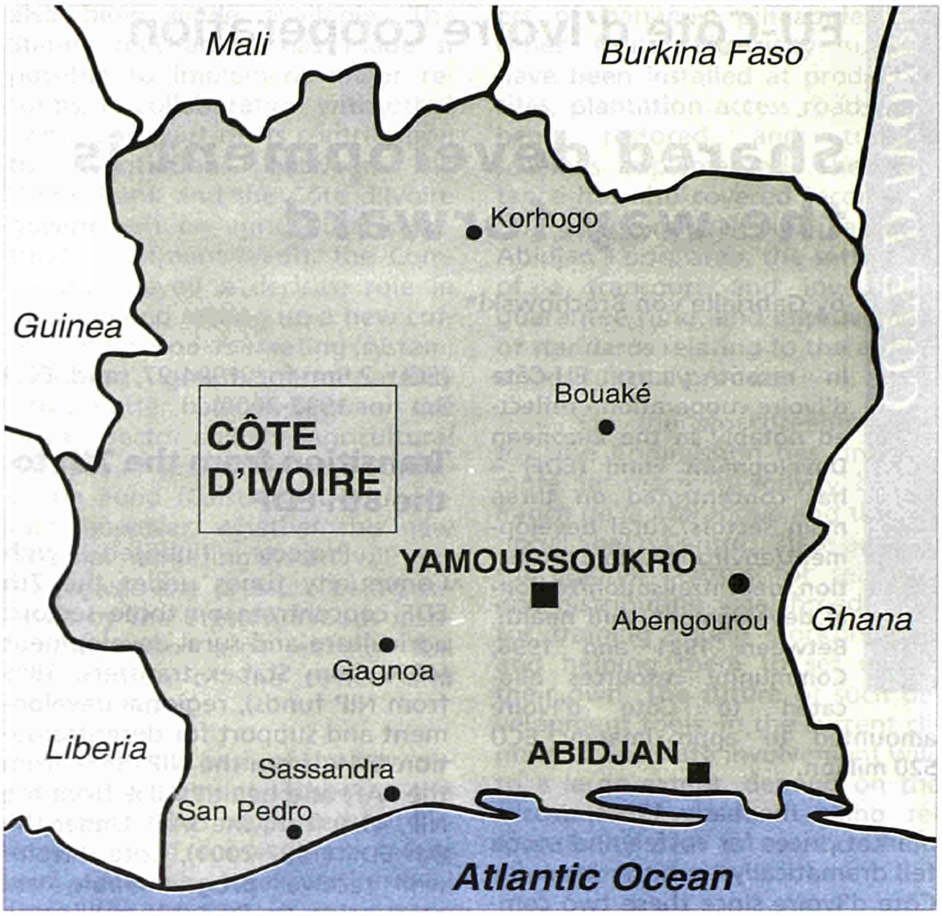
Population growth rate: 3.8%

Population density: 43 inhabitants per km²

Economic capital: Abidjan

Political capital: Yamoussoukro (since 1983)

Official language: French. There are also some 60 local languages, of which the most important are Dioula and Baoulé



Economy

GDP per capita: ECU 520 (1995 estimate)

GDP growth rate: 7.2% (1996 estimate)

Inflation rate: 6,5%

Balance of payments (current account): ECU 300 million

Main exports: cocoa 35% of total exports, wood 11%; coffee 10%

The Basilica of Our Lady of Peace at Yamoussoukro

Currency: CFA Franc (the country is in the monetary zone of the Central Bank of West African States). 1 ECU = FCFA 659

Political structure

Presidential system. The President of the Republic is elected by universal suffrage for a five-year mandate. Multi-party politics were introduced in 1990. The last presidential election took place in October 1995 with the legislative poll being held the following month.

Political parties: Parti Démocratique de la Côte-d'Ivoire (PDCI-RDA – the party in power), Front Populaire Ivoirien (FPI); Rassemblement des Républicains (RDR)

Head of State: Henri Konan Bédié

Prime Minister: Kablan Duncan

Social indicators

Religions: Animists 50%; Christians 15%; Muslims 35%

Life expectancy at birth: 52.1 years

Enrolment in primary education: 71%

Adult literacy: 39.4%

Human Development Index rating: 0.368 (145th out of 175)

Sources: UNDP (Human Development Report), Economic Intelligence Unit (The Economist), European Commission

EU-Côte d'Ivoire cooperation

Shared development is the way forward

by Gabrielle von Brochowski*

In recent years, EU-Côte d'Ivoire cooperation - reflected notably in the European Development Fund (EDF) – has concentrated on three main sectors: rural development/environmental protection, decentralisation/regional development, and health. Between 1991 and 1996, Community resources allocated to Côte d'Ivoire amounted to approximately ECU 520 million.

In the early 1990s, world-market prices for coffee and cocoa fell dramatically – a bitter blow for Côte d'Ivoire since these two commodities form the basis of its export trade. European Commission aid, therefore, principally took the form of Stabex transfers, which were intended to offset the reduction in export revenue. These amounted to ECU 269.6 million between 1990 and 1993. From 1994 onwards, however, thanks to an upturn in prices for these two key products, and as a result of the implementation of corrective measures, the Côte d'Ivoire government has had no further need of Stabex support. Under the 7th EDF (1992-96), the country had a budget of ECU 112 million for its National Indicative Programme (NIP). Additional Community aid has been in the form of support from the Structural Adjustment Facilities (SAF) (ECU 77m), aid for refugees from Liberia (ECU 1.4m), and funds managed by the European Investment Bank (ECU 57 m). There was also a European Commission budget allocation for environmental protection (ECU 4.15m), support for banana growers (ECU 34.8m), food aid (ECU 49.6m) and compensation payments made under the terms of the fishing agreement (ECU 2.5m for 1994-97, and ECU 3m for 1997-2000).

Transition from the 7th to the 8th EDF

Projects financed with Community funds under the 7th EDF concentrate on three sectors: agriculture and rural development (49% from Stabex transfers, 38% from NIP funds), regional development and support for decentralisation (24% from the NIP, 36% from the SAF) and health (10% from the NIP, 49% from the SAF). Under the 8th EDF (1997-2001), Côte d'Ivoire will receive programmable aid amounting to ECU 120 million in its NIP. Consistent with past activities and the government's programme, the main areas of concentration will be decentralisation and regional development (35% to 40%), health (25% to 30%), and rural development/environmental protection (25% to 30%). Aside from these sectors, help will be available for private-sector development in the form of support aimed at improving the SME environment, and for the better organisation of certain buoyant sectors, such as tourism and textiles. Regional integration will also feature along with specific actions such as the African anti-drug programme and the cultural-initiative support programme. Meanwhile, Côte d'Ivoire will benefit indirectly from a proportion of the financial contributions that the European Commission plans to make to the Commission of the West African Economic and Monetary Union (WAEMU), to promote regional integration.

Support for structural adjustment

Five structural adjustment support facilities, amounting to a total of ECU 77.2 million, were approved during the 7th EDF (1992-96). These took the form of General Import Programmes (GIPs) and were part of the structural adjustment programme agreed between Côte d'Ivoire and the main donors. Generally speaking, this strategy has yielded positive results: there has been a marked increase in private and public investment, domestic savings have doubled, the inflation rate has fallen, measures have been introduced to liberalise domestic and foreign trade, new labour and investment codes have been adopted and a number of public enterprises have been either privatised or restructured. All that remains is for the government to boost public expenditure control, restructure the tax system and ensure a fair distribution of growth.

The specific objectives of the 5th GIP include improvement of the balance of payments situation (by financing imports), a contribution to the state budget, support for reforms in the health sector and promotion of decentralisation. The last two are regarded

Over a period of 30 years, 80% of Côte d'Ivoire's primary forest has disappeared

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* Head of the EC Delegation in Côte-d'Ivoire.

as crucial to the economic and social viability of the country's macro-economic programme. Recently, the Commission mobilised ECU 25m for Côte d'Ivoire's 5th GIP. This funding is consistent with other Community interventions in Côte d'Ivoire and previous GIP funding. The current programme aims to support the government's medium-term (1996-98) macro-economic reforms. A mid-term appraisal of the results to date, scheduled for the last quarter of 1997, will determine how resources are allocated in 1998. A number of ideas are being discussed, including further development of the private sector and help for education.

Rural development and environmental protection

The driving force behind Côte d'Ivoire's spectacular economic growth in the 1960s and 1970s, agriculture is now responsible for 34% of GDP and 48% of exports, providing employment for more than two-thirds of the working population. The main crops are cocoa – Côte d'Ivoire is the world's premier producer – coffee, hevea wood (rubberwood), oil palms, bananas, pineapples, cotton and sugar. The expansion of agriculture has, however, led to the impoverishment of the land (over a 30-year period, 80% of primary forest has disappeared), a deterioration in soil quality and environmental degradation. To counteract this, European Commission support aims to preserve natural resources and promote sustainable development. This involves monitoring the necessary progress of agricultural production systems towards more intensive and competitive farming methods, thereby guaranteeing rational land management, conservation of existing resources and a more professional approach on the part of those involved in the farming sector.

Intervention under the NIP of the 7th EDF, combined with Stabex transfers, has provided the funds needed to finance training programmes in improved farming methods, more intensive rice-growing and forestry protection activities. Technical assistance has also been made available. The Stabex mechanism has made it possible to implement major reforms, in collaboration with other donors. As part of its contribution to negotiations between the World Bank and the Côte d'Ivoire government on agricultural structural adjustment credit, the Commission played a decisive role in defining and setting up a new coffee and cocoa marketing system, providing greater transparency and a better balance between the private sector and the Agricultural Produce Price Support and Stabilisation Fund (Caistab). It is uncertain, however, whether this new external marketing system will survive, given the pressure being exerted by the Bretton Woods institutions who are seeking full liberalisation of the coffee and cocoa sectors.

On the basis of the new export management scheme, the Commission has supported full liberalisation of domestic marketing and Caistab's total withdrawal from this sector. A guarantee fund, which includes a Community contribution of ECU 6.5 million, has also been provided to make it easier for producer organisations to gain access to bank credits. In addition, the Commission has helped the government to prepare a new law on cooperatives, in collaboration with all operators involved in agriculture, and this is due to be voted on by the end of 1997. Its objective is to enable agricultural vocational organisations to become genuine economic operators.

With a view to diversifying agricultural production, significant support has been given to producers of bananas, pineapples and other fruits. Electricity supplies have been installed at production sites, plantation access roads have been restored and training schemes implemented. The assistance has also covered reconstruction of the central fruit market in Abidjan's port area, the setting-up of a transport and investment guarantee fund, and improvement of standards relating to the quality of agricultural produce.

In the stockbreeding sector, the Commission has financed more far-reaching activity by the *Ranch de la Marahoué* and the National Sheep Centre. These are two subregional centres for selecting and distributing local breeds, and for training young stockbreeders and helping them to set up on their own. The future of such development tools, in the current climate of less state involvement will, to a large extent, depend on the success achieved in handing responsibility over to vocational organisations.

The European Commission and other donors with a presence in Côte d'Ivoire have made environmental protection one of their main priorities. Their joint approach has assisted the government and enabled it to implement measures to protect national parks, halt the rapid degradation of the environment, campaign against deforestation and prepare plans aimed at developing and managing protected areas. However, the environmental situation re-

Grading bananas in Bonoua.
The EU has provided fruit producers with valuable support

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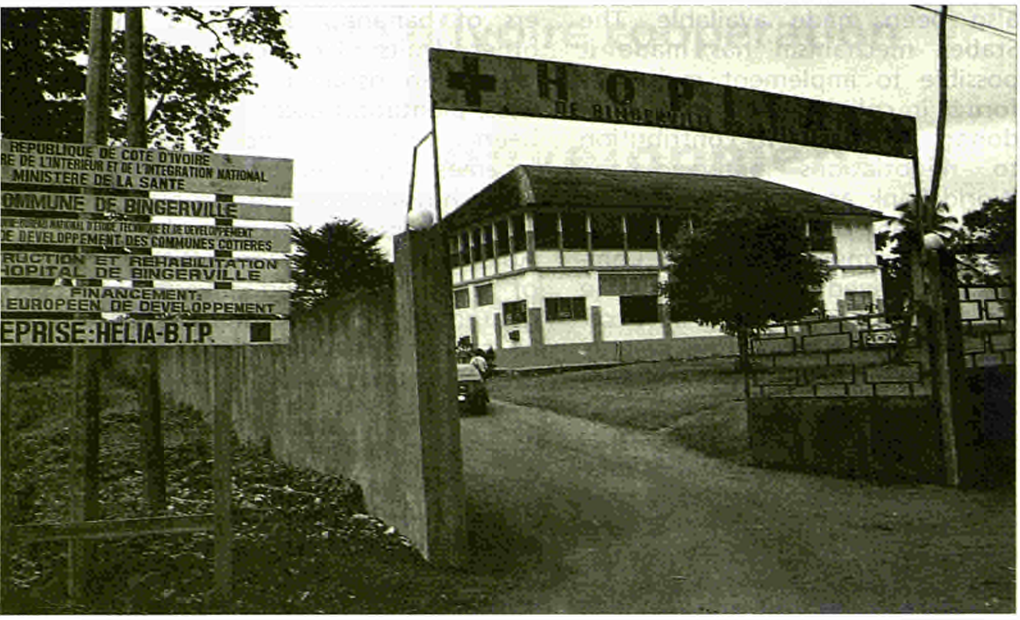

A hospital at Bingerville.
EU programmes provide local populations with better access to healthcare and with refurbished equipment

mains a cause for concern and requires renewed commitment from both the state and from donors. Over the next few years, rural development and the environment will be retained as a key area of concentration under the 8th EDF. The allocation of between 25% and 30% of the NIP for this area translates into between ECU 20m and ECU 30m. The programmes to be financed will concentrate on providing support for agricultural vocational organisations, promoting agricultural-credit and rural-land policies adapted to the needs of individual production sectors, and supporting institutions concerned with environmental issues. An examination of agricultural credit, one of the key factors involved in helping the country's farmers become more professional in their approach, has already been initiated, in collaboration with the Economics and Finance Ministry. Meanwhile, a study jointly financed by the French Development Fund and the Commission, using Stabex funds, has been initiated to explore all possible avenues and suggest solutions. It is hoped that this review will lead to a definition of agricultural credit policy and provide guidelines for the Commission's activities in the sector. EU support for regional-development and decentralisation policy, and for health, has a part to play in creating a more favourable socio-economic environment via a direct contribution to rural development.

Decentralisation and regional development

In terms of decentralisation and regional development, the Commission's aim is to support the government in its efforts at ensuring that social and economic development between the regions is more balanced, with a view to achieving greater national cohesion. Under the 7th EDF, approximately 24% of NIP resources were allocated to financing the Coastal Communities Development Support Programme (PDCC) featured in the box.

The wholesale food market scheme at Bouaké, a town at the centre of Côte d'Ivoire's trade with other countries in the sub-region, is a pilot project whose success in terms of management and profitability will be decisive for the country's future network of wholesale food markets. Costing approximately ECU 22m, the market is financed partly by the EDF (about ECU 14m) and partly by the Côte d'Ivoire government. It will be managed by a joint investment company.

Under the 8th EDF, the main concerns are regional development and decentralisation. The 35%-40% of the overall budget allocated here represents between ECU 42m and ECU 48m. Commission support will relate essentially to drawing up plans of action and establishing economic infrastructures in five regional capitals with a population in excess of 600,000 inhabitants (San Pedro, Daloa, Odienné, Korhogo, Bondoukou). Support for strengthening decentralised bodies (new towns and villages, communities and regions) will be focused on the organisation of local elections and in the setting-up of representational structures. Decentralisation policy will also receive funding under the structural adjustment facilities, although the amounts in question have not yet been finalised.

Health

Where the health sector is concerned, Commission intervention targets a more robust health policy, promoting a partnership with associations, the 'liberal' professions and local communities – aiming at delegated health-service management. The country already has a relatively well-developed health infrastructure, but the majority of health indicators are unsatisfactory. The government, therefore, aims to provide the population with easier access to health services and to improve the quality of care by maintaining and developing infrastructures, achieving better management of the system, and overhauling personnel training schemes.

The Commission's support programme is assisting Côte d'Ivoire's health ministry to provide basic care and essential medicines, and to make services more widely available and affordable. Activities include technical assistance at both central and regional level, support in providing essential medicines, refurbishing and equipping national blood transfusion infrastructures, carrying out specific studies in the health sector and implementing awareness and training programmes.

In parallel, in the context of the integrated healthcare development project, the Commission has supported the provision of nationwide health services in Côte d'Ivoire. At the end of September 1997, services covered five out of the 10 regions (nearly two-thirds

The Coastal Communities Development Programme

The Coastal Communities Development Programme (PDCC) – originally covering 16 locations, and now 20 – aims to assist local communities in planning their activities, managing their financial resources and organising their land. A wide range of projects has been set up. In some cases, communities receive the money they require to carry out work themselves, in others, the central government does the work for them.

The 120 or so projects already financed by the PDCC include school refurbishments and the construction of urban roads, airstrips, haulage depots, abattoirs, maternity hospitals, markets and drainage canals.

The PDCC has a 'private initiative development' component which provides resources for studying and setting up technical assistance programmes and financial tools tailor-made for small formal or informal enterprises. The intermediary is an NGO, the Côte d'Ivoire development and investment fund (FIDI), which extends loans and provides accounting services, advice and training.

The PDCC has enabled a unique partnership to be set up between the government, local communities and the European Commission. With a view to achieving effective decentralisation, the project encourages local authorities to identify their priorities and their most urgent infrastructure projects. The Commission, however, does not become directly involved in choosing equipment or procedures. The real challenge is to demonstrate that communities in Côte d'Ivoire have reached the stage of development that enables them to evolve further on their own. The success, to date, of the project is underlined by the high quality of the work that has been undertaken and the fact that the infrastructures built – though sometimes on a small scale – have had a significant social and economic impact.

of the country). The aim is to provide better health cover for all citizens, in terms of both quantity and quality, using the available resources and those which can be mobilised. The 25%-30% of NIP funds allocated to health (making it the second priority) will amount to between ECU 25m and ECU 36m. It is expected that Community support will relate essentially to the consolidation of actions already begun in the South West and Midwest of the country, and to improving the management tools set up under the 7th EDF in three other health regions. Support will also be given to the development of partnerships, the provision of top-quality private medicine and the development of instruments aimed at rationalising Health Ministry management at the centre.

The main areas of Côte d'Ivoire and European Commission cooperation demonstrate a common concern for sustainable and shared development – improved healthcare access; regional development and decentralisation to help communities take charge of their own welfare and future; and agricultural development to ensure both a bigger return for producers and environmental conservation. All parties agree that sustainable and shared development is the ultimate goal, although differences in approach sometimes arise. This is an indication that EU-Côte d'Ivoire cooperation has evolved into a genuine partnership. The two sides are partners in a dialogue who can listen to one another's views on objectives. As equals, with mutual respect, they are able to discuss the ways in which the interests of the population can best be served by cooperation. The new partnership envisaged for the post-Lomé IV era is already slotting into place. G.V.B.

Trade in the new world order


The Courier

The battery of facts and figures on the increased marginalisation from world trade of the African, Caribbean and Pacific group, and particularly of sub-Saharan Africa, makes dismal reading. Although it has 10.2% of the world's population, sub-Saharan Africa only secures one per cent of world trade. The ACP's share of the EU's import market declined from more than 7% in 1975 to 3.5% in 1995 and even this share was still dependent on a few basic commodities traded by just a handful of ACP countries. In 1995, 47% of ACP exports to the EU originated in just 12 countries, representing just 6.8% of ACP population.

Lomé's trade preferences from the virtual free access to the EU market for industrial goods and very good access for agricultural produce are, by tradition, bigger and better than those offered to other developing regions. The special protocols, notably on sugar and bananas, have enabled the economies of some ACP nations to move ahead and have raised their standard of living.

But the value of such benefits is being undermined by what is happening both inside and outside the European Union.

Internally, the meltdown of ACP trade preference has been hastened by the EU's courting of other developing and transforming regions, like the Mediterranean, Latin America, Central and Eastern Europe and some Asian nations. Externally, the World Trade Organisation's (WTO) latest ruling on the EU's common banana market arrangements, deemed to discriminate in favour of the ACPs, is being viewed as something of a test case for the future of preferential ACP access to the European Union market.

More generally, the decline in demand for the sort of commodities traded by the ACP states does not bode well as European consumer demand for processed and manufactured goods rises. It seems that this trend increasingly favours other low cost regions of the world such as South East Asia, which is several rungs up on the trading ladder.

On a brighter note, the very fact that the Lomé Convention is being overhauled, with the recognition that the trade chapter has helped just a few ACP states, is inciting much debate on how trade arrangements in a future cooperation agreement might be better modelled. In drawing this up, the parties will take account of positive developments such as the proliferation of regional accords in all ACP regions and private sector development, as well as of the growing role of the WTO in regulating world trade.

Ahead of the talks on a Lomé IV successor, we sound out the views of some trade experts – academics, NGOs and civil servants – on how better to integrate the ACPs into this changed world economy, to stimulate growth and sustainable development.

D.P.

Lomé, the WTO, and bananas

Windward islands banana exporters say that the recent WTO ruling on certain aspects of the EU's organisation of a common market in bananas puts in peril the livelihoods of many of their farmers. Criticism has gone further, questioning the ability of the WTO system to represent the trading interests of small developing countries. The banana debacle has strengthened the view of many Lomé watchers that a successor to the present Convention must be compatible with WTO rules. The following article by the WTO Secretariat gives an insight into the WTO's dispute settlement procedure and the banana case – which is regarded by some as something of a 'test' for the future of ACP preference in the EU market.

Not yet three years old, the WTO has already received more than 100 requests from members to initiate consultations on trade disputes. This compares with just 300 in GATT's 47-year history. Under GATT, trade disputes sometimes remained unresolved in view of the consensus needed to adopt panel reports. Under WTO rules, however, panel and Appellate Body reports are adopted automatically unless there is a consensus amongst all WTO members not to do so.

Since the entry into force of the WTO on 1 January 1995, consultation requests have been filed by both developed and developing countries and have covered everything from automobiles and computers to export subsidies, colour television receivers and agricultural products. The United States, the European Union and Japan – the world's largest traders – have filed more than half of the requests, whilst Mexico, India, Thailand and Brazil have been frequent users of the dispute settlement system. To date, developing countries have filed requests in 31 cases and have been the subject of 38 complaints. In four instances, groups of WTO member countries have filed requests against another WTO member. One such case concerns a complaint by five countries – developed and developing – against the European Union's banana import regime.

On 25 September 1997, the World Trade Organisation's Dispute Settlement Body (DSB) adopted the panel reports and the Appellate Body report concerning the European Communities' regime for the importation, sale and distribution of bananas. The case before the Dispute Settlement Body of the WTO is widely recognised to have been one of the most complicated to date. With five complainants and 20 countries reserving their 'third party rights' to intervene in the dispute or to make presentations and in some cases, submissions to the panel, the dispute and subsequent appeal have been the focus of enormous activity in the WTO over the past year and a half. The panel investigating the complaint prepared four separate reports of several hundred pages each. Although there have been disputes involving several complainants in the past, and even multiple reports, to date this is the only GATT/WTO dispute with as many claims, examining as many measures, and involving as many WTO agreements. The findings and conclusions of the panel span some 100 pages in each of the reports.

The Courier

The WTO Secretariat in Geneva

Inconsistency

The panel established on 8 May 1996 at the request of Ecuador, Guatemala, Honduras, Mexico and the United States, was the first time that the EC's banana import regime was contested in the WTO. Under the WTO's predecessor, the GATT, the EC's banana import measures were twice examined. The first time was in 1993 and concerned the various national banana import systems of the EC's member states. The second panel started later the same year and was terminated in 1994. It concerned certain aspects of the then newly-introduced EC common organisation of the market in bananas. In both cases, the complaining parties were the same: Colombia, Costa Rica, Guatemala, Nicaragua and Venezuela. The first panel report found certain aspects of the systems of the EC member states and the second panel report found certain aspects of the common organisation of the banana market after 1 July 1993, respectively, to be inconsistent with GATT rules. Neither of these reports was adopted by the GATT Council because of a lack of consensus by the EC and those GATT governments which benefited from the Lomé Convention. Full agreement was necessary under GATT procedures to adopt recommendations made by dispute settlement panels.

When the WTO panel reports and the Appellate Body report were adopted by the DSB at its last meeting in September 1997, the EC emphasised its commitment to the WTO's Dispute Settlement Understanding and accepted the recommendations of the panel and Appellate Body reports. It also reaffirmed its commitment to its obligations towards the 71 African, Caribbean and Pacific countries which are signatories of the Lomé Convention.

At the September meeting, the EC told the Dispute Settlement Body that it will announce its intentions on the implementation of the reports' recommendations that it bring its banana regime into conformity with WTO rules at the next meeting of the Dispute Settlement Body, scheduled for 16 October 1997.

It must be emphasised here that the reports and the Appellate Body report, which substantially upheld the findings of the panel reports, did not find fault with the principle behind the EC's Lomé Convention. Under the WTO, waivers concerning trade preferences or extended time limits for abiding by WTO obligations have been extended to numerous WTO members. In a decision taken in October 1996, WTO members reaffirmed a GATT 1994 decision and agreed that Article I of GATT would be waived for the fourth ACP-EC Convention of Lomé until 29 February 2000. In essence, this means that the provisions of Article I of GATT 1994, the most-favoured-nation rule, by which tariff and certain other tariff concessions must be extended to all other WTO members on an equal basis, does not apply. The EC, therefore, is permitted, until the year 2000, to provide preferential tariff treatment for products originating in ACP States as required by the relevant provisions of the Fourth Lomé Convention, without being required to extend the same preferential treatment to like products of any other WTO member.

The panel reports and the Appellate Body report did not question the validity of the Lomé Convention or the EC's right to continue its preferential trade arrangement until the year 2000. However, the reports found that the EC's banana import system is inconsistent with GATT in that the tariff quota allocations, particularly to ACP countries, are contrary to GATT Article XIII (concerning the non-discriminatory administration of quantitative restrictions). They also found that the EC's licensing procedures – which involve the purchase of EC and/or ACP bananas in order to obtain rights to import Latin American bananas or those from other countries – are contrary to the non-discrimination provisions of the GATT. The waiver which had been granted was found to permit the tariff preferences for ACP countries, but not the other inconsistencies. Furthermore, through the impact of the system on the service suppliers of the complaining parties, the banana import regime was also found to be inconsistent with Articles II (Most-Favoured-Nation treatment) and XVII (National treatment) of the General Agreement on Trade in Services.

The case and decisions described above have resulted in enormous public interest in many parts of the world and have especially raised the concerns of certain developing countries dependent on banana exports for their livelihood. The rules, as represented by the WTO, were negotiated by all WTO member governments for all WTO members. To say that the WTO's dispute settlement rulings favour some and go against the interests of others, is to question the set of rules which 132 countries have now ratified and adopted in their national legislatures and parliaments. If the system is to remain fair and impartial, so that all 132 WTO Members gain from the benefits of trade, these rules must be the basis of dispute settlement. To deny certain countries their legal benefits and potential earnings from their exports would set a precedent that could in the future easily work against those countries which now claim that the rules should be changed to incorporate their concerns. Developing and least-developed countries benefit in many cases from extended time limits for compliance with WTO obligations. Moreover, WTO members are allowed to take measures in support of developing and least-developed countries providing they do so in a way that does not breach the rules of the multilateral trading system which the WTO represents. The panel reports state the following in their final remarks: 'The fundamental principles of the WTO and WTO rules are designed to foster the development of countries, not impede it. We conclude that the system is flexible enough to allow, through WTO-consistent trade and non-trade measures, appropriate policy responses in the wide variety of circumstances across countries, including countries that are currently heavily dependent on the production and commercialisation of bananas.'

Windward Island response

The Windward Islands banana exporting countries say that they will battle on to retain their toehold in the European market, now threatened by the WTO ruling: 'The economic consequences of the loss of our only market for our principal export commodity would be horrendous for us. Bananas are more than just a commercial operation and a contributor to our economic development. They are the very basis of the social structure of our rural socety, and should we lose this industry, there would be inevitable economic and social disruption unimaginable and incalculable'. These were the words of Dominica's Prime Minister, *Edison James* at a High Level meeting of the Windward Island Banana Exporting Countries held in Roseau, Dominica's capital, on September 11-12, 1997. He said that they had been penalised for 'doing the right things'. 'We have adhered to the highest labour standards, permitted free trade union activities, outlawed all forms of exploitative labour, ensured that workers are paid a living wage, and avoided the excessive use of chemical inputs in our production'. He further stated: We also feel betrayed by the WTO, because we joined the Organisation believing that its primary purpose was to bring about improved living standards and equity and fairness in international trade; that it would be one which would ensure that the rule of the jungle, in which the powerful ride roughshod over the smaller members of the trading community, would not be condoned. What we find is that the WTO has ended up being a system in which the legitimate interests of the small countries will always be sacrificed once they conflict with those of the major players. In Brussels, Ambassador to the Organisation of Eastern Caribbean States, *Edwin Laurent*, explained that the doomed licensing system was essential to a remunerative price for Windward bananas. Whilst counter to the ethos of 'trade not aid', he warned: 'the scope of the ruling goes way beyond bananas and could have as yet unclear implications for several other import arrangements for agricultural goods, as well as the future development cooperation agreements between rich and poor countries.' He added: 'The experience of the case has exposed blatant shortcomings in the (WTO disputes) system. These must be addressed in any reform, including the necessity to take into account the impact of decisions especially when, as in this case, the affected countries have vulnerable and fragile economies. If it is already too late for our banana case, maybe the right improvements can yet be made to a system which would be helpful to the participation of small developing countries and reassure them that the system is not structurally weighted against them.'

DOSSIER

EU strategy emphasises the private sector

by Philippe Van Damme*

The increasing marginalisation of the ACP group (particularly sub-Saharan Africa) in world trade is discussed elsewhere in this dossier. From the European Union side, one response to this problem comes in the shape of new approaches to trade-related development projects, aimed at helping ACP nations take on the growing international competition. Here, one of the European Commission's trade strategists explains what is being done.

Marginalisation in world trade may have wider developmental repercussions since it is now recognised that trade is at the centre of the development process. Trade development is indeed the most efficient way of generating the resources needed for self-financed development. It is thus a major contributor to the achievement of the ultimate objective – which is to make development aid redundant. Trade alleviates balance of payments burdens and facilitates structural changes. It can make a major contribution to social development and poverty alleviation, by creating jobs and enhancing incomes, by broadening the economic and social horizons of rural communities, or by giving access to new technologies and skills.

Glowing statistics from Southeast Asia and from countries as far apart as Chile and Mauritius, illustrate that trade is the most powerful engine for growth. It is thus the ideal vehicle to achieve the overall objective of *'sustainable economic and social development'* enshrined in Article 130u of the Treaty on European Union (the Maastricht Treaty).

The central role of trade in development was reiterated in the revised Lomé IV Convention. In Article 6a of the text, the contracting parties 'recognise the fundamental importance of trade in energising the development process' and 'agree to give high priority to the development of trade with a view to accelerating the growth of the ACP States' economies and to integrating them into the world economy in a harmonious and gradual manner.'

Strategic approach

Although efforts have been made by all donors to provide support for trade development, evaluations of some of the major past projects have shown that, without a coherent strategy, trade development projects often lacked relevance, effectiveness, and efficiency at the executing stage. They were poorly designed, lacked mutually supportive inputs, operated in hostile environments and did not evolve over time. This led to inappropriate selection of beneficiaries and vehicles for intervention.

There were essentially two types of weakness. First, projects only provided a partial analysis of problems and an inconsistent range of services. Any progress made within the project ran the risk of being nullified or even negated by exogenous variables. In many cases, crucially influential variables such as government policy or supporting services were merely 'assumed' to be conducive and moving in the right direction.

The other main drawback was that support provided was largely channelled through centralised trade development organisations, or government ministries. This led to the development of institutions which were both locked into government control and lacking in the quality of service and staff required by exporters. Institutional mindsets reigned.

The ability to nurture any form of evolutionary and sustainable development was lost. In turn, this meant a loss of credibility and the bodies in question were increasingly ignored by their target clients – the private sector.

Learning from experience

The dynamic that drives the trade development process is the integration of three levels of influence and three major actors – the government and the trade environment, enterprises and the market, and the middle level of service providers and institutions. All are interlinked and need each other if trade is to be competitive:

Initially, a sound and predictable macro-economic environment and a reliable legal framework to reduce investment risk and ensure fair competition are needed. A conducive environment – which is vital if market opportunities are to be exploited – entails the alleviation of anti-export bias and institutional inefficiency at various levels: government ministries; the judiciary; financial services; and trade facilitating bodies (such as customs departments, standards institutes, and national development corporations).

Second, enterprise competitiveness relies on the existence of well- developed intermediate 'specialised trade support services'. Examples of these include credit and insurance, transport and freight forwarding, trade and investment information, training, research and development, standards institutes, hygiene control bodies and export standard certification systems.

Third, at the enterprise level, easy access to raw materials, imported inputs or technology, improvements in production processes and quality control, management skills and financial control, distribution and marketing practices, may all be crucial factors to increase competitiveness (see box).

Any strategy relies on an understanding of the integrated nature of the trade development

* European Commission, DG VIII.5 (Trade and Services Development), with thanks to David Jones for helpful comments.

process, and any intervention programme must ensure that all necessary support factors are in place or are being put in place in a coherently sequenced manner.

Market economy focus

The integrated approach implies a degree of involvement in the creation or maintenance of conditions for successful trade development. Experience shows, however, that the fostering of trade development is best left to the forces of supply and demand. There is no substitute for a competitive market. Even interventions at government level, or by intermediate support services, should be geared towards the creation of an *environment that favours the development of the market economy and of the private sector* (one of the aims of the revised Lomé Convention set out in Article 6).

Having said this, if a fair and competitive marketplace allowing for the expansion of a dynamic private sector is wanting, donor intervention in trade development is justified. Such interventions should, however, be based on the following general principles:

– Donors should not intervene unless the government has made a clear commitment to take the necessary steps to create an enabling and transparent environment for trade development. More than the mere promise of change is needed. This could involve a conditional agreement, with phased support from donors being contingent on actual changes made by government;

– Donors should not substitute themselves for governments of the recipient countries. The precise direction of the intervention should reflect the actual needs of the beneficiary. Donor support programmes should thus be complementary and demand-driven, responding to the lack of availability of resources, both material and human, necessary to overcome the problems and achieve the objectives of the beneficiary;

– Donor interventions should not distort the market. Any intervention in the market should only be made to overcome market failures and to kick-start market forces. Any intervention should therefore be temporary and for a finite period of time.

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Hangar facilities for a company that exports cashew nuts from Mozambique
Trade development support must be integrate in nature, and have a private sector focus

Implications of donor intervention

So it should be underlined that to be effective, trade development support must be integrated in nature, and have a private sector focus. On the donor front, there is also a checklist to ensure the success of such projects. The integrated approach implies that prior to any donor intervention in the trade development process, a Trade Health Check (THC) is carried out to identify obstacles to competitiveness. A regular partnership dialogue will be instigated securing a commitment from all stakeholders, coordinating interventions and leading to the design of an integrated programme with different roles for the different actors.

A sequence of interventions will be defined on the basis of the THCs. In circumstances where the trade-related environment is inadequate, or it has a distinct bias against exports, the primary thrust of the intervention should be to assist the government directly. Where, however, a dynamic private sector is already operating within a liberal and supportive trade environment, no such intervention is normally necessary or desirable, and donor support for this should be phased out. In circumstances where the situation is somewhere between the two above-mentioned scenarios, multifaceted intervention will be necessary. In such cases, governments can be targeted, and institutions and service providers strengthened. Sector chains ('filières') can be supported and enterprises can be given incentives to access skills and create networks.

Such a focus means that development assistance – whether to governments, institutions and service providers, or the enterprises themselves – should support the creation of a truly competitive, transparent and equitable playing field for the private sector. This should activate the market for services by providing temporary and demand-driven support. Participation and commitment through cost-sharing instruments should be ensured.

Trade development and the EC

Community trade development support activities must be in line with the objectives of the EC's overall development policy. In this context, trade development primarily serves the objective of smooth and gradual integration into the world economy. Community trade development support does not blindly foster growth by enhancing competitiveness, but ensures that such growth is supportive of the broader objective of sustainable and socially equitable development.

This implies a commitment to supporting sound macro-economic policies, the establishment of social and environmental safeguards through a fair regulatory framework, participation of all major stakeholders and appropriate impact assessments during programme design and implementa-

New trade development strategy in action

The All-ACP Export Business Assist Scheme (EBAS)

Cost sharing schemes are presently regarded as one of the more effective instruments for catalysing exports from developing countries' private sectors. They are based on the principle of activating the market for skilled support services that will enable firms to enhance their competitive positions. In essence, all the firm wishing to obtain a grant has to do is draw up a simple plan, describing where it is today, and the direction it intends to move over the coming few years, to enhance its competitive position. If the plan is feasible, the enterprise can be reimbursed for 50% of the cost incurred in accessing the specialised services needed to achieve the plan's objectives.

The advantages of such schemes are that they are directly linked to enterprises and associations and are driven by the needs and demands of the companies in question. Furthermore, they avoid public sector administrative rigidities and are relatively simple to operate.

The Export Business-Assist Scheme (EBAS) Scheme will be a more developmental form of cost-sharing system which has been designed to be available to all ACP States under Article 138 of the Lomé Convention. The scheme, just approved by the EDF Committee, has been specifically designed to accommodate the differentiation that exists amongst ACP States.

Objectives

The scheme has a single overriding target: to expand receipts from exports and tourism. Specific objectives are the activation of a sustainable market for export and tourism-related services, and ensuring that a larger share of the services market goes to local service providers.

The major purpose is, first, to encourage enterprises and groups to buy or rent external business development services, as a way of improving their export competitiveness and second, to encourage local service providers to develop their supply of specialised skills.

Three components

The scheme will encourage an active market in business development services with a three-pronged approach.

The *first component*, which will be a major element of the EBAS Scheme, consists of providing firms with free 'handholding' assistance on how to go about making the best possible use of business development services, in order to acquire the skills and information that will boost their receipts from exports and tourism. This provides a longer term and more comprehensive basis than that contained in the second component alone. The idea is to build confidence for entering what is, for many firms, the new and unknown activity of buying business development services.

The *second component* is the core of the scheme. This involves providing services related grants and is subdivided into two parts. The first is for the provision of services user grants to private enterprises, covering half the costs of using business development services, to increase competitiveness. A broad range of services is covered, including marketing, production and general business strategy. Firms will be allocated grants on the basis of presentation of acceptable business plans.The second is the provision of grants to local *suppliers* of specialised services to encourage further an active local market in business development services. In many cases, the lack of sufficiently sophisticated local services will require the import of skills. The intention is that this will be temporary and that local organisations wishing to build their capacity to supply such services to the local market will receive grants to cover half their development costs. Within a specified period of time, the aim is that the increased demand for services will be increasingly matched by the development of a local response capacity on the supply side of this market - and that a sustainable market dynamic will be created.

This component will also include a significant promotional campaign to ensure that ACP enterprises are aware of the existence of EBAS, understand how to use it, and know where they can access it.

The *third and final component* provides a contingency back-up should the private sectors of certain countries not be making effective use of EBAS. In most cases, this will be because of an anti-export bias in the economic environment surrounding the private sector. Lack of EBAS activity or continual failure of business plan applications associated with particular countries will trigger an opportunity for Trade Health Checks (THCs). As part of the overall scheme, these will be provided to the governments of the countries concerned on request.

The THCs will assist governments in identifying the problems facing the exporting private sector and in taking appropriate corrective action. They will be in the form of 'needs analyses' but will be targeted directly at the problems of the private sector - so that, within a reasonable time frame, local private enterprise will be able to make effective use of the opportunities offered by the EBAS Scheme.

tion. The Community should furthermore ensure that support to the trade related elements of structural adjustment programmes are coherent with the principles of the social market economy.

A strategy for trade development also has to take account of the Community's comparative advantages in this area. Because of its special relationship with the ACPs, and its position as major market and major donor, it should be prepared to take a leading role. Consequently, it should have an open approach to trade development support and, as a matter of principle, be prepared to support, in each ACP country, all the integrated and private sector-oriented activities which might be necessary to enhance ACP trade.

It should also assume responsibility for the identification, design and coordination of integrated trade development programmes, developed through partnership dialogue.

While maintaining a general flexibility, there are obviously areas which will fall more 'naturally' within the Community's remit because of its unique experience. In particular, the Community has the greatest practical experience in regional integration. It should therefore assume particular responsibility for supporting regional economic integration, and trade liberalisation initiatives. P.V.D.

DOSSIER

ACP-EU trade: into the new millennium

by Manuel Lopez Blanco*

Eighteen months before the expiry of Lomé IV on February 29 2000, ACP and EU states will start negotiations to define a new relationship. This will involve a major overhaul of their cooperation system and particularly of trade arrangements. Gearing up for these talks, the European Commission has launched a wide debate starting with the publication of the 'Green Paper' last autumn. The author of this article, who is one of the Commission's specialists, describes the implications for ACP nations of the rapidly changing global trends. He takes stock of past trade achievements of the ACPs and the challenges and constraints ahead as they seek further integration into the international economy.

Globalisation is rapidly transforming the world economy. The phenomenon results from technological advances that reduce international transaction costs and from rapid liberalisation of international exchanges of goods, services, and capital. At the same time, access to international markets is becoming more complex and dependent on other trade-related issues. In the market access equation, tariff levels are lessening in importance and other factors such as competition policies, standards, subsidies, anti-dumping and countervailing policies, environmental and social regulations, intellectual property laws, and investment codes, are increasingly coming to the fore as major determinants of market access. Despite the considerable success of multilateral liberalisation in the wake of the Uruguay Round agreement, many of these trade-related areas are still insufficiently regulated by the World Trade Organisation (WTO). This could give rise to discriminatory action by multinational corporations and trading nations, impairing access to international markets.

Globalism v regionalism

The Uruguay Round of the General Agreement on Tariffs and Trade (GATT), the forerunner to the World Trade Organisation (WTO), has not slowed the interest in regionalism which gathered pace in the late 1980s. Trading nations, industrial and developing alike, fuelled by their desire for freer and fairer trade and for more certainty and harmonisation in the new trade-related areas, are, it seems, looking beyond the achievements of the Uruguay Round to a more limited geographical sphere.

A distinctive feature of this renewed interest in regionalism is that North-South trading arrangements, involving both developed and developing economies, are now viewed as bringing for both parties in many areas so-called 'non-traditional' benefits (of a trade, economic and political nature), on top of direct trade creation.

The added benefits include enhanced security of market access and increased policy credibility for the less developed countries (LDCs) that are involved. The arrangements offer higher investment; both domestic and foreign, increased competition, better resource allocation, fuller use of economies of scale, improved access to technology and an insurance about future policy developments in trade-related areas. Furthermore, North-South regional integration, by providing an external anchor – or, in economists' jargon, 'agency of restraint' – enables less developed countries to lock in economic policy reforms and make credible signals to economic agents, both domestic and foreign, about their commitment to reform and to a private sector environment. This is because of the importance of sanctions in the event of policy reversal.

Multilateral liberalisation and the growing move towards regionalism change the economic playing field for the less developed countries. Those that have traditionally benefited from non-reciprocal preferential treatment under the GSP or other preferential regimes like Lomé, are seeing a gradual erosion of trade preferences.

Meanwhile, LDCs excluded from regional blocs, (as is the case for the Caribbean and some of their Latin American neighbours *vis-à-vis* NAFTA), are likely to face losses due to trade and investment diversion, and higher tariff and non-tariff barriers to market access in regional bloc markets.

In a nutshell, there are developments on the international scene at two levels. Multilaterally, trading nations are pushing ahead with an agenda within the WTO, whereas regionally, three major trading blocs seem to be emerging and consolidating – around the USA, the EU and the Asia-Pacific region. Clustering around these groups meanwhile, are the regional schemes of other developing countries. Such schemes are proliferating, leading to the creation of viable economic spaces seeking 'hooks' and 'anchors' with the major blocs to secure market access and insure against adverse trade policy developments.

For LDCs, increased integration towards a global economy, either down the multilateral or unilateral road, can yield potentially high rates of economic growth, if accompanied by sound internal policies. This is because a definite empirical association is proven between openness, integration (speed and level) and growth. On the whole, less developed countries have actively participated in globalisation of the international economy and have experienced high growth rates en-

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abling some of them to close the gap with more mature industrial economies.

However, there are marked differences in this good overall performance. Countries presently more fully integrated into the world economy, show higher rates of growth. Conversely, many less developed nations (notably ACPs), have experienced both low growth and further marginalisation in the global economy.

LDCs that lag in the growth and integration stakes need to reverse the negative trends and have to make difficult decisions about how much and at what pace they should liberalise. In particular, they must choose the best strategy of integration into the world economy; the multilateral or unilateral way? Alternatively, should they engage in regionalism and if so, should they opt for South-South and/or North-South links? Or, would a combination of these options be more preferable? And what about the ACP group in particular?

ACPs and the global economy

Over successive Lomé Conventions, ACP nations have failed to increase, or even maintain, their share of the EU market, while less preferred exporters have been able to raise theirs. The European market remains relatively important for the ACP countries. Between 1990 and 1992, the latter depended on the EU for an average of 41% of their export earnings. Trade dependency on the EU varies among ACP regions, being higher for Africa (46%) than for the Caribbean and the Pacific (18% and 23%, respectively). By comparison with the group of less developed countries as a whole, the ACPs trade performance over the last decade has been modest . Between 1986 and 1992, ACP exports to the world rose at just 5.7% as compared with 13% for the LDCs taken together.

Another worrying trade trend is that the ACPs have not managed to diversify their exports significantly and most still depend on a few primary products. Their ten top products accounted for no less than 61% of total exports to the EU between 1988-92. Compared with other LDCs' performance in manufacturing and processing, the ACPs are also clearly trailing.

Between 1988-1993, they registered negative growth rates in trade for such products, while other LDC exports grew by almost 9% (taken from 'Europe's Preferred Partners', ODI 1995 report).

From the mid-1980s to the early 1990s, Foreign Domestic Investment (FDI) to African ACP countries doubled in percentage terms reaching 1.18% of GDP. However, Africa's share of all FDI to the LDCs (excluding China) dropped from 6% to 4%. In addition, it should be noted that most foreign investment destined for Africa goes to the oil-producing countries led by Nigeria – which absorbed 44% of all FDI to the continent between 1991 and 1993. Caribbean countries and some Pacific ones managed to attract significantly more FDI at the beginning of the 1990s.

When measured against the World Bank's set of integration indicators (Global Economic Prospects, 1996), as far as the ACP group is concerned, sub-Saharan Africa (SSA) appears marginalised. This poor integration performance is reflected in the low income levels, worsening poverty and poor growth performance of SSA countries during the last decade.

Over the period 1971 to 1991, SSA achieved GDP growth rates below the average for all the less developed countries (3.4% as against 5.2%). More recently, between 1991-1994, their relative performance deteriorated further. Allowing for population increases, the performance was particularly dismal. Between 1974 and 1990, SSA recorded annual GDP growth *per capita* of -0.7 %. By contrast, the figure for the world as a whole was 1.2%.

VIVANT UNIVERS

Clothing factory in the Philippines.
Compared with the performance of other less-developed countries, the ACPs are clearly trailing

Lomé trade preferences

Three key principles underpin Lomé trade preferences; stability , 'contractuality' and non-reciprocity. The last-mentioned is linked with a non-discrimination clause which states that ACP countries should not offer better treatment to exports from other developed countries than those granted to the EU. Stability and contractuality are essential elements of Lomé trade preferences, since they provide a degree of security for access of ACP exports to the EU market. This is unmatched by any other existing non-reciprocal preferential arrangements (such as the GSP schemes). For economic operators, this takes away some of the risk involved in investing in export-oriented activities.

Lomé trade preferences continue to be of great value to ACPs. In addition to complete duty-free access for manufactured and processed exports, and the exemption of the preferences granted on textiles and clothing from MFA disciplines, many ACP countries have benefited from the generous prices and guaranteed access for specific quantities of products under the Lomé Commodity Protocols (bananas, sugar, beef and veal, and rum).

However, the value of the preferences has been eroded over time by multilateral liberalisation, by the pre-EU membership arrangements with the countries of Central and Eastern Europe, and by the surge in EU-centered regional trade arrangements (in particular the Euro-Mediterranean agreements, and other preferential arrangements in the pipeline with Latin-American countries). Various studies and evaluations also cast doubt on the contribution of Lomé preferences to achieving their primary goals – growth and diversification of exports. What stands out is the deterioration of ACP countries' export performance and of their capacity to attract FDI over the period they have enjoyed these preferences.

The impact of the Lomé preferences is not all negative. There are individual success stories of export growth and diversification. Several areas of export, that have enjoyed relatively large preferential margins in terms of tariffs and quota exemptions, have expanded. And a few countries – that have made the fullest use of the preferences – have attracted significant amounts of FDI. Mauritius, Botswana, Côte d'Ivoire, Jamaica, and Zimbabwe, are among those in this category that have gained, either through direct benefits under the protocols, or by diversifying.

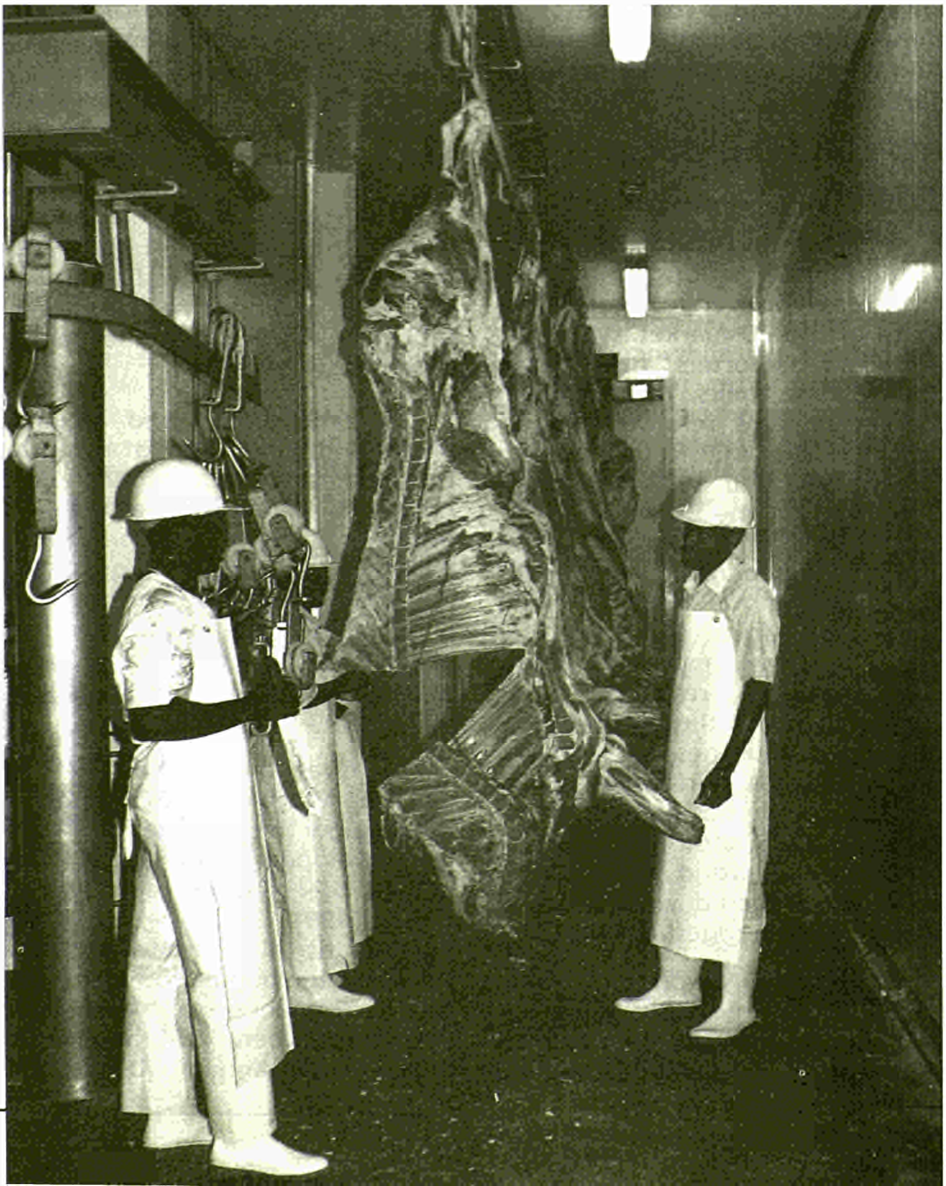
No single reason explains the poor overall export and growth performance of the ACP countries. Political instability, poor resource endowments, lack of infrastructure, weak entrepreneurship, scarce physical and human capital, low levels of savings and investment, and undeveloped financial sectors have all limited, on the supply side, the benefits that could be derived from preferences. Added to these are high dependency on a few basic commodities subject to major price fluctuations, and a substantial deterioration in the terms of trade.

On top of these commonplace, but relevant explanations, it is widely believed that sound policies play a major role in influencing exports and growth. Macroeconomic stability, realistic and stable exchange rates, good institutions and good governance, efficient resource allocation policies and, in particular, stable and credible import and tax regimes which allow transparent transmission of world price signals to domestic producers, are significant determinants of competitiveness and export performance.

As a group, the ACPs, and many SSA countries, in particular, have failed to fulfil the preconditions for achieving export-led growth. With poor initial resource endowments, they have also failed in the past to adopt the right policy mix. Implementation has been lax and they have frequently reversed policies. Consequently, SSA countries' economic policies, and eventual policy reforms, suffer from very low credibility in the eyes of domestic and foreign investors. This situation undermines and blunts not only the supply response to trade preferences, but also any future policy reform.

A more direct threat to the preferences has come from the world trade body. The legal battles fought by the EU and the ACP, initially in the GATT following the setting up of the single market for bananas, prompted the European Community in 1994 to seek a 'waiver' for the Lomé Convention's entire trade package. This followed the conclusions of a first panel – not adopted by the GATT Council – that the Lomé Convention was inconsistent with GATT rules due to its non-reciprocal nature. This meant that it could not be considered as a Free Trade Area and it was also found to be discriminatory *vis-à-vis* other LDCs – and thus not covered by the enabling clause permitting GSP schemes. The principles underpinning the Lomé trade preferences – in particular that of non-reciprocity now permitted by the waiver – are undermined by the fact that this lasts only until the end of the present Convention. Also, like all other waivers, it must be renewed every year. To cap it all, the banana conflict has finally concluded with a definitive WTO ruling

Swazi beef.
A number of ACPs have benefited from generous prices and guaranteed access under the Lomé commodity protocols



against the EU relating to this specific system.

Challenges, constraints, opportunities

As they look ahead to the next century, the ACPs have to ensure optimal integration into a world economy which is undergoing rapid change. Some of the trends and features of the new global situation, notably the need to comply with stricter GATT rules, make the simple continuation of traditional non-reciprocal preferences an unlikely option. Other options, such as multilateral and regional liberalisation, will result in the gradual erosion of the value of the preferences. EU-centered regionalism leads to a further weakening of the beneficial impact of the preferences as other EU partners are offered more stable and secure trade and investment deals. This creates a potential for trade and investment diversion to the detriment of the ACPs.

Furthermore, the burgeoning of international and national regulations implemented by the EU, as well as other major trading nations, on new issues like the environment, social standards, competition policy, and technical and health standards, impose new obligations on all developing countries including the ACPs. These could well develop into new non-tariff barriers and obstacles to trade. Such obstacles, likely to increase in importance in the short and medium term, are becoming more relevant as the ACPs attempt to diversify their exports, and they are wholly outside the scope of Lomé's traditional preferential package. Thus, the latter appears increasingly irrelevant to the integration needs of the ACP group.

Regionalisation, driven by other major developed economies, is pulling apart the various ACP regions, in particular, the Caribbean and the Pacific which are not such 'natural' trading partners of the EU. On the one hand, they are confronted by the erosion of traditional, non-reciprocal, preferences. On the other, they have to make difficult choices between competing integration strategies in order to preserve, consolidate or establish trade positions in respect of emerging trade blocs.

The new EU-ACP trade arrangement after the year 2000 should be assessed according to its ability to meet the challenges, constraints and problems the ACP countries have to confront in the new world context. It should comply with GATT rules to provide the necessary security and stability in the trade regime. It should also preserve the current level of market access, taking account of the differentiation of ACP countries in terms of their level of integration into the global economy, their level of development and their priorities. And it should secure, as far as possible, in compliance with the WTO, the benefits provided by the commodity protocols. The new system needs to offset the impact of preference erosion as well as the trade and investment diversion effects resulting from multilateral liberalisation and EU-led regionalism. It should provide an international anchor of enhanced credibility, certainty and stability for the trading and regulatory framework of the ACP countries, as a precondition to achieve better export performance and attract FDI – and, ultimately, obtain higher growth rates. It should actively promote and facilitate the success of regional integration among 'natural' ACP partners, as well as help ACP countries to insure against the proliferation of national and international regulations, in new trade-related areas, which may give rise to additional obstacles to market access. Different ACP regions must also be allowed to join different – even overlapping – trading arrangements if they are more convenient to their development needs and geographical location, providing a counterweight to the pull they would experience from new regional blocs.

Turning the page

The Commission's Green Paper lays down a series of options for a future trade regime between the EU and the ACP countries. It considers possible integration strategies (*status quo*, unilateral liberalisation, multilateralism, South-South and North-South regional integration) and assesses how well each of these would meet the challenges, constraints, and problems that the ACP group faces at the eve of the 21st century. However, it does not state a preferred option.

This article was written prior to the Commission's decision on a negotiating mandate for submission to the Council and the European Parliament. But from the debate on the Green Paper trade options, the general conclusion one can draw at this stage is that, faced with the challenges, risks and opportunities of globalisation, both partners should be attempting to formulate a more proactive trade arrangement. This implies integrating a wider spread of trade, trade facilitation and FDI considerations, beyond simple tariff concessions, thus enabling ACP countries to formulate sound integration strategies, adapted to their level of development, geographical location and trade patterns.

Three themes have recurred in the debates. The first is the need to secure full compliance with the WTO rules. The second is to take account of the diverse nature of ACP countries – which entails assessing the need and convenience of keeping non-reciprocal preferential treatment for the Least Developed Countries (both ACP and non-ACP), graduating other less (but not least) developed ACP countries into the GSP, and bringing the more developed ACPs into reciprocal arrangements. It also means enhancing the credibility of ACP countries' economic reforms as a precondition for achieving higher levels of investment (foreign and domestic), and hence a stronger supply response. Last but not least, a reasonable transition period is needed to switch from the present trade regime to a new one. M.L.B.

Looking for innovation

by Dr. Christopher Stevens

When Lomé I was signed in 1975, the Convention stood apart from Europe's links with other developing countries, not least because of its innovative trade relationship based on extensive preferences. These have since been whittled away by the proliferation of EU trade agreements around the globe and developments in the WTO. Increasingly, they are being seen as an anomaly. The author of this article, who is Fellow of the Institute of Development Studies at Sussex University in the UK, considers what can be done to restore the uniqueness.

Lomé's faults are evident enough: It is discriminatory, which is the source of its problems in the WTO; it excludes some very poor states and includes some middle-income ones, and it has demonstrably failed to result in ACP trade growth and diversification. How can it be changed in a way that removes these deficiencies but does not simply 'throw out the baby with the bath water'? The main problem with moving beyond Lomé to a more coherent, poverty-focused European trade system, is that there is nothing in the EU's extensive arsenal of accords that offers an adequate alternative.

The replacement of Lomé could represent a move forward, but it could also be a retrograde step. The creation of a new type of regime, melding the desirable features of the current Convention into a more coherent universal framework, would be a plus. But the replacement of today's Convention with one of the inferior off-the-peg existing systems, would be a minus.

Lomé's place in EU trade policy

Lomé is now only one element of the EU's wider trade policy system. This system provides different degrees of preference to various groups of countries, developed and developing. The depth and breadth of these preferences are not necessarily related to any objective criteria, such as the recipient country's level of development.

There are at least five bands in the EU's trade policy hierarchy (or more, if the Europe Agreements are considered as a separate category). In addition to Lomé, these are the EU's bilateral agreements with over 30 states, the 'superior' layer of the Generalised System of Preferences (the 'Super' GSP), the standard GSP and, the bottom tier – Most Favoured Nation (MFN) terms. Since the first three have much in common and are distinguishable as a broader grouping from the bottom two, it is helpful to think of the EU's trade policy as defining three groups of states. Each is of roughly equal importance in trade terms since each accounted for about a third of European imports in 1995.

First, most favourable access is available to the 121 developed, developing and transition states in the three top bands of the hierarchy. Next come the newly industrialised, middle-income and poor countries that benefit only from the standard GSP. They number some 54. At the base, with the least favourable access, are the five industrialised states that receive the somewhat misnamed 'most-favoured-nation' treatment by virtue of their WTO membership. Also in this group are states not in the WTO, but to which the EU autonomously offers MFN access.

Why have ACP trade preferences failed?

Lomé I claimed to herald a New International Economic Order, yet the subsequent economic performance of the ACPs has been dismal. Although their economic performance without Lomé might have been even worse, it is important to identify what has gone wrong and how things can be improved.

The trend in EU-ACP trade starkly illustrates the extent of the decline and its implications for a relationship billed when it was negotiated as a 'partnership' of mutual interest. In 1976, the ACPs were the second most important source of EU imports from five broadly defined developing country 'regions' – providing over 6% of the total. At that time, they were second only to the Mediterranean and well above Latin America, East and South-East Asia and South Asia. The 1995 figures reveal a glaring contrast. By then, the ACPs were the second least important source of EU imports from these country groups – and the only one with a declining share. Not only had imports from East and South-East Asia soared ahead, as might be expected, but the ACP had also fallen behind Latin America, seen their share decline further relative to the Mediterranean, and witnessed South Asia emerging as a much closer competitor.

Unfortunately, the two common explanations for this poor record are only partly correct and the more fundamental causes will take longer to overcome. One explanation is that the preferences themselves have had a malign influence, accounting for the ACPs' loss of market share – whilst the East Asian and ASEAN states, with modest preferences, have increased theirs. There may be something to this argument – especially in relation to the commodity protocols, that have made traditional exports to Europe much more attractive than they would be otherwise – but it is important to remember that the ACPs are not the only 'preferred' group, and East Asia/ASEAN are not the only less 'preferred' group.

A comparison of the Mediterranean, which has high preferences and 'low preference' South Asia and Latin America, suggests that the existence of a so called 'inverse relationship' is not so clear. The problem with an analysis which concentrates just on the EU's most and least successful trade partners, (East Asia/ASEAN and the ACP respectively) is in disentangling market access from the domestic supply position, for which the two groups are almost polar opposites.

Moreover, just because some ACP states have guaranteed high prices in Europe, it does not follow that their flaccid efforts to diversify are an automatic consequence of preferences. Mauritius has based its impressive export growth on exploiting to the hilt two of the most valuable Lomé preferences – on sugar and clothing. And Mauritius is not alone. Since preferences may be a disincentive, the first reaction should be to encourage more states to use them wisely, as Mauritius has done, rather than to erect new barriers.

The second partial explanation for trade decline is ACP economic mismanagement. This has undoubtedly exacerbated the problems of many states, sometimes in the extreme, and the correction of inappropriate policies and practice is a necessary condition for growth. But this in itself is not enough in those ACP states that do not possess particular natural or other resources that happen to be in great demand in the world, such as rare minerals.

Europe's changed economy

If ACP problems were just the result of economic policy errors, then improved management might fundamentally alter the direction of change, but in most states this is not the case. The deep-seated element of the trade problem is that the nature of the European economy has changed, and will continue to change, in ways that affect its relative demand for the types of goods that the ACP can currently produce. Other OECD countries are undergoing similar change with the result that the foreign exchange earnings of ACP states are falling and, hence, their capacity to import.

The structure of Europe's merchandise trade and its relationship to economic growth is altering, with the result that there has been a decline in the relative importance of primary product imports and an increase in imports of manufactured goods. The decline in the value of primary trade reflects and, in turn, influences the drastic fall in world prices for most of the ACPs' primary exports over the last 15 years. When Lomé I was signed, primary products accounted for roughly 50% of EU non-oil imports. By 1995, this had fallen to just one-third of the total, while manufactured items accounted for two-thirds.

For the ACPs, the effect is more acute because of their continued heavy dependence on primary products in comparison with other developing countries. Whereas 'primaries' have fallen from over 60% to under 40% of EU imports from all developing countries over the period 1976-95, in the case of the ACPs, they have declined only marginally and are still around two-thirds.

Would regional integration help?

The ACPs need to diversify both their range of exports and their markets, so that traditional goods are sold to countries where demand may be growing more rapidly than in Europe. Increased trade between African states and the Caribbean and its neighbours, may serve both purposes. It is important to erode the barriers that might exist to such trade – such as lack of infrastructure, poor information, and tariff and non-tariff barriers.

The need to foster greater integration within ACP sub-regions has been sucked into the broader debate on the compatibility of the present Convention with the WTO rules. How great a problem is this? The answer is that it is serious, not just because of the structure of Lomé but, more importantly, because few elements of EU trade policy sit wholly comfortably within the existing WTO approach.

One WTO path that appears to provide a solution are the provisions covering Free Trade Areas (FTAs). Might not the creation of a set of FTAs, perhaps between the EU and ACP sub-regions, serve the triple objective of overcoming WTO objections, encouraging regional integration and also dealing with economic mismanagement by prodding ACP states towards trade liberalisation? Unfortunately, there are question marks over all three of these aims. Presently WTO rules on FTAs are vague. Although they contain certain objective criteria, such as the proportion of trade to be covered and the implementation period, these are couched in rather general terms. Exemptions under Article XXIV of the WTO accord need unanimous support by other WTO members. It is far from clear that any 'FTA' between the EU and an ACP state would obtain such an exemption, since it will fall short of fundamental economic integration. The reaction of the WTO to the EU-South Africa FTA, currently being negotiated, will be a useful 'straw in the wind', if it is eventually concluded.

Actions to foster intra-ACP trade are not alternatives to developing exports with Europe and the rest of the world; they are additional. Lomé already provides opportunities to support intra-ACP trade, and the logical next step is to extend these to cover trade with non-ACP neighbours. As for contributing to ACP trade liberalisation, the FTA method of advancing can be described as 'crabwise'. The direct way to gain the benefits that supporters of liberal trade anticipate from improved market access, is for MFN tariffs to be cut under WTO auspices. Tariff cuts which apply to just one trade partner, the EU, could have undesirable economic effects.

A better approach

An alternative, that would represent a step towards a universal system justifiable under the WTO, while retaining low EU tariffs and contractuality for the ACPs, is to extend Lomé treatment to other developing countries as soon as this is politically feasible for Europe. Since differences between the top three bands in the hierarchy are small, this may not be too difficult to achieve. As a transitional step, an umbrella arrangement, available to all developing states, could be created. Initially, the precise details of each state's trade relationship with the EU would be subject to individual and regional negotiation, with the proviso that no ACP state would be worse off than at present.

Although Lomé's 'extension' to other developing countries would erode the protocols, their value will be undermined anyway by the fundamental reform of the Common Agricultural Policy that should be in place by 2010. A transitional regime for the first decade of the new century will protect ACP preferences until European liberalisation has made them obsolete at the same time giving WTO members the assurance that the present system is being transformed into something that is both more coherent and liberal.

C.S.

From trade to investment preference - a Pacific perspective

by Dr Roman Grynberg*

Trade preference, as a concept, has been much maligned of late. Broad-based economic studies have largely demonstrated that it has not had a significant impact in stimulating economic growth, diversification and development among the beneficiaries. The problem with such studies, based on aggregated international data, is that they cannot pick up the effects of trade preferences. This does not mean that such effects do not exist, but simply that they are not perceptible at this level, given the tools and data employed. If the appropriate tools are used, the benefits are clearly seen at the micro-economic level.

In the Pacific, preferences have played a vital role in developing international trade in countries that either have an abundant natural resource, such as Solomon Islands with its canned tuna, or have achieved a sufficiently high level of economic development to make some industrial diversification possible. Fiji is an example of the latter (together with Mauritius in the Indian Ocean where preferences have provided the foundation for the country's economic transformation).

The counter-argument, so frequently heard, is that trade preference has permitted the development and perpetuation of inefficient industries, and that its eventual elimination will force these to confront the economic realities of a liberalised trading environment. There can be little doubt that the system has created distortions in the operation of several key export sectors in the Pacific ACP states. But, to a considerable extent, these distortions have occurred because of the way the preferences have been applied, notably in respect of rules of origin. And few would dispute that trade preference has also been a 'midwife', assisting in the birth of new export industries as well as helping to stabilise the position of existing ones. Pacific ACPs do not have many export success stories but one should mention here the electrical harnesses made in Samoa, the tuna canning operation in the Solomons, and the tuna, sugar and garment sectors in Fiji (Fiji's garment industry depends mainly on trade preferences into the Australian and New Zealand markets under a non-reciprocal trade agreement). Something which may be almost as significant are the advantages granted to tropical tree crops such as cocoa and coffee. Nowadays, the margins of preference are very small but they have nonetheless enabled Pacific nations to overcome the inherent – and largely insurmountable – cost disadvantages involved in exporting relatively small amounts from dispersed locations far removed from the main markets.

Pacific exports to the EU

Country	% of total exports
Papua New Guinea[1]	16.4
Solomon Islands[2]	20.5
Fiji[1]	25.6
Vanuatu[2]	50.6
Tonga[2]	2.4
Samoa[2]	16.4

Source: Australian National University: South Pacific Regional Economic Database.
[1] 1990-94 average.
[2] 1990-92 average.

In a sea of islands, located as far as one can conceivably be from Europe, trade preferences have been crucial, providing the basis for investment decisions in export market development. Despite its putative benefits, the EC's Generalised System of Preferences (GSP) – which applies to non-Lomé developing nations – has had relatively little impact on investment decisions. This is largely because of its non-contractual nature and the resulting capacity of donors to remove access privileges by unilateral action. While Lomé has not been without fault in this regard, its quasi-contractual nature has provided potential investors with greater security of market access than is available under the GSP.

For a region on the other side of the world, the EU remains an unexpectedly significant export destination (see table). This is largely due to trade preferences and the impact of Stabex arrangements in the past. There is a sharp contrast when one looks at imports from the EU, which are non-preferential. Vanuatu has the highest dependence on imports from Europe and even here, the figures are modest (6% from France and a further 7% from New Caledonia in 1995). In all other Pacific ACP states, imports from Europe account for less than 5% of the total.

Trade preferences generate what economists call an 'economic rent'. In seeking to exploit this, entrepreneurs set up industries, but also introduced market distortions. Inefficiencies have developed in some export industries which owe their existence to these preference-induced economic rents. There is little doubt that certain work practices in these sectors are well below the optimum that could be achieved if the preferences did not exist.

However, in terms of trade preferences, Lomé's net impact has been unambiguously positive. Take the example of sugar. In 1975, Fiji received an annual quota for the EU market of 163,000 tonnes. This sugar has been sold at the intervention price set by the EU under its own Common Agricultural Policy – which in most years has been two or three times the world price. In 1995, this was supplemented by a further 40,000 tonne quota of 'Special Preferential Sugar'. As a result, in 1995, Fiji received a net transfer from the EU of $110 million, or approximately 5% of GDP. For the average sugar farmer, the Protocol means a net addition to operating profit of about $20 per tonne of cane.

As for tuna, the one natural resource that Pacific ACPs have in relative abundance, the 24% margin of trade preference into

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The Courier

Textile production in the Pacific
Trade preference has created some success stories

the EU market for the tinned product enabled the establishment of canning facilities in the Solomons and Fiji. The two canneries in question now employ some 3,000 workers, most of whom are women. These people would almost certainly join the ranks of the unemployed in the event of the loss or serious erosion of the existing preference. The men, who traditionally work on the pole and line vessels, would not lose their jobs because unprocessed tuna exports are not trade preference-dependent. So women would be more seriously affected by the erosion of Lomé's trade advantages.

It is widely accepted that whatever emerges from the forthcoming renegotiation of Lomé, trade preferences will eventually cease to have any real commercial value. This is due to the lowering of MFN tariffs through successive WTO negotiating rounds, compounded by the EU's own policy of expanding preferences to new associates. The Commission's Green Paper also explicitly recognises that the waiver granted by the WTO to the Lomé arrangements will expire in the year 2000. This prospect is already having an impact, with investors less willing to make long-term investments based on a trade system that is likely to undergo radical revision in the next three years. The Lomé commodity protocols, which have been vital to Fiji, are also seriously undermined by the recent WTO ruling against the EU's banana regime.

So the trade preference system clearly has a limited shelf life. This raises two fundamental questions. First, what does one do with industries such as sugar, garments and fish, that are founded, and remain dependent, on preferences? Second, and more awkwardly, how does one attract new investment to countries such as the Pacific ACPs that are so heavily disadvantaged by isolation and size? The more doctrinaire advocates of *laissez-faire* often argue that all one needs to do is create an environment attractive to foreign investment and the investors will come. But given the problems in achieving economies of scale, isolation from the markets and the physical dispersion, there are good reasons for believing that serious private sector decisions to invest in the South Pacific will not occur without some counterbalancing advantage. Trade preferences played precisely this role, and instead of being replaced by a more 'market- friendly' source of advantage, we are seeing a tidal wave of technical assistance, driven by *laissez-faire* economics.

For industries dependent on preferences, a two-pronged approach is suggested: first, to extend the current WTO waiver on a limited range of products that require trade preference for a period of ten years beyond the year 2000; and second, to develop simultaneously a sectoral reform programme for the industries in question.

If globalisation is to be of any benefit to small island states (and least-developed countries), it will only come from direct private investment which enhances these countries' exporting capacity. Trade preference was aimed at providing this investment incentive – and did so with varying degrees of success. From an ACP perspective, it would be highly beneficial if the preferences could be preserved indefinitely. But such an option would involve using up a great deal of political capital to obtain an instrument whose future would inevitably remain in doubt. Another approach would be to find an alternative to trade preferences in the shape of a mechanism for stimulating private sector investment in least-developed and highly vulnerable countries. This would not be as complex and daunting as might first appear. Indeed, the Lomé Convention already has some potentially excellent 'investment preference' instruments. Facilities provided by the European Investment Bank (EIB) could, if properly reformed, be the basis of a system of incentives for EU and ACP investors to move into new projects that diversify exports.

The problem with the Convention in this area is neither the EU's intention, nor the instruments *per se*, but rather the administration and delivery mechanism. The fact that the government's agreement is needed to gain access to EIB risk capital funds means that, like so many other Lomé mechanisms, it has become an instrument of state that is not readily and directly accessible to the private sector.

The Green Paper makes play of the fact that government has grown bigger in ACP countries. But paradoxically, it does not recognise that the Lomé instruments have encouraged government 'ownership' and very often subsidised it as well. Likewise, state-owned development finance institutions have had a 'mark-up' from managing EIB loans – revenues which have assisted the growth of government. The benefits of low interest loans with long pay-back periods – just the sort of help that investors need to undertake high risk investments in ACPs – have been very limited. If trade preference is be replaced by an instrument that will ensure the development and not the marginalisation of the ACPs, then the most obvious option is to give the private sector direct access to low interest loans and risk capital in the small quantities appropriate to the scale of the enterprises and countries in question.

As the Green Paper has so emphatically and correctly argued, trade preference (or indeed 'investment preference') is no substitute for sound and prudent economic policy. However, the EU's analysis would be enhanced if it were willing to work with the ACPs to ensure genuine decentralisation of EU cooperation and aid delivery. Direct access, which is increasingly being urged by the private sector and NGOs, needs to be given real meaning. R.G.

DOSSIER

Trading fairly

by Brid Bowen*

'Fair Trade' products are increasingly being marketed in the EU despite the competition from the lower-priced 'mainstream' trade. The author of this article, who works for the umbrella lobby, the European Fair Trade Association (EFTA – not to be confused with the European Free Trade Association), tells us about this alternative approach – which provides greater financial returns to developing country producers.

A lot of consumers in Western nations recognise that the world's wealth is distributed very unequally and that products are far too cheap to provide developing country producers with a decent living. They want to help change the situation, but don't know how to go about it.

The 'fair trade' approach aims to alleviate poverty in the South by establishing a trading system based on equal partnership and respect, allowing marginalised producers to gain access to Northern markets. Certain criteria are agreed by both sides. As a minimum, the producers commit themselves to democratic functioning and decision-making procedures within their organisations. In return, fair trade bodies agree to provide direct access to the European market for their products – avoiding middlemen and speculators as far as possible. They pay a fair price for the goods: enough to cover the producers' basic needs and production costs with a margin for investment. 40%-50% of the price is paid in advance, and a long-term working relationship is created between the two sides.

In addition to these basic elements, several other issues are usually agreed. For instance, the activity of the Southern partner should be economically, environmentally and socially sustainable. It should provide acceptable working conditions and contribute to the development of the community, creating jobs, where possible. The development of an export product must not jeopardise local food security, and the processing should be done, as far as possible, in the South.

The North's 'Alternative Trading Organisations' (ATOs) agree to provide regular feedback to producers on market trends, and health and safety regulations. They provide finance and training to build up the management capacity of the producer groups, and enable participation in campaigns to promote fair trade and create an international trade structure that benefits producers. The role of women in the decision-making process, both within the Southern producer group and the Northern fair trade organisations, is also emphasised.

Who are the producers?

These include federations of producers, cooperatives, workshops for the handicapped, state organisations, private companies, and increasingly, Northern groups producing goods in the context of the 'social' economy. Any group respecting the aforementioned criteria is a potential partner of the fair trade movement. However, for a producer group to be accepted, it must be able to produce a marketable product, at a reasonable price, and in sufficient quantities. EFTA currently imports products from some 800 trading partners in 45 different countries in the South – representing 800,000 producer families or approximately five million people.

Producers gain direct access to the EU 'fair trade' market, often leading to subsequent sales in the mainstream market. They are guaranteed a fair price and decide themselves how the extra premium they receive should be distributed in the best interests of their communities. Most producers only market part of their total production under the fair trade arrangement, the rest being sold under the usual 'mainstream' conditions. But payment of a fair price for even a small part of the total production can have an upward effect on prices. When ATOs buy up part of the production at a higher price, this reduces the avail-

A short history of fair trade

The first alternative trade organisation was set up by Oxfam (UK) in 1964 and the first fair trade shop was established in the Netherlands in 1969. Fair trade importing organisations were subsequently set up in several European states and they now number approximately 70 in 16 countries. These buy products directly from Southern producer partners and sell through fair trade shops, solidarity groups, mail order catalogues, organic shops, local markets and increasingly, institutional outlets (such as canteens, businesses and public authority offices). During the 1970s, fair trade shops began to spring up all over Europe, and they now number 3000 in 18 countries.

Until the mid-1980s, the movement was involved mostly in an alternative trade circuit. Thereafter, it began to exploit mainstream channels too – focusing on wholesaling to institutional outlets. 1988 saw the establishment of the first fair trade label – Max Havelaar – in the Netherlands. Mainstream businesses which respect fair trade criteria and accept external monitoring by the labelling organisation are awarded a seal of approval and the products can then be sold through mainstream outlets. Other labels have since been established – Transfair International and the Fair Trade Foundation. Labelling organisations now exist in 12 European countries as well as in Canada, Japan and the United States.

Taken together, the sector represents an important alternative market. In 1995, the retail sales value of ATOs reached $250 million – generating income opportunities for an estimated half million artisans and workers in the South. In Europe, fair trade products are now being sold at 70,000 outlets and the trade is growing at an average of 5% annually. In Spain, turnover doubled between 1994 and 1996. France did almost as well over the same period while the market is expanding at 10% a year in Italy. In some countries, certain products have achieved impressive market penetration. Thus, fair trade bananas now represent a stable 8% of the Dutch market and 13% of sales in Switzerland. 70% of the organic coffee sold in Austria comes from fair trade sources.

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ability of the product to the middlemen who are forced to offer more. This phenomenon has been observed in honey production in Mexico, cocoa in Bolivia and tea in Zimbabwe. The fact that fair trade organisations pay part of the price in advance is also crucial for small-scale producers – who can then buy inputs and perhaps get through the season without having to go to the money lenders. Likewise, the stability offered by guaranteed payment – whether in advance or promptly on delivery – is greatly valued. Many ATOs also offer producers training and assistance. Another benefit is that producers gain confidence to approach a trading system they once saw as too complicated. Coffee farmers in Tanzania, for example, now speak of international exchanges in London or New York with a real understanding of the impact these have on their lives.

A fair price

The fair trade price covers the cost of producing the item, including social and environmental costs. It must provide producers with a decent standard of living and a margin for investment. In the case of primary commodities like coffee or cocoa, where the price is determined on international exchanges, the fair trade movement pays the international price, plus an additional margin.

Fair prices to producers need not always mean higher prices for consumers. Approximately half the prices for fair trade products are higher than the market price, and half are lower. Many products are highly competitive. This is so for the recently launched 'fair trade' labelled bananas sold in the Netherlands and Switzerland (see box). The absence of intermediaries in the distribution chain, and the invaluable contribution of the movement's volunteers, make this possible. Not all consumers expect to pay a price which does not guarantee a decent standard of living to the producers. Recent surveys reveal that Europeans are becoming increasingly discerning in their choices and are more willing to pay a higher price for a product reflecting criteria they believe to be important. For example, in the UK, 86% of consumers in a survey said they were now aware of fair trade labelled products and 68% said they were willing to pay more. The figures for Sweden were 84% and 64% respectively. About two thirds of Dutch and Belgians also knew about fair trade labelling.


OXFAM

Coffee has become one of the fair trade range's 'anchor' products

2,500 products

The Fair Trade Movement currently offers a choice of up to 2,500 products, many of which are superior quality. These include chocolate with an extra high cocoa content, chocolate guaranteed free of genetically modified soya; coffee that competes with the highest quality coffees on mainstream markets, an increasing range of organic products, and textiles printed with vegetable rather than chemical dyes.

In the early years, handicrafts dominated fair trade almost exclusively. The range now includes jewellery, household items, toys, artworks and giftware, while clothing has recently been added to the list. Hand-crafted products are of immense practical and cultural value, reflecting the diversity of available materials and the expertise of the producers.

In 1973, coffee was introduced for the first time and quickly became one of the fair trade range's 'anchor' products. Tea, cocoa, chocolate, sugar, wine, fruit juices, nuts, spices, rice and other cereals followed. The most recent addition is 'fair trade' bananas (see box article). On average, food products represent 60% of fair trade retail turnover. Half of this figure comes from coffee sales.

Prospects

The expansion of fair trade is largely due to two complementary developments: professionalisation and a strong European dimension. The building of production and managerial capacity among Southern producers has led to a big improvement in the quality and choice of products on offer. Fair trade organisations in the North, meanwhile, have restructured to ensure greater efficiency in the use of their own resources. 'World shops' are now found in many busy shopping centres, opening hours have increased and window design, packaging and management have all improved. Good use is made of the media and promotional events.

EFTA was set up in 1990 in response to the growing centralisation of decision-making and production at a European level, and in recognition of the increasingly competitive retail market. It represents 12 importing organisations and 60% of European Fair Trade imports. The Network of European World Shops (NEWS) represents 2,500 outlets in 16 national associations. In April 1997, the International Fair Trade Labelling Organisation (FLO) was established. By capitalising on the specific advantages of each member, these European networks reduce individual costs and hence increase competitivity.

A key aim of the movement is to raise awareness of the degrading conditions under which international trade and production is carried out, and to campaign for an improvement. Mainstream business – from the producer to the consumer – must recognise their responsibility for the economic, social and ecological effects of production and trade. To ensure that the fair trade movement's own operations comply with the proper

A quality label

by Rita Oppenhuizen*

***'After we sold our first cocoa under fair trade conditions, the local middlemen immediately raised their prices. For the first time, we farmers were able to influence the prices of our cocoa'.* (Safula, a Sierra Leone farmer)**

Developing country farmers who are able to sell their goods under *Max Havelaar* trading conditions all share a sense of pride. Fair trade gives them the feeling that they are actors in world trade. No longer are they dependent on the arbitrary prices paid by middlemen – a factor which is perhaps even more important than the guarantee of better prices.

The Max Havelaar Foundation was set up in the Netherlands in 1988 after a farmers' protest. Mexican coffee farmers told an international development agency that aid would no longer be needed if they could receive a fair price for their coffee beans. The Foundation developed a quality mark, in which all trading parties could participate, giving small farmers a wider market for their goods. Up until then, only specialist shops stocked 'alternative trade' goods. Under the new system, all traders, coffee roasters and supermarkets could participate – as long as they met the Max Havelaar conditions. Direct purchases were made from small farm organisations who benefited from higher guaranteed minimum prices, credit allowances and long-term relations with their customers. Coffee farmers were able to make use of their expertise in cultivating good quality coffee which, by virtue of effective distribution, became available to all consumers. People are willing to pay a bit more in the knowledge that Third World producers are benefiting.

Nine years into the programme, more than 250 coffee farming cooperatives now trade under Max Havelaar conditions. They are based in 17 different countries including Tanzania, Congo (Brazzaville), Uganda, Cameroon, Haiti and the Dominican Republic (the others are in Central and South America). New products added to the quality mark include cocoa, honey and bananas.

Fair trade labelling has improved the lives of many disadvantaged producers and their families. It has also contributed to society-building – since fair trade bodies only work with organised farmers' groups. Recent disturbances in the Republic of Congo have highlighted the importance of such groups. Farmers' organisations there anticipated the trouble at an early stage and exported coffee ahead of schedule. The remainder of the harvest was hidden in boats. The incomes of more than 20,000 small farmers were safeguarded.

Max Havelaar's most recent challenge was the introduction of a fair trade label for bananas. Again, it was Third World farmers who drew attention to the problem, highlighting their inability to sell their product on the European market. The EU's banana regulation controls the market and there were hardly any openings for new parties. The banana producers were especially interested in achieving more sustainable production and the Max Havelaar seal opened new opportunities for them. After a successful launch, consumer demand took off. This is a factor which deserves recognition in any future discussions on reorganising the European banana regime – so recently condemned by the WTO.

The fair trade label offered the only possibility for the Ghanaian plantation, *VREL*, to have access to the European market. Now, 4,000 boxes of its bananas are being sold every week under the brand name *Okè*. This has meant a lot to *Joseph Akomah*. At 42, he no longer has to labour in the fields at harvest time. He now has a job washing and packing for export... and his salary has risen by 50%. All workers have received new boots to protect them against snakes, very common in banana fields, and pesticide use has been reduced by four fifths. R.O.

* Max Havelaar Foundation.

standards, it has initiated a system of control known as 'Social Auditing', which has aroused considerable interest in both commercial and political circles.

The movement has also campaigned tirelessly for the introduction of fair trade principles in legislation governing EU and Member State dealings with the South. One campaign, where EFTA has taken the lead since 1995, involves the proposed directive allowing vegetable fats to be substituted for cocoa butter up to a maximum of 5% in finished chocolate products. So far, half a million signatures protesting against this proposal have been collected. Postcards have been sent to governments, MEPs and chocolate companies.

European institutions have shown some interest in the fair trade issue. In 1991, the Parliament adopted a resolution on 'coffee consumption as a means of active support for small producers' and on making fair trade coffee available within the European institutions. This was followed in 1994 by another Parliamentary resolution on promoting; 'fairness and solidarity in North South trade'. The Commission responded in 1994 with a 'memorandum on alternative trade', stating its support for strengthening fair trade and its intention to establish an EC working group on the issue. In 1996, the Economic and Social Committee adopted a positively-worded opinion on the 'European Fair Trade marketing movement.' Finally, the Parliament recently passed a resolution on bananas which urges the Commission to facilitate access for new fair trade operators.

But European institutions could do better. Positive incentives for fair trade could include preferential import duties and VAT rates for products carrying a fair trade label. EU Member States should act to award tax breaks to companies trading fairly and should provide start-up capital for ATOs. And there should be a coordinated approach to fair trade by the EU and its Member States.

Fair trade has also received significant Commission support for awareness-raising. But the Commission must also coordinate the activities of its various services and mobilise the resources more effectively. There should be support, notably in the form of credit, technical assistance and capacity building for Southern producers – but also for fair trade organisations in the North. And the EU should recognise existing fair trade labels which have now been globally harmonised under the FLO. B.B.

DOSSIER

Facing up to the crisis in the Windward Islands

by Alistair Smith

It has always been recognised that there will be winners and losers in the game of global trade liberalisation even if the overall economic effect is beneficial. Potentially the heaviest losers are small island countries in the Eastern Caribbean whose economies are founded on exporting bananas to Europe. The author of this article, who works for the NGO, Banana Link, offers his view on the likely effect of the recent WTO ruling against the EU's banana regime and, highlights a proposal to help alleviate the damage expected if the preferences disappear.

The most complex World Trade Organisation dispute so far has just concluded in Geneva, involving a quarter of all WTO member countries. The ruling of the organisation's appellate body on September 5, upholding the original decision issued in March, spells danger for the very existence of the Windward island banana industry[1]. The local banana sector was already in very serious trouble – but the Geneva decision means that the economies of the three most banana-dependent Eastern Caribbean nations (St. Lucia, St Vincent and Dominica) could quite literally collapse before the end of the decade.

If the EU is forced over the coming months – whether by internal or external forces, or a combination of the two – to dismantle its quota and licence regime for banana imports, 25,000 Windward Island farmers will be left without a market for their fruit. Growers and their families – indeed entire communities – will be left without a livelihood.

The preferred solution of the chief complainants against the EU banana regime – the United States and its multinational fruit company, *Chiquita Brands International* – is to dismantle the whole regime, leaving just a tariff differential of, at most, 30% between 'dollar' and ACP bananas. The islands, it argues, could then be given more aid to diversify out of bananas. But the question is, what can they diversify *into*? We seem no nearer an answer to this question and the dangers of major socio-economic disruption are clear.


The Courier

Can 'fair trade' secure the future of the Windward Island banana?

'Fair trade': a survival strategy?

In the face of adversity and this looming danger, long predicted by some in the Windward Islands, farmers themselves have been looking seriously at the different survival options. Prices having fallen to historic lows – over a third of banana farmers have already voted with their feet and stopped growing the crop. Many continue, knowing that every time they sell their fruit they lose money.

In 1995, The Windward Islands Farmers' Association (WINFA) drew up a major five-year diversification programme, following extensive consultation amongst its five member islands. It is a realistic programme which includes developing ecological production of bananas for both local consumption and export, but it has not yet attracted the necessary funding to implement it. WINFA hopes that the present crisis will allow the programme to be put into top gear, with broad support. In August 1997, there was another glimmer of hope. Following several years of coalition-building with NGOs and trade unions in Europe and Latin America, farmers at a WINFA seminar in St. Vincent agreed on a plan to launch a 'fair trade' label for Windward bananas in the British market. British NGO partners in this scheme include the *Fair Trade Foundation, Banana Link, Christian Aid* and *Oxfam.*

The 'fair trade' concept (see preceding article) means that farmers will receive a higher price for their fruit, calculated on the basis of actual production costs plus a reasonable margin. Additionally, a premium will be paid whose use will be decided collectively by the local farmers' association. This will include the funding of social development and environment improvement programmes. Such programmes are among the criteria laid down by the Fairtrade Labelling Organisation (FLO) for a producer to be included on its Banana Register (the FLO also has producer registers for coffee, cocoa, tea and honey). In the first phase, the initiative will involve several hundred farmers in five or six communities across the islands, but it could spread to involve many more if the consumer response is positive. The collaboration of the new Windward-owned banana company, WIBDECO, as well as of the Banana Growers' Associations, will be crucial to the success of this farmer-consumer initiative.

In the longer-term, fair trade must become more than simply guaranteeing a fair price for producers. It is an opportunity to build a whole new trading relationship, based on good social and environmental production conditions, in which economic equity prevails all the way along the chain. Whatever Europe decides, it must surely take such innovative survival strategies of small independent banana farmers into account. This is a historic opportunity to be seized. Precious few other options to avert the very real danger are on offer. A.S.

[1] The livelihoods of tens of thousands of farmers and plantation workers would also be seriously threatened in Jamaica, the Dominican Republic, Suriname, Belize, Somalia and Cape Verde, not to mention in the EU's own banana producing territories (Canary Islands, Martinique, Guadeloupe, Madeira, Crete and the Azores). In Latin America, the few small and medium-scale producers would suffer as well from further liberalisation of the European market.

Keeping the multinationals in check

by Barry Coates

Regulating businesses may be unfashionable, but the author, who works for the NGO, the World Development Movement, argues that there is more need than ever for both voluntary and regulatory measures in the global economy, to protect the poor and marginalised in developing nations.

Life in the global village is a paradox. As faster and cheaper communications bring the world closer together, they also separate consumers of goods and services from the producers. Economic decisions become increasingly impersonal, as market prices replace any personal connection between those who make and provide goods and those who actually consume them.

Yet, countervailing movements are springing up in response. Consumers in member countries of the Organisation of Economic Cooperation and Development (OECD) are starting to understand that their buying choices have an impact on other people and on the environment. Increasing numbers of people want assurances that their tea or coffee is not tainted with the bitter taste of exploited farmers; that their children's toys are not made in plants that cost Asian factory workers their lives; and that their tables and chairs are not taken from indigenous peoples' forests without their permission.

Corporate giants

Most of these traded products are controlled by multinational companies. Around a third of international trade takes place within the multinationals and another third, to or from a multinational. The economists' view of trade between many small producers and consumers is increasingly irrelevant in a world where capital is mobile, but labour is not, and where most commodity transactions are controlled by a handful of corporate giants.

The largest of these companies dwarf many nation states. Just eight of the world's largest enterprises have an annual turnover equal to the GNP of the 48 poorest countries, comprising around half the world's population. The decisions of these massive companies have a profound impact on developing countries. Yet, the speed at which they have become dominant in international trade has outpaced the ability, or willingness, of governments to monitor or regulate their activities.

NGOs in many shapes and sizes have entered this policy-making vacuum with pragmatic approaches to globalisation. New institutions and established NGOs are directly engaging with multinationals to try to improve the labour, human rights, consumer and environmental standards of companies and their suppliers. Innovative coalitions are emerging to wield the stick of public pressure, whilst offering a carrot of constructive engagement and, in some cases, higher prices.

The alternative trade movement aims to provide consumers with products that offer a fair return for the labour involved. In parallel, there is a 'green' trade movement covering products such as timber, cotton and organic foods. However, these green or fairly traded goods, are still a tiny fraction of overall world trade, amounting to perhaps $500 million per year.

The challenge remains to ensure that mainstream trade, totalling around $6 trillion a year, is conducted without abusing workers, local communities, consumers and the environment. NGOs' efforts are supported by a massive number of consumers, concerned about the impacts of their purchasing decisions. Surveys in OECD countries reveal that most purchasers want to avoid products that harm producers or the environment. Not surprisingly, companies are starting to pay attention, particularly given recent research from New York University showing that 30% of a company's value comes from its public image.

Code of Conduct

The main instrument for reforming mainstream trade is a form of voluntary agreement, the Code of Conduct. The negotiated standards contained in such codes may cover working conditions, consumer marketing, human rights or environmental questions. They generally focus on producers of consumer items such as *Nike, McDonalds, Nestlé* and *Pepsi*, the various oil companies, and raw materials suppliers such as *Rio Tinto*. Other codes affect service providers such as supermarkets, banks and tourist operators, and various industrial sectors. Some codes have a more general scope such as the Consumer Charter on Global Business, the Principles for Global Corporate Responsibility and the International Confederation of Free Trade Unions' proposed Code of Conduct on Labour Practices.

Consumer boycotts, first tried in the 1970s, remain one of the best-known ways of campaigning against errant companies. But the range of strategies adopted by NGOs to achieve change has expanded in recent years. Boycotts are still sometimes an effective tool, but in many cases it is recognised that these would cause hardship and loss of employment for the very workers the campaign is trying to help. Most actions are now explicitly not calling for a boycott, but rather pressing for multinationals to engage with their suppliers in a programme to raise standards.

For example, in response to a spate of factory fires in Asia, the World Development Movement (WDM) joined with the Trade Union Congress and the Catholic Institute for International Relations to support a campaign by the Asia Monitor Resource Centre, based in Hong Kong. The industry associations signed a Safety

Code for workers, but little has been done since to ensure that its provisions are implemented. The WDM's supporters in the UK have been handing cards to toy retailers demanding assurances that toys for their children are produced under safe working conditions. And campaigns such as the *Rugmark* scheme are encouraging companies to provide children with the opportunity to go to school, rather than putting them out on the street.

The potential for NGO pressure through consumer action is blunted where there is no branded product. However, many of the largest companies are quoted on the world's stock exchanges and are vulnerable to public pressure from shareholders. The dramatic concentration of equities in the hands of institutional investors, typically holding around two-thirds of shares, makes public access more difficult. But those institutions are themselves owned by members of the public, through pension funds, insurance policies and investment trusts.

Ethical funds have grown sharply as people have become aware of the connection between their financial assets and conditions for people in developing countries. WDM and others have recently highlighted the linkage between individual savers and the impact of a well-known company's mining investment on indigenous people in Indonesia. It has also criticised the effect of oil company operations on the people and environment of the Niger delta, and the fact that financing from some British banks has funded arms exports.

Fobbed off

It should be recognised that where some of the more responsible companies are concerned, campaigns and codes of conduct involve 'pushing at an open door'. However, the history of NGO campaigning on ethical standards is also littered with examples of companies signing up to codes of conduct and then ignoring them. Criticisms are often deflected by increasingly sophisticated corporate public relations exercises. 'How-to-fob-off-NGOs while - not - making - substantive-changes', has become a growth industry!

Recently, considerable effort has gone into establishing a system of independent monitoring and verification, to provide credible assurances that practice on the ground accords with company policy. Some trials of such systems are starting to take place, including the Council on Economic Priorities' *Social Accountability 8000* in the USA and the *Ethical Trading Initiative* in the UK. These systems, still under development, are based on internationally-agreed codes (ILO Conventions, the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child), supported by credible procedures for certification and auditing. A system for certification, tracing and labelling for timber products has recently been instituted through a new institution, the Forest Stewardship Council.

In the case of working practices, the crucial role of unions should not only be reflected in their central role in negotiating codes of conduct, but also in their active participation in the system of monitoring and verification. The existence of a network of unions makes feasible the staggering task of monitoring companies that may have 50,000 suppliers around the world.

Even though systems of verification are a step forward, these voluntary codes of conduct are inherently limited. By definition, they will generally be signed by the companies with well-known consumer products or shares widely held by the public in key OECD countries. Less visible or 'fly-by-night' companies will escape public pressure. There is no substitute for regulation to ensure these companies are not able to gain an advantage by abusing labour standards or the environment. Voluntary codes also have little power in preventing monopoly abuses, transfer pricing or corruption. Global business needs to be controlled by global regulation.

Regulation of multinationals, however, is temporarily out of fashion. In the 1970s, following revelations about the role of a US multinational in Chile, the UN Centre on Transnational Corporations was established. Under pressure from the American government and after 20 years of talks, the negotiations aimed at establishing a UN Code of Conduct for TNCs was abandoned in 1991.

The momentum for undermining the role of governments in favour of more freedom for multinationals is still evident in the much-criticised Multilateral Agreement on Investment, under negotiation in the OECD. A wide coalition of groups from civil society is calling for agreements on the responsibilities of multinationals to precede any further strengthening of their rights. The MAI, in its present form, would severely restrict the development options of the ACP countries and threatens to undermine social and environmental standards.

Rather sterile debates rage about the usefulness of voluntary codes or regulation. In truth, both are required. Regulation is vital to enforce internationally-agreed minimum standards, particularly to stop unscrupulous companies from abusing their power. Voluntary codes are a powerful means of ensuring that companies abide by those standards, even where they are not enforced by regulatory authorities.

The pendulum is starting to swing back from the 'liberalisation at all costs' approach evident in the 1980s and early 1990s. Governments are coming back into favour as vital actors in the development process. NGOs and governments have a common agenda in ensuring the benefits of globalisation reach the poor and the marginalised in ACP countries. Life in the global village depends on it.

B.C.

ANALYSIS

The political dimension of Lomé

by Dieter Frisch

The author of this article, a former Director-General for Development at the European Commission, was one of the negotiators of Lomé III and IV. We reproduce here, an abridged version of his contribution at a colloquium held in Paris in June. The event was organised by Gemdev (Groupement Economie mondiale, Tiers monde, Développement) and the theme was 'The Lomé Convention: diagnosis, evaluation methods and future prospects". Mr Frisch sets out to define and evaluate the political dimension of the Lomé Convention, as it has developed over the last two decades.

Has Lomé always had a political dimension? I, myself, would unhesitatingly say yes. However, we need to look at precisely what ground such an assertion covers – I propose to evaluate it on three levels:

– Is the Lomé Convention a political agreement in the sense that it seeks common foreign policies on the part of our ACP partners or a modification of their behaviour to conform with the EU economic and political options on offer? Is the Convention an instrument of EU foreign policy?

– Does Lomé introduce a political dimension more specifically linked with development by concerning itself with people, human rights and dignity, greater participation in the decisions which affect populations (democracy), fundamental freedoms and good governance?

– Is there a political dimension at the specifically operational level of cooperation – in other words, in aid-allocation criteria, the choice of priorities and the level of intervention – be this by means of dialogue or through 'imposed' conditions?

On all three levels, the political dimension underwent significant change in the 20 years between 1975 and 1995 (covering the period from Lomé I to the revised version of Lomé IV). This occurred in terms of geopolitical developments, – the ending of the Cold War marked a clear cut-off point and there was also the transformation of the European Economic Community into a European Union with the new aim of formulating a common foreign and security policy. But it should also be seen in the context of the political and economic liberalisation (democratisation, transition to a market economy) that took place within the Convention's ACP partner-states, and in the maturing of their relationships with Europe.

For a good 10 years or so (the Lomé I and II period) we used to set great store by Lomé's 'political neutrality'. What did we mean by this? First, we accepted the ACP states into the Lomé 'club' without passing judgment on their ideological, political or economic choices. We showed almost implicit respect for our partners' sovereignty. Lomé was, therefore, not a political agreement as defined by the first level.

Obviously, however, it was extremely significant politically for the Community to maintain stable and constructive relations with such a large group of countries – about 60 altogether including all the independent states of sub-Saharan Africa (except South Africa). To help transcend the colonial period's legacy of division was an eminently political ambition, and the organisation of relations under Lomé with a group of countries that addressed the Community with one voice gave that group hitherto unheard-of negotiating power. It, therefore, helped to create political balance in the North/South relationship.

During the Cold War, neutrality was a political option in itself. I have no doubt that the Member States were content to indulge in what might be regarded as political schizophrenia: developing their domestic foreign policies while following a politically neutral line *vis-à-vis* the Community. The EEC/ACP relationship enabled dialogue and cooperation to be maintained with countries with which bilateral relations were otherwise kept to a strict minimum, even placed on the back boiler. Thus, it acted as a buffer in periods of tension.

It was because of our political neutrality that Angola, after much difficult internal debate, took the first steps towards rapprochement with the West by signing Lomé III in April 1985 – a decision Angolans regard as entirely political. Moreover, it was by maintaining a structured dialogue, under Lomé, with President Mengistu's Ethiopia that we were able, when the period of Marxist rhetoric was at its height, to negotiate agricultural policy reform with a view to setting up a market economy. Everyone, notably the US, congratulated us on having successfully achieved what the World Bank was unable to do.

On occasion, we used our 'politically neutral' relations to raise specifically political problems. For instance, I remember discussing with President Mengistu in 1986 the highly controversial issue of the forced transfer of populations (from the north to the south and east of the country) – which had brought suffering to many people – and obtaining a suspension of such operations. There was even a piece in the Sunday Times on 23 March 1986 headlined 'Ethiopia to halt resettlement as EEC agrees aid'. This didn't stop people from attacking me as the 'assassins' accomplice'!

The notion of political neutrality, therefore, has to be set against the context of the time in order to be genuinely measured. It is not that we were politically naïve. The restrictions imposed on us by our opting for neutrality should not be underestimated. The case of Ethiopia demonstrates

' This text will be published by Karthala in a volume which is to appear in late 1997. It will contain the bulk of the texts which appeared in the Cahier du GEMDEV No. 25, plus the contributions to the June 27 colloquium mentioned above.

Forced transfers of populations in Ethiopia caused suffering to a great many people.
We used our 'politically neutral' good relations to raise specifically political matters.

both the possibilities and the limits to our approach. We did not tackle the issues of human rights, fundamental freedoms, democracy or good governance. In this connection, unfortunately, we had to stand back from the situation and I do sometimes regret not having acted more forthrightly. Yet could we have acted differently? We had to choose between dialogue – without being able to address all issues – and a complete break. We opted to continue the dialogue even though we felt no particular sympathy for some of our counterparts.

Only in extreme cases of serious violation of human rights has cooperation been suspended – much too late, it might be said nowadays – as in the case of Idi Amin's Uganda, Macias Nguéma's Equatorial Guinea and Bokassa's Central African Republic.

I have, in fact, moved on from the first to the second level of the political dimension – the dimension which is more specifically linked to development.

I will not deny that we were unable to give much direct attention to what we now regard as the 'essential elements' of our cooperation relationship, namely human rights, fundamental freedoms, democracy and the rule of law. But by continuing the development effort, we were able to make a contribution to improving people's welfare, promoting their economic and social rights and thereby indirectly preparing the ground for the promotion of their civil and political rights.

It remains to be determined whether, at the third level of cooperation, in other words, in specifically operational terms, Lomé has had a political dimension. Although we would like our cooperation to be seen as essentially technical in nature, it has always been felt that it has had a political aspect. One can hardly claim that determining the amount of aid to allocate to a country or choosing sectoral priorities – even the route of a road – do not involve politically sensitive decisions. However, the Community has systematically attempted to favour 'developmental' considerations rather than comply with political entreaties, and its mode of behaviour has always been more neutral than in the case of bilateral aid from Member States.

At this operational level, the political dimension has varied in intensity according to the extent to which we have 'interfered'. It has never been easy to strike a balance between respect for our partners' sovereign decisions about their economic development and the development of their societies, and the responsibility of European institutions to their principals and the citizens and taxpayers of Europe, in respect of managing cooperation. While we respected our partners' choices, we were not in a position to finance just anything! In addition, the choices our partners in dialogue made were not necessarily – or, at any rate, not very often – a reflection of society's priority needs. Reference to the sacrosanct principle of sovereignty meant that we kept quiet regarding the degree to which those partners genuinely represented their people.

Our attitude on this has changed a great deal. After a period of somewhat paternalistic cooperation, our approach under Lomé I was characterised by the then Development Commissioner, *Claude Cheysson*. He told the ACP States 'It's your money! Work out your priorities and use it for those. We are available to give you technical advice'. Although it did not work out quite like that in reality, we did thus open the way to experimentation. Subsequently it became essential to reformulate this, and, at the time of the Lomé III negotiations (1985) under the aegis of Commissioner *Edgard Pisani*, we introduced the concept of 'policy dialogue' – which was somewhat imperfectly translated as 'dialogue on policies'. What it meant was that from then on, we wanted to maintain genuine dialogue on the better use of cooperation instruments and to implement them on the basis of duly negotiated and formulated mutual undertakings.

Given the problem of human rights, the 'dialogue on policies' became the most delicate topic of the Lomé III negotiations. Our partners saw in it a desire to interfere on a political level and to bring in the concept of 'conditionality' by the back door. In the end, we were unsuccessful in our attempt to have that concept included in the Convention.

However, 'policy dialogue' in practice proved to be much less controversial than the attempt to include it in the texts. As a concept, it undeniably included a new political dimension – not in the sense of politics as a whole, but certainly in terms of 'policy'. It meant, for example, that prior to financing an agricultural development programme, we were able to discuss policy on prices, marketing, imports and so on, enabling us to make mutually consistent undertakings. We were clearly touching on politically sensitive aspects.

That is the point we were at when major geopolitical changes occurred. I am talking here of the fall of the Berlin Wall in November 1989, on the eve of the signature of Lomé IV (which took place in December of that year).

If I were to put a date on the end of the period of political neutrality, I would choose 1990. However, the break from the past was obviously not totally clear cut. Ever since Lomé III in 1985, we witnessed the gradual politicisation of development policy, even if this was essentially at the 'policy' level. Nor did we have to wait for the 1992 Maastricht Treaty – which codified the European ambition to adopt a common foreign and security policy – to see the appearance of this brand of flexible coordination. This had long characterised European political cooperation and was by no means ineffective at the level of the Member States' foreign policy. We should, perhaps, remember here that the first decision to suspend financial cooperation under Lomé for violations of human rights – apart from the extreme cases mentioned earlier – dates from March 1990 and concerned Sudan.

Did Lomé thus become a political agreement? Properly speaking, no. It is still essentially a development cooperation agreement, but its political dimensions are becoming increasingly significant.

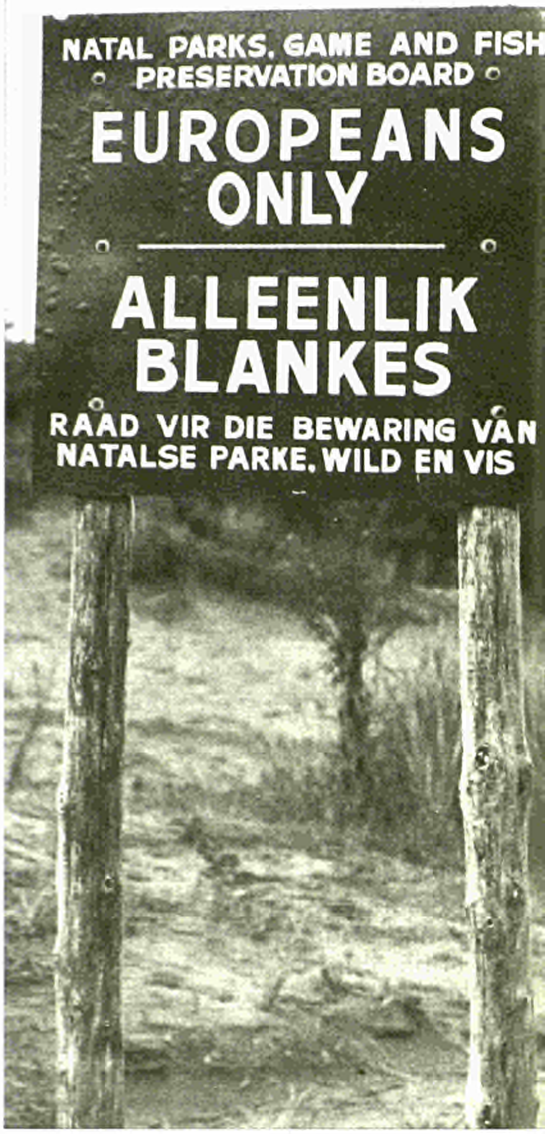
If I might return to the three levels I defined earlier, the willingness of the partners to discuss political issues in the common institutions has developed to a considerable extent. In former times, Europe was very stubborn on this point. This was not the purpose of the European Economic Community and debates had to be restricted to cooperation matters covered by the Convention.

In this respect, the way the apartheid issue was dealt with was significant. The ACP states succeeded in incorporating into a joint declaration (Annex I of Lomé III) their determination to make every effort to eradicate apartheid. This was the 'price' that had to be paid for a text on human rights, an issue dealt with extremely prudently in the same joint declaration and in Article 4 of the Convention. In the case of Lomé IV, a reference to apartheid appeared in the actual text of the Convention (Art. 5). Also, fired by their negotiating success, the ACP states from 1985 onwards always insisted that apartheid be included on the agenda at each session of the Joint Council of Ministers. This was something the Europeans could not refuse. So 'Heading C' on the agenda was invented to include those topics on which there could be exchanges of views, but not conclusions. To justify what appeared to the Europeans to be a potential slide towards political matters, and to make this a specific case, the Community maintained that the apartheid issue had a direct link with the development of South Africa's neighbours, given the destabilising effect of the South African system.

By contrast, as I stated in an interview to *The Courier* in 1987, in the context of our institutional meetings, there was no question of referring to East-West relations, disarmament negotiations, the conflict in the Middle East, or other major world political problems which did not have a sufficiently direct link with ACP-EEC cooperation. This shows how we were moving towards political debate, but also illustrates the constraints we were under.

These days, this restrictive attitude has completely disappeared. On the basis of the text of the Maastricht Treaty, Europe is now able to discuss purely political issues and it is at Europe's request that the preamble of the revised version of Lomé IV (1995) expresses the wish to strengthen further the links between the partners 'through greater political dialogue and its extension to issues and problems of foreign policy and security'. This is no longer Lomé III's simple 'policy dialogue', but actual 'political dialogue' with a Europe which has itself acquired a foreign-policy dimension. We have come a long way from the 'tightrope' situation we were in with regard to apartheid!

The evolution has been just as significant in terms of the second level, namely that of the political dimension more directly linked to development: human rights, fundamental freedoms, participation/democracy and good governance. Detailed analysis of the successive texts is highly illuminating, but further discussion of this aspect is beyond the scope of this article. Let us simply remember that Lomé I and II began, in Article 1, with trade cooperation, while Lomé III (up to the revised



Days gone by in South Africa
When Lomé III was being negotiated, the ACP states succeeded in incorporating a joint declaration on their determination to make every effort to eradicate apartheid

Lomé IV) began with a 'body of doctrine' consisting of about 20 articles dealing with the objectives, principles and guidelines. The concepts covered have become more and more explicit: Lomé III evokes human dignity and, in an annex, economic, social and cultural rights. Lomé IV adds civil and political rights and, finally, the revised version of Lomé IV, using, to a large extent, the vocabulary of Maastricht, refers to democratic principles, the consolidation of the rule of law and good governance (Article 5). And these notions are qualified in that article as constituting 'an essential element of this Convention'. In terms of international law, this means that application of the Convention may be partially or totally suspended in the event of failure to fulfil an obligation in respect of one of these essential elements, although provision is made for a consultation procedure (Article 366a), which is to be used, in principle, prior to any decision on suspension.

The application of such provisions will always be politically delicate. We must guard against any overall simplification and examine each problem in terms of the specific context of the country in question and with regard to the structures of its society, its ethnic problems, history and traditions. It will rapidly become apparent that there is no single way in which to approach such issues, nor any absolute criteria.

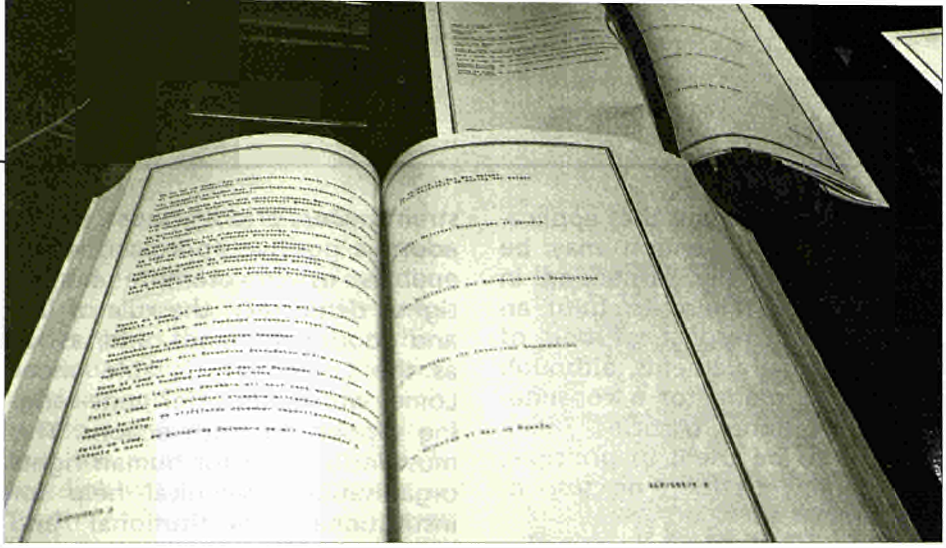
However, we need certain criteria if we are to avoid an arbitrary approach. Curiously, when speaking of human rights and democracy, the somewhat odd sequence is generally 'human rights – violation – sanctions'. In point of fact, sanctions should be used only as a last resort. Under Lomé, they are envisaged in only two specific cases: when there is a violation of the most fundamental human rights which relate to human beings' physical integrity, or when there is a brutal interruption of a genuine democratisation process. Nigeria, after the hanging of Ken Saro-Wiwa and eight other Ogonis, is an example of the former while past or present crises in Haiti, Zaire and Togo fit into the latter category.

We have to resist any temptation to use this weapon too readily; first because cooperation pursues long-term development objectives and cannot be based on 'stop-go' everyday politics; second, because cooperation is supposed to help people and not regimes – by and large, the latter are seldom affected by sanctions. Finally, experience has shown that a suspension in cooperation means an interruption of the dialogue and therefore a total loss of any influence over the evolution of events in the country in question. It is thus a weapon to be used with restraint. Our priority must be to adopt a positive approach, which enables us to promote human rights, democracy, the rule of law and good governance, and, as far as the Community is able under Lomé, we should offer wide-ranging support for such actions. This must include aid for human rights organisations, technical help for institutional, constitutional and electoral reforms, and assistance in setting up a transparent public purchasing system (under the heading of good governance). We shouldn't forget either, aid for the organisation and observation of elections, the professional training of journalists and so on. The politically sensitive nature of each of these actions is obvious and is yet another reason for them to be handled as part of a dialogue which takes place in an atmosphere of trust – our views and requirements must never be imposed!

I will return now to the third level of the political dimension, namely the specifically operational side of cooperation. At the time of Lomé III, we had got as far as the notion of 'policy dialogue' though it was highly controversial then. This dialogue, which is now a totally relaxed and normal exercise, takes place when we are planning the five-year cooperation programme with each ACP state. Its results are recorded in the 'indicative programmes' in the form of mutual undertakings by the parties, and the dialogue is re-

The operational side of cooperation also has a political dimension.
For example, a road programme is no longer financed unless the government makes a specific undertaking in terms of transport and road-maintenance policy, etc.

(Thomas Dorn/Commission)



The Courier

The Lomé Convention
'For my part, I think that from the political standpoint, the most recent Lomé text (the revised Lomé IV) is complete and up-to-date.'

sumed whenever we prepare a project or programme to be financed. Each operation is now discussed in terms of its sectoral context. To give an example, a road programme is now no longer financed unless the government makes a specific undertaking in terms of transport and road-maintenance policy, etc. This dialogue becomes even more demanding – and thus politically more delicate – when it is a matter of financing a macroeconomic reform process, known as 'structural adjustment', through balance of payments aid or budgetary aid – and thus without 'visible' projects. In such circumstances – with financing to some extent 'rewarding' good policies – we have to examine them in detail and to take part in the examination of budget priorities. Admittedly, this constitutes interference, but it seems to be inevitable in order to justify this type of financing. In these circumstances, much hangs on the way in which things are done. If the undertakings to be obtained from our partners under the terms of an exacting 'policy dialogue' are perceived as externally-imposed conditions, the relationship can become politically strained and, ultimately, untenable. In fact, in my view, conditionality is incompatible with the concept of partnership – which entails dialogue and negotiation to achieve mutually acceptable undertakings and adaptation of reform on the part of our partners. To advocate such an approach is not evidence of a lax attitude; it is the style and 'culture' of Lomé.

As far as the future is concerned, in the discussions which have followed on from the Commission's Green Paper, I can already detect a consensus of opinion in favour of taking the political dimension of our partnership further. This is a good sign, although we need to know what the various parties understand by that. For my part, I think that from the political standpoint, the most recent Lomé text (the revised Lomé IV) is complete and up-to-date. I would find it difficult to suggest additional political provisions for inclusion in any future agreement. We ought, however, to examine more substantial implementation of any political provisions.

Dialogue on specifically political issues which have no direct link with our cooperation programme is still practically non-existent, but can we be sure that the various parties involved will genuinely have an interest in an exchange of views on major world problems? I have my doubts. Perhaps we would concentrate such dialogue on subjects connected with development, particularly those which are included in the agenda of major international meetings, and on foreign and security policy issues of direct interest to the ACP states. As for the implementation of provisions concerning human rights and democracy, the partners could draw useful lessons from an initial period of experimentation in the field of positive actions aimed at supporting desirable progress and consolidating proven types of action. As regards the negative side – sanctions – it might be more fruitful, in the light of experience, to refine the 'doctrine' and to avoid any automatic reaction which has not been preceded by in-depth analysis of the specific context of events, in preference to a more robust political approach.

As far as the management of financial cooperation is concerned, the most politically sensitive new element would be improved evaluation of ACP countries' performance in the allocation of aid. I am a firm believer in the conventional criteria – which essentially reflect a country's needs – being supplemented by a good governance criterion. Prior to the allocation of external aid, it would have to be ascertained whether a genuine effort has been made to manage all the resources available to a country. Indeed, it is no longer sufficient to assure oneself that the aid has been put to good use if, on the other hand, national resources are being frittered away on prestige projects, excessive military spending, or even the personal enrichment of a country's leaders. I do not think that this more severe approach would come into conflict with safeguarding the 'Lomé culture' – which is close to my heart – but it must now be part of an adult, exacting and open partnership which does not dodge formerly taboo issues such as good governance, integrity and the anti-corruption campaign.

In 1987, under the apparently pleonastic title of 'Is Lomé's policy political?', I gave highly qualified replies to the *Courier* journalist who was interviewing me. Ten years on, my reply to that question is unhesitatingly positive: Lomé's policy is obviously political! However, I would continue to warn against the temptation to turn the Lomé accords – which, first and foremost, relate to development cooperation – into a mere instrument of foreign policy. We must guard against over-stressing the political nature of any future accord.

D.F.

Our suffocating world

by Francis Caas*

In June, more than 50 heads of government, 75 ministers and some 4000 representatives of non-governmental organisations attended the second Earth Summit in New York to assess the current state of the world environment. Five years after the Rio Summit, the New York meeting concluded that the sustainable development objective advocated at Rio (integrating economic development, social development and environmental protection) is still a far-off goal.

According to most of the reports presented in New York, the environmental balance sheet is a gloomy one, despite significant progress in the area of institutional development, international cooperation, public participation and private-sector integration. Although environmental protection is now of paramount importance in all international dealings, and although political and economic decision-makers are more aware of its importance, the President of the General Assembly, *Razali Ismail*, confirmed that the world environment has continued to deteriorate since Rio. Natural resource exploitation has, in fact, accelerated, and consumption and production methods, which are largely unsustainable, constitute a serious threat to the environment and health. Meanwhile, the destruction of the forests and atmospheric pollution have also increased. A significant part of the world's biological wealth has been used up or is on the point of disappearing while water courses and oceans continue to be polluted by human activity.

From the social standpoint, given that almost 1.3 billion humans still live in conditions of extreme deprivation, poverty alleviation and the campaign against underdevelopment are still the main objectives as the century draws to a close. The leaders meeting in New York once again confirmed that poverty and environmental degradation are inextricably linked. However, despite the commitment made in Rio by developed countries to allocate 0.7% of their GDP to official development aid, the figure has actually fallen to 0.25%. It is therefore crucial to relaunch the international campaign and promote technology transfer. From the economic standpoint, the consequences of trade liberalisation and globalisation for the environment and social development should also be urgently examined.

Many problems were addressed in New York but two deserve a special mention: the exploitation of energy and fresh water. It was recognised that significant progress was needed – including changes in the way these resources are used – if sustainable-development objectives are to be met.

The energy challenge

The most recent Earth Summit advocated diversification of energy sources, greater efficiency, transformed production and consumption methods, 'internalisation' of costs and recourse to renewable and less-polluting sources of energy. The implementation of any measures in this area is likely to be some way off, given the central role of the energy sector in all areas of economic and social life. Between 1973 and 1993 alone, world energy consumption rose by 50%.

During the last 20 years, concerns in the energy sector have changed radically. Nowadays, the main fear is no longer the depletion of non-renewable combustible resources such as coal and oil but, rather, the disastrous environmental consequences of their combustion.

There is also the fact that providing suitable and adequate energy supplies in a number of developing countries is highly problematic. So the challenge is to give everyone access to energy, while preventing, or at least limiting, the latter's harmful effect on the environment. Today, almost two billion people still do not have regular and satisfactory access to commercial energy sources. This severely handicaps economic and social development in the countries in question. In Africa, the vast majority of rural people, and indeed many city-dwellers, depend largely on wood to meet their daily energy requirements. It is estimated that almost 1.8 billion cubic metres of wood are consumed in this way every year. According to the UN Commission on Sustainable Development, wood still meets almost 50% of energy requirements in sub-Saharan Africa and in certain Asian countries. This brings with it serious and often irreversible problems – deforestation, soil erosion, impoverishment of the land and, ultimately, increased difficulties for those who depend on wood for their everyday needs.

In the developed countries, it is the intensive use of highly polluting fossil fuels which causes the greatest damage to the ecology and public health. Pollution of the atmosphere by greenhouse gases, such as carbon dioxide (CO_2), is principally due to coal and oil burning. Most of the international scientific community believes that the concentration of greenhouse gases in the atmosphere has a direct influence on the world's climate system. In the long term, it threatens to raise temperatures to dangerously high levels, with obvious disastrous consequences. The industrialised nations are responsible for about 70% of CO_2 emissions, although the proportion of emissions attributable to developing countries is increasing. This is particularly true of newly industrialised countries and certain 'giants', such as China, India and Brazil. As the United Nations puts it, countries share a joint, although differing, responsibility. In other words, the developed nations must take the initiative and implement

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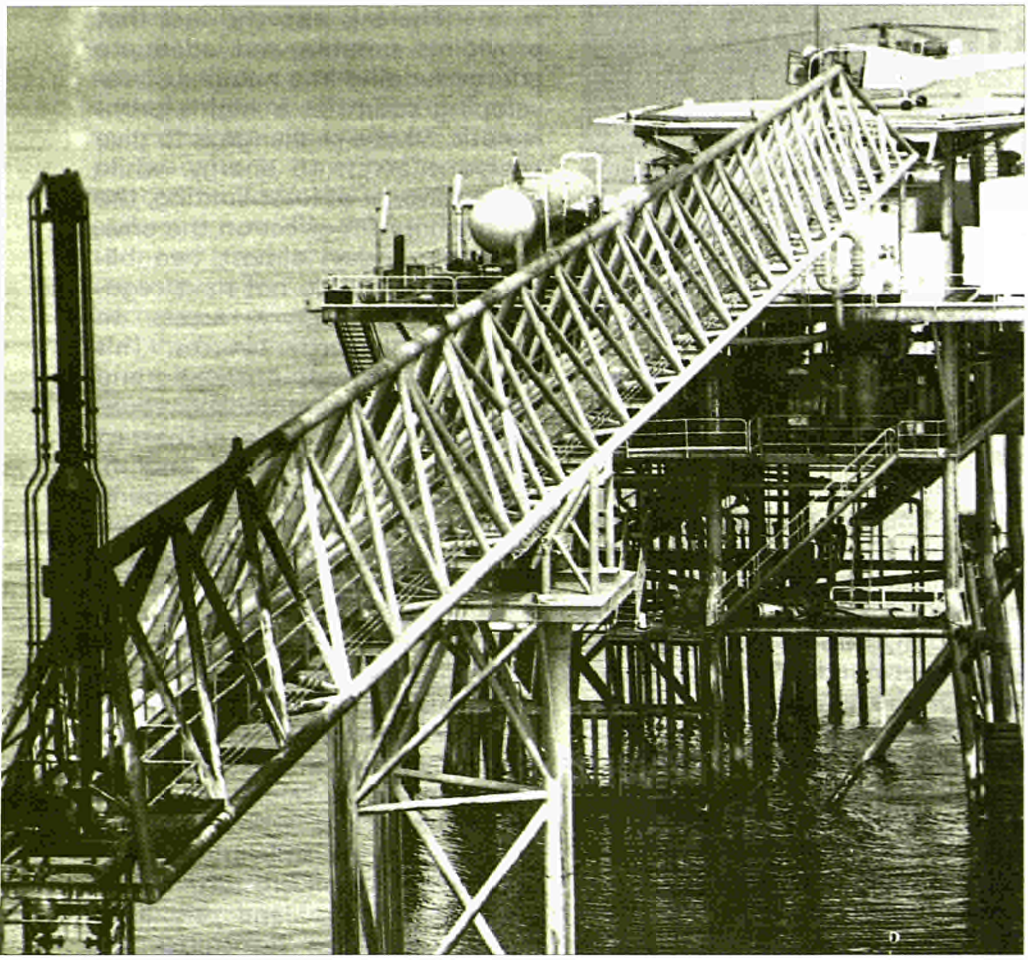


Offshore platform
Pollution of the atmosphere by greenhouse gases is principally the result of the combustion of coal and petroleum

measures to reduce their emissions. The developing countries will follow suit.

Like most environmental problems, climate change is an issue that affects the entire planet and therefore requires global solutions. The attitude of certain countries in the southern hemisphere is easily understood – they do not wish to 'pay' for damage which has been inflicted mainly by the north and thereby handicap their economic development. But such positions will very soon become untenable. To avoid catastrophic scenarios such as the melting of the polar ice caps and rising sea levels, the nations of the world, both developed and developing, will have to take effective, rapid and, above all, *joint* measures.

The environmental and development challenges posed by the energy issue could be met, to some extent, by various technological, political and financial measures. Although essential to the development of any nation, if energy is not used and produced on a sustainable basis, the result will certainly be irreversible damage to human health, ecosystems and biological diversity. We could be mortgaging the future of our children.

There are, however, long term solutions available. For example, there is scope for replacing fossil and nuclear fuels with renewable energy sources such as wind and solar power and less polluting carbon-based fuels. At present, the alternatives are not being well exploited due to a lack of financial resources and political will. In addition, technologies allowing more rational use of energy and less wastage can be put to good use. But for such measures to work, the energy sector's powerful multinationals must be persuaded that alternative methods can be made viable – and that environmental protection will not necessarily reduce their turnover or increase their costs. Another important element is finding ways of persuading people to abandon 'dyed in the wool' attitudes about their own energy consumption, so as to influence current consumption trends in a positive way.

The gradual abolition of energy subsidies, the implementation of eco-taxes and a reevaluation of fuel prices – so that these reflect their genuine cost – are all measures which must be taken if unrestrained energy consumption and production are not to compromise sustainable development. Higher prices should logically lead to better performance levels by inducing the adoption of anti-waste measures and the promotion of less polluting new technologies with better yields and greater efficiency. (Currently, barely 10% of the money allocated to energy research and development is used to finance new forms of energy). Naturally enough, measures of this type will not be warmly welcomed by energy suppliers and consumers, given that they would involve radical policy changes. Currently, the energy sector is heavily subsidised. In 1992 almost $200 billion was spent on energy subsidies of varying kinds across the planet. But some of the obstacles raised by a 'greener' energy policy could undoubtedly be overcome, particularly if the resources released were used to reduce companies' social charges. This would help create new jobs and the sums saved (by suspending subsidies and reducing consumption) could be used to lighten the tax burden and compensate those most seriously affected by higher energy prices. Lastly, by implementing such measures gradually, and by harmonising policy at the regional and international level, companies would have the opportunity to adapt and maintain their 'sacrosanct' competitive edge.

Water supplies at risk

To a greater extent even than energy, water is essential to the growth and survival of all life forms and to every society's economic and social development. Despite this, almost a third of the world's population lives in countries where fresh water supplies

Kuala Lumpur under a cloud

An air pollution crisis in south Asia underlines in stark terms, the potential effects of uncontrolled fossil fuel burning. The problem has arisen due to a combination of locally 'produced' traffic fumes and huge quantities of smoke generated by forest burning in Indonesia and other parts of the region (a drought has caused many fires to spread out of control). The problem is particularly acute in the Malaysian capital, Kuala Lumpur, where the sun struggles to break through the blanket of pollution – and cases of breathing-related illness have rocketed. At the time of writing, some experts were predicting that the people of the region might have to wait another six months before the air clears.

are chronically lacking. According to the Commission on Sustainable Development's 'Comprehensive inventory of world fresh water supplies', more than two thirds of the globe's inhabitants will be faced with water scarcities by 2025 if urgent and sustained measures are not taken to remedy the situation. More than 20% of the planet's inhabitants currently have no access to drinking water, the consequences of this for health being easy to imagine. Almost half the people living in the Third World contract infectious diseases directly or indirectly linked to poor water quality – and 25,000 people die from such maladies every day. This alarming situation looks set to worsen as population numbers increase. It is estimated that the world's total population will increase from 5.7 billion to almost 8.3 billion between now and 2025. This kind of demographic pressure will have a direct influence on food requirements and on the volume of agricultural production. Almost 70% of available fresh water is currently used to irrigate crops and the industrial sector's water requirements are still growing. Accordingly, it is highly unlikely that the planet's fresh water reserves will be sufficient to meet the requirements of a constantly increasing population unless measures are taken to rationalise use, allocation and consumption.

Water may be a renewable resource, but its availability is still limited and it is extremely vulnerable. Although 70% of the world is covered by water, barely 2.5% of this is fresh. If you take into account evaporation, the amount locked up in the polar ice caps, the water tables that are too deep to be exploited and water that exists in the form of humidity, you discover that just 0.007% of the planet's H_2O is directly accessible and usable for human purposes. This is not very much when you consider the rate at which humans use it. To complicate matters, fresh water resources are unevenly distributed and vary significantly from one year to the next.

So in the long term, it is likely that the limited quantity of available fresh water will seriously compromise human development. In addition, the quality of our water courses is a matter for concern. In developed countries, nearly 30% of waste water is still released untreated into the environment and there are few water courses and aquatic ecosystems these days which are not paying the cost of our economic and industrial development. Moreover, the world now has nearly 38,000 dams higher than 15 metres. These have frequently been built without regard to their wider effects, and the result has been the destruction of natural habitats, a rapid decline in biological diversity, the salification of certain lands (rendering them unsuitable for agriculture), the displacement of entire populations and deterioration of water quality.

The provision of domestic water supplies has had a positive effect on economic and social development, but it is now essential to manage the resource better and re-examine the way in which this element is used. It is an issue which is essential to our survival. Water has a price, in the true sense of the word. Just like energy, it has to be properly evaluated, something which has not been done so far. We only have to look at the extent to which the industry is subsidised. Non-sustainable exploitation of water resources is also costly in environmental and human health terms, and this should be reflected in its price. At the same time, there should be no question of water being sold at exorbitant prices, particularly to the most deprived in society and to developing countries in general. Despite heavy state subsidies, water does not benefit the poorest – who are the ones who suffer most from deterioration in quality and scarcity of supply. As in the case of energy, the gradual 'internalisation' of economic and environmental costs should logically lead to more rational exploitation and consumption of our H_2O resources.

Redefining our place in the world

Water and energy are just two examples of poor management of the planet's resources. If we want to build a fairer and more equitable world, and to live again in harmony with nature, we must rapidly change course. There is a risk that our planet will soon 'run out of steam' if we do not make our consumption and production modes both viable and sustainable.

The 1992 Rio declaration stated that human beings were at the centre of concerns over sustainable development. We now have to expand this somewhat anthropocentric view to include all life forms on the Earth. Ironically, we are the only species whose disappearance would have no effect on the planet's natural evolution and are also the only species which has the capability to destroy the world around us. Despite being a heavy burden to carry, this responsibility to the Earth and nature means we must resolutely follow a path to sustainable development which fully incorporates the three interdependent components: social development, economic development and environmental protection. This is the price we must pay if our species is to survive and if we are to bequeath to future generations a world where nature thrives.

F.C.

Conference on World Population

Challenges at the brink of a new millennium

The global population will increase to 11 billion by the year 2150, from its present 5.7 billion, according to estimates from the United Nations and the World Bank. And virtually all of this growth will be in the developing world, says *Dr John Bongaarts* of the Population Council in New York. Population growth in the developed world began to stablilise in the 1990s, after a quantum leap in the 1950s. Why is there such a divergence between the developed and developing nations, and what are the implications? These were some of the issues discussed at a seminar in London on 12 September, organised by Interscience and sponsored by the Rockefeller Foundation[1]. It brought together a group of experts in the area of demography and reproductive health who presented their research on the subject.

On the agenda was an examination of the implications of demographic change on economic growth, quality of life, the environment, and the part it can play in civil strife. Case studies were presented from Bangladesh, Ghana, Northern India and Kenya. The Asian 'tiger' countries were looked at, to see if the slower rates of population growth seen in these countries had contributed to their economic 'miracle'.The purpose of the seminar was to present new research which had emerged since the end of 1994, when the Cairo World Conference on Population and Development was held. In his introduction, *Dr Steven Sinding* of the Rockefeller Foundation said: 'If we want to fulfil the hopes of people around the world for a better life through economic development, we must provide the means for couples to determine for themselves the number of children they have and the timing of their births.'

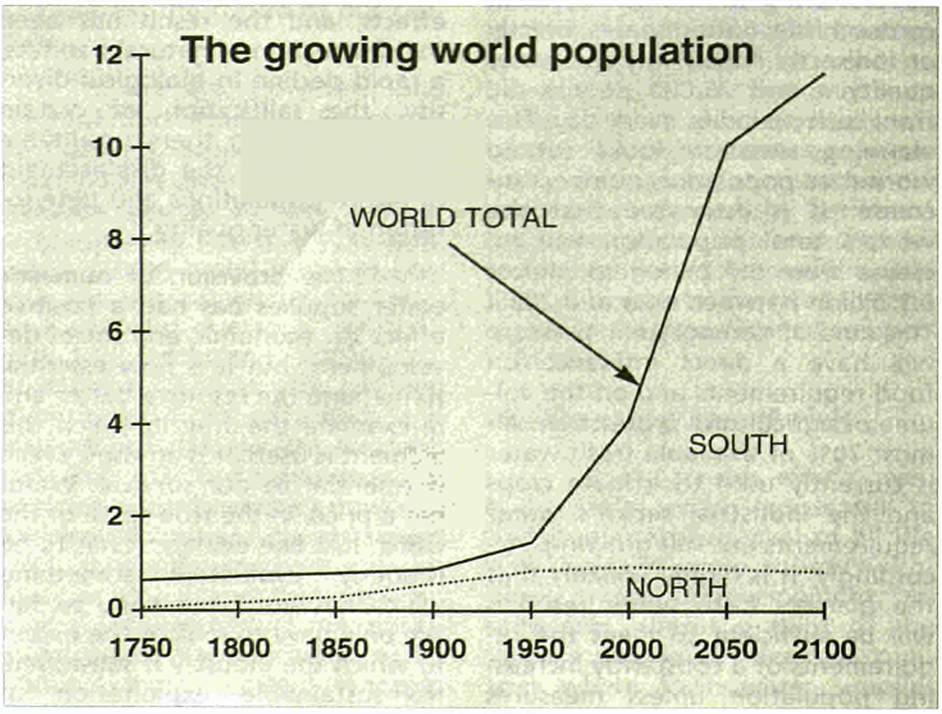
The idea of a planned population was very daring not so long ago, *Ingar Brueggemann*, Secretary-General of the International Planned Parenthood Federation (IPPF), pointed out. She told the story of a Filipino women who had told her: 'I have had 12 children... and after the fifth I knew there wouldn't be enough food or schooling. But I went on to give birth to another seven!' Mrs Brueggemann stressed the importance of getting information to the people, and enabling them to have a choice.

In an overview of world population growth, Dr Bongaarts noted that there had been a rapid decline in the birth rate in Europe, the USA and China – where 80% of women of child-bearing age use contraceptives. In the developing world, contraception use is just 20%. He identified three components in population growth and suggested possible responses;

– *Unwanted pregnancy.* Up to 25 million women give birth to children they say they do not want.

– *A desire for big families.* In most developing countries, couples want more than two children and the figure is highest in sub-Saharan Africa where the average is six. There is a strong correlation between desired family size and level of education. This issue should be addressed in population policies, according to Dr Bongaarts, with measures to empower women and stress human development. If infant mortality is reduced, people will be encouraged to have fewer children.

– *Population momentum.* This means that population will grow in relation to the number of people of child-bearing age. In Africa, he said, half the population is under 18. This is an aspect which has largely been ignored in traditional policies, because it was assumed that nothing could be done about it. But delaying childbearing by a few years, for example by increasing the age of marriage, could have a significant effect on fertility. Women with higher edu-



[1] The Rockefeller Foundation is a philanthropic organisation which has been active in population research for more than three decades.

cation levels tend to marry later and want fewer children.

Case studies

Lessons can be learned from Bangladesh, a developing country with a successful family planning story. There, the average desired family size is two, and contraceptive use is high. According to *Dr Sajeda Amin*, the bulk of future population growth will come from 'population momentum'. The problem which remains to be tackled is the very low age of marriage, with women often having their first child at 17 or 18. Opportunities must be provided for women to be something other than wives or mothers. Dr Amin cited the example of garment workers in Bangladesh, the vast majority of whom are female and very young (70% are aged 15-17). They have, he said, been a huge force for social change, providing an opportunity for young women to find a role outside the home, and bringing about a delay in marriage.

A less rosy picture emerged from a study carried out in a community in rural northern India. This found that health services were inaccessible, with no infrastructure, and that there was a large unmet need for contraception. Here, according to *Professor Sonalde Desai*, women were at the bottom of the social hierarchy, with little access to cash... or privacy! Health centres seemed in disarray, and in one village it took researchers three days to locate the assigned nurse midwife. There was mistrust between villagers and health workers, and evidence of elitism. In this context, it had been very difficult to provide reproductive health services.

Yet another picture emerged from Kenya, where, according to *Dr Susan Watkins*, a family planning programme has made modern contraception widely available. Yet she found cultural obstacles to contraceptive use in a rural community which is patriarchal and polygamous. Men often oppose contraceptives, fearing that their wives will be unfaithful, or will refuse to have more children. She found a significant level of 'secret' birth control, with women concealing their contraceptive use from husbands and families.

VIVANT UNIVERS

'Not so long ago, the idea of a planned population was very daring.'

The Asian 'tigers'

Dr Andrew Mason was involved in a project which set out to see whether population policies had a role to play in the economic performance of the Asian economic 'tigers' (Japan, Thailand, Singapore, South Korea, Malaysia, Indonesia, Taiwan and Hong Kong). Several of these countries started out in the late 1950s and early 1960s with similar conditions to many of today's developing states; low standards of living, few resources and rapidly growing populations. The study found that the economic boom could not have happened if their populations had not stabilised. There was a national commitment to family planning, and the region experienced a more rapid fertility decline than anywhere else in the world. There were three important ways in which fertility decline influenced economic development. First, from the 1950s onwards, the percentage of the total population working rose from 50% to 60%. Second, access to education improved as fertility fell since fewer births soon means fewer children entering school. Asian society places a high value on education and during the period, it was possible to allocate extra budgetary resources to this. Finally, there were high rates of saving and investment, directly related to population change. In short, with smaller families, Asian households can afford to save more. Also, in the absence of a social security system to cover one's retirement, and being less able to rely on one's children in old age, savings take on added importance.

These Asian countries also have significant numbers of middle-aged 'empty-nesters' with money to save.

The question as to whether this experience could be replicated in other developing countries was answered with a resounding 'perhaps'! The conclusion reached in the study was that successful family planning programmes leading to smaller families provide a 'window of opportunity', but are not enough in themselves. Other factors are needed, such as an export promotion policy, investment in education, and investment incentives.

The Navrongo Experiment

The Navrongo project – or, to give it its correct name, the *Navrongo Health and Research Centre* (NHRC) – has become famous in Africa, as a model of how family planning policy can work, even in the most challenging of environments.

Fertility and mortality levels in sub-Saharan Africa rank among the highest in the world. But little was known about how to deliver family planning on the ground in areas with severe economic, social and ecological obstacles. Ghana's Ministry of Health designated Navrongo as a special experimental area. The setting is a poor and isolated traditional community, in a remote rural part of Northern Ghana, with high infant and child mortality, high fertility rates and extremely poor health conditions. There were cultural and gender barriers to family planning, with women being regarded as men's 'property'.Traditionally, family planning advice was aimed at women, leaving men misinformed. The problem was summed up by a Navrongo woman:

'You have to tell the man about family planning. If he doesn't accept, then the woman won't agree either. That's the problem we have in our homes. Many of us don't know what to do if you don't accept the husband's decision, and don't know where to go to prevent yourself from giving birth. When he comes to you in the night, and you open your mouth about family planning, he will beat you. Please help us so that we can reach our husbands.'

Dr Nazzar described the successful strategy of dialogue with the chiefs and elders to find out their needs, and the obstacles that would have to be overcome. In this way, the village leaders were involved in the process. For instance they were to be responsible for putting up the health clinic building, while the project would provide staff and train local people.

Since the project was set up in 1994, it has been expanded to surrounding districts. Use of family planning services has increased from 0% to 15%. Representatives from other African countries have visited to learn from what has happened at Navrongo.

There are salutary lessons to be learned from the project. It shows that family planning can succeed even in the most adverse conditions, if there is consultation with community leaders in planning and execution, if they are assigned a meaningful role, and if the service is delivered in a culturally sensitive way.

Threatened resources

What effects do large populations have on the ecology? Is there a link between environmental scarcity and civil violence? *Dr Thomas Homer-Dixon* of Toronto University concluded from his study of 15 cases of civil strife, that scarcities of critical resources may directly contribute to civil conflict. As increasing numbers of people compete for the same resources, quarrels often arise over resource-sharing. Some people get more than their fair share, while others are frustrated. Grievances then emerge and demands increase on the state to resolve these. Over time, the credibility of the state may be undermined and, in extreme cases, it may collapse altogether.

Dr Eric Jensen spoke about the effect on children of family size, and the intriguing question of 'wantededness'; that is, whether or not the mother wanted the child at conception. Evidence from a survey carried out in the Philippines shows that 'unwanted' children have a higher chance of falling ill than other children. The larger the family size, the less likely it was that the child's illness would be treated.

Defining commercial sex as 'sex provided primarily in exchange for money, gifts or favours', *Professor Dennis Ahlburg* stressed that the commercial sex industry represented a major health concern. Policies aimed at eradicating it had little effect, and indeed might increase the health risks by driving it underground. While the economic motivation is so strong – commercial sex pays dramatically more than alternative occupations – there is little point in policies aimed at the retraining of sex workers. Professor Ahlberg concluded that what was needed was more information, greater availability of low cost condoms, and improved education and economic alternatives for girls. D.M.

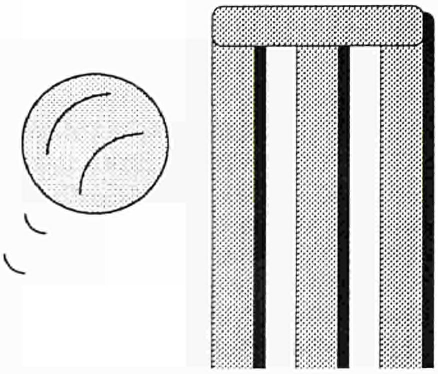
Cricket crusader rolls back the African boundaries

by Mohammad Allie*

Controversial South African cricket organiser, *Ali Bacher*, who once helped organise 'rebel tours' by foreign teams willing to break the international sports boycott against apartheid, now has his eyes on the whole of Africa. The energetic Dr Bacher believes the potential is enormous. He wants South Africa to act as a launch-pad for the game throughout the continent, providing crucial opportunities, guidance and support for emerging cricketing nations. 'People used to say Africans only participate in soccer and athletics, but that's because they have not been given the opportunity to play cricket,' says Bacher, who is chief executive of the United Cricket Board of South Africa (UCBSA).

To divert criticisms of his boycott-busting tours, he used to persuade foreign players to undertake training stints in South African townships. Since the end of white rule, he has done much for black cricket in the country. 'We have seen, by virtue of the fact that we have taken the game to the townships, that black people have a wonderful feel for the game,' he says. 'They have the rhythm, coordination and aptitude and can perform with excellence.'

His board believes strongly that the game should be nurtured across the continent, in the interests of South African and world cricket. Coaches have already been sent to Tanzania, Uganda and Malawi, where the sport has expanded beyond the Asian and British communities. Players are being invited to South African cricket schools, and teams from other nations are taking part in domestic competitions. 'It's all part of providing opportunities for new cricketers and creating a culture where Africans can play the game', says Bacher, who is a medical doctor and former national team captain. Soccer may be the main sport in Africa today but he believes that a climate can be created in the coming years which will allow players of the class of *Brian Lara* and *Sachin Tendulkar* to emerge and 'become world cricketing giants'.



His optimism is based on the success of the Board's outreach programmes in recent years to promote what was very much a 'white' game among young black people. Cricket is now probably the third most popular sport in the townships after soccer and boxing.

Dr Bacher travelled to Kenya recently, and reports 'I saw tremendous potential there. I spoke to the government, who said that whereas they previously saw athletics as the sport to bring fame and glory to Kenya, they now recognise cricket as having the ability to do the same.' This is especially true since Kenya's victory over the mighty West Indies in last year's World Cup, and the team's excellent performance in this year's trophy tournament for countries not involved in test matches.

Rising stars from several countries are being invited to attend South Africa's respected Plascon Academy and other cricketing schools. 'We have invited Kenya's *Thomas Odoyo*, who is a very talented all-rounder, together with *Peter Bungwa*, a promising young off-spinner from Uganda, says Bacher. 'It's a wonderful opportunity for any young cricketer to come to the academy to be coached by greats like *Clive Rice* and *Hylton Ackerman*.' Young players will also receive advice on how to deal with the pressures of international cricket, such as 'how to handle the media, how to talk on television, understanding the psychology of cricket and the effects of drugs and alcohol on performance.'

Efforts to build the game were boosted through last year's formation of the African Cricket Association. Its chairman, *Krish Mackerdhuj*, who is also President of UCBSA, says: 'It took us a few years, but we are pleased that we now have the forces of African cricket together.' Four organisational 'nerve centres' have been set up – in Nigeria, Kenya, Zimbabwe and South Africa. 'We must arrange activities in cricket from grassroots level around the centres. Then we must pick representatives under 15 years old from these regions and get them together at a centralised tournament,' says Mackerdhuj. 'We have learned from experience that if you cannot develop youth cricket, you have no future. You also have to create the infrastructure to move to test status.' He concedes that organisers in less wealthy regions might struggle financially to set up facilities, but argues that there are ways of reducing costs, particularly on expensive turf wickets. 'Our experience is that you don't need these', he said. 'You can lay down a cement pitch with an artificial wicket and then play in any type of weather. We have laid about a thousand of these wickets throughout the country. You just need a cement company and some industrialists to become involved and you are on your way.'

One important aim now is to spread the game beyond the former British colonies. There has already been interest from Egypt. Mackerdhuj adds: 'We need to take the game to the Francophone countries, even it if means translating the rule book into French.'

M.A.

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New ways of strengthening small agri-foodstuff enterprises

by J.J. Malgloire Bazabana and Paul C. Bom Konde*

In both the northern and southern hemispheres, small businesses are the 'in' thing, arousing the growing interest of public authorities, development organisations and researchers. However, the emergence and proliferation of small businesses over the last few years has often been regarded as destructuring production systems and weakening the industrial fabric. We maintain, on the contrary, that the establishment of numerous small production units is a form of entrepreneurship that creates economic dynamism. And whatever one's view about this, the trend is having at least one benefit: the recognition of small, and even extremely small, enterprises as valid and productive organisations.

In sub-Saharan Africa, it is these small agri-foodstuff enterprises (SAEs) that ensure the markets get their supplies of basic foods. For example, there are 40,000 SAEs working in the maize processing sector in Cotonou (Benin), 20,000 in the catering sector alone in Dakar (Senegal), and 3,000 in the production of *chikwangue* in Brazzaville (Congo). The key role played by these enterprises in satisfying the needs of local markets, creating jobs and stimulating the agricultural sector raises certain questions – not just about the support mechanisms needed to help improve their performance, but also about what is needed to encourage people to set them up in the first place.

The advantages gained from the proximity and network structure of localised activities (enterprises, banking, training/research institutions, NGOs and local groups) is an economic theme that has seen a resurgence of interest. This appears to give rise to new opportunities in areas – such as training, dissemination of information, logistics, financing and improving product quality – which could help consolidate SAEs. Before considering any schemes to strengthen small agri-foodstuff enterprises, we first need to look at the elements that characterise this particular type of business. In short, we need to examine the way they are organised and how they work.

Entrepreneurs and their operations

Small agri-foodstuff enterprises in Africa tend to be extremely small, the size of the workforce ranging from 1 to 10 individuals. They are set up through the motivation of one or more individuals who decide to produce and sell a given product. Numerous case studies show that women are omnipresent in running such activities. Some enterprises make only one type of product, either finished or intermediate. Examples of finished products made by SAEs include *chikwangue, gari, fufu, bobolo, mintoumba and miondo*. Among the intermediate products one finds *netetou*, grain and maize flour, dry chicory roots and cassava flour. Other enterprises are involved in a much wider range of activities which combine individual processing and group operations (associations of processors and caterers). Associations such as *AFRES* (Senegal), *Rinoodo* (Burkina Faso), and *UTRAFEL* (Benin) bring together businesses in the catering industry which then tender for contracts to supply the food for events such as festivals, fairs, symposia and conferences. The number of people working in these associations ranges from 5 to 175.

SAEs increase their added value according to the strategies they implement. In addition to the aforementioned dual approach – working individually and in groups – the activities of small agri-foodstuff enterprises in Africa are to some extent characterised by specialisation: supplying the market with specific products made using specific techniques and know-how within a specific organisational environment.

Originality of products

In contrast to the products offered by mass production, small African agri-foodstuff businesses offer the market a huge variety of different and essentially local products. Since eating habits vary widely from one region to another, these products tend to be extremely 'culture-specific'.

Today, for example, over 40 different products are obtained from cassava processing in Benin. Likewise, Cameroon boasts 12 ways of preparing cassava and 23 methods for processing maize. So, in addition to the sheer diversity of products, there is also a tenden-

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cy towards local specialities. The best known of these are *chikwangue* and *fufu* in the Congo, *attiéké* in Côte d'Ivoire, *bobolo* in Cameroon and *néré* or *nététou* in Benin, Burkina Faso, Senegal and Mali. A large number of products are also specific to certain towns, villages or regions, for example *mintoumba*, *ndolé* and *mböngö* (Cameroon). The quality of these products, and the way they are made, are inextricably linked to the land from which they are produced, to environmental and social circumstances, and to the mastery of certain skills. Taking these aspects into account, it is not difficult to see why small agri-foodstuff enterprises cater for such a segmented market.

African SAEs offer products for a variety of purposes. These include:

– 'Ready-to-eat' items, current consumption of which extends well beyond national borders, (recent years have seen the development of intra-African exports):

– 'Ready-to-cook' intermediate products. Various constraints (time, practical circumstances, and so forth) mean that it is becoming increasingly difficult to prepare certain products in towns. With continuing demand, this has resulted in the development of a market for intermediate products and thus encourages the setting up of other small enterprises. The production of paste to make *chikwangue* in Congo-Brazzaville and of fermented maize starter to make yoghurts in Benin (*akpan*) are examples of such products:

– Products for the export market. These are particularly important because they have the potential to place small firms within the dynamic of the world economy. The argument that small African agri-foodstuff enterprises set their sights solely on the local market is no longer valid. Continually expanding export potential proves that SAEs are competitive, at both a national and international level. *Chikwangue* from Congo-Brazzaville and *N'dolé* from Cameroon are just two examples of products which have been widely exported to Europe over recent years.

Organisational framework

To achieve their objectives, African SAEs structure their activities within external and local social frameworks. One aim of operations of this type is to reduce transaction costs. As far as the entrepreneur is concerned, it involves making use of social organisations and relationships (friends, family, tontines, economic interest groupings – EIGs) to obtain services free of charge or at a reduced cost, the transactions being based on rule-based rights and obligations established by the community. Anyone benefiting from someone else's services is then under an obligation to do the same for that person if it is requested of him. If he does not comply with the rules, he runs the risk of some form of sanction (exclusion from the community, payment of a fine, etc.). Entrepreneurs therefore act according to a philosophy whereby 'if you scratch my back, I'll scratch yours'.

For example, apprenticeship based on indigenous technologies does not involve any form of monetary payment. Instead, a friend or family member is asked to provide training. The fact that the service is offered free is perfectly acceptable since training does not cost anything. What is of fundamental importance, however, is whether or not the apprentice has the ability to learn the relevant skills and whether or not the teacher can offer him a high standard of training.

Studies carried out in certain African countries (Congo-Brazzaville, Cameroon, Senegal, Benin and Burkina Faso) reveal a veritable network of small enterprises processing and selling agri-foodstuffs. Within these organisations the determining factor as regards cooperation is social proximity, the networks creating an interdependence between all those involved. This interdependence can be seen in the supply of raw materials, in the provision of funds and in the movement of finished and intermediate products. As far as SAEs are concerned, organising themselves into networks is a genuine means of enhancing the value of basic agricultural produce.

Associations such as *nsalasani* (Congo) or *yum* (Cameroon) are systems which offer mutual aid to their associates by rotating the workload. Thus,

The processors get together to form an association and entrust the fruits of their labour to a haulage contractor who then guarantees to sell their products

work in the fields (on fallow land, ploughing, harvesting) and production activities in SAEs (processing products) is carried out within organisations where each individual benefits in turn from the services offered by the other participants, with the latter then being discharged from the obligation of having to pay any money when the favour is returned.

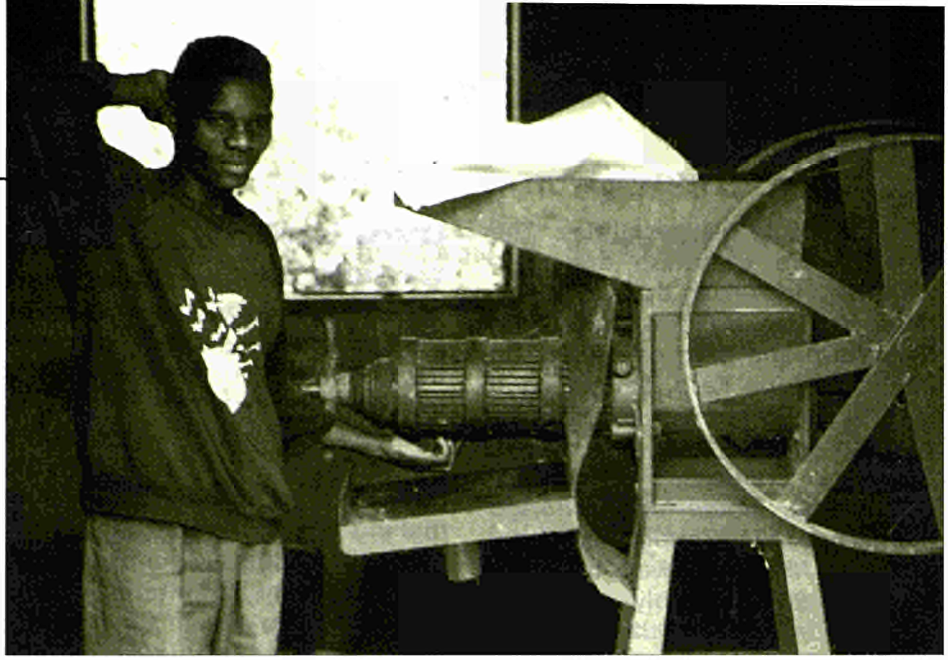
The same is true of selling products. The processors get together to form an association and entrust the fruits of their labour to a haulage contractor who then guarantees to sell their products. Associates confined to villages can thus significantly reduce transport costs and avoid the expense of accommodation in the towns. This, in turn, makes the whole business of selling products much more efficient. In Congo-Brazzaville, small cassava-processing enterprises are similarly organised.

Production techniques and know-how

The productive capacity of SAEs mobilises local know-how and technical resources.

Firstly, SAEs or, more accurately, their proprietors, rely on the wealth of knowledge available in a village, town or region. The extent of this knowledge depends on the variety of products available in a given area. The greater the variety, the more complex the mastery of the skills needed to produce them. This development is especially noticeable in the major urban areas of Africa.

Secondly, in most cases, SAEs mobilise industrial, semi-industrial and traditional craft techniques, with entrepreneurs gaining their knowledge from relationships forged through organisations such as EIGs. However, those enterprises that acquire modern techniques come up against training problems. Although cooperation agreements between entrepreneurs can play an important role as far as training is concerned (for example, in milling), the use of certain 'ready-to-use' imported techniques often involves self-taught skills.



In most cases, SAEs mobilise industrial, semi-industrial and traditional craft techniques

Financing methods

As a general rule, the foodstuffs industry is financed from outside the banking system, with small enterprises relying on financing arrangements based on proximity. Those involved have recourse to three sources of finance: the family, personal resources, and savings, and rotary credit associations (tontines).

Within the family, funds are obtained directly from relatives, investment funds being advanced by the head of the family to his spouse, by a son to his mother, an aunt to her niece, a son-in-law to his mother-in-law, and so on.

Tontines provide the main form of financial support for SAEs, offering a set-up whereby zero-cost credit can be negotiated. It is an efficient system – although the efficiency must be seen in relative terms since a proprietor needs to belong to a tontine before he can obtain any credit from it. Moreover, the amount given to the participant may be less than the total investment required for the particular activity being set up. This financial limitation means that entrepreneurs tend to seek finance for activities in sectors which use low-cost traditional technologies.

SAEs need to be strengthened

Whether we choose to praise small agri-foodstuff enterprises or condemn them, their weaknesses as well as their strengths need to be taken into account. Small enterprises need to become more efficient by being prepared for change. This means that they have to be innovative within their particular markets and efficient in terms of production, not to mention being able to exploit the ever-expanding opening of internal and international frontiers. It is no longer a question of reflecting on the enterprising spirit and culture of sub-Saharan Africa. Small agri-foodstuff enterprises are now very much part of the African economy, enabling agricultural produce, especially perishables, to be exploited on their own territory and making it possible for towns to be supplied with products that are suited to local eating habits and of the same quality as is found in their area of origin.

The state, development organisations, local authorities, financial institutions and other associations, all have a role to play in supporting the dynamic impetus of agri-foodstuff enterprises. Public authorities, especially, need to support and promote the exceptional innovative potential of SAEs, particularly in the context of regional development. However, the fact that many production areas in sub-Saharan Africa are landlocked constitutes a major obstacle to the development of these enterprises.

As regards apprenticeship, training schemes that reflect the requirements of the entrepreneurs need to be put in place. The main concern for these institutions should be to rely on local skills for processing agri-foodstuffs. Schemes designed to disseminate knowledge must also take account of the profiles of the group of entrepreneurs seeking to be trained, and the nature and development of the techniques used (traditional, modern, semi-industrial, etc.)

As for financing, it is not the usual practice of banking institutions in Africa to provide SAE funding. According to some analysts, obstacles preventing entrepreneurs from having access to banks' services include the lack of education of those concerned and the fact that operations are largely on a cottage industry scale (using a casual workforce). The tontine model could offer a significant source of inspiration for the various participants, but efforts are also needed from businesspeople to establish accessible banking systems. Management experiments carried out in Congo have shown that it is quite possible for banks to work together with tontines and NGOs. The banks can offer credit to the NGOs or the tontines, and the latter, in turn, are able to lend funds to individual participants in the financing scheme. In Senegal, an offshoot of *Enda Graf Sahel*, the *Caisse d'Epargne et de Crédit du Grand Yoff (Dakar)* has brought together nearly 8000 savers. It has done away with intermediate banking transactions and stepped up investment by buying and stockpiling supplies which it then seeks to offer to its customers at preferential rates. Small entrepreneurs can then get credit in kind, in the shape of raw materials, without having to go through banking channels.

Whether customer/NGO or customer/NGO/bank relations can stand the test of time depends very much on the sort of trust-based relationships that are made possible by geographical and social proximity.

As for research, SAE requirements involve various techniques in a wide range of sectors, involving matters as diverse as storage needs, and the appropriate cooking implements. Research must also be aimed at improving products and production processes, with efforts needed across the board in this respect (covering regions, towns and rural areas). Any programme planning in the context of decentralised regional policies must take account of the human and material resources available in each area. Research activities should be seen as all the more important given that SAEs cannot easily make independent investments in the design development of certain items of equipment. They could do worse than follow the example of the innovative experiments carried out by CERNA (University of Benin, Cotonou). This institute has designed equipment and improved the traditional *aklui* by promoting a dried product that can be exported. Similarly, the LBTA/CNRST has installed machinery in Burkina Faso which processes dried *néré*.

Measures need to be taken with respect to the entrepreneurs so that their activities are in tune with both national and international markets. Thus, product promotion could be carried out by agencies which would promote local products, and information could be made available so that the entrepreneurs could keep up abreast of which markets are buoyant. As far back as 1948, Japan developed policies to support its small enterprises, creating the MITI agency. One of MITI's objectives was to enable small firms to be integrated into international trade markets.

Lastly, local authorities also have a role to play in the development of 'proximity' institutions. Recognising that decentralised government bodies are more accessible to small enterprises and entrepreneurs, the idea is that these institutions would provide auxiliary or back-up services. The local authorities need to create a dynamic economic environment. A specific example of the way they could do this is by channelling a large proportion of official purchases through small enterprises which supply school cantines and barracks with processed cassava products (such as *chikwangue* and *saka-saka*).

From the point of view of local development, it is absolutely vital that an enterprise culture is encouraged and nurtured. We would even go as far as to say that all those responsible for promoting local development activities should themselves be prepared to undergo an 'apprenticeship' in regional management.

In conclusion, given the available agri-foodstuff resources, it is not exaggerating to say that SAEs in Africa have a huge potential. These niches for development within the technology and agri-foodstuffs sectors are supported by social networks – whose effectiveness depends on the correct application of community rules throughout all stages of the enterprise process. Changes in products, processes and techniques resulting from innovation, and the phenomenon of globalisation (which, in the agri-foodstuffs industry, is characterised by a return to 'wholesome' local products), point the way to the kind of support measures needed for those establishing and running SAEs in Africa. The prospects for these SAEs, in terms of increasing their added value, should then be extremely promising. Far from being a mere passing fashion, the development of SAEs is a vast arena which may well shape the eating habits of consumers in the next century.

J.J.M.B. & P.C.B.K.

Dossier: the wood industry in the South Pacific

Sustainable resources management in the Pacific

For two years, the CDI has been providing sustained support for the wood industry in the ACP countries of the South Pacific. Twenty five companies have received assistance to diversify their activities and extend their commercial sphere of influence. As a follow-up to these positive results, the CDI has just organised an Industrial Partnership Meeting in Nadi (Fiji).

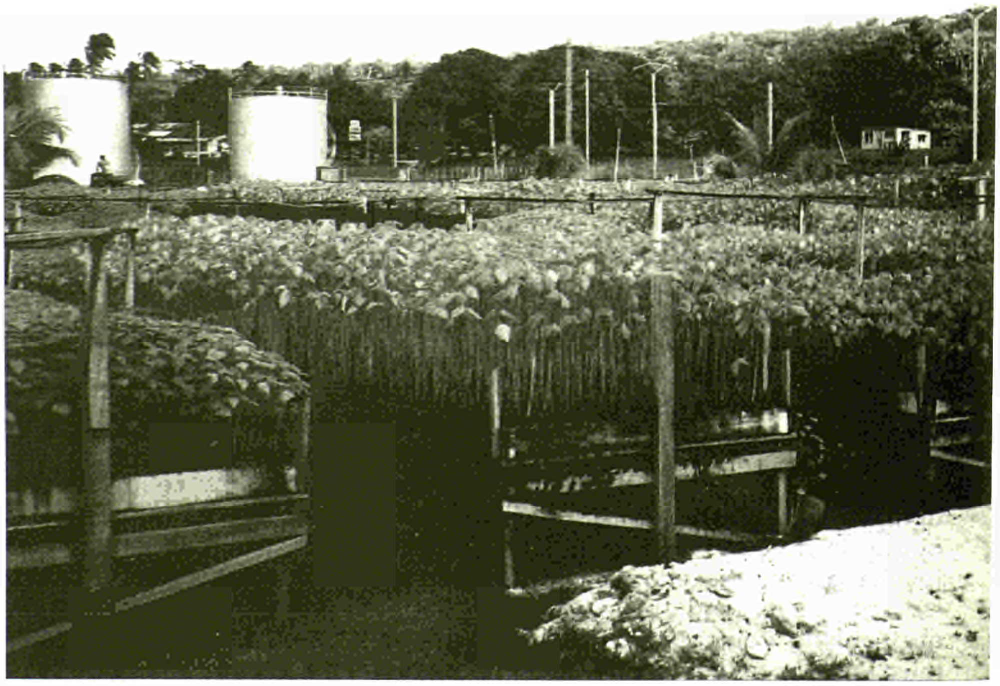
With 90% of their surface area covered by woodland, forestry resources valorise the economies of the ACP countries of the South Pacific at international level. The forestry industry developed in these countries mainly in response to significant demand in South East Asia, Korea and Japan. Strengthening the processing sector for finished or semi-finished products for export to these same markets – but also for Europe – is a promising prospect for these island countries.

The industrial partnership meeting organised by the CDI in Fiji from 29 September to 2 October 1996 was designed to promote this potential and involve European companies. Around thirty of these, selected on the basis of the products they processed and marketed throughout the world, expressed an interest in the potential of this region located in the antipodes. They attended the Nadi meeting by invitation of the CDI.

24 companies from the South Pacific region – from the islands of Papua New Guinea, Fiji, the Solomon Islands, Tonga, Vanuatu and Samoa – were selected for the meeting by virtue of their capacity to respond to the demands of the regional and European markets. The three main strands of the wood sector, the size of which varies between countries, were represented: initial processing, semi-finished products (joists, veneering, plywood, moulding...) and finished products (fittings, indoor and garden furniture).

From timber to finished product

In Papua New Guinea and the Solomon Islands, forestry is of major economic importance. Deforestation, often carried out by Asian companies with concessions, accounts for a considerable proportion of the financial resources of the two countries. However, an increasingly successful processing



Melcoffee, Vanuatu
Plantation of Endosplemum, a wood specific to the South Pacific, the lightness and solidity of which are particularly valued for the manufacture of mouldings and sections

CDI

The Centre for the Development of Industry (CDI) is a joint ACP-EU institution created in the framework of the Lomé Convention linking the European Union with the 71 ACP countries (Africa, Caribbean, Pacific). Its objective is to support the creation, expansion and restructuring of industrial companies in ACP countries. To this effect, the Centre promotes partnerships between ACP and European companies. These partnerships may take various forms: financial, technical and commercial partnerships, management contracts, licensing or franchise agreements, sub-contracting, etc.

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The economic importance of the wood industry in ACP countries of the South Pacific

Country	Population (1993)	Surface area		GNP 1993 (mECU)	Exports 1995 (mECU)	
		Total	Forests		Total	Wood sector
Papua New Guinea	4,056,000	462,800	423,000 (91%)	2,817	1,745	290.846 (17%)
Fiji	771,000	18,300	11,900 (65%)	1,258	538	31.759 (6%)
Solomon Islands	342,000	28,400	22,000 (77%)	190	143	70.731 (49%)
Vanuatu	161,000	12,300	8,700 (71%)	151	21	2.059 (10%)
Samoa	170,000	2,900	1,100 (38%)	143	8	0.347 (4%)
Tonga	98,000	700	80 (11%)	104	14	0.005 (0%)

industry is beginning to take shape there in parallel.

Other countries, such as Fiji and Vanuatu, have a more diversified economic fabric and a proportionally more developed wood industry. To meet their own needs, these islands have built up local competence in treating and processing wood. Their industries have reached a level of quality and production capacity that should enable them to move beyond the regional context and acquire greater market shares in powerful neighbouring countries such as Japan and Australia.

Diversifying sources of supply

The wood industry in the South Pacific is likely to offer many benefits to European companies. For timber and certain semi-finished products – such as joists – the region offers interesting potential in terms of diversified sources of supply. This factor will be worth considering all the more in the future when resources become more scarce in traditional supplier countries such as Malaysia and Indonesia.

'We have to anticipate market trends', stresses a French importer of semi-finished products intended for the construction industry. 'In France, we can expect a recovery and an increase in the volume of demand in the building industry, which has been in a trough for the last few years. That is why we are keen to participate in meetings of this type. They enable us to assess the region's possibilities for diversifying our supplies and at the same time gain specific knowledge of the quality of local species and products.'

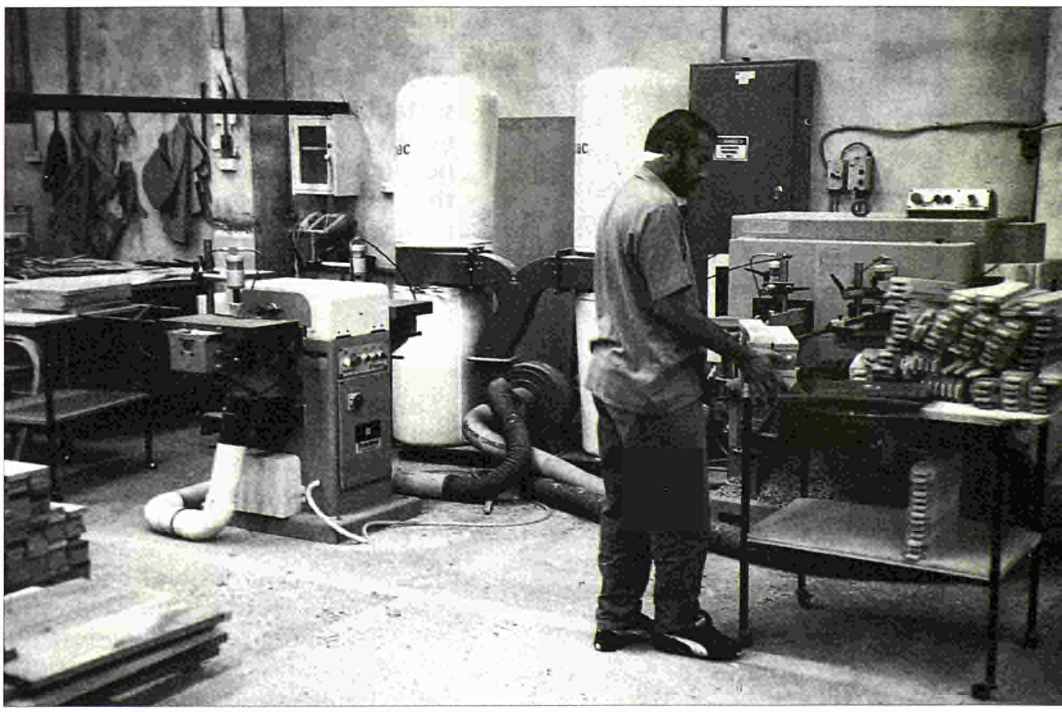
The example of the gubas white wood

ACP countries of the South Pacific have very unusual wood with a high international commercial value. An example is *gubas* (scientific name, *Endospermum Medullosum* – a member of the *Euphorbiaceae* family). This is a white wood which is both light and very homogeneous, and it grows naturally in Papua New Guinea, Fiji, the Solomons and Vanuatu. Its features make it an ideal material for the manufacture of mouldings or joists and it could be a serious rival to similar, more widely known tropical woods such as the African *ajous* or the Indonesian *ramin*.

The success of Melcoffee Sawmill, which has been farming and processing *gubas* for some years, and has received CDI support, confirms the commercial potential of this type of wood. This company from Vanuatu currently exports almost 90% of its production to Japan and New Caledonia.

Furthermore, certain species from the South Pacific, such as local varieties of teak, which are similar in botanical terms to other species known and already farmed in other tropical regions, also have specific features that could provide a commercial added value. In this respect, there are still many possibilities for for-

Joinery construction, Vanuatu
The quality of finished products opens the gates to large surrounding markets



est and industrial experimentation in the South Pacific.

Sub-contracting for large European distribution chains

The technical skills acquired by certain companies in the wood industry in countries of this region have enabled them to successfully establish themselves in the international market for finished products, particularly in the furniture sector. The Fijian companies *Che International* and *Starest Furniture* respectively supply sofas to the Swedish *Ikea* chain and parts for garden furniture to the German firm *Bula*.

Company visits gave European participants the opportunity to discover the technological capacity of local firms and the quality of the products offered. In this respect, some hotels and public buildings, where furniture was fitted *in situ*, are permanent showcases. The hotel Méridien in Port-Vila is fitted with furniture made by the company *Santo Joinery* (Vanuatu) and the University of the South Pacific (Fiji) is supplied, among others, by the Fijian company *Popular Furniture*.

A CDI reference guide to the wood industry in the South Pacific

The 24 companies of the South Pacific chosen to take part in the meeting organised by the CDI are spread between Fiji (10), Papua New Guinea (4), the Solomon Islands (4), Vanuatu (3), Samoa (2) and Tonga (1).

Information on the situation of the wood industry in these six countries and a detailed description of the companies invited – production per species and turnover, equipment, staff employed, main clients and markets, etc. – may be found in the technical report prepared for the occasion.

Starest Furniture, Fiji, which makes parts for garden furniture for the German company, *Bula*.

A sizeable aim: renew the forests

The renewal of forest resources is one of the major challenges facing the wood industry, and the ACP countries of the South Pacific are no exception. If sustainable solutions enabling the renewal of forestry resources are not implemented, entire sectors of the economy could in fact be paralysed by a blanket ban on farming, as already occurred on the island of Erromango (Vanuatu) in 1994.

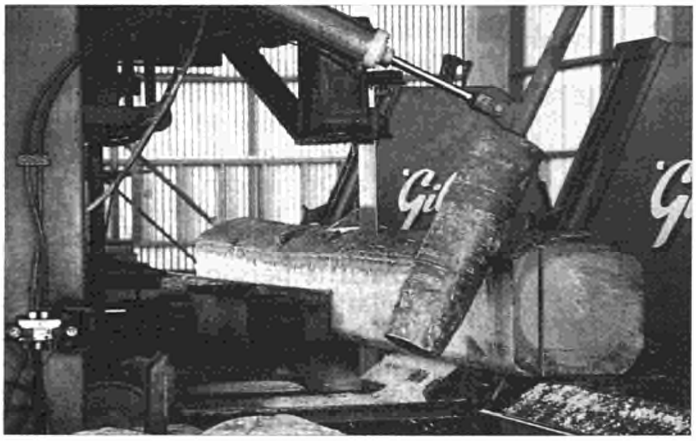
Some of the large timber exporters such as Papua New Guinea are currently implementing a code of practice in the forestry sector, which is supervised by the *Société Générale de Surveillance* (SGS). Companies of the South Pacific are, on the whole, becoming more aware of this issue. Over and above national regulations forcing them to consider this question, they realise that good management of forestry resources and implementation of a pro-active reforestation policy can give a commercial added value to wood-related products. 'European public opinion is increasingly concerned with the environment, and we have to take this into account,' says a commercial manager from the Bula company, a German importer of parts for garden furniture produced in Fiji using the famous locally grown mahogany. 'The ecological label under which we sell our products is an essential component of their quality for our buyers'.

The reference to renewable sources appears increasingly in the specifications of European importers for tropical wood, even though this requirement is not yet as widespread as it is for supplies from Europe or North America.

Regional 'high-demand' markets

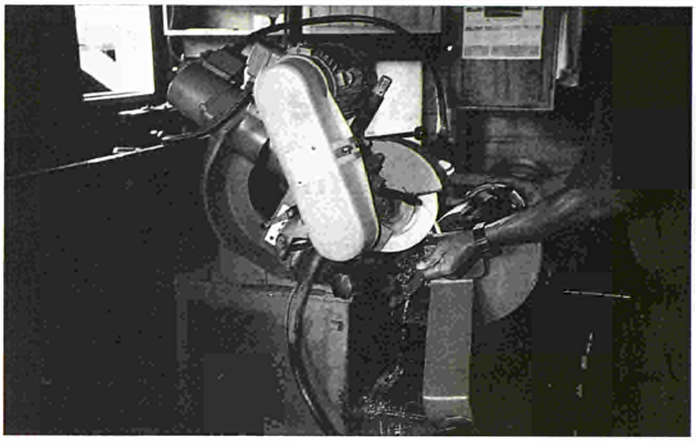
Japan, Taiwan and Korea, are next door to the wooded countries of the South Pacific. As they have no real forestry resources, these countries have a high demand and so provide neighbouring ACP companies with significant outlets for finished and semi-finished products. This potential has not escaped the notice of partners attending the Nadi Meeting.

In 1995, the six countries of the South Pacific represented at Nadi (Fiji, Papua New Guinea, the Solomon Islands, Tonga, Vanuatu and Samoa) exported a total of 450 million dollars in wood products. Almost 95% of these exports were to Japan, Korea or countries of South East Asia. Although manufactured products accounted for between only 5% to 10%, the fact that there are commercial links with large Asian consumer markets is an asset worth capitalising upon, especially in the processed wood sector.



Valebagosa - Fiji
Forestry farming satisfies a considerable demand in certain neighbouring countries of Asia with scant forestry resources

The strategic position of ACP countries in the region – both Australia and New Zealand are on the Southern edge – could transform them into the hub of the region. 'American white wood, very much appreciated by the Japanese and Koreans, could, for example, transit through processing factories in the South Pacific if it were to develop expertise adapted to Asian demand', believes *Guido Houben*, the CDI consultant involved in preparing the Meeting. 'Over and above commercial agreements, European companies have an interesting card to play with wood companies located in these countries. The skilled workforces, coupled with their geographical location, could make them ideal launchpads for a rapidly expanding regional market'.



South Seas Timber, Fiji

Strategy of alliances

The director of a Belgian company producing wooden articles for domestic use (kitchen utensils, decorations, toys), a very keen participant at the Nadi Meeting, believes that 'the type of product that we market in Europe could well find significant outlets in this part of the world. If these prospects were confirmed, genuine partnerships for production could be established. And this type of link is undoubtedly more attainable with small companies in the South Pacific than with the large groups that have traditionally marketed tropical wood from Asia'.

The level of expertise in some local firms could be another recipe for success. 'The know-how developed on-site for farming wood from specific species could also enable us to diversify our range of products', continues the industrialist. 'This would be all the more beneficial as it would give us more direct access to the markets in the east of the United States where we are already present today'.

CDI contacts

Jordi Tió Rottlan, responsible for the wood industry in the Technical Services and EU Network Division

Peter Alling, responsible for the South Pacific region in the Projects and ACP Network Division

Furniture Exports – Papua New Guinea
The specific features of the wood, quality of the workforce, and geographical situation are all assets that help to promote partnerships with Europe

Integrated furniture in Suriname

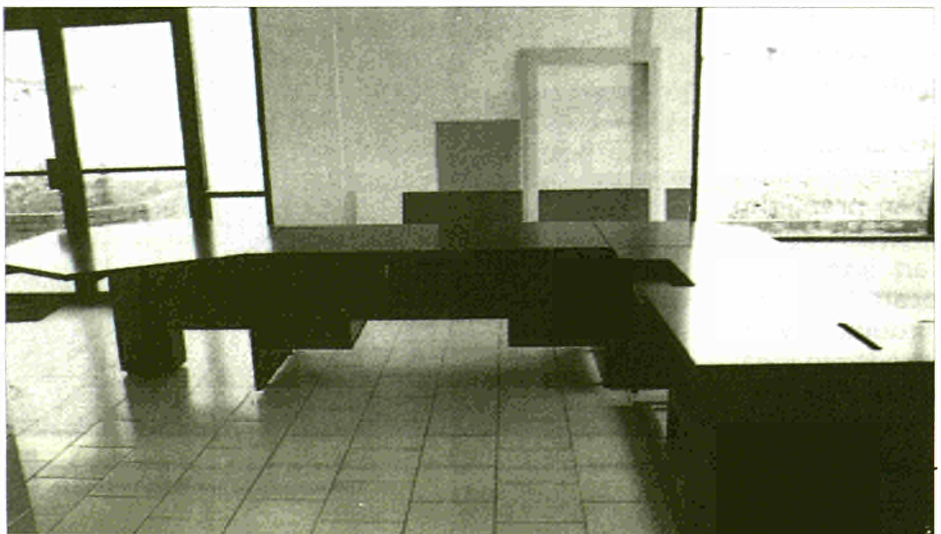
ARTLINE combines more with better

By focusing on quality, ARTLINE gradually achieved a model transition from a cottage industry to industrialisation. This SME, with 37 employees and a turnover of one million US dollars, produces 'made-to-measure' integrated furniture using state-of-the-art CAD technologies.

ARTLINE, located in Paramaribo (Suriname) since 1991 and well established in the local market, specialises in the manufacture of kitchens, bathrooms and integrated office furniture. This 'made-to-measure' work – from design through to installation – has seen impressive growth in just a few years. Such success was due to the ability of management to control the growth of the company, invest in technological development and pay constant attention to quality.

In 1993, when its annual turnover was $200,000, ARTLINE saw new opportunities in the development of the tourist industry. The company could only take these on board if it expanded. Lee Sack Fong, the company director, invested ECU 500,000 in new buildings and equipment. With CDI support, it received expert assistance for the management of its production. For ten weeks, an expert helped management to develop new production and planned management methods, and train executives for these key posts. Productivity increased and ARTLINE was able to meet a big order for 80 beds for the Torarica Hotel. The furniture was manufactured using panels imported from Europe (United Kingdom, Ireland, the Netherlands) and the United States and finished, on-the-spot, with a layer of paint specially suited to the climate.

Furniture made by ARTLINE



Focusing on technology

In 1995, ARTLINE further increased its rhythm of production and adopted CAD (computer assisted design) technology. Again with CDI support, the company hosted, for ten weeks, a CAD expert to train middle management in the use of this new tool.

In Spring 1996, with the Centre's support, Lee Sack Fong went to the Scandinavian Furniture Fair (Denmark) where, in particular, he established contact with VON, a Dominican Republic company likely to expand ARTLINE's outlets in the Caribbean as a whole. The person responsible for installations received two months training in Ireland. The different quality improvements have guaranteed ARTLINE an impressive growth (a production increase of more than 300%, a turnover of $1,000,000 in 1996). As to future prospects, these are particularly encouraging, especially in the hotel furnishing sector in the Caribbean.

CDI contact: Jordi Tió Rotllan

Caribbean flavours out to conquer Europe

The secret of exporting? Pinpoint potential and need. Study the ground. Prepare a strategy. Provide original responses tailored to specific features. This strict approach, launched two years ago in the Caribbean delicatessen sector, with support from the CDI and the German organisation PROTRADE, is today being implemented. Sixteen companies met under the same roof at the famous ANUGA trade fair in Cologne, with a range of carefully targeted products.

Tropical fruits and vegetables – whose flavours are increasingly appreciated by European consumers

The Caribbean archipelago, a tropical garden at the heart of warm seas, is becoming increasingly popular with travellers the world over. Different countries in the region have realised the potential of this magnetism for valorising original products made from local natural resources. Consequently, in the agro-food sector, sugar cane, tropical fruits and seafood products are spawning a highly diversified range of specialities (drinks – both alcoholic and soft – salted and sweetened sauces, syrups, jams, spice mixtures, etc.). These vary between islands (see box). They are designed by small companies whose manufacturing secrets create 'home-made', personalised products that rely on the entire range of flavours and tastes rather than on monochrome competition. Such products have character, are of a high quality, and genuinely merit the name of delicatessen. Still little known in Europe, except perhaps for the United Kingdom and France, these specialities satisfy a real demand among consumers for exotic flavours. That is why, two years ago and in cooperation with PROTRADE, the German trade promotion body, the CDI launched significant ground work both in the Caribbean and in Europe. It is being implemented today through the presence of sixteen Caribbean companies at ANUGA, the famous international food fair in Cologne, held from 11 to 16 October 1997.

ANUGA 95: Initial contacts

It was during this same trade fair in Autumn 1995 that the approach first became a reality. Following a CDI exploratory mission, and with the Centre's support, five Caribbean companies attended the ANUGA trade fair. Their aim was to establish contacts with European importers, present samples of their products, and assess the possible outlets open to them. A meeting organised by the CDI concluded that there was mutual benefit in and a need for a careful strategy guaranteeing the penetration of Caribbean specialities, still little known, into this very specific niche of the food sector. In the delicatessen sector, 'far-away' products add a foreign flavour to meals, they evoke the memories of travellers and exoticism adds a dream-like quality to everyday life. This growing need for 'other places' is very pragmatically confirmed by a market study carried out on the initiative of the CDI.

But why Germany? In the delicatessen sector, Germany is an excellent springboard for continental Europe. It has a very specific and very active distribution network. Products from all over the world are sold in specialised shops, which only sell this type of speciality, selected by virtue of their high quality. There you can find the best of every continent, and Germans, great travellers (six million of them visit the Caribbean every year), quench their thirst for discovery.

In this respect, the CDI cooperates with a professional delicatessen syndicate in Germany, which brings together 120 sales outlets, is very active in marketing, and regularly organises promotion campaigns throughout all of these shops.

Selection in the Caribbean, test in Wiesbaden

In October 1996, a consultants' mission, supported by the CDI and PROTRADE, visited six Caribbean countries (Barbados, Belize, Dominican Republic, Grenada, Jamaica, Trinidad & Tobago) to study the possibilities for exporting delicatessen products to Germany and more widely to continental Europe. The experts selected some twenty five companies whose high quality and varied products (fish and crustacean specialities, rums, coconut-based drinks, sauces and syrups) were likely to interest importers. They were faced with SMEs accustomed to exporting – mainly to the United States – and which have mastered the constraints imposed by international trade. They also met companies that complied with quality requirements (the ISO international standard, in particular), were supplied by the best sources, and satisfied hygiene criteria throughout the entire production chain – from initial handling through to final packaging. The experts selected 145 products: fruit juices, alcohol and liqueurs, tropical fruit jams, 'hot' and 'sweet' sauces, spice mixtures – and also bakery products, tinned fish and frozen products.

These specialities were presented in Wiesbaden, in March 1997. Around sixty German professionals from the food sector – importers and distributors of delicatessen products, restaurateurs... – were asked to assess whether or not the products were ready for launching on the German market on the basis of different criteria: quality, specific taste, originality, packaging, labelling (information on the product), price, etc. The objective was to carry out a pre-test so as to present the most appropriate selection at the ANUGA trade fair. The response of the European professionals was very positive. 74 of the products were thought to be particularly interesting and already perfectly suitable for the market. The other 67 simply needed changes to labelling (composition according to Community directives, language, etc.) and packaging (recyclable material, such as cardboard and glass). Certain prices also had to be reviewed.

An image strategy

In July, two workshops were held in Jamaica and Trinidad to fine-tune, together with the SMEs selected, the preparations for their participation in the ANUGA 97 trade fair. A range of Caribbean products was presented at the trade fair in a single room on a stand which also had an area set aside for tasting. There people could taste BON Agroindustrial's ice creams, jams and fruit juices, CARIBEX Dominicana's juices and nectars, ILGUIFLOD Industrias Empacadoras Dominicanas' coconut-based specialities, LICOCO 's coconut liqueur, and ANGOSTURA's rums.

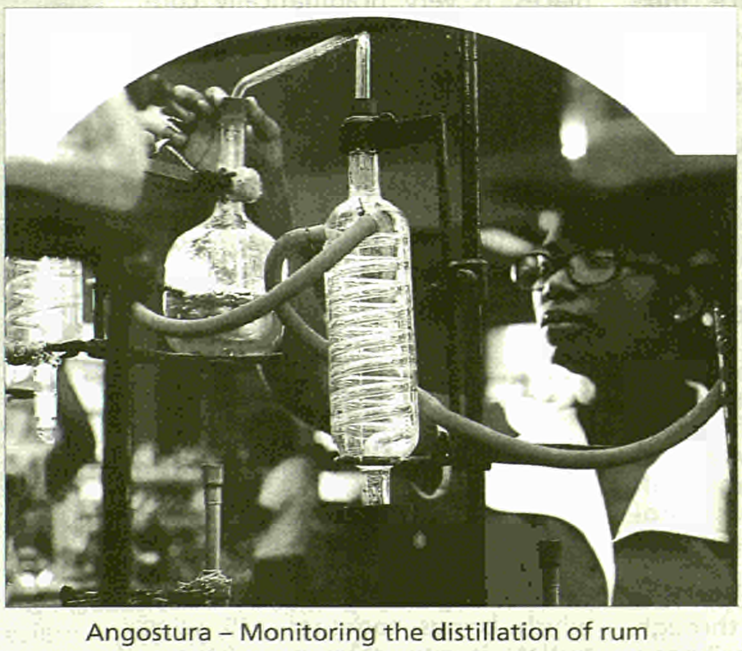
'I think that the Caribbean industrialists do not simply see their participation in ANUGA as an opportunity to develop their exports to Europe', points out a CDI expert involved in the initiative. 'Over and above commercial criteria, if you think in terms of image, they certainly appreciate the fact that their products meet with the satisfaction of a continent reputed for the importance it gives to culinary pleasures and quality.'

CDI contacts: Paul Chotard – Orlando Pérez Diaz

The Caribbean of many flavours

Jamaica

With a population of 2.5 million, Jamaica is one of the largest Caribbean exporters of food products, exporting mainly to the United States and Canada. Jamaica has successful industries, a tested marketing technique and many companies active in the food and drinks sector. Sugar cane, fruit and coffee are its main agricultural resources. Tourism is one of the island's main economic assets.



Angostura – Monitoring the distillation of rum

Trinidad & Tobago

Trinidad & Tobago, the most industrially advanced country in the Caribbean, owes its development to the petrol resources that have been extracted since the sixties. The limited domestic market (1.5 million inhabitants) means significant exports to other countries in the Caribbean, the United States and Canada. The agro-food sector – of high quality and very dynamic – is based on different crops – sugar, cocoa, coffee, lemons and bananas.

Dominican Republic

One of the most highly populated countries in the region, with a population of 8 million, the Dominican Republic has a large number of SMEs many of which already have solid experience of exporting to Europe, to Germany in particular. The island's speciality is based on processing coconut (ice cream, liqueurs, coconut milk and cream).

Barbados, Grenada and Belize

These countries, all with a highly developed tourism sector, each have their own specific features. With a wealth of sugar cane, Barbados produces rum and has a large fishing industry. Grenada, whose predominant crop is nutmeg, is called 'the spice island' and has a number of agro-food SMEs (rum, jams, sauces...) Belize, focusing mainly on 'ecological' tourism, has a wealth of crustaceans and has made the manufacture of jams and exotic and spiced sauces its speciality.

IN BRIEF

African breeders at Utrecht International Trade Fair

Around a dozen entrepreneurs from Western and Central Africa specialising in poultry farming will attend the *International Trade Fair on Intensive Animal Production* taking place in Utrecht from 18 to 21 November. The visit, organised with CDI support, will enable them to become familiar with the latest technological developments in the sector, establish business contacts, and visit a number of Dutch companies. The initiative is organised in cooperation with IPC Livestock International Barneveld College, a Dutch agronomic educational institute. The IPC is, in particular, organising further training in poultry farming and in small-scale breeding, dealing with the various facets of the profession (genetics, growth and husbandry, marketing, economics and management).

CDI contact: Chérif Touré

Honours for Ivoirienne de Géobéton

At the 2nd *National Day of Excellence*, the President of Côte d'Ivoire, His Excellency Henri Konan Bédié, awarded the prize of best 'Promoter of Self-Employment' to Mr Assale Adou, head of Ivoirienne de Géobéton (IGB), an SME specialising in the manufacture of compressed earth blocks. The company, which started modestly, modernised its equipment and hired around fifteen people in 1996. Thanks to CDI support, the employees have followed different training programmes (preparation of raw materials, production and mounting of blocks). This strategy of investment in material and human resources means that today IGB is able to meet significant public demand for the construction of publicly-funded housing, dispensaries and schools in different parts of the country.

Spain, Portugal and ACP countries

A series of meetings held in September demonstrates the links between Mediterranean Europe and ACP countries. With 60% of Spanish investment abroad channelled to developing countries, ICEX (Instituto Español de Comercio Exterior) and COFIDES (Compañia Española de Financiacion del Desarrollo) organised two meetings – one in Barcelona and another in Madrid – for Spanish industrialists and investors. The objective was to inform them of the different bodies providing cooperation and support to companies – European and national – likely to back projects in these countries. Mr Matos Rosa, Deputy Director of the CDI, attended the two meetings, to which representatives of the European Investment Bank, ECIP (European Community Investment Partners) and the Community PHARE-TACIS programme were also invited.

On 25 September 1997, in Brussels, on the initiative of the Associacão Industrial Portuguesa, a working meeting brought together the CDI and a joint delegation of around forty industrialists and economic chiefs from Portugal and five African Portuguese-speaking countries (Angola, Cape Verde, Guinea Bissau, Mozambique, Sao Tomé & Principe). Delegates were welcomed to the CDI by Mr Matos Rosa.

Industrial partnership meeting on concrete components

For some years, the growth of the building industry in the CEDEAO (Communauté Economique des Etats de l'Afrique de l'Ouest) area has boosted demand for light concrete components, which are particularly economic and well adapted to these regions. The CDI, which has supported African companies in this sub-sector for several years, is organising an Industrial Partnership Meeting in Abidjan, from 11 to 14 November 1997. Heads of around thirty West African companies with specific projects, and an equivalent number of European companies specialising in this area and interested in the transfer of technology and know-how, have been invited by the Centre. Much of the four days will be set aside for discussions and negotiations between potential partners. Company visits (cement manufacturing, gravel, concrete components) will be organised. Three topics will be discussed in the workshops: the market and investment prospects; trends in the sector (products, technologies, qualifications, standards, etc.); mounting projects, particularly financial packages.

CDI contacts: Sid Boubekeur – Alioune Ndiaye

Natural stone: Italy-Namibia

At the International Trade Fair in Verona on natural stone, which took place from 25 to 29 September 1997, the CDI and the Italian Institute for Foreign Trade (ICE) organised a workshop on the ornamental stone sector in Namibia. The two institutions had already cooperated on the organisation of the Industrial Partnership Meeting on natural stone that took place in Ethiopia and Eritrea in March 1997 (see Courier n° 164 p. 100). The encouraging results of this initiative prompted them to organise a similar meeting in Namibia, at the beginning of 1998. Around a dozen Italian entrepreneurs (mining companies, heads of processing and marketing companies...) should visit Namibia in order to implement technical, financial or commercial partnerships with companies in the stone sector.

CDI contacts: Paolo Baldan – Sid Boubekeur

African meats at ANUGA

Eight meat exporters (beef and ostrich meat) from Southern and Eastern Africa attended the International ANUGA Trade Fair held in Cologne (Germany) from 11 to 16 October 1997. The visit, which received the Centre's support, enabled them to upgrade the image of African meat products at this important food industry trade fair.

CDI contact: Chérif Touré

CDI publications

Rose farming in Southern Africa

As part of its CDI Dossiers collection, which summarises the ACP-EU Industrial Partnership Meetings organised by the Centre – and was launched with a first publication on lake fishing in Uganda – the CDI is currently producing Rose farming in Southern Africa. The dossier summarises the meeting held in Nairobi (Kenya) in November 1996. The initiative was in response to two developments. Firstly, that of a European market increasingly geared towards imports and where new distribution networks are emerging, and that of an increasingly skilled and dynamic African horticultural sector.

The publication presents the prospects and challenges resulting from this situation, which were discussed at length during this meeting between African producers and European importers and distributors. The dossier is intended to be pragmatic and presents an overall view of the flower market in Europe and Africa, reviews the possibilities for upgrading and diversifying African horticulture, and takes a specific look at the financing problems faced by entrepreneurs in the sector.

The conclusions and recommendations made by the industrialists who attended the Nairobi meeting can be found in the guide, together with a complete list of participants which provides a 'mini-guide' to the African horticultural sector.

CDI contacts: Patrick Keene – Paul Chotard

How to benefit from CDI facilities

This new manual provides a detailed description of eligibility conditions and the procedure for submitting a request for assistance under each of the facilities granted by the CDI (identification of projects and partners, preparation, financial package, start-up and development of projects).

CDI contacts: Patrick Keene – Jean-Marie Delchambre.

Integrating the ACPs into the information society

To help the ACP states join the 'information society', the Commission proposes to extend applications of new information techniques to cover social services and economic issues. This is foreseen in the Lomé Convention provisions governing cooperation in the field of information and communication. At a political level, ACP governments should be made aware of the problems involved in networking and in the area of new information technologies, as well as of the need to set up a regulatory framework to promote their development.

These, at any rate, were the conclusions to be drawn by the ACP states from the Commission's Communication to the Council, Parliament, Economic and Social Committee and the Committee of the Regions on the subject of the information society and development.

The Communication comes in the wake of the Midrand Conference held in May 1996. It gives an overview of the current situation and proposes concrete actions to be taken by both developing countries and the Community.

The Communication states that the principal challenges facing the developing countries relate not just to infrastructure and telecommunications, but also to information techniques (PCs, servers, etc.), the establishment of a regulatory framework, liberalisation of telecom services, and the training and development of human resources in the fields of telecoms and computers.

As regards Community action, the Communication notes that the Commission, European Investment Bank and Member States have already made significant efforts in this field. Both the Community and the developing countries are now aware of the need to integrate the latter into the global information society.

To achieve this integration, the Commission's Communication does not propose new financing. Instead, it suggests breathing new life into the 'information-society' dimension already included in existing programmes. Eight modes of action are recommended:

– an awareness campaign and further dialogue at international level and within the developing countries themselves;

– support for the establishment of an appropriate regulatory framework;

– the use of existing financial instruments, which are managed by the Commission and the EIB in coordination with other donors;

– action aimed at encouraging regions to adopt common standards, thereby facilitating the interconnection of networks and services;

– pilot projects to demonstrate the benefits to be gained by applying new information techniques and to test their feasibility and cultural acceptance;

– an examination of information and communication technologies in industrial development;

– the training and development of human resources;

– participation by the developing countries in Community research and development programmes and, specifically, their inclusion in research networks.

When they are actually implemented, the actions in question must, however, be adapted to suit each major region individually. Accordingly, the Commission proposes to give priority to two types of action in the case of the ACP states, given that they already have a regulatory framework in the Lomé Convention provisions on information and communication. The Commission's proposals are as follows:

– pilot applications in the field of social services and economics;

– the stepping-up of ACP government-targeted awareness campaigns to promote the concept of new information and communication technologies by providing support for users and by setting up new agencies to promote these techniques.

Mark Leysen

4000 questionnaires

Two years ago, we put a questionnaire in the The Courier to ask our readers what they thought of the magazine.

The bulk of replies, as one would expect, were sent back within the following six months, but ever since then, we have been receiving a regular trickle of completed forms from people who have since come across the relevant issue.

On 18 September, we received our 4000th questionnaire – from Obaya Mouhyedine of the Comores.

The table gives a breakdown by region of those who responded.

Readers in 139 countries sent back forms and the response rate was significantly higher than would normally be expected with surveys of this kind.

We don't have any plans at present for another questionnaire, but are always interested in hearing your views – both about The Courier itself and about the issues we cover. Feel free to drop us a line.

Questionnaire responses

Nationality	
EU	1509
ACP	1990
– Africa (1872)	
– Caribbean/Pacific	(118)
Other	240
Information not provided	261
Total	**4000**

Growth targets on schedule

The least-developed countries (LDCs) receive a 'satisfactory' economic progress mark in the 1997 report from UNCTAD (United Nations Conference on Trade and Development) covering the 48 poorest countries. The report considers the issue of globalisation but also looks closely at the economic and social situation, the agricultural sector and primary products, the role of the state, and the impact of conflict on economic decline.

Chapter 1 analyses the economic and social situation in various groups of LDCs and reports that relatively vigorous growth has led to a rise in the real value of manufactured output and *per capita* income. Taking the figures as a whole, the differences between the African and Asian LDCs are small, but significant variations can be identified if one looks at individual countries. Thus, for example, the gap between the highest and lowest GNP growth rates is more than 20%. For the first time in many years, the prospects for Africa's least-developed countries appear brighter. Although in 1996, growth in the LDC group as a whole was lower than in the previous year, the African countries recorded a bigger increase, continuing a trend which began in 1994: 19 LDCs in Africa achieved GNP growth above 4% and 10 others topped the 5% mark. This trend looks set to continue, if the predictions of *Lev Komlev*, a top-ranking UNCTAD economics expert, are to be believed. He maintains that poverty alleviation now seems genuinely to be on the cards. For the LDCs in the CFA franc zone, it is reported that devaluation was a godsend. In 1996, positive growth was reported in nine countries in the zone. There was, notably, an increase in cotton production. This is a key export crop of a number of the states in question.

The second part of the UNCTAD report deals with agriculture in the LDCs. The authors point out that these countries have a tendency to neglect their farming sectors despite the significant contribution it can make to overall GNP. The report recommends that, in their global growth strategies, the LDCs give priority to agriculture so as to guarantee food supplies and a basic income for their people. According to the authors, a dynamic farm sector will promote wider and more equitable development. They point out that, in the early 1990s, agriculture generated almost a third of the GNP of the LDCs taken together, and provided jobs for two thirds of the workforce. The sector's performance, however, has not kept pace with population increases.

According to UNCTAD's *Robert Sevenier*, there are at least four good reasons why agricultural should have priority. First, higher growth will lead to increased incomes for rural populations, helping to reduce poverty and improve the quality of life. Second, rising incomes in rural areas will bring about an expansion of domestic markets. Third, in order to maintain current food consumption levels, agricultural expansion and food imports must keep up with demographic trends. Finally, a dynamic farm sector would provide the impetus for 'industrialisation' in agri-foodstuffs, with the potential to generate employment in both urban and rural areas.

To overcome stagnation in agriculture in the LDCs, the report suggests a break with traditional production structures and current rudimentary technology by restructuring the land-ownership system – which impedes access to the land. To deal with the effects of the World Trade Organisation (WTO) agreements on the liberalisation of trade in agricultural products, it advises LDCs to exploit the possibilities of vertical diversification in the production of processed agricultural foodstuffs. By offering genuine opportunities to develop home-grown capabilities, such diversification is much more profitable than the export of agricultural raw materials under the special clause of the Uruguay Round's agriculture agreement. This provides a number of concessions in favour of agriculture in the LDCs.

The third part of the document looks at the nature and scope of the difficulties facing LDCs as a result of the decline suffered in the 1980s and early 1990s. It cites government weaknesses and failures to act, and the consequences of these for the LDCs themselves, their regional partners and the international community. It highlights the need to tackle the effects of the decline which can be seen in the deterioration of a whole range of economic and social indicators (including *per capita* production, food availability, access to education, health levels, mortality levels and displacements caused by conflict). By way of example, between 1980 and 1994, 22% of LDCs saw their GDP drop by more than 10% in real terms and no fewer than 12 countries suffered a GDP fall of more than 20%. Today, many LDCs find themselves on the fringes of the world economy and are outside the major trade and investment streams.

In addition, for some countries, the amount of international aid on offer has gone down whilst inward investment has been discouraged by political instability, the lack of security and degradation of physical infrastructures. There are three possible reasons for this:

– *governments' weakness and failure to act* (the authorities' diminishing capability to fulfil basic functions such as the maintenance of law and order and the provision of fundamental administrative structures);

– *complex urgent situations* (giving rise to humanitarian crises caused by external or internal conflict); and,

– *regression* (the marked deterioration of one or more significant economic or social indicators, such as *per capita* income or infant mortality).

To conclude, the report calls on the international community to provide urgent aid to the LDCs, to help them solve their problems of socio-economic decline, government weakness and inactivity, and internal conflict.

M.F

Learning more about the law

Lawyers, government officials and businesspeople in Uganda have a new opportunity to brush up on their legal skills thanks to a scheme supported by the World Bank. The African Law and Development Initiative – run by the Washington-based International Law Institute under the aegis of Uganda's Justice Ministry – has been designed to offer a series of two-to-four week courses (in English) on practical legal issues. These will held at a training centre established in Kampala, with teaching staff drawn from the United States, Africa and elsewhere. The main focus will initially be on attracting Ugandan participants but applications from elsewhere – particularly English-speaking Africa – will also be welcomed.

For more information, contact:

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International Law Institute –
Kampala Training Centre,
Nile International Conference
Centre – Suite 328,
Kampala, Uganda.

Tel (256-41) 347 523
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e-mail: ili@starcom.co.uga

Fast track to mining in Africa

The first EU-West and Central African Mining Forum (MINES '98) will be held in Accra from March 30 to April 2, 1998. The European Commission and the Economic Community of West African States (ECOWAS) are sponsoring the event with the support of the Centre for the Development of Industry (CDI) and UDEAC.

The improving mining law and investment climate in the region has encouraged the sponsors to organise the event in which selected EU and 'Third Country' companies involved in exploration, extraction and mineral processing will be invited to participate. On the African side, more than 100 promoters of exploration and mining projects will be invited.

MINES '98 is a unique event offering participants the chance to update their knowledge of the mining sector and project opportunities in West and Central African countries. This will be achieved by a series of one-to-one private meetings to discuss the pre-identified projects, supported by practical workshops and country presentations.

The mineral potential of the region is unquestionably good and it is now actively trying to attract foreign investors. Despite the giant strides taken in development over the last decade, however, investment in exploration and mining in West and Central Africa still lags behind that of other developing regions. Much still needs to be done and under the changing circumstances, it can now be achieved.

Further information may be obtained from:

Metra Sofres Ltd.
tel: +44-181-688-5535
fax: +44-181-688-4005
(for the UK, Ireland and third countries)

AGORA' 2000
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G.F.E. GmbH
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fax: +49-241-15 56 46
(for Northern Europe)

Operational summary

n° 99 - November 1997

(position as at 20 October 1997)

ec-acp

European Development Fund schemes

The following information is aimed at showing the state of progress of schemes funded by the European Community under the EDF (Lomé Convention).

Geographical breakdown

The summary is divided into three groups

- Africa, Caribbean and Pacific (ACP) country projects.
- Overseas Countries and Territories (OCT) projects.
- Regional projects

The information within each of these groups is given by recipient country (in alphabetical order).

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, equipment supplies, technical assistance etc.)
- Any methods of implementation for example, international invitations to tender).
- The stage the project has reached (identification, appraisal, submission for financing, financing decision, ready for implementation)

Note: Participation in EDF schemes is strictly confined to ACP or EU firms.

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
T.A.: Technical Assistance
EDF: European Development Fund
(e.g. EDF 7 = 7th European development Fund)
mECU: million European currency units

Blue Pages on the INTERNET

Enter the DG VIII Home Page

http://europa.eu.int/en/comm/dg08/dgviii.htm

Choose the option

Projects for tender

Correspondence about this operational summary can be sent directly to:

Mr Franco Cupini,
Directorate-General for Development
European Commission
G12 4-14, 200, rue de la Loi
B-1049 Brussels

Please cover only one subject at a time.

SECTOR CODE DESCRIPTION

AAz Planning and public administration
AAa Administrative buildings
AAb Economic planning and policy
AAc Assistance to the normal operations of government not falling under a different category
AAd Police and fire protection
AAe Collection and publication of statistics of all kinds, information and documentation
AAf Economic surveys, pre-investment studies
AAg Cartography, mapping, aerial photography
AAi Demography and manpower studies

ABz Development of public utilities
ABa Power production and distribution
ABai Electricity
ABb Water supply
ABc Communications
ABd Transport and navigation
ABe Meteorology
ABf Peaceful uses of atomic energy (non-power)

ACz Agriculture, fishing and forestry
ACa Agriculture production
ACb Service to agriculture
ACc Forestry
ACd Fishing and hunting
ACe Conservation and extension
ACf Agriculture storage
ACg Agriculture construction
ACh Home economics and nutrition
ACi Land and soil surveys

ADz Industry, mining and construction
ADa Extractive industries
ADai Petroleum and natural gas
ADb Manufacturing
ADc Engineering and construction
ADd Cottage industry and handicraft
ADe Productivity, including management, automation, accountancy, business, finance and investment
ADf Non-agricultural storage and warehousing
ADg Research in industry technology

AEz Trade, banking, tourism and other services
AEa Agriculture development banks
AEb Industrial development banks
AEc Tourism, hotels and other tourist facilities
AEd Export promotion
AEe Trade, commerce and distribution
AEf Co-operatives (except agriculture and housing)
AEg Publishing, journalism, cinema, photography
AEh Other insurance and banking
AEi Archaeological conservation, game reserves

AFz Education
AFa Primary and secondary education
AFb University and higher technical institutes
AFbi Medical
AFc Teacher training
AFci Agriculture training
AFd Vocational and technical training
AFe Educational administration
AFf Pure or general research
AFg Scientific documentation
AFh Research in the field of education or training
AFi Subsidiary services
AFj Colloquia, seminars, lectures, etc.

AGz Health
AGa Hospitals and clinics
AGb Maternal and child care
AGc Family planning and population-related research
AGd Other medical and dental services
AGe Public health administration
AGf Medical insurance programmes

AHz Social infrastructure and social welfare
AHa Housing, urban and rural
AHb Community development and facilities
AHc Environmental sanitation
AHd Labour
AHe Social welfare, social security and other social schemes
AHf Environmental protection
AHg Flood control
AHh Land settlement
AHi Cultural activities

AIz Multisector
AIa River development
AIb Regional development projects

AJz Unspecified

ACP STATES

ANGOLA

Rehabilitation of theTchivinguiro Institute. 8.24 mECU. Project in execution. EDF 7.

EDF ANG 7014 - AFb

Reconstruction support programme. 55 mECU. Relaunch of economic and social activities. Improvement of basic social services and living conditions, poverty alleviation, increase of production and of basic communication possibilities, amelioration of basic infrastructures, participation in mine-clearing operations, support for demobilisation. Project in execution. EDF 7.

EDF ANG 6036/001 - AGz, AHz.

Rehabilitation in rural areas of Huambo province. 3 mECU. To repair health and education infrastructure and help to get farming and other productive activities up and running again. Projects managed by Save the Children Fund (UK), Oikos (P), Concern (Ireland) and Halstrust (UK) for mine clearance operations. Project in execution. EDF 7.

EDF ANG 7255/012 - ACz

Support for training of lawyers and academics in the Law Faculty of Agostinho Neto University (FDUAN). 0.800 mECU. Training, supply of equipment. Project in execution.

EDF ANG 7018/000 - AFb

BELIZE

Improvement of Hummingbird Highway (2nd segment - Sibun River Bridge to Belmopan). *Resp. Auth.: Govt. of Belize. Estimated cost 13.7 mECU. Construction, T.A., studies. Project on appraisal. EDF 8.*

EDF BEL 6001/002 - ABd

Specific assistance for the banana industry. *Two tenders for equipment (nos. 4270 and 4271 to be launched at end of October. Opening of bids for no. 4270 (supply of ten lots of packaging equipement) and for no. 4271 (supply of two lots of equipment for handling and road transport) 23.1.98 at 10.30 local time.*

Financed from budget CE B7-5023/95.

BENIN

Improvement works on the Sémé-Porto Nova road. (12.711 km). Resp. Auth.: Ministère des Travaux Publics et des Transports. 20 mECU. Infrastructure works and installation of road signing. Work supervision by KFW (D). Works by int. tender. Project on appraisal. EDF 7.

EDF REG 7132 - ABd

Support programme for structural adjustment (PAS - 1997/99). *Resp. Auth.: Ministre des Finances. 27,5 mECU. Strengthen the country's macro-economic policy. Financing date October 97. EDF 7.*

EDF BEN 7200/003 - AAc

BOTSWANA

Sysmin - support to base metal industry (Copper-Nickel-Cobalt). Resp. Auth.: BCL Ltd., 33.7mECU. To deepen the shaft of the Selebi-North mine, to reach a new ore-body, equipping it and carrying out new prospective drilling to identify new ore-bodies. Works, supplies and T.A. Project in execution. EDF 7.

EDF SYSMIN BT 9999/001 - ADa

Botswana Tourism Development Programme (Foundation phase). Resp. Auth. : Department of Tourism (DoT) of Commerce and Industry. 1.91 mECU. Short- and long-term T.A. Project in execution. EDF 7.

EDF BT 5019/001 - AEc

Trade Development Programme (Phase I). Resp. Auth.: Department of Trade and Investment Promotion. Estimated cost 1.700 mECU. To support trade diversification and export promotion. T.A. Project on appraisal. EDF 7.

EDF BT 7008 - AEe

Vocational training programme, Francistown. *Resp. Auth.: Ministry of Education. Estimated cost 17 mECU. Vocational Teacher Training College and Vocational Training Centre (VTTC/VTC). Construction, supplies of equipment, T.A., works, feasibility study. Project on appraisal. EDF 8.*

EDF BT 7004/001 - AFd

BURKINA FASO

Support project for the reform of the pharmaceutical sector.

Resp. Auth.: Ministère de la Santé - Direction des Services Pharmaceutiques (DSPh) and CAMEG 1.6 mECU. Line of credit, works, equipment and T.A. Project in execution. EDF 7.

EDF BK 7017 - AGc

SYSMIN - Rehabilitation of the Poura mine. Resp. Auth.: I.G.R.International Gold Resources Corporation. 11 mECU. Works by direct agreement. Supplies and T.A. Project in execution. EDF 7.

EDF SYSMIN BK 9999 - ADa

Ouagadougou dam classified forest development. Resp. Auth.: Ministère de l'Environnement et de l'Eau. Estimated total cost 1.200 mECU. EDF part 0.300 mECU. Cofinancing with CFD (F), The Netherlands (possible). Project on appraisal. EDF 7.

EDF BK 7023 - AHf

Support for decentralisation. Resp. Auth.: Ministère Administration Territoriale et Sécurité. Estimated total cost 2 mECU. Works, supplies, T.A., training. Project on appraisal. EDF 7.

EDF BK 7024 - AAb

Support for the structural adjustment programme 1996-1997. General import programme. EDF *6.4 mECU*. T.A. foreseen. Project in execution. EDF 7.

EDF BK 7200/004 - AAc

Support for the judicial system. Estimated total cost 1 mECU. Training of magistrates and improvement of judicial services. *Project on appraisal.* EDF 7

EDF BK 7027 - AAz

Support for rural development. Estimated total cost 23 mECU. Financing of action for rice-growing, for support action, financing the rural environment and for information about markets. T.A, works and supplies. Project on appraisal. EDF 8

EDF BK 7032/000 - ACa.

Periodical maintenance of asphalt roads (594 km). Resp. Auth.: Ministère des Infrastructures, de l'Habitat et de L'Urbanisme. Estimated total cost 37 mECU. T.A., Works. Project on appraisal. EDF - 8

EDF BK 6017/002 - ABd.

CAMEROON

Lagdo fishing project. Resp. Auth.: MINEPIA. Estimated cost 3.500 mECU. Preservation and improvement of the social-economic situation around Lake Lagdo. *Project on appraisal.* EDF 7.

EDF CM 6002/002 - ACa

Regional economic integration programme in Central Africa - regional infrastructures. 98 mECU. Building of the Bertoua-Geroua Bulai road. Works and management of the works. Works will be launched in 3 international tenders. For the management of the works, a preselection will be launched. Project in execution. EDF 6,7 and 8.

EDF CM 7002/001 - ABd.

Rural development project in the Lagone and Chari regions. *Food supply security. Combatting poverty. Estimated cost 9 mECU. Construction, T.A., studies, supplies, training. Project on appraisal. EDF 8.*

EDF CM 5004/002 - ACh

Programme of road maintenance (PERFED II). *Resp. Auth.: MINTP. Estimated cost 55 mECU. Construction, T.A., studies. Project on appraisal. EDF 8.*

EDF CM 6031/002 - ABd

CAPE VERDE

Maio island rural electrification. Estimated total cost 1.945 mECU. Improvement of living conditions. Supply of electricity, Works, supplies and T.A. Project in execution. EDF 7.

EDF CV 7009/000 - ABa,i

Santo Antao water supply and sanitation. Resp. Auth.: Ministry of Economic Coordination. 1.4 mECU. Works, T.A. Project in execution. EDF 7.

EDF CV 7011 - ABb

CHAD

Relaunch of the fishing sector. Estimated cost 2.500 mECU. Sectoral study: shortlist done. Project on appraisal. EDF 7.

EDF CD 7011 - ACa

River Chari embankment protection. Estimated total cost 5 mECU. To improve living conditions in N'Djamena. Project on appraisal. EDF 7.

EDF CD 5027 - AHf,g

Support for the electoral process. Resp. Auth.: UNDP(PNUD). Estimated totalcost 0.500 mECU. Project on appraisal. EDF 6.

EDF CD 7015 - AAc

Eré-Kélo road improvement. Resp. Auth.: Ministère des T.P., des Transports et de l'Habitat. 13.500 mECU. Works and supervision. Project on appraisal. EDF 6 and 7.

EDF CD 7012 - ABd

Restoration of bridges that fall within the framework of the Second Transport Sectoral Programme. Resp. Auth.: MINTP Chad. Estimated total cost 4 mECU. Urgent work to be carried out to restore 15 bridges under the Transport Sectoral Programme. Works, T.A. Project in execution. EDF 7.

EDF CD 6001 - ABd

Support for structural adjustment. 10.2 mECU. Project in execution. EDF 7.

EDF CD 7200/001 - AAc

Support for Health Programme in Mayo Kebbi 1.980 mECU T.A. Training of doctors, medical supplies. Project in execution. EDF 7.

COMOROS

Sea-access to Moheli island. Resp. Auth.: Ministère de l'Equipement - Direction Générale des Travaux Publics. 3.250 mECU. Works, by int.tender.T.A.for further investigations, tender dossier and works supervision. Project on appraisal. EDF 7.

EDF COM 6006/7003 - ABd

CONGO (REPUBLIC)

Support programme for the visual arts. 1 mECU. Global development in the visual arts sector. *Project suspended.* EDF 7.

EDF COB 7010 - AEz

CONGO (DEMOCRATIC REPUBLIC)

Rehabilitation Support Programme. Resp. Auth.: Coordination and Management Unit. Estimated total cost EDF 84 mECU. and an indicative amount of 6 mECU from the Commission's budget under heading B7-5076 'Rehabilitation and reconstruction measures for developing countries'. Regions selected: Kinshasa's economic hinterland, the Greater Kivu and the two provinces of Kagai. Rehabilitation and maintenance of roads and farm access roads. Support for production and marketing, support for basic social infrastructure. T.A. and evaluation. *Project suspended.* EDF 6 & 7.

EDF ZR 6033 - AAc

Support programme for the resinsertion of displaced persons in Kasai province (PARK). 2 mECU. The programme will be implemented by Caritas (Nl), Oxfam (UK), Nuova Frontiera (I), Gret (F), and Raoul Follereau (F). *Project in execution.* EDF 7.

EDF ZR 7255/001 - ACa

Strengthening of the provisional health support programme. 45 mECU Rehabilitation of health service structures in Kinshasa, Kasai and Kivu. Support for the health service at the basic and intermediate levels. Reinforcement of basic juridical services. Works, supplies *and T.A. Project in execution.*

Support programme for the preparation of elections. Resp. Auth.: Commission Nationale des Elections (CNE). 30 mECU. T.A., support for democratisation. *Project suspended.* EDF 7.

EDF ZR 6034/00 - AAc

COTE D'IVOIRE

Support for the structural adjustment programme (GIP V). Resp. Auth.: Ministry of Finance. 25.5 mECU. General import programme. T.A. Project in execution. EDF 6 & 7.

EDF IVC 7200/004 - AAc

Electrification of banana production sites. *International tender no. 4249 already launched for the supply, in one lot, of electrical equipment. Opening of bids on 30.12.97 at 09.00 local time.*

Financed from budget CE B7-5023

DJIBOUTI

Support for the structural adjustment programme. General import programme. 4.100 mECU. T.A. foreseen. *Project in execution.* EDF 7.

EDF DI 7200/001 - AAc

DOMINICA

Eco-Tourism Site Development. Resp. Auth.: Ministry of Trade Industry and Tourism (MTIT). Estimated total cost 0.558 mECU. Works, equipment and training. Project on appraisal. EDF 7.

EDF DOM 6002/001 - ACa

Agricultural Diversification Programme. Resp. Auth.: Diversification Implementation Unit. (DIU). 2.25 mECU. Production Credit Scheme. Abattoir Project, Citrus Processing Study, Shipping and Transportation System Project, Quality Assurance, Market Information Service, Export Credit Programme, Monitoring Evaluation, T.A. Works by acc. tender. Project on appraisal. EDF 7.

EDF DOM 7002 - ACa

DOMINICAN REPUBLIC

Support programme to prevent STD/HIV/AIDS. EDF part 1.350 mECU. Training, T.A., supplies, evaluation. Project on appraisal. EDF 7.

EDF DO 7016 - AGz

EQUATORIAL GUINEA

Conservation and rational utilisation of the forest ecosystems. Resp. Auth.: Ministry of Agriculture. 5,070 mECU. Land classification and use master plan, national system of conservation units, forest training and research centres, T.A. and supply of equipment. Project on appraisal. EDF 6.

EDF EG 6001 - ACc, ACe, ACi

ERITREA

Sector study on national water and irrigation potential. Resp. Auth.: Ministry of Energy, Mines and Water resources 4.5 mECU. Assess the various demands for those resources, determine the potential for their sustainable development, present strategies for their development, and lay the foundations for their management. Project in execution. EDF 7.

EDF ERY 7002 - ABb

Upgrading of the Nefasit-Dekemhare-Tera Imni road. Resp. Auth. : Ministry of Construction. Estimated total cost 20 mECU. Road works. Project on appraisal. EDF 7.

EDF ERY 7004 - ABd

Rehabilitation of transmission lines, substations and distribution system in Massawa area. Resp. Auth.: Eritrean Electric Authority. Estimated total cost 10-12 mECU. Works, supplies and T.A. Feasibility study: INYPSA (Sp). Project on appraisal. EDF 7.

EDF ERY 7001 - ABa,i

Livestock Promotion, support for the Improvement of the Sanitary Environment of the National Herd. Estimated cost 1.2 mECU. Equipment, infrastructure, vaccines, training of veterinary services personnel. Project on appraisal. EDF 7.

EDF ERY 7005/000 -AGz, AFd

Short-term assistance programme for reconstruction and restoration. *International tender no 4285 to be published in the supplement to the Official Journal in the first half of November 97. Supply, in a single lot, of ten photovoltaic systems for producing electricity. Opening of bids on 4.2.98 at 10.00 local time.*

ETHIOPIA

Reintegration of displaced Ethiopian nationals from Eritrea. Estimated cost 2 mECU. Works, training, line of credit, T.A. and supply of equipment. *Project in execution.* EDF 7.

EDF ET 7255/001 - AHb,e

Rehabilitation of the Addis Ababa-Jima road, Addis Ababa-Abelti (180 km).

Estimated total cost 35 mECU. Improvement of the road network. Works and supplies. T.A. Feasibility studies and dossiers projects preparation. Project on appraisal. EDF 7.

EDF ET 7005/002 - ABd

Addis Ababa's water supply and sanitation. Resp. Auth.: Addis Ababa Water Supply Authority. AAWSA. Estimated total cost 35 mECU. Works, equipment, T.A.,. Project on appraisal. EDF 7.

EDF ET 5006/002 - ABb

Training programme. Trainers' training, staff, supply of equipment. Estimated cost 6.900 mECU. Project on appraisal. EDF 7.

EDF ET 7016 - AFc

Support programme for the transport *sector (TSSP). Resp. Auth.: Ethiopian Road Authority, 2 mECU. Works, equipment, T.A. Project in execution. EDF 7.*

EDF ET 7005/001 - ABd

Support at the national level for economic training and research capacity. *Resp. Auth.: Department of Economics, Addis Ababa University. 1.05 mECU. T.A. short and long term, purchase of equipment and material, evaluation. Project in execution. EDF 7.*

EDF ET 6101/001 - AFb

Lake fishing development project. *International tender no. 4269 already launched for the supply, in three lots, of pick-up trucks, motorcycles and 15hp outboard motors. Opening of bids on 9.12.97 at 10.30 local time.*

FIJI

Rural Health Infrastructure, Naitasiri. Construction of a new hospital in Vunidawa, construction, modification and upgrading of various health centres and nursing stations. Estimated total cost 4.315 mECU. Study: short-list already done. Project on appraisal. EDF 4, 5, 6 and 7.

EDF FIJ 7007 - AGa

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. EDF 7.

EDF GM 7200/002 - AAc

GHANA

Human resources development programme. Resp. Auth.: Ministry of Local Government and Rural Development. 3.8 mECU. Supply of equipment, T.A., evaluation. Project in execution. EDF 7

EDF GH 7003 - AFz

Western Region Agricultural Development Project. Resp. Auth.: Ministry of Food and Agriculture. 12 mECU. T.A., buildings and training, supply of equipment. Project on appraisal. EDF 7.

EDF GH - ACa

Woodworking Sector Development. Resp. Auth.: Ministry of Lands and Forestry. 4.85 mECU. Training and equipment. *Project in execution.* EDF 7.

EDF GH - ACc

Small towns water supply project. Resp. Auth.: Ghana Water and Sewerage Corporation. Estimated total cost 15 mECU. Construction of water supply systems. Strengthening of institutions responsible for operations and maintenance. Works. T.A. Project on appraisal. EDF 7.

EDF GH 6006 - ABb

Decentralised Cooperation Programme. Resp. Auth.: Ministry of Finance. 1.500 mECU. Equipment, construction, training and current inputs of grassroots programmes. TA for implementation and evaluation. Project in execution. EDF 7.

EDF GH 7008 - AJz

4th Microprojects Programme, *2nd tranche.* Resp. Auth.: Ministry of Finance. *4 mECU. Improvement of health, water and educational facilities. T.A., evaluation and contingencies. Project in execution.* EDF 7.

EDF GH 6102/000 - AHb

Rural electrification programme. Resp. Auth.: Ministry of Mines and Energy. 9.5 mECU. Supply and erection of electirivty lines, supervision, training. Project on appraisal. EDF 7.

EDF GH - Aba,i

GRENADA

Microprojects programme. Resp. Auth.: Ministry 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. EDF 7.

EDF GRD 7102 - ABz

Rehabilitation of the Bellevue-Grenville Section of the Eastern Main Road - Grenville - Mama Cannes section. Resp. Auth.: Ministry of Works. 2 mECU. Works by direct labour, small T.A. and supply of equipment for repairs. Project on appraisal. EDF 7.

EDF GRD 7002/00 - 1ABd

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. EDF 7.

EDF GUI 7008 - AHab

Extension of the Family Plantation Programme in Soguipah. Resp. Auth.: Ministry of Agriculture, Water and Forests. Estimated cost 5.5 mECU. Cultivation of rice fields and rubber plantations and the development of transport infrastructures. Works, supplies, T.A. Project on appraisal. EDF 7.

EDF GUI 6008/001 - ACe, AHe, Ahf

Urban health support project. Estimated cost 1.2 m ECU. T.A., studies Project on appraisal. EDF 7.

EDF GUI 6005/000 - Agz

Road infrastructure programme. International tender no. 4262 for works, in two lots. Construction of the Kouroussa-Kankan road and of a bridge over the Niger. *Opening of bids on 11.12.97 at 10.30 local time.*

Construction of a bridge over the Fatala*. Notification of preselection no. 4273 already published. Opening of bids on 5.11.97 at 11.00 local time.*

Improvement of living conditions in the interior of the country*. International tender no. 4273 already launched for the supply, in one lot, of 26 photovoltaic pump systems.*

Opening of bids on 7.1.98 at 11.30 local time.

GUINEA BISSAU

Bridge construction in Sao Vincente. Resp.Auth.: Ministry of Public Works. Estimated cost 27 mECU. Works and works supervision. Project on appraisal EDF 8.

EDF GUB 7014/000 - ABd

Support for road maintenance*. Estimated cost 8 mECU. Construction, T.A. Project on appraisal. EDF 8.*

EDF GUB 6013/001 - ABd

Institutional support for the road sector. *Resp. Auth.: Ministry of Public Works. Estimated cost 1.950 mECU. T.A. Project in execution. EDF 8.*

EDF GUB 6003/002 - ABd

GUYANA

Rehabilitation of sea defences and shore zone management. *Estimated cost 20 mECU. Construction, T.A. studies. Project on appraisal. EDF 8.*

EDF GUA 6003/004 - ABd

Private sector development support programme. *Estimated cost 1.5 mECU. T.A., feasibility study, training. Project on appraisal. EDF 8.*

EDF GUA 7002/000 - AEd

HAITI

Support for the Structural Adjustment Programme II. 10.800 mECU. Date foreseen for financing December 96. EDF 7.

EDF HA 7200/001 - AAc

Support for the structural programme. Utilisation of satellite imagery for the exploitation of Haitian territory. Resp. Auth.: Ministère de la Planification et de la Coopération Externe (MPCE). Estimated cost 1.8 mECU. Project on appraisal. EDF 7.

EDF HA 7007/000 - AAz

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. EDF 5, 6 and 7.

EDF JM 5020 - ADz, AEz

Institutional strengthening programme. Resp. Auth.: National Water Commission (NWC). Estimated cost 3 mECU. Works, supplies and T.A. Project on appraisal. EDF 7.

EDF JM 7005 - AHa,b,c .

Agricultural sector support programme (ASSAP). Resp. Auth.:

Ministry of Agriculture - Rural and Agriculture Dev. Auth. (RADA). 5m ECU. More sustainable farming systems,soil conservation, reafforestation and Community education. Works, supply of vehicles, equipment, T.A. studies. Project on appraisal. EDF 7.

EDF JM 7004 - ACa

Return and reintegration of qualified nationals II. Estimated cost 0.647 mECU. Supply of technical equipment, training, information and support system. Project on appraisal. EDF 7.

EDF JM 7002/001 - AFe.

Northern coastal highway improvement project. Segment 3 (Ocho Rios - Port Antonio - Fair Prospect - 116 km)*. Resp. Auth.: Government of Jamaica. Estimated cost 80 mECU. Construction, T.A. Project on appraisal. EDF 7, 8*

EDF JM 9999/000 - ABd

Regional project - University of the West Indies*. International tender no. 4268 already launched for supply, in four lots, of electronic equipment for administration.*

Opening of bids on 2.12.97 at 14.30 local time.

Institutional strengthening and road rehabilitation. *International tender no. 4279 already launched for supply, in ten lots, of various equipment.*

Opening of bids on 16.1.98 at 11.05 local time.

KENYA

Farming in tsetse infested areas. Estimated total cost 14.600 mECU. Refine the techniques to trap the tsetse fly and develop better technologies to prevent infections. Monitor the environmental impact of the techniques. Project on appraisal. EDF 7.

EDF KE 7011 - ACa

Family Health Programme. Estimated total cost 28.710 mECU. Reproduction health status of Kenyans family planning services broadened. EDF 14.810 mECU, ODA (UK) 13.900 mECU. Project on appraisal. EDF 6

EDF KE 7015 - AGb

Technical Education. 5 mECU. Raising the level of performance of existing teaching institutions. Project in execution. EDF 7.

EDF KE 6005/001 - AFb

Trade Development Programme. Resp. Auth.: Export Promotion Council and a Special TDP Committee composed of private and public sector members and the European Commission. 4 mECU. Trade Promotion and Marketing Programme, Training, Equipment, T.A. and Monitoring and Evaluation. Project on appraisal. EDF 7.

EDF KE 7008 - AEz

Small scale and informal sector enterprises. Estimated total cost 10 mECU. Development of micro-enterprises and informal sector of the economy. Project in execution. EDF 6 & 7.

EDF KE 7009 - AEe,f

Sultan Hamud-Mtito Road rehabilitation. Estimated total cost 30 mECU. To rehabilitate priority roads and establish sustainable maintenance organisation. Project on appraisal. EDF 7

EDF KE 7010/002 - ABd

Mai-Mahiu/Naivasha Road rehabilitation Estimated total cost 25 mECU. Project on appraisal. EDF 7.

EDF KE 7010/003 - ABd

Community development. Poverty alleviation. Estimated total cost 12.500 mECU. Financial facility aimed at priority activities identified by local communities. Project on appraisal. EDF 7.

EDF KE 7018 - AHb

Support for the establishment of key functions and programmes at the Kenya Institute for Public Policy Research and Analysis (KIPPRA). Resp. Auth.: Ministries of Planning and National Development and Finance and Office of the President. 1.993 mECU. Training, Consulting and T.A. Project on appraisal. EDF 7.

EDF KE 7016/00 - AAb

Establishment of sustainable tourism development. Resp. Auth.: Ministry of Tourism and Wildlife. 1.970 mECU. Advice on and design of a financially self-sustainable Tourism Board. T.A., equipment, training. Project on appraisal. EDF 7.

EDF KE 7014 - AEc

EDF KE 7012 - AAc

Agriculture/livestock research programme. Estimated total cost 8.3 mECU. Project in execution. EDF 6.

EDF KE 6003/001 - ACa

KIRIBATI

Recycling programme in South Tarawa. Resp. Auth. Ministries of Environment & Natural Resources, and of Works & Energy. Estimated total cost 0.495 mECU. Building and equipping a treatment centre for the recycling of machines and abandoned vehicles. Supply of equipment. Project on appraisal. EDF 7.

EDF KI 7008 - AHf

LESOTHO

Urban Water Supply and Sanitation. Resp. Auth.: Water and Sanitation Authority. Estimated total cost 4 mECU. Implementation of urgent water-supply and sanitation systems in the urban and peri-urban areas. Feasibility study and contract document. Preparation for urgent water supply and sanitation intervention. Short-lists to be done. Project on appraisal. EDF 7.

EDF LSO 7002 - ABb, AHa

Fourth Structural Adjustment Programme (SASP 4). General Import Programme. Resp. Auth.: Central Bank of Lesotho. 8.6 mECU.Project in execution. EDF 7.

EDF LSO 7200/003 - AAc

Transport infrastructure programme, phase I. *18 mECU. Construction, supplies, T.A., studies, training. Project in execution. EDF 8.*

EDF LSO 6016/001 - ABd

Transport infrastructure - axle load control. *Resp. Auth.: Ministry of Works. 0.850 mECU. Construction, evaluation. T.A., equipment - restricted tender. Project in execution. EDF 7.*

EDF LSO 6016/000 - ABd.

LIBERIA

Support for the electoral process. Resp. Auth.: Govt. of Liberia. T.A and financial assistance for organisation of the election. 1.9 mECU. *Project in execution. EDF 7*

FED LBR 7001/001 - AAc

MADAGASCAR

Road infrastructure rehabilitation. Resp. Auth. Ministère des Travaux Publics. 72.500 mECU. Rehabilitation works, supervision. Project in execution. EDF 6 & 7.

EDF MAG 7004 - ABd

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. EDF 6 & 7.

EDF MAG 7009 - ABd

First decentralised cooperation programme. Resp. Auth.: National Authorising officer and Head of EU Delegation and authorized NGOs. 1.900 mECU. Works Purchase of equipment by direct agreement, restr. tender or int. tender. *Project in execution* EDF 7

EDF MAG 7022/000 - AGz, AHz

Support-training for rural development. Resp. Auth.: Ministère du developpement rural et de la réforme foncière. 1.200 mECU. Developing the farmer's organisations role. Training, supplies and technical cooperation. Project on appraisal. EDF 7.

EDF MAG 7029/000 - ACb

Decentralised training programme for regional private tourism operators. Resp. Auth.: Ministère du Tourisme. 1.910 mECU. T.A. training, evaluation. Project on appraisal. EDF 1, 2, 3 and 4.

EDF MAG 6039 - AEc

Professional organisation of rural sector and agricultural loans. Resp. Auth.: Ministère de l'Agriculture et du Dév. Rural. 1.910 mECU. T.A., training, evaluation. Works, supplies, T.A. and services. Project in execution. EDF 7.

EDF MAG 7003 - ACa

Support for Training Programme (FORMFED) Phase II. Resp. Auth.: Ministry of Finance. 0.900 mECU. T.A., equipment. Project in execution. EDF 7.

EDF MAG 7028 - AFd

Support for the Structural Adjustment programme 1997-98. 27 mECU. General Import Programme. Project in execution.

EDF MAG 7200 - AAc

Improvement of the income of the coastal population in the South-Western region. Resp. Auth.: Ministère de l'Agriculture et du Développment Rural. Estimated cost 0.613 mECU. Increasing seaweed production. Recruitment, shipbuilding, T.A, equipment and training. Project on appraisal.

EDF 6.

EDF MAG/7024/001 - ACd, AHd

Priority Health Action Programme. Support for a national health service to alleviate poverty. Resp. Auth.: Ministry of Health. *1.95 mECU.* EDF 6.

EDF MAG 6041/000 - AGe

Priority health project. Support for a national health service to alleviate poverty. Resp. Auth.: Ministry of Health. Estimated cost 15 mECU. EDF 8.

EDF MAG 6041/001 - AGe

MALAWI

Soil Conservation and rural production. Resp. Auth.: MOALD. 23 mECU. EDF 15.500 mECU, local 1.3 mECU, counterpart funds 5.7 mECU. Water supply, sanitation, supply of fertilizers, T.A. and training. Project in execution. EDF 7.

EDF MAI 5001/002 - ACa

Information, education and communication population programme. Resp. Auth.: NAO -Ministry for Women and Children's Affairs, Community and Social Services - Ministry of Information and Broadcasting. Estimated total cost 4 mECU. Increase awareness and promote behaviour change as regards reproductive health, including disease prevention. Supply of equipment and T.A. Project on appraisal. EDF 7.

EDF MAI 6009/001 - AGb,c

Support to the Forestry Department. Resp. Auth.: Ministry of Natural Resources. Estimated total cost 4 mECU. T.A. and supply of equipment. Project in execution. EDF 7

EDF MAI 5001/003 - ACa

Health Programme. Strengthening Health Ministry capacities in the framework of planning, decentralisation and equipment maintenance. Training, infrastructures, equipments and T.A. Estimated total cost 20 mECU. Project in execution. EDF 7.

EDF MAI 6009/002 - AGe

2nd Lomé IV Micro-project Programme. Improvement of infrastructures in the farmer framework with the EC participation. Building, school's rehabilitation, health centres, water points. Estimated total cost 6 mECU. Project on appraisal. EDF 7.

EDF MAI 7012/038 - AGz, AHz, ABb

Customary Land Utilisation Study. 1 mECU. Studies. T.A. survey. Project on appraisal. EDF 7.

EDF MAI 6029 - AAg

Karonga-Chilumba-Chiweta Road. Resp. Auth. : Ministry of Works and Supplies. Estimated total cost 25.2 mECU. Construction, supervision of works, training of technical staff. Project on appraisal. EDF 8.

EDF MAI 6022 - ABd

Physical assets management in the health sector. *Resp. Auth.: Ministry of Works and Supplies. Estimated total cost 4 mECU. Construction, supervision of works, training of technical staff. Project on appraisal. EDF 7.*

EDF MAI 7018/000 - AGe

Rehabilitation of Chipoka Port - Lake Malawi. *Estimated cost 3 mECU. Construction, supplies of equipment. Project on appraisal. EDF 8.*

EDF 6022/001 - ABd

Urgent maintenance to roads and bridges. *Resp. Auth.: Government of Malawi. 1,994 mECU. Works. Supervision - restr. tender. Project in execution. EDF 7.*

EDF MAI 6022/002 - ABd

Programme for the prevention of HIV/AIDS among high risk groups. *0.780 mECU. T.A., equipment, training. Project in execution. EDF 7.*

EDF MAI 7001/000 - AGz

MALI

Support for the electoral process. Resp. Auth.: Commission Electorale Nationale Indépéndante (CENI). Estimated cost 1.950 mECU.*Project in execution.* EDF 7.

EDF MLI 7019 - AAc

Geological and mining sector survey. Adm. Resp: Ministère de l'Energie et des mines. Estimated cost 15 mECU. Aerial geophysical prospecting, geological mapping, mining prospecting, sector-based survey. *Project in execution.* EDF 7.

EDF MLI 9999 - ADa

Support for the central unit of the National Authorising Officer.

Resp. Auth.: Ministère des Affaires Etrangères. Total estimated cost 1.88 mECU. Improving the services of the National Authorising Officer in the programming, management and follow-up of the projects financed by the EDF. T.A., training, supply. Project on appraisal. EDF 7.

EDF MLI 6007/002 - AAc

Support for decentralisation. *Resp. Auth.: Mission de Décentralisation (MDD). 1.3 mECU. Training, T.A., study. Project in execution. EDF 7.*

EDF MLI 7009/001 - AAz

MAURITANIA

Kaédi and Mederda water supply. Estimated total cost 2.8 mECU. Improvement of the living conditions. Works and T.A. Rehabilitation, strengthening and improvement of water systems. Project on appraisal. EDF 7.

EDF MAU 7012/000 - ABb

Support for the programme to strengthen institutional capacity (PRCI). Resp. Auth. Ministry of Planning and Finance. 1.865 mECU. T.A. to strengthen the effectiveness of administration. Supply of equipment. Project in execution. EDF 7.

EDF MAU 7200/002 - AAc

MAURITIUS

Irrigation of the Northern Plains. Resp. Auth.: Ministry of Agriculture. Estimated cost 9 mECU. Works, supplies, T.A. Restricted tender for T.A. *Project in execution.* EDF 7

EDF MAS 7002 - ABb

Mahebourg market. Resp. Auth.: Ministry of Local Government. Estimated cost 1.850 mECU. To promote agricultural diversification, and also to upgrade the city centre. Feasibility study. Works, supplies, TA. Project on appraisal. EDF 7.

EDF MAS 7008 - ACe

Phoenix-Nouvelle France road. Estimated cost 4 mECU. Upgrading the existing Phoenix-Nouvelle France road to a dual carriageway. Works, T.A. Project on appraisal. EDF 7.

EDF MAS 7010/001 - ABd

Upgrading of sewerage infrastructure of housing estates. Resp. Auth.: Ministry of Works. Estimated cost 7.4 mECU. Rehabilitation/provision of sewerage infrastructure to 10 housing estates. Works. T.A. for supervision. Project on appraisal. EDF 8.

EDF MAS - AHa

Training of police officers. Estimated cost 0.43 mECU. T.A. and training. Project on appraisal. EDF 7

EDF MAS - AAd

St. Martin sewage treatment plant. *Provide adequate treatment of sewage from the Plains Wilhems area. Resp. Auth.: Ministry of Environment and Quality of Life. Estimated cost 15 mECU. Feasibility study, T.A., services. EDF 8.*

EDFD MAS 7005/000 - ABz

MOZAMBIQUE

Socio-economic reintegration of young people. Estimated cost 1.950 mECU. Supplies, T.A. and pilot actions. Project on appraisal. EDF 6.

EDF MOZ 7017 - AHb

Rehabilitation of the rural health system. Estimated cost 22mECU. Rehabilitation and renovation of 3 rural hospitals and 2 health centres. Supply of essential medicines and equipment, T.A. Project in execution. EDF 7.

EDF MOZ 7018 - AGa,e

Support for the Structural Adjustment Programme. GIP II. 15 mECU. Project in execution.

EDF MOZ 7200/001 - AAc

Social reintegration in Zambezia and Niassa provinces. 5.600 mECU. Health, education, rural life (farming, fishing,setting up of micro-enterprises), urban economic development. The projects will be carried out by NGO's and the provincial authorities. Project in execution. EDF 7.

Support for the judicial system. Estimated total cost 2 mECU. Project on appraisal. EDF 7.

EDF MOZ 7022 - Ajz

Computerised system for the population register and issue of identity cards. Resp. Auth.: Ministry of Internal Affairs. Estimated cost 1.995 mECU. Supplies, T.A. Int. Tender. *Project in execution.* EDF 6.

EDF MOZ 7024 - AAz

NAMIBIA

Namibia Integrated Health Programme. Resp. Auth.: Ministry of Health and Social Services. 13.500 mECU. Infrastructures, equipment, training and T.A. Project in execution. EDF 7.

EDF NAM 7007 - AGz

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 in execution.* EDF 7.

EDF NAM 7005 - AFi

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. EDF 7.

EDF NAM 7011 - ACa

Rural Towns Sewerage Schemes. Resp. Auth.: Ministry of Local Government and Housing. Works, supplies and T.A. Project in execution. EDF 7.

EDF NAM 7015 - AHc

Namibia Tourism Development Programme. (Foundation Phase). Resp. Auth.: Ministry of Environment and Tourism. 1.882 mECU. *Implementation of programme.* Staff training. T.A. *Project in execution.* EDF 7.

EDF NAM 7010 - AEc

Livestock Marketing Project. Resp. Auth.: Directorate of Veterinary Services - Ministry of Agriculture, Water and Rural Dept., 3.750 mECU. Construction of buildings, water and road infrastructure, provision of equipment materials, tractors for quarantine farms in the Northern Communal Areas. All by acc. tenders or restr. tenders. Project on appraisal. EDF 7.

EDF NAM 7020 - ACa

Support for the regional control programme against the Tsetse fly and trypanosomiasis (RTTCP), phase II. *Resp. Auth.: Dept. of Veterinary Services, Min. of Agriculture, Water and Rural Devt. 3,75 mECU. Construction of buildings and infrastructures, provision of equipment, vehicles, tractors. All by acc. tender or restr. tender. Project on appraisal. EDF 7.*

EDF NAM 7020 - ACa

Support for implementation of the Cross Border Initiative. Resp. Auth.: Ministry of Trade and Industry. 5.370 mECU. To promote an strengthen Namibia's economic integration. T.A., supplies and line of credit. Project in execution. EDF 7.

EDF REG 70012/22 - AEd,e

AIDS Programme. Estimated total cost 1.5 mECU. Reduction of sexual transmission of HIV/AIDS. Project on appraisal. EDF 8.

EDF NAM (REG) 8000/003 - AGz

Education programme. *Estimated cost 12 mECU. Construction, supplies, T.A., training. Project on appraisal. EDF 8.*

EDF NAM 7001/001 - AFa, AFb, AFd, AFi

Rural development support programme (RDSP)*, Phase II. Resp. Auth.: Ministry of Agriculture, Water and Rural Development. Estimated cost 7 mECU. T.A. Project on appraisal. EDF 8.*

EDF NAM 7001/001 - ACa

Seed production project. *To support the establishment of an efficient, sustainable staple crop seed production system. Estimated cost 2 mECU. Feasibility study to be carried out. Project on appraisal. EDF 8*

EDF NAM 7011/002 - ACa

NIGER

Fishery development in the southern Zinder zone. Resp. Auth.: NGO under control of Ministère de l'Hydraulique et de l'Environnement. Estimated total cost 0.500 mECU. Professional sector organisation, strengthening of fish marketing. Project on appraisal. EDF 7.

EDF NIR 7014 - ACa

Environmental protection programme in the lower Tarka Valley. Estimated total cost 10 mECU. To stop ecological and economical destruction of the zone. Project on appraisal. EDF 7.

EDF NIR 6002/002 - ACa

NIGEPAC. Safeguarding cultural heritage. Estimated total cost 1 mECU. Project on appraisal. EDF 8.

EDF NIR 7017 - AHi

Support for the 1996 Structural Adjustment Programme. General import programme. 14 mECU. Imports on basis of negative list. T.A. for implementation and institutional support. Project on appraisal. EDF 6 and 7.

EDF NIR 7200/002 - Aac

Support for the craft industry. *PROFORMAR II (2nd phase). Improved training facilities for rural crafts. Estimated cost 1.8 mECU. Training. Project on appraisal. EDF 7.*

EDF NIR 7101/011 - AFd

Institutional support for the NAO. *Assistance to maximise the effectiveness of Community aid. Sectoral reforms and macro-economics. Estimated cost 1.3 mECU. EDF 7.*

EDF NIR 7110/003 - AAb

Support for the Structural Adjustment Programme 1997-98. *Estimated cost 15.8 mECU. Project on appraisal. EDF 7,8.*

EDF NIR 7200/004 - AFe, AGe

Strengthening basic education in the Tillabéri department in the framework of the large-scale irrigation programme in the Niger valley. *. Resp. Auth.: Ministry of National Education. 1.77 mECU. Construction, training, equipment, T.A., evaluation. Project in execution. EDF 7.*

EDF NIR 7011/000 - AFa

PAPUA NEW GUINEA

Human resources development programme, phase II (HRDP II). Estimated cost 20mECU. Construction of and improvements to educational buildings. Scholarships, training and T.A. Project on appraisal. EDF 7.

EDF PNG 6008/002 - AFb

RWANDA

Return and social reintegration of students currently still in the central and east European states. Estimated cost 0.996 mECU. T.A. Project on appraisal. EDF 7

EDF RW 7012/002 - AAc

SAMOA

Rural water supply programme. Resp. Auth.: Ministry of Finance. Estimated cost 16.7 mECU. Preparatory study, works, supplies, project management. Project on appraisal. EDF 7 and 8.

EDF WSO 7002/000 - ABb

SAO TOME AND PRINCIPE

Support for the Structural Adjustment Programme. 0.900 mECU. Project on appraisal. EDF 7.

EDF STP 7200/001 - AAc

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 in execution. EDF 7.

EDF SE 6002/7002 - ACa

SEYCHELLES

Victoria market rehabilitation. Resp. Auth.: Ministry of Agriculture. Estimated total cost 1 mECU. EDF 0.770 mECU, local 0.230 mECU. Works and improvements. Project on appraisal. EDF 7.

EDY SEY 7011 - ACb

Anse Royale landfill. Estimated cost 3 mECU. Construction of a fully-engineered landfill. Works, supplies, T.A. Project on appraisal. EDF 8.

EDF SEY - AJz

Le Niol water treatment plant extension. Estimated cost 3.5 mECU. Rehabilitation and extension of water treatment works. Works. T.A. Project on appraisal. EDF 8.

EDF SEY - AFh

SIERRA LEONE

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. EDF 7.

EDF SL 7004 - ABd

Sierra Leone roads authority (SLRA) support programme. Resp. Auth.: SLRA. 22.500 mECU. To strengthen SLRA's management capacity, to support maintenance operations, rehabilitate 160 km of road, 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. EDF 7.

EDF SL 7002 - ABd

Management and protection of wildlife in Outamba Kilimi National Park (OKNP). Resp. Auth.: NAO. Estimated cost 1.980 mECU. Development of sound management plan for sustainable protection of wildlife and ecosystem in park. Improvement of local infrastructure and community development. Works, supplies, T.A. Project on appraisal. EDF 7.

EDF SL 7003 - AEi, AHi

West and North West Artisanal Fisheries and Community Development, phase II. 1.98 mECU. Technical cooperation in fisheries. T.A. and training. Financing date January 97.

SL 6004/001 - ACd

SOLOMON ISLANDS

Guadalcanal road: Aola-Matau. Resp. Auth. Ministry of Transport, Works and Utilities. Estimated total cost 6 mECU. Works and supervision. Project on appraisal. EDF 7.

EDF SOL 7001 - ABd

SOMALIA

2nd rehabilitation programme. 47 mECU. Inter-sectoral approach. The project will be implemented by NGOs and T.A. Project in execution. EDF 1, 2, 3, 4, 5 and 6.

EDF SO 6029 - AAc

SURINAME

Timber Institute. Control of logging and reafforestation activities. Estimated total cost 3.5 mECU. Project on appraisal. EDF 7

EDF SUR 7005 - ACc

Road from Nickerie to the Suriname-Guyana ferry terminal. Resp. Auth.: Ministry of Public Works. Estimated total cost 8.4 mECU. Construction of 29.4 km road. Project on appraisal EDF 6.

EDF SUR 5602/001 - ABd

Strengthening STD (including HIV) health services among Maroon and indigenous populations in the hinterland. Resp. Auth.: NAO. Estimated cost 680,000 ECU. Supplies, works, services, medical training and education. Project on appraisal. EDF 7.

EDF SUR 7010/000 - AGc

SWAZILAND

Support for implementation of the Cross Border Initiative. Resp. Auth.: Ministry of Commerce and Industry. 1.5 mECU. T.A., training, supply of equipment. EDF 7.

EDF REG 7012/024 - AAz

Development of smallholder irrigation in the Lower Usuthu River. *Estimated cost 84 mECU. Construction, supplies, studies, T.A. Project on appraisal. EDF 8.*

EDF SW 7007/001 - ACa

TANZANIA

Mwanza-Nyanguge Road and *Mwanza urban roads* rehabilitation, and *Nyanguge-Musoma overlay.* Resp. Auth.: Ministry of Transport and Communications. Estimated cost *55 mECU.* Rehabilitation of *67* km of trunk roads (Nyanguge-Mwanza and Mwanza airport) and rehabilitation of Mwanza sewerage system (main works). Design study on-going. Project on appraisal. EDF 7.

EDF TA 6021 - ABd

Mwanza Water Supply. Phase II. Resp. Auth.: Ministry of Water energy and minerals. Estimated cost *21* mECU. Works, pumping equipment, studies and supervision. Short-list done. Project on appraisal. EDF 7.

EDF TA 5005(7) - ABb

Iringa Water Supply. Resp. Auth.: Ministry of Water, Energy and Minerals. Estimated cost 22 mECU. Pumping, treatment, storage and distribution. Works, equipment, design and supervision. Short-list done. Project on appraisal. EDF 7.

EDF TA 7009 - ABz

Rehabilitation of the Mwanza/Shinyanga-Nzega road. Resp. Auth. Ministry of Works. Estimated total cost 70 mECU. *Project on appraisal.* EDF 6, 7 and 8.

EDF TA 7012 - ABd

Rehabilitation of the Dodoma to Singida Road. Estimated cost 90 mECU. Project on appraisal. EDF 8.

EDF TA 7024/000 - ABd

Institutional strengthening for the education sector development programme. Resp. Auth.: Ministry of Education and Culture. Estimated cost 1.91 mECU. T.A. (short term), training and equipment. Project on appraisal. EDF 7.

EDF TA 7023/000 - AFd

Special programme for refugee-affected areas. Resp. Auth.: Prime Minister's office. Estimated cost 22 mECU. Rehabilitation of the Mwanza Airport runway, contribution to the Kagera road maintenance programme, improvement of the Kigoma-Nyakanasi gravel road (335 km). Shortlists established. Project on appraisal. EDF 7.

EDF TA - ABd

Institutional strengthening for improved water supply and sewerage services in four towns. *Estimated total cost 1.985 mECU. T.A., training, works and supplies. Project on appraisal. EDF 7*

EDF TA 7014/000 - ABb

TOGO

Aid for the voluntary reintegration of refugees from Togo. Resp. Auth.: Min. Du Plan. Estimated cost 0.430 mECU. Project under the direction of CARE Togo. Socio-economic contribution for the reintegration of 17 000 Togo refugees in their place of origin. EDF 7.

EDF TO 7006 - AHn

Support for a group of producers in the Savanes region. *Estimated cost 1.8 mECU. Construction, supplies, T.A., training. Project on appraisal. EDF 5.*

EDF TO 6003/002 - ACa

TRINIDAD AND TOBAGO

Training project for young farmers (AYTRAP). Assistance for the young farmer to create rural enterprises. Estimated cost 7.300 mECU. EDF 5 mECU. local 2.300 mECU. Line of credit, T.A. and monitoring. *Project in execution.* EDF 6 and 7.

EDF TR 7002 - ACa

Support for Caribbean Business Services Ltd. (CBSL). Resp. Auth.: NAO. Estimated cost 347,000 ECU. Support for SMEs through management advice and the transfer of technology. T.A. Project on appraisal. EDF 7.

EDF TR 7006/000 - ADe

Rehabilitation of the L'Anse Fourmi - Charlotteville road. *Estimated cost 3.5 mECU. Construction, T.A., feasibility study. Project on appraisal. EDF 8.*

EDF TR 5013/000 - ADc

TUVALU

Outer Island Primary School Rehabilitation. (Nukufetau and Nanumea). Resp. Auth.: Department of Education. 0.300 mECU. Works and supplies by restr. tender. Project on appraisal. EDF 5 & 7.

EDF TV 7004 - AFa

UGANDA

Water supply in Hoima, Masindi and Mubende. Resp. Auth.: Ministry of Natural Resources. Estimated total cost

12 mECU. Rehabilitation of catchments, treatment plants and water distribution network. Project on appraisal. EDF 7.

EDF UG 7010 - ABb

Road maintenance programme in the South-West. *International tender no. 4247 already launched for the supply, in 13 lots, of workshops and maintenance equipment. Opening of bids on 3.12.97 at 11.00 local time.*

Health programme. *International tender no. 4282 published in October 97 for the supply, in two lots, of various two-wheeled and four wheeled motor vehicles. Opening of bids on 14.1.98 at 10.30 local time.*

VANUATU

Expansion of the National Technical Institute of Vanuatu (INTV) - tourism section. Resp. Auth. Ministry of Education. Estimated total cost 0.950 mECU. Works and supplies. Project on appraisal. EDF 7.

EDF VA 7008 - AFb

Education development programme. Estimated total cost 7.5 mECU. To increase enrolment in junior secondary school and to improve the quality of education delivered. T.A., supplies, training EDF 8.

EDF VA 7005/001 - AFa.

Rehabilitation of rural primary schools, phase II. *Resp. Auth.: Departments of Finance and Education. 0.639 mECU. T.A., materials and works. Project in execution. EDF 7.*

EDF VA 7005/001 - AFa, AFi

ZAMBIA

Forestry management for sustainable woodfuel production in Zambia (along the railway line). Resp. Auth.: Ministry of Environment. Estimated total cost 2 mECU. Training supply of equipment, studies and T.A. Project on appraisal. EDF 7.

EDF ZA 7009 - ACc

Rehabilitation of the Kabwe-Kapiri Mposhi and Chisamba Road. Resp. Auth.: Ministry of Works and Supply. Estimated total cost 15.360 mECU. Works and supervision. Project on appraisal. EDF 7.

EDF ZA 6014/001 - ABd

Capacity building in the Bank of Zambia. Strengthening of the banking and financial sector. Macroeconomic management and planning. Resp. Auth.: Bank of Zambia. Estimated cost 1 mECU. T.A., supplies and training. Project on appraisal. EDF 8.

EDF ZA 7020/000 - AEh

Technical assistance to the Roads Department. Resp. Auth.: Dept. of Roads. Estimated cost 1.8 mECU. Provision of long-term T.A. to the Roads Department and implementation of a formal training programme for the department's professional and technical staff. T.A., studies, training. Project on appraisal. EDF 8.

EDF ZA 7022/000 - ABd

Educational capacity-building programme. To plan and deliver effective and relevant education and training. Estimated cost 10 mECU. Feasibility study, T.A., construction, budgetary aid and training. Project on appraisal. EDF 8.

EDF ZA 7003/003 - AFz, AFh, AFi

Development and rehabilitation of urban markets in Lusaka, Kitwe and Ndola. Estimated cost 7 mECU. Construction, T.A. including studies. Project on appraisal. EDF 8.

EDF ZA 7011/000 - ACf

Private sector development programme. Trade and enterprise support facility/micro-credit project. Estimated cost 8 mECU. T.A., studies and training. EDF 8.

EDF ZA 7010/001 - AEz, AEe

Export Development Programme Phase II. To increase exports of non-traditional goods. Estimated cost 5 mECU. T.A. and training. Project on appraisal. EDF 8.

EDF ZA 5017/002 - AEd

Assistance to the wildlife sector, phase II. *Improvement in management of wildlife resources. Estimated cost 10 mECU. Feasibility study. Project on appraisal. EDF 8.*

EDF ZA 7002/001 - AEc

Agricultural private sector development (SME) - microprojects. *Estimated cost 10 mECU. T.A., study, credit facility. Project on appraisal. EDF 8.*

EDF ZA 7023/000 ACa

Economic management support programme, phase II. *Resp. Auth.: Ministry of Finance and Economic Development. Estimated cost 6 mECU. T.A., feasibility study, financial aid, training. Project on appraisal. EDF 8.*
EDF ZA 7018/001 - AAc

Rehabilitation of the Monze-Zimba road. *Estimated cost 34 mECU. Construction, T.A. Project on appraisal. EDF 8.*

EDF REG 7323/001 - ABd

Improvement of the Zambian Safe Blood Transfusion Programme. *Resp. Auth.: Ministry of Health. Estimated cost 3.735 mECU. T.A., equipment, training. Project in execution. EDF 8.*

EDF ZA 7003/002 - AGd

ZIMBABWE

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 in execution. EDF 7.

EDF ZIM 7001 - ABb

Minefield clearance in N.E. Zimbabawe. Rural development, clearance of landmines. Zimbabwe minefields survey. Shortlist to be done. Estimated 10 mECU. Project on appraisal. EDF 7.

EDF ZIM 7004 - ACa

Trade development programme - import/export. *Estimated cost 9 mECU. Feasibility study - Phase II. Project on appraisal. EDF 8.*

EDF ZIM 6001/002 - AEd, AEe

Tourism development programme - master plan. *Resp. Auth.: Government of Zimbabwe. Estimated cost 1 mECU. Feasibility study - short list established. Project on appraisal. EDF 8.*

EDF ZIM 6008/002 - AEc

Health sector development programme. *Estimated cost 14 mECU. Feasibility study. Project on appraisal. EDF 8.*

EDF ZIM 7002/000 - AGe

Education sector support programme. *Improvement of education system. Estimated cost 14 mECU. Feasibility study - phase II. Project on appraisal. EDF 8.*

EDF ZIM 7009/000 - AFa, AFe

OVERSEAS COUNTRIES AND TERRITORIES

ARUBA

T.A. for managerial training. 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. EDF 7.

EDF ARU 6006 - AFb

FRENCH POLYNESIA

Bora-Bora Island Sanitation. Tourism Development. Resp. Auth.: Direction Territoriale de l'Equipement. 1.250 mECU. Lagoon environmental protection. Works by acc.tender.Project on appraisal. EDF 6 and 7.

EDF POF 6009/000 - AHb, AGe

Agricultural development. Aid project for the management of land and hydraulics to install young farmers. *1,234 mECU. Study. Project in execution. EDF 6.*

EDF POF/6010/000 - ACg

MAYOTTE

Water supply. Estimated cost 7.2 mECU. Works, T.A., study. Main works completed. Supervision completed. Study on remaining works in execution. Project in execution. EDF 6 & 7.

EDF MY - ABb

NETHERLANDS ANTILLES - ARUBA

Tourism development programme. 5 mECU.Training, T.A., marketing in Europe. Project on appraisal. Project in execution. EDF 7.

EDF REG 7835 - AEc

Technical Assistance to the National Authorising Officer. Technical assistance will be given to promote sound and effective management of external aid. 1.3 mECU. T.A supplies Restricted tender. Project in execution. EDF 7.

EDF NEA 7012/000

NEW CALEDONIA

Support for the diversification and development of the mining sector. Resp. Auth.: Le Service des Mines et l'Energie de Territoire. 2.670 mECU. Works, feasibility study of the re-opening of an established chromite mine, identification of new ore deposits, redevelopment of former mining sites. *Project in execution.* EDF 6 & 7.

EDF NC 9999/000 - ADz

New aquarium. *To increase the capacity and improve the infrastruture of the aquarium. Estimated cost 4 mECU. Construction, T.A. and supplies. Project on appraisal. EDF 7.*

EDF NC 6009/001 - AEc

ST. HELENA

Wharf improvement project. Resp. Auth.: Public Works and Service Department. Estimated total cost 1.743 mECU. To increase the safety and efficiency of Jamestown Port by upgrading wharf facilities for passenger and cargo handling. Works, supplies. Project on appraisal. EDF 7.

EDF SH 7001 - ABd

TURKS AND CAICOS ISLANDS

Water and sewerage in Providenciales. Resp. Auth.: Ministry of Works, 3.700 mECU. Water supply works and pipes. T.A. Project on appraisal. EDF 7.

EDF TC 7001 - AHb,c

WALLIS AND FUTUNA

Holo-Fakatoi Road in Wallis (RT2). EDF 0.600 mECU. Bitumen road. Project on appraisal. EDF 7.

EDF WF 7001 - ABd

Construction of territorial road N° 1 in Futuna. 0.840 mECU. Works and rehabilitation. Project on appraisal. EDF 7.

EDF WF 7003 - ABd

Creation of improved structures for pig-rearing. Resp. Auth. EDF authorising officer for the territory. Total estimated cost. 110,000 ECU. To establish viable production structures adapted to market conditions. T.A., training, follow-up. Project on appraisal. EDF 7.

EDF WF 7009/000 - ACa

REGIONAL PROJECTS

AFRISTAT

Support for AFRISTAT (economic and statistical control). 0.900 mECU. Improvement in the quality of statistical information. T.A., supplies and equipment. Project in execution. EDF 7.

EDF REG 7106/004 - AAc, AFd

10 MEMBER COUNTRIES OF AGM - BURKINA FASO, CAMEROON, COTE D'IVOIRE, GHANA, MALI, NIGER, NIGERIA, SENEGAL, CHAD, TOGO

Promotion of a regional grain market in West and Central Africa. Resp. Auth.: NAO-Mali. Estimated cost 12 mECU. Creation of a regional grain market. Promotion and strengthening of initiatives by private operators. Project on appraisal. EDF 7.

EDF REG 6175 - ACf

INTRA-ACP

Strengthening of fisheries and biodiversity management in ACP countries. Resp. Auth. : ICLARM, Manila (Philippines). 5mECU. T.A., management, supply of equipment, data base creation. Project in execution. EDF 7.

EDF REG 70012/016 - ACa

COLEACP, Interim Project. Commercial development in exports and in the field of horticulture. Estimated cost 1.860 mECU. Training, T.A. Project on appraisal. EDF 7.

EDF REG 6900/002 - AEe

Business Assistance Scheme for Exports (B.A.S.E.) Total estimated cost 30 mECU. To expand receipts from exports and tourism by improving enterprises' export competitiveness and trade facilitation skills. T.A. training. Project on appraisal. EDF 8.

EDF REG 70001/020 - AEd.

Support to regional cooperation for HIV/AIDS control. *Estimated cost 20 mECU. T.A., studies, supplies, equipment, training. Project on appraisal. EDF 8.*

EDF REG 8000/004 - AGz, AGc, AGe

Interuniversity support programme - Level 3 - in French-speaking sub-Saharan countries. *Estimated cost 1.976 mECU. Training, equipment and educational material. Project in execution. EDF 7.*

EDF REG 7004/014 - AFb

CARIBBEAN REGION

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. EDF 7.

EDF REG 7604 - AFb

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. EDF 7.

EDF REG 7605 - ABc

Caribbean Telecommunications 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 telecommunications within the Cariforum member states. Project on appraisal. EDF 7.

EDF REG 7605/001 - ABc

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. EDF 7.

EDF REG 7607 - AFa,d

Tertiary level programme. Estimated total cost 5.946 mECU. Upgrading tertiary level education and teacher training. Project in execution. EDF 7.

EDF REG 6628/001 - AFb

Cariforum Regional Environment Programme. Resp. Auth.: SG Cariforum. Estimated total cost 11 mECU. Environmental management action, programme for protected areas and community development, management and expansion of marine and coastal park and protected areas. Terrestrial parks. Project on appraisal. EDF 7.

EDF REG 7613 - AHf

CARIFORUM Programming Unit. Resp. Auth.: CARIFORUM. Total estimated cost 5 mECU. T.A. to the Secretary General of CARIFORUM to help in the allocation, preparation and implmentation of regional funds under Lomé IV. T.A., supply. Project on appraisal. EDF 7 and 8.

EDF REG 7615/001 - AAb

Caribbean News Agency Development Programme. Resp. Auth.: Regional Authorising Officer. Total estimated cost 4.179 mECU. Establishing a CARIFORUM Information Network by setting up a coordinating centre and mechanisms and archives and increasing radio, TV and Cana wire services. T.A., supply. Project on appraisal. EDF 7.

EDF REG 7605/003 ABc

COUNTRIES PARTICIPATING IN THE CBI

Regional Integration in Eastern and Southern Africa. Assistance to COMESA Secretariat. 1.950 mECU. Training, supply of equipment, evaluation and services. T.A. short-term. Project on appraisal. EDF 7.

EDF REG/7316 - AAc

Standardisation and quality assurance. Resp. Auth.: COMESA (Common Market for Eastern and Southern Africa. *Estimated cost 2,543 mECU. TA and training. Project on appraisal. EDF 7.*

EDF REG 7321 AEe

CENTRAL AFRICA

CIESPAC, Public Health Education Centre in Central Africa. 1.980 mECU. Student accommodation, equipment, scholarships. T.A. Project on appraisal. EDF 7.

EDF REG 7205 - AFb

ECOFAC II, Forest ecosystems. Resp. Auth.: Ministère du Plan. République du Congo. Estimated total cost 16.000 mECU. To develop national and regional capacities for good management of forest resources. Works, supplies and T.A. Project in execution EDF 7.

EDF REG 6203/001 - ACc

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. EDF 5.

EDF REG 5311 (7) - AFb

Combatting the tse tse fly in East Africa (Ethiopia, Kenya, Uganda). 20 mECU. Evaluation, training and research. T.A.., equipment. Project in execution. EDF 7.

EDF REG 736 -ACa, ACe

KENYA, UGANDA, TANZANIA

Lake Victoria Fisheries Research Project (Phase II). Project headquarters in Jinja, Uganda at FIRI-Fisheries Research Institute. EDF part 8.4 mECU. T.A., supplies, training, monitoring and evaluation. Project on appraisal. EDF 7.

EDF REG 5316/001 - ACd

Tanzania rehabilitation programme for refugee affected areas and related infrastructure. *Estimated cost 20 mECU. Rehabilitation of roads and conserving the environment in refugee areas. Project on appraisal.* EDF 7.

EDF REG 7322/001 - ABd

Uganda - Kampala by-pass. *Resp. Auth.: Ministry of Works. Road construction. Estimated cost 35 mECU. T.A. works. Project on appraisal. EDF 7,8.*

EDF REG 6304/001 - ABd

MEMBER COUNTRIES OF ECOWAS

Guarantee Fund for Private Investment 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, EIB., Commercial Banks (E.U.). Development Agencies. Project on appraisal. EDF 7.

EDF REG 7115 - AEz

Regional programme to combat drugs. Estimated total cost 5.1mECU. Elaboration of training programmes and national plans. Date foreseen for financing first half 97. EDF 7.

EDF REG 7135 - AGz

MEMBER COUNTRIES OF IGAD

IGAD Household Energy Programme. Resp. Auth.: IGAD Executive Secretary. Estimated total cost 1.900 mECU. T.A. to initiate pilot projects in the area of household energy, define the role and organize the setting up of a regional unit to coordinate activities, and develop working relationships with national and sub-region institutions in IGADD's member countries. Project on appraisal. EDF 7.

EDF REG - ABa

Development of the artisanal fisheries sector. The promotion of artisanal fisheries and fisheries trade. Improvement of the level of services available in the post-harvest field of artisanal fisheries in IGADD member states. Estimated total cost 7.8 mECU. Project on appraisal. EDF 7.

EDF REG/7314/000 - ACd, AFd

Grain marketing training programme. Resp. Auth. IGADD Executive Secretary. 1.990 mECU. T.A., equipment, evaluation. Project on appraisal. EDF 7.

EDF REG 5359 - ACa

MEMBER COUNTRIES OF THE INDIAN OCEAN COMMISSION (IOC) - COMORES, MADAGASCAR, MAURITIUS, SEYCHELLES

Establishment of a University in the Indian Ocean region. Resp. Auth.: Indian Ocean Commission. Estimated cost 2.150 mECU. Creation of a network of research and training institutions providing support for existing institutions. T.A. Project on appraisal. EDF 7.

EDF REG 7501 - AFb

Indian Ocean University. Resp. Auth.: IOC. Estimated cost 1,925 mECU. Training. Project on appraisal. EDF 7.

EDF REG 7506/000 - AFd

PACIFIC ACP STATES

Pacific regional civil aviation. Phase II. Resp. Auth.: Forum Secretariat. Fiji. 4.9 mECU. Supply of security, air traffic control, navigation and meteorology, and training equipment. T.A. Project in execution. EDF 6 and 7.

EDF REG 7704 - ABc,d

Pacific Regional Waste Awareness and Education Programme. Resp. Auth.: Forum Secretariat. 0.600 mECU. T.A. EDF 7.

EDF REG 7714 - AHf

Air communications - upgrading of Fua'amotu Airport in Tonga. *Resp Auth.: Ministry of Works. Estimated cost 0.340 mECU. Construction, supplies of equipment. Project on appraisal. EDF 7.*

EDF REG 7704/001 - ABc

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 1.5 mECU. Project on appraisal. EDF 7.

EDF REG 7316 - AAb

SADC

SADC Hydrological Cycle Observing System (SADC-HYCOS). Resp. Auth.: SADC Secretariat. 1.964 mECU. Programme for the improvement of regional integrated water resources. Supply of equipment by int. Tender. T.A. by restricted tender. Project in execution. EDF 7.

EDF REG 6450 - ABb

ANGOLA, MOZAMBIQUE, NAMIBIA, SOUTH AFRICA AND TANZANIA

SADC monitoring, control and surveillance (MCS) of fishing activities. Resp. Auth.: SADC - Sector Coordinator for Marine Fisheries. Estimated cost 13.3 mECU. To improve national and regional capacity to manage marine fishery resources. Feasibility study, T.A., supplies. Project on appraisal. EDF 8.

EDF REG 6406/000 - ACd

SAHEL COUNTRIES

Support to strengthen vaccine independence in Sahel Africa. 9.5 mECU. Project on appraisal. EDF 7.

EDF REG 7012 - ACa

MISCELLANEOUS

CAMEROON, CENTRAL AFRICAN REPUBLIC

Bertua-Garoua Boulai Road. Resp. Auth.: Ministère des Travaux Publics (Cameroon). Rehabilitation and improvement of transport infrastructures between Douala and Bangui. Estimated total cost 50 mECU. Prequalification for services. Project on appraisal. EDF 6.

EDF REG, CM-CA-7002/001 - ABd

MALI, GUINEA

Flood forecast and control, hydrological simulation for the Niger upper basin. Estimated total cost 6 mECU EDF, 5.175 mECU, France (foreseen) 0.375 mECU, Denmark (foreseen) 0.150 mECU, Mali-Guinea (foreseen) 0.300 mECU. Flood forecast system, hydrological model of local simulation with parametric regionalisation. Warming system via telecommunication and satellite teletransmission. Statistical studies. Project on appraisal. EDF 7.

EDF REG 6181 - AHf, AHg

BURKINA FASO, CAPE VERDE, GAMBIA, MALI, MAURITANIA, NIGER, SENEGAL, CHAD

Regional environmental training and information programme. Resp. Auth.: Institut de Sahel in Bamako. 16 mECU. T.A. training, supply of equipment. Project in execution. EDF 7.

EDF REG 6147/001 - AFz, AHz

BENIN, BURKINA FASO, COTE D'IVOIRE, MALI, NIGER, SENEGAL, TOGO

Support for the West Africa Economic and Monetary Union (UEMOA). Promotion of regional economic integration. Resp. Auth. UEMOA

Commission. 12 mECU. Project in execution. EDF 7.

EDF REG 7106/02 - AAf

Support for the ENAREF. 0.900 mECU. T.A., training, equipment. Project in execution. EDF 7.

EDF REG 7106/003 - AAc, AAf, AFd

BENIN, CAMEROON, COTE D'IVOIRE, GHANA, GUINEA, TOGO

Regional Programme to relaunch pineapple production in West and Central Africa. Resp. Auth.: Execution unit composed of one senior expert, T.A. and one junior expert. 1.995 mECU. T.A. studies, evaluation. Project on appraisal. EDF 7.

EDF REG 7138 - ACa

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Fax (232 22) 225212

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

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Netherlands Antilles
(Bonaire, Curaçao, St Martin, Saba, St Eustache)
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Denmark
(Country having special relations with Denmark)
Greenland

United Kingdom
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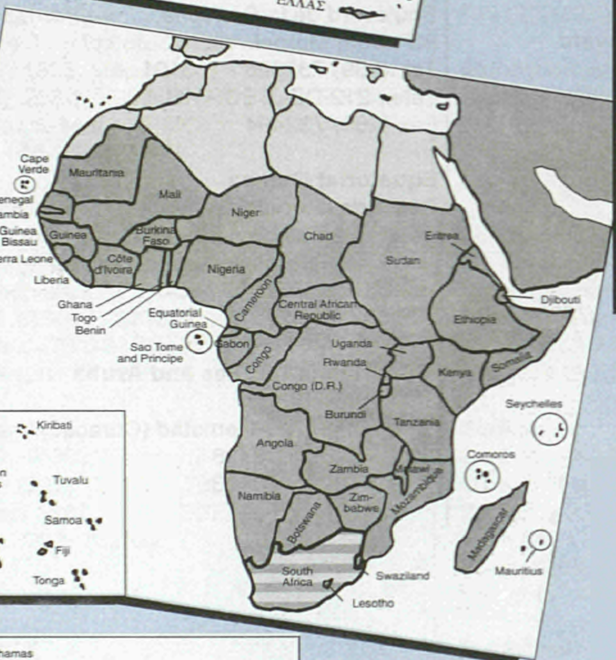
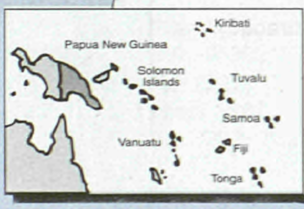
British Indian Ocean Territory
British Virgin Islands
Cayman Islands
Falkland Islands
Southern Sandwich Islands and dependencies
Montserrat
Pitcairn Island
St Helena and dependencies
Turks and Caicos Islands





THE 71 ACP STATES

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Burkina Faso
Burundi
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Cape Verde
Central African Republic
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Djibouti
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Zimbabwe

*Not all provisions of the Lomé Convention apply to South Africa

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This list does not prejudice the status of these countries and territories now or in the future.
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'A highly suspicious character'!

It is said that 'every picture tells a story'. This photo of the Abidjan skyline may not appear to say very much, but the tale of how we got it is worth recounting.

The Courier journalist who visited Côte d'Ivoire recently was touring the capital looking for suitable photo-opportunities to illustrate the Country Report which appears in this issue. Thinking a view of the city would be a good idea, he stopped to take some shots. What he failed to take into account was the fact that the entrance to the Head of State's private residence is about a hundred metres further up the road featured in the photo. His activities were immediately spotted by members of the President's guard who arrived hot-foot on the scene to seize the camera... and the journalist.

He protested, pointing out that he was just doing his job and, on request, produced the relevant documents which proved that he was preparing a Country Report. But it was to no avail, because he didn't have a piece of paper specifically authorising him to take photographs. He was duly taken into custody while further efforts were made to establish his *bona fides.*

The efficient guards began by telephoning the CID (criminal investigation department) to report that they had apprehended 'a highly suspicious character' who had been using a camera near the President's home. What was to be done with him? Our journalist is a clean-cut individual - and wasn't too happy with the description 'highly suspicious', but he kept his cool. 'Get the pictures developed', suggested the CID man at the other end of the line, so off they all went to find a photographic outlet. It wasn't so easy, because by now, all the shops had closed. Eventually, someone was found who was willing to open up his lab and process the film. After a time, the pictures began to emerge from the machine and there was an anxious moment as the guards scrutinised them closely. Would they find anything that 'compromised' security? If they did, what would happen next?

In the event, it all ended happily. The pictures were given the all-clear and, after a nerve-racking four hours, the *Courier* man was free to go. It gives a new meaning to the expression 'an arresting picture'! S.H.

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