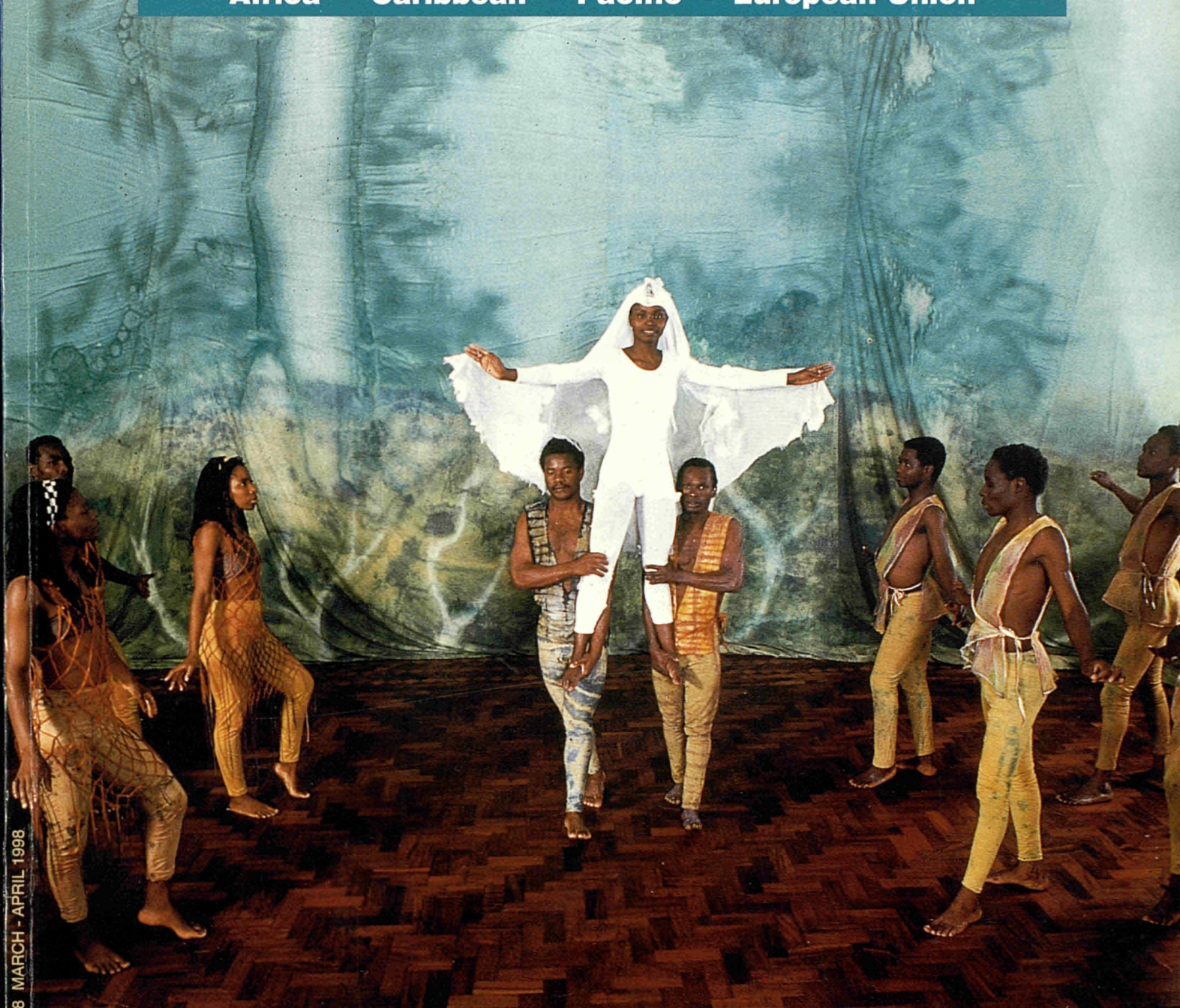


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Africa - Caribbean - Pacific - European Union



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Country Reports
Mozambique
São Tomé and Príncipe
Seychelles

Dossier
Conflict prevention

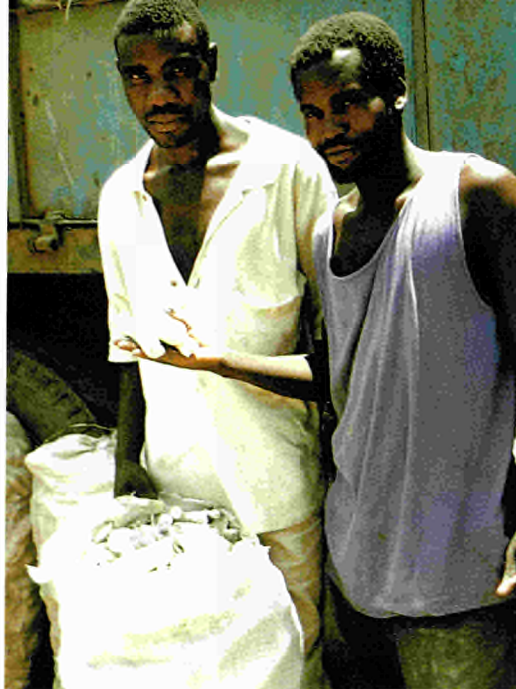


COUNTRY REPORT

São Tomé and Príncipe

A small island nation in the Gulf of Guinea, the Democratic Republic of São Tomé and Príncipe is going through one of the most difficult phases in its short history. Cocoa, the country's only significant export product, has fallen on hard times and the wider economic and financial indicators reveal a similarly steep decline - despite the adjustment measures that have been applied for almost ten years. The result of all this is that some donors are now threatening to withdraw. Given that São Tomé and Príncipe is almost wholly dependent on external aid, the effect could be disastrous. One way out of the impasse is to settle, or at least suspend, the political wrangling that has long destabilised the management of the country's affairs. And with the people daily growing poorer, a solution is urgently required.

Pages 31 to 49



COUNTRY REPORT

Mozambique

The Courier last visited Mozambique five years ago, just after the end of the country's long civil conflict. Today, following a sluggish start, an economic recovery (some call it a boom) is well under way, helped by a stable political situation and the emergence of neighbouring South Africa from the shadow of apartheid. But while the economic news may be encouraging, Mozambique remains one of the poorest countries in the world. Key social indicators in areas such as health and education make alarming reading and there is widespread poverty. Faced with this, a cash-strapped government has to make some difficult decisions in deciding its spending priorities. In short, they have a lot of lost ground to make up.

Pages 6 to 30



COUNTRY REPORT

Seychelles

Not only is Seychelles renowned for its beauty and exotic location in the Indian Ocean; it has also apparently managed to share its riches among its people, with impressive figures for health and education. First appearances can be deceptive, however, and the country is seeking to come to grips with a number of economic difficulties, notably a persistent foreign exchange problem and a budget deficit. Strenuous efforts are being made to broaden the economic base, and lessen dependence on tourism, with the fisheries sector expanding apace. After a long period of single party rule, democracy was restored in 1993. We visited Seychelles at a particularly interesting time - as the parties were gearing up for the next set of elections (Presidential and legislative) in mid-1998.

Pages 50 to 64

DOSSIER

Conflict prevention

Those who thought that the end of the Cold War signalled a more peaceful era have been disappointed. The old ideological battles may be over, but groups are still fighting each other in trouble-spots around the world. Every so often, a conflict subsides (and very occasionally, one is resolved altogether) but then new fighting will flare up, perhaps unexpectedly, in a previously peaceful region. It is as if there is a global quota of war-induced misery that needs to be met. The international donor community, both public and private, has devoted large sums to help victims of fighting, and to clear up the mess afterwards. Now, they are trying to find ways of nipping conflicts in the bud. Predicting where the next crisis will next erupt is a complex and inexact 'science' but if it can work, a great deal of suffering could be prevented - and a lot of money saved for more constructive development.

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A scene from *Ode to Peace* (*Ode à Paz*) performed throughout Mozambique by the National Song and Dance Company in the run up to the 1994 elections

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Market traders in Zambezia province, Mozambique (top)

'Retired' narrow gauge railway engine in São Tomé and Príncipe (middle)

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Typical dwelling in Seychelles

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Trafficking in children to Gabon

by Pascal Dotchevi*

Does trafficking in children really still go on in this day and age? The answer to this question is, unfortunately, that it does, according to the author of this abridged article. It even seems to be in vogue!

Nearly every household in Lomé has domestic help, usually referred to as the 'maid', a 'Jill-of-all-trades'. And there are some that have a little girl they use to sell goods in the streets. In the main, these children are aged between 6 and 12 years, and their life is no bed of roses. These unfortunate youngsters have a never-ending list of chores to perform. In recent years, however, they have been threatened by another scourge - organised trafficking in children to various countries in the sub-region, particularly Gabon. The situation has now become a cause for concern on account of the fate awaiting these children. The trade began around 1987 and really took off after 1990, during the periods of social and political unrest which swept Togo. Admittedly, there were other flagrant and ongoing violations of the rights of children, but this 'mass export' of little girls to other countries in the region was the most serious example.

Economic motive

The practice of 'placing' children, which has led to the trafficking phenomenon, dates back many years in Togo. In the countryside, parents anxious for their children to be educated other than in agriculture, hand them over to relatives or friends in the towns and cities. Many of the higher echelons of Togolese society have passed through this system. Nowadays, placing a child is an immediate source of funds for the parents. Trafficking also comes in various guises, the most disturbing involving parents arranging to 'sell' their children. Elsewhere, parents pledge their offspring for the time they estimate will be needed to pay off a debt.

The administrative districts most affected are Vo, Yoto, Zio and

Kloto in the south and Tchaoudjo and Assoli in the north. These are poor areas and little girls there have a reputation for 'docility' and hard work. They are used as domestic help or itinerant saleswomen, and in the worst cases, become ensnared in prostitution - where, after being given a new name, they simply become anonymous. The system the traffickers use works as follows: intermediaries make contact with likely families or the families themselves contact returning migrants to whom they offer their children. The intermediaries make all kinds of promises to the parents. Because the children are a financial burden, there is no hesitation in accepting the arrangement which will bring a cash return. The intermediary hands over an advance payment (CFAF 10,000 to 20,000) on what he hopes to 'earn' as profit from placing the children. Having got together thirty or so youngsters, he hires a small van or pick-up and crosses through Benin to Lagos in Nigeria. The next stage of the journey is in makeshift boats and, after several weeks at sea, the survivors arrive at dead of night off the coast of Gabon and are ferried ashore. Generally speaking, prospective 'candidates' need no identification papers to cross borders and the intermediaries can rely on police and customs officials turning a blind eye should problems arise. Only when they have to be moved around by air, does the question of papers come up. But the smugglers take the trouble to obtain parental authorisation, obliging the police to issue them with an official pass. Hundreds of little girls have been shipped to Gabon in this way, only to be ill-treated by their 'employers'. Togo's *chargé d'affaires* in Gabon produced a report in 1993 denouncing the physical cruelty suffered by these girls, and the Gabonese themselves have no hesitation in using the word 'slavery'. The children are exploited to the full and usually cannot send money home to their parents because they do not actually receive the CFAF 3000 to 7000 promised as wages. Those unable to endure such

treatment escape and, to survive, often become prostitutes.

First things first

According to a study commissioned by WAO-Afrique, an NGO which helps children in difficulty, this tragedy affects large numbers in rural areas, in particular girls who are not receiving an education. There must be swift action to avert an escalation, but first the political authorities must attach due importance to the problem. As things stand, it is difficult to obtain reliable data to measure the real extent of the phenomenon, though it is clear that it is increasingly commonplace. Although Togo's criminal code makes provision for children in need, it is difficult to enforce in the case of trafficking because charges are rarely brought. Those parents who are able to enter into an arrangement tend to be in favour of the system.

The best way forward would be to promote media-based awareness campaigns to dissuade parents living in the villages. One old man, with three daughters in Gabon, summed up the situation: 'I have twelve children and can't afford to support them all. If someone offers to help me by taking them away, how can I refuse?' Many parents have no inkling of the tragic circumstances in which their children live while some even express approval of their suffering, claiming that it is necessary to acquire a 'good education'.

The next step should be to make free primary education, as embodied in Togo's Constitution, a reality, and to set up rural training centres. The state must initiate a more specific and effective policy to help children in need. This country of 4.4 million inhabitants currently has just two reintegration centres for minors. As far as legislation is concerned, provisions must be adopted to protect children against such inhuman treatment and to step up cooperation between immigration services in the various countries in the sub-region. There is evidence to suggest that intensive monitoring can save the lives of many children bound for these countries. However, the most pressing need is to combat poverty in the countryside. This is perhaps the only way to save tomorrow's mothers from the tragedy which they seemed destined to endure. They, too, are entitled to a decent life without having to suffer such cruelty. ■■■ P.D.

* Journalist and correspondent in Togo for the London-based *Economist Intelligence Unit*.

Economic and monetary union and the ACP countries

by Pierpaolo Fratangelo and Gianluca Misuraca*

The authors of this article offer an upbeat view on the likely impact of European Monetary Union (EMU) on the ACP states.

The establishment of EMU and the introduction of the single currency in Europe represent important steps forward, not only for the economies of the Member States, but also for the world economic system. The EU produces 31% of the world's wealth and contributes 20% of international trade movements. It is obvious, therefore, that this integration will affect the relationships maintained by the Union with all its trading partners.

With this in mind, the interest shown by the ACP states in EMU and the Euro is beginning to heighten as the deadlines laid down in the Maastricht Treaty approach, and the operational structures are put in place.

In May 1998, we shall know which countries are to be involved in the 'first wave' and from June, the European Central Bank (ECB) will become the centrepiece of the new monetary order.

Hitherto, the ACP states have had an ambivalent attitude towards the single currency. Although they recognise the opportunities offered by an integrated European economic system, they are inevitably concerned about its Member States.

This should lead to downward pressure on interest rates in Europe. Add to this the advanced

state of liberalisation in the financial services sector in Europe, and the very attractive financing terms that will be available because of the resulting competition, access to the European financial market for the ACP states can only improve.

Other favourable effects can also be expected from the advent of the Euro. As it becomes a currency for international transactions, in the same way as the dol-



lar and the yen, it will undoubtedly simplify trade relations. Not only will the ACP states enjoy the benefit of a wider market with a reduced exchange rate risk, they will also derive an advantage from their association with a currency which makes stability an imperative.

This should be reflected in greater ACP price competitiveness, better control of foreign indebtedness and greater balance of payments stability.

Looking at the monetary zone of the CFA franc, which is tied by an exchange rate agreement with the French treasury, there is reason to expect that the conditions applied hitherto will be confirmed.

The view of the Commission department responsible for monetary affairs, is that the Euro should simply replace the French

franc in the parity relationship with the CFA franc, subject only to the French franc-Euro conversion rate that is agreed.

From this standpoint, there is nothing to suggest that the introduction of the Euro will result in a change of the exchange rate system for the CFA states. They may, however, be affected insofar as the Euro exchange rate could evolve differently from that of the French franc. But bearing in mind that the ECB will inherit the credibility of the national central banks, and is expected to pursue a very similar monetary policy to that followed by the Banque de France, it can be assumed, even at this early stage, that the changeover should involve no serious problems for CFA franc zone countries.

The ACP states should regard EMU, not as an obstacle to their growth, but as an opportunity to help relaunch their economies and improve their relations with the Union.

The latter, for its part, has undertaken to do everything it can to promote a broader understanding of questions associated with EMU. That is the reason why an information campaign for the ACP states is to be launched later this year. ■

P.F. & G.M.

* Trainees at DG VIII, European Commission.

Mozambique

Land of opportunity?



Prawn fishing boat.
Prawns are Mozambique's single most important export.

The plane began its descent towards Maputo airport, and as we emerged from the clouds, a great estuary dotted with ships appeared below us. This apparent evidence of trading activity was encouraging, seeming to confirm the recent press reports of economic revival in Mozambique. But things are not always what they seem. As we lost altitude, and the picture gained definition, it was clear that these vessels would not be going anywhere. They were all rusting hulks, lying aground on sandbanks, or half-sunk in shallow water – very evidently ghosts of Mozambique's troubled past.

It may not be the best introduction to a country – but then second impressions are not necessarily any more reliable than first ones. As we were to discover during the course of our stay, there are some very good things happening on the economic front – as well as some major problems to be overcome.

On the positive side, Mozambique boasts an impressive range of natural endowments. Key products include prawns, cotton, tea, cashews, coconuts, cattle, timber and minerals. It is the kind of profile that other resource-poor developing countries might envy. This Southern African nation has

other attributes too that add to its economic portfolio – a clean source of energy in the form of hydro-electricity – more than it can currently consume – and three vital road and rail 'corridors' linking the industrial heartland of South Africa and three more northerly landlocked countries to the Mozambican ports (see the article on page 12). The not-so-good news is that many of the economic benefits that should be flowing from these assets remain potential rather than actual.

Today, however, there are clear signs of growing business confidence. In any post-war situation, there is likely to be a period of uncertainty which puts a brake on reconstruction and development. But after five years of peace, investors are beginning to recognise the opportunities and put money into the country.

Recently, one foreign press agency even spoke of 'Mozambique's spectacular economic take-off'. The country's Centre for the Promotion of Investments (CPI) reported 650 million dollars-worth

of investment during 1996-97, in no fewer than 230 different projects, while inflows between now and the end of the century are predicted to reach \$6 billion. The claim is that this will lead to the creation of 120,000 new jobs. And a lot of money is going into improving transport links with \$600 million alone anticipated for the Maputo corridor. It will take some time for these projects to show a return but the omens are distinctly promising.

Surge in manufacturing

A third of the investment money is going into manufacturing industry and this includes some very big schemes. A South African company plans to build an aluminium smelter outside Maputo at an estimated cost of \$1.1 billion. When up and running, it is predicted that this will use almost twice as much electricity as is currently consumed in the entire country! Plans have also been drawn up for a \$2 billion scheme to build an integrated steel and gas installation, also near the capital. Another South African concern is considering a direct-reduced iron (DRI) plant close to Beira – a \$600 million investment which would include the construction of new port facilities capable of accommodating large cargo vessels.

While all this foreign interest in doing business in Mozambique may be good for the macro-economy, there is a risk that ordinary people may feel 'left out' – certainly until significant numbers of jobs are created. And there have been reports recently of resentment within the local private sector over the government's enthusiasm for attracting outside investors. The suggestion is that the interests of the domestic economy are being neglected. The counter-argument is that local businesses lack capacity, both human and financial, and the country needs foreign enterprises to give a lead.

The business environment is clearly very different from the situation that prevailed just five years ago. *Ricardo Branco*, who is the Deputy Managing Director of *Banco Standard Totta de Moçambique*, one of Mozambique's longest-established banks, feels the country has achieved great things since the dark days of the war, and expressed confidence in the future. For him, one of the key explanations was 'political stability

and the fact that our democratic institutions are operating normally'. He would like, however, to see red-tape reduced (a view we heard time and again from entrepreneurs) and is looking forward to the enactment of a business-friendly commercial code.

While some macro-economic indicators, notably related to growth, inflation and investment, are looking good, others are more worrisome. One of the biggest concerns is the size of the balance of payments deficit (this was specifically mentioned by Mr Branco), while Mozambique also has a huge public debt burden. Last September, the Bretton Woods institutions recognised that the latter had reached unsustainable levels, and the country is due to benefit from debt relief under the 'Highly Indebted Poor Countries' (HIPC) initiative.

Farming and fishing still vital

Despite the big industrial developments mentioned earlier, the livelihood of most Mozambicans is still based on farming and fishing. With such a long coastline, it is not surprising that maritime pursuits should feature so highly. In fact, prawns are the dominant export, earning six times more hard currency for the country in 1993 (almost \$70m) than any other product.

As for agriculture, there is, as one would expect, a lot of subsistence farming and production for sale locally. A wide range of crops is grown and, assuming the rains are reliable, food self-sufficiency ought to be achievable. Various factors have mitigated against this in the past, however, most notably the civil war. This resulted in large scale population movements (and a serious refugee crisis), the destruction or decay of vital infrastructures (everything from rural roads to cotton ginneries), the indiscriminate scattering of anti-personnel mines, and the abandonment of farming altogether in many places. Mother Nature has pitched in from time to time, with drought adding to the misery of the population. Although the conflict ended five years ago, it was to take some time before many Mozambicans could lift their sights beyond the immediate question of where the next meal would come from. Good harvests over the last three seasons



Good conditions for farming... assuming the rains come.

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A lot of overseas assistance has gone into resettling refugees and rehabilitating the rural economy. Initially, programmes were implemented hurriedly in response to immediate and pressing need, and some mistakes were made. Nowadays, efforts are increasingly geared to achieving local self-reliance with a greater emphasis on developing human skills and capacities.

It is now acknowledged that the old Marxist policy of farm collectivisation, implemented in areas under government control, was a mistake. 'Culturally inappropriate' was how one observer described it to us (not that western consumerism is exactly ingrained in Mozambique's culture either!).

Vestiges of a recent past

Visitors unfamiliar with Mozambique's political history do not need the deductive powers of Sherlock Holmes to discover this country's past flirtation with the Soviet model. All they need is a street map of Maputo. This reads like a roll of honour of international socialism with avenues dedicated to the memory, among others, of Vladimir Lenin, Friedrich Engels, Mao Tse Tung, Ho Chi Minh, Salvador Allende and even Kim Il Sung. Local taxi drivers must be relieved that the authorities have not opted for a wholesale renaming policy - as has happened elsewhere - to reflect the new economic order. Needless to say, you won't find any streets named after Adam Smith, John Maynard Keynes or Ronald Reagan - but you could say that these heroes of the free market have their own commemorative symbols - in the advertising hoardings which proclaim (for those who have the cash to spend) the arrival of the consumer society.

The policy certainly seems to have undermined production and, combined with the post-war return of huge numbers of refugees, the result is a somewhat tangled land tenure situation which the authorities are endeavouring to unravel.

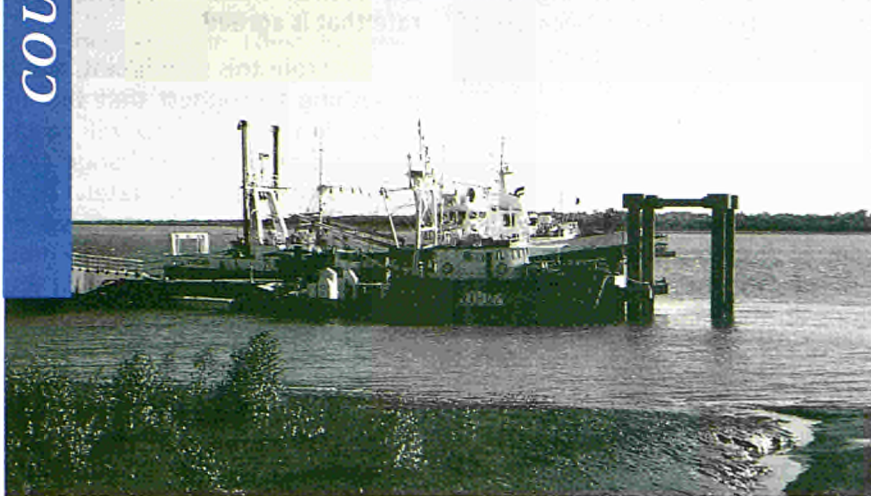
In principle, no one can 'own' land here. Economic liberalisation notwithstanding, the government still holds to the view that all land should ultimately be publicly-owned - or as President Chissano prefers to put it, 'owned by the people' (see page 10). This may not be entirely due to a residual socialist reflex on the part of the Frelimo government - after all, many of the formerly state-owned enterprises have been privatised. But there is no real history of individual land ownership in the country areas, where social organisation is centred on village communities and traditional leaders. The problem is that the fabric of rural life was badly torn by population movements and collectivisation. On top of this, communal forms of land tenure - whether based on the village or the state as a whole - sit uneasily with free market capitalism and industrialisation. The government's response has been to enact measures aimed at determining who has the best claim to possession and use of the land. A way needs to be found of resolving the many disputed claims, and also of ensuring that enterprises have security of tenure and the opportunity to 'acquire' land for development purposes. Regrettably, an effective system for registering 'title' is not cheap to establish or maintain.

Export crops

Returning to the subject of agricultural production, while the main markets are at home, Mozambique does have some export crops such as cotton, cashews and copra. The task here is to make good the damage done by the war, to achieve competitiveness in global markets, and to diversify. The cashew sector offers a particularly interesting case study since this is one area where the country does have a tradition of adding value locally. Many thousands of farmers cultivate cashew trees and most of their crop used to be sold to 14 local factories for processing before export. These factories were privatised in 1994-95 and most have since closed. 7000 of the 9000 workers (mainly women) have lost their jobs. The

Mozambique

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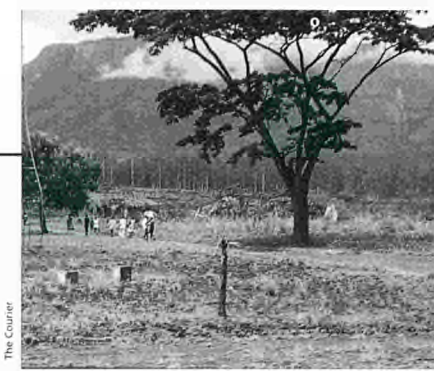
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Visitors unfamiliar with Mozambique's political history do not need the deductive powers of Sherlock Holmes to discover this country's past flirtation with the Soviet model. All they need is a street map of Maputo. This reads like a roll of honour of international socialism with avenues dedicated to the memory, among others, of Vladimir Lenin, Friedrich Engels, Mao Tse Tung, Ho Chi Minh, Salvador Allende and even Kim Il Sung. Local taxi drivers must be relieved that the authorities have not opted for a wholesale renaming policy - as has happened elsewhere - to reflect the new economic order. Needless to say, you won't find any streets named after Adam Smith, John Maynard Keynes or Ronald Reagan - but you could say that these heroes of the free market have their own commemorative symbols - in the advertising hoardings which proclaim (for those who have the cash to spend) the arrival of the consumer society.

The policy certainly seems to have undermined production and, combined with the post-war return of huge numbers of refugees, the result is a somewhat tangled land tenure situation which the authorities are endeavouring to unravel.

In principle, no one can 'own' land here. Economic liberalisation notwithstanding, the government still holds to the view that all land should ultimately be publicly-owned - or as President Chissano prefers to put it, 'owned by the people' (see page 10). This may not be entirely due to a residual socialist reflex on the part of the Frelimo government - after all, many of the formerly state-owned enterprises have been privatised. But there is no real history of individual land ownership in the country areas, where social organisation is centred on village communities and traditional leaders. The problem is that the fabric of rural life was badly torn by population movements and collectivisation. On top of this, communal forms of land tenure - whether based on the village or the state as a whole - sit uneasily with free market capitalism and industrialisation. The government's response has been to enact measures aimed at determining who has the best claim to possession and use of the land. A way needs to be found of resolving the many disputed claims, and also of ensuring that enterprises have security of tenure and the opportunity to 'acquire' land for development purposes. Regrettably, an effective system for registering 'title' is not cheap to establish or maintain.

Export crops

Returning to the subject of agricultural production, while the main markets are at home, Mozambique does have some export crops such as cotton, cashews and copra. The task here is to make good the damage done by the war, to achieve competitiveness in global markets, and to diversify. The cashew sector offers a particularly interesting case study since this is one area where the country does have a tradition of adding value locally. Many thousands of farmers cultivate cashew trees and most of their crop used to be sold to 14 local factories for processing before export. These factories were privatised in 1994-95 and most have since closed. 7000 of the 9000 workers (mainly women) have lost their jobs. The

big question is whether they can ever re-open.

To protect the local processing industry, the government used to impose a 20% levy on the export of unprocessed cashews. This hindrance to free trade was unpalatable to the World Bank which reputedly made removal of the levy a condition for further structural support. In response, the authorities reduced the tax and the result was de-industrialisation as growers took the opportunity of higher returns in the direct export market (the nuts are sent to India for processing). The argument, therefore, is whether protection can be justified where locally-added value is significant. In other words, must free trade be upheld at all costs or should the economic calculation include the benefits gained in much higher foreign exchange earnings from processed cashews? (There is, of course, a further element in the calculation, namely the impact on the Indian cashew industry). In reality, aid-dependent Mozambique had little choice but to take the World Bank's 'advice' though the latter body has since attracted criticism for its hard-line stance. The obvious solution is for Mozambique's factories to become globally competitive again – but the fact that a solution is obvious doesn't necessarily make it easy!

The prospects for boosting farm exports vary from one sector to another but overall, the country undoubtedly has a lot of potential to sell agricultural products abroad – assuming the right investments are made, appropriate training is available and the necessary attention is given to achieving consistent and high quality production.

One other development in agriculture which should be mentioned is the scheme to attract Boer farmers from South Africa to underexploited areas in the north of the country (the *Mozagrius* Programme). The idea is to attract both investment and expertise into a sector which desperately needs both (and also presumably, to ease land pressures in South Africa). President Chissano says that the scheme as a whole is working well and that there is even demand from other areas for the project to be extended – because the new settlers provide employment. On the other hand, it is not difficult to imagine tensions arising in future between newcomers and estab-



Scope for beach tourism?

lished residents, particularly given their very different backgrounds. There have already been some reports of this nature, though the authorities insist these are just minor teething problems.

Judging by the number of people who raised the subject with us, tourism is another economic sector which is set to grow. In the past, Maputo was a favourite watering hole for vacationing (white) South Africans and you can still see why, even if there is a lot of work to be done to restore it to its former glory (and improve the living standards of many of its poorest citizens). The rest of the country has no real tradition in the hospitality industry but it does have a lot of beaches as well as possibilities for those interested in flora and fauna. There has already been some hotel restoration and talk of resort developments, but the latter are in their very early stages.

Environmental issues

What of the environment amidst all this talk of industrial, agricultural and tourism expansion? We mentioned earlier the droughts which occur from time to time, seriously reducing the productivity of this otherwise fertile country. Indeed, there was a lot of talk during the *Courier's* recent visit about an impending drought. This had been predicted by scientists observing the *El Niño* phenomenon (unusual changes in ocean currents believed to affect the climate) although there was no sign of it in Maputo where it rained heavily.

To learn more about the risks to the ecology, we spoke to biologist and entrepreneur, *Mia Còuto*, who is involved in producing environmental impact assessments for large and medium-sized development projects (he is also a noted author of novels and short stories). He stressed that misery posed the biggest threat since people who were forced to live from one day to the next could hardly be expected to consider the

long-term implications of their actions. The main problems were in the cities and in coastal areas where a fragile ecosystem had come under pressure as a result of refugee movements. Mr Còuto cited the example of displaced people cutting down the mangroves which are a vital part of the shrimp's habitat. There are also worries about deforestation.

Our interviewee was sceptical about the term 'sustainability', describing it as a 'catch-all' which meant little in practice. He spoke of his company's work in trying to convince people to produce medicinal plants for profit. Traditionally, these have been gathered wild, and some species are threatened as a result. In short, enterprise and environmental protection should not be seen as mutually incompatible but rather as two sides of the same coin.

In economic terms, Mozambique may not yet be standing fully upright, but it is fair to say that it is no longer on its knees and the prospects look bright. There are those who would use a well-worn cliché and argue that having reached rock-bottom, the only way to go was up. Such people forget the alternative which tragically can be seen in some other parts of Africa – of slipping to rock bottom and getting stuck there. The fact that Mozambique has made such an impressive start in the recovery process must be linked to the remarkable political stability which it has enjoyed since the peace agreement was reached half a decade ago (a subject dealt with later in this report). Credit is due to the people of Mozambique, and their political leaders on both sides, for making the commitment to peace and reconciliation. The hope must be that this commitment is maintained – for its significance cannot be overstated. Mozambique provides an object lesson to those with influence in other nations still riven by conflict. ■

President Joaquim Chissano

'Proud of what we have achieved so far'

When Joaquim Chissano took over the leadership of Frelimo and became his country's President in 1986, he was confronted with a formidable array of problems. Foremost among these was the conflict with Renamo which had broken out in 1977, bringing misery to the population and enormous economic disruption.

The economy had, in any case, been seriously weakened by the abrupt departure of the Portuguese in 1975. Taking over in chaotic circumstances, Frelimo chose the path of Marxism-Leninism – an approach which, in retrospect, clearly failed to deliver growth and prosperity. Matters were not helped by an apartheid regime in South Africa openly hostile to the Maputo government – and with the economic and military clout to make life difficult for its 'front line' neighbours.

Today, the situation has changed dramatically for the better and, according to many observers, President Chissano can claim a fair share of the credit. He has admittedly been helped by events beyond Mozambique's borders (the establishment of democracy in South Africa and the worldwide collapse of communism). But he has also proved ready to adapt and, above all, to take political risks in his efforts to restore peace to his country. Five years after the end of the civil war, the economic signs are promising. Growth is running at about 6%, inflation is low, the public deficit has been cut and private investment is on the increase. Our first question to the President was whether these positive macro-economic trends were being translated into benefits for the general population?

– I may say that the benefits are starting to be felt by ordinary

Mozambicans. When you visit different districts, you feel that the people welcome the progress that has been achieved so far. Since the middle of last year, you rarely hear people speaking about hunger. That used to be an everyday refrain. The first thing they cried out for was for food. Today, they are crying out for more education. It is not that they don't have schools but they see things getting better around them, teachers arriving and so on, and this excites them. So some communities are asking for more schools. This is a sign that they are appreciating what is happening in the field of education.

The same is true for the health sector. A lot of people thought they would never have access to a local doctor. Now they are increasingly using the hospitals and mothers are going to maternity clinics. And people expected to walk for miles to fetch water. Now they are digging wells and boreholes – and are a lot happier.

So the people see the changes coming. They are asking the government to do things, and they do so with confidence that action will be taken. For example, they are seeking road improvements because they know that their neighbours have got a new or upgraded road which has brought benefits. Or take the telephone system. There is now a telephone in my home village. You find them increasingly in remote areas and, in some places there are two or three. So communications are improving. And as I say, these things are happening in the countryside, not just in the big towns. Of course, each improvement creates new demands. Expectations are rising.

Privately-run services are also being re-established, because the roads have been improved. You can now buy soft drinks more cheap-



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ly in the centre of the country because a Coca Cola factory has been built there. The same thing is happening in the south, and the prospects are improving in the north.

■ *This is an interesting point you mention. There is a perception that development may become concentrated here in the south where the capital is located, and which is close to an economically dynamic South Africa.*

– That is not our policy. I know a lot of people talk about the Maputo Development Corridor which is linked with South Africa. But it is not the only focal area for development. There is also the Nacala corridor up north which connects with Malawi. In fact we are speaking about the possibility of a network with the countries neighbouring that region. We have frequently pointed out to our international partners the importance of Nacala port for the countries that lie inland.

Then there is the Mozagrius programme involving the South African farmers. This has started in the north, not down here in the Maputo region.

■ *There have been reports of these farmers moving in and taking over land to the consternation of local people.*

– There are many foreigners, including South Africans, operating in Mozambique in different capacities. But so far we haven't had any major problems with the Mozagrius project. There was one area allocat-

ed to the programme where the people were not aware of what was going on and they became concerned. But it is just a question of meeting and talking with the local population. And now what we are finding is that these people are urging the farmers to come quickly because, as soon as they arrive, they have begun creating jobs. They employ workers and the peasants are now starting to see how they can benefit.

I should stress that there is a Mozambican side to this programme as well. It is not just for South African farmers. Obviously, the Mozambican farmers have less financial capacity so they will progress more slowly. But they can take advantage of new ways of doing things and what they see inspires them to do more themselves.

There have been a few places outside the programme where South Africans have come and created some difficulties. But there are others, for example in the Niassa province who are also not within the project but who are behaving very well. So we don't have any serious complications with the Mozagrius programme.

■ *This is an agricultural country and you obviously see farming as important. But there is also major foreign investment in heavy industries. What are going to be the key areas for Mozambique's future economic success?*

– There are a number of key areas. I would start by mentioning tourism which promises to develop into a big business for Mozambique. Then there is power generation, which is connected to the heavy industries you mentioned. But I must stress that we will not deviate from the principle that agriculture should be given priority. The country should not have to depend on food aid, so it is vital that people should become self-sufficient in food. In short, agriculture is in the forefront but we expect tourism to have a big impact on the country's economy.

■ *Turning to politics now, how would you assess the health of Mozambique's democracy?*

– We have gone a long way. We think we can still improve our

democratic practices but have reason to be proud of what we have achieved so far. Our institutions are functioning even though we have very limited resources to make them work properly. The National Assembly is operating very well. The discussions there are very open and the opposition participates fully. The decisions it takes are respected. You know that there is a fine balance in Parliament between the opposition and the governing party.

But democracy doesn't just involve Parliament. It entails the participation of civil society in decision-making, and this is happening in a number of ways. For instance, we are now looking at how we can expand higher education. And this is being discussed in the country at large. We have had seminars in the regions, involving educational institutions and civil society more widely. Likewise, when we were looking at the land question, we opened up the debate throughout the country before it was discussed in Parliament or in the Council of Ministers. So there are many examples of popular participation in decision-making.

'People are impatient for growth and want things to happen more quickly'

I should also mention the media. It discusses political issues very freely and takes whatever line it wants. The debates are such that many journalists recognise we have press freedom in Mozambique.

So when we speak about democracy in Mozambique, we emphasise that it must involve people participating in all aspects. It even means their being involved in the creation and distribution of wealth. That is why we are talking about getting local people involved in the private sector and, for those who have fewer possibilities, helping them to overcome their difficulties through microprojects and small-scale investment. This is all part of the same approach.

■ *Is there a feeling perhaps, among ordinary people, that a lot of the big developments which involve foreign capital are not necessarily having a significant impact on their lives?*

– There is some tendency towards that. People are impatient for growth and want things to happen more quickly. But one thing is gradually becoming clear – the arrival of foreigners is not an impediment to the growth of the private sector in Mozambique. On the contrary, we are aiming to use the foreigners to create new national entrepreneurs through joint ventures. We have recently organised a national dialogue on the theme of 'smart partnership': in other words, a partnership between foreign interests and local people, and between the government and the private sector. We all need to chip in – and local communities are a part of this. So, when a foreigner comes to do business here, he has to bear in mind our policies – that he is coming to participate in the development of the country. He gets the benefit but he has to leave something here as well. We all have to gain something. So if he comes in and sets up a factory, he has to ensure that the neighbouring community gets something out of it.

■ *You mentioned the discussions about the land issue earlier. There is now legislation which allows people to acquire long-term leases, though the land will officially remain state-owned. What protection is there for village communities which have, for a long time, occupied and cultivated land?*

– This is fully guaranteed. Actually, when you say state-owned, we would argue that this means 'owned by the people'. Even in colonial days, the land here was always owned by the people. There were, of course, tracts allocated to settlers, some of which were very large, but even these were only concessions. The reasoning was that the farmers had the capacity to cultivate the land efficiently. The peasants were allocated plots elsewhere, and not always in very good places.

But today, the rule is that no land will be allocated to any enterprise without consultation of the local people to ensure that the territory is not occupied. Of course, you



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have cases where the land has not been occupied for many years, but someone nonetheless comes along and makes a claim based on the argument that his ancestors farmed the area a long time ago.

■ *Does the legislation include provision for registration of title or at least of an interest based on occupancy? From a development standpoint, that is presumably important because it provides legal certainty.*

– Yes. We are trying to encourage even the peasants to register the land that they occupy in their name, to avoid the possibility of disputes later. But we aren't insisting that they do so because not all of them would understand the process. It is different for commercial farmers, factory owners or shopkeepers, who have a time limit in which to register.

So when there is a question of allocating land, before any title is granted, you need to go to the village and its head, and discuss the matter with the people that are directly concerned by the proposal. It is a lengthy process, but we need to be especially careful when it comes to people who are not financially powerful. I am not saying there are no anomalies. Problems are bound to arise from time to time, but you can always find a solution. That is why we had such extensive consultations with the people before the law was passed.

■ *The decision to introduce compulsory military service has raised a few eyebrows outside Mozambique. What is the reasoning behind this decision?*

– We find it to be the cheapest way of having an army. A permanent army made up of professionals at all levels is expensive and requires more sophistication. What we are doing here already happens in many other countries. Also, the Constitution says that it is the duty of every citizen to be ready to defend the country.

Under the new land legislation, protection for village communities is 'fully guaranteed'.

■ *You say 'every citizen', but surely in practice, you can only have selective conscription? Presumably you aren't going to be able to take in all the young people from the relevant age band.*

– Of course. But we are also trying to create something called 'service for national reconstruction'. We recognise that not everybody can go into the military, or indeed is suited to it, so to ensure equality of treatment, we are suggesting this as a compulsory alternative. The idea is that everyone should do something for the nation. In the colonial days, one used to pay taxes to avoid having to go into the army. We argue that you should do some sort of service according to your skills. You will be paid the equivalent of what you would get in the barracks – a lot less than you might earn otherwise. But just because you have had the chance to study, and are headed for a career as a doctor or engineer, for example, doesn't mean that you are above the others. So you should do your bit working, say, as an engineer, for the benefit of the country. The money we save can then be used to do other things. But I should say that this has not yet been discussed properly in the Assembly.

■ *So the principle of military service has been established, but the detail has still to be worked out?*

– Yes, we still have to discuss this so that people understand what we are speaking about. Some people think that professional service on a voluntary basis is cheaper, but this is not the case. Recruitment campaigns cost a lot of money. Our approach also helps forge national unity.

■ *What has been your greatest achievement, and your greatest disappointment, during your twelve years in power?*

– The greatest achievement was to be able to work for peace – and to succeed. Peace is the corner-

stone for the development of the country.

As for disappointments, there were a lot of them in the past, but perhaps I could mention two – though I should stress they belong in the past. First was the failure of the world to understand the nature of the conflict which was taking place in Mozambique. There was a tendency to gloss over the real reasons that brought havoc and death to the country and to emphasise less relevant aspects. I am speaking here about the apartheid and nostalgic colonialism in some quarters which created so much instability in Southern Africa. In fact, some people still focus on Marxism and systems, rather than on the minority regimes and those who didn't want to accept change. Even today, there is a tendency to analyse failures in the economy in terms of systems, ignoring the concrete realities – the bridges that have still to be rebuilt, the roads and railways that have been destroyed, the agricultural land that has gone uncultivated for six years or more and the many mines that still lie in the ground. People are far less inclined to speak about these problems.

Secondly, and it is a related issue, we pointed out that the country had been destroyed and that help was needed in reconstruction, but it took a long time for our partners to understand this, even after peace had been restored. We wanted to normalise the lives of the people to allow them to create a sound market economy, but that cannot be done with words alone. We argued for some sort of Marshall Plan for Mozambique with a number of heads of state in the industrialised world – and it took a lot of time to get the message over. But as I say, all this belongs to the past.

My concern now is what lies ahead. That is why our slogan is 'For a better future'. ■

Transport corridors Back on the rails

Like most large developing nations, Mozambique needs improved internal networks (road and rail) as a basis for its own productive economy. In rural parts of the country, while the soil may be fertile, many farmers face difficulties getting their goods to market. The importance attached to rehabilitating transport infrastructures – which suffered badly during the various conflicts in Southern Africa of the recent past – is illustrated by the heavy donor involvement in this area.

The transport system, however, is more than just a vital service infrastructure for facilitating domestic economic activity. Because of Mozambique's geographical position, it also has great potential for generating foreign exchange. The key to this is the three 'corridors' which span the country from east to west. These road and rail links have their origins in the country's colonial past. Across Africa, the European powers built railways, and later, roads, to bring raw materials from the hinterland to the ports, and in Mozambique's case, this included significant trade from the neighbouring territories. Because of the political situation, both domestic

and international, Mozambique's corridors have had a chequered history up until very recently. The Unilateral Declaration of Independence (UDI) by the white minority administration in Rhodesia (now Zimbabwe) led to international sanctions which affected commerce on the Beira corridor – although it is widely acknowledged nowadays that 'sanctions-busting' occurred on a substantial scale. The war which developed thereafter in Rhodesia/Zimbabwe, the growing struggle for independence in Mozambique and the civil strife which followed, all hit trade on the Beira link. But this connection is so crucial to Zimbabwe that the government in Harare has always made strenuous efforts to keep it open. During the era of apartheid South Africa *versus* the Front-Line States, international efforts – previously aimed at suppressing Rhodesian commerce through Beira – were focused on consolidating this link. The aim now was to help Zimbabwe reduce its dependence on the South African ports. It was at this time that the Nacala corridor to Malawi also received renewed attention, although inevitably, the strategy was seriously undermined by the fighting in Mozambique.

The Maputo corridor was unaffected by events in Zimbabwe

and did not particularly suffer as a result of Mozambique's own civil conflict, being located firmly in Frelimo territory. Where it lost out was in the predictable tension that developed between the apartheid regime in Pretoria and the post-independence marxist government in Maputo. Since the situation in South Africa was the last of the region's complex crises to be settled, the Maputo corridor suffered even more neglect and it deteriorated seriously, falling well behind its more northerly counterparts. It is potentially the most significant of the three links, however, given South Africa's status as the region's economic 'giant', and today, it is attracting the largest share of investment.

Brighter prospects

The clouds of war having been swept away, the prospects for Mozambique's transport corridors are better than they have ever been (although criminal banditry on the roads has still to be fully suppressed). To find out what progress has been made in developing the links, and what the future might hold, we spoke to businessman *Fernando Couto* who is Deputy Managing Director of Manica Freight Services (Mozambique). He explained that the government had an integrated strategy designed to make the corridors 'poles of attraction' for broader economic investments. The hope is that manufacturing industries will

A passenger train at Tica on the Beira to Harare railway.



A railway with missing connections

Like ancient Gaul, Mozambique's railways are divided into three parts (four if you count Quelimane to Mocuba separately):

CFM North

The line from Nacala to the Malawi border (continuing on to Blantyre) with a branch towards Lichinga. This is the only welded railway line in Mozambique. (plus the ports of Nacala, Pemba and Angoche - the last two having no railway connection).

CFM Central

The route from Beira to the Zimbabwe border (continuing on to Harare). A second main line goes north from Beira to the southernmost tip of Malawi (then on to Blantyre), with a branch to Tete. This is not currently operational but there are plans to reinstate it. There is also an isolated line from Quelimane to Mocuba. (plus the port of Beira).

CFM South

The line from Maputo to the South African border (continuing on to Johannesburg) and two other routes. (plus the port of Maputo).

be drawn to the zone adjoining the corridors by the prospect of efficient and inexpensive access to wider markets. He feels though, that it is important for the rehabilitation to be commercially-driven. The corridor is not simply the road and railway line, he stressed, but includes the port that lies at the end of it – and there is a lot of work to be done to upgrade the Maputo harbour facilities. This task has already begun, and since 1994, private operators have been able to obtain concessions to run individual terminals in the port. The injection of private sector disciplines into the operation are already bearing fruit, Mr Couto said, citing the recent restoration of the sugar handling terminal. In the past, Maputo was the traditional point of departure for sugar from Swaziland and Zimbabwe, but this trade ground to a halt when sever-



A view of Maputo, including the docks.

al thousand tonnes went missing en route and insurance became unobtainable. Since the rehabilitation was completed in 1996, one million tonnes of sugar have been handled in Maputo (with losses of less than 500 tonnes), generating \$17m in income for Mozambique. There is a similar story with citrus fruits from South Africa – exports have leapt from 3 million to 10 million tonnes a year since the introduction of the new concession system. Mr Couto acknowledges that these success stories are only a start and spoke of the need for 'innovation and a pioneer spirit' to bring cargos back, but there is no doubt that he sees a bright future for the port of Maputo.

Beira and Nacala are also benefiting from significant investment designed to upgrade the facilities and attract new customers. Nacala is the smallest of the three, but is the deepest natural port in Southern Africa, capable of accommodating sea-going vessels of any size.

We also spoke to Nelson Saúte of *Caminhos de Ferro de Moçambique* (CFM), the public company responsible for running Mozambique's port and railways. He confirmed the policy of progressively introducing private capi-

tal and management into the port operations, adding that similar arrangements were envisaged for managing the railways. CFM is in the unusual position of running three – or arguably four – unconnected rail systems (see first box). This obviously makes life more difficult for those in charge since resources and equipment cannot easily be switched from one part of the country to another. Mr Saúte said that, in an ideal world, the company would like to join the various parts of the system together but had no immediate plans to do so. Presumably such a scheme would be prohibitively expensive.

Freight traffic increasing

The focus will, therefore, remain on the corridor traffic and on winning back trade lost over many years of instability and conflict. In 1979, the Maputo line carried 14 million tonnes of freight annually but this fell to almost nothing as the Pretoria administration tightened the screw. Today, despite line rehabilitation, the capacity is somewhat lower at 12 million tonnes, while the actual throughput has risen to 4 million tonnes. It is a good start, but there is clearly a lot of scope for expansion. Mr Saúte also sees prospects for developing passenger business, notably the tourist trade. He men-

East-West isn't necessarily always best!

The economic gains potentially available from the successful development of the east-west corridors means that they are bound to be given a high priority. But some would argue that north-south links in this elongated nation are equally important, though perhaps for slightly different reasons. It is not uncommon for people in 'the provinces', in any country, to feel remote from the capital city. When the capital is situated at one extremity, as is the case in Mozambique, the result can be a real sense of alienation. Few of the rural poor living in the centre and north of the country have ever even been to Maputo.

At present, with no continuous rail link, the only land route is by road - but you will be disappointed if you expect to find a Trans-Mozambique highway. Parts of the main north-south journey can be made on good roads, and work is gradually being done on upgrading the rest, but much of the route is still said to be in very poor condition. There is also a problem with river crossings. In practice, the only sensible option (for those who can afford it) is to fly. Air Mozambique (LAM), with its hub in Maputo, has scheduled services to most of the major regional centres. On both legs of our Maputo-Quelimane trip (via Tete), the flights were full and there is, we were told, a high risk of being 'bounced', which usually



Light aircraft at Gurué airstrip. More remote areas can be reached speedily by light aircraft - at a price!

means a delay of at least a day. More remote areas can be reached speedily by light aircraft - at a price! - or at a more relaxed pace in a four-wheel drive vehicle (although 'relaxed' is probably an inappropriate description, since the ride is likely to be bumpy).

Given the particular need here to forge national unity and consolidate the process of reconciliation, it is evident that the task of improving the north-south axis cannot be neglected.

tioned the possibility of running a Blue Train-type service from Maputo to Durban through Swaziland. The actual Blue Train, which is a luxury service akin to the Orient Express, currently runs between Pretoria/Johannesburg and Capetown.

Very little of the freight carried by CFM at present is from Mozambique itself, a situation which underlines the mountain that still has to be climbed by local producers and manufacturers. And although in theory, the countries of Southern Africa are committed, through SADC, to create a single economic 'space', in reality, consignments passing along the corridors can be held up by customs procedures at the border - for up to 12 hours! Nelson Saúte is keen to see progress made at a regional level in tackling these obstacles, which add to the costs of those involved in import/export.

To find out what was happening in this field, we visited the Maputo headquarters of the Southern African Transport

and Communications Commission (Mozambique is the 'lead' country within SADC in the transport sector). We spoke with *E.H. Msolomba*, who is the Commission's Director and *Smak Kaombwe*, the Planning Coordinator. The Director assured us that efforts were being made to simplify border procedures with a view to minimising delays. One idea being discussed was to have a 'one-stop-shop'; in other words, a combined customs point instead of the two sets of controls which are currently applied to cross-border traffic.

SATCC, as one would expect, has a particular interest in transport corridors - there are nine within its geographical area of responsibility including the three in Mozambique. Focusing on the railways, Mr Kaombwe outlined some of the problems that needed to be tackled in forging a more integrated system in Southern Africa as a whole. Funding is obviously high on the list - even in developed countries, railways find it difficult to operate without public subsidy. Signalling systems and regulatory frameworks also vary from one

country to another, while the Democratic Republic of Congo's recent accession to SADC has thrown up a new problem - not all of its railways use the standard gauge! Despite the difficulties, SATCC is attempting to forge a more coordinated approach. There are plans, for example, to establish a rolling-stock information system, based in Harare, to allow for more efficient use of railway vehicles. The new emphasis on private sector involvement; seen in Mozambique and elsewhere, could also be exploited to iron out some of the problems. In this connection, Mr Kaombwe said, 'it would be ideal to have one concessionaire to run a complete length of track - for example from Beira to Harare'.

For too long, squabbling humanity prevented the transport corridors of Mozambique from getting up to full speed. Indeed, for a while, the country's development train was derailed altogether. The carriages are now back on the track and the engine is getting up steam. The only pity is that there is so much lost time to be made up. ■

Afonso Dhlakama, leader of the Renamo opposition

'Keep the State and Party separate'

Five years ago, when *The Courier* interviewed Afonso Dhlakama, our journalist was obliged to travel on a Red Cross plane to the Renamo base in Maringue where the Renamo leader had been consulting with his military commanders. At the time, a tenuous peace had been restored in Mozambique and demobilisation of the opposing forces was in its early stages, but Renamo was still more a guerrilla movement than a political party.

For the present Country Report, we had again to fly north to speak to Mr Dhlakama, though the circumstances were very different. This time, the opposition leader was on tour, meeting voters in the centre of the country which is his political base. Local elections are due to be held in May 1998.

He began by giving us his assessment of progress in Mozambique over the last five years. The key event, of course, was the election held in 1994. Mr Dhlakama insisted that the poll 'was not exactly free and fair' but nonetheless accepted that it had been won by President Chissano and Frelimo. Peace and democracy, he insisted, were the keys to the country's future success and, focusing on the latter, he argued that the current administration had to accept change and support genuine democracy. His opponents had been in power for 22 years, he pointed out, and it was not easy for them to abandon old policies which, he argued, were not in keeping with the times. When pressed further on this, Mr Dhlakama claimed that Frelimo was still fundamentally a Marxist party, despite its efforts 'to show the international community' that it was ready to change.

Freedom focus

On policy differences between Renamo and Frelimo, the opposition leader spoke in general



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terms about his own party's 'belief in freedom – to think, to express one's views, to engage in dialogue... and to vote. The people', he continued, 'must have the right to say to the President: "This is wrong".' Surely the people already had such a right, we suggested, but Mr Dhlakama disputed this proposition vehemently. We were also puzzled by the 'Marxist' label, given the undeniable blossoming of private economic activity in Mozambique.

The opposition leader sought to justify his accusation in political rather than economic terms. The underlying problem, he said, was that it was difficult to distinguish the state (and government) from the party (Frelimo). This blurring of the two, he pointed out, was a key characteristic of the communist political model. Mr Dhlakama claimed, for example, that 'if you are not Frelimo, then the police see you as the enemy.' It was also difficult, he alleged, to get teaching posts, or bank loans from certain institutions, if you did not support the ruling party. If Renamo were to gain power, he said, 'we would separate the party from the state.'

Our discussion moved on to the coming local elections. Mr Dhlakama was initially circumspect

about Renamo's prospects in these polls, although he later predicted that if the process were free and fair, the outcome should be a 'fifty-fifty split' between the nation's two main political forces. He had strong reservations, however, about the voter registration that was taking place throughout the country at the time of *The Courier's* visit. Acknowledging that the preparation of electoral registers was the job of government, he was nonetheless critical that Renamo had not been more closely involved. There were, he alleged, a number of irregularities.

Grassroots economics

When it comes to economics, the great ideological divide between Renamo and Frelimo may have disappeared, but this did not prevent Mr Dhlakama from criticising aspects of the government's programme. He recognised the favourable trends in Mozambique's economic indicators, that people now had food to eat, and that there were opportunities for small businesses obviously not available during the war. But he questioned whether positive macro-economic statistics – which satisfied the World Bank – necessarily equated with genuine development for the people. He cited the example of the local currency (the *metical*), which had stabilised after several years of precipitous decline. 'This stabilisation is not because of the underlying economy but because the government is controlling the currency and limiting the money supply. What it means is that businesspeople are finding it difficult to obtain funds. This is not good development.'

According to the leader of the opposition, the emphasis should be on an approach that starts at the grassroots. The most important sector, he insisted, was agriculture, 'because it is the basis of our economy.' Free market economics may be in the ascendant, in theory, but Mr Dhlakama was

happy to espouse certain forms of intervention – arguing that the government should be helping farmers to obtain equipment and supporting them to buy fertilisers. Our interviewee's second priority, closely linked to the first, was transport infrastructure. As he bluntly put it, you cannot speak about economic development if you can't even drive 25 kilometres out of town: if the farmers cannot bring their maize, beans, cattle and cashews to market because the roads are so bad.

Modest ambitions for manufacturing

Afonso Dhlakama is not against industrial development, but he doubts whether his country is suitable – at least at present – for large-scale manufacturing designed to compete with South Africa and Europe. 'It would be very difficult for us to achieve the quality necessary to break through



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into these markets.' He argues instead for small industries, processing sugar for example, or making basic clothing and footwear – with an eye firmly on local markets. In other words, 'start small' and capture the domestic trade before trying to move into sophisticated exports.

One sector which government and opposition agree is worth trying to restore is tourism. The opposition leader spoke of the country's good beaches and

Start small and capture the domestic trade. Informal business dealing in wood for local construction.

wildlife, but also of some the hurdles that needed to be removed. 'If you are to convince people to come here, then they must feel secure. So we need to halt the corruption. Foreigners are not going to be happy if, as soon as they arrive at the frontier, they are asked to pay money to the guards to 'facilitate' their entry. If they want to come and see our country, and are bringing money to spend here, we should be welcoming them – and making things easy for them.'

In conclusion, Mr Dhlakama was keen to underline the role that he and Renamo had played in 'ensuring continuing stability' in Mozambique since the end of the civil war. Many Europeans, he said, found it difficult to understand why the country had progressed while elsewhere in Africa (he cited Angola, Burundi and Somalia) the conflicts had proved more intractable. The opposition leader vouchsafed that he 'had a commitment to peace and democracy', which he had stuck to 'in the face of provocation' from the government side. 'This is why there is peace in Mozambique', he insisted.

Interestingly, despite some trenchant criticisms of the administration, Afonso Dhlakama was ready to give credit to President Chissano, hinting that they could work together. The Frelimo leader had been 'brave', he said, to go to Rome to talk to a 'rebel' (a reference to himself). He suggested that the President was under pressure from more radical elements in his party... and then somewhat disarmingly admitted that he faced similar pressures within Renamo.

A Parliamentary perspective

While Afonso Dhlakama is the acknowledged 'leader of the opposition', he does not actually hold an elected position in Mozambique. This unusual situation has arisen because Mr Dhlakama contested only the Presidential election in 1994 and did not put himself forward for the National Assembly. Renamo currently holds 112 of the 250 seats there, and we had the opportunity to speak with Dr. David Aloni Selemani, the party's Deputy Group Leader in the Parliament building in Maputo. Dr Selemani echoed his leader's views on the 'Marxist tendencies' of the government which, he claimed, were reflected in the Constitution. 'Checks and balances are lacking in the system', he claimed.

Dr Selemani suffers the usual frustrations of opposition parliamentarians in a chamber where one party has an absolute majority. He is unhappy that Renamo initiatives 'are almost always blocked', stating that it was effectively an 'elective dictatorship'. But such a situation, we pointed out, existed in many other democracies. In the UK, for example, a strong party system gave the government a monopoly of power in practice. Dr Selemani acknowledged this, but stressed that Britain was a 'mature' democracy. 'In our present situation', he insisted, 'there are times when consensus would be more appropriate.'

It is obvious that robust and sometimes heated debate takes place in Parliament, but what about relations between Frelimo and Renamo members outside the chamber? Given the country's recent history, one might have expected them to be hostile. Not so, said the Renamo Deputy Group Leader. Encouragingly, personal contacts can be quite amicable, 'and we sometimes buy each other coffee'.

For Dr. Selemani, one of the biggest bones of contention is the 'lack of resources to do our job properly.' He cited the absence of photocopying facilities and the fact that Renamo's parliamentary secretariat had to share a small office with the third opposition party (the nine-strong Democratic Union). He believed that the government was making life unnecessarily difficult for the opposition and insisted that more back-up was needed.

Entrepreneurs in action

More than ever before, successful development requires a thriving private sector – which, in turn, means dynamic entrepreneurs with an eye for emerging business opportunities and a willingness to take risks. In Mozambique, the risks can be high but there is obviously a lot of potential, as we discovered on a visit to Zambezia Province. We spoke to a series of businesspeople ranging from the local manager of a large production and trading company to a bicycle-trader from Malawi working in the informal sector. In the mini articles which follow, we report on their varied activities and their plans for the future. This is not a scientific survey but rather a series of 'snapshots' designed to give an impression of what is happening in this emerging market economy.

Many irons in the fire

Rogerio Henriques is the *Grupo Madal's* resident board member in Quelimane, responsible for overseeing the company's operations in this area of central Mozambique. In some senses, Madal is a throwback to a bygone era. Established around the turn of the century, it was once the archetypal colonial trading and production concern with many 'irons in the fire' including copra, tea, cattle and shipping. The firm kept going after decolonisation – despite Portugal's hasty withdrawal, managed to avoid nationalisation and, perhaps most surprisingly, kept afloat throughout the civil war. A lot of activity was curtailed but in 1987 (long before the peace agreement) the company actually embarked on a new venture – prawn fishing. Today, Mr Henriques explained, the Group is run as a series of joint ventures and is no longer exclusively Portuguese. It employs 7000 people in Zambezia alone and continues to diversify. There are new investments in copra and wood (work began in July on a large timber mill) while the company is seeking mining concessions to exploit tantalite, a mineral used for strengthening in alloys. The prawn fishery employs specialised vessels operating out of Quelimane with the catches sent to Beira for export. Efforts are being made to boost coconut production – 350 hectares of land are being replanted with new hybrids each year. The company also has margarine and animal feed factories, an operation to develop cereals and rice, and 10,000 head of cattle – which are sold on the domestic market (4,000 livestock were lost during the war).

Not everything in the garden is rosy, as Mr Henriques acknowledged. The tea plantations have some potential but the company's factory which used to process the crop was destroyed during the conflict. At present, it would not be cost-effective to rehabilitate production. There are also some problems in Quelimane port which is small and has no working cranes. Ships' cranes have to be used to load cargoes. Despite this constraint, Madal

exports about 13,000 tonnes of copra annually to Rotterdam.

As for human resources, our interviewee spoke of a need to motivate employees more to improve efficiency. There was also a shortage of suitably qualified 'middle-ranking' people – which, he believed, could only be resolved through better educational provision. Fundamentally, however, the *Grupo Madal* was optimistic about the future of Mozambique – which was why it was investing so heavily in long-term projects.

Cotton blossoms

If Madal is a 'veteran' of the Mozambican economic scene, then *Agrimo* is very much a 'new kid on the block' having been established in May 1994. The contrast also extends to the scope of its activities which are exclusively agricultural, with a strong focus on cotton. General Director *Luis Pereira*, a board member based in Quelimane, explained how legislation passed in 1994 had enabled the company to take part in an innovative arrangement involving small cotton farmers. On the basis of five-year, renewable contracts, the scheme gives participating enterprises the exclusive right to purchase the output of growers within a defined territory. *Agrimo* has obtained the concession for a substantial area in the cotton-growing region close to the Zambezi river. In return for this exclusivity, the contract places certain obligations on the company. It is obliged to supply farmers with extension services including inputs (improved seed strains and bactericides) and marketing assistance. It must also purchase what they produce, at a government-fixed minimum price. And, with a view to ensuring local value-added, it is committed to building a cotton ginner – the region's ginning installations having been destroyed during the war.

'The beauty of the scheme for the government', said Mr Pereira, 'is that they don't have to come up with state funding to assist small farmers.' In effect, they have passed the baton to the private sector. The General Director is also keen to allay any concerns of free market purists that the arrangement may stifle competition. As he points out, it is based on contracts of limited duration, freely entered into by the companies. One aspect he would like to see changed is the way minimum prices are set. 'These should be indexed to international prices' he argued.

The early indications, according to Mr Pereira, are that the arrangement will benefit both sides. The figures for raw cotton production in Mozambique would seem to bear this out – in 1995-96, 51,000 tonnes were produced and in 1996-97, output jumped to 68,000

The jetty at Quelimane, where Madal's prawn boats are based.



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tonnes (a 33% increase as against a 5-6% rise in agricultural production more generally). In the two districts covered by Agrimo, located in Tete and Zambezia provinces, the number of participating farmers rose from 820 in the first season to 5600 in the second and now there are almost 10,000 smallholders involved. The company's goal is to increase this figure to 30,000. Agrimo also provides direct employment. It has a 49-strong extension team whose members – all Mozambicans – work closely with individual growers. Last year, work began on the construction of a ginnery at Morrumbala. The location was chosen because it is in the centre of the cotton-growing area and most farms are within a hundred kilometres. The aim is to have the building work completed by December 1998. This will then become the logistical base for the whole operation. The ginned cotton will either be sold to the local weaving industry or exported. Currently, the export option is more lucrative as domestic prices are depressed.

Although Agrimo's main involvement is in cotton, the company is also looking at other marketable crops including sunflowers, maize and pigeon peas. 'In terms of quality', said Mr Pereira, 'the land where we are operating is the *filet mignon* of Mozambique.' To keep it that way, rotation is important and that means establishing an equilibrium between cotton and food crops.

Luis Pereira has some critical words to say about the efforts of NGOs in the field of agricultural development, arguing that these often 'create dependency'. The voluntary sector has a role in health and schooling, he believes, but it should not become involved in business activities.' Linked to this, he is critical of the rules that prevent private concerns from having access to EDF funds for development projects. For this dynamic business manager, the key benefit of the new cotton contract system is that it 'promotes the mercantilisation of the rural economy.'

Tea needs an investment pot

A ninety-minute flight inland from Quelimane to Gurué, in a light aircraft, brings you to a very different landscape. A range of mountains provides a striking backdrop while the vegetation in this undulating terrain is lush and verdant. Tea is the traditional crop in this cooler climate and the distinctive low bushes dominate the fields that surround the town. The town is the production base for the Sector Cha of Companhia da Zambezia do Gurué (CZG) which also has a number of other commercial interests. Company director, João Batista Adrião, who manages the local operation, is clearly keen to restore tea to its former glory. We met up with this hospitable businessman by chance, and he proved more than willing to show us round his factory and discuss the problems facing the industry. As we implied earlier, tea certainly does not offer a licence to print money. It is not merely a question of bringing damaged factories back into production, which



João Batista Adrião.



The tea factory at Gurué.

is an expensive business. After years of neglect, many of the bushes need replacing.

The war put a stop to tea processing in Gurué with the factory buildings either damaged or falling into disrepair. The CZG has managed to get its plant running again, however, and when *The Courier* visited, it was a hive of activity. But Mr Adrião made no secret of the difficulties he faces. The factory, which employs 60 workers, has had some new machinery but much of the processing operation involves old (and sometimes very old) equipment. It is, visibly, a triumph of improvisation in adverse conditions, but as our host pointed out, the key to becoming competitive in wider markets is more investment in more modern machines. From harvesting to end product, the tea goes through various processing stages and if the capacity of one stage is limited, then this will limit the overall amount produced. The main logjam at the moment is at the drying phase – only one of the four wood-burning stoves is functioning and a second needs to be brought on line to cope with the increased supply of harvested leaves. Also, using wood fuel is expensive. The firm hopes to obtain grid electricity in future, thereby taking advantage of the country's growing hydro-power capacity.

CZG has 1100 hectares of tea plantations around Gurué of which 400 are in production and the aim is to increase this to 600 in the next growing season. New high-yield varieties are progressively being introduced. At present, the company is responsible for exploiting the plantations but it plans to transfer plots of land to smallholders for them to cultivate themselves. It would then offer extension advice to these newly established entrepreneurs.

The processed tea is sold only on the domestic market, being taken by lorry to the railhead for onward transport to Nacala. Mr Adrião is keen to move into exports and recognises that, to do this, product quality and consistency need to be improved – something which he believes is certainly achievable. In short, he is convinced that tea production in Gurué can have a bright future – so long as the investment capital can be found to upgrade the fields and the factory.

A builder – but adaptable!

To someone from the industrialised North, road building and maintenance is the domain of large construction and engineering firms with expensive machines and plenty of capital. *Pio Augusto Matos'* company, *CAME*, may not exactly fit this mould, but this doesn't stop it from making its own important contribution to the upgrading of Mozambique's degraded road network – something which everyone recognises as essential for sustained development. Mr Matos is one of a new breed of Mozambican entrepreneur who has recognised the business potential of post-war renewal... and acted upon it! In fact, the proprietor of *CAME* was more forward-looking than most. He established his firm seven years ago, before the conflict had formally ended. Today, he employs 40 permanent staff and has 600 casual workers engaged in road rehabilitation and a further 120 in other construction activities. It sounds a lot, but this kind of work in Mozambique is highly labour-intensive. Wage costs are low while imported high-tech equipment is expensive and dependent on good maintenance. The company does all kinds of civil construction – roads, bridges, culverts, schools, hospitals and private dwellings.

Unlike other businesspeople we interviewed, Mr Matos is unsure about the prospects for the construction sector, though he does have short term-plans for expansion. But in expressing his doubts, he also reveals the kind of forward-thinking that has kept him ahead of the game. Most of his civil engineering work comes from public contracts. Indeed, the bulk of the road rehabilitation taking place in Zambezia (including the project awarded to *CAME*) is paid for by bodies such as the European Commission, or the UK's Department for International Development. A similar situation is found in the country's other provinces although the cooperation agencies may be different. To put it bluntly, Mr Matos fears that contracts will slow to a trickle when the current tranche of aid-funded projects is completed. There may be some work in the commercial sector but there are very few private construction schemes at present and any increase, he believes, will probably not be enough to take up the slack.

If he is right, then this will disappoint Mozambique's partners – especially those whose road programmes have included a specific component designed to encourage the establishment and consolidation of local construction firms. The hope is that some of them will survive, but how many will depend on the Mozambican authorities, and on how much they are able to put into future road maintenance budgets.

In any case, the proprietor of *CAME* is prepared to adapt if necessary. He has a farming background – his

family used to cultivate 1500 hectares – and is quite ready to go back to the land, where he sees opportunities to grow beans, maize and vegetables commercially. Other road contractors, he reported, were also diversifying – one had recently bought a tractor for his business which could be converted to farm use if necessary and another had invested in a hammer mill to grind maize. There was even one who had opened a nightclub in Mocuba! For these entrepreneurs, the future may be uncertain, but they certainly don't plan to shut up shop!

The commerce of wheels

Adaptability is also essential for the last person in our private sector 'sample'. *Chikoti*, (we didn't catch his surname) is not actually a Mozambican – he hails from Malawi and earns his living importing and selling bicycles, which everyone in rural Mozambique seems to be riding nowadays. We met this self-employed businessman, if that isn't too grandiose a term, at the bustling market in a town in Zambezia province. *Chikoti* operates firmly in the informal sector. Indeed, he volunteered the information that his bicycles had not come through a regular border crossing, thereby avoiding customs duties. Ironically, the Indian-made machines probably went via Mozambique to Malawi (along the Nacala corridor) in the first place.

The trader makes two trips a month, each time bringing in between 50 and 60 disassembled bicycles packed in cases. He pays roughly \$50 per unit wholesale in Blantyre. The amount he gets in Mozambique varies according to local market conditions but at the time we spoke to him, \$80 was the top price available. The trade provides him with a reasonable income at present but as he pointed out, he has three children to feed, not to mention numerous members of his extended family.

One problem, of which he is well aware, is that the market appears to be reaching saturation point. The initial rush of cycle purchasing is already over and the number of traders has increased. *Chikoti* appeared phlegmatic about this looming threat to his livelihood and is already looking for the next trading opportunity. He has had to switch horses before. Previously he took shoes to Beira and then purchased cosmetics there for selling back home in Blantyre.

It seems a precarious existence but *Chikoti* is nonetheless ambitious. He hopes to accumulate enough capital in time to expand 'into a more dependable business'. He stressed, however, that 'you have to push yourself if you want to achieve your goal.' This is a philosophy which would seem to apply to all five of the entrepreneurs we spoke to for this feature. ■

Pio Augusto Matos with one of his company lorries.



The Courier

Grappling with governance

The thesis that democracy and the rule of law are necessary for long-term social stability and economic development has gained ground since the end of the Cold War, even if there are some states that have achieved impressive short-term growth without the benefits of pluralism. In essence, democracy is a simple idea – 'government of the people, for the people, by the people'. But crucially, it includes the idea that while the will of the majority should prevail, minorities ought not to be oppressed and their opinions should be respected. So the practice of democracy can be problematic, particularly in polarised societies which have only recently embarked on the democratic path. The rule of law is an analogous concept. Just as everyone should have equal rights of political participation, so too should they receive equal treatment from the legal system. Laws must be transparent, having been adopted in accordance with proper procedures; they must not be applied arbitrarily by those responsible for their implementation; and no one should be above them.

Mozambique's democratic system may not be perfect (can any country claim perfection?) but the country's politicians – on both sides – must be given some credit for the pace of democratic progress over the last five years. Wars invariably leave a legacy of bitterness and suspicion, and civil wars are the worst, yet we encountered very little reticence among our interviewees during our recent visit. People were happy to state their views and these included some sharp critiques of government policy. The fact that we were able to speak to a senior Renamo parliamentarian inside the National Assembly building in Maputo (traditionally a Frelimo stronghold), while the debate in the chamber was being relayed over the loudspeaker – mercifully, at low volume – is a measure of what has been achieved.

At the national level, the Constitution provides for a President and an *Assembleia de la República* (Assembly of the Republic) both elected by universal franchise. Political power is weighted in favour of the former, who is the Chief Executive, with responsibility for appointing ministers. The Assembly is elected by proportional representation and in order to win a seat, a party must reach a minimum threshold of 5% of the vote. Politics are dominated by the two former protagonists on the battlefield – Frelimo and Renamo – although there is a third force, the *União Democrático*, which just managed to squeeze into parlia-

ment in 1994 with 5.1% of the poll (giving them nine seats). In most of the other democracies of Southern Africa, one party has a dominant electoral position, but this is certainly not the case in Mozambique. Renamo surprised some observers by attracting 38% of the votes in the Assembly election which translated into a powerful bloc of 112 members. Frelimo, with 44% support and 129 deputies, has thus only a narrow overall majority of eight. The outcome of the Presidential election was more clear-cut with Alberto Chissano winning more than half the votes against just over a third for Afonso Dhlakama.

A question which inevitably arises is: were the elections free and fair? At the time the peace agreement was signed, Frelimo was the internationally-recognised government with its power base in the national capital. As such, it controlled the main levers of administration. Renamo, by contrast, had to 'come out of the bush', throw-off its 'guerilla' image and don the mantle of a campaigning political party. However, neutral observers of the UN-supervised poll gave it a clean bill of health overall. The main opposition party, perhaps unsurprisingly, does not entirely concur, but even its claims are more in the nature of *pro forma* protestations, and they do not seriously question the legitimacy of the Chissano administration.

It has to be said that the voting patterns reflected the territorial

split that developed during the long years of conflict, with Frelimo dominating in the south and north while Renamo topped the poll in the populous central provinces. More recently, there have been reports that the governing party is beginning to organise in traditional opposition areas while Renamo's Dr David Selemani (see box on page 16) insists that his party enjoys quiet but growing support in the Maputo region – a claim which will be tested in this year's local elections. Neither side is likely to be enthusiastic about their opponents encroaching into 'their' territory, but if this were to happen in both directions, it would doubtless help to consolidate national unity and a return to political normality.

One shadow over the functioning of healthy democracy is the lack of resources. It takes money to campaign. Of course, excessive spending can marginalise certain groups and raise concerns about the source of and motive behind certain private political donations. But Mozambique need not worry about this in the foreseeable future. The problem faced by political parties here – notably if they are in opposition – is scraping together enough to make any sort of showing at all. It is no secret that Renamo obtained financial backing from abroad during the transitional period and a reasonable argument can be made that this support helped level the political playing field. A huge imbalance between the two sides would certainly have cast doubts on the fairness of the first democratic elections. Arguably, however, the big test is actually the *second* set of polls – which will take place with far less international scrutiny. As one observer commented to us, 'It is not at all clear that the opposition has the organisational strength at present to mount an effective nationwide campaign.'

Organisation at the level of the administration is also crucial for the democratic system to function effectively. With local elections due in urban areas in May 1998, a census has just been held to update the electoral registers. This operation has been carried out nationwide, even though not all Mozambicans will be voting in the municipal polls, because voters' rolls will also be needed for next year's presidential and parliamentary contests. In prin-

ciple, the registers should be updated annually. *Alberto Razul*, the Deputy Director-General of the STAE (*Secretariado Técnico da Administração Eleitoral*), which is the government agency responsible for carrying out this exercise, emphasised the scale of the task. 8500 Mozambicans had been involved across the country, collating the information and renewing electoral ID cards. The old registers were so out of date that the work had to begin from scratch – and without computers, everything had to be done manually. Originally, three weeks had been set aside to complete the job but it had been necessary to extend the registration period by a further week to ensure full coverage. The census operation has received logistical support from the EC among others.

Mr Razul also explained the differing roles of the STAE and the CNE (*Comissão Nacional das Eleições*) with an honest explanation of the need to tackle perceptions that his own agency might not be impartial. 'The Technical Secretariat is a state institution', he pointed out, 'and there is only one party in government. The other parties, did not think the STAE was trustworthy, so the Commission was set up to oversee the election process.' Membership of the CNE reflects the party balance in parliament and its purpose, said Mr Razul, is 'to create a climate of truth and objectivity'.

The coming local elections will offer some important indicators in advance of the nationwide poll in 1999. Getting the municipal authorities up and running has not been without its problems, however, with both sides claiming that there has been gerrymandering. The decision to limit local government organisation to built-up areas had some logic – rural Mozambique still has traditional village structures despite the upheavals and population movements of the war years – but as a result, a lot of attention has focused on how the boundaries for the 33 municipalities would be drawn. For some, it was a storm in a teacup. One neutral foreign observer commented to us that although a few strange lines may have drawn on the map, these were very much on the margins, involving small numbers of voters. 'It is difficult, in these circumstances, to see how they could significantly affect the political balance.' The new councils will be

responsible for traditional local government functions such as refuse collection, but will be centrally-funded – something which could be a source of future tension. At present, apart from the national administration, the only other tier of government is the provinces, which are run by appointed governors.

Consolidating the rule of law

While there is undoubtedly encouraging progress on the democratic front in Mozambique, there is still a lot to be done in fully consolidating the rule of law. Three broad problem areas can be identified, linked to resources, the attitude of public officials and criminal behaviour.

As regards resources, it is reported that the judicial system is functioning poorly due to a shortage of both judges and back-up staff. There is apparently a huge backlog of cases waiting to come to court. This inevitably undermines public confidence in the system and makes it more likely that people will take the law into their own hands. It also has a knock-on effect on economic development – a functioning and dependable legal framework is important for private sector confidence. There have been some well-documented cases of judicial misbehaviour leading to disciplinary action.

The behaviour of certain public officials in other areas gives cause for concern too. Difficulties have been identified on three different levels: simple inefficiency (due to a lack of motivation or the imperative of doing a second job to pay the bills); politically-motivated partiality (an accusation levelled by the opposition against the police in some areas) and outright venality. They all add up to a rather shaky system of governance. To be fair, government ministers acknowledge many of the problems and express a desire to tackle them, but so much seems to be resource-dependent. Hopefully, with continuing economic growth, it will be possible to raise civil service salaries, thereby tackling the inefficiency aspect. But it is a frustratingly 'chicken and egg' situation given that good governance is useful in the first place to make a country more business-friendly, and thus improve economic prospects. Dealing

with the other two levels is more difficult, involving a strengthened culture of public ethics and a media with the resources and will to expose corrupt or improper behaviour.

Criminality, in general, makes efforts to entrench the rule of law more difficult, though Mozambique perhaps does not deserve to be singled out here. Similar problems can be found in neighbouring South Africa (not to mention inner-city Washington, Moscow, Nairobi, Kingston, Port Moresby.....) One can hardly deny the existence of a link between certain criminal acts and poverty, so again, at least part of the solution should lie in economic growth. This, unfortunately, brings us back to the chicken and the egg. The problem can perhaps best be illustrated by a simple example. The road link between Maputo and Johannesburg is part of the vital 'Maputo corridor' linking Mozambique with the regional economic powerhouse of South Africa. When *The Courier* visited at the end of last year, it was reported to be safe – patrolled effectively by the security forces. But prior to that, a number of vehicles had been attacked by armed groups (one of the tragedies of countries trying to rebuild after a war is the fact that criminal elements find it much easier to get hold of weapons). Such banditry, if it were to return and get out of hand, could seriously reduce the road corridor's contribution towards greater prosperity in Mozambique.

The problems of governance in this sprawling nation are real but it would be wrong to dwell exclusively upon them. This is an emerging democracy which has made a remarkable effort to re-establish social peace – and this is rewarded by growing interest from international investors and increased self-confidence within the country itself. Mozambique, like Rome, cannot be built in a day (or even a few years) but at least it is *building* institutions now, and no longer destroying them. ■

Profile

General information

Area: 799,386 km²
Population: 16-18 million (estimates vary)
Population density: approx. 20 inhabitants per km²
Capital: Maputo
Official language: Portuguese

Politics

Presidential system with a 250-member unicameral Parliament (Assembléia Nacional). The first multi-party presidential and legislative elections were held in October 1994. The next polls are scheduled for 1999.

President: Joaquim Alberto Chissano. Came to power in 1986. Elected in 1994 with 53.3% of the vote.

Current composition of National Assembly:

- FRELIMO (Frente da Libertação de Moçambique) 129 (44.3% of vote)
- RENAMO (Resistencia Nacional Moçambicana) 112 (37.8%)
- UD (União Democrático) 9 (5.1%)

Economy

Currency: metical (plural, *meticais*). 1 ECU = M.13,137 (December 1997)
External debt: \$5.8 billion (1995)
GDP per capita: approx \$100
Annual growth rate: 1996 - 6.4% (predicted to exceed 7% in 1997).
Inflation: 4.3% in November 1997. (1996 - 16.6%, 1995 - 54.1%)

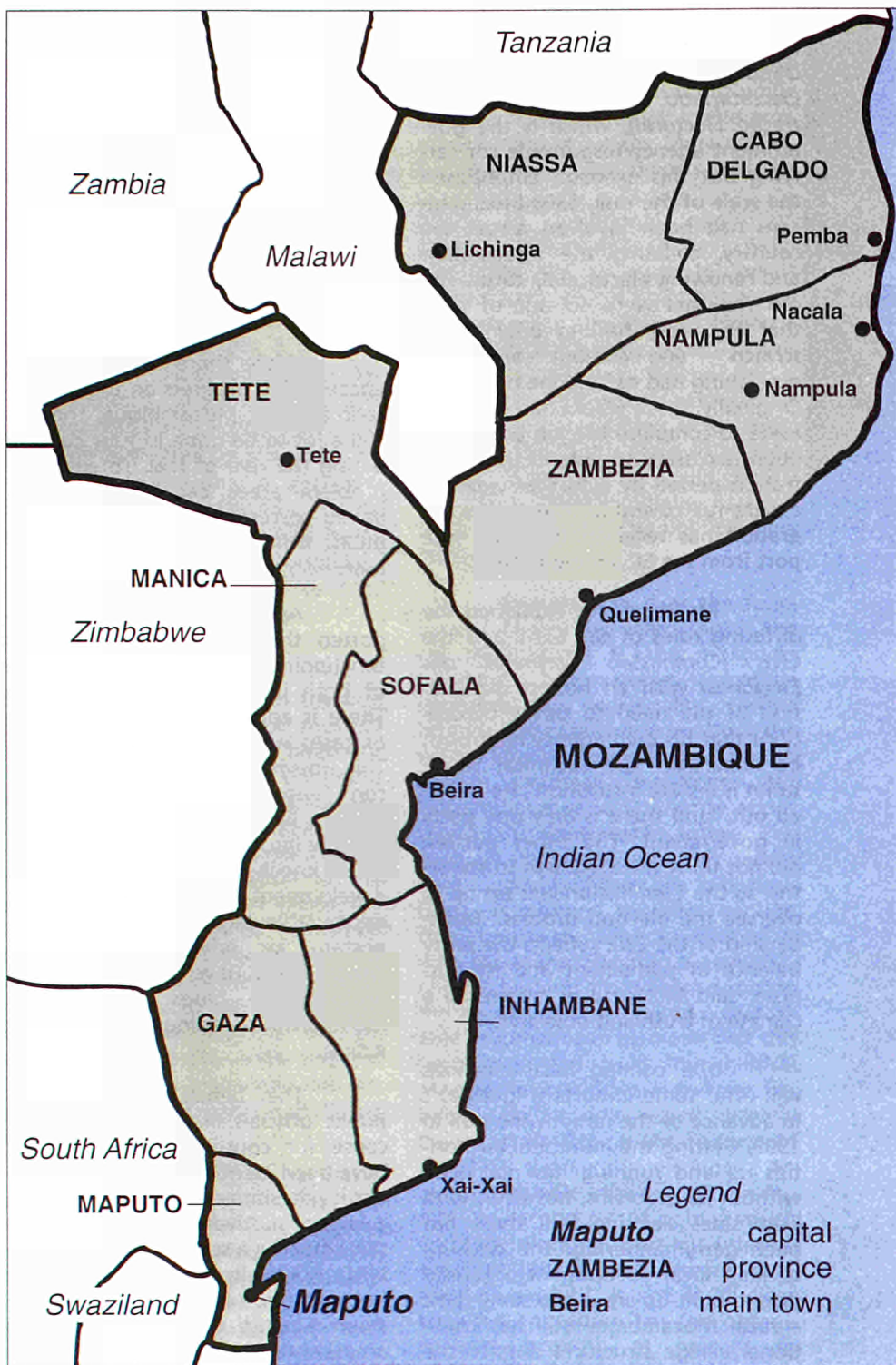
Main exports: prawns, cotton, cashew nuts, copra.

Main imports: consumer goods, equipment, raw materials, oil (and related products) spare parts.

Main destination of exports: Spain, South Africa, Portugal, USA.

Main origins of imports: South Africa (55% of the total), Zimbabwe, Saudi Arabia, Portugal.

Visible trade balance: Exports \$221m, Imports \$1033m (estimate), deficit \$812m (1996).



Legend
Maputo capital
ZAMBEZIA province
Beira main town

Social indicators

(1994 figures unless otherwise indicated)
Life expectancy: 46.0 years
Adult literacy: 39.4%
Population with access to clean water: 63% (1990-1996)
Population growth rate: 2.4% (1990-95)
Enrolment in education (all levels ages 6-23): 25%

Infant mortality: 116/1000 births
Human Development Index rating: 0.281 (166th out of 175)

Sources: Economic Intelligence Unit, UNDP Human Development Report (1997), UNDP - The United Nations Least Developed Countries 1997 Report.

'We must create jobs', says Luisa Diogo, Vice-Minister of Planning and Finance

Luisa Diogo, who is Mozambique's Vice-Minister of Planning and Finance, has particular responsibility for what she calls 'development scenarios' and budget discipline. It is a difficult balancing act in a country with so much to do in the development field and such limited financial resources – but she certainly has all the right qualifications. The Minister studied at Mondlane University in Maputo before taking a master's degree in economics and finance at the University of London. And she has an insider's knowledge of the World Bank, having worked there from 1992 to 1994, prior to assuming her present ministerial position. Some might regard her task as unenviable, but when we met her at her office in the capital, we discovered that she relishes the challenge. This highly articulate Minister has no illusions about the economic mountain that Mozambique must climb. She is also clearly convinced that with the right policies, the summit can be reached.

Ms Diogo began by expressing satisfaction with the country's recent macro-economic indicators. Inflation had been cut drastically, interest rates were declining, the exchange rate was stable and there was healthy growth. These encouraging trends, she said, offered the prospect of 'new agendas' for the private sector. Asked to elaborate on this, the Minister emphasised the importance of *domestic* as well as foreign investment. 'Poverty levels', she stated frankly, 'are running at about 50% at the moment and that means we must create jobs – whether in the formal sector or through greater opportunities for self-employment. To do that, we need micro-credits, better infrastructures and measures to boost trade and production in rural

areas.' She went on to underline the importance of micro-projects to the macro-economy, pointing out that many small businesses in rural areas had been wiped out during the war. 'There are people with experience who can contribute to this country. But in the villages a lot of the basic things are lacking. For example, we need people who can repair shoes, or supply spares to the fishing industry. This type of job is vital for villagers if they are to have some protection from the vagaries of the global markets.'

The Minister is clearly keen to see more national entrepreneurs emerging and this led us on to the government's privatisation programme. Given the shortage of local investment capital, what were the authorities doing to prevent wholesale acquisition of former state-run firms by foreign interests? Ms Diogo drew a distinction between small, medium and large concerns. Most of the smaller ones, she said, were being bought by Mozambicans while the

country's nationals also had a significant stake in the purchase of middle-ranking companies. For the big enterprises, the policy was to set aside 20% of the shares for the workers and, in certain cases, to limit foreign participation to 50-51%.

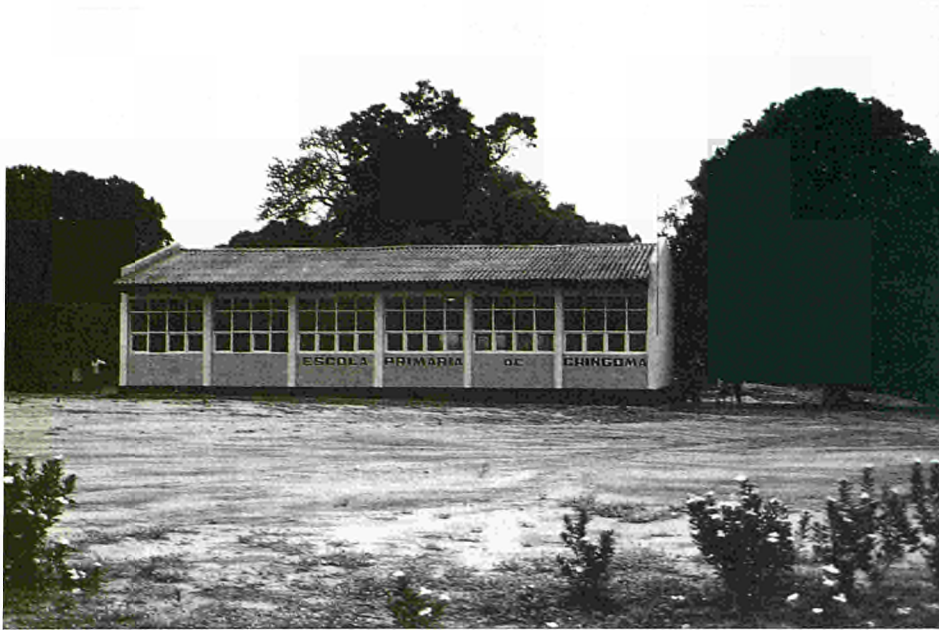
Bureaucratic hurdles

Most of the businesspeople whom *The Courier* spoke to in Mozambique raised the issue of bureaucracy. Setting up in the formal sector apparently involves a lot of paperwork and takes a great deal of time. We put this point to Ms Diogo who acknowledged that 'it can be a nightmare if you want to start a business'. She stressed, however, that the government had an 'action plan' aimed at reducing the number of completed forms needed to obtain a business approval. In the meantime, the authorities took a pragmatic line.

Luisa Diogo acknowledged that trying to start-up a business can be a 'nightmare', but stressed that the amount of paperwork had been reduced and that there were plans to boost the motivation of public officials.



The Courier



The Courier

'Naturally we want people to be working legitimately, but if some give up in the middle of the process and start up without a licence, then we are relaxed about this. In the long run, of course, it is important for businesses in the formal sector to be legally constituted.' The Minister said that they had already cut the amount of paperwork required and had decentralised approvals from the Minister to the provincial and local levels. But, she continued: 'To be honest, we still have a problem. A key issue is that people at the various layers of decision-making are still not properly motivated. For example, they don't answer promptly.' She also admitted that some officials used their position in the licensing system to extract 'secondary remuneration' from applicants. 'That is why, when you are talking about private enterprise in Mozambique, you have to link it with what is happening in the public sector.'

This took us on to the question of public sector reform, and in particular, civil service pay, which is very low. The Minister was due to attend a meeting on this very subject on the day we interviewed her. She stressed that tackling the salary problem – which forces many officials to take second jobs (and induces some to demand irregular payments) could not be resolved in just one year. But a start would be made soon, she indicated. Ms Diogo was also

A rural primary school. A lot of the education system's physical infrastructure has been restored, in the five years since the end of the war, but the number of available teachers has not kept pace.

concerned about the structure of the civil service, which she described as 'a pyramid with a very large base.' More than 70% of the country's 105,000 public servants were on the bottom step, she said, and this included people with a lot of experience. She cited the example of 'very good teachers' who were badly paid because they did not have degrees. 'A person taken on with a university qualification can earn seven or eight times more than someone who has been teaching for more than 20 years', she stated, explaining that the Government hoped to begin introducing a new career structure during 1998, which would take more account of experience.

Luisa Diogo sees improvements in the quality of educational provision as crucial to her country's future. Many schools were destroyed during the war, but recent development efforts have restored most of the physical infrastructure. The difficulty is that the number of teachers has not kept pace. And while Mozambique may have experienced teachers whose work is undervalued, it has others whose skills could be significantly improved. The Minister would like, among other things, to have more 'multi-disciplinary' teachers capable of offering instruction in a

range of subjects – particularly in the more remote rural areas.

Aiming to reduce the debt burden

Returning to the macro-economy, Ms Diogo raised the debt issue, which she saw as closely linked to the objective of poverty reduction. 30% of Mozambique's revenue, 'which could be used for development objectives', goes towards debt servicing. The Minister underlined the importance, after a long war, of stabilising the situation and indicated that the Government had been in discussions with the Paris Club. The country was now classified as one of the 'heavily-indebted poor countries' which should help it in obtaining further debt relief and rescheduling. The current debt is approximately 500% of the value of exports annually and Ms Diogo said that the aim was to reduce this to between 200% and 300%.

Our discussion concluded with a review of cooperation under the Lomé Convention. The Minister expressed her satisfaction with the Mozambique-EU relationship, saying that it covered important subjects 'which are high on our agenda'. For the future, she recommended more of the same, though with extra emphasis on strengthening the capacity of the state apparatus and involving small and medium-sized enterprises. 'We are not going to solve the poverty problem simply with mega-projects', she insisted, 'because these are always more capital than labour-intensive.' Finally, the Minister believed that the EU could offer the benefit of its particular expertise to help develop commercial networks in rural areas. ■

Rebuilding the health and education systems

Current growth trends in Mozambique may be positive, but they need to be viewed in context. The civil war had a devastating effect on the population and its legacy is still very visible, particularly in the social sectors. The health system, for example, was all but destroyed during the conflict while education was seriously disrupted. During a military engagement, a clinic or school can be gutted within minutes, but rebuilding takes far longer and costs money. Faced with competing priorities, there is a limit to what the cash-strapped government can do to speed up rehabilitation but, with help from its partners, it is working on the task of restoring basic social services to the people of Mozambique.

Health

In the health sphere, while the data may not be wholly reliable, there are various statistics which highlight the enormity of the challenge. One figure – 46 – sums it up. This is the estimated life expectancy of the average Mozambican. Childhood is a particularly vulnerable time with 11 out of every 100 infants dying before they reach the age of five. Preventable illnesses, in the form of infectious diseases, diarrhoea, malaria and bronchial ailments take the heaviest toll. At the time of the Courier's visit, a cholera epidemic in the country had claimed more than 250 lives (Maputo suffering most heavily) while bubonic plague was reported in Zambezia. Illness spreads easily because of poor hygiene and the fact that many people have no access to clean drinking water. Malnutrition and the diseases associated with this condition also persist although the scale of the crisis has diminished as post-war food production has risen.

The difficulties facing the public health system are both material and human. In the immediate aftermath of the conflict, the focus was on speedy rehabilitation – building and repairing damaged infrastructures. Most of this work was undertaken by NGOs. The emphasis on getting facilities up and running as quickly as possible was understandable, but it is reported that quality suffered as a result – and some health structures are said to require further, more lasting rehabilitation.

And while it is important to have the right hospital buildings and clinics, they do not, on their own, guarantee effective health care. Equipment and medical supplies are also needed and these are expensive. There is, for example, a lack of drugs to treat common ailments. 80% of the money currently spent on medicines is provided by donors. In line with the prevailing economic philosophy, efforts are being made to recover some of the costs of care from the patients themselves. The amounts demanded, however, are necessarily modest. The charge for a hospital consultation, we were told, is about 1000 *meticaís* (less than ten US cents) while a patient might pay as little as 500 *meticaís* for a prescription. The underlying problem is that many of the health system's 'customers' can only afford to make a symbolic contribution to their treatment (and some have difficulty even doing that). At present, about 5% of health service costs are covered by patient charges though the proportion could rise to 10% by the turn of the century.

A resource problem also exists when it comes to medical personnel. There are very few Mozambican medics, and foreign practitioners (notably Cuban and

Nigerian), as well as aid volunteers with the appropriate expertise, only partially make up the shortfall. The problem is familiar to many developing countries but is particularly acute in Mozambique on account of the exceptionally low *per capita* GDP. Even if more 'home-grown' doctors could be trained – and this is expensive – how can one induce them to remain in a system where working conditions are so challenging and the rewards so modest.

Despite this difficulty, efforts are being made to boost the supply of trained local medical personnel. One example, which we visited in December, is the health training centre in Mocuba, funded under an ECU 22m rural health rehabilitation programme for Zambezia (Lomé IV). We spoke to *Leonardo Rimua*, the teaching director, who described the centre's contribution to human resource development in the health sector. The Mocuba facility has 50 students taking courses in nursing and midwifery. The present intake includes students from Tete, Manica and Sofala as well as Zambezia and as the operation expands, the aim is to extend recruitment to cover the whole of Mozambique. There are two full-time teaching staff and various health professionals come in on a part-time basis to provide instruction in their particular areas of expertise. Having successfully completed their courses, graduates take up positions in the medical 'front-line', providing primary care at health posts throughout the country.

The government has clearly recognised that, in the fight against poverty, the health system's deficiencies need to be tackled. The lack of funds, however, means that it relies heavily on overseas partners. Donors active in the field include the World Bank, UNICEF, USAID and Swiss cooperation as well as the European Commission and nine of the EU Member States. The scale of overall EU involvement is illustrated in a summary report recently prepared by the Dutch Embassy in Maputo (in the context of enhanced operational coordination covering the Commission and the public development agencies of the Member States). This listed no fewer than 67 ongoing and completed schemes costing a total of ECU 130m in the field of health alone. The main operations are the aforementioned Zambezia programme (Commission), sector programmes in the provinces of Manica (Finland) and Tete (Denmark), and a mother and child healthcare project in Maputo (Italy).

Education

As far as education is concerned, there are already indications that the situation has improved since

the low point at the end 1992. Three fifths of Mozambique's primary schools were destroyed during the war and most of these have now been rebuilt. School attendance figures are reported to have risen from 1.2 million five years ago to 1.7 million today. Provision is most comprehensive at primary level with most children in this age group now attending school. The proportion of young people of secondary school age receiving education is much lower.

Much of the basic infrastructure may have been reinstated, but more efforts are needed to improve the quality of the service. Many schools are overcrowded and, as government minister, *Luisa Diogo* pointed out to us, (see interview preceding this article), there are serious staff shortages. Low salary levels make the profession unattractive and the authorities are looking at ways of improving teachers' terms and conditions of service. As well as deterring new recruits to the profession, poor remuneration has an effect on those already working in the system – who may need a second job to survive, thereby reducing their effectiveness in the classroom. There have even been reports of corruption, with some staff reputedly inducing parents to part with cash to ensure that their offspring obtain the desired grades.

As is often the case in developing countries, higher education is only available to a select few. To find out more about the problems of the tertiary sector, we spoke to *Venâncio Massingue*, Vice-Rector of the *Eduardo Mondlane University* (UEM) in Maputo. Responsible for administration and resources (as well as information technologies), he has the difficult task of balancing the university budget and allocating the limited funds available as effectively as possible. We asked him about the thorny issue of resource allocation. How did he respond to the argument that if there is not enough cash to go round, broad-based primary education should have priority over university provision. Mr Massingue defended the higher education 'corner' with the observation: 'It is a pity there are people who think like this. Do you believe you can develop a country only with people with basic education.' The effect of such a policy, he argued, would be to perpetuate the need for external expertise.

It is traditional for students to be impecunious, but the scale of the problem in Mozambique represents a huge handicap for the country's tertiary institutions. The fees which the UEM charges, for example, while not covering the full cost of tuition, are still beyond the means of many. There is, however, a merit-based scholarship programme available to help the poorest applicants. The university relies heavily on government top-ups and assistance from the donor community.

Despite a preoccupation with making ends meet, there have been some promising developments in higher education. Mr Massingue reported that the number of students attending the UEM had risen to about 5000 and that they now had 500 Mozambican teachers (as opposed to just ten in 1976). The Vice-Rector was keen to stress the importance of information technology and was proud of the fact that Mozambique was 'one of the few African countries with a high-speed satellite link for video-conferencing'. The University had brought the In-



This new EC-funded boarding school, under construction in Guruê, will help make education more accessible to a dispersed rural population.

ternet to Mozambique and, equipped with these new high-tech tools, it planned to introduce distance teaching. The aim here is to make higher education accessible to many more people in this huge country.

For a population of 16 million, Mozambique has very few higher education institutions. The UEM is the only traditional university offering a broad, faculty-based range of degree courses. In the state sector, there is also the *Universidade Pedagógica* (for teacher training) and a specialist institute for international relations. Recent years, have, however, seen an expansion of provision, notably through private initiatives. Non-state institutions providing tertiary teaching include a Catholic University, a medical institute, and the *Instituto Superior Politécnico e Universitário (ISPU)* which was established in 1995. *Dr Lourenço do Rosario*, who chairs ISPU's founding committee (*Comissão Instaladora*) echoed the sentiments of our other interviewees when he spoke of the difficult conditions facing education professionals, notably the problem of low salaries. Despite this, the privately-owned college is now up and running with a teaching corps of 60. It offers degrees (*licenciaturas*) in company management and administration, law, management informatics, communication sciences, psychology and accounting. Civil engineering is due to be added in the 1998-99 academic year.

Wearing a different hat, Dr do Rosario is also President of the *Fundo Bibliográfico de Língua Portuguesa*, which was established by decree in 1990 to promote the use of Portuguese. There is a shortage of written materials in the country's official language. Local publishing capacity is extremely limited and it is costly to import books from other parts of the Portuguese-speaking world. Thus, one of the Fund's main objectives is to make materials more widely available. It also provides training for documentalists and librarians.

As in the health sphere, education is heavily underpinned by external donors. The aforementioned summary report of EU-supported activities lists 72 programmes with spending totalling more than ECU 122m. The largest of these involve assistance from the UEM (Italy), primary education in Tete (Denmark) and support for the Agriculture Education Institute in Boane (Finland). At present, about 17% of recurrent expenditure is devoted to education. The government's recognition of the importance of the sector is reflected in plans to raise this proportion to almost a quarter of the national budget over the next few years.

* * * * *

Overall, in these two key social sectors, the picture is one of renewal, with the dividends of peace gradually working their way through to the general population. It has to be recognised, however, that five years ago, when the process began, the country was almost starting from scratch. Against this background, no-one should underestimate the scale of the task that lies ahead. ■

Making a song and dance about peace

A television programme that attracts two million viewers would gain a respectable position in the ratings in many countries. For most theatre directors it is an impossible dream. Yet this is the estimated number of Mozambicans who watched the National Song and Dance Company's production of *Ode à Paz* (Ode to Peace) which toured the country during 1993-94 in the run-up to the elections. Described in the company's literature as 'a joyous choreographical celebration of the 1992 Peace Agreement', the Ode was the centrepiece of an artistic programme for civic and electoral education which helped ensure a smooth democratic transition after years of internecine conflict. A scene from the show ap-

pears on the front cover of this issue of *the Courier*.

Playwright *David Abilio*, who is the Director of the company, was keen to emphasise the educational side of his work when he spoke to us at his office in Maputo. The most recent dance production, *Let us Save the Forest*, aims to put over a conservation message in a country where deforestation and desertification are causing increasing concern. The repertoire also includes choral and instrumental music, modern African ballet, theatre, poetry readings and story-telling. While some productions have an educational purpose, others are designed solely to entertain, and these, the Director reports, are hugely popular. When shows are staged at the company's usual 1400-seat venue in Maputo, it is generally 'standing room only'. Touts have been known to sell tickets priced at \$3.00 for more than twice that amount.

The essential goals of the CNCD (*Companhia Nacional de Canto e Dança* in Portuguese) are 'to collect, preserve and value the major expressive art forms of the various peoples of Mozambique'. Mr Abilio argues that this gives it 'an important role in helping to unify the people' as well as providing a boost to the economy. Its staff complement of 50 - performers and technical back-up - is drawn from a variety of ethnic groups and, when the company is on tour inside Mozambique, care is taken to ensure that the performances are culturally appropriate. Before a programme is drawn up, local traditions are researched. Songs in local languages are included and an effort is made to reflect varying regional musical styles.

Founded in 1979, the Song and Dance Company has also made an impact on the international scene. It tours abroad at least once a year and recent and forthcoming venues include Germany, the USA (East and West coasts) and Lisbon (Expo '98). Within Mozambique, the Director says, it is important to main-

tain a profile in Maputo while ensuring that other parts of the nation have an opportunity to sample what the company has to offer. The Ode to Peace tour was exceptional, but even in a 'normal' year, total audience figures can be expected to top 300,000. All in all, it means a hectic schedule for players and support staff alike.

It is good to have skilled professionals, as the CNCD has, and to get favourable critical reviews, but anyone involved in the performance arts knows that more is needed to keep the show on the road. Even in the prosperous North, stage productions struggle to be wholly self-financing and big spectacles are particularly dependent on sponsorship, be it private or public. In Mozambique, as one might imagine, the funding problem is especially acute. As David Abilio ruefully observed, 'even when the hall is full, not enough money is generated to make our kind of production sustainable. Yet, we are one of the few companies in the world to survive without national subsidies'. The lack of financial help from the Mozambican authorities is perhaps understandable given that they have so many other, more immediate concerns. A proportion of the shortfall, however, is covered by support from international agencies. The staging of *Ode to Peace*, for example, attracted funding from the European Community and the Friedrich Ebert Foundation of Germany, while assistance has also been provided by Nordic countries and the US-based Ford Foundation. In addition, the company generates some income from selling or renting out costumes, and sound and lighting equipment.

In a country that has suffered so much, and which still confronts many economic and social problems, it is encouraging to find such a successful example in the field of cultural endeavour. The spirit of the CNCD - and perhaps of the nation itself in these days of renewal - is probably best encapsulated in one of the company's most spectacular shows, appropriately entitled *Em Moçambique, o Sol Nasceu* (the Sun has risen in Mozambique). ■

Dove of peace.
Cover of a brochure issued by the CNCD to publicise its widely-acclaimed pre-election tour of Mozambique in 1993-94.



Mozambique-EU cooperation

Improving living conditions in rural areas

by Simon le Grand*

Mozambique joined the ACP countries in 1984 when it signed the Third Lomé Convention. A National Indicative Programme was agreed in early 1986. Initially, Mozambique also benefited from EC assistance through support to the Non-Associated Less Developed Countries.

Since then, the country has benefited to the tune of about ECU 1 billion from different sources of funding. About half the funds are made available through the respective National Indicative Programmes, and the remainder from European Commission budget lines and the Structural Adjustment Facility.

Rural rehabilitation

Initially, during the years of war, most of the funding was for emergency programmes, and for assistance to refugees and returnees (for the period 1986-92). Due to the prevailing security situation, a large part of these activities could only be implemented with the help of NGOs.

In 1992, the peace agreement was signed, and in 1994, general elections took place. During this period, priority was given to operations ensuring the re-integration of 4 to 5 million refugees, internally displaced persons and demobilised soldiers as well as the emergency rehabilitation of core infrastructures. After the election of the new government, the focus of EC assistance shifted gradually from emergency assistance to rehabilitation.

Major projects under the 7th EDF are an ECU 27m rural health rehabilitation project in the province of Zambezia, and an emergency roads and water rehabilitation project.

Recent EDF National Indicative Programmes for Mozambique (in ECUm)

EDF 6	160.0
EDF 7	200.6
Structural adjustment	(41,5)
Reintegration, rehabilitation, health	(40.0)
Support to elections	(32.0)

Infrastructure

Efforts have been undertaken to rehabilitate infrastructure through both the national and regional programmes. Mozambique has a strategic geographical location within the Southern African Development Community. Neighbouring countries (South Africa, Zimbabwe, Malawi and Zambia) depend for part of their trade on the Maputo, Beira and Nacala corridors. The country has thus been able to benefit from considerable funding through the SADC Regional Indicative Programme (RIP). The rehabilitation of the Cahora Bassa power lines, about to be completed with EC assistance, makes Mozambique a net exporter of energy. The rehabilitation of the Beira port was also partly financed through regional funds (ECU 45m).

Contributing to rural health rehabilitation in Zambezia province.

This is part of an EU-funded health training centre in Mocuba (opened by President Chissano in June) which offers courses in nursing and midwifery.

From the National Indicative Programmes, the reconstruction of the Nacala and Limpopo railways was funded for ECU 22m and ECU 5m respectively while ECU 10m was provided as a contribution to rebuilding Beira port. An important road rehabilitation project is under way in the Beira corridor and the provinces of Sofala and Zambezia.

Institutional development

Under the heading of institutional development, a total of ECU 30m was provided for measures to help the peace-building process, through support to parliament and for the elections (in 1994 and again in 1997-98). In addition to this, technical assistance is being provided to key ministries (Ministry of Finance and Planning, Ministry of Public Works, Ministry of Health).

The 8th EDF

In March 1997, the National Indicative Programme to be funded from the 8th European De-



* Economic adviser at the EC Delegation in Maputo

Local Elections

Mozambique's first local elections are set to take place in May 1998, clearing the way for fully established local government bodies. *The municípios* were recently created and are defined in a law approved by the National Assembly. They mark a significant step forward in the development of Mozambique's public institutions and will form a further link between political decision-making processes and the social and economic needs of urban communities. It is hoped that the new local government institutions, when fully functioning, will form the basis for the full creative, free and democratic participation of citizens and the various groups in society in the social and economic development of the towns and cities.

To help finance these elections, Mozambique will be receiving a grant of ECU 9.5 million, under the terms of a financing agreement signed by the Foreign Minister and the Head of the European Commission's delegation in Maputo on 19 August 1997. The ceremony at which this convention was signed was attended by the ambassadors of the EU's Member States in the Mozambican capital.

This financing is the result of a decision taken in Brussels by the Member States. In accordance with the usual rules, the Commission is responsible for managing the funds in close cooperation with the Mozambican government and, in this case, with the National Electoral Commission and the Technical Secretariat of the bodies administering the elections.

The plan is to target the supply of materials for the elections and to provide transportation. Funds will also be used to train electoral and civic education corps. The Commission is looking favourably at the possibility of providing further support for civic edu-



Banner outside a voter registration centre. The electoral roll has been updated in advance of next year's municipal polls.

cation projects and to improve the institutional capacity of provincial and local authorities.

It was one such project which enabled the National Song and Dance Company to obtain ECU 450 000 in financing, to put on a show aimed at teaching the audience about the electoral process. This show will be staged by other regional groups in the various towns and cities where the elections are taking place.

As regards institutional support for the local authorities, a study is currently under way to determine which projects the Commission could fund. The National Indicative Programme agreed between the Mozambican government and the Commission in March 1997 covers financing for this type of project.

velopment Fund was signed. The focus of this programme is community-based development in a wide sense, with consolidation of peace and democratisation, and development of the private sector and transport as non-focal sectors.

The focus of the National Indicative Programme has its roots largely in the food security programme. For several years, due to the war and adverse weather conditions, farmers were unable to produce and market food in sufficient quantities, and food aid was necessary. To help out, the EU donated large quantities to Mozambique. Since 1996, the orientation of this assistance has shifted to food security, with an emphasis on improving local conditions for

food production. This includes good functioning of local markets and rural transport, and availability of credit facilities. Rural farmers should have opportunities to plan their production and market their produce, and have conditions to safeguard their livelihood. Simultaneously, health and education services in rural areas need to be

upgraded. The ultimate aim is to achieve a general improvement of living conditions in rural areas, on the basis of active participation by local communities.

Support to the peace building process and to democratisation is considered important for strengthening Mozambique's still fragile social infrastructure. Activi-

EDF: Other instruments (commitments in ECUm)

	1996	1995	1994	1993	1992
Article 255/254, Stabex	0.0	5.6	6.5	18.3	4.4
European Investment Bank	0.5	3.0	26.0	3.4	3.0
Budget line: Food Security	20.1	24.4	3.0	40.0	29.4
Budget line: Rehabilitation	14.1	10.6	11.2	7.9	3.7
Budget line: Co-financing	2.6	1.9	1.3	3.0	0.6
Other budget lines	3.2	6.0	4.0	1.5	1.5
Total	40.5	51.5	52.0	74.1	42.6

Disbursements in 1996
(in ECUm)

EDF 6 and 7 (National and Regional Indicative Programmes)

Rural rehabilitation	2.0
Health	1.9
Education/training	0.7
Refugees	5.5
Culture/democracy	1.2
Infrastructure	14.6
Structural adjustment/private sector	0.7
Total	26.6

EC budget lines

Food security	5.0
Other	15.0
Total	20.0

<i>Total 1996 disbursements</i>	<i>46.6</i>
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ties foreseen in this area include support for the judiciary and the parliament, while assistance to the government is foreseen for the decentralisation process.

Development of the private sector and transport infrastructure are especially important in a regional context, because of Mozambique's strategic location as a transit country. Rehabilitation and good management of the corridors, including the port facilities, is thus very important. In the same context, private sector and trade development are key areas, as trade barriers are slowly dismantled under the SADC and COMESA arrangements. Tourism is also expected to become a major earner of foreign exchange for Mozambique and may therefore merit support.

EU coordination

Mozambique is one of six pilot countries where enhanced operational coordination between the EU Member States is taking place. Issues relevant to aid coordination are discussed in monthly meetings at the level of Heads of Mission, and of Heads of Cooperation (these are individuals designated as responsible for coordination by the local representation of each Member State and the Commission). One initial result has

PROAGRI

The Agricultural sector in Mozambique has long suffered from a less than optimal allocation of public resources due to the lack of a clear policy framework and the proliferation of uncoordinated and dispersed interventions. Conscious of these problems, in October 1995, the Government approved an Agricultural Policy Framework and began moving towards the preparation of an Agriculture Sector Investment Programme. The PROAGRI, now in the final stages of formulation, is expected to be ready for implementation some time during 1998.

Although not strictly speaking a sector-wide programme, as it only includes investment for Ministry of Agriculture (MAP) activities, PROAGRI is expected to provide a clear framework for public intervention in agriculture over the next five years. The investment programme, amounting to approximately \$200m, is divided into sub-sectoral components (agricultural services, forestry and wildlife) and is underpinned by an institutional component that addresses cross-cutting issues such as planning and policy formulation, financial and information management systems and the institutional modernisation of MAP. Clearly, the last-mentioned is a key element. Capacity and performance levels within the Ministry need to be improved for the successful implementation of the wider programme and this issue will accordingly be given priority in the initial implementation stages.

Although translated into a public investment package, PROAGRI has also been described as a 'process' because it seeks to address fundamental issues such as decentralisation and stakeholder participation. As responsibility for planning and implementation is progressively devolved to the local level and capacity is created, the nature and contents of the programme will evolve to reflect the change. Also, improved coordination with other sectors will create the opportunity for a truly sectoral programme in future.

Lastly, a critical aspect for the success of PROAGRI is donor co-ordination. Given the high dependence on foreign funding for public investment in agriculture, it is essential that all donors involved in financing agriculture agree to the priorities established by MAP and 'buy into' the programme. Moreover, donors need progressively to harmonise their procedures to avoid over-stretching MAP's capacity and disrupting implementation. The evidence, so far, is extremely encouraging. The EC, together with the World Bank and Danida, have formed the core group in this process.

been a distribution of geographical and sectoral responsibilities among the individual Member States and the Commission. Thus, for instance, the Commission is the 'focal' donor for the province of Zambezia while Sweden has the lead role in the education sector. The Member States and Commission aim to achieve common positions on sectoral issues such as food security, or the proposed education sector development plan.

This coordination has had other practical results: a common EU position paper for the Consultative Group meeting in Paris in May 1997; and the production of a

report on the planned and ongoing assistance of EU countries and the Commission to Mozambique for the period of 1996-2000.

In addition to these EU arrangements, Mozambique is a pilot country for enhanced coordination with the World Bank. The EC and World Bank are attempting to coordinate their efforts, notably as regards programmes dealing with poverty alleviation, the private sector, and agriculture (see box on Proagri). ■ S.I.G.

São Tomé and Príncipe

The last card in the pack

The Courier

When President Trovoada issued a decree confirming an agreement establishing diplomatic relations with Taiwan in May 1997, he prompted yet another crisis in his somewhat mysterious relationship with his government. Was this a deliberate stratagem? For the last few years, political conflict has been just another fact of life in São Tomé and Príncipe. In an effort to achieve at least a temporary respite, the authorities, in all their various guises, are planning to convene a national forum to discuss the various problem areas. And quite frankly, they no longer have any choice. Economic and financial stagnation has reached such a point that, in the opinion of some donors the country is teetering on its last legs.

A bright December morning has brought perfect wash-day weather. Well-worn T-shirts lie strewn on the river bank. After so much washing and drying in the sun, the slogans printed on them are practically illegible: '*Vida melhor sim, Pinto da Costa sim*' (Vote

for a better life, Vote for Pinto da Costa) can just about be deciphered, arranged around the national flag. This is clearly a relic of the 1994 legislative election when the MLSTP (*Movimento de Libertação de São Tomé e Príncipe - São Tomé & Príncipe Liberation Movement*), the former single party, regained power. Another older garment spread out on the ground a short distance away is more conventional. It bears a portrait of President *Miguel Trovoada*, wearing collar and tie and looking out from under the traditional 'Vote for' exhortation. He appears to have beads of perspiration on his brow, but this is just a few drops of river water thrown up by the cocoa-pods as they float past.

Campaign T-shirts in the colours of the country's two main political leaders, and cocoa-pods. Together, they symbolise this archipelago, which straddles the Equator some 250 kilometres from the coast of Gabon. Politics and economics are close bedfellows in this small country of 130,000 people.

Cocoa no longer provides a living

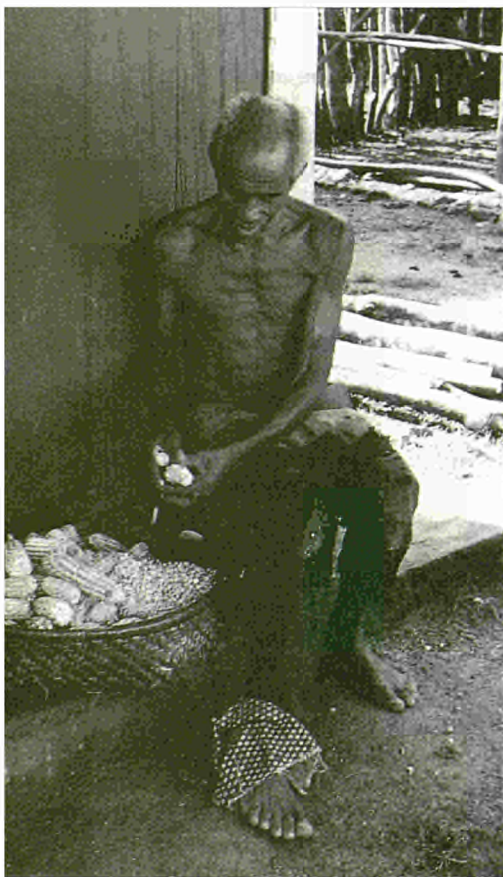
When the country gained independence in 1975, it inherited an economy wholly dependent on cocoa. Coffee had been the country's main asset in the 19th century, but has been in steady decline, and now only about ten tonnes are produced every year. Bananas, breadfruit, pineapples and other jack fruits, and palm oil are strictly for local consumption.

At the time of independence it was obvious that São Tomé and Príncipe was heading towards a Marxist-style regime, so it comes as no surprise to find today that the big plantations (*roças*), which account for practically all the arable land, are in state hands. The 29 enterprises concerned, which used to belong to Portuguese companies, were reorganised into 15 state holdings, ranging in size from 2500 to more than 17,000 hectares. The transition, however, was not smooth. When they left, the Portuguese

took with them their know-how, commercial contacts and merchant ships. In addition, a significant number of *serviçais* (former agricultural workers under contract) left the country and returned home (mainly to Cape Verde). Public-sector management rapidly got into difficulties. Thus, for example, cocoa production fell from more than 11,000 tonnes in 1973 to under 5,000 tonnes a year after independence.

The internal squabbles which undermined the sole political party – the MLSTP – also pre-saged difficulties. Critics of the then President, *Manuel Pinto da Costa* (who was also Chief of the Political Bureau), report that by the end of the 1970s, a number of his erstwhile political friends had fallen out of favour. Many former notables, largely from the same socio-economic and cultural mould (the *forros*, an elite group dating back to colonial times), had no alternative but to go into exile. The most eminent of these was *Miguel Trovoada*, the Prime Minister.

Maize-growing is still in its infancy, as is agricultural diversification.



It is recorded that, up to that point the two men had been lifelong friends, but this friendship turned to enmity. Indeed, in 1979, Miguel Trovoada was imprisoned for 'inciting revolt' and alleged involvement in an assassination attempt on the premier. After two years of imprisonment without trial, he was freed and left for Paris. It was to be ten years before he returned to his country (to be elected President), and during that period the gulf which still characterises politics in São Tomé and Príncipe grew wider.

A degree of liberalisation came in 1985. New political parties were officially recognised before the end of the decade, and this development was followed by a Constitution safeguarding all the basic democratic freedoms. This was not in response to popular pressure, however. In effect, it was a pragmatic readjustment of political, strategic and economic interests, given that the prevailing winds were from the West. To accompany these political developments, major liberal economic reforms were implemented. But cocoa production, the country's only source of export income, continued to decline. Combined with the slump in world market prices, this had an impact on the whole economy, bringing widening poverty in its wake.

Development means hard work

In mid-1987, attempting to redress the situation, the government adopted a structural adjustment programme proposed by the World Bank and supported by other donors such as the African Development Bank and the IMF. A second programme was implemented for the period 1990-92, but the austerity measures that were taken did not result in a correction of the key macro-economic imbalances (notably as regards the state finances and the external debt) as had been anticipated.

One has to recognise that São Tomé and Príncipe faces some structural difficulties which cannot be resolved simply by waving a magic wand. It is small, mountain-

ous and isolated geographically (sea and air communications with the African mainland are limited). Roads, water-supply systems and many other infrastructures are obsolete and the country's capacity to absorb funds is still very low. There is a shortage of skilled manpower and organisational capacity. And economic growth is hampered by a small and fragmented domestic market.

On top of this, various austerity measures have not had the desired effect. For example, a substantial increase in fuel prices has dealt a crushing blow to the fishing sector. *Cécile Molinier*, the UNDP's permanent representative in the country, acknowledges that donors have not always made the situation easier. 'Donors who operate in São Tomé and Príncipe often exert too much influence', she observed. 'Their approaches are different, they view the situation from different perspectives, and they work in different areas. The net result is that all the aid has much less impact than one might be entitled to expect'.

A few years ago, tourism was being touted as the sector which would lead the economic recovery, but despite the costly refurbishment of the airport, the position is far from secure. Few hotels genuinely make a profit; indeed, most can count their weekly (and in some cases, monthly) guest totals on the fingers of one hand.

There is a widespread feeling that the economic stagnation which is taking root is due, at least partly, to 'inertia' within the political class. Since the advent of the multi-party system, the MLSTP has felt a cold wind at its back, and the effort to retain power is reported to take up all its time. The signs were ominous at the first legislative election based on universal suffrage held in 1991. This saw the emergence of the PCD-GR (*Partido de convergência democrática – Grupo de reflexo; Democratic Convergence Party – Reflex Group*), the party of *Mrs Alda Bandeira* in the National Assembly. The presidential poll followed soon after and Miguel Trovoada, returned from exile and the only candidate, was elected with 82% of the vote

(although, at that time, he did not belong to any party).

From then on, the political scene was plagued by instability, and the situation was complicated further by the MLSTP's return to power in 1994 (and particularly by the presence of its leader). It was a conflict between two camps – that of Trovoada and that of Pinto da Costa – reflected, on a daily basis, in an ill-tempered, reluctant power-sharing arrangement.

Despite a relative economic upturn, social discontent was on the increase; demands for higher wages were becoming more widespread and civil servants took strike action. Internal political divisions, are not, of course, of direct concern to donors but in August 1995, there was a threat to suspend aid as the country's partners sought to avert the military coup that was apparently threatened. The widely contested renewal of Miguel Trovoada's mandate the following year was to stoke up the fires even more. In the Assembly, the response was the formation of an MLSTP/PCD-GR coalition government. The ADI (*Ação Democrática Independente; Independent Democratic Action*), which is widely regarded as the President's party, was left in opposition.

A last-ditch chance to avert bankruptcy?

Few would dispute that this continual political wrangling is counter-productive and not in the country's interests. Today, external aid accounts for 70% of GDP and São Tomé and Príncipe's economy is faltering in practically all sectors. Agriculture, the life-blood of the country, cannot always guarantee sufficient food supplies.

The conversion of the centrally-planned economy into a free-market one is exemplified by the state's reduced involvement in the *roças* (the process is still going on). But it must be acknowledged that liberalisation has not brought the benefits that were expected. Looking at land reform, the short-term aim was to set up a diversified network of small and medium-sized farms by redistributing



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some of the land available to peasant farmers. But the latter are not accustomed to managing the land, and in addition, the distribution process did not receive the financial and material support it needed. Land reform also had an unexpected side-effect: deforestation. Growing cocoa requires a subtle blend of light and shade but small farmers, who saw their income collapse overnight, were forced into selling timber. Deprived of shade, the cocoa trees were ravaged by *trips*, a particularly pernicious insect pest. In 1996-97, cocoa production fell to 3500 tonnes, a drop of 200 tonnes from the previous year (already a record low). *Acácio Bonfim*, the Planning and Finance Minister, acknowledged that various factors have contributed to this poor performance.

This fall in cocoa production and the difficult process of privatising the *roças* did nothing to help the country's financial position. Economic decline and a constantly depreciating currency (the exchange rate of about 3000 dobras to the ECU in late 1996, is already nearing 8000) pose serious problems for the government, which is finding it extremely difficult to honour bilateral and multilateral debt arrears. For such a small country, the amounts involved are staggering. Over the years, increasing deficits have forced the government into ever higher borrowings – so much so, that the total external debt quadrupled in the decade between 1984 and 1994. It is now estimated to be more than \$300 million – almost five times the GDP!

All observers agree that São Tomé and Príncipe is on the verge of catastrophic bankruptcy. But there is still a chance to extricate the country from the impasse.

Despite having magnificent landscapes, São Tomé and Príncipe's tourist industry is still largely underdeveloped.

At the beginning of 1997, the World Bank and IMF stated they were prepared to extend the *HIPC facility* to the islands. In other words, a significant portion (up to 80%) of the external debt could be cancelled outright – although not immediately, because there is one condition. Over the next three years, the Bretton Woods Institutions will be demanding a series of draconian measures aimed at reviving the moribund economy.

Under this arrangement, apart from donated funds, new sources of income could soon be feeding the state coffers. How will this new income be earned? The main hopes are vested in the free zone and petroleum.

The idea of setting up a free zone is not new. Initially planned for the island of São Tomé, it is probable that it will eventually be set up on Príncipe, by WADCO (*Western African Development Corporation*), a private company based in Cape Town. For the time being, there does not appear to be any set timetable, nor are the terms of the agreement entirely clear. Work is in progress, however, according to *Cosme Rita*, the Minister of Trade and Industry. He commented, 'We are currently setting up all the official machinery we need to establish a free-zone licensing office, and an inventory is also being drawn up so that we can compensate the people living there'. Although most of the direct income received by the state will be generated by land-leases and a tax on the turnover of companies that move there, the Minister is also confident of beneficial side-effects: new jobs, new companies serving the domestic

market, improved infrastructures and a higher profile for the country abroad. The cost in environmental terms has still to be calculated (see the article on Príncipe – page 44).

And petroleum? Given the country's geological situation and the oil resources of other nations in the Gulf of Guinea, the government is convinced that 'black gold' also lies beneath its waters. It has therefore signed an agreement with a US/South African consortium, commissioning preliminary offshore oil prospecting. The government has openly acknowledged receipt of a cheque from the consortium for \$2 million, but it is decidedly reticent about the small print of the agreement. One problem that apparently needs resolving is the exact delimitation of the country's exclusive economic zone (EEZ).

'Fear of its own shadow'

Obviously, the free zone and oil cannot yet be regarded as genuine economic alternatives. Indeed, Cécile Molinier points out that many issues still have to be resolved. 'To have petroleum and exploit it is one thing. It is quite another to ensure that the income is channelled into the country's development. Do São Tomé and Príncipe have the capability to manage the money and direct it

towards activities that will have a direct impact on people's living conditions?' Petroleum and the free zone (particularly the former) risk becoming a new bone of contention between the President and the government. But to be eligible for the HIPC facility, a stable political environment is a *sine qua non*. It is far from certain that such an environment can be established in the near future. The evidence tends to point the other way, as exemplified in the so-called *Taiwangate* scandal, which recently shook the country.

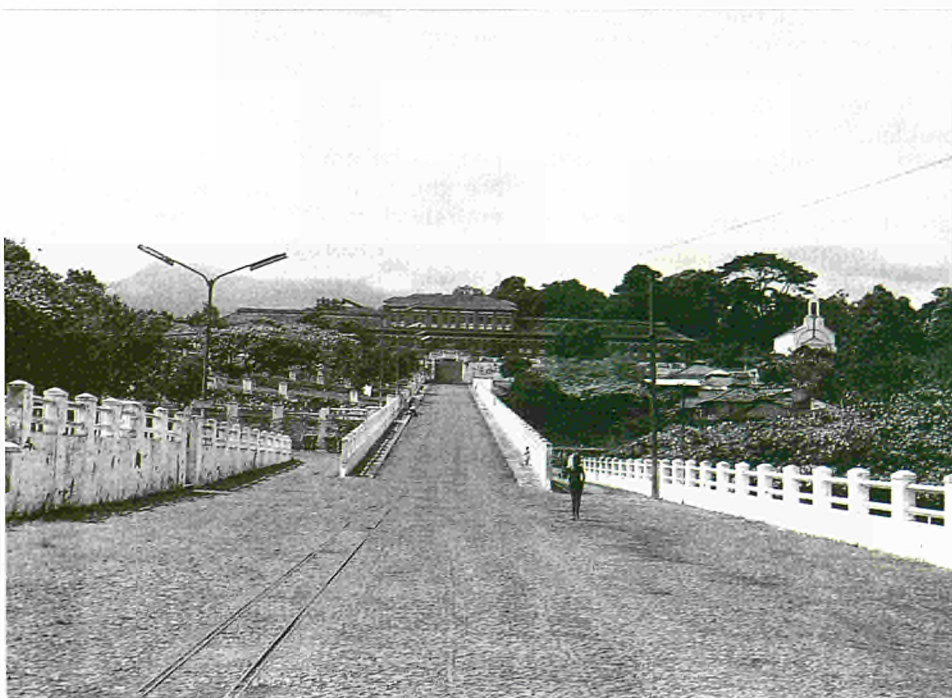
Since independence, São Tomé and Príncipe had maintained close links with the People's Republic of China (Beijing). These links dated from the pro-Marxist era and were particularly significant in terms of bilateral aid and trade agreements. In May 1997, the situation was turned on its head. In a televised government communiqué, the Foreign Minister announced that, on the initiative of the President, and purportedly with the agreement of the Prime Minister, São Tomé and Príncipe had established diplomatic relations with Taiwan. The stated aim was to breathe new life into the country's economy. The government, Assembly and majority parties were quick to react, announc-

ing that they had not been consulted and accusing President Trovoada of having exceeded his powers under the Constitution. The debate raged for several months, with both sides refusing to budge from their position and each accusing the other of dishonesty and a desire to destabilise the country. Meanwhile, China's diplomats packed their bags and left, while Taiwan's envoys took up residence. The latter brought with them a cheque for \$4 million – an advance payment on the \$30 million of aid that had been agreed. In November, the government bowed to the inevitable and accepted the cheque, signifying *de facto* recognition of Taiwan's presence in the country.

The 'happy' resolution of the affair does not, however, mean that everything in São Tomé and Príncipe's politics is now plain sailing. Quite the contrary. There is latent instability which threatens to resurface at the slightest provocation. It is likely that a National Forum will be convened for March 1998 in order to discuss setting the situation to rights. All institutional bodies claim that they are now ready to meet to outline plans for 'significant national reconciliation', although nothing (including the issues to be discussed) had been clearly defined at the time *The Courier* went to press.

Setting political differences aside will undoubtedly also mean postponing the legislative elections scheduled, under the Constitution, for the second half of 1998. This is perhaps where São Tomé and Príncipe's main problem lies: the impression that nothing can be achieved other than by elections. One observer we met made an apt observation about the country when he spoke of 'the fear of its own shadow...' ■ T.G.

The hospital at Roça Agostinho Neto, the country's largest plantation.



The Courier

Abundance... and poverty

It is strange how certain words so readily suggest their opposite. Birth is inextricably linked with death. Far Eastern gourmets often claim that the sweet is unimaginable without the sour. In the same way, plenty frequently goes hand in hand with want, its painful opposite. Either the one necessarily causes the other, or the two quite simply go together. This second notion is more the case in São Tomé and Príncipe, as it is in so many other equatorial regions. Plenty, exuberance and an overabundance of nature are to be found alongside poverty and need among the population. It would be wrong to jump to hasty conclusions when talking about this Atlantic archipelago – the social indicators are actually better here than in many other countries in a similar socio-economic situation. But at the same time, one should not be lulled by the figures. The reality is of growing impoverishment among the people.

History records that the islands of São Tomé and Príncipe were uninhabited when discovered by Portuguese explorers on 21 December 1470 (St Thomas's day – hence the name). Apart from the settlers, the first inhabitants were slaves brought in from the other colonies (such as Angola and Cape Verde). 'The fusion of these various African cultures and Portuguese culture would soon give rise to a Creole version with its own customs and languages,' wrote Gerhard Seibert in the collection *Transitions in Portuguese-speaking Africa*. São Tomé and Príncipe is a society on many levels in which the process of creolisation continues. The population consists of *forros*, mainly Creoles of Portuguese-African origin; *angolares*, the descendants of slaves who survived the shipwreck of a vessel from Angola and were deployed in the sugar cane plantations in the 16th century; and *tongas* who are descended from the

serviçais, former farm labourers from Angola, Cape Verde and Mozambique, working under contract.

The capital, bearing the same name as the main island and stretching along the *Baía de Ana Chaves*, is home to more than a third of the people in the country (the figures are a little out of date). Alongside the former colonial buildings, with their green, pink or blue facades, which line the streets in the centre, São Tomé has a great many wooden shacks. These are home to the majority of the fami-

lies who live in the town, and are cramped to say the least. Similar makeshift dwellings are found throughout the countryside. Just over half the population (55%) lives in the rural areas, mostly concentrated in the *roças* (plantation farms) or in the sprawling areas of outbuildings that surround many of them.

Milagrosa, Ribeira Peixe, Porto Real, Agua Ize are the names of just a few of the *roças*. They are more than just farms. In fact, they are genuinely self-contained villages, equipped with their own infrastructures, including schools and health facilities. The *roças* are dotted around the landscape of São Tomé and of Príncipe, tiny circles of

Outbuildings on the fringes of a *roça*.





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habitation lost in the lush vegetation. Ringed with banana, rubber and other kapok trees, a number of them are given over entirely to the growing of cocoa. There is one, *Monté café*, which has large areas planted with coffee trees, as its name suggests. Large and small, featuring timeworn colonial buildings and buildings of more recent construction, occupied by more than 200 people or just a handful – no roça is alike.

Provided the heavens are on your side and there are no fallen coconut trees blocking the track, it is not too difficult to reach some of these rural settlements. To gain access to others, however, patience becomes a virtue. The isolated *Porto Allegre* in the far south of São Tomé is a prime example. In the rainy season, it might take up to six hours to reach it by road, even though it is only 75 kilometres from the capital. Last year, the rains were especially heavy and the few people who made the journey in four-wheel drive vehicles (the island has no public transport) acquired something akin to 'local hero' status.

One thing the roças have in common, and something they share with the capital and other towns like Neves and Santana (if 'town' is the right word bearing in mind the size of the country) is that, at almost any time of day, you come across children with schoolbags tucked under their arms or balanced on their heads. This is not surprising when you learn that more than half the population is under fifteen and that literacy on São Tomé and Príncipe is almost universal. A sectoral study carried out for the World Bank in May 1997 found that almost all children

aged between 7 and 11 were receiving schooling. After this age, the figures decline, although 66% of 14-year olds were nonetheless still attending classes. To put the situation into perspective, however, it should be pointed out that the education system works on a double and triple shift basis, which inevitably reduces the total hours of classroom time available per student. Another gloomy pointer is that pass rates have been declining in recent years and school drop-out rates have not fallen.

Health service under pressure

If the daily realities of the education system are less comforting than the statistics would seem to suggest, the same is true for the health sector, only more so.

The country is divided into health regions and districts, each under the responsibility of a medical team (doctor, nurse and technician) and each with two or three health stations (just one on Príncipe and in Lemba), a health centre and/or a small hospital. The basic infrastructures are certainly far superior to those commonly found in sub-Saharan Africa. The situation, however, is not as rosy as it might first appear. A study carried out by the European Commission in June 1996, reported an increasing reluctance to use the health infrastructures. The underlying problems include a shortage of medicines, the fact that certain services are not available, an inadequately educated population, and a lack of motivation among health workers who are extremely poorly paid.

Low salaries, particularly in the public sector, are a real prob-

Schoolchildren on their way home. On São Tomé and Príncipe, literacy is almost universal.

lem on São Tomé and Príncipe. A doctor's basic pay, for example, is 29,000 dobras, while a nurse would not expect to take home more than 16,000 dobras. These poor levels of remuneration reflect the precarious state of the public finances. Between 1986 and 1993, public spending on health fluctuated sharply – but fell overall from 4.9% to 3.8% of GDP. In real terms, government spending *per capita* on health has declined from \$17 in 1988 to \$6 in 1994. The scale of the drop may have been masked to some extent by the huge nominal increase in dobra terms due to the devaluation of the currency (the official exchange rate was 143 dobras to the dollar in 1990, 1700 in 1996 and is now 8000). It is a similar story for education, where only 8% of expenditure is funded by the government, representing about 2% of GDP. The rest is financed by outside aid, particularly from Portugal and the African Development Bank.

These very low salaries coupled with a worsening in the country's socio-economic conditions (malnutrition, poor public hygiene, higher unemployment, etc.) have clearly resulted in the population becoming poorer. The process began essentially in the late 1980s. GDP per head fell by 20% between 1986 and 1992. The inflation rate, which had been predicted to reach 40% last year (1997) had already reached 70% by early December. While three in ten of the population lived below the poverty line in 1987, the figure for 1991 was four

in ten and we must assume it is even higher today.

Figures, clearly, can be made to say anything, but the realities of daily life are harder to disguise. São Tomé and Príncipe has a growing number of neglected old people living in deplorable conditions, large numbers of children roam the streets left to their own devices, and insanitary conditions are widespread. Rising costs also present a daily challenge to shoppers in the market. Price increases affecting vital commodities, fuel and power are reflected in higher prices for most basic foodstuffs. At the time of writing a kilo of rice cost 3500 dobras, and a kilo of sugar 3000 dobras. These are hefty sums when you consider that the average salary is 50,000 dobras a month and families often have seven or eight mouths to feed.

The increase in poverty has been felt particularly strongly by women. One woman we spoke to attributed this mainly to the fact that the islands do not have an especially developed family structure, there being a long tradition of concubinage. This basically means that it is not unusual for a woman to have five or more children with different partners, most of the men in question making no contribution towards the children's education and upkeep. Women in this situation find themselves solely respon-

sible for supporting their families, without adequate financial resources. To ease this burden, a number of women have set up small associations – such as the *cooperativa de mulheres de Milagrosa* (cooperative of Milagrosa women), in the *roça* of the same name. This particular group has opened a small restaurant and will shortly be setting up a bank offering small rural loans.

Reawakening a sense of community

Initiatives of this kind have become increasingly popular since the early 1990s. They have been particularly effective in rural areas, while the idea of working as a community is still rather new in the towns. Such measures are all the more important since there is no welfare system on São Tomé and Príncipe, no 'traditional' structure of community and mutual support, nor an adequately-structured civil society. Small farmers need help in developing broader knowledge, improving production and selling their products. Other associations have tended to direct their efforts more at improving basic services, renovating housing and stabilising health infrastructures. A number of NGOs working on the islands are concentrating on these areas.

Oil painting from the art and culture centre in São João.

One such NGO is the Italian association *Nuova Frontiera*. Its 'integrated health programme' features a broad campaign of action, whether in Milagrosa on São Tomé or in Porto Real on Príncipe. One of the association's areas of activity is building family kitchens and hen-houses, since cooking in the open air and animals roaming freely both promote the spread of disease. Another project involves fitting triple valves to public water pumps (to avoid waste) and equipping schools with lavatories and dining halls. The programme has another particularly valuable side, which is to raise awareness of health-related issues. This is being achieved by means of a calendar featuring photographs of the community, leaflets illustrated with drawings of everyday life, and cartoon animations including short video documentaries. Its success depends on everybody becoming involved.

These desperately needed measures may seem largely conventional, but there are also some more unusual local initiatives. The art and culture centre founded a few years ago in the *roça* of São João is a particularly exciting venture. This exhibits and promotes traditional craftsmanship such as woodcarving and painting. It is also being projected as a focal point for integrated development. In practice, this means that the training given to students (and teachers) in art is being supplemented with education on the environment, cocoa harvesting and the country's wider culture. A particular effort is going into retaining and learning this island nation's unique cultural mix of Bantu and Creole, Black Africa and Europe. Popular theatre occupies a special place in education. The most famous example is the *Tchiloli*, a theatre of song and dance which is modelled on a sixteenth-century play (the Tragedy of the Marquis de Mantoue and the Emperor Charlemagne). Occasionally there is even an opportunity for some students to travel to other countries – as happened last year when a small group of children were able to take their voices and melodies to foreign shores. ■

T.G.



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Raul Bragança, Prime Minister

'There is too much thinking along electoral lines'

After the fall of the Vaz d'Almeida government in 1996, the MLSTP-PSD felt that, as the main party in the National Assembly, it was entitled to propose the new Prime Minister. It nominated *Fortunato Pires*, the current Speaker, who is viewed by some as a radical – keen to return to the kind of single-party rule experienced between 1975 and 1991. The PCD-GR agreed to the proposed candidate. The ADI, however, while accepting the principle that the largest grouping had the right to the post, rejected the candidacy of Mr Pires. 'The nominee must be acceptable' was the line taken by the President's party, and in their view, the Speaker certainly did not fit the bill. He was seen as being much too close to Mr *Pinto da Costa* (whose election campaign he headed in 1996), a former president and traditional rival of Trovoada. After two months of deadlock, during which the MLSTP-PSD refused to accept any alternative candidate, the parties finally reached agreement and Raul Bragança was nominated Prime Minister. We had a brief opportunity to speak to him following a meeting of his party that had lasted three days.

The purpose of the meeting was to review the country's situation in all its aspects. Mr Bragança accepts, of course, that the overall position is very difficult. 'The financial system has been out of control for too long', he explained. 'The economy is extremely fragile, there are a large number of structural problems, we are not producing anything and the market is tiny. We cannot confine ourselves to an economy that only enables us to buy foodstuffs, however. We must stop importing such products and achieve food security. And to do this, we now need a comprehensive programme.'

The Prime Minister insisted, however, that it was also necessary to work on the political situation. 'Conflict between the Government and President should come to an end', he stressed. 'All bodies responsible for exercising authority, be they political parties, the Government, state institutions or civil society, must work to achieve political tranquillity'. Like everyone else we spoke to in São Tomé and Príncipe, he is convinced that it is essential to obtain an HIPC facility from the IMF and bring the country's stagnation to an end. 'There have been no fewer than six governments over the past three years', he pointed out. 'Whenever there are political problems in this country, things grind to a halt. And we have to start from scratch every time power changes hands'.

When asked whether such stability is possible in advance of the forthcoming polls (a general election is due in October 1998), he replied simply, 'What can we do? Think about the country or about the elections? I, personally, would put the country first, of course. But the main problem in Sao Tomé and Príncipe is that there is too much thinking along electoral lines.' His own party, the Prime Minister indicated, had not yet expressed an opinion on the idea being mooted that the elections should be deferred. This question would be debated at the national forum to be held sometime in February or March 1998. But he did not conceal his own doubts about the outcome. It was not at all sure, he said, that the forum would view the proposition favourably. 'It is necessary for everyone to put the nation, and not themselves, first. But some parties have already started campaigning.'

On the sensitive issue of relations with Taiwan, Mr Bragança appeared surprised that this was still generating controversy. His



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own view was more relaxed. 'We consider the matter to be settled and will continue to work with the Taiwanese government, using the money they have given to the country. We have already discussed this with the President'.

The Prime Minister was also circumspect when we raised the political disagreement about the future exploitation of oil reserves. 'Oil alone will not solve the country's problems', he said. 'It can help us, and enable the economy to grow, but a more all-embracing programme must be prepared if we are to develop. Oil revenues could help us improve our health, agriculture, transport and tourism'. He added that the exploitation of petroleum reserves should be seen as tied up with the development of the free zone, as the investors are closely linked. 'They are in the country at the moment and are considering this matter. I hope that we can finally reach agreement. The two projects could make a substantial contribution to the future of Sao Tomé and Príncipe'. He would not be drawn on the possible environmental and social costs of the oil project, confining himself to the observation that the group studying it had said it would be better 'to implement it in Príncipe'.

Finally, the Prime Minister noted that tourism would be important in future but that the main priorities should not be forgotten. 'Pride of place should be given to agriculture, to enable the country to feed itself. Infrastructures and health come next. The people of our country cannot continue to live like this in future'. ■

T.G.

Carlos Neves, Chairman of the ADI

'We need people who are able to fulfil their responsibilities'

Acção Democrática Independente (ADI), which is the party of President Trovoada, was launched in 1992 when it took part in its first local elections and won one district seat. These were followed by the General Election in 1994, in which the ADI won 14 National Assembly seats. According to Carlos Neves, its Chair, the grouping is fairly close to European socialist parties. It believes in the private sector while supporting state intervention in the most important areas, such as energy. The party also has a very definite idea of the type of government it wants to see in São Tomé and Príncipe as Mr Neves explained:

– It is now necessary to take a fresh look at the way power is exercised in government. We must dispense with our semi-presidential system, in which responsibility is shared between the government, the President's office and the Assembly. This gives rise to institutional crises, exacerbated by the fact that too much of the Constitution is insufficiently clear. Of course, the people must be asked for their opinion in a referendum, but, for practical reasons, I believe we need a presidential system. The past few years have shown that our current system is not in line with the way the people think. They believe that power is exercised solely by the President, which is not the case. The government also shares responsibility to a considerable extent. It is therefore necessary to give greater power to the President, who must be made the real head of the government and be responsible to the people. This would then make the post of Prime Minister irrelevant.

■ *Doubtless the MLSTP-PSD and the PCD-GR – the two parties that*



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form the government – would not agree that the President's power should be increased. Isn't there a widespread view that he exceeded his powers in what many people are calling 'Taiwangate'?

– We disagree with this view. Under our system, foreign policy is controlled by the President. This is clearly specified in the Constitution. It is also the case that Mr Trovoada had discussed the matter with the Prime Minister and had obtained the latter's agreement to the recasting of the relationship with Taiwan in a more concrete form. But this example very clearly shows that the system needs clarifying. There are too many sources of power at present. Matters need to be simplified.

■ *Doesn't what you are saying preclude the outcome of the national forum to be held in February or March, which is designed to bring the various political forces around the same table?*

– It is true that we are currently trying to arrange a forum to discuss the major problems facing the country and determine whether it is possible to achieve the political stability necessary for the country to function effectively.

I think that at present, despite all the problems we face, it is

still possible to move forward in a positive way. Take Taiwan, for example. We have just received \$4 million from that country, but what is the Government doing with this money? Nothing! This also applies to the European Union and its counterpart funds, which we consider should remain in the hands of the Central Bank. These resources are intended to finance development projects, not to increase the money supply, as is happening at present. We are witnessing the value of the dobra falling from one day to the next but what is the Government doing about it? There is a real lack of political will.

■ *What would you prefer: to change the current political system or to place rivalries on one side for a while to concentrate solely on the development of the country?*

– It is obvious that our programme for rehabilitating the system is not geared to the short-term. There will be no concrete results before the next presidential elections. We actually need a period of political calm to establish credibility with the Bretton Woods institutions. We take the view, however, that immediate action is needed to ensure that we are governed by people with expertise rather than individuals who think purely on electoral lines. Our country needs people who can take constructive measures to ensure the well-being of the population. We need a specific programme to solve the problems we are currently facing. The Government is in the hands of political parties. The country could function effectively if these parties really wanted it to. There are many actions that could be taken at present, even small ones – but nothing is being done. How can this be explained? Look at the roads. The funds are certainly available to improve them, and

yet the Government does nothing.

If the ADI were in power, I am convinced that the situation would be different. There is a clear shortage of managers, for example. We urgently need technical advisers, especially from abroad, who have the right experience. And yet when we put this idea forward in the Assembly, the other parties reject it. Meanwhile, the country is declining from one day to the next.

■ *You say that the country needs technical experts rather than politicians – which may well be true – but is it possible in a pre-election period? Isn't the ADI going to campaign?*

– If we can reach agreement with all the other parties and political representatives at the national forum, we would be quite willing to delay the elections.

■ *If I understand you correctly, the current social and economic situation is solely due to what you term the 'irresponsibility' of successive governments since independence?*

– Of course, the country has structural problems. That is illustrated by the fact that we are almost totally dependent on foreign aid. We believe, however, that agriculture should be the main focus of government activity. The state must be able to create the conditions for expanding agricultural production, whether for export or internal consumption. Farmers must be encouraged to produce for the future. We also need to negotiate with neighbouring countries to enable São Tomé and Príncipe to integrate into the regional market, determine what can be produced with comparative advantage and reduce food imports as a matter of urgency. The World Bank and IMF have recommended measures to escape from these structural pitfalls and ensure macro-economic stability. But the state still has to take responsibility for applying these. Non-essential expenditure – such as the excessive travelling costs incurred by members of the Government – must be reduced as a matter of urgency. The country can change, if the



The old National Bank on Príncipe.
'The value of the dobra is falling from one day to the next.'

state applies these measures responsibly.

Let me give you another example. São Tomé and Príncipe could be developed as a tourist destination, but this is totally disregarded at present. Several potential investors have visited the country and said they are willing to put resources into tourism. But the Government always takes upwards of a year to reply to them! How can the country move forward in such a situation? We need able people who are capable of accepting responsibility and replying to potential investors either immediately, or with very little delay. There are, unfortunately, numerous examples of irresponsibility by the Government. Remember the increase in the public-sector salaries recommended by the World Bank. The authorities certainly implemented this, but in a haphazard way, with inexplicable differences in the rates of increase. This is clear proof of its inability to take the necessary measures in practice and, indeed, to govern.

■ *What does your party suggest to achieve a rapid improvement in the precarious situation of the country's inhabitants?*

– We need to increase production and ensure that enterprises can function effectively. It is no good privatising and giving land to farmers if they are not also given the technical and financial means to work the land! There is also a need to create a labour market on which the thousands of unemployed young people can find jobs. The free zone proposal was an opportunity that should have been seized in order to achieve this. We still don't have the zone because parties such as the MLSTP-PSD resisted the proposal put forward by France. As far back as 1992, negotiations were held with

French investors relating to the establishment of a free zone in São Tomé. But the President was accused of cosyng up to France and matters suddenly came to a halt.

■ *Do you really think that the free zone to be set up in Príncipe will have a direct impact on the people of the country?*

– I am not in favour of setting up a free zone in Príncipe. It should be established in São Tomé. This would be better for everyone, as the infrastructures are already in place and the impact on the environment would be smaller. Príncipe should be reserved for high-quality tourism. We are not against the free zone as such, but we think that if it exists at all, it should be created in São Tomé.

Take oil, which is another hot topic. The Government is not acting in a wholly responsible way here. There is a need to take a more serious approach to the negotiations, because the issue is very important for the country's future. Again, São Tomé and Príncipe needs good technical advisers. Work, not talk, is what is required. The Government talks far too much, without advancing matters.

■ *The suggestion has been made that the Government has tried to exclude the President from the oil negotiations?*

– This is certainly the case, and it shouldn't have happened, because it is such a vital question. Very important negotiations need to be held with neighbouring countries about the delimitation of our waters. This is an issue that all the country's political forces need to focus on, whatever position they occupy in the state structure. The Government signed an agreement without paying the slightest attention to the other components of state power. They shouldn't have acted in this way – but it is quite typical of their approach to sensitive questions affecting the future of our country. ■

Interview by T.G.

Profile

General information

Area: São Tomé 860 km², Príncipe 140 km²

Population: 129,500 (1996 estimate), of which 123,000 in São Tomé and 6,500 in Príncipe. Almost half the population is under 15.

Population density: 130 per km²

Capital: São Tomé (pop. approx. 45,700)

Languages: Portugese (official), Lungwa san tomé (São Tomé Creole), Lungwa iyé (Príncipe Creole)

Political structure

Semi-presidential system: Presidential and legislative elections (multi-party) are held every five and four years respectively.

President: Miguel Trovoada (in power since March 1991, re-elected in July 1996)

Prime Minister: Raul Bragança (since 1996)

Current composition of the National Assembly:

Movimento de Libertação de São Tomé e Príncipe - Partido Social Democrata (MLSTP - PSD)	27
Partido da Convergência Democrática - Grupo de Reflexão (PCD - GR)	14
Acção Democrática Independente (ADI)	14

Legislative elections were last held in October 1994

Economy

Currency: Dobra. ECU 1 was worth about 7,800 dobras in January 1998.

External debt: \$277 million (1995), equivalent to almost five times the GDP.

GDP per capita: \$486 (1994)

GDP growth rate: 2.2% (1996)

Inflation rate: 70% (estimate for end of 1997)

Main exports: cocoa (almost 90% of export receipts), matabala, coffee

Main imports: Food products, basic essentials, fuel, machinery and electrical goods.

Balance of trade: exports - \$5.1m, imports - \$22.6m, deficit - \$17.5m (1995)

Social indicators

Life expectancy at birth: 67 (1995)

Adult literacy: 67% (76% for men and 47% for women - 1995)

Population with access to clean water: 33% in urban areas, 45% in rural areas (1994)

Population growth rate: 2.3% (average for 1990-1995)

Infant mortality: 63 per 1000

Human Development Index rating: 0.534 (125th out of 175)



Sources: Economic Intelligence Unit, UNDP Human Development Report (1997), United Nations Report on the Least Developed Countries (1997), The Finance Ministry of São Tomé and Príncipe.

Acácio Bonfim, Minister for Planning and Finance

'There is a limit to the price to be paid for development'

São Tomé and Príncipe is in an unenviable financial situation. The Courier therefore thought it would be interesting to talk to Acácio Bonfim, the Minister for Planning and Finance, who is also the National Authorising Officer for the EDF. We began by asking him what measures he envisaged to boost his country's fiscal and monetary position and to halt the devaluation of the dobra, the national currency.

– The fiscal sector is not faring quite as badly as it might appear. We have not yet had to call on Central Bank credit this year, as we had to in previous years, and so far the balance is positive. However, we are facing multi-lateral foreign debt deadlines which we are unable to honour.

I should mention the fact that we have already implemented a number of measures in an attempt to improve the situation, particularly in the corporate sector, and have instituted a system of regular, automatic updating of fuel prices. We have also adopted a law aimed at converting ENCO (the National Oil and Fuel Company) into a public limited liability company and at selling shares to both multinationals and the private sector. As things stand, the state has given up control of a substantial part of the company's capital, 49%, to be precise. In addition, EMAE (the Water and Electricity Company) is in the early stages of an in-depth restructuring programme to improve energy production capacity. We also envisage establishing a plan to get the company back on a firm footing, and proposals for privatisation.

Having said this, the monetary position remains fraught with problems. For instance, there was an unexpected increase in prices caused mainly by the banks not using traditional financial intermediation systems. As a result of this, we had to implement a number of provisions, some of which were already includ-

ed in legislation but had not yet been applied – particularly in the foreign-currency sector. What often happens is that companies import goods but are unable to present the necessary bank documents to cover their transactions simply because they do not use the regular banking system. It is important that foreign-currency transactions of this type are above-board and monitored by the authorities. Reforms are also needed in the commercial banking sector so that services are cheaper and transaction costs can be reduced. We have to enable people to approach the banks rather than having them turn to the black market!

■ *How do you intend to do this, given people's growing concerns that their purchasing power will fall from one day to the next?*

– The measures we will implement will prove to the people that the government is working hard to develop the dobra. Our biggest problem is a lack of confidence in the financial and banking systems, and in our currency. Most agreements and transactions are in dollars, but we have to try to restrict the use of the dollar to the banking system and to put an end to the parallel exchange market. At that point, no further dobra will be injected into the market to purchase foreign currency because there will be no more foreign currency.

■ *That's all very well, but what about the recent increase in fuel prices, which led to riots?*



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– Well, as you can clearly see, we are caught between the devil and the deep blue sea. To be eligible for the HIPC initiative, we have to make certain sacrifices, and I am under no illusion about the difficulties involved. As regards the fuel price rises, the problem was twofold. Not only was fuel heavily subsidised, but the subsidy was indiscriminate and unregulated. This meant that certain people who received their wages in foreign currency paid a pittance for their fuel. And who do you think meets the bill at the end of the day? The state, of course – which doesn't have the necessary resources. Last year, for example, the state ran up debts of about 8 billion dobras, which is almost \$1 million at today's rates. That is an enormous sum for our small country.

■ *So how do you explain to the people that development has a price?*

– We explain it to them nearly every day. I'm on TV and radio so often that I've practically become a journalist. We use every means at our disposal to get over the message that there is a price that must be paid to achieve a brighter future. But, as you will appreciate, it is difficult to convince people that the measures are necessarily long term – whose positive effects will take time to be felt. It is particularly difficult if you compare today's situation with that of 1987, when we instigated our programme. Unfortunately, the programme has not been properly monitored and applied, and it has not been possible

to achieve certain goals, such as the stabilisation of the public sector. I am well aware that the public is fed up with what it sees as empty promises. We keep telling them to tighten their belts, but they want to know how much longer the situation will continue. I do believe, however, that a significant section of the population understands why we are acting as we are.

Not that we have overcome every obstacle. In a multi-party system, there are always people who have a different agenda; above all those who know precisely what the situation is, who were in power previously and who should have done certain things but did not. These days, it is fashionable to criticise the government in power, so they make up all sorts of stories, twisting our words and persuading the people to ignore our awareness programmes.

■ *Who are these people? Are you making a direct attack on the President's ADI Party or on certain members of your own MLSTP-PSD?*

– No, not at all. I am referring to those who put up obstacles. People reading this will know exactly who I am talking about and may even recognise themselves. But I would like to take this opportunity to request their indulgence. What they are destroying today will have to be rebuilt tomorrow. It is preferable to assume power when the going is good.

■ *There are some other initiatives in the pipeline. Perhaps you could tell us about the new free zone and development of the oil sector?*

– I am a firm supporter of the free zone and of developing petroleum production. São Tomé and Príncipe has to have other alternatives. These may be late in coming, but given all we have been through, we have to grasp the opportunity. We should do everything we can to take advantage of what we have available.

As regards petroleum, advance payments already amount to \$2 million, and we have only to implement a certain number of measures under the terms that have been negotiated to obtain the remaining three million. If everything goes well – by which I mean, if there



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is the necessary stability in political circles and everyone does his honest best – I am hopeful that we will see the first barrels being produced in perhaps two years. I am well aware, however, that petroleum is not an end in itself. It is rather, a means for us to achieve further development and relaunch the country's economy. It should enable us to invest more in the priority sector of agriculture, in tourism, and in overcoming problems that have been identified in areas such as health and education. That is what our oil must be used for.

The same applies to the free zone. We are already at a fairly advanced stage. An environmental impact study will be conducted by a company retained by the US consortium running the project.

■ *Are you convinced that this study will be objective?*

– I understand what you are getting at, but we have been informed that the European Union might be able to help in conducting an alternative study. Obviously, if we want to promote development of the free zone and of the country in general, the price has to be right.

■ *How will the state benefit from these two projects – which are being run by private consortia?*

– The state is not banking on receiving a great deal of tax income from the free zone because, as its name implies, it is based on the absence of fiscal charges. But there will be spin-offs. For example, the registration of companies in the zone will be a source of revenue. The state will also have an interest in the company operating the zone. The profits that it is expected to make will be distributed among the various shareholders, including the state. In addition, the zone should be a magnet for other companies and service providers, some of which will actual-

For many fishermen, increased fuel prices has meant going back to rowing boats.

ly be based in São Tomé and Príncipe. This will lead to job creation, which is extremely important given that the measures aimed at overhauling the public sector will reduce employment. The zone will therefore act as a catalyst for development.

■ *On the other hand, the free zone could have a downside in making the economy more dependent on the dollar. Some would argue that Sao Tome and Principe should seek to join a wider currency area. What are your views on this?*

– This is a very sensitive point. I am one of the few who are convinced that managing our own currency is one of the country's biggest problems. I firmly believe that, sooner or later, we will have to join a monetary zone. Perhaps we should do it as soon as possible. The question is, which one? I don't have the answer to this. We would have to take into account transaction levels with potential partners, our geographical situation, and the stability of the various currencies involved. This subject is not being actively studied at the moment, but it is certainly something we have to think about. Unfortunately, those of us who are thinking about it are few and far between. ■ Interview by T.G.



The Courier

Príncipe – languor and isolation

Príncipe, the second largest island in the archipelago, lies a hundred miles from São Tomé. History does not record whether it was discovered before or after its big sister, not that it matters much. The relentless march of time seems not to be part of the routine here. Which is not to say that Príncipe is a dead island – far from it. There is no sense of fatalism in this community, which would like to put its isolation behind it once and for all. The new spirit of optimism dates back to 1994, when national legislation guaranteed the island political and economic autonomy.

From the top of its stone staircase, overhanging the Rio Papagaio at the exact spot where the ocean begins, the stately pile of the hospital still stands proud in the face of wind and tide, as if to mock the passage of time. Yet there are few medicines to be found in its cabinets – even the traditional fumes of ether seem to have dissipated forever from the wards, with their white cloth partitions. There aren't many doctors or nurses either... or patients, and an almost Olympian peace prevails. Yet the hospital is very much a reflection of Santo Antonio, the main town of Príncipe. A Lilliputian 'capital', numbering only some

2500 souls, the pace of life here is slow, gentle, peaceful – a languor which a poet would surely appreciate.

Begging to be looked at

Santo Antonio does not exactly extend further than the eye can see. Nor is this hamlet-sized 'city' introspective though it does seem to be saying 'look at me'. And it is well worth looking at, especially at the precise moment when daylight suddenly yields to evening.

The town is a classic example of what those who lament the passing of colonialism would modestly call a 'relic'. For others, more numerous, a different word springs to mind – 'charm'.

There is the inevitable fishing quarter, sited opposite the landing-stage, with its wooden shanties and dugouts cut to size from the trunks of kapok trees. And there is an all-pervading odour to delight even the most suspicious nose, especially on days when fortune has been kind, and fillets of barracuda and swordfish are available. Time does not seem important here and the eye lingers on the 'left bank', a picturesque maze of unaltered streets. Most of

the buildings have faded paintwork, rusting balconies, collapsed half-timbering, crumbling arches, decrepit loggias and cracked footbridges. Some roofs are open to the sky, while others have been patched with corrugated iron. Even the washing, hanging from the closed shutters to dry in the warm sun has a faded, flaking look. Indeed, the only building that seems untouched by the passage of time is the church. Critics might say cynically that that is what one would expect of the church, but others will point out that Portuguese missionaries are still doing good works in Santo Antonio.

An important part of Santo Antonio's charm is the silence: no bustling streets, no traffic noise, virtually no movement. Only the children playing in the streets remind visitors that time only stands still in the imagination.

There are gentle hints of green everywhere. Every possible shade of green refreshing the eye in the most unexpected places: a little garden here, a freshly mown patch of grass there, a tree whose name no-one remembers, a dense clump of ferns. Later, as the sun goes down, the colour deepens,



Grey parrots, an ornithological treasure of Principe.

seeming to merge into a uniform background colour. Looking beyond the town, the scene is dominated by verdant vegetation.

So if *charming* is the adjective that best describes Santo Antonio, *luxuriant* is undoubtedly the word that comes most naturally to mind in connection with Principe as a whole. The luxuriance of impenetrable vegetation, a complex harmony of banana trees, palms, orchids and a thousand other plants with delightful Latin names, many of them indigenous. The luxuriance of a dramatically soaring and swooping landscape, full of hidden detours and surprises in the shadow of its volcanic hills and peaks – challenges cast in the face of heaven. The luxuriance of the squawking grey parrots with red tails, set against a background of murmuring waterfalls, torrential rain and laughing faces. And the luxuriance, finally, of the giant palm trees along the shore, each capped with a plume of leaves and angled precisely to cast patches of deep shade on to the beaches where the turtles come ashore to lay their eggs.

Endangered ecosystem

And yet this aspect of Principe – this 'rapturous paradise' – may not last much longer. At the very least, the island faces significant ecological upheaval in the coming years. The reason is the free trade area planned by WADCO (*Western African Devel-*

opment Corporation), a private consortium based at the Cape in South Africa. The project, if it goes ahead, would mean that the entire *Baía das Agulhas*, or roughly one third of the island, would be transformed into a giant industrial and commercial complex. The riotous plant life would give way to a naval dockyard, luxury hotels, banks, commercial TV stations and all the other infrastructures needed to keep this kind of operation going (the infrastructures are already listed in the Memorandum of Understanding).

Significantly, the marked site covers nearly 20% of an area proposed as a national park by ECOFAC (Efficient Conservation and Use of Forest Ecosystems in Central Africa). In fact the *Baía das Agulhas*, an area of outstanding environmental interest, is currently undergoing classification through a decree being prepared by the Forestry Directorate of the Ministry for Agriculture. The Ministry is working in collaboration with the ECOFAC programme (which, incidentally, is entirely financed by the EU). According to a report that has been prepared on the subject: 'The great ecological value of this largely uninhabited part of the island lies in the many different biotopes existing there: an alpine forest of particular scientific interest, the islands' only primitive forest, and a shoreline with impor-

tant beaches for the nesting of turtles and the existence of coral formations.'

In addition to its superabundant flora, Principe has several sites of exceptional ornithological value. There are numerous indigenous breeds, such as the Principe blackbird, the golden weaver, the yellow dove and the grey parrot. The last of these is an endangered species. While the adult breeding population still appears to be relatively large, it is ageing and there are very few younger birds. On account of this, there are genuine concerns that the population will decline rapidly over the next few years – especially since there is now only one place on the island where grey parrots still nest.

This data forms just a small part of a mass of information gathered by the ECOFAC programme, but it clearly demonstrates the importance of an objective study of the environmental cost of the free trade zone. For its



All change on the dance floor

While some people show a distinct lack of imagination when it comes to celebrating payday, they also provide the neutral journalist with the opportunity to observe a most unusual ballet. Who would have been so uncharitable as to think that Santo Antonio's apparent languor would vanish at nightfall? I should hasten to reassure readers that this not an unsavoury story. Although ...

The fishermen's quarter. A small, square room. The light from the single spot falls on a faceted ball dangling from the ceiling, which has long since lost the knack of revolving. The walls are aerosol-daubed with the names of English-language singers, some of them demonstrating highly original spellings such as the all-yellow 'Helton Jonh'. In the background, a little hut accommodates a DJ and his cassette player. To his right is the improvised bar, serving beer brought in for the occasion from the fridges over at the Palhota, logically enough, since this nightclub, the only one in Santo Domingo, has been opened by one of the staff of the little hotel.

It is half-past eight, and a crowd - nearly all young - is beginning to push its way past the barrier. Those who have parted with the 2,500 dobra entry fee hasten to find seats on the benches along the side of the dance floor, their feet tapping to the rhythm of the Cape

Verdean music. Men on one side, women on the other. Then a new number begins, and the ballet can take the floor. Couples swiftly form, at the invitation of the male partner. The dance steps are identical for all, in perfect harmony with the Mozambican beat. Only the distance between the bodies varies. But then they part quickly, cleanly, directly, with no hesitation. The last notes have hardly sounded when the men are hastening back to join the other men, the women heading likewise for their 'corner'. A pause between tracks ... long enough only for the man in the hut to open and close his cassette player. Because as soon as the loudspeakers start up again, the couples re-form. Changing partners is de rigueur.

The strangest thing about this elaborate ritual is that not a single word passes between the couples. All evening. Their bodies do all the talking at close quarters! 'Of course, if I'd talked to her I'd have made her boyfriend jealous,' is the startling comment of a smiling young man, gesturing towards the girl whose arms he has just left. We should point out that our lad is married, having, of course, left his wife at home, and that the great majority of the girls attending the disco are single - though nearly all of them have children. Still, that's another story...

part, the private company behind the scheme is promising that 'the protection and enhancement of the exceptional beauty and ecological importance of the bay, by way of the harmonious integration into the natural environment of all the activities to take place there, will be an absolute priority'.

While there may be good reasons to be worried about the consequences for the Príncipe ecosystem of establishing a free trade zone, there is no denying the economic and financial benefits it could bring (see the article entitled *The last card in the pack* on p.31). The truth is that the island's socio-economic situation is just as precarious as that of São Tomé. Príncipe is also an island with an agricultural tradition dominated by cocoa, and here too, this key sector is going through an unprecedented crisis. The balance, in terms of economic activity, is somewhat different, however, with non-industrial fishing occupying a more important place in the smaller island - fish are the staple

diet on Príncipe. On the other hand, the poverty of the inhabitants is more striking here. Structural problems appear to be more acute be it access to drinking water, the state of the roads or the poor conditions of other essential facilities. Working conditions are also extremely arduous, especially for the island's fishermen.

It look like an unhappy situation but some of the islanders we met were keen to emphasise that the problems stem from the past, and that one should recognise the many projects now under way which are aimed at putting things right. As far as food is concerned, for example, we heard it said that while supplies were certainly not abundant, 'shortages have not been as bad recently'.

There can be little doubt that the political and economic autonomy granted just over three years ago is a suitable instrument for enabling the needs of the populace to be identified more accurately and to be satisfied. But that

autonomy has yet to be translated into a concrete reality, especially in terms of financial resources. So far, it is has been a kind of 'pick-and-choose' autonomy, with the national authorities doing the picking and choosing.

Relative autonomy

As far as the legislation is concerned, Príncipe acquired its new autonomous status in August 1994, following a stormy debate. A regional government was set up, comprising five people (the President and four regional secretaries) answerable to a Minister for the Region who himself has a seat in the central government. There is also a Regional Assembly of seven elected members to do the legislative work. There can't be very many places in the world with an autonomous government serving a population of less than 7000!

But *Damião Vaz d'Almeida*, who is President of the Regional Government, complains that



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Luxuriant vegetation...

'what autonomy we have is essentially administrative and political.' He continues; 'We must also have an adequate financial basis to enable us to implement our development projects, and put an end to the economic isolation in which we are trapped. The people must be free of this feeling that nobody cares what happens to them.' According to the President, it is up to central government to ensure that Principe has appropriate funding, or at least its own source of income. At present, it has neither. As a way out of this situation, he says, the free trade zone represents 'a really big opportunity for Principe'.

The Regional Government wants to share the proceeds of this scheme with the national authority. In practice, they are advocating that Principe and São Tomé should each receive an agreed percentage of the income from the free trade zone. Principe would like to see 60% of the profits from the leasing of the land going into its own coffers.

'Ensuring that Principe has its own financial basis is vital', adds Mr Vaz d'Almeida. 'You must remember that apart from our economic isolation we have another major stumbling block to confront – our inescapable geographical isolation. We are cut off internation-

ally, of course, but also within our own country.'

The problem is the absence of seaborne communications between the two islands (travel by air is far too expensive, costing about \$65 for nationals). Principe, in fact, has only a single vessel providing a permanent link with São Tomé, and that has been damaged for some time. Of the other two boats that occasionally used to make the crossing, one has been stolen and the other has sunk.

There is one further vessel that puts in at Principe from time to time for fuel supplies, but this is hardly a satisfactory situation. 'It is all the more unfortunate in that our farmers sometimes produce more than we actually need on the island. How are we supposed to sell the surplus? The situation discourages the farmers from making the effort and, more importantly, the people have a sense that the distance between here and São Tomé is getting longer and longer.'

The strange feeling of being cut off from the world ...

The geographical isolation of Principe is an undoubted fact. No sooner have you set foot on

the tarmac than the aircraft, with its gaily coloured propellers matching the national flag, is taking off again. The pilot and co-pilot, two tall fair-haired men with their names printed on their jackets in cyrillic script, have just had enough time to pick up some freshly cut pineapples. The duty fireman, cigarette dangling, has wandered off to resume his chat with a technician, having no doubt forgotten that he turned up late for the landing a few minutes earlier. As for us, once we have left the tiny airport and vanished into the surrounding greenery, we very soon begin to feel this strange impression of being cut off from the world. Or, perhaps, reaching the end of it....

T.G.

São Tomé and Príncipe-EU cooperation

A lack of infrastructures

by Kurt Cornelis*

The relationship between São Tomé and Príncipe and the EU can be traced back to 1975, when the country gained its independence and acceded to the first Lomé Convention. Cooperation between the two partners has increased steadily since then, as is shown by the marked increase in funds allocated under the National Indicative Programme (NIP) for the 8th EDF (ECU 9.5 million compared with ECU 8 million for the previous NIP). Although a wide range of operations of different types have been financed over more than 20 years, two sectors have benefited in particular from European support: agriculture and infrastructures.

Agriculture is clearly the most important economic sector in São Tomé, providing employment for the bulk of the population. It has experienced serious structural problems for a number of years, however, and the country is not self-sufficient in food. Agriculture is dominated by a single crop, cocoa, to the exclusion of virtually all others. But the cocoa business has been in freefall since independence and export income has declined inexorably. This is due both to the drop in prices on the international market and to persistent poor management. Many of the country's current problems relating to poverty and the public finances are due to this decline in the cocoa business and the government's inability to diversify farming.

To assist in the initial diversification of agriculture, a large proportion of the NIPs for the 5th and 6th EDFs (amounting to approximately ECU 6 million in total)

was used to finance the planting of 650 hectares of oil palms in Ribeira Peixe, in the south of the island of São Tomé. A loan of ECU 2 million of venture capital by the EIB has made it possible to set up a palm oil mill (EMOLVE) with sufficient capacity to satisfy the food-related table-oil needs of the entire population. The results of these two complementary projects have been generally favourable, despite the fact that the planned privatisation of EMOLVE has still not been carried out by the government. EDF support will, however, come to an end during 1998, after the delivery in the immediate future of spare parts intended to enable the works to continue to function.

The cocoa business has, in particular, benefited from assistance in the form of Stabex transfers (see below). Meanwhile, counterpart funds generated from a food aid programme (implemented in 1997) should help to increase the food security of São Tomé and Príncipe.

Water, roads and public health

One important bottleneck affecting the development of the

Oil palm fruits from which the pulp has been extracted at the EMOLVE mill.



country is the absence, or poor condition, of infrastructures. This is particularly the case for roads (crucial for the distribution of agricultural goods), power supplies and drinking water systems. It was therefore decided that financing under the NIP for the 7th EDF should concentrate on infrastructures. The lion's share (ECU 3.9 million) was set aside for a programme to distribute water within the capital. The objectives were to improve the extraction of spring water, upgrade and extend the distribution network and increase the number of individual branch-pipes. Although implementation of this project has not been without difficulty, most of its objectives have been achieved. A second stage in the extension of the network (covering the Quinta area of Santo Antonio) is currently being prepared and implementation will begin shortly.

Other actions foreseen under the 7th EDF include the asphaltting of a section of road between the village of São João dos Angolares and Ribeira Peixe, to facilitate the transport of palm oil from EMOLVE to the capital, and the provision of technical assistance for the staff of the National Authorising Officer. Given the lack of resources available to the authorities, the latter assistance was seen as essential to ensure projects were managed and monitored properly.

Infrastructure is also given priority under the NIP for the 8th EDF, 75% of the total resources being allocated to this area. The intention is for the money to be used to finance three programmes covering water distribution, rural

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roads and power supplies. Project profiles (financed from the outstanding balances of previous NIPs) are being prepared for these three areas. The power scheme (probably to be jointly financed with the EIB and the ADB) aims at renovating the Contador hydroelectric power station, giving it the capacity to produce 25% of national electricity needs.

It is agreed that under the 8th EDF, particular attention should be paid to the island of Príncipe. This is probably the most impoverished part of the country.

In response to the above-mentioned commitments, the government has promised to improve significantly its policies in the road, water and power sectors. By way of example, the water and electrical power company (EMAE) will be extensively restructured and more realistic user-charges will be levied.

The second main focus of the 8th EDF programme is public health. Malaria is one disease which has given increasing cause for concern over the past decade. More generally, the population has risen rapidly while the health care system has been in disarray. The EU plans to provide institutional support for the Minister of Public Health to help improve health care planning and draw up a national public health plan. 12% of NIP resources have provisionally been earmarked for this purpose.

Sectors outside the NIP's main focus include protecting the environment, technical assistance, support for SMEs and decentralised cooperation.

Other forms of cooperation

São Tomé and Príncipe benefits from funds allocated to regional cooperation in Central Africa, via a number of different operations. These include ECOFAC, a programme to encourage the conservation and rational use of forest and fish resources; the Bantu cultural programme which aims to enhance and revitalize Bantu cultural expression; and improvements to the port of São Tomé.

As a Portuguese-speaking country, São Tomé and Príncipe is covered by the PALOP programme (African countries having Portuguese as an official language). Within this, it takes the lead management role in the consolidation of education structures. The first PALOP programme was financed from funds provided under the 7th EDF and this funding will be continued under the 8th EDF.

Since acceding to the Lomé Convention, the country has also benefited from a number of cooperation instruments that do not involve programmable resources. The Structural Adjustment Facility (SAF) and Stabex are the most important of these.

The government of São Tomé entered a structural adjustment programme in 1987. Since then, its efforts have been assisted on several occasions by budgetary support under the SAF, sometimes supplemented by resources from the NIP. One example of this is the most recent structural adjustment operation, conducted in late-1996/early-1997 which entailed a gas/oil import programme. The counterpart funds generated from the sale of fuel are being used as budgetary support, making it possible to cover the (non-salary) operating expenses of the health and education ministries and the severance allowances of public sector workers who have been made redundant. Total disbursements in support of structural adjustment exceeded ECU 3.5 million under the 6th and 7th EDFs.

São Tomé and Príncipe has, on several occasions, received Stabex payments arising from lower cocoa export earnings. This has resulted in the allocation of about ECU 4.5 million to the agriculture sector since 1985. Objectives have included the rehabilitation of nine rural state enterprises (roças) and the improvement of living conditions in rural communities (people working in roças and small farmers). Actions taken in the latter areas have been particularly appreciated by local people.

A food aid programme was agreed for São Tomé and Príncipe in 1996, following shortages of

certain foodstuffs. Under this programme, milk, sugar, rice, wheat flour and meat, with a total value of ECU 1.9 million, were provided for sale locally. The counterpart funds generated by this assistance will be used to finance projects aimed at improving food security.

The main operations financed under the European Community's own budget involved joint financing with European NGOs (especially in the health sector) and environmental schemes.

Finally, one should not forget the country's fisheries agreements with the EU. The current one runs from 1996 to 1999, and under it, São Tomé and Príncipe will receive budgetary support worth more than ECU 2 million.

The future

1998 will be crucial for the economic future of this small island nation in the Atlantic. The Bretton Woods institutions will decide by September at the latest whether the country is eligible for a substantial remission of its external debt. If the government fulfils its commitments under the NIP and applies the recommendations of the IMF and the World Bank, the EU will do everything it can to assist the country achieve economic improvements. Helping highly vulnerable countries such as São Tomé and Príncipe is, after all, what the Lomé Convention is all about. ■

K.C.



The Courier

Seychelles

In search of the right track

1970 was an important date for Seychelles, marking the end of its agriculture-based economy, and the start of an opening up to the outside world. This was the year which saw the inauguration of its international airport – previously the country had been virtually unheard of. Now, it is a renowned 'holiday paradise', with about 130,000 visitors annually. Indeed, tourism has become the mainstay of the islands' economy, generating about 70% of foreign exchange earnings and 17% of GDP.

It has come to be realised that over-dependence on tourism is not necessarily a good thing. It is a vulnerable sector – that lesson was learned in the Gulf crisis when visitor numbers dropped substantially. Consequently, strenuous efforts are being made to broaden the economic base. Hand-in-hand with this are the political transformations necessary to change from an economy which was socialist and state-controlled until 1993, when multi-party democracy was

reinstated, to a free-market model. Since that date, the ruling party, the Seychelles People's Progressive Front (SPPF), has kept its grip on power, holding the majority of seats in the National Assembly (27 out of 32). The main opposition, the Democratic Party (DP), with five seats, has famously pursued a policy of national reconciliation, which has undoubtedly had a stabilising influence on political life – particularly important for a country whose main revenue is from tourism. But some observers say that this has not created ideal conditions for genuine democratic debate. During the *Courier's* visit, a former DP member of the National Assembly, who had been sitting as an independent (having been expelled from his party in 1995), moved over to the government side. The other opposition grouping, *United Opposition*, is more outspoken in its criticism of the administration. Just after our visit, its one elected member was suspended from the Assembly for

Containers of fish on the move.
The expansion in the fishing sector has aroused high hopes.

seven sittings, the party claiming that this was done to 'get him out of the way' during the budget debate! Presidential and legislative elections are due in 1998. At the time of going to press, a date had not been fixed but it was rumoured that the polls would be held towards the end of March.

The economy

There are two negative factors in the economic situation of Seychelles, the budget deficit and the external debt. According to the Central Bank review for April-June 1997, spending for the first half of the year was running at 43% above budget. There is nothing exceptional about 1997 – deficits have persisted for a number of years. These are mainly financed through domestic borrowing, but the more the government borrows from local financial institutions, the more the money supply increases. In his last budget address, Finance Minister (and Vice-President), *James Michel*, admitted that '1996 was a difficult year' with 'mediocre performance in the fiscal and external accounts'

The problem was put down to government reliance on expected revenues from hotel sales, which did not materialise. Even if they had, assets sales can only be considered as one-off capital injections, not regular income. To make matters worse, following the rain-storm in August 1997, which caused extensive damage, a supplementary budget had to be put in place for disaster relief. As for the external debt, this represented 37% of GNP in 1993. However, the situation could improve with an increase in exports and services and in fact, the trade deficit did narrow between 1995 and 1996. The country's dependence on tourism is underlined by the fact that during the same two years, almost half the state's receipts came from this sector.

The government does not seem to be cutting back on spending, despite the budget problems. And with elections coming up in 1998, they seem unlikely to impose severe belt-tightening measures in the short term. According to some commentators, economic management could be a source of concern to investors. The country has defaulted on repayments of UK and French bilateral loans, and there would be high inflation if there were no price control. There is a persistent foreign exchange problem, not helped by the closure, at the end of 1996, of the satellite surveillance base previously rented by the USA.

Some commentators believe that devaluation of the rupee is the only sensible economic option, but this is not being considered by the government. One problem, according to DP parliamentarian, *Paul Chow*, is that efficiency and production are low, meaning that the return on investments is also low. Devaluation would make inward investment more attractive. It would also raise the price of imports, on which Seychelles is heavily dependent, and thus help curb domestic demand for goods that need to be paid for in foreign exchange. According to Mr Chow, devaluation is not the solution, but it is a 'necessary condition' for resolving Seychelles' economic difficulties.

Controversial revenue earners

The government, presumably with these difficulties in mind, announced two controversial schemes to attract capital into the country. Now shelved, they attracted fierce international criticism. The first was contained in a provision of the 1995 Economic Development Act (EDA) which offered 'immunity from prosecution for all criminal proceedings', except those involving 'acts of violence and drug trafficking in Seychelles', to anyone investing a minimum of US\$10m. The Act was approved by the Assembly, but was not implemented. Criticism from overseas centred on the concern that the EDA would grant immunity to drug traffickers and other criminals. Vice-President Michel's counter-argument was that the

The Seychelles Marketing Board

The SMB is a government agency with President René as its chairman. It has a monopoly to import certain key items, such as fruit, vegetables, meat, tea, coffee and animal feeds.

The government argues that the arrangement guarantees a supply of essential commodities at a stable price – and that this is essential in a country where almost 95% of foodstuffs have to be imported.

Others are not convinced, claiming that the system stifles free enterprise. People cannot obtain licences to import food themselves, but are obliged to buy from SMB. Small business development, it is suggested, is stifled by the Board's monopoly over certain products which could be locally manufactured. There are also claims that the system leads to shortages of basic foodstuffs and that prices are inflated, adding to the already high cost of living in Seychelles.

No decision has yet been taken on the future of the SMB, but one opposition politician we spoke to believes that its days may be numbered. It will have to be privatised, he asserted, to comply with the WTO rules, if Seychelles' application to join is accepted.

Act was 'badly interpreted'. Its aim, he said, was simply to encourage investment. Though 'on hold', the EDA has not actually been repealed.

The other scheme was the Economic Citizenship Programme which would have allowed Seychelles passports to be purchased for \$25,000, without any obligation on the buyer to live in the country. Protests against this proposal came especially from Europe. Under current rules, Seychelles passport holders can enter the UK, and therefore the wider European Union, without a visa.

Some critics have accused the government of being willing to resort to disreputable measures to tackle the shortage of foreign exchange. Others have even suggested that the passport legislation was driven by a specific lobby of people who had indicated they would be willing to invest... assuming certain conditions were met! Foreign Minister *Bonnelamme*, told us: 'The project, as it was, is now finished. We are thinking about a citizenship project for the future, linked to investment, as happens in Canada, Australia and other countries'.

The United Opposition's sole Assembly member, *Wavel Ramkalawan*, was a vociferous critic of the two schemes, claiming that 'commercialisation of nationality or residency as a means of raising revenue, is of limited use and can cause serious harm in the long term'.

In 1996, the government introduced legislation to combat money-laundering in an effort to underline their commitment to their obligations under international conventions.

Fishing sector is above board

Despite the difficulties in the Seychelles economy, there are areas showing great promise. The expansion in the fishing sector has aroused high hopes, with some observers expressing the view that it might one day surpass tourism as a revenue earner. Just over two years ago, *Heinz* acquired 60% of the *Conserverie de l'Océan Indien*,



The Clock Tower in Victoria, one of Seychelles most familiar landmarks, is a replica of the one near Victoria Station in London. It was erected in memory of Queen Victoria and was unveiled in 1903. When the British first acquired Seychelles, they continued the French practice of ruling it as a dependency of Mauritius. In 1903 Seychelles was made a separate Crown Colony, and the clock tower has always symbolised the breaking of this tie (complete independence was achieved in 1976).

The tower was originally erected on the harbour front, but following land reclamation it now stands amid the bustling activity of Victoria town centre.

and renamed it *Indian Ocean Tuna* (IOT). Production has increased dramatically in the short intervening period – from 58 tonnes of tuna a day to 160 tonnes. The intention is to push this figure to 350 tonnes by the year 2000, according to *Radley Weber*, Managing Director of the plant. What does this mean for the wider economy? About 20% of turnover is retained in Seychelles, he explained to us, and with a turnover of close to R385m expected in 1997, this means an injection of R80m into the local economy. With a staff of 1200 (expected to rise to 2000 over the next two years), Heinz is the biggest employer in the country. As for staffing, Mr Weber said that the company had had no difficulty

in finding workers – there are about 6000 unemployed in Seychelles – so they had not yet had to resort to bringing in labour from abroad. They had, however, experienced some difficulties in getting local people accustomed to the type of work. As Mr Weber explained: 'Working in a cannery is not an easy job, and certainly not as glamorous as tourism'. 99% of the tuna produced in the factory is exported to Europe and Victoria is now the biggest port in the Indian Ocean for tuna transshipment.

The agricultural sector, on the other hand, does not hold out a lot of hope for expansion. According to *Esme Jumeau*, Minister of Agriculture and Marine Re-

sources, 'we are not aiming at 100% self-sufficiency'. The country has very little land available – a mere 6000 hectares – for agricultural development. The soil is often poor; sandy on the coast and acidic in the mountains. 8.9% of the workforce is involved in agriculture, the Minister told us. There have, however, been production increases in some sectors, (horticultural produce, eggs, poultry and pork) to satisfy demand from the tourist sector. Production of the traditional crops, coconut, copra, and cinnamon, have been hit by the high cost of labour, making them uncompetitive on the world market.

Regional integration

Seychelles lays great store on extending its economic reach beyond its own shores, and increasing its access to markets in the region. This is crucial if the country is to diversify and reduce dependence on tourism. The government has been putting a lot of effort into creating an offshore international trade zone (see page 57), to take advantage of the movement of goods between Asia, Africa and Europe. External relations, for Seychelles, is taking on a new form, we were told by Foreign Minister Bonnelame. 'We are moving from a diplomacy which was essentially political to one which is becoming more and more economic'. Belonging to regional organisations, he told us, is always linked to economic and commercial development. Seychelles has long been a member of the Indian Ocean Commission (IOC), which joins the five island groups in the region – the others are Mauritius, Madagascar, Comores, and the French Department of Réunion. Recently, Seychelles joined two other regional organisations, SADC (the Southern African Development Community), and COMESA (Common Market for Eastern and Southern African States). The former, with 14 member countries, represents a market of about 184 million people in Southern Africa. Its objective is to create a free trade area within the next eight years, with the private sector playing a major role. Seychelles has

Taking the scenic route!

During the *Courier's* visit, we were taken to see a landfill solid waste treatment centre, financed by the EU, on the island of La Digue. Accompanied by project engineer, *Charles Pool*, our trip turned out to be quite an odyssey! We set off from Mahé airport and flew to Praslin, then crossed the island by car to the port to embark on a schooner – the traditional inter-island ferry service – to La Digue. There, to reach our final destination, we had the choice of ox-cart or bicycle, as the use of cars is restricted here.

The site of the landfill is a red earth quarry near *Anse Source d'Argent*, and it was scheduled to be in use by early 1998. A novel feature is that it contains a gravel filter to allow the liquid which oozes from the compacted waste to be collected. This liquid, called *leachate*, runs into a chamber where it is converted into a harmless state and disposed of. If the leachate were not treated in this way, it would seep into the ground and eventually contaminate the ground water. It is especially important to avoid this in La Digue, where water supply is a recurring problem. The water is drawn from subterranean sources, but the storage facilities are insufficient and while there are seldom problems in the wet season, drought conditions (there can be no rainfall for three of four months) result in shortages.

The well water is chlorinated, with the result that it smells, so it has to be aired, and then mixed with river water. If the wells are over-pumped during a dry period they become contaminated with sea water and it takes years for them to get back to what they were. This further aggravates the water shortage.



Setting off for a site visit, engineer Charles Pool.

used in pre-school, although the children are 'sensitised' to French through songs and poetry. In primary school, the medium of instruction switches to English. Until recently, Creole was the language used in primary school, but this approach attracted criticism from various quarters (notably from opposition leader, Sir James Mancham). It was claimed that the policy was politically-motivated and it would lead to a decline in the knowledge of French and English, making the Seychellois less able to keep up with trends in the outside world.

Many Seychelles citizens go abroad for university studies, and the government operates a sponsoring system to help them do this. When the state pays for training abroad, the students are 'bonded', meaning that they are expected to come back and work for the government. 'They give back the number of years they have studied overseas,' explained Mr Pillay.

At secondary school level, there is one year of residential 'national youth service'. Although no longer obligatory, there is still a 90% take-up rate. Despite its military connotations, Mr Pillay assured us, its underlying purpose is to instil community-mindedness and contribute to social cohesion. ■

D.M.

also applied for membership of the World Trade Organisation (WTO).

High standard of living

Seychelles may have a shaky economic situation, but its people enjoy a standard of living which is among the highest in the ACP group. In the UNDP's 1997 Human Development Index, it ranks 52nd out of 175 countries. Most homes have electricity and running water, and education and health care are free. *Jacquelin Dugasse*, who is the Health Minister, told us that until three years ago, all health care was provided by the state. Since then, private health provision has been allowed. The government's policy in this sphere is to continue guaranteeing

free access to medical care, and they aim to decentralise services, with a clinic in every district.

At 88%, the rate of adult literacy is also at the upper end of the scale but the government wants to do even better. It has set itself the target of eradicating illiteracy by 2020, says *Patrick Pillay*, Minister for Education and Culture. The constitution guarantees free education for 10 years, starting with two years of compulsory pre-school. The country's nursery schools have a two-fold purpose, explained Mr Pillay – the obvious educational one but also an economic and social one. As access is open to all, regardless of income, the system promotes social equity and facilitates working mothers. Creole (*Seselwa*) is the language

Vice-President James Michel

'We must find ways of earning more foreign exchange to pay for the imports we need'

In July 1996, James Michel was appointed by President René, as the first Vice-President of Seychelles (following an amendment to the Constitution). Mr Michel is also minister of finance, communications and defence. There is speculation that, with presidential elections due in mid-1998, he is being groomed for the top job. We began by asking the Vice-President why his post had recently been created.



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– For stability and continuity. It's more or less like the American system where the presidential candidate goes into the election with a running mate. If anything should happen to the President during his term of office, then the Vice-President takes over and continues until the end of the term. This ensures continuity in the programme and stability, which is very important for the economic development of a small country like Seychelles. It was felt that it would be in the country's interests to have a constitutional amendment to provide for this.

■ *What is the Vice-President's role?*

– To assist the President in discharging his functions and to replace him when he is overseas or ill. That is in addition to my other ministerial portfolios. This ensures continuity.

■ *Have you taken over any specific functions?*

– No, the President delegates me to attend to certain duties when he is unable to do so. For example, I represented him at the Commonwealth Heads of Government meeting in Botswana earlier this year, and I will be attending the Commonwealth summit in Edinburgh.

■ *Moving on to the economy; Seychelles is very dependent on tourism.*

Are you happy with the performance of this sector?

In Seychelles, this is what has defined our progress – and we are never happy! We always want to do better because there is always room for improvement. And things have kept on improving. Every year the number of tourists has increased. Last year, we hit the target of about 113,000 and we expect to do a little better this year. But the emphasis now is on quality tourism. We are going more for the niche market, encouraging people in upper-income brackets to take their holidays here. We have a lot to do also in improving the service so that this kind of tourist gets value for money. For that we need one or two very high class, five-star hotels. A few promoters have expressed strong interest in this, and by next year we could see construction begin on one or two such hotels. This will take us into the bracket we want, as a high class destination.

■ *Do you have a ceiling on the number of tourists so as to maintain quality?*

– Yes. It has been set at about 200,000 for the country as a whole. This is the number we feel we can sustain. And the idea now is to open up tourism activities in the outlying islands, where there is a lot of potential. By spreading the facili-

ties we will be ensuring that the environment is not harmed.

■ *Given that tourism is vulnerable to external economic forces, what efforts have been made to diversify?*

– We have done the best we can to diversify. First, within tourism itself, we are actively seeking to diversify our customer base: for example, tapping the Far East market and attracting visitors from South Africa. Of course, Europe is our traditional market. There has also been interest from North America. Tourism is fragile – we learned that during the Gulf crisis when visitor numbers fell.

We have also diversified into the fishing industry, which is now doing well. Heinz has acquired the canning factory and are doubling production. And more recently, we have begun developing the 'third pillar' of the economy which is the offshore sector. This is still in its infancy. It takes time to build-up, but the initial signs are promising and we are very optimistic. In fact, we are now the fastest growing jurisdiction registering offshore companies. Over the last two years, we have registered more than 2000 businesses and the renewal rate is very high. The Seychelles International Trade Zone (SITZ) is also coming up: buildings are being constructed and a number of companies have expressed interest in investing here. Another area of the offshore sector where we are becoming involved is aircraft and ship registration. This is not to mention the offshore banks and related institutions. So we feel that there is a lot of potential in this area.

■ *What practical measures has the government taken to encourage business investment?*

– We are trying to make it as competitive as possible. For example, the international trade zone is a completely tax-free environment for operators, and they are provided

with all the necessary back up from the authorities. Within the region, I believe we are now on a par with Mauritius. In the domestic sector, we have given a lot of thought to incentives because that is what encourages investors to come here. Again, we are talking about a more or less tax-free situation. We have the Investment Promotion Act which legally guarantees certain concessions and incentives for the investor, which cannot be revoked. We want to attract serious investors, not people who come in to make a fast buck and then leave. Of course all investors want a return on their investment. So it needs to be a partnership which benefits both parties.

■ *This country has enormous fishing potential. What arrangements are in place to develop this resource and protect stocks?*

– This is a very good question. It is important for us to protect our fish stocks. In the Atlantic we have seen a lot of over-exploitation and now countries are having problems. Here, we have a European organisation, ORSTROM, which works together with the Seychelles fishing authority to monitor the stocks and ensure that we do not overfish. Just over 50 purse seiners have been licensed to fish on an industrial basis in Seychelles waters, and for the time being, the fishing authority has capped it at that. New licences are not being issued, to ensure that the stocks are protected. Also, the coastguards are very active in surveillance to ensure that we minimise illegal fishing. Every now and then, we catch a vessel breaking the rules and we deal with them in accordance with our laws. This acts as a deterrent, and there is no large-scale poaching.

■ *Seychelles is now the biggest centre for tuna processing in the Indian Ocean. This is a sector which has obviously been doing well.*

– Yes, and it is expanding. I mentioned Heinz doubling its capacity. This company has the marketing clout. The more tuna that we can process in Seychelles the more added value we get. So it is something that we are encouraging. It also provides employment.

■ *There have been newspaper reports that the expansion of tuna*

processing has meant importing workers. Is there a labour shortage here?

– At one point Heinz had some difficulty. It is a cultural thing. How do you encourage the Seychellois to take jobs in factories when, traditionally, they have worked in other fields? Working in a fish plant may not be very congenial. I believe that with some sensitisation and PR work, Heinz have now succeeded in recruiting enough people. As the operation expands, we hope to encourage others to come into factory work.

So, to date, there has been no need to import labour for the tuna processing operation. The recent newspaper report that Malagasy workers were involved in this is not true. We checked with the management and it is not the case at all, although some outside companies were contracted to work on extending the factory. If there is not enough local labour to cater for future expansion, then they may have to bring in some workers from outside. We have a very small population, and the amount of locally available labour is clearly limited. In certain areas, we do not have enough skilled or semi-skilled workers.

In the construction industry, to sustain the increased development on the islands, contractors have had to employ workers from India. But we are apprenticing young Seychellois school-leavers to these people so that they can learn the skills. Even in some managerial positions, and in teaching, we have had to obtain help from outside – though we are also now training a lot of Seychellois in both these areas. Development is moving so fast that it is difficult to keep pace without bringing in outside labour.

■ *Turning now to the Lomé Convention, how important is this agreement to a middle-income country such as Seychelles?*

– The Convention helps us to export into Europe. It will be in the interest of Seychelles if we can continue benefiting from some sort of protection from the EU. We are a small island with a small economy and a very narrow economic base. Without Lomé, the economy could

be adversely affected. We hope that the forthcoming negotiations will result in an agreement that helps the developing countries and maintains some form of protection. We need each other. Without the developing nations, the industrialised world would have insufficient markets for its products. So it is a two way process.

■ *How would you like to see the co-operation system evolve?*

– It has to be viewed in the context of globalisation. In future, there will be more exchanges and new trading patterns. Regional groupings will continue strengthening themselves so as to be able to trade on a more equitable basis. We would like a new agreement to continue recognising the need to make some provision for small economies like the Seychelles. It is a kind of moral obligation.

■ *The standard of living here is relatively high, with some very positive social indicators. It is sometimes said that aid should be reserved for countries which are more in need. What do you say to this?*

– We have always felt that we may be being penalised for our efficiency, but we haven't necessarily succeeded in making people understand this. We have worked hard and used the aid we have received very effectively. This is why the standard of living is high today. Unfortunately, certain other countries have not used their assistance quite so judiciously – and now they have problems.

We also need to recognise that Seychelles is a small island country which is very vulnerable to outside economic influences. A depression in Europe, for example, could seriously affect us. Tourists would stop coming and, with such a narrow economic basis, there is not much else we can do. This has to be taken into account, not just for us, but for other small island states as well.

■ *You have to import a lot of goods and services. Do you have a strategy to try to narrow the trade gap?*

– We must be realistic. There is a limit to what we can produce here and we have to import most of the things that we consume. And as the standard of living increases, peo-



The Courier

Repairing recent storm damage.

ple's expectations rise. They see on television what is available in other countries. In a free society you can't do much about that. What we have done is to try to narrow the trade gap. We are encouraging vegetable production, but as a granitic island, we have very poor soil. We are also prone to plant diseases. However, over the last few years, with a loan from the ADB, we have considerably increased the vegetable crop. As far as industry is concerned, again there are limits. We do not want large industries that will have an adverse impact on the environment. We would aim instead for smaller concerns like value-added assembly operations.

What this means is that there will always be a visible trade deficit. So we have to find ways of earning more foreign exchange to pay for the imports we need. Expansion in the fishing industry will help to narrow the gap, as will the international trade zone.

■ *Seychelles has just become a member of SADC. What is the significance of this membership?*

– It is important to be part of a regional grouping. We will benefit from inward investment, especially from South Africa, which is giving incentives to its citizens to invest abroad by removing certain restrictions. We have already had a few South African companies expressing interest in investing in the hotel industry and in the SITZ. But fishing is our strongest point, especially now that we are the Indian Ocean centre for the Tuna Commission. We will be able to play a very important role in SADC as far as fishing is concerned.

We have also recently acceded to the COMESA treaty. This is modeled on the European Union, with the long-term strategy of achieving trade and monetary integration, and eventually political integration. This will take time because the individual countries must

first strengthen their position internally. With the exception of South Africa, most Eastern and Southern African countries are members. There is a clearing house in Zambia which facilitates trading between COMESA and the outside world. Seychelles could benefit from that, with third states using Seychelles as a free port, for exporting into the COMESA area – as Mauritius is doing. We will be able to provide incentives for outside organisations to trade with the emerging markets of Southern Africa through the Seychelles, especially given our strategic position in the middle of the Indian Ocean.

■ *How would you like to see regional trade evolving?*

– It will take time, but the advantage is having South Africa. It has a very large economy and will have a big role to play. Other markets are emerging, and I think we will be able to form quite a strong regional grouping. Seychelles has also applied for membership of the WTO. We have to conform with WTO requirements and hope this will induce inward investment. The Indian Ocean Rim is another regional organisation, which will eventually bring together not just the countries of Southern and Eastern Africa, but also India, other Asian states and Australia. This will take a long time, but we hope to be part of this evolution as it happens.

■ *Last year's budget revenue was below expectation. How has this year's budget aimed to increase income?*

– We had a problem last year because we made provision for revenue from the sale of assets. Unfortunately, this did not materialise and the deficit increased considerably as a result. This year we provided for a much smaller amount from asset sales. Instead of hoping to sell all the hotels, we are budgeting on

disposing of just one. Obviously, since the overall budget is small, the proceeds from selling a single major asset have a considerable impact. We had hoped that the situation could be stabilised this year but unfortunately, we had a disaster in August. Heavy rains caused a lot of damage and lives were lost. A lot of houses were washed away and because of that, we will still have a budget deficit.

The government's policy is not to increase taxes. On the contrary, to comply with the requirements of regional groupings and the WTO, we have, over the years, been reducing customs duties and other taxes on various goods coming into the country – especially food items. We are gradually harmonising the system.

■ *What has been done in the area of privatisation?*

– We have gone a long way towards privatising the economy. For example; five years ago 70% of employment was in the public sector. Today it is only 35%. The major operations still in government hands are mainly public utilities. We think it is important that these should remain state-owned for the time being to ensure proper investment, and to meet the requirements of the population for water and electricity. Private companies here do not have the capital base needed to invest in such large-scale activities. Seychelles needs a 50-megawatt power station, to keep up with increasing demand, and to supply electricity to the international trade zone. There is no private company in Seychelles with sufficient capital to be able to do that. Public transport is also still in government hands. We think the government has a social obligation to provide transport, even to those areas where it would not be economically viable in the private sector. Air Seychelles, being the safety net for the tourism industry, is government-owned, although we would welcome private participation. Most of the other parastatals – for example, the port operation and the travel agencies – have been privatised. Finally, we have sold off some hotels and would like to dispose of the rest as soon as we have buyers. ■

Interview by D.M.

The 'third pillar' is put into place

Because of its excessive dependence on tourism, the government is trying to find ways of broadening its economic base. It has the added quandary of trying to develop in such a way that the natural environment, upon which tourism depends, is not compromised. At an early, but promising stage of development, is what they call the 'third pillar' of the economy (after tourism and fisheries), that is, the offshore sector. The idea is to turn Seychelles into an international business centre, for financial services, trading and transshipment.

To make the environment attractive for foreign investment, the government brought out a package of commercial legislation, called, 'Make your mark in Paradise' at the end of 1995. Included is the International Business Companies (IBC) Act, which sets out the conditions for establishing a company in Seychelles. One of its novel features is that memorandums establishing the company can be

Cable & Wireless satellite dish.



written in any language, provided a translation in English or French is given. Firms using the Cyrillic and Chinese alphabets can be incorporated, which is useful for the East European and Far East markets. So far, about 2,000 companies have registered under this Act, and this is growing at about 100 a month. Companies must register every year, and there is a 96% renewal rate, we were told by *John Esther*, Director of Business Development at SIBA, indicating that the companies are happy to continue doing business in Seychelles. The sort of projects they would like to attract are those involving light assembly, redistribution of goods from Seychelles, manufacturing and processing, geared predominantly to the export market.

The Seychelles International Business Authority (SIBA), was set up to regulate all the activities of the trading zone. The pub-

High-value manufacturing

We spoke to Curtis-Bennet, Director of Chelle Medical, one of the first offshore companies

to operate in the SITZ zone. The enterprise, set up in 1996, makes medical appliances, which are moulded in Britain, assembled in Seychelles and then exported. It currently has seven female employees - Curtis-Bennet says that in his experience, this delicate, skilled assembly work is more suited to women. He has not experienced any difficulties in recruiting staff and recently had 60 applications for three posts. The company is exempt from tax on electricity, from business and trade tax and does not have to pay social security contributions. This kind of high value manufacturing, where labour costs are low as a proportion of the overall cost, is particularly suitable for Seychelles, Mr Curtis-Bennet believes. Another advantage, he stresses, is that shipping and air freight are cheap, and the country 'is half way to the Far East'. The government is also 'willing and cooperative', and he is happy with the dedication and skill of his local staff.

lic and private sector are represented on its board, and it is there that any aspiring offshore company will be registered. The centrepiece of SIBA's strategy is the Seychelles International Trade Zone (SITZ), a free trade zone, aimed at transshipment, redistribution and export processing. Businesses will be housed at a site near Port Victoria, on reclaimed land. One well-known example of a company operating in this zone is Heinz, which exports canned tuna, mostly to Europe, and is the biggest employer in Seychelles, with a staff of about 1200 (see article on page 50). By being situated in the Seychelles, Heinz has access to European markets, through Lomé Convention arrangements.

Among the advantages that Seychelles can offer from a business point of view is its location in the Indian Ocean, between Africa, Europe and Asia. It has a favourable time zone (GMT + 4), which means that the working day overlaps with these areas. It is a multilingual environment, and government is stable. Telecommunications services in Seychelles are advanced. The service is provided by the UK-based Cable & Wireless, who have been responsible for telecommunications in Seychelles for more than 100 years. Over 50% of households have telephones, a figure comparable with many European countries. Transport services are in place, with an international airport and a deepwater port.

The advantages to the Seychelles economy are often indirect but substantial; the extra economic activity taking place has spin-offs in the domestic economy. Local equipment and services such as electricity and water are used and paid for in foreign exchange. Freight rates generate income, whether transport is by ship or plane. There is also revenue from licence and registration fees. On top of this, employment is created, and new technologies are learned. It will be some time, however, before the full impact of this attempt at diversification can be measured. ■

D.M.

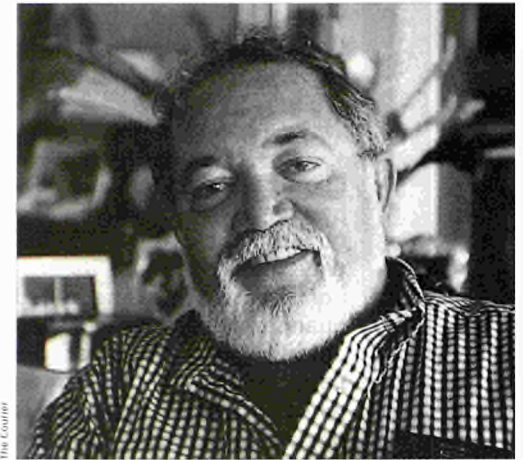
Sir James Mancham, leader of the Democratic Party

'National interest should override partisan considerations'

Seychelles political life has long been dominated by two powerful personalities. At independence in 1976, James Mancham, leader of the Seychelles Democratic Party (SDP), became the first President while Albert René of the Seychelles People's Progressive Front (SPPF) was appointed Prime Minister. The country was ruled by this coalition until June 1977, when the President was overthrown in a coup. He went into exile, and René ruled in a one party state until 1991, when a return to multiparty democracy was announced. The subsequent election, in July 1993, was won by the ruling SPPF, the SDP (now known as the Democratic Party) coming second with 32% of the vote. James Mancham last spoke to The Courier just after his return to Seychelles in 1992. Our first question to him concerned the development of democracy in the country in the intervening five years.

— On election night in 1993, I announced that the Democratic Party had lost the battle, but not the war. That evening, after the results were announced, it was important for me to consider how to live with our political opponents, in a situation which had been characterised by mistrust and division. It was obvious that the country was in need of very important changes. At the same time, I repeated what I had said on the day I returned to Seychelles — that I would like people to see me as the apostle of national reconciliation. This initiative had to come from me, because it was me who was the victim of a *coup d'état*. I had lived in exile for 16 years; I was deprived of the right to return to my country. I could have perpetuated an atmosphere of bitterness, but I had

to ask myself what was best for the country. On my return, I found Mr René with his back to the wall. He was not accessible and I felt the best thing was to adopt a policy where he and I could meet and dialogue on problems which affect the nation generally. We agreed to constitute what we called the National Economic Consultative Committee. This was a forum which allowed us to meet regularly and debate matters of national interest. By virtue of this, I had a direct line to the President, and we were able to discuss issues privately before they could develop into public disputes. Then, as presidential candidate, I obtained almost 40% of the vote. It would have been easy to adopt a policy of confrontation, but this would have created instability which the country could ill-afford — particularly bearing in mind the sensitivity of the tourist industry. There is a saying — I think it's Chinese — that you have to penetrate the tiger's den if you want to reach the cubs. That René and I could meet on a cordial level was an example to other people who had been divided by politics. The two-party system reflected the climate prevailing during the superpower rivalry. René was regarded as the Soviet man and I was seen as representing the Western viewpoint. Most ordinary voters did not understand what it was all about — one of us saying 'no to Communism', and the other replying 'Yankee go home'. For them, it was more a question of the personalities of the leaders. It was clear at the last election that, despite 16 years of one-party rule, the grassroots supporters of the DP and SPPF were the same as before. I believe it was important to break this polarisation. People had to recognise that national interest should override partisan considerations. This is something I



The Courier

have achieved by promoting and consolidating the policy of reconciliation. The result is an atmosphere of growing unity and stability. The harmony within our society, which disappeared with the *coup d'état* in 1977, is being restored.

■ *In a functioning democracy, is it appropriate for the main opposition group to get too friendly with the governing party?*

— I had to decide what sort of Seychelles I envisaged. I was the first Chief Minister, the first Prime Minister and then the first President of the country. When I came back I realised that we lacked elder statesmen; there was no one to fulfil this role. So either we carried on with confrontation and stalemate, or someone had to grasp the nettle. A politician fights for the next election, a statesman fights for the next generation. I believe the situation called for me to be a statesman, rather than to be ambitious for power. I realised that the best thing was to let things change gradually; let people become more fraternal and realise that behind party division, there is the overriding national interest. Naturally, such an attitude of reconciliation seems a bit strange to people who come from places where the opposition is aggressively confrontational. A British delegation of parliamentarians came here and one of them asked me the same question that you have just posed. I told him that if I were playing confrontational politics, and there was turmoil and civil disobedience here, he would be the first to say: 'This is such a small country. Can't you people work together?' I also made the point that, with all their democratic wisdom and maturity, how is it that they had not solved the Northern Ireland problem? I do not believe

that a system of 'first-past-the-post' democracy ensures stability and prosperity.

■ *But isn't confrontation sometimes necessary, to control the actions of a ruling party?*

– If you listen to National Assembly debates, you will find that we frequently take issue with the SPPF. I had a motion down yesterday, for example, asking government to make a survey as to whether we should link the rupee to a hard currency like the dollar, mark or French franc.

But we have to realise that after arguing in the National Assembly, we need to be able to sit down and discuss issues. There is a difference between an opposition that plays populist politics and one which is responsible. You need to ask yourself the question: 'If I were in power, would I do any better.'

■ *President René has ruled now for 16 years. Are you in favour of a system which allows such a long term in office, or would you favour some limit?*

– Remember, we are working with a new constitution. Mr René had no legality before. He took over after a coup and stayed on as a dictator. Democratic legitimacy only came in 1993. But I would prefer a system like the American one, with an imposed limit. I favour a maximum of two terms as President. Otherwise people tend to treat the country as if it belonged to them; as if government were a family affair.

■ *For the next election, planned for mid-1998, will you have a common platform with the other opposition parties?*

– Not unless they accept our philosophy of reconciliation and non-confrontation. I do not believe in an alliance of convenience. We saw it in Mauritius where Paul Berenger and Ghurburron got together and it ended in tears. You have to look at what might happen beyond the elections.

Let me explain in more detail why I'm not too happy with the other opposition groups. In December 1991, Mr René wrote to me to say that he was restoring democracy, and that I could return if I wished, to contribute. I immediately replied that I would not return until the responsibility for the transition was

vested in an international institution like the Commonwealth. I did not want to come back and play on a field that he had demarcated. I urged other opponents of the regime not to be tempted to register new political formations until we had pressurised Mr René to put the transition into outside hands. But Albert René was astute. He offered 200,000 rupees for the formation of political parties and overnight, five or six small groups emerged. It is these parties which are the basis of the United Opposition. This meant that Mr René had the other players: he didn't need me any more. If I hadn't returned, I would have been locked out of the process. So you have to recognise that from the moment I got back, I was playing on his field – and the boundaries had been interfered with. But having decided to join the game, you cannot afterwards say 'the rules were wrong'.

After I returned in April 1993, there was no reason for these small political parties to continue. It was clear that people supported me as the main alternative, and the election result showed this. This is still the situation today. If anyone who is active in the small opposition parties wants to join forces with us, we will welcome them. But they must join under the banner of the Democratic Party.

■ *Can you give some indications about your programme for the next election?*

– In these days of free enterprise, everyone accepts that the important thing is to attract investment. What we are seeing is the SPPF adopting our policies – effectively stealing our clothes. Socialism, the way it used to be understood, is dead and gone. So I don't see any fundamental or philosophical division between us, though there are different nuances. The other difference is in the personality of leadership. We are asking the voters to give us their support on the basis that it is time for a change in government and we can offer the right leadership for the country.

■ *Are there areas of government policy with which you disagree?*

– I disagree with their policy of compelling people to learn how to write Creole. It's a complete waste of time. We have always been taught to write French and English. We can speak and sing in Creole but

why force our children to write it when there are so many other pressures in the modern world. I believe this policy was adopted for political reasons.

I am also against the continuation of the Seychelles Marketing Board (SMB), because it is a monopolistic institution. In the past, the government nationalised so many enterprises. They killed my own family business which was involved in imports and exports. They introduced a system of import licences, and firms which had been trading for years were suddenly denied the right to bring in goods.

We believe in free markets. People should be free to import what they like, the price being governed by the market. This is in the interests of the consumer. At the moment, consumer prices are higher than they need be because of the SMB's quasi-monopoly. There is a serious cost of living problem in this country. And the hotels have no right to import the commodities they need. They have to buy everything through the SMB. This is against the philosophy of the World Trade Organisation, of which Seychelles has just applied to become a member.

■ *When you last spoke to the Courier, you expressed support for privatisation. How has this been evolving in your view?*

– I am all for privatisation, but I don't think it has been done in a sufficiently transparent manner. A lot of it has been 'business for the boys'. At present, the government says it is promoting a policy of 'share and care'. I think we need to see more equitable sharing and caring in practice, not just fine-sounding proclamations on our national day. There has been privatisation in the sense that assets have fallen into private hands, but the recipients are mostly party people, who are running things for their own benefit. We would like to see a better balance in this sector. We don't believe in a democracy based on 'winner takes all'.

■ *There was a constitutional amendment last year which raised the threshold of votes required to win a seat to 10%. Does this concern you?*

– We are not worried about obtaining less than 10% of the vote, but it will bother those who find it



difficult to reach the threshold. The smaller parties have grouped together and called themselves 'United Opposition'. I am totally opposed to the way they did that. They are a group of three parties and together, they poll less than 8% of the popular vote. I don't think the register of political parties should have allowed them to call themselves 'United Opposition', because that confuses international public opinion. If somebody in Brussels receives a letter headed 'United Opposition', they will think that the opposition in Seychelles is united and this is the group that represents them. They should have been more honest. Also, if you aim to win an election, you should choose a more positive name, like 'Party for Prosperity,' or 'Progressive Party'. They adopted this negative name to sow confusion. We are, in fact, the opposition party.

But we are still playing on Mr Rene's field, and the way things are, we either participate or get left on the sidelines. I believe it is important to participate, to manifest our cohesive force and to demonstrate that we represent 40% or more of the population.

As regards the legislative elections, I am not satisfied at the way the seats have been demarcated. The majority have used their position to manipulate the process. For example, in my area, Glacis, we have a very good chance of winning because the people there traditionally support us. This district has now

'Fishing is doing well while tourism could do better, but rising expectations create new pressures'.

been attached to one which is predominantly SPPF. Similarly, Victoria used to be a constituency in its own right. Now, because it would vote predominantly for the DP, they have carved it up.

Having said this, the good thing about the situation today is that we have created a climate where I can meet you and say openly what I believe without fear of reprisal. I can criticise the government and highlight inequities, as I have just done.

■ *There is a lot of talk about developing the so-called 'third pillar' of the economy (after tourism and fisheries) which is the offshore sector. Do you think the conditions are right for this?*

– We have to start somewhere. There is quite a surplus of lawyers and they have to be channelled into some area of specialisation. Failed lawyers can sometimes become dangerous politicians! It is important for us to have alternative ways of achieving prosperity. Fishing is doing well while tourism could do better, but rising expectations create new pressures. What we are doing in the offshore finance sector is being done elsewhere too, so all we are trying to do is get a share of the business. But we should do things in a way that is acceptable and respected. The government's policies in this

area haven't always been transparent.

■ *How do you see Seychelles evolving?*

– I believe I have created a momentum for reflection in terms of where we are heading. Eventually, the ball is going to fall right into the Democratic Party court. It may not be this time, but it will happen.

I think it is important for us to bring on people who are mature enough to accept the need for change. At present, because of the history of these islands, there are only two personalities who have been allowed to acquire a significant national dimension. Recently, we have seen Mr René appointing Minister Michel as Vice-President, the suggestion being that he is the heir apparent within the SPPF structure. This period of reflection is providing the opportunity for other young people, around me, to show their worth, and giving the wider population an opportunity to assess the merits of the various political players.

I think it is dangerous if you call an election and the people are presented with a choice of candidates who have emerged suddenly without being nationally known. The National Assembly offers an opportunity for people to see new political players emerging. It is not an overnight phenomenon. René and I both have had long experience. It is good to have a period of entente and peace, as democracy take its course, allowing the new generation which will take over to prove itself. ■

Interview by D.M.

Freeing up the private sector

The winds of economic change began blowing in Seychelles with the introduction of multi-party democracy in 1992. The government gradually began to shed its involvement in business, and to shift to a free-market approach. With a tiny internal market, few resources, and a high dependence on imports, local industries had never been an important pillar of the Seychelles economy. For some time now, the government has had a policy of promoting import substitution industries. They have encouraged the setting up of small, manufacturing concerns, in an attempt to reduce imports and create local employment. Light industry has the added advantage of not posing a threat to the environment, always a major consideration in Seychelles.

We spoke to *Bertrand Rasool*, Principal Secretary at the Ministry of Industry, who told us that the government had revised its policy in 1996, adopting various strategies to help local industries. The authorities, he indicated, would only support companies which are financially viable and do not depend on tariff protection to survive. A new private sector generation is emerging, he said, and this will have long term benefits for the country. To foster an environment of entrepreneurship, the government has set up training schemes to teach basic book-keeping, taxation, legal aspects, and to facilitate the private sector more generally.

One of the big constraints facing local entrepreneurs has been the lack of affordable credit facilities, so part of the strategy is to make access to funds easier. One scheme regarded as having been particularly successful was the EU-financed Technical Assistance Programme for small enterprises. This advanced a credit

line of R1.5m for small loans to new and existing businesses. Jointly managed by the Seychelles Industrial Development Corporation (SIDEIC) and the Seychelles Savings Bank, the scheme ran for three years until August 1997. Loans of up to R30,000 were provided at 3% interest, with businesses themselves having to put up collateral of 5% of the total sum borrowed. *Maxwell Julie*, acting Managing Director of SIDEIC, told us that 99 projects received loans under the scheme - more than had been anticipated. This was because some loans were completely repaid, allowing the money to be recycled for other projects. Operations given loans included bakeries, carpenters, tailors, day-care centres, repair and maintenance firms, artists and architects. It is hoped that there will be a follow-up project in the 8th EDF.

In conjunction with this, the government set up the Young Enterprise Scheme (YES), also managed by SIDEIC, which is geared towards the younger entrepreneur (for example, a student returning from studies abroad with no collateral but wanting to set up his own business). Here, small, interest-free loans are available, and the borrower is not required to make any personal contribution. Another difference in this scheme is that, as it is a high risk

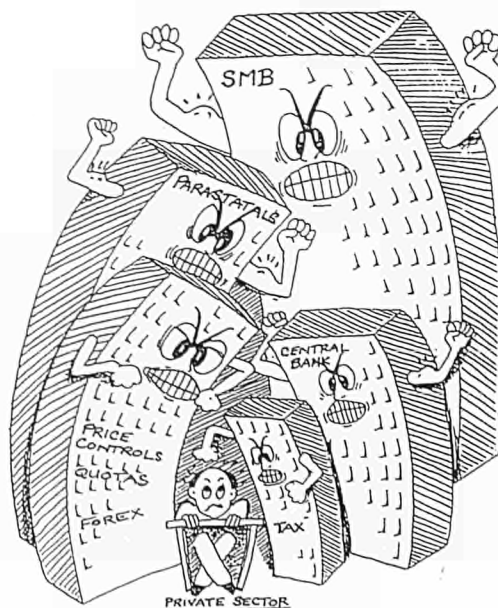


Dressmaking business set up under the EU-funded programme for small industries.

loan, the cash is not given to the entrepreneur to use as he pleases. Instead, it is paid in instalments, often directly to the supplier of equipment for the business, for rent of premises, etc.

Of course, the key to every successful business (and successful economy) is the environment in which the private sector operates. This is the view of *Basil Soundy*, who is President of the local Chamber of Commerce (SCCI) as well as chair of the Employers' Federation. He believes that the government has 'genuinely tried to create a conducive and friendly business environment', but that there are still obstacles to overcome in the transition to a free and open market system. In a series of articles called 'The Way Forward', he enumerates some of the constraints on the private sector: for example, the perpetual foreign exchange shortage, excess government expenditure - with budget overruns leading to extensive state borrowing from domestic financial institutions, the monopolistic reflex of certain state corporations, and high domestic interest rates. He proposes the establishment of a 'Joint Economic Council' in which government and the private sector could work together for the benefit of the Seychelles economy. ■ D.M.

A cartoonist's portrayal of the burdens facing the private sector.



Profile

General information

Area: 454 sq km

Population: 76,417 (1996)

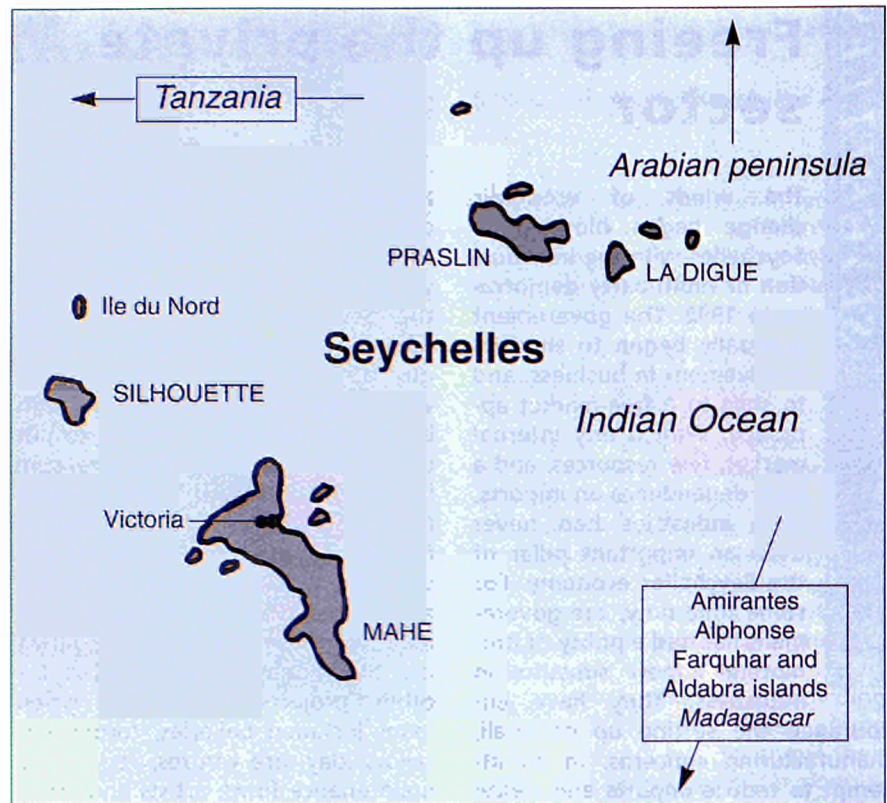
Population density: 168 inhabitants per km²

Capital: Victoria (pop. approx. 200,000).

Main languages: Creole, English, French.

Ethnic composition: Seychellois (mixture of Asians, Africans, Europeans)

Religions: Roman Catholic 90%; Anglican 8%, others 2%



Politics

Multi-party presidential and legislative elections were held in 1993 after a long period of one-party rule. Elections are held every five years.

President: France-Albert René (since June 1977; re-elected July 1993).

Vice-President: James Michel

Next elections: Presidential and legislative elections to be held mid-1998.

Current composition of National Assembly:

Seychelles People's Progressive Front (SPPF)	27
Democratic Party (DP)	5
United Opposition	1

Economy

Currency: The Seychelles Rupee, 1 ECU = R5,6 (January 1998)

External debt: \$164 million (1995 est).

GDP per capita: about \$7000

Main exports: fish, cinnamon bark, copra, petroleum products (re-exports).

Main imports: manufactured goods, foodstuffs, petroleum products, tobacco, beverages, machinery and transportation equipment.

Victoria Harbour.

Main origins of imports: Bahrain, Singapore, UK, South Africa (1996).

Trade balance: Exports R227m, Imports R715m, deficit -R488m (1996). The current account balance is much smaller (-8m rupees) on account of services, notably tourism.

Social indicators

Life expectancy: 72 years (1997)

Adult literacy: 88% (1997)

Population growth rate: 1.37% (1995)

Infant mortality: 9.3/1000 births (1996)

Human Development Index rating: 0.845 (52nd out of 175)



Seychelles-EU cooperation



An 'excellent performance'

by Gerd Jarchow*

Seychelles has received a total of ECU 17.6 million from the various European Development Funds (EDFs) since its accession to Lomé I in 1976. In addition to projects financed under the EDF, which have appeared in successive National Indicative Programmes (NIPs), relations between the European Union and Seychelles have covered a number of other areas – trade arrangements in the fishing sector, private and public investment in the shape of European Investment Bank (EIB) loans, and regional cooperation directed through the Indian Ocean Commission. If one adds the support foreseen in the framework of the 8th EDF, so far, more than ECU 50m has been pledged by the EU in assistance to the Seychelles.

The Lomé I NIP focused on social and economic infrastructure and rural development, while under Lomé II, the emphasis was on the health sector. The Victoria Hospital accounted for 70% of the total amount provided under the latter programme. In Lomé III (EDF

The landfill scheme at La Digue.

6), attention switched to the agricultural sector (70% of the NIP), the priorities including an integrated programme for strengthening research and dissemination of information services. After a number of amendments, the final amount made available to the country under the 6th EDF NIP was ECU 6.2m, and a similar figure was involved with the 7th EDF covering the first five years of Lomé IV (ECU 4.5m plus ECU 1.5m of risk capital). The latter concentrated mainly on the industrial sector – to which 50% of available funds were allocated. These were notably for small industries and handicrafts, with an emphasis on increasing productivity. Priorities included the establishment of efficient services, improving the quality of handicraft products, providing assistance to small entrepreneurs and craftsmen, training, the setting up of a credit scheme, and identifying export markets. The 'non-focal' areas chosen were the environment (drawing up a Master Plan for conservation and the creation of national parks) and tourism.

The agreement on the NIP for the 8th EDF (covering the sec-

ond half of Lomé IV from 1995 to 2000) was signed in 1997. This will make ECU 5.5m available, mainly in the area of environmental protection. Up to 20% of the NIP may be used for private sector/tourism development. Under the same agreement, the EIB envisages an indicative sum of ECU 1m, provided from its own resources, for, among other things, assistance to small and medium sized businesses, investment, productive infrastructure and the development of industry, agro-industry, tourism and transport.

Under the 6th and 7th EDFs, Seychelles committed almost all the available EU funding at an early stage. About 99% of EDF 6 funds have been committed and most of these have been spent. With the decision to proceed with the rehabilitation of the Victoria Market, a major project, almost all EDF 7 funds have also been allocated. It is as a result of this excellent performance that Seychelles received additional funding under the 7th EDF.

Work on the reconstruction of the Victoria Market was due to begin in October 1997. This project, costing ECU 760,000 (plus the Government's own contribution), aims to upgrade the general working conditions in the market as well as provide more stalls for sellers. It will preserve the site's original outlook and historical ambience. Another scheme under way is for environmental preservation at La Digue. The project, costing ECU 858,000, entails the construction of a domestic waste landfill and a road extension.

The Seychelles Private Sector Development Programme, (total value, ECU 1m) was signed in February 1993, to promote small and medium enterprises. The project focused on three main areas: business management and technical training; provision of technical assistance; and support for the small business association. A further ECU 250,000 was provided in the form of credits. A scheme to promote the development of Seychelles handicrafts, with a total project value of ECU 1m, is more or less complete. Meanwhile, in the field of biodiversity conservation, a contribution of ECU 425,000 has been provided to help establish natural marine parks.

* Head of EC Delegation responsible for relations with Seychelles.

Lomé III – 6th EDF

Rural development <i>(Rural Development Programme)</i>	ECU 2.995m <i>(ECU 2.858m)</i>
Handicrafts	ECU 1.166m
Infrastructures <i>(Tuna quay rehabilitation)</i>	ECU 1.259m <i>(ECU 1.192m)</i>
Fisheries <i>(TA to Seychelles Fisheries)</i>	ECU 0.578m <i>(ECU 0.407m)</i>
Miscellaneous <i>(studies etc.)</i>	ECU 0.158m
Total	ECU 6.156m

Lomé IV/1 - 7th EDF

Private sector development <i>(SME support)</i> <i>(Handicrafts)</i>	ECU 2.403m <i>(ECU 1.25m)</i> <i>(ECU 1.0m)</i>
Environment <i>(La Digue Environment project)</i> <i>(Biodiversity Conservation)</i> <i>(Integrated Biodiversity project)</i>	ECU 1.756m <i>(ECU 0.858m)</i> <i>(ECU 0.425m)</i> <i>(ECU 0.322m)</i>
Infrastructures <i>(Victoria Market rehabilitation)</i>	ECU 0.760m <i>(ECU 0.6m)</i>
Miscellaneous <i>(AIDS, studies etc.)</i>	ECU 0.457m
Total	ECU 5.377m

Seychelles also benefited from projects carried out in the framework of regional cooperation. These mainly concern the environment, tourism, fishing, trade promotion, handicrafts and the fight against AIDS.

Trade cooperation with Seychelles, supported through the general trade preferences available under the Lomé Convention, includes special derogations from the rules of origin. A derogation relating to canned and frozen tuna was granted in 1993 and modified in 1994 (remaining applicable until 1998). It covers 1800 tons of canned and frozen tuna annually).

Fishing agreements are a separate but significant component of the Seychelles-EU relationship. Successive agreements, each covering a period of three years, have been concluded since 1984. Under the terms of these accords, Community vessels have been allowed to fish tuna in Seychelles' Exclusive Economic Zone. Under the 1996-98 agreement, the EU is paying ECU 6.9 million in return for the right to catch



Victoria Market in Mahé – due for reconstruction with assistance from Lomé IV funds.

46,000 tons of tuna annually in local waters. Additional sums of ECU 418,000 and ECU 300,000 have been earmarked for technical cooperation and training respectively.

EIB interventions have focused on allocations to the Development Bank of Seychelles, to support private and public investment. ECU 1.5m was provided

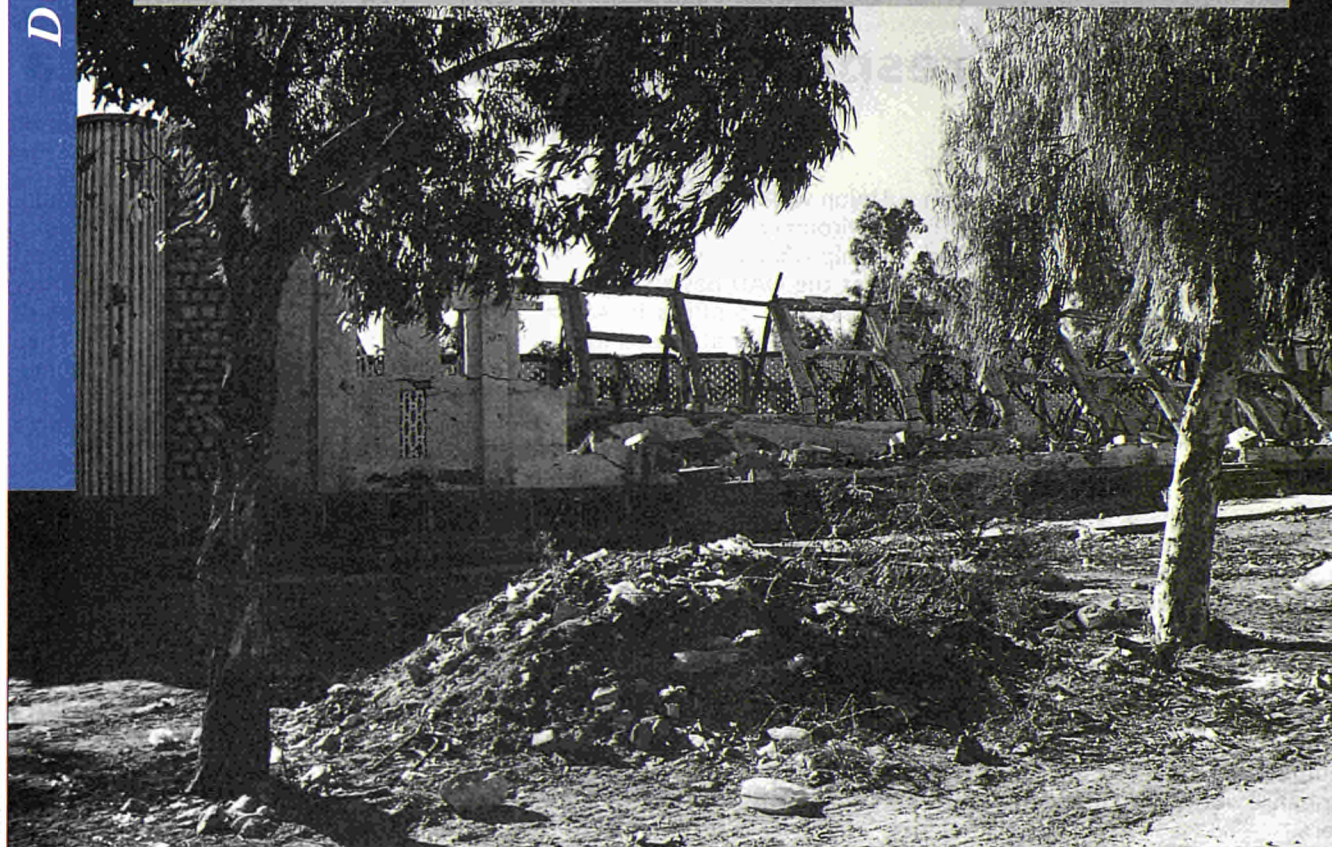
from the Bank's own resources under Lomé III and the overall total (interest subsidies and risk capital operations) provided under the four Lomé Conventions is ECU 8.08m.

Activities sponsored by the Centre for the Development of Industry (CDI) have encouraged and supported the creation, extension and restructuring of industrial companies – mainly in manufacturing and the agro-industrial sector. The total sum involved here is ECU 160 000.

The excellent performance of Seychelles in utilising EU support efficiently (thereby enabling NIP increases), can be attributed to the dedication and hard work of the National Authorising Officer, his Deputy and the other officers concerned, as well as to the exemplary working relations between them and the staff of the EC Delegation in Mauritius and the EU Office in Victoria. ■

G.J.

Conflict prevention



Sad legacy of the conflict in Somalia.

During the 1990s, numerous terrible conflicts have raged in different parts of the world, with an international public watching aghast but seemingly powerless to act. Rwanda, Somalia, Sudan, the former Zaire, Liberia, Congo, the former Yugoslavia and several other countries have presented a spectacle of unimaginable atrocities. At the time of writing, the number of declared or latent conflicts has tragically not diminished and men still clash violently in many places, despite the notion that all have an equal entitlement to life and human dignity. The much more legitimate struggle for development loses out in the process.

Many attempts to deal with conflicts have failed to produce convincing results. This experience has given new impetus to the view that it would be better to prevent crises before they burst into full-scale war. Conflict prevention is obviously a good idea, and it is increasingly advocated by the international community, but it too presents complex and delicate challenges. In the first place, factors likely to provoke conflict, which may sometimes be barely perceptible, need to be identified. Then solutions must be proposed – speedily – to prevent things spiralling out of control. This entails a great deal of prudence and skill in evaluating situations. The same causes do not

produce the same effects everywhere and a factor thought to be decisive may turn out to be insignificant, or vice versa. Sometimes, the underlying reasons come to light only once the fighting has started. So even the most accurate forecasts do not amount to cast-iron prophecies. Conflict prevention must, therefore, combine the analytical tools of a number of disciplines: political science, sociology, history, geopolitics, war studies, anthropology and so on. Only by looking at all these aspects together can one hope to contribute to an improved understanding of how a given situation might degenerate – and provide possible remedies in a particular situation.

Recently, the international community has become aware of the need for action, though a great deal remains to be done. This series of articles, which is by no means comprehensive, describes some of the initiatives currently on the drawing board, as well as the analysis and strategic approaches that lie behind them. ■

K.K.

Professor João de Deus Pinheiro, EC Commissioner with responsibility for relations with the ACP countries

Europe's response to conflicts in Africa

Excerpts of a keynote address by Commissioner João de Deus Pinheiro delivered at the occasion of a Round Table discussion organised by the International Peace Academy, New York, 24 June 1997

...The question of how to respond effectively to violent conflicts in Africa is subject to a broad international debate. Discussions are under way in many major international fora, such as the UN, the European Union, the OAU, the OECD, the G7 and many others. The NGO community has also been very active. And the great number of seminars, conferences and academic publications have certainly helped to enhance our knowledge of the matter...

(On 2 June 1997), the Union agreed on a comprehensive strategy for conflict prevention and resolution in Africa. The relevant documents will serve as the basis for a number of different activities in various fields, ranging from peace-building and early warning to preventive diplomacy, peace-keeping, and post-conflict reconstruction. I would now like to set out the six principles to which all these different activities need to be related.

The first is the principle of ownership. Ultimately, it will be up to the Africans themselves to decide to what extent they are determined to engage in conflict prevention, management and resolution, and to what extent they are determined to build the institutions and policy-making structures that make a viable state. This principle of ownership should not serve as a pretext to lean back and leave all initiatives to others. In the contrary, the Union will pursue a pro-active policy on that matter. But ownership means that Europe will not attempt to deliver ready-made solutions. Rather, the

Union will actively help to create the environment in which effective ownership is possible... There is no doubt that the OAU has a key role to play concerning conflicts in Africa... The first Ministerial meeting between the Union and the OAU (on 23 June 1997) gave another clear signal of this... But also other African organisations... will be supported according to the same approach...

The second principle is the need to enhance vigorously the effectiveness of our assistance to Africa. We have to accept that the means available are limited when compared with the magnitude of the task of effectively preventing and resolving violent conflicts. Therefore, we need to consider very carefully our priorities, for each country and region concerned. The main challenge is not technical or managerial. The main challenge is conceptual: The main challenge is to set priorities.

Thirdly, enhancing effectiveness and setting priorities implies the necessity to focus on the prevention of violent conflicts. And when I say prevention, I do not merely mean diplomacy or declarations in a situation of tension. When I say prevention, I mean first of all peace-building: the prevention of violent conflicts at a very early stage, even at a stage where tensions are not yet obvious.

Discussions on 'conflict prevention' often tend to focus on current crisis spots. The Great Lakes region has been the best example. But I believe that we should not only discuss the Great Lakes today... It is also those peaceful and largely stable countries that deserve our attention today. We cannot engage in simply fostering economic growth. We should not turn our political back. We should not take these countries off the political agenda until severe tensions have risen once again.

Today we have to assist these countries to detect possible trouble spots. It is today that we have to address these potential trouble spots. Today we have to start working towards structural stability. The key challenge for the international community as a whole is to overcome the culture of reaction, and to develop a culture of prevention.

The fourth principle is that development assistance should form the basis of a policy of peace-building and conflict prevention. And deploying assistance effectively with the goal of peace-building necessitates to re-think the objectives of our aid. Peace-building is not simply another priority sector. Peace-building is a concept, it is a yardstick that should help to set priorities. It is time to stop thinking of 'economic development'. Economic growth alone does not prevent or resolve conflicts; economic growth may even trigger or intensify tensions in society.

Instead, we must ask: How can we best assist Africans? What do Africans need most for their well-being, now and in the longer-term? And I believe that peace, physical integrity, and a just environment in which fundamental human rights are fully respected, are amongst the most basic needs of every human being. These needs must be addressed in a much more targeted and consistent way than in the past. The focus must lie on the creation of an 'enabling environment'.

Let me be very clear on this point: It is not economic growth that counts most: Politics, functioning political systems, is the key for Africa's well-being. State failure, ineffective and illegitimate governance, corruption, imbalance of power and opportunities, the theft of national wealth by a small elite, and the repression of democracy, rights and freedoms. These are the key problems that

need to be addressed. These are root-causes of violent conflict, and our assistance must target them. Assistance must help the people to achieve a state of structural stability. Assistance must strive to reinforce those factors that enable peaceful change.

Since the beginning of the 1980s, great efforts have been undertaken to reform African states, and restore their economic well-being. Structural adjustment and democratisation have been the key strategies in this regard. But in most African states, these strategies have not been successful in creating a new basis for political stability and steady economic growth. The experiences of the last 15 years have clearly demonstrated that development can only take place under suitable political conditions.

Providing development assistance to ineffective states or rewarding corrupt dictatorships is counter-productive. Only a consistent policy that focuses on the construction of viable states and public institutions, and that is rewarding those countries that are undertaking serious efforts of reform, that pursue policies of power-sharing and encourage a real democratic process, only such a consistent policy will be credible and will have chances of success. We must go beyond measuring the compliance to the procedures of democracy and the rule of law. It is the contents of such processes which is crucial. Democracy, human rights and the rule of law have to take root in the societies.

The fifth principle is coherence. I believe that rather than thinking of 'instruments', we must start thinking of 'problems'. The root-causes of violent conflicts need to be identified and addressed in a coherent manner, with the help of an appropriate 'mix' of all available instruments: political, economic, developmental, social, environmental and even military measures. Such a comprehensive approach requires to overcome those institutional and functional dividing lines between different policy instruments which have proved to be artificial, or even counter-productive. I am confident that the European Union will live up to this challenge.

The sixth principle is coordination. Responding to these complex challenges makes the close co-

ordination of all those concerned indispensable... In this connection, I would also like to emphasise again the crucial role of non-governmental organisations for peace-building and conflict prevention. NGOs already have vast experience in this field, and may engage very effectively in capacity-building projects. In particular, they can make a very important contribution concerning the mobilisation of civil society.

The international community must ensure that commitments to coordination and cooperation do not remain empty words. In some cases, it might be useful to abstain from grandiose and comprehensive designs which do not work in practice, and to take small and concrete steps instead...

Peace-building, addressing root-causes, is the key for an effective response to the problem of violent conflicts. There might be cases where such a policy has not been fully successful. And as a realist, I also have to assume that new conflicts will erupt, despite all efforts. Therefore, activities that focus on crisis management and peace-keeping should and will not be neglected. But it is important to recall that even in a situation of open violence, we will be able to respond in a much more timely, and much more targeted fashion, if only enough attention has been given to the respective country well in advance.

If we ignore the structural and explicit political problems of a country in times of peace; and if we have failed to develop a realistic vision of how a viable state could be built, all efforts to intervene in a violent conflict will run the risk of remaining mere cosmetic exercises of *ad hoc* damage limitation.

Nobody would honestly want to create the impression that one could ever hope to prevent or resolve all violent conflicts around the globe. But even if our means are limited when compared with the magnitude of the task, we have to reinforce our efforts to use them in the most effective manner...

I firmly believe that conflict prevention, and more general: the political aspects of our relations will figure most prominently in the new contractual arrangements between Europe and Africa that will emerge from the (post-Lomé) negotiations. But a strong focus on politics and

functioning political systems should not serve as a pretext for increasing the pressure on aid budgets. For aid to be effective, there needs to be a critical mass. And it should be clear that ultimately, massive cuts in aid budgets might prove short-sighted, and might imply the necessity to increase the funds for peace-keeping and humanitarian assistance.

Discussing the issue of conflicts in Africa should not foster the belief that Africa is a continent of chaos and anarchy. One should always bear in mind that Africa is also a continent of peace, stability and economic progress. Those academics who have called for a re-colonialisation or for leaving Africans alone in solving their own problems, have not understood the real challenges ahead. Europe will not abandon Africa. Europe is not a fortress, Europe is a bridge. There will be no clash of civilisations. The key parameters for the future of Euro-African relations will be partnership and solidarity.

From the very beginning, the Commission has actively participated in the international debate on conflict prevention. And in the Communication on conflicts in Africa¹, the Commission has set out a comprehensive approach towards this matter. The Council of the European Union has now reacted to the Commission's proposals, and has laid down the elements for a common policy of the Union². The changes in the EU Treaty provisions agreed by the EU Heads of States in Amsterdam might also positively contribute to the Union's capacities for an effective response to conflicts in Africa. Nobody should expect that major changes will be immediately felt. But Europe has laid down the foundations for a solid and coherent policy of conflict prevention and resolution in Africa... ■ J.d.D.P

¹ Communication of the Commission on 'The European Union and the issue of conflicts in Africa: Peace-building, conflict prevention and beyond' of 6 March 1996 (SEC(96)332 final).

² Common Position and Council Conclusion on 'Conflict prevention and resolution in Africa' of 2 June 1997.

Towards better prevention

by Michel Rocard*

The rise in the number of conflicts since the end of the Cold War and the rarely smooth establishment of a 'new world order' have meant 'the international community' more often considering intervention in situations which generally have their roots in decisions taken too late, sometimes in haste, and often rendered acceptable by media pressure. Intervention after the event is costly, all too often ineffective and in some cases leads to funds initially set aside for development being withdrawn for humanitarian aid, which is quite absurd in the context of resolving conflicts.

Prevention means intervening before the streets are strewn with bodies and littered with cameras, which causes a public outcry. Prevention means persuading uninformed ministers to bring pressure to bear quietly, the ministers in question being, of course, ill-suited to the job, having no troops available, nor even a study of their own departments. Successful prevention means seeing that nothing happens. It is a guarantee that there will be no public commentary and consequently no political point-scoring.

The only reason governments become involved in prevention is the knowledge that if they do not, the situation will get out of hand and then they will be forced in, at a far higher cost and putting their forces at considerably greater risk than in the case of simple peace-keeping. Since such scenarios are common, the European Union and its member governments are currently striving to improve their prevention record.

At the heart of modern-day international relations is one basic principle – non-interference by any state or the international community in the internal affairs of another state. This principle is underlined in Chapter 1 of the United Nations Charter. For this reason, the only avenue open to a particular state or international organisation wishing to bring about some effect inside an independent state is bilateral negotiation. The trick is to exert pressure on the country in question during negotiations in which the troubled or crisis-hit state is seeking some profit or advantage. In return, it may agree to review certain of its domestic laws or practices; the point being that it would no doubt have refused to make this concession without the pressure being exerted. A number of countries have therefore included demands relating to human

rights or respect for social norms in various trade contracts. Regrettably, those who bring pressure in these areas generally only pick on those smaller than themselves.

What exactly is conflict prevention? It is taking positive steps before some identified social, ethnic or political tension causes a conflict to break out. In essence this means a state, a group of countries, an international organisation or specific NGOs encouraging a given state where crisis threatens to enter negotiations with the minority group or groups in question, and to push through the structural reforms necessary to ease the tension (these may be constitutional, fiscal, property-based, educational or involve the status of official languages or the church).

It is therefore essential for public decision-makers to have available any relevant information, analyses and carefully thought-out proposals as early as possible to allow them to take effective decisions before it is too late. A wealth of information is available

'Resources needed include monitoring facilities, a regular review of inequalities and tensions between communities, and an ability to analyse the causes of such tensions'

on the subject of worrying situations and dangerous developments. This information is collected, sorted and made public by the NGOs involved in crisis prevention and by a number of NGOs concerned with protecting human rights. The humanitarian NGOs also gather information of this kind, but they do not publish it. Yet more information is collected

by the UN, the CSCE, the EU itself and certain countries. This information, however, is kept secret. Clearly the problem is not finding and collecting information – it would be an expensive waste of effort to duplicate what already exists.

The warnings which are issued have two major failings. Those publicising them do not have the political muscle to force the authorities to address the issues, nor do the warnings come with ready-made recommendations.

What is now needed to make recommendations aimed at crisis-prevention more effective is, therefore, clarity and detail, private suggestions for intervention (cooperation, technical assistance, humanitarian aid and mediation) and public suggestions for intervention (political conditions attached to IMF and World Bank loans, pressure for internal reforms, the opening of negotiations between the parties involved or the acceptance of mediation, selective or global embargoes, or the deployment of peace-keeping or even peace-imposing forces).

Finding the best way to go about this is not simple. The resources needed include monitoring faci-

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lities, a regular review of inequalities and tensions between different linguistic, religious and ethnic communities, and an ability to perform analyses highlighting the causes of such tensions and their likely outcome. A genuinely combined international effort is also required to ensure that none of the considerable national biases creeps in to the analysis, diagnosis and recommendations. The final requirement is a good mix of expertise, civil and military, sociological and diplomatic, and humanitarian and administrative in nature.

There is no shortage of past mistakes to learn from. The first lesson is that no good ever comes of action taken solely by government diplomatic offices, since self-interest and questions of prestige and money have too powerful a pull. The necessary analysis and proposals must come from an appropriate committee of decidedly international makeup. It is for this very reason that the European Parliament took up my proposal on 15 June 1995 and asked the European Commission to set up an internal committee meeting the above requirements, and making its work available to the Parliament and Council. This committee has now been in existence since early 1997 and is starting to produce some excellent results.

The second lesson is that setting up the current political situation cannot be achieved through charitable arguments, but only through political arguments. It is not within the remit of the humanitarian or 'human rights' NGOs to allow political and electoral risk to become a factor in their work. This should be calculated before decisions are taken, and by people with the necessary experience. Basically the point is to bring some humanitarian or academic angle into the political arena, which is exactly what we are now beginning to tackle.

The past has still more to teach us in the context of the renewal of the Lomé Convention which is underway. It remains true that there are many obstacles to overcome on the road to development, but recent African history clearly shows that the biggest obstacles are political in nature. Civil wars, power struggles, misappropriation of funds, poor leadership and political, legal and monetary instability generally bring with them the failure of harvests, poor sowing of seeds, despondency among farmers, company bosses and investors, the leaking-away of national savings and in some cases, the permanent withdrawal of international operators.

The other major obstacles to development, such as the debt burden, inadequate infrastructures or preventing soil erosion seem almost insignificant in comparison with these big political hurdles.

The way these issues are dealt with is a matter of concern for national sovereignties. Democracy,

sound leadership and peace are products of a culture which can only yield returns in the long term. It is therefore up to the ACP countries to set their own timetable and criteria.

Africa already has the institutional means in place through the OAU and the Treaty of Abuja which sets out the principles underlying cooperation between the contracting parties in the prevention of conflicts, the maintenance of peace and the peaceful settlement of disputes. The treaty also stipulates that the Member States must work together to recognise, promote and protect human and peoples' rights in accordance with the provisions of the African Charter on Human and People's Rights. The Member States must also undertake to promote economic justice, responsibility and popular participation as prerequisites for economic development.

The countries of Africa, working together with the Caribbean and Pacific countries, must provide their own definitions of the criteria they consider necessary for preventing and dealing with conflicts.

The aim of the European Parliament is that these freely determined criteria, adopted by sovereign nations, should form the basis for the integration into the new Lomé Convention of provisions designed to strengthen democracy, improve government and prevent conflicts.

This final point entails Africa's anticipated

adoption of the Treaty of Ottawa's ban on land mines, joint supervision of military budgets accompanied with sanctions should the size of these budgets suggest a state is taking an aggressive stance *vis-a-vis* its neighbours, the incorporation into the Convention of a code of conduct regulating the arms trade, the creation of four regional centres (for the OAU regions less North Africa) for observing tensions and ethnic, linguistic and religious discrimination, and the creation of a permanent inter-African intervention force, acting solely on behalf of the OAU.

For now, since no EU procedures exist for a 'joint foreign and security policy', there still being no general EU interest in this field, only a concentrated policy of development aid and of cooperation has led the EU to provide aid and cooperation to the nations of Africa, the Caribbean and the Pacific (Lomé Convention), then to central and eastern Europe and finally to the Mediterranean zone. Assistance has undoubtedly been made available to many countries in situations of crisis and conflict. But the EU's level of authority and the nature of its expertise have caused such intervention, outside of development aid, to be limited exclusively to humanitarian aid. Regrettably, humanitarian aid only helps with the management of crises. It has no part to play in prevention. ■ M.R.

'Recent African history clearly shows that the biggest obstacles to development are political in nature'

The role of NGOs

Exploring the local capacity for peace

by Paul van Tongeren*

States and their diplomats are not particularly adept at stopping guerrilla wars, secession attempts and other intra-state violence. Conflict prevention NGOs and other social actors are often better placed to work small changes, on both the political and the personal level, that eventually transform head-on conflict into negotiable points of disagreement.

In the old days, when wars were fought between rather than within countries, the rules of the game were stark, but clear. The battle raged until one side surrendered, unless diplomats reached a peace agreement prior to that. All decision-makers, negotiators and heroes were on the state's payroll, as were most of the victims. The ordinary citizens' feelings about the enemy were largely irrelevant to the outcome of the war.

All of this has changed. Now that internal strife has become the main form of war, with the state as just one actor among several, it stands to reason that society should do its bit to stop violence; civil war demands civil action. As long as sections of the population within a country desire to wipe each other out or bring down the powers-that-be rather than reach a settlement, national and foreign governments will find that they are in no position to impose peace. Local leaders, guerrilla commanders or warlords may continue fighting. In a (limited) way, war has been democratised.

Confronted with the trend of increased violence in intra-state fighting, combined with an increasing complexity of conflicts, the conventional means of conflict prevention and resolution seem outdated or powerless. New approaches to explaining and understanding conflicts

and their underlying causes, as well as how best to act in preventing and resolving conflict, are therefore needed.

Multi-track diplomacy

This understanding has given rise to a concept known as multi-track diplomacy. Originally coined by *John McDonald*, founder and chair of the Institute for Multi-Track Diplomacy, the term is now spreading as the 'catch-all' for a wide range of peace-making efforts. McDonald distinguished nine categories of actor in the system (see box). *Kumar Rupesinghe*, Secretary-General of the London-based *NGO International Alert*, also identifies roles for the UN, 'second-track diplomacy' (such as the Oslo peace talks), 'eminent persons' (such as former US President Jimmy Carter), women's movements, youth groups and artists.

The various parties can act in unison or separately, according to the local situation and the stage of the conflict. When official peace talks fail, businesspeople may try to break the impasse, as happened in Namibia. Sometimes, NGOs monitor human-rights abuses at grassroots level, while international institutions like the World Bank press discreetly for a peaceful settlement and national civic groups form peace coalitions to bring the parties to the negotiating table.

McDonald's nine categories of actor in conflict situations

Governments
Professional organisations
The business community
Churches
The media
Private citizens
Training and educational institutes
Activists
Funding organisations

In general, unofficial second track negotiations may stand a greater chance of success if intended to complement official talks, but they cannot focus on all the areas of concern which have affected the causes and duration of the conflict. Non-governmental diplomacy may be effective in creating dialogue, but it does not have the necessary resources or political leverage to bring about change. Thus, there is a need for complementary action, as the combined force of these approaches can address the fundamental issues, and still bring the necessary political momentum. Or, as the group of eminent persons forming the *Carnegie Commission on Deadly Conflict* in its 1997 Report put it: 'We have come to the conclusion that the prevention of deadly conflict is, over the long term, too hard – intellectually, technically, and politically – to be the responsibility of any single institution or government, no matter how powerful. Strengths must be pooled, burdens shared, and labour divided among actors.'

NGO interventions

Although the concept of multi-track diplomacy is still quite novel, there are high expectations of this approach, and particularly of the role of NGOs and religious organisations. Their familiarity with the local situation, and their close contacts with grassroots movements, are seen as major advantages in complex intra-state conflicts. Besides, western NGOs and global religious organisations can act on different levels: the local and the international.

One important role for them could be to establish contacts between rival parties that refuse to talk. After that, mediators can be invited to do their job. The Italian-based *Catholic lay community of Sant'Egidio*, for example, brought Mozambique's warring parties together, while the Moravian church and Protestant leaders facilitated the negotiations in Nicaragua in

* Executive Director of the European Centre for Conflict Prevention.

1988. NGOs have played an important role behind the scenes in South Africa, El Salvador and Northern Ireland. Once one party is involved in the solution of a conflict, others often feel stimulated to do the same. In Mozambique, for example, in addition to the Sant'Egidio community, the Italian government, the Vatican, the UK-based company Lonrho, the UN and the US government all worked on a peace agreement.

Peace can also be promoted through the media. Take *Radio Ijambo*, an independent radio production studio in Burundi, where Hutu and Tutsi journalists work together. It was set up by the Washington-based organisation *Search for Common Ground*. Ijambo is the only place in Burundi where Hutu journalists can work in safety. Its reputation for impartiality has earned it the respect of the authorities; until recently its journalists could even report on the army's involvement in massacres without being harassed by the government.

Conflict prevention may also be advanced through courses and workshops. The *Cyprus consortium*, an NGO grouping, is one such example. Some 1200 Cypriots from the Greek and Turkish communities have been trained in concrete skills ranging from basic communication to conflict analysis. The participants have also struck up individual friendships and begun the difficult process of reconciliation. On their return to their country, they translated what they had learned into several bi-communal projects. The first course has snowballed, especially since the initial trainees have received additional training to become 'trainers of trainers'. In the longer run, efforts like this help to defuse the Cypriot conflict and change the odds.

Traps and dangers

Successful though these NGO-interventions appear to be, several comments should be made here. The 1990s have seen an enormous growth in NGO-led humanitarian activity and operations. NGOs working in conflict prevention can be seen as an aspect – albeit a distinctive one – of the growing '*NGO Internationale*'. Inevitably, as NGOs become increasingly involved in a diverse range of activities, they are bound to come under a critical spotlight. Who are they, where does their mandate come from, when are

their activities successful and when not? Are NGOs part of the 'solution', or, as some critics claim, in fact part of the 'problem'? These and other related issues are being raised with growing frequency. In the wake of events in, for example, Somalia, Rwanda and former Yugoslavia, the focus of critical discussion has been on the work of development and humanitarian organisations. There is a growing call for the elaboration of sharper evaluative criteria, operational codes of conduct and so on.

Of course, one could say that multi-track diplomacy is in its infancy, but inevitably NGOs engaged in conflict prevention and transformation activities will be asked to go through the same exercise. There are good ethical and practical reasons for conflict prevention NGOs to consider developing their own Code of Conduct – which should stress the principles of impartiality, neutrality, independence and accountability.

There is another more significant and dangerous trap for organisations working in conflict areas. When international aid agencies arrive in conflict zones to assist people affected by the war, their programmes often 'miss' something which has been described as 'the local capacity for peace'. Too often, aid workers are overwhelmed by the violence and confusion and believe these to be the only realities. They design programmes, make decisions, distribute goods, employ and deploy staffs in ways that ignore, and negate, the other realities – those on which past peace rested and future peace could be built. 'What additional good could be done', asks *Mary Anderson* of the US-based *Local Capacities for Peace Project*, 'by assistance that is provided in conflict areas if, while emergency needs were being met, local capacities for peace were also recognised, supported, encouraged and enlarged?'

Empowerment should be the lead principle in any activity related to conflict prevention. Arguably, one of the biggest weaknesses so far has been a tendency to focus on external/third party mediation and interventions at the expense of identifying, mobilising and supporting existing local capacities for peace. This is particularly the case with much of what passes for conflict prevention at international community level.

Local actors know most about the background and causes of the conflict, are best aware of the sensitive areas and, most importantly perhaps, are the primary architects, owners and long-term stakeholders in the peace process. Since maintaining and promoting peace depends on the communities and people involved in the conflict, the main focus of prevention activities should be directed towards identifying, mobilising and supporting indigenous capacities for peace.

Coordination and coalition building

With local actors, governments, the UN, international NGOs, and so on, it is getting crowded in conflict areas. The various agencies may all be highly active but, in most cases, they do not know each other and are unaware of each other's activities. It is clear that there is an urgent need to coordinate peace-related initiatives, although this should not limit the flexibility of the multi-track approach, which relies on the ability of different actors to intervene before and during a conflict at different levels. Coalition-building and coordination between NGOs presupposes an agreed agenda. There is much evidence that an international consensus is being built around the basic issues of prevention. From the introduction of 'good governance' criteria in development policy at the end of the 1980s, to the massive development of networks at all levels of the global community, the international debate is developing.

NGOs should aim for complementarity and coordination between themselves and other organisations and bodies. The essence of the strategy should be to create a more effective division of labour among the different groups so that activities can move toward a common agenda for conflict prevention activities.

Another very important goal of coordination is the need to inform a broader public about what exactly conflict prevention entails, when and how it can be successful, and why still so very little 'preventive work' is being done. There seems to be a wholly false impression that big money is already involved in conflict prevention. It seems hard to credit how little

money is currently allocated to preventive action compared to the huge amounts spent annually on humanitarian aid, peacekeeping operations, reconciliation and reconstruction. The costs of present preventive activities, it is estimated, are less than 1% of post-conflict expenses needed for peacekeeping operations, humanitarian assistance and reconstruction.

Cooperation at European level

During the Dutch Presidency of the EU in the first half of 1997, the Netherlands Government announced it would give considerable attention to conflict prevention and coherence within European policy on this subject. Several NGOs saw this as the perfect opportunity to bring the discussion forward. A major conference on conflict prevention was organised in Amsterdam to coincide with the Development Ministers' Informal Council meeting. It focused specifically on conflict regions in Africa and EU policy.

The Amsterdam Conference was a first step towards NGO coalition-building in Europe, which should include many more actors than just the few European NGOs that deal exclusively with the subject of conflict prevention. Many NGOs which have predominantly development, humanitarian, or human rights objectives, are increasingly confronted by conflict prevention issues, but lack the capacity or knowledge to deal with them. National and international coordination is essential here.

As a direct result of the Amsterdam gathering, a *European Platform on Conflict Prevention and Transformation* was established. This Platform – hosted by the European Centre for Conflict Prevention, based in Utrecht, the Netherlands – is an open network of key organisations in the field of conflict prevention and resolution in countries throughout Europe. Its mission is to facilitate networking, and the exchange of information as well as the coordination of advocacy and lobbying activities among the participating organisations. In several European countries, national platforms have been established or are being set up at the moment (Italy, Belgium, Finland, Netherlands, Switzerland, UK, Germany). This should stimulate the

creation of similar arrangements elsewhere in Europe.

The Platform came into being at almost the same time as the *Conflict Prevention Network*, launched by the European Commission and based on the Rocard initiative in the European Parliament. The aim here is to provide policy-makers with analyses of potentially violent conflicts and options for dealing with them. The two initiatives are complementary, and can help translate early warning signals into preventive action.

Information on conflict prevention activities is scattered and hard to find, leading to missed chances of learning from mutual experience as well as missed opportunities for cooperation and a division of labour. To fulfil the potential of conflict prevention, there is an urgent need for the relevant actors to share information and experience. The European Platform acts as such a clearing house. The upcoming publication of an *International Directory of Conflict Prevention* will be an important contribution. This volume will describe the activities of some 350-400 organisations worldwide which dedicate a substantial amount of their time to activities in the field of conflict prevention or transformation. Special attention will be given to local organisations in conflict areas. Also, to gain more insight into the possibilities (and failures) of prevention activities in main conflict zones, surveys of programmes as well as basic information on local organisations, the main experts, publications, databases, etc. will be produced.

Regional cooperation in conflict areas

This kind of information is essential for NGOs in Europe and other parts of the western world, but also especially for organisations elsewhere. The disparity in resources available for conflict prevention in the North, as opposed to the South, is overwhelming. It is not just a question of finance, but also of balanced access to communication and information. European NGOs may be working towards a fairly sophisticated 'system', but there is a real need to establish focal points for early warning and preventive action in Africa, Asia and Latin America, and particularly with and among NGOs

in these countries. There are only a few examples of this kind of cooperation in conflict areas at present. The Horn of Africa programme, coordinated by the Nairobi office of the Swedish *Life and Peace Institute*, is an interesting case, because it combines research with practical support for grassroots peacebuilding initiatives in the region – mainly through churches and women's groups. Regarding the Great Lakes Area, the *Burundi Policy Forum*, led by the *Centre for US-based Preventive Action/Council on Foreign Relations*, is an excellent example of cooperation between a large number of actors, including NGOs and government bodies.

Regional cooperation of this kind in conflict areas should be extended, especially given the important role it can play in the early stages of conflicts. Regional conflict prevention centres would be well-suited to pick up early-warning signals, monitor preventive efforts, create platforms by bringing parties together, facilitate and organise training, and create think-tanks on how to work on long-term peacebuilding. Former heads of state and other 'eminent persons' might be invited to join a task force which could prepare actions in times of escalating regional tensions. The South African NGO *Accord* has formed such a Preventive Diplomacy group, which monitors the situation across Southern Africa.

Peace in internal conflict can only come through a process which involves the very people who are at war with each other. There are no quick responses to spiralling tragedies. What we need is a long-term approach requiring sustained financial, technical, personal and moral support. ■ P.v.T.

Weapons stockpiles and the arms trade

by Bernard Adam*

Can one conceive of an effective conflict-prevention policy without tackling the problem of the global arms trade? The economic and geopolitical interests of certain states would certainly be affected by such a move, but it would also make the main weapons exporters (and those who buy arms) face up to their responsibilities. The author of this article, who is Director of the

Group for Research and Information on Peace and Security (GRIP), believes that a key element in conflict prevention is improved controls on arms exports, particularly where light weapons are involved. Acknowledging the difficulties involved, he nonetheless highlights various initiatives and measures that could make a difference.

The accumulation of massive stockpiles of armaments is an undeniable reality in many places, particularly in the southern hemisphere. Africa, for example, is overflowing with small-calibre weapons. It is estimated that there are 10 million light weapons in circulation in Mozambique, a country of only 15m inhabitants, while in Luanda (Angola), there are 700 000 weapons of various calibres for a population of just 1.5m.

Disastrous consequences

Analysts have long been divided over whether weapons are the cause or the result of insecurity. Surely, this is a sterile debate. Nowadays, observers all agree that the steady flow of arms maintains and spreads insecurity, and triggers conflicts – with all their disastrous consequences for the civil population. Civilians may have nothing to do with the aims of the

warring factions, but they make up 90% of conflict victims these days. Over the last 25 years, Africa alone has been the theatre of 10 major conflicts affecting almost 155m people. Between 3.8m and 6.8m have been killed as a result, that is to say between 2.4% and 4.3% of the population.

Another, somewhat morbid, debate has also divided experts on occasion. There are those who have argued that the Rwandan massacres (1994) involved bladed weapons (machetes, axes, spears) and not firearms. In fact, the role played by light weapons was decisive in this carefully prepared genocide. Hit lists were drawn up and light weapons distributed to militias close to those in power. The militias, in turn, with the protection of the Rwandan armed forces, initiated the massacre before going on to incite part of the population to act in the same way, using the light arms and bladed weapons they had supplied to them. Equipped just with blades, and without the encouragement and training from the militias, who convinced them they were above the law, the population could never have perpetrated such carnage. Several witnesses insist that there would have been fewer victims, and even that the genocide might not have taken place, had the militias not been equipped with firearms and had the Rwandan armed forces taken steps to protect the people.

The militarisation of society, and the constant stream of light arms, makes any attempt to settle disputes peacefully all the more difficult. Recourse to weapons inevitably leads to the militarisation of a portion of the civil population. Opposing groups adopt a belligerent stance and, in effect, abandon negotiations. In many cases, even if an agreement has been reached, it is impossible to apply it because of the implacable and obstinate attitude adopt-

ed by armed groups – who do everything in their power to provoke incidents and renew fighting. There are many examples of agreements that have foundered in these circumstances – for example, Bosnia-Herzegovina (1992-1995), Angola (Bicesse accords - 1991), Rwanda (Arusha accords - 1993), Liberia (from 1989) and Sierra Leone (since 1991).

A further problem stems from the actions of the international community. Since the early 1990s, peace-keeping forces have been sent in to halt the fighting, but, on the ground, such missions have been plagued with difficulties. Indeed, although industrialised nations are nowadays called on as mediators, it was they themselves who, in the past, sowed the seeds of conflict by supplying the arms used by groups challenging the forces of law and order.

Reducing demand and illegal use

To restrict the arms trade, action is needed to inhibit both demand and supply. For demand to be undercut effectively, the motivations of illegal users (non-government parties to a conflict) must be properly understood. There are two broad categories involved here. The first encompasses Mafia-style groups who are subject to the law, and militias, the latter being employed either by non-democratic states against their opponents, or by uncontrollable groups in democratic states. The second category is equally illegal but perhaps somewhat more 'legitimate'. If a political system does not allow political forces access to power by democratic means, the regime's opponents will sometimes attempt to overthrow those in power by force of arms. Similarly, if a country is unstable, civilians may arm themselves for their own protection (as is currently the case in Algeria).

The difference in motivation between these two broad categories of user is easy to understand, and there are therefore two prerequisites if any attempt to combat the illegal use of weapons is to be successful. First, there must be a democratic system enabling any political force to gain power legitimately by peaceful means. Second, there must be security

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forces whose primary mission is to serve not just the established government, but also democracy, and therefore to protect the population against armed aggression. This presupposes major reforms, and these are already in progress in a number of countries – the fruits of international and even regional cooperation. The ideal thing would be to have a regional accord similar to the convention adopted in November 1997 by the Organisation of American States. This seeks to prevent, combat and eradicate the production and illegal sale of firearms, ammunition and explosives.

There have also been efforts to achieve something along the same lines in West and Southern Africa. In 1997, eight countries in the Sahel/Sahara region spoke out in favour of a moratorium on the import, export and manufacture of light weapons. The initiative came from Mali which, in 1996, succeeded (with UN assistance) in demobilising some of those involved in the Tuareg rebellion, while integrating the others into its own armed forces. It was able to destroy 2700 light weapons in the process. The aim of the moratorium is to obtain undertakings from African states on the confiscation of illegal stockpiles, border controls, the training of security forces, international cooperation, and so on. A coordination and assistance programme to promote security and development, supported by the UNDP, will also be set up. In Southern Africa, efforts are concentrated on improved monitoring of stockpiles and of weapons trafficking. This is being done notably through SADC, and under agreements concluded by South Africa, Mozambique and Swaziland.

International cooperation is essential. In Africa, regional organisations and the OAU need strengthening, and this must involve the implementation of confidence-building measures, such as the exchange of information. International institutions should step up their mediation efforts if their aim is indeed to prevent conflicts being settled by force of arms. Not only are new methods needed. Also – and more importantly – there must be a political will to act, with greater support given to

what is still a hesitant culture of peace.

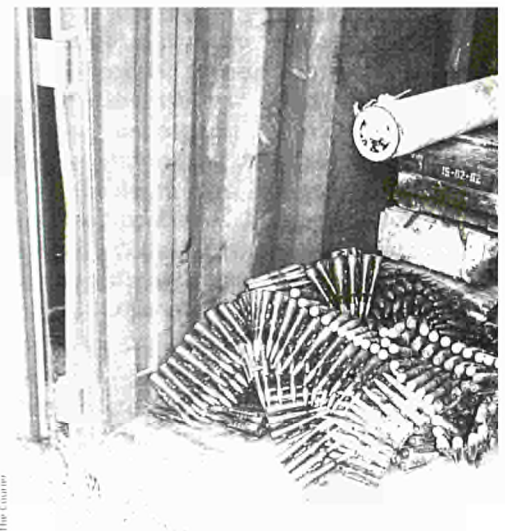
One source of weapons currently in circulation is the huge stock held illegally by civilians or by opposing groups. To combat their spread, micro-disarmament is necessary. According to former UN Secretary-General, *Boutros Ghali*, this means that the arms must be collected and then, more crucially, destroyed, so that they cannot be used again. Such action must take place in the context of 'buy-back' programmes when peace accords are implemented. Unfortunately, some recent agreements have failed to include micro-disarmament. Others have provided for it, but without the required conditions for full and successful implementation. In El Salvador, 20,000 weapons were collected and destroyed out of a total of 200,000 in circulation. In Mozambique, fewer than 200,000 weapons were seized (and very few destroyed), this figure representing only 2% of weapons known to be in the country. In Cambodia and Somalia, planned disarmaments have failed. On the other hand, programmes in Mali and Nicaragua have worked. The highly successful collection recently carried out in Australia demonstrates that micro-disarmament can also be extended to industrialised nations.

Many micro-disarmament actions could be included in development cooperation projects, both at bilateral and multilateral level. Countries such as Norway, Canada, Belgium (which allocates 2.5% of its cooperation budget to conflict prevention), the Netherlands and Sweden, have begun supporting such projects, particularly in the area of mine-clearance. The UNDP is also involved. Such projects need to be extended to include demobilisation operations, weapons collection and destruction, border surveillance, training and restructuring of security forces and international cooperation. Moreover, international agencies such as the World Bank, IMF and OECD are currently investigating ways of promoting a lessening of tension and the establishment of a safe and secure environment through a reduction in armaments, armed forces and military spending. The difficulty is in deciding whether these criteria should be expressed

as conditions for aid allocation (effectively making them compulsory), or whether their observance by governments should be voluntary. Any discussion of this topic is complex because account has to be taken of very different situations, and of variable data relating to such matters as international and internal security, the level of development, respect for human rights and the existing political system.

Improved multilateral control – limiting supply

So, what of supply? Arms come from two main sources. First, new weapons are produced by industrialised countries (the USA, the EU, Russia, China, South Africa, Is-



Weapons collected after the conflict in Liberia
Stocks must not only be collected but also destroyed.

rael and Brazil). Then there is the huge second-hand arms market, based mainly in Russia and other countries in Eastern Europe. This market developed with the ending of the Cold War.

There is currently no multilateral system for controlling or limiting conventional arms as there is for the nuclear, chemical, biological or ballistic weapons which are seen as the most dangerous. Yet, for several years, conventional armaments and, in particular, light weapons have proved the most lethal. There does, however, appear to be a growing

awareness of the need for control. The ideal solution would be to conclude a multilateral treaty on controlling and limiting the transfer of conventional weapons along the lines of the Non-Proliferation Treaty covering nuclear weapons. Meanwhile, a number of interesting ideas have recently been put forward by private individuals and groups. Since 1995, on the initiative of former President *Oscar Arias* of Nicaragua, a group of Nobel Peace Prize laureates has been proposing an international code of conduct on the transfer of weapons, under UN auspices. In late 1997, *Edward Lurance*, a professor at the Monterey Institute of International Studies, suggested a convention on the prevention of the illegal and unreasoning use of light weapons, aimed principally at establishing strict criteria to govern the export, collection and destruction of surplus armaments, and at promoting more transparent international cooperation.

Four other initiatives, again under the auspices of the UN, deserve a mention. First was the decision in 1991 to set up a register of conventional weapons transfers. The objective is to ensure greater transparency of weapons movements by providing data on exports and imports. However, there is no obligation on states to make such declarations, only seven categories of arms (heavy weapons) are covered and existing stocks or internal purchases are not recorded. In spite of these shortcomings, the register undeniably promotes transparency, since about 80% of transfers are recorded. There have also been proposals to set up regional registers covering West and Southern Africa. A second initiative was the adoption by the UN's Disarmament Commission, in May 1996, of directives governing the international transfer of armaments, with a view to harmonising certain procedures. Thirdly, on 5 May 1997, the same Commission put forward a resolution on crime prevention and criminal justice, which was adopted in the UN Economic and Social Council, containing practical recommendations to combat the traffic in light weapons. Finally, a study was conducted between 1995 and 1997, by a group of experts, into the application of the recommendations of an earlier group on how

the issue of the munitions trade should be addressed.

Slow progress in Europe

Despite increasing multilateral activity, progress at that level remains extremely slow. Hence the need, as far as supply is concerned, to supplement the process with regional provisions.

Within the EU, progress has also been slow. A common policy and common regulation covering weapons exports would be desirable, but the institutional machinery is highly complex, with extensive overlap between the EU system on the one hand and national jurisdictions, rules and policies on the other. Despite the tentative appearance of a Common Foreign and Security Policy, Article 223 of the Treaty of Rome remains applicable. This means that Member States still have exclusive jurisdiction over their weapons production and exports. Since January 1993, the Single Market has abolished the Union's internal borders, so the continued survival of national export policies is now anachronistic and irresponsible. The current situation could, indeed, facilitate trafficking in and illegal exports of armaments. In 1991 and 1992, the European Council did adopt eight criteria with a view to defining a common code of conduct, but these are merely guidelines and each Member State interprets them in its own way. In an attempt to remedy this situation, a group of 600 European NGOs, on the initiative of Saferworld, BASIC and Amnesty International, proposed a European code of conduct. The initiative was backed by the Netherlands, Sweden and Belgium. The current British Presidency has included the proposal on its agenda for discussion in Council. The UK's aim is to have the code of conduct adopted before the end of June 1998.

On 26 June 1997, the EU Council also adopted a programme aimed at combating illegal trafficking in conventional weapons. While a genuine common policy is still awaited, this initiative does represent progress towards better control. In the absence of binding multilateral or regional regulations, national rules will take precedence in the area of the control and limitation of arms exports.

If international or European codes of conduct were to be adopted, this would be one step on the road to harmonisation of national policies. Sales could be restricted by applying better-defined criteria for the granting or refusal of export licences. Improved national legislation would need to cover three points: better definition of which items are subject to licensing; better monitoring of the truth of statements made about end use and whether the stated end use is adhered to (the purchasing country's undertaking not to re-export weapons); and greater transparency in the form of annual reports on exports. Another area where improvement is needed is in stepping-up anti-trafficking measures. In this connection, Belgium established, in 1997, an Interdepartmental Committee to combat illegal trading in weapons, which brings together the various departments concerned (customs, police, foreign affairs).

To conclude, an effective conflict-prevention policy needs to include improved control and limitation of arms exports. This is the responsibility of political leaders, who must take account of the disastrous consequences of exporting to developing countries that already have an excess of weapons. Such decisions are often difficult, particularly when arms manufacturers are lobbying for exports to be liberalised. But weapons are unlike any other merchandise. The trade must be regulated in a way that recognises their potentially lethal, destructive and destabilising effects.

The global campaign to outlaw anti-personnel mines, taken up by almost a thousand NGOs, resulted in signature of the Ottawa Convention in December 1997 by more than 120 states. This success has given impetus to a new international campaign to limit exports of conventional arms and their use, with a particular emphasis on light weapons. ■ B.A.

Conflict management in Africa

by Wawa Ossay Leba*

Dr. *Salim Ahmed Salim's* election to the post of Secretary General of the Organisation of African Unity (OAU) in June 1989 came only shortly before one of the major events leading to worldwide upheaval: the fall of the Berlin Wall in December of that year. The late 1980s – also sometimes dubbed 'Africa's lost decade' – saw the end of the East-West confrontation and prompted changing alliances in international relations. Inevitably, this led to the marginalisation of the developing countries which no longer held the balance of influence between the opposing blocs. Turbulent events continued in Africa, where the struggle for freedom went on due to the ongoing scourge of apartheid. Conflicts were also beginning to emerge elsewhere, leading to vast population migrations. The international community lexicon included such catch-phrases as 'human rights violations' and 'absence of democracy', and there was a spectacular economic decline, seriously exacerbated by over-indebtedness. It seemed as if the glimmer of hope offered by the 1970s was about to be extinguished.

It was in these circumstances that the new OAU Secretary General had to take up his mandate, and before long, he turned his thoughts to the consequences for Africa of all the changes taking place in the world outside. His deliberations led to the drafting of a report submitted to the 26th Conference of Heads of State and Government (CHSG) in Addis Ababa in July 1990. This summit adopted a declaration acknowledging two major factors as essential to Africa's development: first, the promotion of economic integration through the establishment of an African Economic Community and, second, the creation of a climate of peace and stability through-

out the continent, based on the rapid settlement of all the conflicts which were then flaring up.

The establishment of an Economic Community required considerable preliminary work before the Treaty of Abuja was signed in June 1991, although no new strategy had been devised by the OAU concerning a commitment to joint action for the settlement of conflicts. The Secretary General therefore decided to conduct a study into conflict management in Africa, principally into the possibilities open to the continent of assuming responsibility for its own actions by devising solutions to inter- and intra-state disputes of all types which were beginning to arise in the early 1990s.

The Secretary General submitted the conclusions of this study to the 55th session of the Council of Ministers and to the 28th session of the CHSG in July 1992, in Dakar. There was a clear consensus over the need for the OAU to become involved in conflict-prevention and maintaining peace, and it was felt that this should be one of its priorities. Anxious to see Africa in a position to embark on conflict prevention, the Secretary General submitted a further report and a draft declaration to the 29th session of the CHSG, in June 1993 in Cairo, on the setting-up, within the OAU, of a 'Mechanism for the prevention, management and settlement of conflicts'. In the declaration, the Conference acknowledged that the OAU could achieve the set objectives (particularly in the field of economics) only if peace, security and stability were assured throughout the continent. The declaration was unanimously approved, illustrating the desire of the political leaders to see Africa play a key role in any action aimed at restoring peace and stability to the continent.

The OAU's 'Mechanism'

Unlike the Mediation, Conciliation and Arbitration Commis-

sion, the Mechanism is a permanent OAU organ. Its composition, and the way it functions, make it a 'political body' whose highly realistic actions take African sensibilities into account. The Mechanism's prime objective, which is to anticipate and prevent conflicts, demonstrates the desire of African governments to make it an effective instrument in the service of 'preventive diplomacy'.

The Mechanism derives its authority from a central body drawn annually from members of the Bureau of the CHSG, on the basis of fair, rotating, regional representation. To guarantee continuity, the country of the President-in-Office and of the President-elect, are also members of the central body. It operates at heads of state/government, ministerial and ambassadorial level and takes decisions which are implemented by the Secretary General and the Secretariat. Operational activities in the field of conflict-management and settlement are financed by a special Fund for Peace set up as part of the Mechanism. The fund receives an annual contribution from the OAU's ordinary budget and voluntary contributions from states, individuals and institutions (both African and non-African).

The Mechanism's activities were designed to concentrate on preventing, managing and settling conflicts. However, after two years, and despite encouraging results, the CHSG decided in June 1995 that, because of huge financial and logistic problems, the OAU should devote its time more to prevention, leaving the maintenance of peace to the UN. The Conference also asked the Secretary General to look into the possibility of the OAU setting up another peace-maintenance mechanism to complement that of the UN.

In the field of prevention, it consists of measures which may be implemented before a conflict starts, either to prevent an outbreak, or to facilitate management of a conflict to help resolve it. A prerequisite for this is an exchange of information and a system for quickly alerting those concerned, operating in collaboration with liaison centres in Member States and other international organisations. In January 1996, the Secretary General organ-

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ised a seminar to discuss the establishment, within the OAU, of an 'Early Warning System'.

As for peace maintenance, it was regarded as imperative to make this essential activity the responsibility of the UN Security Council, which, under the terms of Article 24.1 of the UN Charter, has both the necessary power and the resources to create a climate of peace and security in the world. In Rwanda, the OAU established a group of neutral military observers to guarantee the implementation of the Arusha Accords, and this experience demonstrated the severe restrictions on the Organisation's scope for action. This was despite its good intentions and the commitment shown by the Member States. The limitations were likewise apparent, both at Secretariat and Member State levels, when the OAU assumed logistical responsibility for forces mobilised by African states to police the situation in Liberia and Burundi. Similar difficulties arose with attempts to avert disaster in Rwanda. Meanwhile, the international community and, in particular, the UN (to which the OAU Secretary General had made repeated approaches), appeared slow to react and showed reluctance even to help in setting up a peace-maintenance operation. More recently, in October 1997, procrastination by the international community over events in the east of what is now the Democratic Republic of Congo, led to loss of human life.

Military Chiefs of Staff from the Member States represented in the central body met in Addis Ababa in June 1996 and in Harare in October 1997, in an attempt to flesh out the Summit's decision to devise a complementary peace-maintenance mechanism. It was confirmed at these gatherings that the OAU's main responsibility should be to anticipate and prevent conflicts but it was agreed that, in certain exceptional circumstances, the OAU should deploy limited peace-maintenance and observer missions. The Chiefs of Staff went on to discuss peace-support operations, applicable procedures and adequate structures for implementing this type of operation, the need for a uniform level of training suited to the field of cooperation, the exercise of command,

and the monitoring of operations at various levels, including joint operations (OAU/UN or OAU/sub-regional organisations). Other items on the agenda included the planning of operational communications, and boosting African and OAU capabilities to offer more effective support for peace through improved financial and logistical back-up.

Such efforts are evidence that Africa is genuinely seeking, at OAU level, to assume its responsibilities. The Mechanism has attracted worldwide interest. On the international scene, there are those who want to gauge what Africa is capable of doing or to draw inspiration for similar strategies. Others prefer to devise parallel initiatives and to propose them to the OAU, or to the African states. The OAU's opinion on these initiatives, which have all sprung from its own Mechanism, is clearly of interest to any observer who follows the conflict prevention issue.

The OAU position on other initiatives

As mentioned, the Mechanism was set up because there was a basic need for the OAU to take the initiative in conflict management in Africa at a time when the dominant international trend was becoming more introspective. In other words, it must play a leading role in the continent, based on the dynamic nature of its institutions. The Mechanism's prime objective was to concentrate on anticipation and prevention, and on concerted action to re-establish and consolidate peace, while seeking to avoid complex and costly operations.

At the same time, African governments have recognised the need for collective intervention, under UN auspices, where conflicts have worsened. Despite this basic approach, the OAU has not adopted a rigid position. Given current circumstances, the Secretary General believes that Africa cannot be indifferent to its own problems, even if the financial and material costs are high. He has stressed the importance of Africa preparing for the worst and providing itself with the means for facing the worst. For example, Member States should make units of their security forces available for de-

ployment in observation missions and operations to re-establish peace that have been arranged by the UN (in most cases) and by the OAU (in exceptional cases). The position adopted by the OAU leaders, and the aforementioned consultations among the Chiefs of Staff, has led to the creation of the 'African Crisis-Reaction Initiative'. This, in turn, has prompted further initiatives by certain Western countries aimed at assisting Africa in peace maintenance.

In 1995, the Secretary General drew attention to the proliferation of foreign initiatives aimed at supporting Africa's endeavours. This had come about due to a widespread interest in the new Mechanism. Tangible support had been given to the OAU's Fund for Peace, and new initiatives aimed at providing assistance to the Organisation had emerged. These included:

– *The British initiative:* The UK Government organised seminars on peace maintenance at Camberley, Accra, Cairo and Harare to examine various ways of strengthening Africa's ability to prepare and deploy troops on peace-maintenance missions under the auspices of the UN or the OAU. The Accra and Cairo meetings emphasised the setting-up of an early warning system, an institutional framework for preventive diplomacy between the UN and the OAU, and a skills development centre. It was accepted that the OAU should play the leading role in Africa in terms of preventive diplomacy.

– *The French initiative:* In parallel, France proposed the creation of an 'African intervention force', at the France-Africa summit in Biarritz, in 1994. The idea was to create a modest-sized standing force, composed of members from various African countries, which could be deployed in times of crisis. This force could also be mobilised under the auspices of the OAU and of the African States, and its mandate would cover actions linked with preventive diplomacy, the treatment of the humanitarian aspects of a crisis and peace maintenance. The French formula favoured action at sub-regional level instead of continent-wide mobilisation. However, this preference did not exclude the deployment of a sub-regional con-

tingent from one part of the continent to another.

– *The US initiative:* Since October 1996, the US Government has been having consultations with a view to setting up an 'African Crisis-Reaction Force'. The purpose is to establish a political and military partnership with Africa and the Force would have the dual objective of guaranteeing the continent's and the OAU's capacity for rapid intervention in crisis situations, and to seek an urgent solution to the deterioration of a crisis so as to prevent a humanitarian catastrophe. This would be a rapid intervention force of reinforced African troops, made operational on the basis of resources provided by the international community. The US proposal, backed, notably, by France and the UK, raised a number of questions within Europe and among the OAU Member States (viability of an agreement on peace maintenance in Africa, availability of the resources needed for such operations, type of operations in which the Force would be involved, role of the USA's partners, particularly France and Great Britain, which were already involved in initiatives in this area). Readers will also recall the reactions to former US Secretary of State *Warren Christopher's* announcement concerning the proposed Force. Not without irony, *Jacques Godfrain*, the French Cooperation Minister, expressed his pleasure that Africa should have become a US government priority just a few weeks before the presidential elections. This move, he observed, had come after Washington had reduced its aid (ODA) by 15%. He also noted that President Clinton had never been to Africa and had not mentioned the continent in his speech to the UN General Assembly. The recent trip to Africa by *Madeleine Albright*, the US Secretary of State, was presumably made with Mr Godfrain's remarks in mind. In response to the questions raised, the US, the UK and France envisage coordinating their peace-maintenance programmes in Africa in collaboration with the UN and the OAU. They acknowledge that African leadership is essential to the success of any long-term initiative on the continent.

– *The European Union initiative:* Aware of the increase in vio-

lent conflict, *João de Deus Pinheiro*, European Development Commissioner, proposed to the Council in December 1995 a strategy aimed at resolving conflicts in Africa. There were two essential aspects to this initiative: first preventive diplomacy and, second, the maintenance of peace in the form of major principles and guidelines on which the EU would base its response to the problem of conflicts in Africa. The position adopted by the EU emphasises the role of the UN and actions undertaken by African states within the OAU. The Union acknowledges that, in addition to its historical links with African countries, the promotion of peace, stability and sustainable development (as well as respect for human rights, democracy, the rule of law and good governance) are essential to its vision of increased international security. They are also essential on humanitarian grounds. Europe and Africa thus share interests and values. As far as the EU is concerned, and as acknowledged by the OAU itself at the highest level, Africa must lead any such operation. The EU has made an undertaking to support the continent's efforts and to coordinate actions between its Member States and within the wider international community (including the UN, the OAU, sub-regional organisations and other intermediaries).

Can the initiatives work?

All initiatives converge towards a common objective, which is to help Africa increase its capacity for peace maintenance. The OAU could hardly oppose such efforts, given that they are in line with its stated policy of promoting peace and security. But, given the OAU's responsibilities, it must view these in the context of its own Mechanism for preventing, managing and settling conflicts in Africa. The sheer number of outside initiatives and, in particular, the somewhat disappointing results so far – despite the international community's assiduous efforts whenever a situation degenerates or a conflict breaks out in Africa – reveals that more problems are being created than solved in Africa. There is also widespread disappointment at the procrastination of the international community. The experiences of Liberia, Rwanda, Somalia, Burundi

and the Democratic Republic of Congo are plain for all to see – and point to the fact that the OAU and its Member States cannot rely exclusively on the UN, led by certain western powers. An analysis of all the above initiatives raises questions over the command and monitoring structure to be set up, logistics, the participation of armed factions, operational methods, training programmes and, above all, reliable and ongoing funding.

At a time when the trend is to entrust peace-maintenance operations to regional organisations, such as NATO in Europe, why are the same responsibilities not conferred on the OAU for Africa, even if it means that, at UN level, Africa's partners who wish to become involved operationally consult with the OAU and sub-regional organisations.

There is another problem, in the shape of somewhat precipitate action, which risks compromising the chances of these initiatives succeeding. How, for example, even before the various projects have been finalised, be this on the French, British or US side, can programmes and operations be set up in the field in certain countries in Africa (Uganda, Senegal, Ethiopia, Mali, Malawi, Ghana and Tunisia)? Some OAU countries are concerned because such bilateral initiatives, involving specific countries or sub-regional groups, threaten to undermine African solidarity and the joint stance of the Organisation's members.

In the light of these observations and other considerations, Africa's partners need to act prudently. Failures have already occurred due to lack of consultation and effective coordination. Like the EU, the partners must acknowledge that any initiatives should be fully backed up by Africa itself. The central body of the OAU Mechanism feels that Africa must itself be responsible for defining the parameters that govern any initiatives, in particular when deciding on the form of foreign assistance that is most appropriate and on the manner in which it is provided. ■ w.o.l.

Dispensing with the crystal ball

A three-tiered system has been devised within the United Nations Department of Humanitarian Affairs to identify where potential crises are most likely to erupt and their humanitarian implications. It feeds information to UN and other humanitarian bodies about where crises could occur to enable speedy responses. This article is abridged from a paper by Adeel Ahmed and Elizabeth Voulieris Kassinis, entitled 'Humanitarian Early Warning: From Concept to Practice'. It was written for a conference organised by the University of Maryland, and was due to be published in an edited volume in January 1998¹.

Over the last four years, the UN DHA has been working to turn early warning from a sound concept into a series of activities with practical application. The Humanitarian Early Warning System (HEWS) has been devised to identify crises with a humanitarian impact. Crises are numerous and have complex implications. First, a definition of 'early warning' is required. Then one needs to determine how it can be used to initiate early and effective action by the UN and the humanitarian community.

Complex emergencies, or so-called man-made crises (as opposed to natural disasters) take a huge toll on both lives and scarce resources. In 1996, the refugee population was 13.2 million globally with a further 20 to 25 million internally displaced persons. In the post-Cold War years (1989-1996), 101 armed conflicts were recorded with death and destruction in 68 different locations². To make matters worse, the same political and military factors that contributed to the outbreak of violence frequently hampered relief efforts.

The international community has increasingly been called upon to prevent emergencies, instead of reacting after they have erupted. This goes beyond mere fact-finding. 'Early warning' refers to the formulation of prognoses or projections of potential vulnerabilities on the basis

of systematically collected and processed information. It requires systematic country monitoring.

Origins

The UN DHA was established in 1992 to support the work of the Emergency Relief Coordinator (ERC) appointed by the Secretary General in April of that year. General Assembly resolution 46/182 adopted in December 1991, set out the guiding principles for the coordination and provision of humanitarian assistance, emphasising, in particular, prevention and preparedness. Beyond acknowledging the importance of information in ensuring timely and effective responses to crises, resolution 46/182 made the ERC responsible for the 'systematic pooling and analysis of early warning information' and for providing consolidated information and 'early warning' on emergencies. Seed funding was provided by the government of Japan. DHA began its work on an early warning system in 1993 to provide tools to decision-makers to make better informed decisions and to initiate actions.

The HEWS began by reviewing what was being done in the academic and research community, as well as among NGOs. It also looked at specific early warning work along with that of a more general nature in the areas of private sector country risk, indicator development, and crisis modelling. Some important lessons were gleaned. Despite its inherently political nature, it was obvious that early warning work needed to be grounded in rigorous methodology with a high level of professionalism. Whilst it was widely accepted that early warning was an

appealing idea, decision-makers at the highest level remained to be convinced about its relevance and application to day to day realities.

Its purpose is to identify potential crises with humanitarian implications. The scope of this activity was broadly defined in the original project proposal, with the team given the task of covering 'the range of social, economic, political and ecological factors and the root causes that could give rise to complex man-made emergencies.' The original terms of reference also underlined the importance of building and maintaining a 'sophisticated computer-assisted information gathering network' to manage large flows of information. At that time, no such easily accessible store-house of information existed and there was a realisation that the UN would have to employ new technologies in the endeavour.

HEWS turned to UN agency and NGO experts for indicators on how to monitor country situations. All relevant areas were tapped, while care was taken not to duplicate information. HEWS could 'piggy-back' on the analyses of specialists at the FAO, the World Food Programme and organisations like the US Agency for International Development (USAID). There was information in other areas, but often this did not readily lend itself to the early warning system.

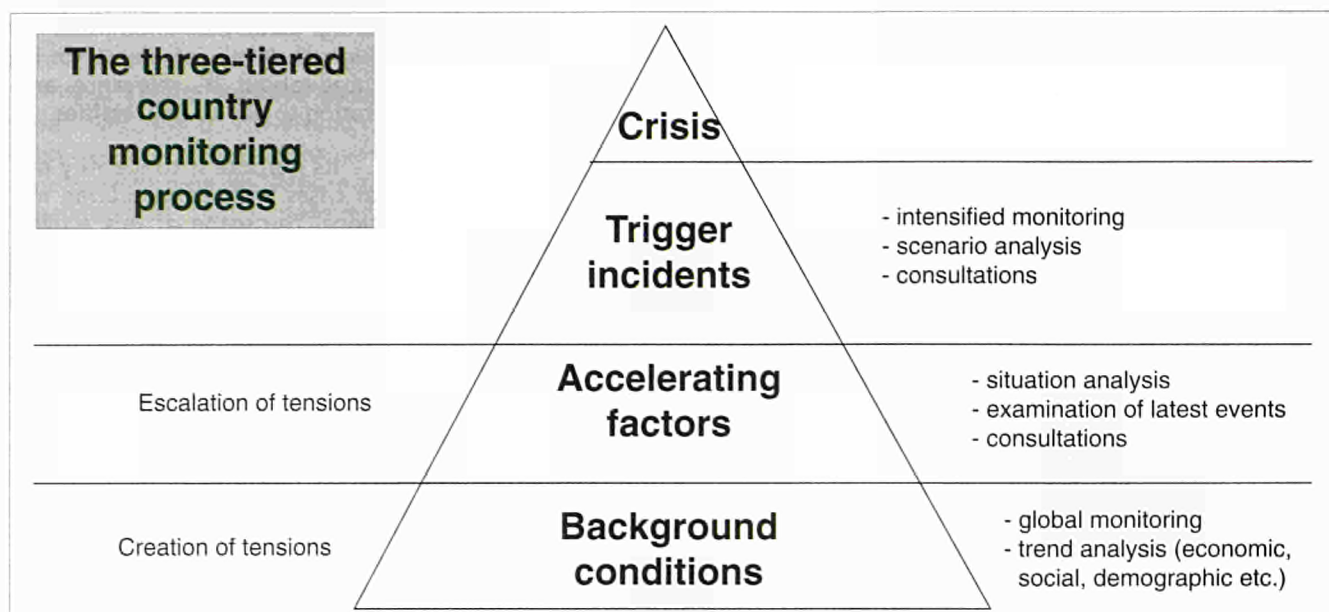
Collating information

The next step was to assemble huge amounts of information. Regular information from the field in trouble spots is, even today, not available for a variety of reasons. To fill the gap, HEWS initiated dialogue with the UN's Development Programme (UNDP) and Department of Peacekeeping Operations (DPKO), as well as with NGOs, to build a two-way relationship. HEWS was thus a 'consumer' of field reports as well being the provider of background information on present and developing situations.

HEWS developed an extensive base of country information. UN data is supplemented with information from outside bodies. Its sources include specialised UN agencies, the Bretton Woods Institutions, Member States, the academic community, NGOs and regional organisations.

¹The authors of the original article on which this text is based are Associate Humanitarian Affairs Officers with the UN Department of Humanitarian Affairs in New York. The views expressed are their own and are not necessarily shared by the United Nations.

²Wallenstein and Sollenberg, 1997.



Methodology

Factors aggravating a crisis are identifiable, measurable and can be monitored. A number of causes can lead to the development of a crisis. There can be background or 'root causes', 'accelerating' factors which escalate existing tensions, and circumstances which trigger incidents and ignite dormant tensions. HEWS endeavours to combine the analysis of existing vulnerabilities with the monitoring of events and assessment of trends. The aim is to alert the DHA of potential crises through a context-specific analysis of developing situations. The methodology is guided to a large extent by the constraints and possibilities that exist within the UN institutions.

Not all countries need to be monitored to the same degree since risks vary from one country to another. A procedure is required to distinguish between situations that are likely to deteriorate and those that are not. The HEWS system is three-tiered (see diagram). The necessity for 'tiering' is underscored by the fact that resources are limited and the technique can be used to allocate resources efficiently.

Short-listing

The first stage is to short-list countries where there is some known risk. Country data spanning the past 25 years is collated and examined, enabling the analysts to rank countries based on various criteria. The latter include: low and deteriorating levels of human development; economic decline that is worse

than the regional average; populations at risk from the state or from other demographic groups; big disparities among groups; and significant shifts in the level of external investment or assistance. When evaluated from a humanitarian perspective, local capacities to deal with or contain a crisis, must also be taken into account.

Accelerating factors

One layer up are the accelerating factors. These are the elements that could lead to an escalation of tensions, such as: a decline in the rule of law; deterioration of food security; arms inflows; and discrimination. New factors or variables in the existing ones are added, following periodic evaluation, with careful attention paid to news 'hot off the wires', or from the field offices of UN agencies and NGOs. Information gathered includes: the price of key commodity exports; the value of goods in the second-hand market; the price of basic food items; levels of livestock sales; or the number of months public-sector employers have not been paid. Use of these customised indicators allows for more effective monitoring and qualitative analysis to be included in the headquarters-based early warning system. Periodic inter-departmental consultations are held to give the analysis a broader, multi-disciplinary perspective.

Triggers

The upper layer deals with the trigger incidents. Some situations remain on the threshold of cri-

sis for a prolonged period, while others cross the boundary quickly. Some incidents which could trigger a crisis are: changes in leadership; declarations of a state of emergency; external actions/interventions; and events within the region or in neighbouring countries.

In conclusion, early warning is necessary, but it does not, in itself, prevent crises. When there is credible evidence of a looming problem, this must be followed up by prompt and effective action. HEWS information must feed into the consultation process that determines what action is needed to prevent crises. There may be disputes about the scope of preventive diplomacy, and the desirability and practicality of various preventive measures. There may be differences of assessment about policies and strategies to ward off undesirable events. But there is no disagreement on the importance of early warning. HEWS marks significant progress in the UN's early warning system, providing structured information flows and intelligent technical tools.

The system is in constant evolution, though it is only one rung of the ladder of the UN's comprehensive prevention strategy. But it is already going some way towards preventing humanitarian distress. As former UN Secretary General, *Dag Hammarskjöld*, put it: 'It is the constant struggle to close the gap between aspiration and performance that makes the difference between civilisation and chaos.' Ed. D.P.

Belgian aid policy on conflict and peace

Belgium has joined ranks with those partners in the international donor community who have initiated measures to improve the responsiveness and effectiveness of conflict prevention and peace-building. This article, supplied by the Belgian Department for Development Cooperation, offers a bilateral perspective of the issue.

When, in the early 1960s, the former UN Secretary General, *Dag Hammarskjöld*, introduced the notion of 'preventive diplomacy', it was primarily linked to the threat of nuclear escalation between the superpowers. Today, preventive diplomacy is no longer the privilege of professional diplomats and military personnel, nor is its terrain of action confined to the cutting edge of superpower confrontation. Since the end of the 1980s, the threat to security has become more diffuse, conflict scenarios have grown more complex and the arena of actors has become more crowded. The momentum for cooperative action created by the end of the Cold War has increased considerably, as the Commission on Global Governance noted in 1995: 'The collective power of people to shape the future is greater now than ever before, and the need to exercise it is more compelling'.

The need for action is indeed very compelling as became evident from the depressing list of post-Cold War, violent intra-state conflicts – principally in developing countries, and from their ever inflating number of casualties and refugees. In practice, the belief in the international community's capacity and willingness to act was eroded by poor performances in a number of bloody emergencies such as Rwanda, Somalia, Albania and Algeria – prompting *the Economist* to remark that, 'the victors of 1989 seem no more able to sort out the world than before.'

These dramatic events have stimulated debate on the need for and the potential of the international community to strengthen the prospects for internal peace and decrease the likelihood of violent conflict. Actors in the field of development cooperation have responded to these challenges by re-thinking

their role and adjusting aid instruments. The Belgian State Secretary for Development Cooperation is one of them. As a surgeon for *Médecins sans Frontières*, *Réginald Moreels* personally witnessed the destructive impact of violent conflicts in war-prone outposts of the globe. As head of the Belgian aid department, he has introduced reforms that should improve the capacity for conflict prevention and peacebuilding.

Two concerns underpin these reforms. First, there is the realisation that tensions and conflicts are inevitable in each process of socio-economic development. However, when these tensions escalate into violence, they become obstacles to sustainable development. Therefore, it should be a central component of development cooperation to strengthen the local capacity of a society to manage tensions and disputes without violence. This position was reinforced by the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) which recommended that development cooperation should strive for an environment of 'structural stability as a basis for sustainable development'. Such an environment is 'one in which there are dynamic and representative social and political structures capable of managing change'. 'This', the DAC explains, 'is one of the primary foundations on which to build social peace, respect for human rights and human rights obligations, equitable access to development resources, and sustainable development.'

Another important concern and orientation of development cooperation should be to tackle root causes of violent conflict. This requires coherent, comprehensive, and integrated approaches and thus the 'close cooperation of all policy instruments – diplomacy, military, trade and development cooperation

– based on their respective comparative advantages'. Obtaining policy coherence at national level is difficult. Take as an example, national policies towards arms sales and how these might undermine human rights or security policies. Policy coherence among states will be even more difficult to achieve. In this context, the need for improved coordination among relevant actors should be mentioned, as well as the need for a careful assessment of potentially destabilising content or form of development programmes in unstable regions.

One of the preconditions for appropriate action in the field of conflict prevention and peace-building will be to improve the capacity to analyse complex conflict dynamics and the options for peace-building. The sources of conflict are many and often relate to a combination of issues such as problems of managing transition and rapid change, widening socio-economic disparities, the exploitation of ethnic, cultural or religious differences, access to resources or a history of violent conflict. Conflict cycles rarely follow a set course from peace, through conflict, to resolution. The dynamics of conflict are complex and require new ways of responsiveness and of cooperation with other actors. Relevant lessons learned in this relatively new area of development work will have to be incorporated into new development practices and mechanisms.

A number of comprehensive reviews have been undertaken, notably in Afghanistan, and on the multi-donor emergency assistance to Rwanda. Lessons learned from these and other experiences, evaluations and reviews will have to inform the debate on how to improve aid responses and mechanisms in unstable environments.

Belgian aid and peace building

In order to improve capacity for conflict prevention and peace-building, the Belgian State Secretary for Development Cooperation has taken a number of measures. First, the Belgian aid administration has been expanded with a focal point on peace and conflict. This desk within the policy unit of the Belgian Administration for Development Cooperation coordinates the Belgian aid efforts to increase the capacity for responding to conflict and to build peace. It explores the possibilities for closer cooperation with donor agen-

cies and other actors that are active in the field of conflict and peace. In the end, peace cannot be imposed from above, nor can it be imported. Therefore, external actors should build on local leadership, institutions and societal forces that can help manage change without resort to violence. The role of women in conflict requires particular attention, not only because of their differing vulnerability than men, but also because of their specific capacities for conflict resolution and their different coping strategies.

The Coordination Unit on Peace and Conflict also coordinates a number of projects and programmes which are supported under a new budget, the Belgian Fund on Peace and Conflict. The unit also seeks to develop a coherent strategy with other Belgian development programmes that are being supported in situations of fragile transition, or in unstable areas. A first conflict impact assessment was carried out in Rwanda on a planned programme for rehabilitation of returning refugees.

The need for such initiatives was highlighted by the multi-donor evaluation of the Rwanda emergency relief efforts. In a more systematic way, relevant lessons on strengthening structural stability will be incorporated in Belgian aid mechanisms and policies. The unit will also interact with other donors and seek coherence with other policy levels on specific areas of intervention in target regions. Attention will focus, amongst other areas, on demining, the proliferation of small arms, and the particular challenges posed by the acute crises in the Great Lakes region. Regional efforts for building peace and for setting up conflict management or mediation get special attention.

A special fund has been created with the purpose of fast-tracking interventions in key conflict zones or for support towards peace-building. Last year, approximately \$3 million were allocated to multilateral agencies in this way in Angola, the Great Lakes Region and the Philippines, for projects ranging from demobilisation and demining to human rights monitoring and conflict mediation. Planning is not always optimal in complex transitional situations and, therefore, such a flexible fund is necessary because of the limited degree of preparedness by the international community. In the longer term, the capacity and mandates of a number of inter-

national organisations will have to be upgraded so as to increase impact and efficiency in the area of peace-building or conflict prevention.

In order to increase the local capacity or potential for conflict mediation and peace-building, a further \$8m was allocated to a number of smaller projects. Some of these projects seek to build or strengthen institutions for managing conflict over a longer period, but fall outside the normal budget facilities. Others are more immediate and short-term interventions. Both require adapted administrative mechanisms from donors. These interventions are situated in the areas of: demining, support to electoral processes, capacity-building in fields such as conflict management, civil diplomacy and support to independent quality journalism. Ongoing projects in the area of human rights, democracy, good governance, reconciliation, and reform of judicial and police systems are funded under the normal budget lines. For 1998, another \$5.5m has been budgeted for multilateral projects on conflict and peace, and a further \$8.5m, mainly for non-governmental actors.

Since the Belgian development administration will be incorporated into the Department of Foreign Affairs, new opportunities arise for increased coherence between other aspects of Belgian foreign policy.

Structural stability and the EU

At the European Union level, basically, three important developments are taking place. First, there is the Common Position and Council Conclusions on Conflict Prevention and Resolution in Africa (CPRA, June 1997). Therein, the concept of structural stability and the links with democracy, respect for human rights, viable political structures, and healthy social and environmental conditions, were reconfirmed. The 1997, CPRA furthermore states that conflict prevention at an early stage should not only be a prime concern of European development relations, but the cohesion with other policy levels such as diplomacy, socio-economic relations and even the military, should be strengthened.

The EU has an opportunity to translate these principles and goals into its primary instrument for development cooperation, namely the Lomé Convention. The negotia-

tions on the new Lomé arrangement have resulted in a Green Paper which recognises, for instance, that liberalisation and globalisation have impacted negatively on social cohesion and that 'new fault lines' have opened up. In this regard, the relationship between poverty alleviation and conflict requires particular attention. Trade and adjustment policies can cause sudden economic hardship and increase social and economic exclusion and may push conflict lines into the realm of the unmanageable.

A third European initiative relates to the unlawful trafficking of weapons. The EU Programme for Preventing and Combating Illicit Trafficking in Conventional Arms (1997) widens the scope of EU policy with respect to promoting structural stability. This Council Resolution recognises the devastating impact of the availability of small arms in conflict areas. It further calls on the EU and its Member States to increase efforts to control such arms transfers. The Belgian government has taken a lead in supporting the successful anti-mine campaign. At the same time, a substantial programme on demining is being supported. The Belgian State Secretary for Development Cooperation is preparing an international conference on 'sustainable disarmament for sustainable development', which is to take place in Brussels in October 1998. This conference will involve wide participation of governmental and non-governmental actors from both North and South and seeks to build momentum for reducing the proliferation of small arms, especially in fragile conflict areas.

Note of caution

Every radically new development paradigm carries the seeds of disillusionment in its slipstream. Rather than charting a radically new course of action – with the inherent high hopes and the inevitable expectations of 'quick fixes' – development cooperation should put peace-building on its own and on other agendas as *part of the job* and as *work in progress*. ■

Reporting diversity

Journalism and the challenge of ethnic conflict

by Bettina Peters*

'The real culprits in this long list of executions, assassinations, drownings, burnings, massacres and atrocities furnished by our report are not, we repeat, the Balkan peoples... The true culprits are those who mislead public opinion and take advantage of the people's ignorance to raise disquieting rumours and sound the alarm bell, inciting their country...'

This conclusion of an inquiry into the Balkan conflict 70 years ago was echoed by UN envoy Tadeusz Mazowiecki in his report in 1995 on the role of the media in the origins of the recent Balkan war. Similar statements have been made about the role of *Radio Mille Collines* in the Rwandan genocide. They are a chilling reminder that a combination of ruthless political leadership and a passive community of journalists makes it all too easy for media organs to become instruments of propaganda and conflict.

It is not unusual in conflicts to find mass media recruited to support political objectives, often at the expense of professional credibility. Indeed, this holds true for almost all wars. But as peoples of one country turn against each other in ethnic conflict, journalists find themselves facing the grotesque choice of respecting their professional commitment to truth-seeking or risk being branded a traitor. In conflict situations there is always the danger that the media are conscripted by undemocratic politicians to inspire, provoke and underwrite national fears and hatreds. Journalists who lend themselves to this process abandon their professional status and become propagandists.

Ethnic conflict and strife are not a new phenomenon but in recent years we have seen an ever increasing fragmentation of human society. As *Harold Isaacs* put it in his book *'Idols of the Tribe'*:

'We are experiencing (...) an ingathering of people in numberless

grouping of kinds - tribal, racial, linguistic, religious, national. It is a great clustering into separateness that will, it is thought, improve, assure, or extend each group's power or place, or keep it safe or safer from the power, threat, or hostility of others'.

But this wilful exclusion of one community from another is a dangerous step along the road to conflict. Even before the media become weapons of war, journalists are often pressured to promote the process of fragmentation, and if they do not comply, they face censorship.

Hate speech: the limit to free expression

'We must define the limits of tolerance and to do this we must first know what is intolerable (Umberto Eco).

The Universal Declaration on Human Rights grants the right to freedom of expression but the United Nations has also aimed to define what is intolerable and has outlawed the dissemination of ideas based on racial superiority or hatred. The International Convention on the Elimination of All Forms of Racial Discrimination states in Article 4:

States Parties condemn all propaganda and all organisations which are based on ideas or theories of superiority of one race or group or persons of one colour or ethnic origin, or which attempt to justify or promote racial hatred and discrimination in any form, and undertake to adopt immediate and positive measures designed to eradicate all incitement to, or acts of, such discrimination....

(States) declare an offence punishable by law all dissemination of ideas based on racial superiority or hatred, incitement to racial discrimination, as well as all acts of violence or incitement to such acts against any race or group of persons of another colour or ethnic origin, and also the provision of any assistance to racist activities, including the financing thereof.'

Although a large number of states have ratified the Convention it is clear that governments and political groups in many countries disregard it. And while incitement to racial hatred and war is a criminal offence in many countries, the dilemma facing most journalists is based on ethical not legal considerations.

Codes of ethics normally place three duties upon journalists - to seek after truth, to be independent and to minimise harm. The issue of hate-speech forces journalists to balance the first of these duties against the third. Journalists must always seek the truth, but it is a finely-judged decision about whether to pursue that objective if the consequences may be unduly harmful. To confront the hate-speech dilemma with confidence, journalists need to be as free as possible from pressure to follow a particular line. The line journalists should follow is that dictated by their own conscience.

In African media, journalists often have to pay a high price for following their own conscience. As a Kenyan journalist put it: 'As much as you want to keep your freedom, there is a limit beyond which you cannot go'. This limit is defined by pressure and harassment that journalists face who report truths that those in power do not want to hear.

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Ethnic tensions and the challenge to journalism

Ethnicity or diversity reporting, understood as covering different and sometimes strongly antagonistic communities, poses a daily challenge to journalists. Will reports on ethnic violence incite more violence? How does one avoid being misused for political objectives in an environment where most sources are biased? How can we report accurately and fairly on different communities and the tensions between them? In some countries the reality of ethnic conflict is being denied as if silence could mask a problem or heal it. Editors, journalists and publishers have been condemned for reporting on ethnic tensions and accused by doing so of fanning the flames of tribal or communitarian conflict.

The issue is often linked to that of political transition to multi-party democracy. 'We have said in the past that when a multi-party system is introduced, it will create tribalism, divisions, and hatred...' declared *President Arap Moi* in September 1993. 'This has now taken place'. This reasoning shows that pluralism is defined by some governments as divisive. It is also often used as an excuse for banning the publications of certain groups.

At the same time there is evidence that some governments in Africa have deliberately promoted ethnic tensions for their own survival. Some papers, a journalist from Tanzania has argued, have been created specifically to foster the interests of a particular ethnic group against other groups in society.

African journalists must portray the diverse reality of the society they live in without creating division and sectarianism. At the same time, they have to avoid the pitfalls of 'developmental journalism' and 'nation-building jour-

nalism' which have been used to get journalists to refrain from critical reporting in the interests of the county as a whole. As a result, the media have often just toed the line and forgot their role as watchdog of public and private institutions.

The challenge of reporting diversity is not just an African one; journalists around the globe face it. An interesting example of the difference a journalist's perspective makes to a story comes from the coverage of the Rwanda conflict in the Kenyan media. Accord-

local context, to all the reports from western agencies. The papers were able to bring angles to their stories that were of much interest to local readers, angles which western writers could never conceive.' It is worth asking the question – if Western agencies had used African instead of European or American reporters, might their reporting not have been more incisive, more contextual?

Seek the truth and minimise harm

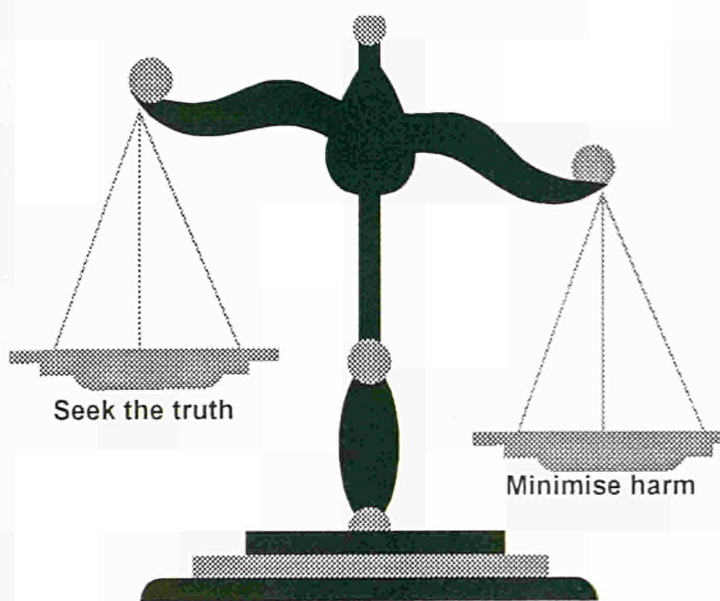
'The journalist shall be aware of the danger of discrimination being furthered by the media and shall do the utmost to avoid facilitating such discrimination based on, among other things, race, sex, sexual orientation, language, religion, political or other opinions, and national or social origins'

(Paragraph 7 of the IFJ Declaration of Principles on the Conduct of Journalists)

It should be said from the outset that ethical codes will not solve all the problems of media intolerance,

but they may help journalists focus on their own responsibility and help them resolve dilemmas. By setting out the ideals and beliefs which underpin independent journalism, they encourage journalists to do what is essential in all areas of their work – to act according to their conscience.

Codes of ethics begin with sweeping generalities but tend finally to require specific attention to local context and particular facts. That is how, in the end, ethical dilemmas are resolved. In matters of tolerance, journalists must place the broad sweep of aspirations and values set out in ethical codes firmly in the context of their day-to-day work. They must constantly remind themselves that regulating ethics is the collective business of journalists, not principally of the corporations which



How to find the right balance when two journalistic duties appear to conflict.

ing to *Macharia Gaiho* of the *Economic Review* in Nairobi, although Rwanda borders Kenya, until very late in the conflict, the only coverage available to Kenyans came from reports from the Western news agencies. Through their correspondents (overwhelmingly American or European), Kenyan readers were getting a western perspective on the Rwanda crisis.

The agencies who did have Kenyan staff were not sending them to Rwanda to cover the story, unless it was to act as assistants in camera crews. Only three months into the conflict did the Kenyan newspapers send their own people to Rwanda.

'I don't think I am being jingoistic,' *Macharia Gaiho* stressed, 'when I say that the reports coming out of those brief visits were far superior, at least in the

commission and carry their work, and especially not of governments.

Governments have a legitimate role in regulating media structures to try to ensure the diversity necessary for freedom of expression to flourish and for local culture to flower. But journalists' ethics are a *content* issue, and governments have no proper role in media content.

Ethics, then, require active support. Journalists have to act ethically, not merely memorise and parrot ethical codes. The standards or rules of such codes are useful and they work most of the time. But sometimes genuine conflicts arise between values, and ethical decision-making is required.

This difficult skill is like all the other skills of journalism: it takes training, time and effort to become good at them. Individual journalists, employers, local journalists' associations and international organisations of media professionals have a specific responsibility to encourage good practice.

The ethical dilemmas facing journalists referred to earlier in this article – the conflict between the need to seek the truth and to minimise harm – cannot be satisfactorily addressed unless journalists' unions, publishers, broadcasters and industry regulators do much more to raise awareness among journalists of the potential impact of their work.

There are many different models, but all ethical codes and codes of practice focus on the fundamental aims of the journalistic mission. They can be used like a checklist, even when journalists are working close to a deadline. They direct thinking and permit conscious decision-making which can be explained later if and when controversy arises about decisions.

One model, by *Joann Byrd*, Washington Post Ombudsman, suggests the media must ask some simple, yet essential, questions before going public:fl

- Have we done good reporting?
- What do we know, and how do we know it?

– Who are the sources, and what is their stake in it?

– Have we verified the information?

– Is it reasonable to conclude the truth based on what we know, or do we still know nothing more than some facts?

– Will the story have impact? If so, what kind?

The final question in this list is particularly helpful in dealing with issues of ethnic conflict by helping to clarify the harm which might be caused, and which must be weighed against the benefits of publication.

Towards an accurate portrayal of all groups in society

Media are often criticised for being only a bad news industry. Minority groups especially, rightly complain about media stereotypes: that racial, religious or cultural minorities are too often reported either as a 'problem' or as helpless 'victims' of unexplained hostility. If the media are to meet the challenge of diversity reporting and achieve a fair and accurate portrayal of different groups in society, professional and quality journalism is the key. And the basic tools of journalism may help to improve coverage in this area:

Sources – the key to quality journalism

Journalism is only ever as good as the sources which reporters and writers use to gather their material. In many areas, the sources of information are extensive, but there is always room for improvement. Often, there is criticism that journalists rely too much on 'official' sources – police or political authorities and their press office services – without subjecting their statements to enough scrutiny. It is also the case that often, the reporter's contacts book does not extend very far into the network of organisations and expertise which exists within any minority community.

Journalists should have at hand a wide-range of expert sources who can strengthen and validate the process of reporting so that all stories, even the most negative in content, can be placed

in their proper context. Doing this will bring journalism closer to all sections of the community.

Digging deep – the case for more investigation

The issue of more background information and more reflection in reportage generally is a primary concern for all in the media. Cuts in newsroom budgets generally have seen a decline in the resources available for investigative journalism.

The tendency to rely more on agency copy and less on local investigation and follow-up means that quality can suffer. It is certainly the case that reporting of social conflict involving ethnic and religious minorities requires time to be set aside to ensure that the story can be covered properly.

Newsrooms should ensure that journalists have the time to verify, to study and to be inclusive. This may mean that more resources should be made available for coverage of such stories.

Inevitably, the complexities of social relations in diverse communities need more time and effort on the part of news gatherers.

Dialogue – journalism in conversation with society

One of the tragedies of the lack of confidence that exists within many communities is that some people never expect the media to perform other than in a negative, unreliable and insensitive manner. There is very little feedback. This reinforces the notion that the problem 'doesn't exist'. For their part, journalists and news gatherers need to review their own performance and analyse how issues are taken up. A regular process of internal review will also strengthen coverage and confront difficulties in newsroom practice. ■ B.P.

The creation of ethnic division in Rwanda

by Pamphile Sebahara*

Ethnic conflicts continue to ravage Central Africa, taking an ever-greater toll of human life. Prevention programmes need to establish mechanisms for anticipating future conflicts and to manage those already in progress as effectively as possible, with a view to restoring peace. Understanding the stakes and the process leading to the outbreak of conflict is fundamental, since it enables us to learn from the past and break the cycle of violence. Every case is different, and therefore much needs to be done to develop methodological approaches capable of guiding researchers and practitioners as they seek to identify the factors which lead to violence. This article suggests a sociological approach to ethnicity, taking as its basis the creation of ethnic divisions in Rwanda.

The genocide of the Tutsis and the massacres which claimed almost a million lives in Rwanda between April and July 1994 are the result of a variety of interdependent factors. Reading the literature on the subject, we are left with one basic question: how can we comprehend the mass slaughter of men, women and children, primarily as a result of their belonging to a particular ethnic group? Observers believe that the genocide and its consequences, which still reverberate today, are to be understood in the context of the ethnic conflict (between Hutu, and Tutsi) which has been a feature of Rwanda's history since the late 1950s. Hence the idea that the ethnic divide between Rwandan Hutu, Tutsi and Twa is the result of an historical process in the course of which these peoples have come to internalise their ethnic background. I shall be looking at the way in which an ethnic vision has become an issue for the Rwandans, the way in which ethnicity has become a dividing factor – not necessarily a source of conflict – in their social life. This approach shows that there is nothing inevitable or coincidental about ethnic division. On the contrary, it results from the strategic moves of protagonists acting in the context of a given space and time. The aim is not to determine which of the protagonists is responsible, but to give an account of the facts with a view to guiding future action.

From social to ethnic categories

The history of pre-colonial Rwanda, passed down through oral tradition, gives no clear indication as to when the country was first populated. The lack of consensus in interpreting certain information about Rwanda owes much to the high political stakes that are involved (Uvin 1997: 5; Guichaoua 1995: 20). This is one factor underpinning the creation of ethnic division. Certain facts, however, have been established.

Before colonisation, towards the end of the 19th century, most of what is now Rwanda was a monarchy ruled by a king of the Nyiginya dynasty. Social stratification was based on socio-economic criteria; in other words, on the type of work favoured by the members of the group. Thus the Hutus tended to be farmers, the Tutsis were stockbreeders and the Twa were hunters or potters. But given the complex ancestral history, these were by no means exclusive categories. The Tutsis were not necessarily dominant, nor the

Hutus their subjects. At any rate, 'though pre-colonial Rwandan society was intensely stratified, it was not completely "determined" by hard and fast statutory identifications' (Willame 1995: 32). Ethnic groups were not created out of thin air, however. There were morphotypical and socio-economic differences between the members of the different groups (but then are not all individuals different?!). The main thing is to see how these differences are socially influenced and the meaning which people ascribe to them. More specifically, it would seem that the earliest explorers misinterpreted the stratification they saw on the ground in terms of ethnicity. Based on their own definition of this concept, their actions reinforced the existing divisions. Indeed, it was the colonisers who first used the term 'ethnie' (ethnic group) to refer to the Hutus, Tutsis and Twas at the beginning of this century. Etymologically, this term derives from the Greek 'ethnos', meaning people or nation. It entered the French language in 1896. Its standard definition postulates: 'a language, an area, customs, values, a name, a shared lineage and an awareness on the part of its members that they belong to the same group' (Amselle & M'Bokolo 1985: 18). According to this definition, then, the ethnic group is a fixed entity. Conceiving of the Hutus, Tutsis and Twas in this way as ethnic groups – that is to say as different peoples – the colonial powers shaped their policies accordingly. In time, this led individuals to believe that there were real differences between them. If people believe something to be real, then the consequences of that belief are real enough! How can we explain this process?

Colonisation brought with it more uniform social relations and 'a precisely defined hierarchy from coloniser to Tutsi to Hutu to Twa, each successive rung enjoying privileges denied to those of the level below' (Uvin 1997: 7). Inspired by reports from explorers and missionaries describing the Tutsis as 'the most intelligent', the colonial rulers gave Tutsis priority when granting these privileges (education or administrative jobs, for example). They also established a system of strict ethnic classification, backed up by compulsory identity cards specifying the holder's ethnic group. These cards stating ethnic origin had still not been abolished by the post-colonial powers as late as 1994: they were to play an important part in identifying victims of the genocide. History books written at the time confirm 'scientifically' the dissimilarity of the three ethnic groups. There is no doubt that these text books, used in every school, were fundamental to the inculcation of 'ethnic consciousness'. Thus, by the time of decolonisation, at least 50 years of myths, and practices pertaining to these myths, had created an atmosphere of division and an ideology which were to form the basis for instability in the post-colonial era.

A cycle of ethnic violence

At the end of the 1950s, there came a sudden change. In the trend towards decolonisation, the trustee powers decided to give up their support of the Tutsi monarchy in order to indulge the demands of a few Hutu elite who were calling for the rulers to be overthrown. It all began in March 1957 with publication of the 'Bahutu Manifesto', highlighting what it called 'the social aspect of the racial problem' and demanding 'reforms in favour of the Muhutu population subjected to the "Hamite monopoly on other races which had inhabited the country earlier and in greater numbers"' (Willame 1995: 46). Its ideas on the ethnicisation of social relations were spread abroad to Europeans through the local press. Outbreaks of ethnic violence followed in several parts of the country. In 1958-59, there

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were pogroms in a number of provinces. Hundreds of Tutsis were killed, and larger numbers went into exile. General elections in 1960-61 resulted in victory for the PARMEHUTU (Hutu Emancipation Party), followed by replacement of the monarchy with a presidential system. Between 1961 and 1967, the Tutsi refugees would try to return by military force, launching small-scale guerilla attacks from Burundi and Uganda. These attacks were easily repelled, but they led to the mass slaughter of innocent Tutsi residents. In total, 300,000 Tutsis were massacred, and more than 100,000 left the country' (Uvin 1997: 7). The advent of the first Republic, which lasted from 1962-73, did not put an end to the bloodshed – quite the opposite, in fact. This Republic kept up the discriminatory policies begun under Belgian colonisation, for it was based on the ideology of (ethnic) 'social revolution', which maintained that Rwanda belonged to the Hutus, its 'rightful' inhabitants (since they had arrived in the country first) as opposed to the Tutsis, who were 'foreigners' (since they had arrived later). The government eliminated practically all the former Tutsi politicians, but also politicians of the Hutu opposition who did not join the PARMEHUTU. By 1965, it had become, *de facto and de jure*, the only authorised party. Ethnic violence would erupt again in 1972-73. Tutsis were driven out of the schools and from public office (Vidal 1991: 38-39). Some were killed, but many more went into exile. The Habyarimana government (1973-94) pursued a policy of discrimination against the Tutsis. They were all but excluded from the army, the diplomatic service and Parliament. A system of ethnic quotas was set up with the aim of limiting their access to secondary and higher education as well as to the public sector. No amendment was made to the identity card system. The refugees of the 1960s and 1970s were categorically refused re-entry under the Habyarimana regime on the pretext that there was no room left in Rwanda. The Second Republic justified itself on the grounds of its defence of the 'achievements of the revolution' of 1959 and of the developmentalist ideology, enabling it to conceal unresolved socio-political problems behind the lure of modernisation (construction of public infrastructures and roads).

Here we touch on 'the paradox of Rwandan society' (Chrétien 1995: 85) which lies in the existence of keenly felt ethnic splits in spite of remarkable cultural unity. Trying to understand what led a country considered, at the time, as a model of development in Africa to self-destruct in less than three months, every observer wonders at this contradiction. In fact, the Rwandan system has operated on two different levels and with two different languages. On the one hand, it has institutionalised discrimination through ethnic and regional quotas, and on the other, it has engaged in a developmentalist discourse emphasising peace and unity: a duality to which the state symbols bear witness. The single party, called the National Revolutionary Movement for Development (MRND), had as its motto 'peace, unity and development'; while the Parliament's title was the 'National Development Council' (CND).

By 1990, the Habyarimana regime had been weakened by a number of factors (economic and financial crisis, attacks by the Rwandan Patriotic Front and demands for democracy from an elite no longer prepared to tolerate the widespread corruption and growing regionalism...). To revitalise its flagging popularity, it placed fresh emphasis on the question of ethnicity. I shall not enlarge upon the various events of the 1990-94 period. Suffice it to say that ethnic violence took centre stage during this time. Almost ten thousand Tutsis were imprisoned without charge in October 1990 – they would be freed again a few months later as a result of pressure from the international community. Speeches calling for the Tutsis to be murdered along with those opposed to the ethnist policies were broadcast in the media, and these killings were actually carried out in some villages. While 'ethnism' cannot account for the sheer scale of the 1994 genocide, the various factors described indicate that

the time was certainly ripe for the eruption of ethnic violence. In 1994, 'ethnic difference was considered to be an accepted fact in Rwanda, both at the level of official policy and of personal feeling' (Uvin 1997: 5). Nevertheless, in everyday life, people still spoke to one another and mixed marriages existed. In short, it would seem that the role of the state was fundamental in the construction of ethnic division. The culture of impunity, which it had encouraged since independence, served only to reinforce the feeling of fear and suspicion between Rwandans. How can this vicious circle of violence be broken?

Demystifying ethnic groups

The answer lies with all the protagonists involved in this issue. One path would be to demystify the concept of ethnic groups, to make the debate on ethnic questions and the prejudices underpinning them less loaded. For could it not be said, after all, that ethnic identity is just one of the many identities (professional, national, etc.) which every individual has? We need to focus on the important questions, such as the efficient running of the country. If every citizen had the same rights and duties, then ethnic or regional problems would not arise, either in Rwanda or elsewhere. However, society cannot be changed by decree. From now on we must look after the present, learning from the past in order to prepare for the future. A long process, which requires a great deal of effort and goodwill.

Learning the lessons

In terms of conflict prevention, three lessons can be drawn from the preceding analysis. First, the factors leading to violence are set up in the course of what may be a very long process. Consequently, historical and sociological research enabling us to anticipate these is necessary, but we also need to use this information as wisely as possible (which did not happen in the Rwandan crisis). Second, when it comes to the management of conflict, we must recognise the key role of the state as regulator of society at the national level. Preventive strategies *must* take this into account. Finally, conflicts already in existence can only be resolved if all the parties involved (the state, organisations and individuals) work together according to a constructive rationale, that is to say, one which can recognise the mistakes of the past – deliberate or otherwise – in order to start afresh. These are the challenges facing us at the dawn of the new Millennium. ■ P.S.

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The private sector

A new training opportunity for fortune-seekers!

by Dennis Kennedy*

What more can be done to promote faster economic growth in ACP countries? That was one question asked in last year's Commission Green Paper on EU-ACP relations. The answer was, in part, to give more help to the private sector, and in particular to build up its capacity to manage business, to train its employees and to develop and market its products more efficiently.

As the vast majority of businesses in ACP countries, and in many other areas of the developing world, are micro, small or medium, that means more help for SMEs in the field of training for entrepreneurship.

One small network of five European Universities is already embarked on its own modest contribution, under the somewhat immodest title of FORTUNE, a label based on the full (French) name of the project, 'Formation Techno-économique avec Universités Européennes', which is financed by DG VIII of the European Commission under the EC budget (budget line no. B7 6100).

There has been a rapid growth in Europe of business-teaching at university level. Many European cities now boast at least one specialist technical or business university, and the more traditional universities have been active, adding new business schools and depart-

ments, and creating degree courses in all aspects of business management.

Because the importance of the SME sector in Europe has also been increasingly recognised, there has been a demand for universities to adapt their teaching to cater for men and women already engaged in small or medium-sized businesses, and to provide short courses in addition to full-length degree modules. The result has been that universities across Europe have developed extensive expertise in the teaching of business to practising businessmen, and in the creation of modules for teaching many specialist aspects of business know-how.

Potential recognised

The potential for using these resources in the transfer of know-how to developing countries was recognised by *Carlos Otero Hidalgo*, a professor at Madrid's Polytechnic University (l'Universidad Politécnica de Madrid), who was already working with DG VIII on other projects. The outcome was the creation, in 1994, of the FORTUNE network, bringing together the Luigi Bocconi University of Milan, the Paris University XII-Val de Marne, and the Centro de Investigação at the Instituto Superior de Contabilidade e Administração of Lisbon. At a later stage, the Queen's University of Belfast

joined the network to provide an English-speaking dimension, and the University of Parma also became associated with the project.

The objective of the network was to produce a series of teaching modules designed for use in developing countries in the training of people engaged in, or preparing for, the world of small business, and to make these available in four languages – Spanish, Portuguese, French and English. The subjects selected for the first year were Management of Human Resources, Personal Efficiency, Marketing, Production Management and Financial Management.

Teaching modules for these and related subjects already exist, and are often widely available in the developing world. But almost without exception they are modules produced in Europe, for use in Europe, under European conditions. The intention of FORTUNE was to devise modules specifically for use in developing countries. This meant they would have to take account of the different circumstances of potential students, and of likely teachers or trainers. They would have to be totally self-contained so that a teacher or trainer without access to additional help could, within a short period of time, make effective use of them. They would also have to be flexible enough to allow them to be

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used for a wide range of students and courses – perhaps three day sessions for people of low educational attainment on release from employment, or much more substantial courses at or near college level, and suitable for use in the training of trainers.

Consultation – an essential element

The formidable challenge in meeting these requirements was rapidly brought home to the FORTUNE partners. They realised they also needed to try to take some account in their modules of the different post-colonial traditions of accountancy or management. It soon became obvious that an essential element in their work would have to be consultation, *in situ*, with potential users of the modules. So each FORTUNE partner was required to identify a partner institution in a developing country, which they could visit, and with whom they could discuss in some detail the content, potential users and general approach relevant in that country.

This experience proved both chastening and valuable. It highlighted the problem of creating one module for use in many countries with varying historical backgrounds and business cultures. The best answer, it seemed to the network partners, was to ensure that each module took full account of conditions in at least one actual developing world situation. Given sufficient flexibility, it would then be easier to adapt that material to another developing world context, than it would be to work from a European model.

The routine work of translating all of the modules into the four languages is done by the network partners, and has proved a substantial undertaking. However, the availability of all modules in English, French, Spanish and Portuguese means they can be used not just throughout the ACP world, for which they were originally intended, but almost everywhere else, particularly in Latin America.

Training of trainers – a key aim

Under their first project, the FORTUNE partners have produced,

FORTUNE modules

Human Resource Management

Personal Efficiency

Production Management

Financial Management

Marketing

Management in Tourism

Management in Service Sector

Introduction to the Economy

Agricultural Business Management

Tools of Financial Management

Public Sector Management

International Management

Control and Auditing of SMEs

International Business

Franchising

Total Quality

Business and Management of Environment and Energy

Investment

Management Control

Public Sector Management and Privatisation

Management of Training in an SME

Business Simulation Game

The European Union - its Institutions and Mechanisms

Creating a Small Business

Management of Social Sector Business

Basic Tools for Statistical Analysis

the modules produced, and in particular to the 'training of trainers' as an important element in ensuring that know-how is indeed transferred, and that the multiplier effect is maximised.

A second phase of FORTUNE, now underway, concentrates on mounting two pilot exercises next year, one in Côte d'Ivoire and the other in Mozambique. FORTUNE modules will be used here in actual training programmes. The FORTUNE 'doctors' will have to administer their own medicine. The 'patients', or students, will be trainers rather than trainees. It is planned to combine FORTUNE modules to form two training packages – one on the 'Management and Development of SMEs', the other on 'Setting up and Managing a Small Business'.

The intention is to enroll a group of 12 trainers on each course, and to spread the exercise over one semester, with eight weeks training being given in blocks of two weeks each. Those participating will be chosen by the host university, and will be eligible for a recognised qualification on completion. On the basis of this experience, the network will plan its future activities.

In their preparation of modules, the FORTUNE members had help from the following partner institutions – The Zimbabwe Institute of Management (Harare, Zimbabwe); Instituto Superior Politecnico (Maputo, Mozambique); The University of Abidjan (Abidjan, Côte d'Ivoire); Institut Superior de Gestion (Dakar, Senegal); Ecole Supérieure de Comptabilité (Cape Verde); C.E.N.F.A. (Bissau, Guinea Bissau); Ministry of Works and Employment (Cotonou, Benin); Evelyn Hone College (Lusaka, Zambia); the Equinocial University of Technology (Quito, Ecuador). ■

D.K.

or are producing, a wide series of modules (see box). While changing circumstances and the evolution of business methods and technology would suggest there will always be scope for producing new modules, it is both desirable and probable that institutions and colleges in developing countries will themselves take on that function. The FORTUNE partners have therefore turned their attention more to the effective use of

The train for Ulan Ude is now departing...

As a change from our regular features, we step outside the ACP world. In this article, a Courier writer offers a short personal account of a trip he made last year on the Trans-Siberian Railway.

The sun has not yet risen as 'train number one' from Moscow to Vladivostok eases gently into the station at Irkutsk in the Russian province of Eastern Siberia. It is early September, but already there is a wintry chill in the air. Embarking passengers cluster round the doors where uniformed attendants carefully check tickets and identification documents.

The free market may have come to the world's biggest country, but old habits die hard. In every hotel, one's passport and visa are solemnly inspected and stamped. And even the simple act of buying a domestic railway ticket in Russia requires you to produce your papers. Not that purchasing train tickets is actually that simple, though you can't blame the locals entirely for this. In Siberia, few people speak English or French and I just about managed to master the Russian for 'please', 'thank-you' and 'excuse-me' during my stay (fortunately, my companion had the basic Russian needed for such transactions). What is surprising is that you don't seem to be able to buy a return train ticket. The lady in the station office was quite insistent on this. So there we were, setting off for Ulan Ude – not far short of the Mongolian border – with no clear idea of how we would get back. Such are the joys of independent travelling.

In trans-Siberian terms, Irkutsk to Ulan Ude is just a short hop (a mere eight hours averaging about 60 kilometres an hour). The entire journey from the Russian capital to the country's eastern seaboard, eight time zones away, takes three and a half days! But the section we chose is undoubtedly the most spectacular, taking us round the shores of Lake Baikal. This is the world's largest body of fresh water in volume, though not in surface

area. We feel like pioneers. In communist days, Ulan Ude, the capital of the autonomous republic of Buryatia, was a 'closed city' and foreigners could not alight there. Even now, it is not exactly a hotbed of tourism. The city's most striking feature is the monumental bust of Lenin which dominates the main square.

The railway is not as I expected. The very name 'Siberia' conjures up images of vast, empty tundra and I assumed the line would be a ribbon of single track snaking its way through largely unpopulated territory: perhaps one train a day maintaining a tenuous link with the cities west of the Urals. In fact, this part of Southern Siberia is green and pleasant and the mountains are reminiscent of Switzerland. The railway itself, which is double-tracked, is a great feat of late nineteenth century engineering. The traffic is heavy and is mainly freight – trains pulled by massive locomotives with up to a hundred cars which take several minutes to pass as they tackle the steep gradients. This is a region with huge natural resources and the Trans-Siberian is still the key to their exploitation. Looking into the distance, you can see lots of empty territory but human settlements are to be found all along the line, which has served as a magnet for development.

Lake Baikal is an impressive sight, almost like an inland sea. When the sun breaks through, the blue waters shimmer alluringly though only the hardy would venture to swim in such a chilly setting. We stop in Sludyanka, a mining town on the lakeside, whose grimy

aspect seems to violate the surrounding natural beauty. Some of the passengers step down to buy pastries and other refreshments from the hawkers on the platform. After twenty minutes the train resumes its stately progress, hugging the Baikal shore for another two hours before heading off into the mountainous hinterland of Buryatia.

At first glance, the people here seem reserved and unemotional. It could be due to the climate, or economic preoccupations, or perhaps a habit acquired in the days of communism, but the faces suggest a kind of stolid acceptance that life is not a bed of roses. If you strike up a conversation, however (as my companion did), the response is nearly always warm and courteous. Food is passed around and the journey passes agreeably.

The highlight for us is the visit to the restaurant car. The windows in the normal carriages have neatly laundered curtains that obscure the view, but here in the restaurant, you get the best of the scenery on both sides. The carriage is almost empty – the prices are high for ordinary Russians, even if they seem absurdly cheap to us. We are immediately taken in hand by an animated mother-figure – the *babushka* who runs the catering service. Seeing that the Cyrillic characters on the menu leave me baffled, she launches into a lengthy explanation of what is on offer – in Russian! I offer an encouraging smile as my companion valiantly tries to keep up with the rapid flow. Finally, we settle for borsch, the traditional red cabbage soup laced with potatoes and meat. The coffee is imported – instant Nescafé served in a plastic cup. As we drain the last drops, the light over the hills begins to fade and the outskirts of Ulan Ude appear. We have reached our destination, but others on the train still have 24 hours of travel ahead of them. The first place we head for is the ticket office at Ulan Ude station – and yes, we are able to make return reservations, once our passports have been duly scrutinised and stamped! ■

Sludyanka station.



The Courier

Advancing agricultural policy formulation in Africa

by David Heydon*

From the dining room of the DSE¹ Conference Centre at Feldafing in Germany, the sharp relief of the snow-clad mountains on the Austrian border some 150 km distant was clearly visible in the April sunshine. The impression was of a fairyland modelled in icing sugar. Against this background, some 40 participants attended an international workshop² on, 'The role of research in agricultural policy-making in Africa'. The main purpose of the event was actually to address the relationship between the production of scientific information and agricultural policy-making in Africa. Delegates included high-ranking officials from eight African countries representing agriculture ministries, universities, research institutes, NGOs and other agricultural organisations.

In Africa, a rather less idyllic scene confronts the average citizen. Most of the people (over 80%) live in rural areas and daily face the task of eking out a subsistence from the land. Subsistence agriculture is tough. Hoeing,

weeding, fetching firewood and carrying water are priorities against a background frequently characterised by environmental degradation and desertification, malnutrition, disease, poverty, tribalism, national corruption, and even civil war.

The continent, however, is blessed with untold riches: cocoa, coffee, sugar, tea, tropical fruits and hardwoods; diamonds, gold, oil, uranium; beautiful beaches, inland lakes, majestic mountains and abundant wildlife. How is it, then, that given this potential for development and the resourcefulness of its peoples, the continent is one of such stark contrasts? How is it that the billions of dollars expended on projects in Africa by the donor community over the years can apparently have had so little impact?

Creating a favourable environment

The answer to these questions is bound up, at least in part, with the economic climate and business environment facing individual farmers and businesspeople. Does the economic and regulatory climate in Africa encourage businesses to develop and prosper? Many African countries are finding it hard to increase farm production and achieve sustainable development, due to the inadequacy of their economic and agricultural policies. The current trend towards economic decentralisation and global trade liberalisation is fuelling demand for information to support national goals of food security, sustainable rural development, poverty alleviation, and the commercialisation and privatisation of enterprise.

How is policy formulated?

Policy formulation involves the study and presentation of policy

options and prescriptions, and requires value judgements about the way scarce resources are allocated. Agricultural policies are developed in stages, beginning with problems for which solutions need to be found. Alternative options for tackling those problems are identified and the most realistic are incorporated into an overall policy programme. Programmes are continually reviewed and evaluated to assess their efficacy. Information is needed at every stage of this process and is gathered from research and analytical work in a wide range of disciplines. Two different types of information can be distinguished:

- Information of commercial value to end users (e.g. consumers, entrepreneurs, farmers and others such as that relating to technology, which could be of immediate benefit) for which they would be prepared to pay; and,

- Information required in the national interest and for the wider benefit of society, such as statistics, meteorological records, maps and information on forthcoming agricultural events. Maintaining the continuity of such information is vital and requires government involvement. There is a significant cost to society in gathering and maintaining such records, and it would not be a viable operation for a private organisation.

Who is involved?

In African society, there are many people with an interest in agricultural policy-making. These 'stakeholders' include politicians, public planners and private sector representatives, such as farmers' associations, traders, processors and exporters. National governments are just one player among many and it is rapidly becoming apparent that the process needs to involve the entire spectrum of stakeholders. The situation is becoming more complex as the number of stakeholders increases. This increase is largely due to structural changes currently affecting African economies and recent trends towards more economic liberalisation and decentralisation of administrative structures.

In the policy-making process, all stakeholders generate, communicate and use information. In this context, it becomes increasingly important for governments to foster an environment that promotes the free exchange of ideas. At present, unnecessary confidentiality appears to hamper policy-making initiatives, though some information must in-

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¹ German Foundation for International Development.

² The Workshop was sponsored by the German Federal Ministry of Economic Cooperation and Development (BMZ) and the CTA. It was organised by the CTA, the German Agency for Technical Cooperation (GTZ) and the Council for Tropical and Subtropical Agricultural Research (ATSAR).



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The Technical Centre for Agricultural and Rural Cooperation (CTA) was established in 1983 under the Lomé Convention between the African, Caribbean and Pacific (ACP) States and the European Union Member States. CTA's tasks are to develop and provide services that improve access to information for agricultural and rural development, and to strengthen the capacity of ACP countries to produce, acquire, exchange and utilise information in these areas.

evitably remain confidential in the interests of public security.

Policy-making in practice

The information required for agricultural development planning and policy formulation is frequently either unavailable, or not available in an immediately usable form. To be of maximum value information must be readily available, understandable and easily accessible, whenever it is needed. Poorly designed policy studies and lack of data lead to high costs in terms of failed investments and misallocated resources.

Generating, gathering, processing and disseminating data is costly. Access to information is not only restricted by cost, but also by the poor transport and telecommunication infrastructure typically encountered in Africa. The situation is compounded by inadequate institutional capacity with respect to policy analysis, poorly developed analytical skills and unreliable or non-existent data.

Improving the generation and supply of pertinent information and advice for agricultural policy-making depends, in part, on improving the capacity of research institutions to collect information, conduct surveys, and analyse and present data. Effective policy-making depends on the availability of a cadre of policy analysts with well developed skills in applying economic methodology, especially for the development of trade and marketing policies. Policy analysts need to communicate their results actively. Improving the process is not just a matter of improving the generation and supply of quality information, but also involves strengthening the capacity to undertake scientific policy analysis.

Improving the process

The workshop identified four areas through which African 'Agricultural Knowledge and Information Systems' could be developed to satisfy the growing need for an improved information base:

Stakeholder involvement. Stakeholders need to be encouraged to appreciate the changing nature of their role with respect to other stakeholders and to actively generate, organise, communicate and use information in the process of contributing to the policy-making process. The emphasis needs to be on 'rationalising' policies, promoting the dynamic exchange of informa-



Delegates at the workshop in Feldafing.

tion and encouraging broad participation throughout society. Governments need to develop effective legal and regulatory frameworks which will encourage the formation of new interest groups.

Information policy and access to information. Governments could improve the situation by:

- encouraging a more open, dynamic and widespread approach to the exchange of information nationally, and creating an enabling information and communication policy framework;
- developing and maintaining viable national information systems capable of gathering, compiling and disseminating information and statistics of long-term national importance; and,
- encouraging the private sector to participate in improving and managing communication services, and to provide and disseminate information commercially, wherever viable.

Access to essential information in the public interest and for the benefit of farmers, should be encouraged and facilitated by public agencies in order to promote sustainable agricultural development. More efficient marketing in rural areas would require the provision of information on marketing opportunities and agricultural prices on local, national, regional and international markets; input prices; financing opportunities; details of food imports; trends in consumer demand; and details of innovative new enterprises or technologies developed or employed by farmers.

International organisations, multilateral and bilateral donors, and national governments should increase their support for the development and use of electronic information technology in Africa, including the development of an Internet

gateway to provide cost-effective, ready access to information services and systems for policy-makers.

Institutional strengthening: Governments and donors should consider:

- investing more to improve institutional capacity to undertake policy research and analysis in national research institutes, universities and ministries;
- contributing to skills development in gathering and analysing data; and,
- cooperating with regional organisations to contribute to capacity-building in policy analysis at the regional level, wherever possible.

Systematic catalogues of long-term research relevant to policy-formulation and country specific research agendas are needed. These would serve as guidelines for National Agricultural Research Systems, universities, NGOs, the private sector, public planners, consultants and administrators concerned with national policy formulation.

Coordination of the research-policy interface. Ministries of agriculture should be encouraged to take the lead in establishing ways of coordinating policy research and formulation between institutions; and there should be greater cooperation between policy-makers and research institutes at different stages of the process. The research community should be encouraged to bring ongoing research relevant for policy formulation to the attention of policy-makers. Research systems should address the public relations aspects of policy-research programmes and promote a culture of informed decision making.

* * * * *

If these recommendations were to be heeded and implemented by governments, in collaboration with regional and international agencies, and the donor community, the plethora of national aspirations in Africa would stand a greater chance of reaching fruition. Real progress could then be made in bringing hope and a better standard of living to rural civil society, consistent with the natural resources of this vast continent. ■

D.H

Achieving CTA's aims and objectives

During 1998, the CTA-Bulletin will feature a series of articles explaining how each of CTA's four operational Departments contributes to the Centre's overall aims and objectives. CTA's departmental structure derives from its Wider and Specific Objectives; these are briefly described below, so as to enable readers to acquaint themselves with the way in which the work of each Department serves the overall purposes of the organisation.

The first Wider Objective of CTA is to improve access to information on agricultural and rural development. Within this, there are two Specific Objectives: to promote contact and exchange of experience among CTA's partners in rural development; and to provide information on demand. Fulfilling these objectives is the function of the Seminars and Studies Department and the Publications and Dissemination Department respectively.

CTA's second Wider Objective is to strengthen ACP capacity to manage information and communication needs. Again, there are two Specific Objectives under this heading: to strengthen the information facilities and capacities of CTA's ACP partners; and to develop strategies for improving agricultural information services. The Information and Capacity Development Department and the Information Policies and Partnerships Department, respectively, address these two objectives.

This series of articles begins by outlining the work of the Information Policies and Partnerships Department, which took the initiative in co-organising the seminar on agricultural policy formulation which was described in the previous feature.

Support to policy analysis and decision-making in ACP agriculture: the work of CTA's Information Policies and Partnerships Department

The Information Policies and Partnerships Department (IPPD), one of four operational departments at CTA, has responsibility for developing and implementing the component of the Centre's programme dealing with the development of information and communication management policies and strategies. The overall aim is to contribute to sound policy analysis and decision-making in the National Agricultural Systems (NAS) of the ACP countries. (NAS refers to the sum of the centres, institutions, associations and individuals involved in technology generation, technology adaptation and implementation.) The development of effective partnership modes at national and regional levels is a major aspect of this programme.

IPPD's work is a relatively new, albeit rapidly growing, area of intervention for CTA, initially introduced within the framework of the Centre's Mid-Term Plan (1997-2000). It focuses on the development of policies and strategies that will support decision-making in both the public and independent sectors and deals with the following specific aspects of agricultural and rural development:

Public sector programmes

Agricultural policy analysis

Assistance to undertake studies and consultations is given to CTA's regional partner organisations, such as the Association for Strengthening Agricultural Research

in Eastern and Central Africa (ASARECA), and to national partner organisations, with a view to strengthening the ability of the National Agricultural Systems to formulate appropriate agricultural policies.

Agricultural research information

IPPD carries out studies and organises workshops aimed at developing strategies that will enable agricultural research managers to have a better grasp of the value of information and to adopt modern systems of managing staff, financial and physical resources available for research projects. The overall aim is to produce and disseminate outputs that address the needs of the end users in ACP countries.

Participatory action research in agricultural extension systems

CTA participates in various initiatives by other international bodies and donors with a view to improving the performance of extension services in ACP national agricultural systems through more effective communication.

Agricultural information management

Integrated regional agricultural information programmes in the ACP regions have been prepared, through CTA's assistance, for donor funding. IPPD has been asked by ACP partners to facilitate contacts between the donors, in particular

the European Development Fund, and the respective ACP regions.

Functional literacy

CTA's effort initially relates to an inventory of functional literacy programmes in a number of African states, in order to highlight successful experiences which will serve as models for use elsewhere.

Independent sector programmes

Market information systems

CTA supports studies and consultations aimed at developing effective market information systems at national and regional level.

Small and medium food processing enterprises

CTA carries out studies, national consultations and other collaborative efforts aimed at developing alternative strategies for strengthening small and medium scale food processing enterprises.

Development of effective partnerships

Studies have been initiated to provide CTA with data and strategies needed to establish effective partnerships, especially with the independent sector (private organisations, farmers' associations and NGOs), in order to improve access by ACP countries to information which would help in the production and marketing of agricultural products.

Mining sector

The revival of the mining sector in Africa

The African mining sector experienced serious difficulties from 1970 to 1990 while Latin American and Asian production expanded considerably. Recently, investors have demonstrated renewed interest. They appreciate the encouraging measures that governments have taken to favour foreign investment. Exploration has resumed in full force, and local companies are encouraged in their development. But to achieve real global penetration, it will be necessary to continue improving the economic environment, particularly infrastructures.

Up to now, African mining countries (South Africa excluded) have been responsible for just 8% of global mining production. Yet the continent may have as much as 77% of the world's reserves of platinum group elements, 71% of its phosphates, 69% of its chrome, 64% of its manganese, 46% of its zirconium, 42% of its diamonds and 34% of its cobalt! One can quickly see the continent's potential and its strong interest in rapid exploitation.

This is precisely what is happening. The Accra (Ghana) Mining Forum jointly organised by the European Commission and ECOWAS (in collaboration with the CDI and UDEAC) confirms the in-

terest shown by a growing number of mining companies in this region of the world (see box article on page 96).

At the request of the European Commission, a study was carried out which served as an introduction to the Accra Mining Forum. This shows that the mining sector is an important export vehicle for half of the West and Central African countries. It generates an average of 50% of export revenues in 11 countries located in this region. The proportion is as much as 80-90% in the case of Guinea, Ghana, and Sierra Leone (pre-war). In spite of this, mining activity still suffers from low added-value, a lack of diversification (focusing on a limited range of resources), and insufficient exploration.

The situation can be explained by the fact that many countries followed the mining specialisation imposed by the economic development of the colonial countries. After gaining indepen-

dence, states nationalised most existing foreign companies and created parastatal enterprises which would control more than 50% of African production. As a result, a number of international mining operators lost interest in Africa and redeployed their investments in Asia, Latin America, Australia, or Canada. For their part, the parastatals went into deficit, mainly due to poor management, resulting in a significant decrease in the sector's competitiveness. According to the World Bank, the growth of the state-operated sector between 1960 and 1989 was ten times less than that of the private sector (36% compared to 350%). There were too many structural handicaps and these limited the sector's expansion, in some cases, even causing it to decline.

Changed context

Since the beginning of the 1990s, the context has changed radically. African governments, faced with the realities of business globalisation, have recognised that it is very much in their interest to make the mining sector as competitive as possible, and to do everything they can to attract investors. The study compares various fiscal policies within the region and notes that economic liberalism is now in operation in most countries. Every effort needs to be made to create an atmosphere of confidence: stable legislation (notably in the form of a Mining Code establishing the rules of the game in mining exploration and exploitation), priority for private owner-

The mining sector generates 50% of export income in 11 countries of West and Central Africa.



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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High transport costs make it all the more important to encourage local transformation of ornamental stone.

ship, and economic and fiscal policies favourable to investors (the possibility to repatriate profits, application of realistic exchange rates, tax breaks during exploration periods, etc.)

As a consequence of these encouraging policies, the investors have returned and initiated the revival of mining activity throughout the continent. It is not just the large South African mining companies that are back in action (through joint venture holdings or partnerships with other international mining companies). There are also smaller and younger concerns that have massively invested in recent years. The latter include US, Canadian, Australian, French, British, Belgian, German, and Russian enterprises.

Exploration tops their list of priorities. The continent is known to have vast unexplored mining resources. According to the Metal Economics Group of Canada, international mining companies invested \$418 million in exploration in 1996, or twice the amount spent in 1994 (in 1997, the amount increased by a further 30%). At the centre of such interest are gold and diamonds, which account for the majority of the permits granted in Guinea, Côte d'Ivoire, Ghana, Burkina Faso, Mali, and Senegal. Permits have also been given for other ores such as iron, bauxite, phosphates, nickel and manganese. The study provides a complete inventory of the mining resources of the West and Central African countries.

Encouraging product transformation

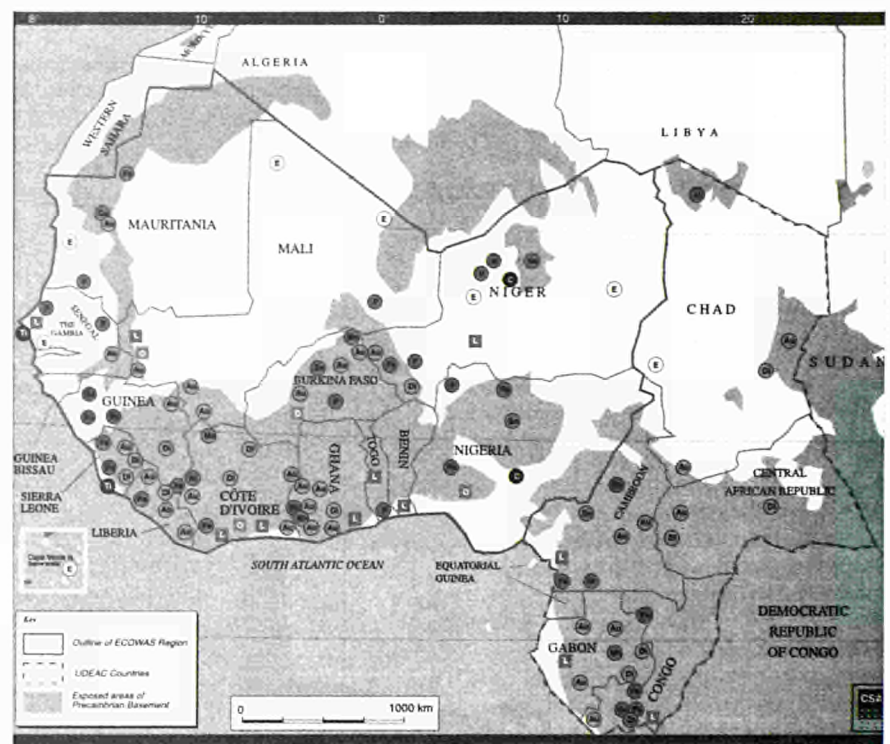
What remains is the exploitation of these new deposits. In this respect, a lot of work is needed to make the sector fully attractive. First, the infrastructure is still deficient. Only some countries,

Ghana included, have satisfactory facilities. If the states in this region wish to diversify their mining production, as appears to be the case, they must make sustained efforts to improve their road, rail, and shipping infrastructures. This is especially so if they wish to exploit fully their mineral resources – bauxite, manganese, iron ore, phosphate, etc.

One might add that it is also in the governments' interests to favour local transformation of products – especially when one discovers that transport costs can represent more than half of the final value of a mineral or dimension stone. With this in mind, it is obviously advantageous to export more semi-finished or transformed products, thereby developing a local industrial fabric of small and medium-sized businesses. Africa has a number of small mining companies, often operating in the informal sector, that produce considerable added value and generate numerous jobs. Governments have understood that, through such companies, they can develop the

transformation of mining products. Adopting new legislation, they have accordingly 'invited' these firms to play the game according to the rules, notably in the field of employment legislation and respect for the environment.

The last challenge is the economic environment. A number of encouraging measures have already been taken to stimulate national and foreign investors to put resources into ACP countries. Now it is time to work toward improving the infrastructures. ■ CDI Contact: Sid Boubekeur



Key to significant mineral deposits:	● Iron ore	● Uranium	● Lead	● Bauxite	● Gold	■ Limestone
	● Diamonds	● Tin	● Zinc	● Nickel	● Coal	■ Ornamental Stone
	● Titanium beach sand	● Phosphate	○ Salt, Gypsum	● Manganese	● Copper	

Mining Forum: toward Europe-Africa partnerships

To promote meetings and long-term cooperation agreements between African and European mining and financial companies: these are the objectives of the Mining Forum to be held on March 30-April 2 in Accra (Ghana).

Organised by the European Commission and the Economic Community of West African States (ECOWAS), this meeting will take place with the close cooperation of the CDI and in collaboration with the Customs Union of Central African States (UDEAC).

To ensure the Forum is effective and will lead to concrete results in the very short term, approximately 100 projects in the ECOWAS-UDEAC region have been selected. The types of project chosen include those involving resource-exploitation, improvements to existing mining units' performance, product transformation (for example, from bauxite to aluminium), and even the expansion of existing mine sites. There are a lot of viable long-term projects because the selection criteria are based on the existence of an established market, the promoter's experience, and his financial capacity. The African promoters will be meeting European mining and financial companies that are open to cooperating in a wide variety of ways.

During the meeting, participants will be able to take part in three workshops, on: financing in the mining sector, exploration techniques, and the development perspectives of the dimension stone market.

Financing mining projects

Organised by the CDI, a panel composed of financial institutions (including representatives of the EIB, Sysmin, and the Caisse Française de Développement) and mining companies will present the financing opportunities in the sector. Financial institutions will share their experience in this field and discuss a number of previously financed projects. Among other issues, they will concentrate on the general investment context in the mining sector (growth, cycles, prices) and their financing policy, as well as their new orientations (development of the private sector). The mining companies, on the other hand, will feature their experience in the field of financing.

Improving exploration techniques

The objective of the exploration workshop is to provide highly practical information (using concrete cases) about the various mining exploration methods and related constraints. In the first part, the consultants leading the workshop will discuss the 'strategic approach to mining exploration' and review the various stages to be dealt with during this exploratory phase. Among other topics, they will cover the various types of technical aid available in the EU and Africa. They will also list the organi-

sations that have experience in Africa and the manner in which they can contribute to the technical training of African promoters. Furthermore, they will explain the development of an exploratory phase from the geological stage (preliminary core sampling to analyse the quality and quantity of available ores) through the exploratory study (feasibility study, existing infrastructures, etc). In a second section entitled 'practical application of modern exploratory mining techniques', the consultants will indicate which information is available at each stage of the process, how it can be obtained and utilised, which organisations can intervene at which stage and the cost of their services. They will emphasise the use of modern techniques: Internet, satellite images, regional geological data, mining industry databases, etc.

Promoting dimension stone

Three themes will be developed during the workshop organised on the topic of 'dimension stone: development perspective': market analysis, the development of the stone sector in West and Central Africa, and its organisation.

On the first of these themes, the stone market, the consultants in charge of the workshop will present a study of the world market and, more specifically, of the current demand for stones in Europe and the manner in which African producers can position themselves. They will provide precise answers to the following questions: who are the major producers, importers and exporters of stone blocks and finished products in Europe?; who are the quarry operators and those involved in transformation?; and what are the marketing rules that govern the dimension stone market?

The second theme will cover the development potential of the marble and granite market in West and Central African and the conditions needed to develop a stone industry. It is a development which is necessary because it ensures job creation, helps small-scale industries and, above all, creates added value. The consultant will raise the infrastructure issue – the major constraint to the development of the stone industry. And he will demonstrate that through the training of personnel, the organisation of work and the application of rigorous management, it will be possible to develop quarries and production units.

The third theme relates to the manner in which local operators can develop the sector. The consultant will deal with the two essential stages. The first is the establishment of a database that will list operators in ACP countries and the EU (importers, exporters, etc), new technologies, the products in highest demand and current prices (to illustrate the reality of a market where prices fluctuate constantly). The second stage, also underway, involves the creation of an African Stone Association. This should enable African operators to become acquainted with each other, and to make themselves known to their European counterparts who are now very interested in finding high-potential quarries in other regions of the world. The conclusions of both workshops of the Accra Mining Forum will be summarised in a report.

Contact: Sidi Boubekeur

Local transformation of marble and granite creates jobs, promotes craft skills and, above all, generates added value.



Sectoral analyses

New perspectives for concrete components

About ten partnership agreements have been concluded since the 'concrete components' meeting held in Abidjan last November - proof that it is a market with high potential.

Whether it is poles, beams, pavement kerbs, bridge elements, tiles, urban furniture or construction elements, light concrete components are in increasing demand in West Africa (the ECOWAS countries). They have numerous uses in civil engineering and construction and have an economic advantage, using 'upstream' products such as cement, sand, gravel, and steel. Because of this, there is strong interest within, and encouragement from, the CDI to develop the sector in the ACP countries, the aim being to improve the technical performance of existing small and medium-sized industries and to support new production projects.

During the Abidjan meeting, the African and European participants were shown a study analysing the private and public market demands in the ECOWAS region as well as a list of the most sought-after products. The study clearly indicates that important buyers are to be found in the infrastructure markets. What is more, some projects are financed by the major

funding institutions such as the EIB, World Bank, ADB and IFC. The study also inventories the supply of available materials and presents about 30 projects, mainly involving infrastructure. It is accompanied by a document which gives the profiles of the ECOWAS and European companies operating in the sector.

During their stay in Côte d'Ivoire, the African and European industrialists also visited a number of companies including two cement plants, two cement component manufacturers, and two construction aggregate producers. The goal of these visits was to enable the European industrialists to determine the needs in terms of technology transfer, equipment, new products to develop, etc. The bilateral negotiations between ECOWAS and EU companies have led to ten or so partnership agreements, opening up prospects for long-term follow-up by CDI (market analysis, feasibility study, technical assistance). Other projects requiring additional information are also being discussed.

The concrete components study, the profiles of the ECOWAS and European companies, and the conclusions of the Abidjan meeting's six workshops are summarised in a document available from CDI. ■

Contact: Sid Boubekeur.

Developing the market for processed fruit and vegetables

The idea was to learn more about the African processed fruit and vegetables markets (juice, nectar, jam), discover new types of packaging and processing technologies, and locate possibilities for partnerships with the region's industrialists and for CDI interventions. And the seminar in Douala (Cameroon) on Central Africa's fruit and vegetables transformation industries lived up to its promise. From November 12-14, the 25 participants from Rwanda, Burundi, Cameroon, the Central African Republic, the Democratic Republic of the Congo, Gabon, and Chad met African and European experts. The latter presented packaging and new products and spoke about distribution as well as local and regional marketing.



New types of packaging make local products more attractive - essential in boosting sales.

Realising the necessity to join forces to solve packaging and equipment purchase problems, and to strengthen exchanges within the region, the participants decided immediately to create a local association, FLANAC (an international cooperative association of producers, processors, and distributors of fruit, vegetables and natural foods from Central Africa). The organisational charter was adopted by 19 companies represented at the seminar.

The accent was also placed on diversification possibilities. The participants discovered new products and the most recent production techniques. They took part in a number of debates led by experts from CDI and its consultants, and were able to meet their peers to explore partnership possibilities (seven projects qualifying for assistance from CDI have already been identified). Lastly, they visited a jam production facility, two juice production units, and one packaging production plant. They were also able to examine the local companies' products displayed in showcases installed at the meeting site.

The conclusions of the seminar, the market studies, the presentation of the new packaging and processing techniques, as well as the profiles of the ACP companies, are available from the CDI. ■

Contact: Tommy Pedersen.

Manufacturing cement tiles at IFC in Abidjan (project supported by the CDI).



Sid Boubekeur, CDI

Ongoing projects

Truly complementary partners

Belize Food Products Ltd (Belize) has orange, lemon and grapefruit groves. Niro Process Technology of the Netherlands has a freeze concentration processing technology for fruit juices while Döhler Euro Citrus Co. (Netherlands) is present on the European market. Together, they created *Top Juice Ltd.*

Located in Belize City, in Belize (between Mexico and Guatemala, in the Caribbean), *Top Juice Ltd* was created in ideal conditions. First, its partners are perfectly complementary. Belize Food Products has the opportunity, through the joint venture, to gain access to world markets. Niro Process Technology sells its technology and related equipment while maintaining control of production and overall quality. And Döhler Euro Citrus is assured of being able to offer high quality products to its European customers. Their commitment and motivation are such that each agreed to invest equally in the company's share capital. Thus, they are all on the same ownership level. Additionally, Niro Process Technology provided a loan to finance the technical installations and infrastructure work (repayable in three or four years). Consequently, in April 1997, just a few months after its creation, *Top Juice* was already producing its first fruit juices. Today, its annual production capacity has reached 5 million pounds – 1 million boxes.

75% of the production is sold in Europe through the net-

work developed by Döhler Euro Citrus. 10% is sold on the Caribbean market and the remaining 15% is exported to Japan. *Top Juice* is currently planning to double its production capacity. 200 employees work at the processing plant, and during the citrus season, 800 people are involved in growing and picking in the fruit groves.

Thanks to the freeze concentration process developed by Niro Process Technology, the juices conserve their fresh taste. This gives them a considerable competitive advantage because European and Japanese consumers prefer fresh products (sold in the refrigerated sections of supermarkets).

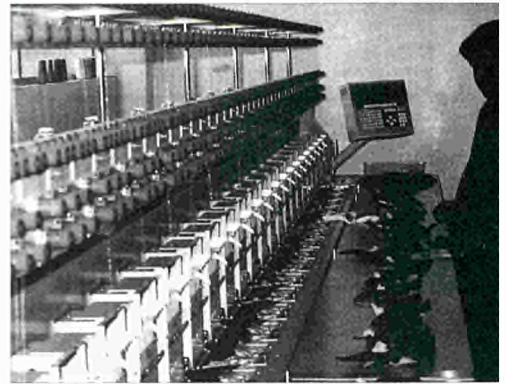
CDI's contribution to all this has been assistance in providing technical training for the production and maintenance personnel. This support covers 42% of the total training costs, the remainder being taken on by the European (42%) and ACP (16%) partners.

Strength through unity in Fiji's clothing sector

The idea that there is strength through unity undoubtedly underpinned the decision of eight companies in the Fijian clothing sector to seek group technical assistance from the CDI.

Back in 1994, the CDI carried out a preliminary study of the sector and determined the weak points to be eliminated in order to achieve greater export penetration (firstly in neighbouring Australia and New Zealand and then Western Europe). A second mission took place at the end of 1997, and a number of companies (8 out of 9) have been selected in cooperation with the Fiji Trade and Investment Board to follow a programme of intensive training. The objective is to try and reduce the competitive disadvantage that the Fijian textile sector suffers due to its geographical remoteness. This results in higher costs for imported components, long delivery times, and more expensive transport costs. The country also has relatively high wages in comparison with certain Asian states. The result is prices that are about 15% higher than those of the international competition.

To reduce manufacturing costs, it is first necessary to reduce



Manufacture of shirts and blouses at *Mark One*.

labour costs – in other words to increase labour productivity. A first training mission will be organised during the first half of 1998 focusing on boosting productivity, optimising production flows and reducing costs while improving quality and global competitiveness (the companies already benefit from a good reputation on the Australian and New Zealand markets). The consultants will cover working methods, ergonomics, operators' motivation, management control, and training of technical personnel. The group sessions will consist of theoretical introductions (20-30% of the time allocated) and on-site practical courses (70-80%). The precepts will be directly applicable so as to obtain rapid and visible results – that is, to increase productivity by 15% to 35% depending on the current condition of the company in question.

Taking part in the programme are *Ranjit Garment* (work and leisure clothes), *Kalacraft* (sports and leisure clothes), *Kentia Clothing* (industrial, work and hospital clothes), *Mark One* (shirts and blouses), *Consolidated Textiles* (sports and leisure clothes, bed linens), *United Apparel* (suits, dresses, blazers), *Farah Garment* (leisure and sports clothes, trousers), and *Forum Textiles* (sports clothes, T-shirts, sweat-shirts, skirts, etc.). Together, these companies employ over 3000 people and have a combined turnover of more than F\$90 million. Among their clients are some of the big names in the clothes retailing industry such as *Lewis*, *Jäger*, *Duchamps*, *Check and Field*. It is worth noting that the clothing sector is the third largest provider of foreign currency in Fiji and that clothes exports were worth about ECU 130 million in 1996.

Pineapples arriving and being sorted at *Top Juice* in Belize.



The milk sector

In Uganda or Madagascar, two cows can provide an income of ECU 160 a month, equal to the salary of a top-level manager! Milk production is thus becoming a constant and motivating source of revenue for producers and the only raw agricultural material which can guarantee a 'salary' throughout the year. Now it's up to the milk processors to buy locally.

Today, in Eastern, Southern and Indian Ocean countries of Africa, one finds a growing number of small dairy farmers (owning fewer than 10 cows) alongside a few large dairy farms (with more than 50 cows). In countries such as Zambia and Malawi, the latter have recently begun producing milk according to the European model. Their emergence is linked to the economic liberalisation which has occurred in countries which used to adhere to the central economic planning model (Zambia, Malawi, Madagascar, Tanzania) or which went through civil war (Uganda).

Africa's cattle farmers were certainly not encouraged to produce their own milk given the profusion of powdered milk sold at very low prices or even distributed free by European cooperation programmes. Faced with the threat of huge milk overproduction, the EU was obliged to subsidise its dairy industry to produce powdered milk and butter oil. The stocks piled up and were distributed or sold, notably to ACP countries. Today, thanks to market liberalisation and the implementation of milk quotas in Europe (which eliminated the superfluous stocks), milk production has become economically viable in Africa.

Production resumes in Uganda

Today, powdered milk is still less expensive in some countries such as Tanzania, Botswana and Malawi. But this is not the case in Madagascar, Uganda, and Zambia where the price of raw milk is equal to or less than that of reconstituted milk. These countries' dairy industries are therefore stimulated to buy locally rather than import. This is the case in Uganda where production has exploded over the past four years. To give an example, in 1971, the Dairy

Corporation was processing up to 80,000 litres of local milk a day. The instability associated with the war (which dragged on from 1971 to 1986) caused livestock numbers to collapse and by 1986, production had dropped to 5,000 litres a day (often using powdered milk provided by the World Food Programme). In the early 1990s, dairy production gradually increased and it has taken off in the last four years. In 1996, production exceeded 90,000 litres a day, exclusively from raw milk.

Seven industrial dairies operate in Uganda. Four of them have started up in the last four years – in two regions covering less than a third of the country. Among them is the GBK Dairy, which began operating in mid-1996, having received



Now that their prices are competitive again, local milk producers are being encouraged to increase production.

help from the CDI in its start-up phase. Today, GBK operates at almost 100% capacity. It is processing 30,000 litres of milk a day, and has plans to expand production.

A study carried out in 1993 by the Dairy Corporation in Uganda showed that only 5% of local milk production was collected and processed by the dairy industry. The industry's potential for local producers – once their prices are competitive – is obvious.

From small dairy farms to dairy industries

Looking at the same region (Eastern, Southern, and Indian Ocean African countries), one can classify dairy processing units in three categories: the 'large' plants belonging to the state, small installations, and intermediate units.

The state dairies were all built during the years of planned economies and are based, above all, on the reconstitution of powdered milk. These plants are all more than

Revenue generated by 2 milk cows in Madagascar:

10 litres/day/cow x 2 cows x 1,500 Fmg x 30 days = 900,000 Fmg = ECU 160 per month, or the salary of a top-level manager.

ten years old and produce milk on a large scale (generally more than 20,000 litres a day). They are in the process of being privatised and are currently only operating at 30% capacity on average. Some produce no milk at all.

Small-scale artisanal installations are at the opposite end of the spectrum. These came into being in the 1990s, mainly as a result of local economic liberalisation. The amount they can produce is generally very low (less than 3,000 litres processed daily), but they are operating at full capacity. Dairy farms have started commercialising their raw milk themselves. To do this, they have acquired packaging equipment and are gradually working toward improved preservation and increased added value by producing cheeses and yoghurts. These small dairies reveal the new dynamism which is reaching the milk sector (there are approximately 60 of them in the region). Future industrialists will be recruited from these small-scale dairies.

Talking of industrialists, each country has produced at least one private businessperson who has succeeded in demonstrating the profit potential of the dairy sector, the benefits it can bring to the country as a whole, and the fact that it has a promising future. Intermediate units have appeared in a number of countries: Prime Dairy in Botswana, Tiko in Madagascar, GBK Dairy in Uganda and Diamondale in Zambia, while others are in the process of following their example. All these companies have common characteristics – they have been developed gradually, process between 15,000 and 30,000 litres of milk a day, have opted for high quality standards, and have effective management teams.

It is clear that the conditions, both economic and geographical, are favourable for major developments in the milk sector in Eastern and Southern Africa, as well as in Madagascar. Uganda has shown the way and numerous private industrialists are already taking advantage of this growing sector. Nonetheless, considerable work remains to be done to attain the levels of neighbouring countries such as Zimbabwe and South Africa. The many small promoters who have begun activities in the sector will doubtless be the catalyst in this great venture. And the CDI will be there to accompany them.

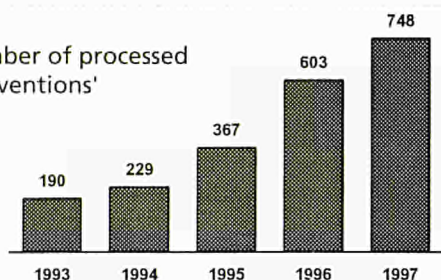
The CDI in action

Annual results: more selective interventions

In 1997, the number of requests to the CDI decreased but their quality rose substantially. Here are the preliminary figures.

Since last year, the CDI has established a more strict procedure for assistance requests (requests to be formulated according to a strict, pre-defined model and methodology explained in the brochure 'How to benefit from the facilities offered by the CDI'). A logical consequence of this measure was that the number of requests fell (from 1570 in 1996 to 1079 in 1997), but their quality increased considerably – as is illustrated by the fact that nearly half of them were granted an intervention (509 in 1997 compared to 463 in 1996). If one adds the number of pending interventions (239), it becomes clear that the total increased by 25% over the previous year (748 compared to 603). More specifically, one should count an average of 1.2 interventions per project each year, and the number of new projects amounted to 255. The centre also managed to increase the number of interventions in spite of a static budget and illustrates, by doing so, that it is not necessary to invest massively to promote valid projects. The good projects often benefit

'Number of processed interventions'

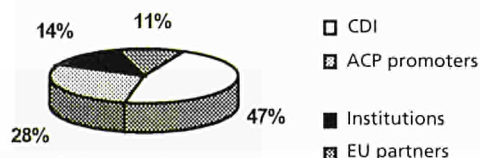


from a 'leverage effect' as they are generally co-financed by EU or ACP partners.

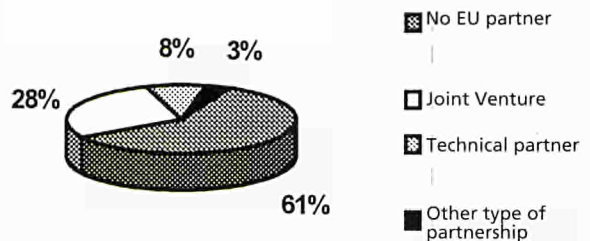
CDI's average contribution to interventions amounts to 47%. In most cases, the ACP promoters themselves take part in financing their projects (28%), with other institutions and European partners providing 14% and 11% respectively.

There is a good geographical spread. West Africa attracted 25% of interventions, Southern Africa 21%, East Africa 21%, Central Africa 10%, the Caribbean 13% and the Pacific 10%.

43% of schemes supported related to the food industry with the construction, wood, and metal sector attracting 32%. The remaining 25% were distributed among the other sectors. The interventions most often involve the renovation or consolidation of existing companies (44% of aid) followed by expansion and diversification (26%). They are often the fruit of the industrial partnership meetings organised periodically by the CDI, during which the actors in a particular area meet and share a common language. Not to be forgotten are the new projects and pilot projects (30%) which attract suitable attention.



'Contribution to interventions'



61% of projects are carried out without the aid of EU partners, which proves that ACP promoters are perfectly capable of taking charge of their own affairs. When they do call for a partnership, they most often do so in the form of a joint venture (28% of the cases) or in the form of technical assistance (8%). In other cases, the CDI takes part in interventions carried out by European or ACP consultants.

Improved coordination of European aid

By meeting its European partners, CDI increases ACP promoters' chances of gaining access to more rapid and effective financial and technical assistance.

A piece of good news for ACP promoters is that the CDI has had a meeting with all the institutions in the European network it has developed over the years. These include cooperation ministries, chambers of commerce, regional institutions for development, investment foundations and foundations for promotion and technical assistance: in all, more than 40 bodies operating in EU and ACP countries. This meeting is important. Through improved collaboration and mutual information, ACP promoters will benefit from a multiplier effect because the requests they make to the CDI will be passed on to the network institutions and are likely to attract their interest.

During the meeting held at the ACP's General Secretariat on November 18 last year, the CDI defined the role that it hopes the European network will play, which primarily consists of:

- spreading CDI information throughout Europe, in particular, about opportunities originating in ACP countries;



From left to right, J.M. Delchambre, Special Adviser EU relations (CDI), Surendra Sharma, Director CDI, Ng'angu Peter Magande, Secretary-General ACP Group and Fernando Matos Rosa, Deputy Director CDI.

- helping to identify and mobilise European partners and potential investors, technical partners, specialised consultants, technologies and opportunities for ACP-manufactured products on European markets;

- helping to put together and handle files relating to requests from businesspeople for CDI assistance;

- attracting the interest of European industry in CDI initiatives – notably the partnership meetings – and, inasmuch as

possible, associating the CDI with the initiatives that might concern ACP countries;

- continuing and boosting cofinancing for CDI actions.

In return, the CDI promises, in accordance with the wishes of the financial institutions, to offer increased collaboration – information exchanges and accelerated treatment of the files in the light of the quality of the requests made.

The CDI believes particularly strongly in the financial support provided by the financial institutions – they are the only ones who can offer direct investment support for projects and to companies. The CDI cannot do this. In this regard, the participants underlined the fact that it is very difficult to orient European financing toward small and medium-sized ACP companies, just as it is hard to gain access to local sources of financing. To solve this problem, the CDI and the meeting participants plan to intensify their dialogue with ACP financial intermediaries. The CDI will also promote information exchanges in the field of project identification and preparation, especially in the active search for European investment partners.

In brief

Meeting between the CDI and French employers

Mr. F. Matos Rosa, the CDI Deputy Director, received a delegation from the National Council of French Employers (NCFE) led by the General Delegate for International Affairs, Mr. Conrad Eckenschwiller. They discussed possibilities for cooperation between the two institutions, notably in preparing industrial partnership projects with ACP countries.

CDI publications

The new catalogue of CDI publications is just off the press. It includes, in detail, the various series: technological guides, contracts and partnerships (how to become established in ACP countries, partnership guide in industry, etc), project evaluation and financing, export development and CDI files. Among the latter, the following themes presented during the partnership meetings should be noted: lake fishing in Uganda, commercial prospects for rose horticulture in East and Southern Africa, fishing in Mozambique, processed fruits of Caribbean origin.



The catalogue is available on request from CDI, from its distributors in Europe and its antennae in ACP countries.

CDI on the Internet

The CDI has just opened an Internet site whose address is <http://www.cdi.be/>

Various sections can be consulted: 'CDI at a glance', 'How the CDI can assist industrialists from ACP countries' and 'The CDI organisation and network'. The site also gives details of current events, recent publications, and applicable exchange rates.

CDI Contact: Terry Battersby

Flanders-Africa Industrial twinning programme

Following similar initiatives underway in France, Spain, Portugal and Sweden, the CDI, in collaboration with institutional partners in Flanders (Belgium), will launch a programme of 'industrial twinning' involving Flemish and African companies (Tanzania, Uganda, and Guinea Conakry) in the first

quarter of 1998. By bringing together industrialists from the same sub-sector and favouring the development of interpersonal relations among producers, the industrial twinning programme lays the foundation for realistic and lasting partnerships. In such a procedure, the twinning is intended to be multifaceted and to unite various commercial, technical, and managerial aspects. In the preliminary phase of the programme, the CDI and its Belgian institutional partners aim to form 15 industrial couples. The programme is backed on the Belgian side by the AGCD (General Administration of Cooperation and Development), the VKW (Flemish Union of Christian Employers and Executives), the Roularta Media Group (which publishes the economic periodical 'Trends'), and the Flemish NGO ACT. CDI Contact: Paolo Baldan

New agreement between CDI and the French-speaking community

On November 24, 1997, a mutual declaration of intention was signed by the CDI and the Agency for Cultural and Technical Cooperation of the French-speaking community (ACCT). Defining a framework for cooperation, the agreement provides that the two organisations can henceforth work together to back industrial development projects involving French-speaking companies in ACP countries and partners of other ACP and European states. The CDI and the ACCT will work closely together at all stages of these projects covering the search for partners, feasibility and marketing studies, training and technical assistance. CDI Contact: Paolo Baldan

Italian mission to Mozambique

A business and partnership trip will enable 12 Italian companies in the wood-processing sector to visit a selected number of production units in Mozambique. The programme aims to encourage concrete negotiations with a view to reaching commercial, management, sub-contracting and licensing agreements, as well as the creation of joint ventures and any other type of agreement which would provide for the transfer of Italian know-how to Mozambique. The wood processing sector is one of Mozambique's main economic resources. During the civil war, activities ground to a halt, but there are now good prospects for development.

Scheduled for the second quarter of 1998, the mission is organised jointly by the CDI, the Italian Institute of Foreign Commerce (ICE), Promos (a specialised agency of the Milan Chamber of Commerce), and Federlegno (the Italian wood processing association). CDI Contact: Jordi Tió Rotllan and Paolo Baldan

Caribbean: the post-Lomé period in the private sector

On December 4-5 1997, the CDI took part in the eighth Europe-Caribbean Conference organised in Havana (Cuba) by the Caribbean Council for Europe. The conference's objective was to open the discussion on the state of the private sector in the Caribbean in the post-Lomé IV context. It is certainly the time to pose questions about what will happen when the current Convention expires in 2000, to consider the best means for the EU and ACP countries to continue collaborating and, more specifically, to establish bases for cooperation in the framework of the Caribbean private sector. The meeting also enabled participants to voice their wish that Cuba join the ACP countries. In front of representatives from the private sector and the main European and ACP institutions, the CDI delegate presented the way in which the Centre envisages its future work and gave an insight into future orientations. Notably, he took account of the participants' idea of expanding the CDI's scope of activities and resources to cover, inter alia, tourism and other service sectors.

Investing in Côte d'Ivoire

African countries are increasingly looking to foreign private investment to assist integration into the international economy. It is an approach which helps offset the diminishing flow of public development aid and stimulate economic activity. Attracting foreign direct investment, however, is a fierce battle – being waged on a global stage – and Africa must make a particular effort if it is to succeed.

Côte d'Ivoire has said that it intends to rise to the challenge. Indeed, for several years now, backing for the private sector and encouragement of investment have been at the heart of the government's economic strategy (see Country Report in Courier No. 166). It has mounted major promotion campaigns, seeking to draw the attention of foreign investors to the varied industrial opportunities which their country has to offer.

A Forum entitled 'Invest in Côte d'Ivoire' (ICI), staged with the help of the United Nations Industrial Development Organisation (UNIDO), took place in Abidjan in November 1997. This was the second event of its kind, the first having been organised in 1995. Taking part were multilateral institutions such as the World Bank, IMF and OECD, as well as bilateral and regional bodies such as WAEMU

(West Africa Economic and Monetary Union), ADB (African Development Bank), the West African Development Bank and the West African Central Bank. In all, more than 2000 participants were present, the majority, economic operators from across the world. Their reasons for being there were clear – to gauge the climate for investment in Côte d'Ivoire, to pinpoint actual business opportunities, to find out more and to talk face-to-face with possible future partners.

A number of discussion meetings were led by the Prime Minister with the intention of informing participants about the improved macroeconomic situation, profitable branches of industry, privatisation, the legal and banking system, the state of the country's relations with international bodies and the coordination of economic activities at local level. The key theme of Forum 'ICI 97', however, was 'the processing of raw materials', a subject close to the hearts of Côte d'Ivoire's political leaders. Its objective was to form solid partnerships with overseas companies specialising in the processing of agricultural products (such as coffee and cocoa), and in the extraction and processing of minerals.

Selling the image of a country successfully is no easy task, but the organisers (the Centre for Promotion of Investment in Côte d'Ivoire) and exhibitors made full use of up-to-date promotional props to boost the chances of the event succeeding. They showed films extolling the virtues of all aspects of the country and setting out the main reasons to invest. Leaflets were available containing detailed information, and there was a variety of stands, and visits by company representatives. Also available was an introduction to Côte d'Ivoire on CD-ROM. The country's authorities are firmly of the view that their market is worth investing in, offering attractive rates of return.

New Director-General... and Courier publisher

The appointment of Philip Lowe as Director-General of DG VIII (the Commission department responsible for relations with the ACP countries) means that the ACP-EU Courier has a new publisher. Mr Lowe, who was born in Leeds, UK, in 1947, initially worked in manufacturing industry. He joined the Commission in 1973 and most recently served as Head of Cabinet to Neil Kinnock, the European Commissioner for Transport. Prior to that, he was director of the Merger Task Force in the Competition Directorate-General (DG IV). During his Commission career, Philip Lowe has also served in the cabinets of a number of other Commissioners, including that of Commission President, Gaston Thorn (from 1982 to 1985).

Côte d'Ivoire also sees itself as a gateway to wider markets, notably the 60 million consumers in the territory of the WAEMU and the 200 million belonging to the West African Economic Community. The regional aspect of private investment was a subject frequently raised in discussions. The presence of the Prime Ministers of Benin and Togo at the forum was an indication of the regional interest that exists in FDI as a means of stimulating economic growth.

At the close of the meeting, numerous business contacts having been established, more than 50 letters of intent had been signed. The hope is that these will soon lead to lasting partnerships and UNIDO estimates that they involve viable projects worth more than \$33 million (excluding large-scale projects). A follow-up assistance programme is planned to ensure that approved projects come to fruition.

Citing the renewed interest of foreign investors this year, Côte d'Ivoire's government is optimistic that overall investment will continue to increase substantially. This growth, combined with the healthy state of the Côte d'Ivoire economy (7.5% growth at present), are factors which the Abidjan authorities believe should help convince those still hesitant to set up business in the country.

A similar Forum will be held at the end of 1999, by which

Corrigendum

In issue no. 166 of *The Courier*, we published an abridged version of a speech delivered by Sir Shridath Ramphal at a consultative session on the Commission's Green Paper, held in London in June. In the introductory paragraph, we indicated that the meeting was organised by the UK authorities. The event was actually staged by the *Overseas Development Institute* (ODI), a civil society organisation which is not connected with the British authorities. Our apologies for this error.

time, it should be possible to gauge the success or otherwise of the 1997 event. ■ K.K.

Togolese diplomatic offensive in Brussels

Five months away from its next presidential elections, Togo sent a high-ranking delegation to Brussels for informal talks at the European institutions. The group was led by *Kokou Joseph Koffigoh*, former transitional Prime Minister and now President of the National Assembly's Foreign Affairs Committee. At an ACP-organised press briefing, Mr Koffigoh was anxious to 'clarify the political situation' in his country, arguing that major strides had been made towards democratisation. Concerns in the past about the democratic health of Togo had led to the EU suspending economic cooperation. He emphasised, in particular, institutional and economic reforms which had already prompted a gradual resumption of EDF assistance (CFAF 17bn was allocated in 1997 under the Stabex arrangement). He also reported that discussions are taking place on the financing of certain development projects in the context of programmable aid.

The reforms mentioned by Mr Koffigoh included the 'independence of the legal system', the adoption of a new constitution, and the creation of an independent national electoral Commission on which the opposition had agreed to sit. The Togo Parliament had also enacted a new media law which authorises private radio and television stations and provides for the establishment of an audiovisual and communications high authority (HAAC) which will be responsible for regulating the industry. Referring to the unrest of 1993, when the last presidential election was held, Mr Koffigoh said that the reforms would ensure an open and fair voting system – backed up by an electoral code to be adopted during the transition period. The former minister added that the EU had made an official pledge to assist the electoral process in Togo, with both materials and training.

'We currently have four priorities in Togo: to continue our efforts towards democracy, unity and national reconciliation, economic recovery and security. And Togo needs the international community in each of these four areas', stressed Mr Koffigoh. Asked whether he planned to stand for the Presidency at the next election, he said that he wished to remain in the National Assembly. His party is the country's second political force after the grouping which backs the President.

Finally, Mr Koffigoh was anxious to emphasise Togo's economic indicators, which had seen a significant upturn last year. GDP, he said, was up by 5% while tax revenues rose by 15.8%. Public expenditure was also under control and the country's foreign debt had been reduced by CFAF 32bn. ■ M.F.

Elections in Africa in 1998

At least eight sub-Saharan African countries will be involved in presidential or general elections this year (though some may have chosen the path to the polling booth with a certain reluctance, prompted by the growing tendency of multilateral partners to link economic aid to the principles of good government and democracy). The polls should certainly help to map out the direction in which the continent is heading. Four decades after the independence process took off, many leaders from the old generation have finally left the scene. New 'elites' are emerging and, in some cases, people are having to learn how to share power with political opponents. There is also a new opening up to groups representing civil society. The 1998 elections should enable those with an interest in Africa to assess how far this process is continuing. Kenya, Djibouti and Mauritania had elections in December 1997 though in each case, incumbent leaders and parties were re-elected. The list of countries going to the polls in 1998 includes:

Country	Type of Election
Central African Rep.	Presidential
Gabon	Presidential
Guinea Bissau	Legislative
Guinea (Conakry)	Presidential
Equatorial Guinea	Legislative
Nigeria	Presidential
Senegal	Legislative
Togo	Presidential

M.F.

EP Development Committee

Heads of the principal multilateral donor agencies, who were guests in Brussels of the European Parliament's Development Committee on January 21, voiced optimism about Africa's future, in the light of some good macro-economic results. But the International Monetary Fund (IMF), World Bank and African Development Bank (ADB) chiefs also drew attention to the continent's persistently poor social indicators, notably in health and education. And there are new concerns over marginalisation caused by the globalisation of world trade.

After two decades of stagnation, Africa's *per capita* income grew 2% in 1993-94 and was up 4% in 1995-97. Average inflation has dropped from 50% in 1994 to 20% today, said World Bank Head, *James Wolfensohn*. His ADB counterpart, *Omar Kabbaj*, revealed that some two-thirds of the continent's 53 countries had real GDP growth above 3% in each of the past three years, with 5% forecast for 1998.

For the IMF's *Michel Camdessus*, the 'liberalisation of the forces of growth' in the continent had come about through wide-ranging structural adjustment; the freeing of internal domestic prices, dismantling of monopolies, restructuring banks in difficulties, the introduction of convertible currencies and dismantling of tariff and non-tariff barriers to trade. The IMF is now pushing a second set of reforms which include; the reforming of state activities, guaranteeing the rule of

Planned changes to banana regime

Proposals to bring the EU Common organisation of the market in bananas in line with the WTO ruling of last September were announced by the European Commission on January 21. The main changes would be the abolition of the current licensing system and introduction of arrangements that 'would be clearly compatible with the WTO'. Precise details are expected to follow, with the Commission having until the beginning of 1999 to clarify the changes. The proposals come in the wake of the WTO ruling which was particularly critical of the licensing system, deemed to discriminate against the so-called 'dollar zone' Latin American exporters to the EU. The current 875,700 tonnes zero-duty quota for African and Caribbean countries will remain. However, there will no longer be any country-by-country distribution.

Category B licences, which give an incentive to companies to purchase African and Caribbean fruit, will also be ended. As compensation, the Commission has pledged some ECU 370 million over the next 10 years, to improve the quality of the ACP fruit and help diversify the economies of banana-dependent countries.

Edwin Laurent, Ambassador for the Organisation of Eastern Caribbean States (OECS), expressed concern over some aspects of the proposals as they stand, notably, the 'global nature' of the quota. 'If the traditional quota is currently X tonnes for a particular ACP state, will they be able to retain it', he asked. As regards the new aid package, the Ambassador said more information was needed as to how far this would contribute to farmers' welfare. He is concerned that a significant amount of the new aid may be allocated to big capital projects. He was similarly anxious about the effects of scrapping the 'B' licensing system which effectively provides a cross-subsidy for banana-producing OECS states.

To be adopted, the proposals must be approved by the EU's Member States in the Council of Ministers. D.P.

law, creating a favourable framework for private enterprise, opening the internal market up to competition, speeding integration into the global economy, overhauling public services and setting up sound banking systems. He also laid stress on the transparency of public accounts and management in African nations. All reforms, he said, should be 'administered in partnership with the EU and other donors and multilateral institutions.'

On a less optimistic note, all of the guest speakers drew attention to poor social indicators. According to James Wolfensohn, secondary school enrolment averages just 18% (with more boys attending than girls), illiteracy is running at 47%, only 35% of the population has access to health care, and 54% have no safe drinking water. Mr Kabbaj cited other worrying figures: 40-45% (730 million people) live in poverty and 30% are classified as 'extremely poor'. The World Bank Head also referred to the crippling high debt which hampers development. He indicated that the combined external debt of Africa currently stands at \$235 billion.

Omar Kabbaj warned: 'Many low-income countries run the risk of marginalisation because their production structures and knowledge are too weak to respond to unfolding opportunities.' The African economy would have to grow at 10% *per annum* over the next two decades, he said, to double *per capita* income which currently averages just \$665. And this is assuming that the population growth rate stabilises at present levels.

Mr Kabbaj stressed the importance of stimulating the private sector, a point reinforced by his World Bank and IMF counterparts. The World Bank head noted a big change in financial flows. Seven years ago, the private sector provided \$30bn a year for all developing countries, and the public sector, \$60bn. Today, the figures were \$300bn and \$45bn respectively.

The importance of boosting aid to Africa was stressed, however, by Mr Kabbaj, who estimated that \$60bn foreign capital investment was required per year to raise GDP growth to 5.5% by the turn of the century.

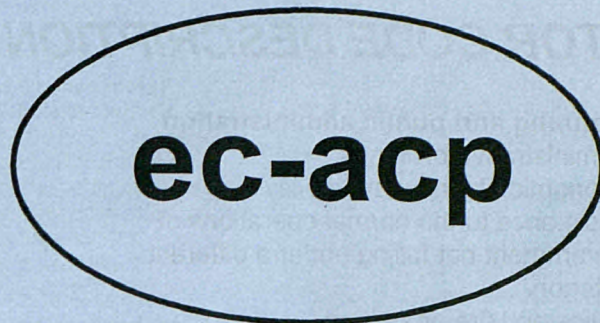
EP Human Rights Sub-Committee

At its meeting in mid-January, the Human Rights sub-committee of the European Parliament was addressed by Ledun Mitee, President of the Movement for the Survival of the Ogoni People (MOSOP). He spoke in graphic terms about a wave of arrests, disappearances and torture in the Ogoni region of Nigeria. Mr Mitee, a co-defendant in the trial which led to the execution of Ken Saro Wiwa, warned that the military regime risked provoking a refugee crisis which would affect all of West Africa. 'If we do not act now', he insisted, 'we will have to respond later to an even worse situation'.

Glenys Kinnock (PES-UK) called for action to highlight the plight of Nigeria during the football World Cup, claiming that the regime intended to exploit Nigeria's participation for propaganda purposes. She hoped that the EU Council would act decisively in the next six months, in view of the UK Presidency's commitment to human rights. James Moorhouse (EPP-UK) recalled the Parliament's support for action on Nigeria, as seen in the adoption in the budget of a special programme for democracy in that country. Edith Müller (Green-G) raised the case of Ogana Ifowoda, reported to have been arrested on his return from the Commonwealth Summit, and whose whereabouts are unknown.

Operational summary n° 101 - March 1998

(position as at 24 February 1997)



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)

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
Est.	Estimated

Blue Pages on the INTERNET

Enter the DG VIII Home Page

<http://europa.eu.int/en/comm/dg08/dgviii.htm>

Choose the option

'On going tenders' or 'On going projects'

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

Note: Participation in EDF schemes is strictly confined to ACP or EU firms.

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

Alz Multisector

- Ala River development
- Alb Regional development projects

AJz Unspecified

ACP STATES

ANGOLA

Rehabilitation of the Tchivinguiro 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. Est. 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 equipment) 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 in execution.* 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. Est. cost 1.700 mECU. To support trade diversification and export promotion. T.A. Project in execution. EDF 7.

EDF BT 7008 - AEe

Vocational training programme, Francistown. Resp. Auth.: Ministry of Education. Est. 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

Wildlife Conservation and Management Programme. Est. total cost 7 mECU. Works, supplies, T.A. Project on appraisal. EDF 8

EDF BT 6001/002 - ACz

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. Est. 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. Est. 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. Est. 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. Est. 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. Est. total cost 37 mECU. T.A., Works. Project on appraisal. EDF - 8

EDF BK 6017/002 - ABd.

CAMEROON

Lagdo fishing project. Resp. Auth.: MINEPIA. Est. cost 3.500 mECU. Preservation and improvement of the social-economic situation around Lake Lagdo. *Project in execution.* 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. Est. 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. Est. cost 55 mECU. Construction, T.A., studies. Project on appraisal. EDF 8.

EDF CM 6031/002 - ABd

CAPE VERDE

Maio island rural electrification. Est. 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. Est. cost 2.500 mECU. Sectoral study: shortlist done. Project on appraisal. EDF 7.

EDF CD 7011 - ACa

River Chari embankment protection. Est. 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). Est. total cost 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. Est. 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'Équipement - Direction Générale des Travaux Publics. 3.250 mECU. Works, by int. tender. T.A. for further investigations, tender dossier and works supervision. Project on appraisal. EDF 7.

EDF COM 6006/7003 - ABd

CONGO (DEMOCRATIC REPUBLIC)

Rehabilitation Support Programme.

Resp. Auth.: Coordination and Management Unit. Est. 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

reinsertion of displaced persons in Kasai province (PARK). 2 mECU. The programme will be implemented by Caritas (NI), 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). Est. total cost 0.558 mECU. Works, equipment and training. *Project in execution.* 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 in execution.* 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. Est. 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. Est. 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. Est. 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

Rehabilitation of the Addis Ababa-Jima road, Addis Ababa-Abelti (180 km).

Est. 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

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

Addis Ababa's water supply and

sanitation. Resp. Auth.: Addis Ababa Water Supply Authority. AAWSA. Est. total cost 35 mECU. Works, equipment, T.A., Project on appraisal. EDF 7.

EDF ET 5006/002 - ABb

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.

Higher education development support. Resp. Auth.: Ministry of Education, NAO. Est. cost 1.999 mECU. Equipment, works. Project on appraisal. EDF 6, 7.

EDF ET 7016/001 - AFz, AFb

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. Est. 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 electricity lines, supervision, training. Project on appraisal. EDF 7.

EDF GH - Aba,i

GRATIS (Ghana Regional Appropriate Technology Industrial Service), Phase III. Est. total cost 3 mECU. Project on appraisal. EDF 7.

EDF GH - ABai

GUINEA

Development of secondary towns. Resp. Auth.: Ministère de l'Aménagement du Territoire. Est. 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. Est. 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. Est. cost 1.2 m ECU. T.A., studies Project in execution. 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 Fatafa. 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. Est. cost 27 mECU. Works and works supervision. Project on appraisal EDF 8.

EDF GUB 7014/000 - ABd

Support for road maintenance. Est. 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. Est. 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. Est. cost 20 mECU. Construction, T.A. studies. Project on appraisal. EDF 8.

EDF GUA 6003/004 - ABd

Private sector development support programme. Est. 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. Project in execution. 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). Est. cost 1.8 mECU. Project in execution. EDF 7.

EDF HA 7007/000 - AAz

Support for decentralised cultural initiatives. Resp. Auth.: Ministry of Culture. Est. cost 0.75 mECU. T.A., supplies. Project on appraisal. EDF 7.

EDF HA 7155/000 - AHi

Road rehabilitation in the western area of the South Peninsula. Est. total cost. 47.36 mECU. Works, T.A. Project on appraisal. EDF 7,8.

EDF HA 7012/000

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 in execution. EDF 5, 6 and 7.

EDF JM 5020 - ADz, AEz

Institutional strengthening programme. Resp. Auth.: National Water Commission (NWC). Est. cost 3 mECU. Works, supplies and T.A. Project in execution. 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, reforestation and Community education. Works, supply of vehicles, equipment, T.A. studies. Project in execution. EDF 7.

EDF JM 7004 - ACa

Return and reintegration of qualified nationals II. Est. cost 0.647 mECU. Supply of technical equipment, training, information and support system. Project in execution. 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. Est. 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. Est. 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 in execution. EDF 7.

EDF KE 7011 - ACa

Family Health Programme. Est. total cost 28.710 mECU. Reproduction health status of Kenyans family planning services broadened. EDF 14.810 mECU, ODA (UK) 13.900 mECU. Project in execution. 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 in execution. EDF 7.

EDF KE 7008 - AEz

Small scale and informal sector enterprises. Est. 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. Est. 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. Est. total cost 25 mECU. Project on appraisal. EDF 7.

EDF KE 7010/003 - ABd

Community development. Poverty alleviation. Est. total cost 12.500 mECU. Financial facility aimed at priority activities identified by local communities. Project in execution. 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 in execution. 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 in execution. EDF 7.

EDF KE 7014 - AEc

Agriculture/livestock research programme. 8.3 mECU. Project in execution. EDF 6.

EDF KE 6003/001 - ACa

LESOTHO

Urban Water Supply and Sanitation.

Resp. Auth.: Water and Sanitation Authority. Est. 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

Transport infrastructure programme, phase I. 18 mECU. Construction, supplies, T.A., studies, training. Project on appraisal. 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.

Urban water supply for six towns.

Resp. Auth.: Government of Lesotho; Water and Sewage Authority (WASA). Est. cost 1.96 mECU. Works, T.A. Project on appraisal. EDF 7.

EDF LSO 7002/000 - ABb

Assistance for the 1998 General Election. Resp. Auth.: Government of Lesotho; Independent Electoral Commission (IEC). Est. cost 0.5 mECU. Supplies. Project on appraisal. EDF 7.

EDF LSO 7009/000

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

Freeport of Monrovia emergency rehabilitation. Resp. Auth.: Government of Liberia. Est. cost 1.95 mECU.

Supplies, engineering services and works. Project on appraisal. EDF 6.

EDF LBR 5019/001 - ABd

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 développement 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 Développement Rural. Est. 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 policy to alleviate poverty. Resp. Auth.: Ministry of Health. 1.95 mECU. Project in execution. EDF 6.

EDF MAG 6041/000 - AGe

Priority health project. Support for a national health service to alleviate poverty. Resp. Auth.: Ministry of Health. Est. cost 15 mECU. EDF 8. Project on appraisal.

EDF MAG 6041/001 - AGe

Rehabilitation of the customs system. Resp. Auth.: Direction Générale des Régies Financières. Total cost 0.42 mECU. T.A., supplies. Project on appraisal. EDF 7.

EDF MAG 7200/001 - AAc

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. Est. 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. Est. 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. Est. 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. Est. total cost 6 mECU. Project in execution. EDF 7.

EDF MAI 7012/038 - AGz, AHZ, ABb

Customary Land Utilisation Study. 1 mECU. Studies. T.A. survey. Project in execution. EDF 7.

EDF MAI 6029 - AAq

Karonga-Chilumba-Chiweta Road. Resp. Auth.: Ministry of Works and Supplies. Est. 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. Est. 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. Est. 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

Community education programme. Resp. Auth.: Ministry of Women and Children's Affairs and Community Services (MOWCAS), Ministry of Information, Broadcasting, Posts and Telecommunications (MOIBPT). Est. cost

1,55 mECU. Training, workshops, equipment, T.A. Project on appraisal. EDF 7.

EDF MAI 6009/003 - AGb, AGc

Project to promote safe motherhood and child welfare. Est. total cost 1.52 mECU. Works, T.A., equipment supply. Project on appraisal. EDF 5.

EDF MAI 6009/004 - AGa

MALI

Support for the electoral process. Resp. Auth.: Commission Electorale Nationale Indépendante (CENI). Est. 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. Est. 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. Est. total 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. Est. 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

Rural development in rainy areas. Est. cost 4 mECU. Works, supplies, T.A. Project on appraisal. EDF 8.

EDF MAU 7014/001 - ACb, ACg

Oasis rural development in the Atar region. Est. cost 5 mECU. Works, supplies, T.A. Project on appraisal. EDF 8.

EDF MAU 7025/000 - ACb, ACg

Diversification of irrigated agriculture. Est. total cost 4 mECU. Works, supplies, T.A. Project on appraisal. EDF 8.

EDF MAU 7015/001 - ACA

MAURITIUS

Irrigation of the Northern Plains. Resp. Auth.: Ministry of Agriculture. Est. 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. Est. 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. Est. 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. Est. 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. Est. cost 0.43 mECU. T.A. and training. Project on appraisal. EDF 7

EDF MAS - AAa

St. Martin sewage treatment plant. Provide adequate treatment of sewage from the Plains Wilhems area. Resp. Auth.: Ministry of Environment and Quality of Life. Est. cost 15 mECU. T.A., services. Project on appraisal. EDF 8.

EDFD MAS 7005/000 - ABz

Technology Development in Private Firms. Resp. Auth.: Ministry of Industry and Commerce. Est. cost: 2.9 mECU. T.A., monitoring and evaluation. Project on appraisal. Date foreseen for financing Feb. 1998. EDF 7.

EDF MAS 7013/000

MOZAMBIQUE

Socio-economic reintegration of young people. Est. 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. Est. 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

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. Est. 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. Est. cost 1.995 mECU. Supplies, T.A. Tender. Project in execution. EDF 6.

EDF MOZ 7024 - AAz

Private sector development. Resp. Auth.: Mozambican Government, NAO. Est. cost 1.98 mECU. Studies, training, TA. Project on appraisal. EDF 6,7,8.

EDF MOZ 7023/000 - AEe

Support for municipal elections. Resp. Auth.: National Electoral Commission. Est. cost 9.5 mECU. T.A., equipment and materials. Tender no. 4298 already launched. Project in execution. EDF 7.

EDF MOZ 7027/001 - AAc

GIP III - General Import Programme. Resp. Auth.: Government of Mozambique. Est. total cost 60.9 mECU. Structural adjustment support. Project on appraisal. EDF 8.

EDF MOZ 7200/002

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. Est. 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. Est. total cost 1.5 mECU. Reduction of sexual transmission of HIV/AIDS. Project on appraisal. EDF 8.

EDF NAM (REG) 8000/003 - AGz

Seed production project. To support the establishment of an efficient, sustainable staple crop seed production system. Est. cost 2 mECU. Feasibility study to be carried out. Project on appraisal. EDF 8

EDF NAM 7011/002 - ACa

Rural development support programme (RDSP), Phase II. Resp. Auth.: Ministry of Agriculture, Water and Rural Development. Est. cost 7 mECU. T.A. Project on appraisal. EDF 8.

EDF NAM 7001/001 - ACa

Education programme. Est. cost 12 mECU. Construction, supplies, T.A., training. Project on appraisal. EDF 8.

EDF NAM 7001/001 - AFa, AFb, AFd, AFi

Institutional support for the Planning Directorate in the Department of Agriculture and Rural Development: Phase II. Resp. Auth.: DARD, NAO. Est. cost 1.026 mECU. Project on appraisal. EDF 7.

EDF NAM 7003/001 - ACz

NIGER

Fishery development in the southern Zinder zone. Resp. Auth.: NGO under control of Ministère de l'Hydraulique et de l'Environnement. Est. total cost 0.500 mECU. Professional sector organisation, strengthening of fish marketing. Project in execution. EDF 7.

EDF NIR 7014 - ACa

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 in execution. EDF 6 and 7.

EDF NIR 7200/002 - Aac

Support for the craft industry. PROFORMAR II (2nd phase). Improved training facilities for rural crafts. Est. cost

1.8 mECU. Training. Project on appraisal. EDF 7.

EDF NIR 7101/011 - AFd

Support for the Structural Adjustment Programme 1997-98. Est. cost 15.8 mECU. Project in execution. EDF 7,8.

EDF NIR 7200/004 - AFe, AGE

Institutional support for the NAO. Assistance to maximise the effectiveness of Community aid. Sectoral reforms and macro-economics. Est. cost 1.3 mECU. Project in execution. EDF 7.

EDF NIR 7110/003 - AAb

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

PROFORMAR II. Resp. Auth. Ministère de l'Artisanat. Est. cost 1.85 mECU. T.A., supplies. Project on appraisal. EDF 7.

EDF NIR 7101/011

PAPUA NEW GUINEA

Human resources development programme, phase II (HRDP II). Est. 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. Est. 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. Est. 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

Support for the PNLs-MST (Phase III). Resp. Auth.: Ministry of Economics, Finance and PLanning. Est. total cost 3 mECU. T.A., works. Project on appraisal. EDF 8.

EDF SE 7003/001 - AGz

SEYCHELLES

Victoria market rehabilitation. Resp. Auth.: Ministry of Agriculture. Est. total cost 1 mECU. EDF 0.770 mECU, local 0.230 mECU. Works and improvements. Project in execution. EDF 7.

EDY SEY 7011 - ACb

Anse Royale landfill. Est. 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. Est. cost 3.5 mECU. Rehabilitation and extension of water treatment works. Works. T.A. Project on appraisal. EDF 8.

EDF SEY - AFh

SIERRA LEONE

(All projects suspended)

Improvement of Freetown - Conakry road link. Est. 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. Est. 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

SOLOMON ISLANDS

Guadalcanal road: Aola-Matau. Resp. Auth. Ministry of Transport, Works and Utilities. Est. 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 reforestation activities. Est. 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. Est. 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. Est. cost 680,000 ECU. Supplies, works, services, medical training and education. Project on appraisal. EDF 7.

EDF SUR 7010/000 - AGc

Sysmin programme to upgrade and expand the electricity and telecommunications sectors. Est. total cost 20.72 mECU. Works, supplies, T.A. Project on appraisal. EDF 7.

EDF SUR 9999/000 - Abai, ABc

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. Project in execution. EDF REG 7012/024 - AAz

Development of smallholder irrigation in the Lower Usuthu River. Est. 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. Est. 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. Est. 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. Est. 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. Est. total cost 70 mECU. Project on appraisal. EDF 6, 7 and 8.

EDF TA 7012 - ABd

Rehabilitation of the Dodoma to Singida Road. Est. 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. Est. 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. Est. 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. Est. total cost 1.985 mECU. T.A., training, works and supplies. Project on appraisal. EDF 7

EDF TA 7014/000 - ABb

Support for the introduction of Value Added Tax. Resp. Auth.: Government of Tanzania. Est. cost 1,945 mECU. TA (restr. tender), training, taxpayer education, publicity, testing of procedures. Project on appraisal. EDF 7.

EDF TA 7200/003 - AAz, AAb

TOGO

Aid for the voluntary reintegration of refugees from Togo. Resp. Auth.: Min. Du Plan. Est. 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. Est. 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. Est. 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. Est. 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. Est. cost 3.5 mECU. Construction, T.A., feasibility study. Project on appraisal. EDF 8.

EDF TR 5013/000 - ADc

UGANDA

Water supply in Hoima, Masindi and Mubende. Resp. Auth.: Ministry of Natural Resources. Est. 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

Education development programme. Est. total cost 7.5 mECU. To increase enrolment in junior secondary school and to improve the quality of education delivered. T.A., supplies, training. Project on appraisal. EDF 8.

EDF VA 7005/001 - AFa.

ZAMBIA

Forestry management for sustainable woodfuel production in Zambia (along the railway line). Resp. Auth.: Ministry of Environment. Est. 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. Est. 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. Est. 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. Est. 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. Est. 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. Est. 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. Est. 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. Est. 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. Est. cost 10 mECU. Feasibility study. Project on appraisal. EDF 8.

EDF ZA 7002/001 - AEc

Agricultural private sector development (SME) - microprojects. Est. 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. Est. 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. Est. 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. Est. cost 3.735 mECU. T.A., equipment, training. Project in execution. EDF 8.

EDF ZA 7003/002 - AGd

ZIMBABWE

Minefield clearance in N.E. Zimbabwe. Rural development, clearance of landmines. Zimbabwe minefields survey. Shortlist to be done. Est. 10 mECU. Tender published on 17 Oct. 1997. EDF 7.

EDF ZIM 7004 - ACa

Trade development programme - import/export. Est. 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. Est. cost 1 mECU. Feasibility study - short list established. Project on appraisal. EDF 8.

EDF ZIM 6008/002 - AEC

Health sector development programme. Est. cost 14 mECU. Feasibility study. Project on appraisal. EDF 8.

EDF ZIM 7002/000 - AGe

Education sector support programme. Improvement of education system. Est. cost 14 mECU. Feasibility study - phase II. Project on appraisal. EDF 8.

EDF ZIM 7009/000 - AFa, AFe

Natural resources project. Est. total cost 2 mECU. Project on appraisal. EDF 8.

EDF ZIM 7012/000

Agricultural services and management project (ASMP). Est. total cost 25 mECU. Works, supplies, T.A. Project on appraisal. EDF 8.

EDF ZIM 7011/000

Decentralised cooperation programme. Est. total cost 5 mECU. EDF 8.

EDF ZIM 7013/000

OVERSEAS COUNTRIES AND TERRITORIES

BRITISH OCTs

Integrated Tourism Development Project. Resp. Auth.: Caribbean Tourism Organisation (CTO). Est. total cost 790,000 ECU. T.A. Project on appraisal. EDF 6,7.

EDF REG/RCA 7601/003 - AEc

BRITISH VIRGIN ISLANDS

Beef Island airport terminal. Est. total cost 16.84 mECU. Works, supplies. Project on appraisal. EDF 6.

EDF REG 6631/001

FRENCH POLYNESIA

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. Est. 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 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

New aquarium. To increase the capacity and improve the infrastructure of the aquarium. Est. cost 4 mECU. Construction, T.A. and supplies. Project in execution. EDF 7.
EDF NC 6009/001 - AEc

ST. HELENA

Wharf improvement project. Resp. Auth.: Public Works and Service Department. Est. 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

Creation of improved structures for pig-rearing. Resp. Auth. EDF authorising officer for the territory. Est. total cost 110,000 ECU. To establish viable production structures adapted to market conditions. T.A., training, follow-up. Project in execution. 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. Est. 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. Est. 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.) Est. total 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. Est. 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. Est. 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. Est. 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. Est. 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. Est. total cost 5 mECU. T.A. to the Secretary General of CARIFORUM to help in the allocation, preparation and implementation 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. Est. total 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

Standardisation and quality assurance. Resp. Auth.: COMESA (Common Market for Eastern and Southern Africa). Est. cost 2,543 mECU. TA and training. Project on appraisal. EDF 7.

EDF REG 7321 AEe

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

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. Est. 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

Combating 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 in execution. EDF 7. EDF REG 5316/001 - ACd

Tanzania rehabilitation programme for refugee affected areas and related infrastructure. Est. cost 20 mECU. Rehabilitation of roads and conserving the environment in refugee areas. Project in execution. EDF 7.

EDF REG 7322/001 - ABd

Uganda - Kampala by-pass. Resp. Auth.: Ministry of Works. Road construction. Est. 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. Est. total 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. Est. total cost 5.1mECU. Elaboration of training programmes and national plans. Project in execution. EDF 7.

EDF REG 7135 - AGz

MEMBER COUNTRIES OF IGAD

IGAD Household Energy Programme. Resp. Auth.: IGAD Executive Secretary. Est. 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 in execution 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. Est. 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. Est. 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. Est. cost 1,925 mECU. Training. Project on appraisal. EDF 7.

EDF REG 7506/000 - AFd

Education in environment regional programme. Est. cost 2 mECU. Supplies, T.A. Project on appraisal. EDF 8.

EDF REG 7508/000 - AFz

Regional action programme for maritime security. Est. total cost 4 mECU. Supplies, T.A., works. Project on appraisal. EDF 8.

EDF REG 7507/000

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. Est. cost 0.340 mECU. Construction, supplies of equipment. Project in execution. EDF 7. EDF REG 7704/001 - ABc

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. Est. 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. Est. total cost 50 mECU. Prequalification for services. Project on appraisal. EDF 6. EDF REG, CM-CA-7002/001 - ABd

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 - AAa, 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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(251 1) 612877

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Telex DELEGFED 5511 GO -
LIBREVILLE
Fax (241) 736554

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Fajara
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Fax (220) 497848

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Fax (245) 251044

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Fax (592 2) 62615

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712905 - 712906
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Fax (266) 310193

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Fax (261 20) 22 645 62
E-mail delcemad@dts.mg

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Fax (258 1) 491866

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Fax (264 61) 235135

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Telex 5267 NI DELEGFED - NIAMEY
Fax (227) 732322

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Fax (679) 300370

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Fax (221) 236885

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Fax (232 22) 225212

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Fax (254 2) 710997

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Telex 23096 DELSU SD
Fax (249 11) 775393

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Fax (228) 211300

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Fax (1 868) 6226355

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Telex 61139 DELEUR UG
Fax (256 41) 233708

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Telex 40440 DECEC ZA
Fax (260 1) 250906

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Fax (1 242) 323 3819

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Fax (687) 288707

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Fax (239-12) 22683

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Fax. (248) 323890

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Fax (678) 23282

ACP Group on the Internet

The ACP Group has recently established a website on the Internet. This contains extensive background and current information on the Group. The address is:

<http://www.oneworld.org/acpsec>

Another website recently set up which may be of interest to Courier readers comes from **New Agriculturalist**. This deals with farming and food/production processing issues with an emphasis on the tropics and sub-tropics. The address is:

<http://www.new-agri.co.uk/>

Austria
Belgium
Denmark
Finland
France
Germany
Greece
Ireland
Italy
Luxembourg
Netherlands
Portugal
Spain
Sweden
United Kingdom

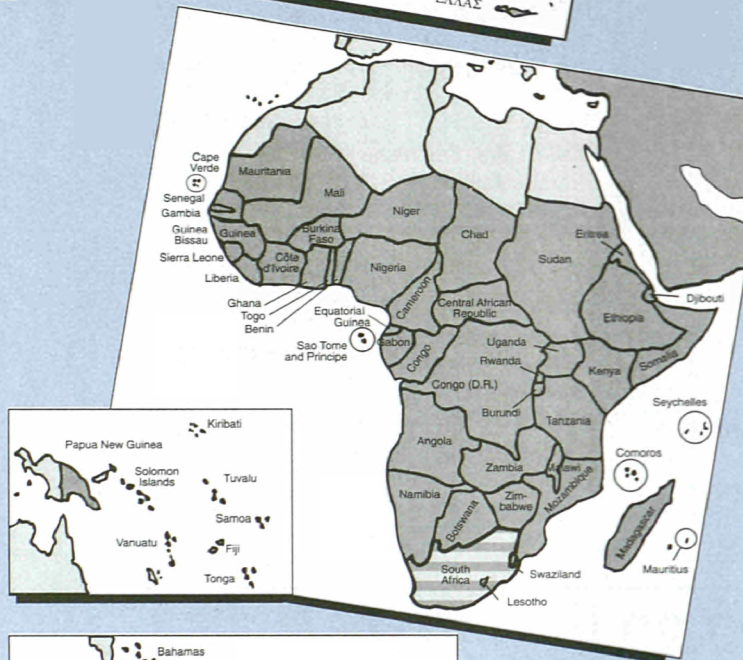
France
(Territorial collectivities)
Mayotte
St Pierre and Miquelon
(Overseas territories)
New Caledonia and dependencies
French Polynesia
French Southern and Antarctic
Territories
Wallis and Futuna Islands

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

Denmark
(Country having special
relations with Denmark)
Greenland

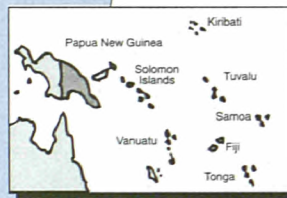
United Kingdom
(Overseas countries and
territories)
Anguilla
British Antarctic Territory
British Indian Ocean Territory
British Virgin Islands
Cayman Islands
Falkland Islands
Southern Sandwich Islands
and dependencies
Montserrat
Pitcairn Island
St Helena and dependencies
Turks and Caicos Islands

THE EUROPEAN UNION



THE 71 ACP STATES

Angola
Antigua & Barbuda
Bahamas
Barbados
Belize
Benin
Botswana
Burkina Faso
Burundi
Cameroon
Cape Verde
Central African Republic
Chad
Comoros
Congo
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Côte d'Ivoire
Djibouti
Dominica
Dominican Republic
Equatorial Guinea
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Gambia
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Mauritania
Mauritius
Mozambique
Namibia
Niger
Nigeria
Papua New Guinea
Rwanda
St Kitts and Nevis
St Lucia
St Vincent
and the Grenadines
Samoa
Sao Tome & Principe
Senegal
Seychelles
Sierra Leone
Solomon Islands
Somalia
South Africa*
Sudan
Suriname
Swaziland
Tanzania
Togo
Tonga
Trinidad & Tobago
Tuvalu
Uganda
Vanuatu
Zambia
Zimbabwe



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Tel.: 743 06 00

This list does not prejudice
the status of these countries and territories
now or in the future.
The Courier uses maps from a variety
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nor prejudice the status of any state
or territory

*Not all provisions of the Lomé
Convention apply to South Africa

Is protecting endangered species a luxury for the rich?

It is an ordinary day on Príncipe. The superb olive-green turtle this young man is carrying will shortly be sold at the Santo Antonio market. By evening, its meat will be appearing on a number of plates.

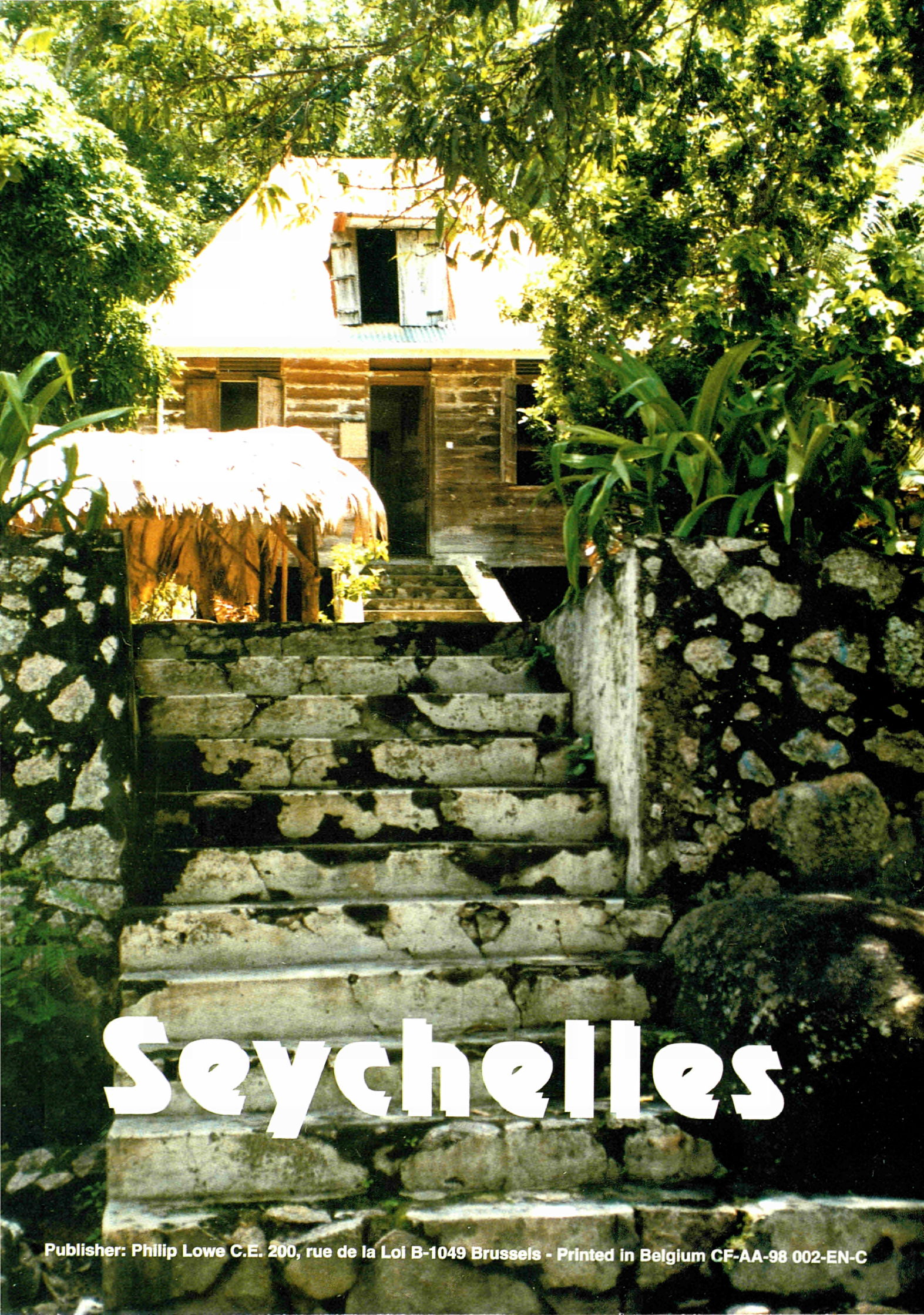
Two days earlier on São Tomé, accompanied by Jacques Rossel, Director of ECO-FAC, and Jacques Fretey, one of the world's few specialists in turtles, we went down to the shore. We were hoping to observe these impressive amphibians laying their eggs. We met at 11.30 in the evening and headed off to three likely beaches just south of the capital. Once there, in theory, it should have been simple. All we needed to do was walk along the sand for a kilometre or two, keep our eyes peeled... and have luck on our side. The conditions were promising: there was a full moon and it was mid-December, customarily the peak period for egg-laying in this island group. Always coming ashore at night, the female turtles take about an hour and a half on average to excavate the sand, lay their

eggs in the hole they have dug and return to the sea.

Unfortunately, we didn't see any egg-laying activity during our three or four hours of walking. We did encounter several men from the neighbouring village though. They wander up and down the coast in small groups, hoping to catch the turtles as they emerge from the sea. Although green turtles are rapidly becoming an endangered species, capturing one guarantees immediate income. The issue is a complex one. Each animal caught represents the equivalent of four to five months normal wages (most of the men are market gardeners by day). An olive-green specimen, for example, will fetch 200,000 dobras which is about ECU 25, while a hawksbill turtle, whose processed shell will be sold to a tourist as a 'souvenir', can fetch a much higher price. ■

T.G.





Seychelles