ISSN 1606-2000

the Courier

the magazine of ACP-EU development cooperation

N° 190 January-February 2002

Dossier

OIL

Country report

Republic of Congo

Contents

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Cover: Kadafis selling petrol (see page 45)
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Published in English and French every two months.

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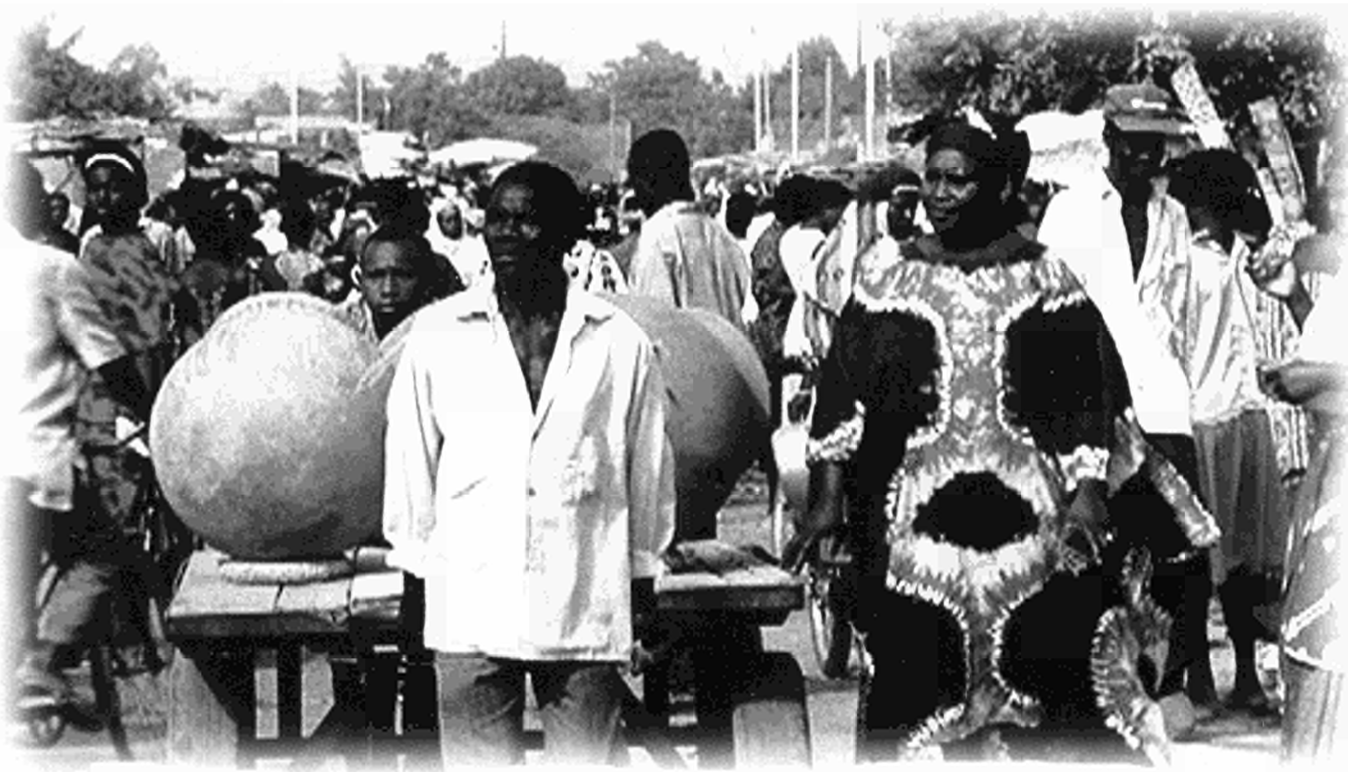
The ACP-EU Courier
is the main publication of the African, Caribbean and Pacific countries and the European Union. The EU provides ACP countries with preferential access to EC markets and substantial development assistance (some two to three billion Euros a year).
The ACP and EU cooperate at a political level and engage in a continuous political dialogue: in trade, to promote the integration of the ACP countries into the world economy and in development assistance, with the clear objective of promoting sustainable development and reducing poverty.



Fanta Nacro: hope in female form

Fanta Régina Nacro is a highly promising young African director.
Her *Le Truc de Konaté* and *Bintou* shorts have been showered with awards at all the major festivals.
The Courier interviews this dynamic woman.

Bernard Verschueren

Tenkodogo, in the South East of Burkina Faso. When she left school, she joined the INAFEC (African Institute for Cinematographic Studies) in Ouagadougou, to begin her cinema studies, which she continued in Paris.

She is one of a new generation of directors – concerned with pressing social issues but highly skilled in presenting fiction. With tact and subtlety she uses humour as a vehicle for her realist messages. One of too few female directors in Africa, she has a brisk approach to her work.

Every one of her films has been a success with the cinema-going public.

An active member of the Guild of African Directors and Producers, created in Paris in 1999, and the author of four shorts, several documentaries and commissioned films, Fanta Nacro is currently working on her first feature-length project. At the 16th International Francophone Film Festival, in Namur, she presented three shorts, part of the scenes from the Sahel series and her most recent film *Bintou*. She also took advantage of the occasion to give some workshop training to young, aspiring cinematographers.

What made you decide to go into filmmaking?

I think it came from a desire to tell stories, because throughout my childhood there were always evening gatherings in the village where people would tell stories. I therefore had a traditional education via the stories, which facilitates learning and memory work.

Initially, I wanted to be a midwife, but I realised that to do so I would have to break off my studies in the fifth form so that I could do a vocational training course.

It had always been my intention to study long term, and I considered sociology or a subject linked to health. In the upper sixth, I had a neighbour who was an announcer and she told me that there was a cinema school, and that's how I ended up spending three years at the INAFEC.

I knew straight away that I was interested in directing, but was aware that I would have to gain skills in certain technical aspects of the trade before becoming a director. I did some editing and was also a continuity girl, which meant I could work on a number of films, watch what went on and benefit from other people's experience.

That was how I came to work with Idrissa Ouédraogo, Didier Ouédraogo and Raymond Tiendrébéogo, and also Dikongué Pipa, the Cameroonian director. I then managed to get a job as a TV announcer at the National Television Centre, just so that I could stay in the audiovisual field. I also had a short acting role in a film and spent a spell as an editor on Idrissa Ouédraogo's first feature film.

In your first film, *Un certain matin*, you make a serious reference to the cinema, do you not?

The idea for the film arose from my experience as a continuity girl on film sets, particularly in villages.

As far as I'm concerned, it's more than just a veiled reference, it's a cry of rebellion – rebellion against the fact that directors arrive in villages and don't take time to do things, and therefore completely disrupt the daily life of the communities that live and have their homes there.

The credits of *Un certain matin* show only women's names next to the technical posts. Was this a deliberate choice?

When I made this film, I was an out-and-out feminist militant. At cinema schools, there was already a tendency to channel women towards what were considered "women's" jobs, such as editing or continuity. This was done on the pretext that we had certain aptitudes in these specific fields. Directing and camera work were intended and even reserved for the men.

On my first film, I wanted to set up an entirely female team to show that when women choose a job they do it to the utmost of their ability – we're just as competent as the men and sometimes even better!

Unfortunately, there weren't many female image and sound technicians in Africa, and that was how Catherine Sebag and Aline Robel, who were friends of mine, agreed to work with me. And they did so for free, as well. As a matter of fact, the principal posts were given to women assisted by male technicians – I made this first film against a problematic background of revolution!

Following on from the success of your first film, you received several offers of so-called "commitment" films

Had I not rejected certain projects, I would certainly by now have made around ten more films than I have. Several offers came in to make films on certain subjects specific to women, such as female circumcision, but I didn't enter filmmaking to take part in the fight for women's freedom, but simply because I like the cinema and wanted to tell stories.

Regarding female circumcision, for example, people wanted me to condemn this practice, but my viewpoint was different, more subtle. I would have preferred to make a film that explained rather than condemned out of hand, to put this practice in its traditional context and on that basis to highlight the damaging effects of female circumcision.

That may seem something of a paradox, but I refuse to be typecast as a director who makes films about women, even though I willingly tackle feminist issues. It's the social side that interests me the most, aspects of society such as male/female relationships, love, the problems of AIDS, education for girls or financial independence, as in *Bintou*. Admittedly, all my work as an author has had a certain militant edge to it, but all the films I have written were born of a pressing need.

Puk Nini is an urgent reaction to marital crises in Africa's large towns and cities, but it's also a rebellion against African feminist associations that have simply lifted the way in which they carry on their fight from European feminist associations, although the context and concerns are quite different.

The African feminist movement fought for the abolition of polygamy, but was unable to offer an alternative, with the result that men, who are nonetheless intelligent, developed their "third offices", a kind of harem outside the monogamous couple. All of a sudden, it is the lawful

wife who loses out because in the polygamous set-up each woman had her own role and position.

Does that mean that, social militant though you are, you would nevertheless be in favour of polygamy?

Personally, I've not had a negative experience of polygamy. On the contrary, my experience of it has been positive. My maternal grandfather had six wives, so I had 35 uncles and aunts, and everything was fine. Naturally, problems of jealousy may arise, problems of relationships between the women, but these are problems inherent to family life irrespective of the family structure. My paternal grandfather, who was a king, had 11 wives. I lived in a polygamous environment but the family framework was so well constructed that it was never a negative experience.

What was the source of the realist and sometimes amusing parts of the *Puk Nini* screenplay?

If I remember correctly, the idea came from observing a friend who, within the space of two or three hours, introduced me to two or three of his mistresses. I tried to understand why he was acting in this way, because I knew he really did love his wife. He explained that these women provided him with the comfort and attention he didn't get upon returning home after an exhausting day at work - his children would be making noise and his wife would not have prepared anything to eat.

Burkinabé men often have Togolese, Malian or Senegalese (and now Burkinabé) mistresses. I tried to understand what attracted men to them, and the fact was that they had received a different education, of which seduction was an essential part. After having seen *Dial-diali* by William M'Baye, which portrays all the seductive attributes of Senegalese women, I began to build up my characters.

When it came out, *Puk Nini* caused quite a sensation. What were some of the reactions?

I filled the film with provocative elements. You're quite right in saying that reactions were fairly strong in several West African countries, but it was my intention that people should adopt a reflective approach. I don't wish to blow my own trumpet, but I do believe the film was a success because it did in fact trigger all sorts of reactions: in Senegal, it had a fairly stormy reception because the women thought I was likening them all to prostitutes.

In Burkina Faso, they were of the opinion that I had described them as savages incapable of taking care of their husbands.

All the men, wherever they came from, thought I regarded them as dogs, and that I'd exposed to the cold light of day all the little tricks they used when being adulterous and unfaithful. Nevertheless, I believe that many people enjoyed watching the film because it had a humorous side to it, even if some people interpreted a few sensual scenes as pornographic.

Fanta Nacro's first short, *Le Truc de Konaté*, was awarded prizes at the following festivals: Fespaco, Clermont Ferrand, Angiers, Milan and Vu D'Afrique.

Bintou, her most recent short, also won prizes at several festivals, particularly Cannes, Fespaco, Namur and Amiens.

This film is also part of the **Mama Africa** series, which consists of six shorts, all directed by African filmmakers.

Fanta Nacro is working on her first feature-length film, *La Nuit de la Vérité.*

The Commission is supporting this film within the context of its ACP cinema assistance programme by contributing €200,000 towards production costs.

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When you directed *Truc de Konaté*, was this also to fulfil a pressing need that you felt regarding the scourge of HIV/AIDS?

Yes, it was an idea I had while thinking about my role as an African woman working in the audiovisual field. At the same time, several people around me had died from the disease, particularly an aunt of mine very recently. I felt powerless and wanted to do something, but I knew nothing about HIV or AIDS. I therefore joined an anti-AIDS association in Paris (Aides) and I did a course on the disease and the various treatments for it. I saw lots of films on the subject, some of them very hard-hitting and very much true to life.

I had a tendency to put these images out of my mind, to reject that such a reality even existed. What I wanted to do was to make a film which contributed to reflection and, if possible, to prevention. And that was the first time I made a film intended specifically for one type of African audience. I believe it's been useful, because the film has been used for prevention purposes in a number of African countries by various anti-AIDS organisations.

In *Bintou*, you address various aspects of African women's daily life, including female solidarity, the macho attitude of men, violence within marriage, girls' education, the role of mothers-in-law. Isn't that too much for a 35 minute film?

I don't think so, because all these elements contribute to a portrait of a woman. It would have been less interesting to gear the film totally to the problem of education, because it deals with the problem of a lack of money. Money and financial independence are at the root of many problems these days. Bintou is fighting not only to give her daughter an education, but also for the welfare of her family and its development. When a woman gains financial independence, all those around her often profit as well. ■

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The opening ceremony of the WTO Conference in Doha

A new WTO round is launched

Last November in Doha, two years after the failed Seattle Ministerial Conference, the 142 WTO members, plus China and Taiwan, successfully launched a new round of trade negotiations with agreement on an agenda. Unlike Seattle, this time the developing countries were fully involved in the preparation, the content and the implementation of decisions. Cooperation between the EU and its ACP partners also yielded results.

Anne-Marie Mouradian

For both Pascal Lamy, European Trade Commissioner, who negotiated on behalf of the EU, and Jean-Robert Goulongana, Secretary-General of the ACP Group, Doha heralded a new outlook, that is, that world trade can only be beneficial if it serves to eradicate poverty.

In Doha, the ACP Group managed to make its voice heard in an international arena for the first time. Jean-Robert Goulongana believes that this is due to "the realisation that we are a large group made up of 78 countries, only one of which does not have relations with the EU under the Cotonou Agreement. Fifty-six of the ACP countries are members of the WTO out of a total of 144. In terms of numbers, we are one of the greatest forces. We realised that if we came together, adopting common positions and strategies, our interests would be better taken into account".

Speaking with one voice

This success marks the initial implementation of decisions made by ACP Heads of State at the Libreville and Santo Domingo Summits, which called on ACP countries to speak with one voice at international meetings and to strengthen the political identity of the ACP Group.

Adds Goulongana: "In Doha, we obtained recognition as one of the forces at the heart of the multilateral trade system, with the right to be involved in all consultations, to have our point of view put across and to see it reflected in the final decisions of the conference. We now have to make the most of these achievements."

With a view to protecting their interests and ensuring solidarity as a group, in Doha the ACP countries established a coordinated structure with a single spokesman. Kenyan Minister of Trade Nicolas Biwott was aided by the Guyanese Trade Minister and representatives from the six ACP regions, as well as the Tanzanian minister who acted as spokesman for the Least Developed Countries (LDCs).

"The ACP countries were well organised. It worked well," confirms Antoine Gosset-Grainville, responsible for relations between ACP countries and Commissioner Lamy's office.

"In terms of numbers, we are one of the greatest forces. We realised that if we came together, adopting common positions and strategies, our interests would be better taken into account"
Jean-Robert Goulangana

New issues on the table

The meeting in Doha opened the way for negotiations to begin in Geneva on a number of topics such as agriculture, services and industrial tariffs. The talks will continue throughout 2002 until the next Ministerial Conference planned for 2003.

"The European Union undertook to reduce subsidies on agricultural exports, meeting the high expectations of the developing countries,"says Antoine Gosset-Grainville.

The text of the provisional agreement points to a reduction in all kinds of export subsidies with a view to their gradual withdrawal, but specifies that the final result cannot be taken for granted. In other words, in accordance with EU wishes, no promises have been made as to the possibility of these reductions leading to a complete removal of the subsidies.

Cooperation between Europe and the developing countries meant major headway could be made regarding the access of people in poor countries to medicines.

"The Doha declaration stated very clearly that developing countries have a right to grant compulsory licences in public health crisis situations," Mr Gosset-Grainville adds. "This marks the beginning of a political approach taken by Commissioner Lamy towards better reconciliation of the demands of intellectual property and the crucial issue of access to medicines. Everyone understood the need for such clarification."

However, one important point still to be resolved concerns the possibility of compulsory import licences when an LDC with no manufacturing capacities wishes to import medicines from generic drug producing countries such as India or Brazil. This issue must be cleared up without delay.

Many Northern hemisphere countries wanted to include in the new round sectors which had not been negotiated multilaterally, including procurement contracts, competition and investment. Negotiations on these issues were postponed for two years until after the next Ministerial Conference.

Antoine Gosset-Grainville says this is due to the fact that they are new subjects. Talks are being delayed to allow more time to prepare. "It is a sign that we are taking account of the wishes of the developing countries," he adds. "Note that when they do take place, whenever they begin, negotiations on all the matters dealt with during this new round will be wrapped up at the same time. Europe wants a global agreement."

According to the ACP Secretary-General, the fact that the start of negotiations on these new issues has been pushed back is credit to the mobilisation and unity of the Southern hemisphere countries. At their insistence, it was agreed that the decision would not be taken for another two years, subject to the express agreement of all WTO members.

Long awaited waiver finally granted

However, the moment of greatest satisfaction for the ACP countries came when the Doha Ministerial Conference finally agreed to the long awaited waiver granting an extension of the preferential treatment which their exports enjoy on the European market.

"This is our most important achievement from the conference. The waiver is vital for the ACP countries. It will allow us to benefit from the Lomé system until 31 December 2007, in other words until the new trade agreements we are due to begin negotiating with the EU in September 2002 come into force," says Jean-Robert Goulongana.

Antoine Gosset-Grainville agrees, adding that obtaining the waiver helped boost the climate of confidence: "It is politically and psychologically important to show the ACP countries that Europe is on their side."

The transition period covered by the waiver in theory offers ACP countries the necessary time to improve competitiveness and prepare for the relaxation of trade restrictions to allow their progressive integration into the world economy. The WTO, World Bank and the EU will assist in these efforts. Pascal Lamy says a strong political will is required and that technical support for the ACP countries is a priority.

Supporting stronger ACP cohesion

"As a first step, the situation must be analysed country by country to identify priority requirements," says Antoine Gosset-Grainville. "This can range from test laboratories so as to bring ACP exports up to international standards in terms of hygiene to overcoming customs difficulties."

Technical support for trade also includes training ACP negotiating teams and executives within the WTO.

The EU has earmarked initial packages of €50 million and €30 million from the European Development Fund to finance, among other things, the new ACP office in Geneva, which was opened on 16 January.

As Jean-Robert Goulongana explains: "This office will help strengthen cohesion between the ACP delegation in Geneva, which deals daily with WTO related issues, and the ACP delegation in Brussels, which manages our relations with the EU. These are interrelated and as a result we need to facilitate interaction, the sharing of information, and coordination between these two bodies."

"No longer will the EU treat "trade and development" as two separated policy objectives... you on your side will have to do likewise. Trade has to be mainstreamed in your respective development strategies, in your macroeconomic and sector policies, in your public spending plans. Only then will the perspectives improve for ... using trade as a vehicle for development and poverty reduction."
Pascal Lamy, speaking at the inauguration of the ACP office in Geneva.

Balancing regional and multilateral integration

The EU held intensive talks with the ACP delegation during the Doha Ministerial Conference. Antoine Gosset-Grainvilles explains that Europe and the ACP countries display the same desire for a joint approach to multilateral issues in parallel with issues relating to the Cotonou process.

This parallel approach is a prerequisite because while negotiations will continue within the WTO this year, other discussions between the EU and its ACP partners will begin next September with a view to concluding new partnership agreements, possibly in the form of regional economic agreements. For Pascal Lamy, this means leading negotiations on two fronts - at multilateral and at Europe-ACP level.

As regards the future economic partnership agreements, Antoine Gosset-Grainville says the EU would prefer a regional approach because it is in the interests of ACP countries to create markets that are big enough to attract investment.

"The decision of course comes down to the ACP countries. We would not wish to take over from them in the choice of a format," he says.

The ACP countries are not hostile to the prospect of concluding regional economic agreements with the EU but do not want to commit themselves at this stage. As their Secretary-General explains, "first we need to research the strategies most likely to help the ACP countries to achieve trade agreements that would benefit them. We have already launched a number of evaluation and impact studies. We intend to prepare a mandate that will state how our delegation should present itself at negotiations. On the face of it, I have no objection to the integration of our countries into the world economy taking place through a strengthening of our regional integration."

In answer to the question of whether separate agreements between the various ACP regions and the EU would undermine the solidarity of the group, Jean-Robert Goulongana replies: "There are risks entailed in everything. However, we must ensure that this does not take place to the detriment of the strength represented by the ACP Group when it appears as a unified whole. It is up to us to combine the need for group solidarity and cohesion with the essential requirement of speeding up integration at regional level."

Preparation for EU negotiations will be on the agenda at the next ACP Heads of State Summit, the third so far, scheduled to meet in 2002. This next ACP Summit will also have the task of evaluating the new world context following the terrorist attacks of 11 September and of determining how the group can best protect its common interests in world arenas.

On the way - Doha to Monterrey

The fourth WTO Ministerial Conference has shown how worthwhile close collaboration between Europe and the ACP countries can be. According to Jean-Robert Goulongana a strategic partnership with Europe stands to reason.

"In the Cotonou Agreement, we undertook to cooperate with the EU in international arenas. Europe is our natural partner. Of all the regions in the world, Europe donates the most financial resources in support of our countries and understands the concept not only of development but of the relationship between development and trade," he says.

"With a shared view on these issues, it is therefore beneficial that we should hold discussions so as to be able to adopt a common stance at international meetings. We should combine our strengths so that this point of view can be heard and shared by other economic powers in the world. This is what we did in Doha, and there is no reason why we shouldn't collaborate in this way at other venues."

The dialogue will continue in the months to come. Europe and the ACP countries will have another opportunity to put their cooperation to the test at the United Nations Conference on Financing for Development, to be held 18 to 22 March in Monterrey, Mexico.

The EU-ACP Ministerial Committee on Trade Issues, which has already met in Brussels and in Nairobi since its creation in 2001, will hold another meeting early this year. For Pascal Lamy, who has a clear view of the task in front of him, trade relations with ACP countries are a priority. The aim is to proceed in such a way that trade can be, more than ever, a means to support development.

The Commissioner has outlined three ways in which this can be achieved: regional integration, technical support and the reorientation of the multilateral system to include developing countries. ■

Doha diary
Developing countries stand strong

White-knuckle time at the Fourth Ministerial conference of the World Trade Organization in Doha, Qatar.
Trade ministers from 144 countries are trying to pin down a deal to launch a new Round of negotiations. Bleary-eyed negotiators walk the corridors stalked by equally tired journalists.
Things were not looking good.
The meeting was due to end the next morning and sources said that positions had atrophied in both the developing and developed country camps. The spectre of Seattle loomed.

Ferial Haffajee

Friday, November 9

"Where?" That was the question on many lips as the WTO eventually found a member state willing to host the Fourth Ministerial conference.

Not many had heard of Qatar, a pin-head of a Gulf State, rich in oil and gas, but not as well-known as its neighbours Dubai and Saudi Arabia. Following the Seattle fiasco of 1999 and the wave of mega-protests at global governance meetings it triggered, Qatar was about the only member state that threw its name into the hat.

Even after finding a host country it was still touch and go for the meeting after September 11th and the retaliatory war waged in Afghanistan a few weeks before the meeting started. But Qatar campaigned to keep the meeting it planned for two years.

EU Trade Commissioner Pascal Lamy at the WTO Doha conference

© BELGA

On November 9, the balmy and pretty capital of Doha played host to 2,642 delegates, more than 800 journalists and 388 NGOs. At times it seemed there was a soldier and sheikh to guard every attendee. The city teemed with soldiers in blue camouflage and men dressed in white Arab garb. At the city's traffic circles, armoured jeeps with rifles mounted symbolised the security dragnet that was pulled around the state.

Hotels kept delegates' passports and soldiers were posted at each. Doha is, after all, in the heart of the Muslim world and American bombs continued to rain down on nearby Afghanistan throughout the meeting. The US brought its marines to guard its delegation led by negotiator Robert Zoellick. He walked with burly marines strung like a necklace around him.

Delegates had come primarily to negotiate a Ministerial Declaration to set out the parameters of trade negotiations for the 21st century. Six issues would dominate the agenda: the primacy of public health above patent rights, the need to rebalance the Uruguay Round Agreements in favour of developing countries, subsidies that industrialised countries continued to pay to their farmers, environmental protection in trade agreements, the expansion of open trade and the ways in which the rules on anti-dumping and non-agricultural subsidies worked against developing countries.

WTO spokesman Keith Rockwell said the draft Ministerial Declaration written by Director-General Mike Moore strived for a "balance of unhappiness" among member states. Developing countries responded that it was their turn to be a little less unhappy.

Saturday, November 10

The meeting elected six friends of the chair who tried to find agreement on the most contentious areas. Agriculture was chaired by Singapore, implementation by Switzerland, environment by Chile, rule-making by South Africa, new trade issues by Canada and negotiations on intellectual property by Mexico.

The group of Least Developed Countries (LDC) later complained that they were not represented and Botswana was appointed to deal with issues not included in the key areas. This process was criticised by NGOs who said decisions should be made in open meetings. They called the six (and later, seven) friends "green men", because they served the same function as the "green room process" in Seattle, where hand-picked country representatives were taken into a green room in an attempt to reach secret agreements. African countries were so incensed by this that analysts often say it is a key reason the meeting collapsed. Everywhere in the Sheraton green posters were put up asking: "Do you know what the green men are doing?"

Agriculture emerged as the most emotional issue. In the main, the world's poorest countries have economies reliant on agriculture. To become more than subsistence economies, they must be able to turn their products into capital. One way to do this is to build export markets. But rich markets are difficult to access. Research by Oxfam found that exports from developing countries attracted tariffs higher than those between developed countries - four times higher on manufactured goods.

Price-distorting subsidies said to be worth US$1 billion a day in OECD countries cause hardships for poor farmers. Oxfam said its research shows that farmers in Mexico are buckling under the impact of cheap subsidised imports from the US. EU exports into sub-

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The ACP Secretary-General Jean-Robert Goulongana

Saharan Africa have a similar effect. "There has been no real reduction in agricultural protection," said the organisation.

EU Trade Commissioner Pascal Lamy questioned Oxfam's figures, noting that the EU had "scrupulously" implemented its commitments. Imports of textiles and clothing had grown by 54 percent, outstripping increases by the US, Canada, New Zealand and Australia. Since 1992, subsidies expressed as a percentage of the agricultural budget have halved to 12 percent. Wheat exports attracted no subsidies, while three-quarters of pork and poultry exports are also duty free. He added that the "Everything But Arms" initiative for LDC countries would provide for duty free exports from the 49 poorest countries, excluding sugar and rice imports.

Said Lamy: "The real issue is not broken promises, but the fact that the world has changed since the last round of negotiations, which reflected the balance of power in the WTO at the time. That balance of power has changed."

A Tanzanian delegate expressed the conundrum that agriculture posed. "If we lose on agriculture, we lose our lives. If the French lose, the government loses the next election."

Sunday November 11

While NGOs will deny it, it became clear that there has been a subtle shift in the balance of power. Because the WTO works on consensus, developing countries make up 80 percent of the voting bloc. And they used their power. Developing countries including the ACP, the Like-Minded Group (LMG) and the LDC group stood firm – they did not want to expand trade negotiations to include new issues such as investment and competition. At a press conference of ACP and LMG ministers, this stand was clearly evident. "Developing countries are taking a solid and united stand," reported the Bridges daily update.

They also exposed the myth that trade and development are mutually exclusive domains. At a press conference earlier in the week, EU spokesman Anthony Gooch complained that the WTO is not a development agency. It may not be, however, At Doha poor countries insisted it must view the world and its work through a developmental prism.

"Trade is not just trade," said Ugandan Minister Edward Ruguwayo. "It's not the mere exchange of goods for money. Trade must have a purpose. Open up your markets, we get the money, we develop our people." He recalled an African proverb applicable to the world of nations: "The speed of a locust is determined by its slowest members."

Agriculture emerged as the most emotional issue. In the main, the world's poorest countries have economies reliant on agriculture. To become more than subsistence economies, they must be able to turn their products into capital. One way to do this is to build export markets. But rich markets are difficult to access

Monday November 12

Despite the change in the power balance, it was clear that this would not be another Seattle. NGOs were restricted to two delegates each and more than half were business and commercial organisations. However, they were innovative, despite their lack of people power. In an open-air tent overlooking the Gulf, they staged a play to show the impact of intellectual property rights on poor people. Clad in a white dress and pants of Indian origin, the lead actress carried a packet of basmati rice to tell the story of how this Indian staple had been patented by the US company Rice Tec.

"Our ancestors thought it was a gift from the gods. The thought of patenting never crossed their minds," she said.

The patenting of staple food seeds (called bio-piracy) has huge implications for peasant farmers. More than 900 patents on staple foods are owned by four multinational companies. The Trade Related Aspects of Intellectual Property (TRIPS) agreement provides for such patenting. Basmati rice farmers and those from other countries had never dreamed what the implications would be, when their governments signed up to TRIPS. Activists agreed that it is an area that needs to be investigated and changed.

A more immediate danger of TRIPS is its impact on public health. Patented drugs are priced out of reach of poor countries. South Africa, for example, had a case brought against the government by multinational pharmaceutical companies when it tried to pass legislation allowing it to override TRIPS in national emergencies. Kenyan delegates said they had a high incidence of child mortality because of pneumonia. The best-selling patented drug, Zithromax, costs as much in Kenya as it does in the North, but TRIPS prevented them importing cheaper generics.

Countries affected in these ways won a victory. The meeting agreed to a TRIPS Declaration, which emphasised that the agreement did not and should not prevent member states taking measures to protect public health.

Tuesday, November 13, around 10.00 p.m.

Flights needed to be taken, the venue had been booked only until the next morning and notices proclaimed that the media centre would be dismantled at midday the next day. Suddenly, ACP Group spokesman Hegel Goutier walked into the press room. Grinning, he climbed onto a chair, cupped his hands to make a megaphone and announced:

"There is a deal on the waiver." (The waiver grants an extention – until 31 December 2007 – of the preferential treatment which ACP exports enjoy on the European market. Two waivers were granted; one on tariff preferences and are specifically on bananas.)

Journalists clustered around him, knowing the breakthrough had come. The granting of the waiver tilted the balance and was one of the factors that would lead to the launch of a new Round the next evening. For some, one of the symbols of the Cotonou Agreement is bananas, a key export of ACP countries. At the end of the day, the deal was sealed and at least 750,000 tons of bananas will be able to reach European tables from ACP countries.

The journey from the opening of the Doha conference to its fruitful closure will go down in trade lore as one in which the developing world stamped its authority on multilateral trade negotiations.

Rebalancing the terms of world trade

As our diary shows, the waiver was granted and at the end of the day, the Doha meeting began to rebalance the terms of world trade. The TRIPS Declaration was also a sea-change.

The WTO Declaration promises that subsidies will be "phased out" and that high tariffs will be addressed. In addition, pernicious tariff peaks (of over 15 percent) and tariff escalation (where higher tariffs are applied as products progress up the value chain) will also be brought down. This is vital if developing countries are to move beyond merely exporting raw materials and importing manufactured goods.

Rich countries also promised to improve trade-related aid to build the negotiating capacity of developing countries. The WTO negotiations demand skills and stamina; they are intricate and tough. Developing countries repeatedly said the starting block was unequally stacked as most lacked negotiating power, while some could not even afford to keep representatives in Geneva.

"We need to serve our member governments better through a system of technical assistance that is adequately financed," said WTO Director-General Mike Moore.

"Trade is not just trade," said Ugandan Minister Edward Ruguwayo. "It's not the mere exchange of goods for money. Trade must have a purpose. Open up your markets, we get the money, we develop our people."

UN Development Programme Administrator Mark Malloch Brown said trade assistance had declined by 30 percent since the mid-90s: "The result is the emergence of a stark imbalance between a strong demand for trade assistance created by increasing requirements of the new trade system and diminishing resources."

Millions were pledged in Qatar. If Moore strived for a balance of unhappiness at Doha, he got it. Nobody was entirely happy as the long and difficult session showed. But this time at least developing countries were a little less unhappy. ■

Opening of ACP office in Geneva

An ACP permanent Delegation was officially inaugurated in Geneva on 16 January, by EC Trade Commissioner Pascal Lamy and ACP Secretary-General Jean-Robert Goulangana. With EU funding of €1,45 million, the office will enable the ACP countries to strengthen their preparation and presence in the WTO. Many ACP countries are WTO members or observers, and many others are applying to become members. Yet few of them have permanent representation in Geneva, the seat of the WTO. Mr Goulangana pointed out that, already 12 years ago, representation at Geneva was seen as vital. "Changes since then in the global economic context have made it imperative," he said.

"The ACP is making itself a real force to be reckoned with in the WTO, including at Doha, and the opening of this office marks that fact," said Commissioner Lamy. The role of the office is even more crucial in the light of the preparation of economic partnership agreements (EPAs) he said. "Our joint vision is of EPAs unfolding alongside WTO negotiations in a mutually supportive way."

Senghor
Africa's poet-philosopher-statesman

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Leopold Sedar Senghor, Senegal's first president and one of the most acclaimed poets of Africa, died last December in Normandy, where he spent his final years. Born in 1906 in Joal, a small coastal village south of Dakar, in 1928 a scholarship allowed him to continue his studies in Paris. Senghor, the first African to attend the *Académie Française*, considered the most distinguished French intellectual association, helped form a bridge between continental and colonial French. He represented colonial Senegal in the French National Assembly and in 1960 became the first president of Senegal.

Maurizio Carbone*

Senghor was a key figure in two of the political and intellectual movements of 20th century Africa: "negritude" and African socialism. His life embraced many dichotomies: Africa and Europe, black and white, colonialism and independence, elitism and populism.

Along with Aimé Césaire of Martinique and Léon G. Damas of French Guiana, Senghor created the concept of "negritude" – the black consciousness movement. This movement was often perceived as a reaction against French colonialism, and a glorification of African culture and society. But for Senghor, the movement, by recognizing a common racial thread, transcended the division within and between Arabs, Africans, and the African Diaspora and represented the emergence of a powerful black presence in the world. "There is no denying that negritude is a fact, a culture; it is the whole of economic and political, intellectual, moral, artistic and social values of not only the people of Africa but also of the black minorities of America, and indeed of Asia and Oceania".

For Senghor, black culture gained strength from its closeness to nature and its people's ancestors, while Western culture was out of step with the world's ancient and natural rhythms. His statements about intuition and reason led to many protests. Jean Paul Sartre declared that negritude is "an antiracist racism", and contributes to making people even more confused.

Senghor retained respect for French and Western poetry and political thought; he also explored the rich fusion of African culture with European and American influences in artistic forms that he cherished, such as jazz. For this reason, he urged his compatriots to "assimilate, not to be assimilated". Senghor is to be considered among those writers who looked forward to a new kind of civilization in which all races and cultures join on a basis of peace, equality and justice. This explains Senghor's preferences for the fusion of two opposing themes: anti-colonial militancy and racial conciliation. Thus, an important component of negritude thought was the humanism that Senghor tried to blend with socialism. He advocated a sort of "African socialism", which in his opinion was to be devoid of both atheism and excessive materialism. He believed that there would eventually be one world civilization, unique and universal.

As president of Senegal, Senghor faced problems common to many African nations: poverty and lack of resources. Therefore he devoted himself to modernizing agriculture and to combating the corruption and inefficiency that had become endemic under French rule. Even though he replaced Senegal's multiparty democracy in the early 1960s with a one-party authoritarian state, his regime was considered tolerant and democratic. In 1980 he stepped down from office and was the first leader of modern Africa to retire voluntary.

Senghor was an eloquent diplomat, who on the one hand deftly criticized the colonial policies of Portugal and South Africa, but on the other hand scolded some developing nations for what he considered their hypocrisy. In a famous speech at the UN in 1961, he accused some newly independent states of a "dual" policy: "We have denounced the imperialism of the great powers only to secrete a miniature imperialism towards our neighbours... We have demanded disarmament from the great powers only to transform our countries into arsenals. We proclaim our neutralism, but we do not always base it upon a policy of neutrality."

Senghor was one of the major intellectuals of our century, and his originality, humanity, and universality merited a Nobel Prize. ■

*Trainee, DG Development

ACP-EU Joint Parliamentary Assembly

Much remains to be done, says co-President Serge Clair

The ACP-EU Joint Parliamentary Assembly held its third plenary meeting in Brussels from 29 October to 1 November last, under co-Presidents John Corrie (UK) and Serge Clair (Mauritius). Among the subjects raised were the struggle against world poverty, sanctions and the implementation of the Cotonou Agreement.

Anne-Marie Mouradian

In the name of the Belgian presidency of the EU and in the presence of King Albert II, the Secretary of State for Cooperation, Eddy Boutmans, called during the opening ceremony for the formation of a worldwide coalition not just against terrorism, but also against poverty. In turn the President of the ACP Council of Ministers, Prince Ulukalala Lavaka Ata (Tonga) lamented what he called a "huge gap" between the European Commission's target of spending an annual amount of €3 to €3.5 billion for ACP-EU cooperation over the next seven years, and actual commitments. He also voiced the concern of the ACP group over the Commission's decision to close or downgrade delegations in seven ACP member States.

Defending the Commission

In response to these worries, which were shared by a number of European MEPs, the European Commissioner for Development and Humanitarian Affairs, Poul Nielson, said that the funding would be allocated within the specified timescales. He also pointed out that the maximum number of external delegations of the Commission had been set at 120 by the Council and the Parliament. He said it would be necessary to find an appropriate response within the context of regional solutions. Commissioner Nielson also emphasised that after the terrorist attacks of 11 September, ACP-EU cooperation was more in evidence than before. He said the target of allocating 0,7 percent of the developed countries' GDP to development aid was becoming even more urgent.

Changing the rules – a sensitive issue

The contentious question of whether members of the Assembly had to be Members of Parliament (MPs) was not in the end put to a vote. Although on the agenda, voting on a report by Edgar-Yves Monnou of Benin concerning implementation of the Cotonou Agreement was deferred. This report, primarily about the rules of the ACP-EU Joint Parliamentary Assembly, was still a long way from unanimous approval. There was particular concern about Article 2, which proposes that the members of the Assembly must be members of parliament; and that ambassadors could only represent their countries in exceptional circumstances and without a voting right. The ACP countries refused to accept any restrictions of the rights of someone (whether an MP or a public official) who had been duly mandated. Out of the 77 ACP representatives attending this third meeting, 18 had not been elected.

Information technology for development

Three important reports were adopted by the meeting. One by the German Social Democrat, Karin Junker, on new information and communication technologies as a contribution to sustainable development, emphasised the importance of access to these technologies for the ACP countries. But the report noted that they were still very inadequately equipped. It invites the EU to involve itself in specific programmes relating to infrastructures, the preparation of standards and the establishment of mechanisms to enable, in particular, the rural communities of the ACP countries to gain access to information about education, health and trade.

Better targeting of sanctions

In the absence of Dr Richard Cheltenham (Barbados), the report on the impact of sanctions and embargoes was presented by Mr Davies (South Africa). The report is based on case studies relating to nine countries: Angola, Burundi, Nigeria, Rwanda, South Africa, Sudan, Cuba, Fiji and the

Resolutions adopted by the 3rd meeting of the Joint Parliamentary Assembly (JPA) in Brussels

- on the situation in West Africa
- on Central Africa
- on Southern Africa
- on the situation in Sudan
- on the crisis affecting the Caribbean tourist industry
- on the damage caused by hurricane Iris to Belize
- on the situation in the Pacific
- on the report of the JPA observer mission to the Fiji elections
- on migration
- on food security
- on the rights of disabled people and older people in ACP countries
- on HIV/Aids
- on WTO negotiations
- on rum
- on the special situation of BLNS (Botswana, Lesotho, Namibia and Swaziland) countries in future trade negotiations
- on sugar
- on the fight against terrorism

Federal Republic of Yugoslavia. It observed that, in most cases, people already living in insecure conditions, and not governments, suffered most from the application of these measures. It cited one exceptional case, South Africa, where sanctions had been used as a means of struggle against apartheid, and did contribute to political change.

Otherwise the Joint Parliamentary Assembly considered global sanctions to be inappropriate and advocated the use of sanctions that targeted political decision-makers. Among the measures proposed were: freezing and seizing their assets and restricting their movements; arms embargoes; controlling trade in strategic goods; developing international legislation to make it possible to prosecute leaders responsible for human rights violations in any third country; and sanctions against those who fail to observe embargoes.

In a completely different area, a report by the Swedish Conservative, Anders Wijkman, urged the importance of exploring, through regional ACP seminars in particular, means of promoting renewable energy sources, such as biomass, wind, and hydroelectricity, that would be less expensive and more environmentally friendly than traditional energy sources.

The Assembly also heard a report on the fact-finding mission to Sudan from 26 June to 2 July.

As usual, the Assembly also debated the situation in several ACP countries.

Outside the formal session, Mr Fodé Sylla (EUL/NGL, F) and Mrs Marie-Arlette Carlotti (PES, F) gave a "passport for freedom" to the Guinean opposition Alpha Condé.

The ACP group of the Joint Parliamentary Assembly appointed a lawyer, Adrien Houngbédji, President of the National Assembly of Benin, as their co-President to replace Serge Clair from Mauritius, who came to the end of his term. The next meeting of the Joint Parliamentary Assembly is due to be held in Cape Town in March. ■

Interview with Serge Clair of Mauritius who has been co-President of what is now the ACP-EU Joint Parliamentary Assembly

We asked him to sum up his two years in office:

With the support of the ACP Group Secretary-General, Jean-Robert Goulongana, the ACP bureau and I have succeeded in breathing new dynamism into informing MPs from ACP countries about the Cotonou Agreement and other important issues such as globalisation. I am very happy about this, but I have also noticed that there are a number of shortcomings within the Joint Parliamentary Assembly. Much remains to be done. European MPs are sometimes badly informed about our countries. At each meeting, bitter attacks are launched on ACP countries, which are expected to achieve complete democracy straightaway. European MPs should not allow themselves to be influenced by the inaccurate information that is sometimes put out by the media or other bodies. The question of follow-up is also very important. Take the example of Sudan. We carried out a fact-finding mission there, submitted a report about it and adopted a resolution. But what happened then? We need to set up joint committees responsible for ensuring the follow-up of such missions and of the resolutions that are adopted, and for liaising with the European Commission in this area. Members of Parliament are the elected representatives. They must be given a role, dignity and the opportunity to extend their responsibilities.

Is there good communication between European and ACP Members of Parliament within the Assembly?

No, communication isn't very good. It is frequently faulty, as I have already said, in terms of information received and transmitted, and it is also frequently faulty in terms of the problems that are sometimes encountered by ACP MPs in their own countries. The European MEPs talk a lot about free and transparent elections, about democracy and human rights, and they frequently tend to link ACP MPs with all the actions of their governments. Yet ACP MPs want things to change – they want political and economic stability in their countries and to be able to function fully as MPs.

There is no single parliament for all the ACP countries, equivalent to the European Parliament. What do you think about the idea of creating an ACP Assembly?

This idea has been discussed for a number of years. It will doubtless be discussed once again in Cape Town. Regional parliaments are being set up, in West Africa for example, and there will one day be an African parliament. It would also be good to have an ACP parliament. Our MPs ought to have the means to fulfil their responsibilities properly and to exercise their functions to the full. The creation of an ACP parliament would be a step in this direction.

ACP Council of Ministers approves Fiji's offer to host Heads of State and Government Summit in 2002

Ministers from the ACP countries, meeting in Brussels on December 6 and 7, decided that the 3rd ACP Summit should be held in the second half of 2002, in Fiji, prior to the start of trade negotiations with the European Union. The first Summit was held in Libreville, Gabon in 1997, and the second in Santo Domingo, Dominican Republic, in 1999.

Greta Hopkins

Outcome of Doha

The ACP Ministers applauded the outcome of the World Trade Organisation Ministerial summit in Doha from 9-14 November, during which the ACP Group secured most of its demands. For the first time, the Group had spoken with a single voice, and so was able to play an important role.

Ministers' concerns

The ministers discussed the use of unallocated European Development Funds (EDF) by the European Commission, and the closure of several European Commission offices.

The ACP Council of Ministers agreed that the European Commission should consult them on allocating unused EDF funds. Recently, the Commission allocated part of a €290.7 million sum for debt relief (€60 million) and aid to Somalia (€50 million). As a result the ACP Group could only take part in discussions on the remaining €144 million, which it hopes will be put towards reproductive health, the private sector, peace-building and conflict prevention.

Another bone of contention is the European Commission's decision, because of budgetary constraints, to close several of its offices in ACP countries with a view to opening delegations in other parts of the world. The Commission plans to close its offices in Antigua and Barbuda, Belize, Comores, the Dutch Antilles, Sao-Tome and Principe, Tonga and Equatorial Guinea; to reduce staff numbers through streamlining in its delegations in Costa Rica, Trinidad and Tobago and Sri Lanka; and to open new delegations in Malaysia, Singapore, Saudia Arabia, Cambodia, Laos, Nepal and Paraguay. Consideration is also being given to establishing representations in Taiwan and Cuba. The ACP group considers that the closure of offices in ACP countries runs contrary to the objectives of the Cotonou Agreement, especially the wish to delegate more power to those responsible for implementation on the ground.

Bananas

The ACP Council of Ministers requested remunerative prices and technical assistance from the European Union on bananas and sugar. The ACP are relieved that their bananas will continue to enjoy duty-free access to all quotas and duty-free entry until 31 December 2007, thanks to the WTO waiver granted at Doha in November. The ACP Group is calling for an effective restriction of quantities of imports into the Union, in order to prevent an oversupply of bananas and the displacement of ACP suppliers.

Another problem for the ACP is that the Special Framework of Assistance (SFA) only provides technical and financial support to designated traditional ACP banana suppliers. The Ministers therefore requested that a mechanism should be established out of the unallocated 8th EDF resources, in order to provide technical and financial assistance to ACP countries that do not currently benefit from the SFA. This assistance would help improve the level of competitiveness of these ACP producers in view of the impending establishment of the tariff only system on January 1, 2006.

The ACP Council adopted a resolution on sugar, which calls on the European Union to ensure that every effort is made to defend, maintain and honour its commitments under the Sugar Protocol. The Resolution notes that the sugar sector plays an important role in environmental protection and rural development in ACP supplying states.

Concerning the on-going debate on the accession of Cuba to the ACP-EC Cotonou Agreement, the Council called on the EU to revise its common position on Cuba, and treat the applicant in an impartial manner.

The ACP Council of Ministers noted the state of preparations for the negotiation of new ACP-EC trading arrangements. As the EU wishes to negotiate agreements with regional ACP groupings, the ACP group must agree on geographical configurations for the talks. The ACP ministers felt there was a need to carry out further studies and ACP-wide consultations before making a decision on this point. ■

The President of the ACP Council of Ministers, HRH, Prince Ulukalala Lavaka Ata, Prime Minister and Minister of Foreign Affairs of Tonga

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The impact of the euro on the ACP countries

The euro zone was formed on 1 January 1999. Euro notes and coins have been in circulation in its 12 countries since 1 January this year, leading to the disappearance of their national currencies. Information campaigns about the euro have been running within the EU and also, to a lesser-known extent, in other countries. These include 77 African, Caribbean and Pacific (ACP) states, who have long been privileged economic partners of the EU. With the currency of one in three African countries tied to the euro, the creation of a "single European currency" will affect these developing countries in varying degrees.

By Appo Laure Gnassou*

Among the EU Member States, France and Portugal are partners in two exchange agreements, concluded with 16 ACP countries. On the creation of the euro zone, these two European countries maintained their exchange agreements with third countries. This was made possible by EU Council decisions in 1998[1]. These came into force on 1 January 1999 and defined the legal status of each agreement in relation to the euro zone.

The franc zone

Created in 1945, the CFA franc zone is a unique monetary area. With the exception of the Comoros Islands, the 14 States belong to two regional groupings:

- the West African Economic and Monetary Union (WAEMU): Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo; these countries share a common currency: the African Financial Community franc (CFA franc), issued by the Central Bank of West African States (BCEAO);
- the Central African Economic and Monetary Community (CEMAC): Cameroon, Central African Republic, Congo, Chad, Equatorial Guinea and Gabon; the Financial Cooperation in Africa franc (CFA franc),

issued by the Central Bank of Central African States (BEAC), is the common currency in these countries.

The legal currency in the Comoros Islands is the Comorian franc (CF), issued by the Comorian Central Bank (BCC).

As well as France, the franc zone now includes the French overseas departments and territories, the principality of Monaco and fifteen African countries, the latter making up the African CFA Franc zone. In 2001 the population of the CFA stood at nearly 100 million. Its GDP represented only 3 percent of the GDP of France.

The CFA is governed by strict monetary regulations. The African currencies in this zone (the CFAFs and the CF) are fixed against the euro (€1 = CFAF 655.957 and €1 = CF 419.967). These currencies are freely transferable, so transactions can be made both inside and outside the franc zone without restriction. In addition, their convertibility into euro is guaranteed by the French exchequer. This means that any asset expressed in CFAF or CF can be changed into euro at the fixed rate, with no limit on the amount. In return for this unlimited guarantee of exchange, each CFA central bank deposits at least 65 percent of its external reserves in an operations account held with the French exchequer. In the event of a debit balance in these accounts, the French exchequer acts as last-resort lender, providing financial support.

Portugal and Cape Verde

Outside the African Franc zone, Cape Verde[2] has been linked to Portugal since 13 March 1998 through a second exchange agreement. Under this four-year agreement, the Cape Verde escudo enjoys a fixed exchange rate with the euro (€1 = CVE 110.252). The African currency is transferable and convertible as a result of a guarantee provided by Portugal. It has also granted the small African state a line of credit worth US$50 million, to which Cape Verde has access in case of a temporary imbalance in its balance of payments.

Promoting economic stability

These 16 ACP states, the founding members of what could be called the African Circle of the Euro Zone (CAZE), have been benefiting from the positive effects of the introduction of the euro since 1 January 1999. The stability of the African currencies in the circle has increased, despite the weakness of the euro with respect to the dollar. This monetary stability is contributing to the development of trade between these countries and their European partners. The increase in such trade, more than 50 percent of which takes place with the EU, is also helped by the reduction in transaction costs, to the benefit of African economic operators. The latter also have other new opportunities, such as access to the financial markets of the euro zone. In return European economic operators can invest with less risk in the emerging African financial markets, such as the WAEMU regional transferable securities exchange. Some of the African external debt is expressed in euro and should now be managed better because of low exchange risks.

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For their part, these African states have had to comply with more stringent obligations. They must ensure that their economies remain competitive, to help their progressive integration into world trade, while still observing strict budgetary discipline. This means respecting convergence criteria in the context of the multilateral supervisory mechanisms put in place by WAEMU and CEMAC under their respective treaties. Under these conditions the African states will be able to keep, or even strengthen, their monetary ties to the euro, which will be a key factor for economic operators.

The euro as a potential reference currency

Community and bilateral aid from euro zone countries to ACP countries has been expressed in euro since 1 January 1999[3]. But the advantages of the introduction of the euro are less obvious for the other 61 ACP countries. In 2000 these ACP states carried out a third of their commercial exchanges with their European partners. Against this background the euro will eventually have to be established as an international currency for quotation, invoicing and payment – especially for basic products, on which the ACP economies depend. Moreover, certain other ACP countries will prefer to keep their liquid assets abroad in euro rather than in dollars (to bring the structure of their balance sheet assets in line with their external debt).

Looking at the euro as a reference currency, most ACP countries belong to a variety of exchange systems, leaving aside the three regional monetary arrangements (the CFA, the Portugal-Cape Verde exchange agreement and the common monetary area, formerly the rand zone). Although the ACP-EU Cotonou Agreement does not deal with monetary cooperation, certain ACP countries may opt to belong to the euro zone of influence in Africa. Countries bordering the CFA may decide to do so if the euro zone is really attractive to them. The prior approval of the EU Council, in accordance with the new legal status of the CFA, is necessary for this to happen[4].

Other African countries could envisage anchoring their currencies in the euro in accordance with terms yet to be defined. Globalisation tends to favour either completely fixed or totally flexible exchange rate mechanisms. In the case of the former, the euro constitutes an "anchor" currency. It will also help to close the gap between the economic groups belonging to the CAZE, which could promote the reform of "integrated regional zones". The possible development of the euro as reference currency would require economic and financial rigour on the part of the ACP countries concerned. In addition, the international dimension of the euro would be consolidated. ■

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1. See EU Council Decision 98/683/EC of 23 November 1998 concerning exchange rate matters relating to the CFA franc and the Comorian franc, and Council Decision 98/744/EC of 21 December 1998 concerning exchange rate matters relating to the Cape Verde escudo.

2. See the report on Cape Verde by Dorothy Morrissey,The ACP-EU Courier, No 183, Oct.-Nov. 2000, pp. 23-40.

3. See "The euro and what it means for ACP countries" by Francisco Granell, ACP-EU The Courier, No 175, May-June 1999, pp. 10-13

4. See the provisions of Article 5 of EU Council Decision 98/683/EC of 23 November 1998 concerning exchange rate matters relating to the CFAF and the CF.

The Overseas Countries and Territories: renewed partnership with the Community

On 27 November 2001, the EU formally adopted a new agreement[1] on relations between the European Community and the Overseas Countries and Territories (OCTs). The new association arrangement, which applies until 2011, provides an updated cooperation framework for relations between the Community and the OCTs, a group of twenty island micro-states scattered around the globe, each linked in a special way to either the United Kingdom, France, the Netherlands or Denmark.

Gail Sutton*

The association of the overseas countries and territories, linking the European Community and the OCTs, dates back to the EEC Treaty of 1957. Its purpose was "to promote the social and economic development of the countries and territories and to establish close economic relations between them and the community as a whole."

The association is governed by Council decisions adopted periodically in parallel to the agreements between the EU and the African, Caribbean and Pacific countries (ACPs). It covers a large number of sectors including the environment and health, industry, agriculture and food security, fisheries and trade, transport and communications, mining commodities, energy, tourism and regional integration.

The OCTs are also eligible for grants from the European Development Fund (EDF), and loans from the European Investment Bank (EIB) to finance development projects.

The challenge of the new Decision

From the outset, defining the new association arrangement was a challenging and ambitious task. Until 1991, the year the previous Decision was adopted, the OCT Decisions were similar and in some respects identical to the Lomé Conventions. However, the OCTs and the Member States made it clear that new arrangements should take into account the particular circumstances of these territories. The ACP/EU model should only be used insofar as it was appropriate for the OCTs.

So, in addition to the general objectives laid down in the Treaties, the main objectives of the new Decision were to reflect as much as possible the needs and expectations of the OCTs. It aimed to build on past achievements, to benefit from lessons learned, to take into account the views expressed by the European institutions and to ensure coherence with Community policies, including new guidelines on development policy adopted in 2000.

Aware of the complexity of the task, the Commission for the first time consulted widely with the OCTs and Member States concerned, first bilaterally and then, in April 1999, in a "partnership meeting". The consultation provided a wide range of suggestions, some of which were subsequently included in the Commission proposal.

Some of the proposals could not be taken on board, either because they would require modification of the Treaty, or of the national legislation of Member States, or because they would conflict with existing Community policies.

Although the 1991 Decision was due to expire on 29 February 2000, it had to be extended twice before final agreement by the Commission and adoption by the Council.

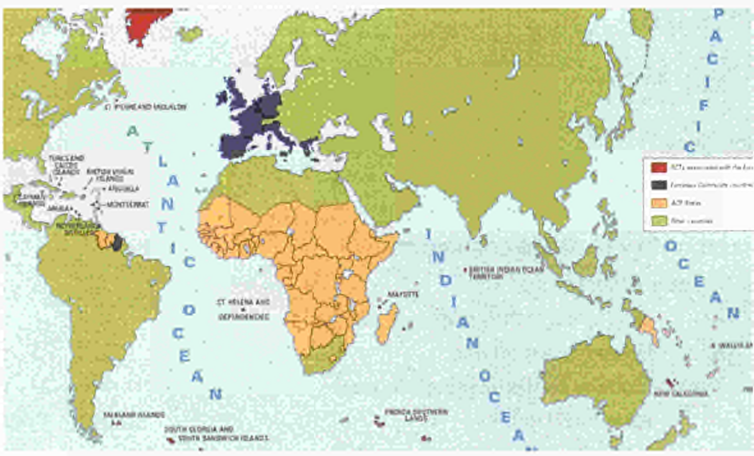
The partnership procedure introduced in 1991 has been widened, clarified and strengthened, responding to the OCTs' request for improved dialogue with the Community. An annual forum will bring together the main actors, including, if need be, Member States which are not responsible for an OCT. Ad-hoc partnership meetings may also be held on specific issues.

Summing up the achievement, Development and Humanitarian Aid Commissioner Poul Nielson said: "I welcome this text which is the result of long, and sometimes difficult, negotiations. The final text is sufficiently balanced and constitutes a much-improved instrument for cooperation. Recognising the increasingly dynamic role of the OCTs, the dialogue with them will be strengthened within a reinforced partnership procedure with a view to providing the most open forum for discussing any matter of common interest."

Financial support

Community financial support for the OCTs is the area in which the Decision is most radical. Aid, under the 9th European Development Fund, is increased slightly from €165 to €175 million over the next five years. New guidelines also favour the least developed and lower-income countries and focus, inter alia, on good governance, the environment and the social sectors. Procedures will in future be strongly decentralised, following the model of the Regional Fund, in order to overcome some of the bureaucratic obstacles, which have in the past resulted in a slow take-up of Community aid.

The OCTs also become eligible for additional funding from other Community budget lines covering a wide range of sectors. These include the environment, humanitarian aid, non-



governmental organisations (NGOs), gender issues, the fight against drugs, AIDS and sexual tourism, population and demography, rehabilitation and reconstruction.

The new Decision provides for support of the European Investment Bank, via a new "investment facility" for the private sector as set out in the Cotonou Agreement, and confirms the extended list of Community programmes accessible to the OCTs already in force since March 2001. It covers, in particular, all research, development and innovation programmes and secures better access to higher education in Europe for OCT citizens.

The trade regime

Negotiations however were particularly difficult on trade issues. The main problems originated from the radical trade concessions granted to the OCTs under the 1991 Decision, and concerned the exports of sensitive Common Agricultural Policy (CAP) products from the OCTs to the Community, as well as the trans-shipment procedure.

Very little exportable agricultural production is possible in the OCTs. However some, most notably Aruba and the Netherlands Antilles, started importing and lightly processing raw materials under the "cumulation of origin" procedure, in a way that conflicted with the CAP and was not in the interest of their own sustainable economic development.

For the first time ever, safeguard measures had to be adopted by the Community on imports of sensitive agricultural products (rice and sugar) from the OCTs. This, in turn gave rise to a long string of legal actions, some which are still pending in the European Court of Justice or Tribunal of First Instance.

The new association arrangement aims at preventing such problems from arising in the future. It contains rules of origin and sets new quotas, which are intended to strike a balance between the legitimate interests of the OCTs and Community operators as well as being in the interest of real economic development in the OCTs. In addition, the trans-shipment procedure introduced in 1991 has been modified, with a view to resolving certain legal uncertainties encountered in the past.

Particular attention has been given to trade in services and trade-related questions, which are potentially of high interest to OCTs.

Within a year, the Commission has to agree detailed rules for financial cooperation and regulations have to be adopted for managing sugar, rice and fisheries imports. ■

* Trainee, Regional Matters and OCTs, DG Development, European Commission

1. Council Decision (2001/822/EC) on the association of the European Community with the Overseas Countries and Territories (OCTs). The new association regime replaces the 1991 Decision (91/482/EEC amended at mid-term by Council Decision 97/803/EC), which expired on 1 December 2001.

The countries and territories involved in the new association regime

The difference between the OCTs and the African, Caribbean, Pacific (ACP) states lies essentially in the special status of the OCTs. While they do not form part of the territory of the Community, they are constitutionally subject to a Member State and are not independent countries.

Many OCTs became independent in the 1960s as the colonial period came to an end. Some joined first the Associated African and Malagasy States (AAMS), formed in Yaoundé in 1963, and then the ACP group. Others, however, remained "overseas countries and territories." Part Four of the Treaty of Rome in 1957 defined special arrangements for the association of the Community with them, setting up the European Development Fund (EDF) and providing for measures on the right of establishment and trade.

Since then the European Council has adopted Decisions at five-yearly intervals, confirming and regulating this association on a similar basis to the Yaoundé and Lomé Conventions. Of the twenty overseas countries and territories, twelve are British, six French, two are linked with the Netherlands and one with Denmark.

The British overseas countries and territories

Anguilla, Cayman Islands, Falkland Islands, South Georgia and South Sandwich Islands, Montserrat, Pitcairn, Saint Helena and dependencies, British Antarctic Territories, British Indian Ocean Territories, Turks and Caicos Islands, British Virgin Islands.

The French OCTs

Mayotte, New Caledonia, French Polynesia, Saint Pierre and Miquelon, Southern and Antarctic Territories, Wallis and Futuna Islands.

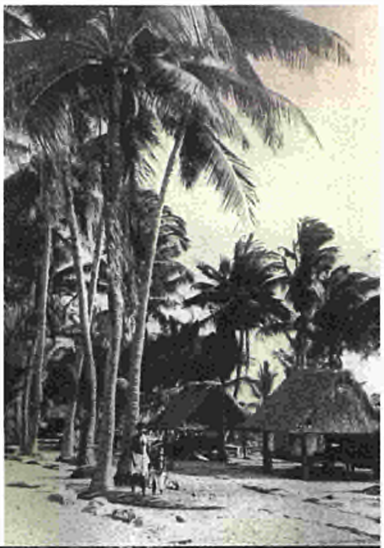
The Dutch OCTs

Aruba, Dutch Antilles (Curaçao, Bonaire, Saint Maarten, Saint Eustache and Saba).

Special ties with Denmark

Greenland

Nauru and the Pacific solution



In August 2001, a year after worldwide praise for the Sydney Olympic Games, Australia was once again making international press headlines.
But this time they were critical. Australia came under attack for refusing to take in 450 mostly Afghan refugees, plucked from the sea by a Norwegian freighter, the MV Tampa, when their makeshift craft was in danger of sinking in the Indian Ocean.

Stéphane Hiscock

Despite international pressure, Canberra remained firm: there were people waiting to enter Australia legally; why should others jump the queue? No illegals would set foot on Australian soil. The French daily, *Libération*, called Australia a land of refuge without asylum.

On 1 September Australian Prime Minister John Howard announced a solution to the crisis: New Zealand and the small Pacific island of Nauru had agreed to take in the Tampa refugees. Mr Howard congratulated himself on having found a "Pacific solution" to the problem. Subsequently the Australian navy intercepted more vessels carrying illegals and the government looked for other countries to take them in. After Nauru, Papua New Guinea agreed to take some.

Then Australia began negotiations with the Archipelago of Kiribati, Palau and the Cocos Islands to take others.

Sending out a clear message

The terms of these agreements were generous. In effect, Australia made an undertaking to pay all expenses in connection with the reception of the refugees and the examination of their cases. Moreover, the government also promised direct aid to boost the economies of the islands that wished to take part in this Pacific solution. It has already paid over almost A$50 million (€29 million) to the governments of Papua New Guinea and Nauru in return for taking in 2,200 asylum seekers, most of them Afghans, Iraqis and Sri Lankans. Some analysts believe that Canberra is looking at a total cost in excess of A$500 million (€292 million) to finance the Pacific solution.

This is an extremely expensive solution: on the basis of these figures, one commentator estimates that the government could already have built, in Australia, a house for every single one of the 450 Tampa refugees. At any rate it would clearly have been cheaper for Australia to have accepted the refugees, but this is seen as an issue of principle. The government wants to stem the flow of illegal immigrants at all costs and to send out a clear message to those who would smuggle refugees: Australia is not a soft touch.

A bizarre operation

In Geneva, at a recent summit meeting of the United Nations High Commission for Refugees (UNHCR), several delegates criticised the Australian government's immigration policy. Without specifically mentioning Canberra, UNHCR Director Ruud Lubbers censured the attitude of certain governments that refused to accept refugees. He added that in the new international context, political leaders could not be viewed as true leaders if they harboured "xenophobic and anti-refugee sentiments".

Many questioned the legality of the Australian operation. John Pace, who visited Nauru on behalf of Amnesty International, says the detention of asylum seekers on the Pacific islands raises genuine legal issues. Under the terms of the agreement between Nauru and Australia, Nauru is responsible for the asylum seekers although Australia is financing the entire operation and, through the agency of the International Organisation for Migration, managing their camps. According to the 1951 Convention on Refugees, Australia should have accepted the asylum seekers. In Mr Pace's view, they should be Canberra's responsibility, but there is no sign that Australia has any intention of taking them in.

In his report, Mr Pace describes the outcome as a non-solution and Australia's policy as an extremely dangerous one that goes against the spirit and substance of the 1951 Convention. He believes that in the current situation asylum seekers have no protection, and that the Australian policy of "burying their heads in the sand" needs to be seriously reconsidered. Moreover, it has not discouraged illegals from attempting to enter Australia. Afghans, at least until now, and Iraqis have been prepared to make every sacrifice to leave their countries even if this includes a spell on a sun-drenched Pacific island.

Nauru is no island paradise

The beaches of this minuscule, 12-kilometre-square dot in the ocean may be edged with coconut palms, but the interior has been devastated by almost 50 years of intense mining activity. From 1919 to 1968 Nauru, with its 11,000 inhabitants, was one of the world's richest nations, thanks to its phosphate resources. The reserves are now exhausted and the country is having to deal with a grave financial crisis. The government's coffers are empty. This year there were regular 20-hour power cuts because there was no money left to run the generators.

The island's school has no drinking water, petrol is a luxury product and only a few vehicles are still running - one of these is President René Harris's Cadillac. According to the Nauru newsletter, *The Visionary*, life on Nauru has become unbearable: "There is no more land for farming, no trees or animals. Meat, fruit and vegetables have to be imported. Before the recent construction of a desalination plant, even drinking water came in from abroad." Life expectancy on Nauru is low (58 for men and 65 for women). One quarter of the adult population is diabetic and alcoholism is rife.

International crime and traditional hospitality

If this were not enough, Nauru is now in the sights of the international financial institutions. The OECD has described the small Pacific island as one of the world's money-laundering capitals. The Russian mafia is thought to have transferred nearly US$70 billion (€79 billion) to Nauru via 400 dubious offshore banks. The Paris-based FATF (Financial Action Task Force on Money Laundering) has issued a warning to the Nauru authorities: "Take measures rapidly to curb money laundering or we will apply sanctions."

Despite all this, the inhabitants keep smiling. When the Tampa refugees disembarked, they offered them flowers and sang to them. Some of them, seeing that the refugees were barefoot when they left the boat, even offered them their own shoes. On Nauru the legendary generosity of the Pacific peoples is no myth. This Pwibwi tradition holds that if someone asks you for a portion of your fish, you should give him several fishes.

Just a temporary solution?

In return for this generosity, Australia has undertaken to cancel Nauru's debts. Payments of A$30 million (€18 million) so far could be increased if Nauru agrees to take in even more asylum seekers. In addition Canberra has financed the construction of two temporary detention centres. The agreement is manna from heaven for Nauru. Some commentators have noted cynically that, in the post-phosphate era, the island's fortune will be made by accepting the refugees Australia does not want. One of the Island's MPs recently lamented the fact that Australia is converting Nauru into the Alcatraz of the Pacific.

One question is now on everyone's lips: what will happen if the asylum seekers are not granted refugee status after their cases have been examined? Australia has promised that the presence of the refugees on Nauru is only temporary. John Pace of Amnesty is concerned about the delays that have already arisen. He does not believe that the fate of all the refugees will be settled by May as Nauru had hoped.

He points out that the delays have been enormous. The Tampa refugees' sea journey – normally a voyage of under a week – took more than one month. Examination of their cases should have been completed by the end of November. But Nauru still sees this solution as a temporary one. John Pace remains unconvinced. The Australian Immigration Minister, Philip Ruddock, refused to be drawn on the subject. When asked by Mr Pace what would happen if the asylum seekers were not granted refugee visas, the minister was tight-lipped. Nauru's inhabitants and the asylum seekers themselves are keen to have an answer. ■

* Photos: www.janeresture.com

Marshall Islands

Aquaculture projects a model for the future

Many countries dependent on tourism as a main source of income have known for a long time that they need to diversify.
The decline of tourism in the aftermath of September 11 makes alternative income sources a necessity.
In the Marshall Islands for the past 10 months, an extraordinary couple has been working on aquaculture projects that set an example for other Pacific Island countries.

Text and photos: Caroline Yacoe

Baby tridachna clams with their brilliant mantles are much sought after for the aquarium trade

Adjacent to a pristine white sand beach, surrounded by beautiful palms and lush vegetation, French Canadian marine biologists Annie Mercier and Jean-Francois Hamel work with local Marshallese at the College of the Marshall Islands Science Station.

The results of this combined expertise are producing replacement stocks of sea cucumbers, cowries, and tridachna clams. These are all used in local food – and as materials in traditional arts and crafts which provide a cash income.

Marine biologists Annie Mercier and Jean-Francois Hamel, holding sea cucumbers (beche-de-mer)

Beche-de-mer; an unsightly but invaluable commodity

In the warm waters sea cucumbers, also known as beche-de-mer, take just one year to reach maturity. They do not move far and have few natural predators. Although unsightly in appearance they are 90 percent edible and are valued locally as a food source when eaten raw. In China, sea cucumbers are an important ingredient in wedding foods as well as in soups and stir-fries. The Japanese prefer them marinated in vinegar and soy. Along the Maine coast in the US they are battered, fried and sold as "coral cookies".

In many South East Asian countries, some believe sea cucumbers contain aphrodisiac qualities, possess anti-bacterial healing properties and are beneficial in treating certain cancers. In 1996 they imported 13,500 tons of beche-de-mere – an amount equalling US$80 million.

The goal of the Marshall Islands Science Station is to restock the natural supply of various local sea cucumbers by collecting, spawning, feeding and raising them to a size where they can be released for future harvesting.

A steady supply of shells is important for Marshall Island artisans who use them in crafts which provide a cash income

Profitable aquaculture also protects the environment

Both local and worldwide markets await other residents of the Station's tanks: cowries and tridachna clams. Local artisans decorate finely woven containers, jewellery, headbands and other crafts with "money" – the small white and yellow cowrie shells.

On Arno Atoll, Mira weaves while her little daughter watches and learns.

With their distinctive patterns and adornment, they are highly prized by locals and tourists.

Other cowries, with darker patterns known as tiger, lynx, and the highly valued golden and spotted cowrie, are widely sought after by shell collectors. With their vibrant cobalt, turquoise, blues, greens and spotted golden brown mantels, small tridachna clams are in great demand for aquariums.

The meat of mature tridachna clams is a popular delicacy.

By raising both cowrie and tridachna clams in tanks, the depletion of the natural stock is stemmed and income generated without long-term detrimental effects to the environment.

While the Marshall Islands Science Station is at the forefront of aquaculture developments, there are other independent projects around Majuro where siimilar work is successfully taking place. On the outer atoll of Arno, the Reimer family has a black pearl farm where 2,000 to 3,000 pearls from the fourth harvest will be sold locally and marketed abroad.

The Marshall Islands, with its gracious people, classic atolls and swaying palms, will continue to be a refuge for those seeking a simple life – or at least a temporary respite from the stresses of today's world. Snorkelers and scuba divers, sailors and sports fishermen will continue to be drawn to the reefs, brightly coloured corals and fish in warm, luminous waters.

Building on this base with aquaculture projects that provide cash income and benefit the traditional life of the islanders without harming the environment, is a major achievement.

Hopefully other Pacific Island countries will follow this practical example. ■

For further information contact:

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The traditional outrigger canoes of the Marshall Islands are noted for their asymmetrical hulls and a reversible mast that allows fast sailing close to the wind. Majuro Lagoon

Opening a transatlantic dialogue

Charles R. Stith, the former US ambassador to Tanzania (1998 to 2001), has been nominated to launch the African Presidential Archives and Resource Centre (APARC) at Boston University. The Centre, which opened in March 2001, is researching what initiatives the US needs to undertake to develop a more appropriate and effective policy on Africa. Stith was recently in Brussels to learn more about the EU's strategy for Africa and to encourage EU policy makers to use the Centre.

Dorothy Morrissey

Why did former president Bill Clinton choose someone with a domestic economic policy background to represent the US in Tanzania?

Previous to my posting as ambassador, I ran an NGO that focused on domestic economic policy, including capital formation and development issues as they relate to low-income communities in US urban centres. I also consulted for banks on development strategies in urban areas. Mr Clinton asked me to serve because of my knowledge about the relationships between capital formation, financial markets and low-income countries. During his administration there was a significant policy shift as regards Africa, to a focus not only on aid but also on trade and investment. He felt it was useful to have someone there who understood financial markets.

What was accomplished?

I think we laid the groundwork on which to build trade and investment. For example, we negotiated the first open skies agreement between the US and an African country. In 1999 we organised a trade mission to the US for President Benjamin Mkapa to Boston, New York, Washington DC and Atlanta.

This was the first mission where representatives had contact with high-level American business leaders. American Express Chairman Kenneth Chenault hosted a breakfast, William Rhodes, vice-Chairman of Citicorp hosted an evening meeting and reception in New York and in Boston, former Massachusetts Governor Paul Cellucci, who is now Ambassador to Canada, hosted a meeting together with Boston Mayor Thomas Menino.

This period in Africa's history is as significant as the late fifties and early sixties during the movement from colonialism to independence.

President Mkapa was accompanied by about 75 Tanzanian business people. The US State Department says this was the largest delegation of business people ever to accompany an African head of state to a meeting in the US. There was interest. AES, an energy company based in the US, bought the interests in a gas pipeline project for about $50 million. This type of investment has the potential for significant future investment. This was very positive.

I also worked with the Tanzanian government to enable it to become the first Sub-Saharan African country to reach the decision point for debt relief under the enhanced Heavily-Indebted Poor Countries Initiative (HIPC).

Where was the idea for an African President Archives and Resource Centre born?

When I was still serving as ambassador, Jonathan Silber, the Chancellor of Boston University, asked me what the US should do, to develop a more appropriate and effective policy related to Africa. I suggested that first, the knowledge base needs to be significantly expanded. American's knowledge of Africa is substantially less than that of Europeans. Second, the trade and investment initiatives begun during the Clinton administration needed to continue, which means keeping US policymakers focused on that agenda. It also means keeping the US private sector focused on that agenda with its opportunities as well as the issues that have to

be dealt with if they are going to effectively do business in Africa.

Related to this, we need to encourage the ongoing trend towards democratisation. One of the ways to begin to accomplish these objectives would be to interact to a greater degree with the democratically elected African leadership.

The Chancellor discussed my idea with the president of the university and that was the basis of forming the Centre.

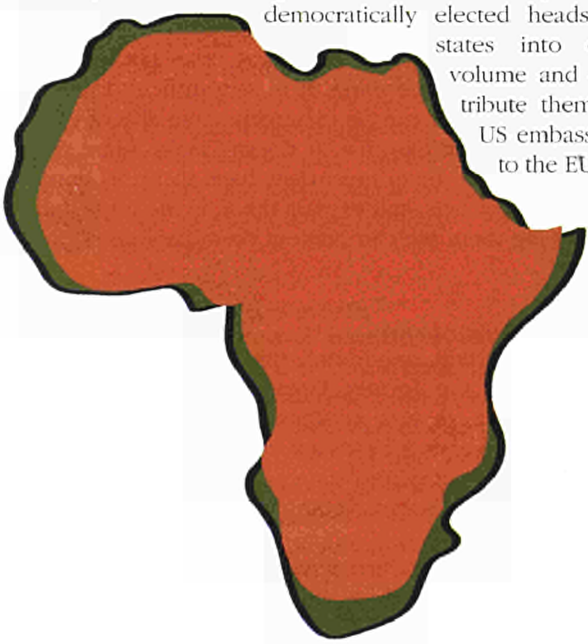
What sort of activities do you foresee?

In September 2002, we expect to start a "President in Residence" programme whereby we will invite a former democratically elected head of state to spend a year in residence at the university. The primary focus would be to teach a course one semester, but equally important, we see them using the Centre as a base to travel around the US and speak to other constituencies. This would give people in the US a better insight into Africa and give both small and large American business leaders a forum to air their concerns.

The "Public Papers Private Conversations" project involves collecting public papers such as speeches and policy documents of democratically elected heads of state. In this oral history project we'll talk to them about what they are doing and why as well as from what policy perspective they see the nature of their engagement with the West changing.

For scholars, policymakers, opinion leaders and the media, the project offers a body of materials that will lend some insight into what is going on in Africa. This period in Africa's history is as significant as the late fifties and early sixties during the movement from colonialism to independence. Today we have a number of leaders who are seriously trying to deal with issues of democratisation and trying to reorganise their economies based on free market principles. I would suggest that 100 years from now if one want to understand why certain countries flourished in Africa and others floundered, then they will have to study this period to tell what happened.

Another project is an "African leader's annual State of Africa report", which will be similar to the US president's address to congress and the nation with the State of the Union report. We will compile State of the Union reports by democratically elected heads of states into one volume and distribute them to US embassies, to the EU, to libraries, to business associations and to business leaders. We will also make them available to African studies departments at American universities.



What is the purpose of your visit to Brussels?

I am here to talk to people about the Centre and about its potential as a resource. Implicit in the role of our Centre is that it is serves as a venue to discuss and debate US policy on Africa. As a result of my experience as ambassador to Tanzania, I realised how much more thoughtful I could be about our work by appreciating what my colleagues in the EU were doing. So I'd like to establish a regular dialogue.

Do you see any change in US policy towards Africa since September 11?

Next March the Centre will organise a conference on the impact of September 11 on African economies. A couple of weeks after the attack, James Wolfenshon, World Bank President, articulated his concerns about the impact the attack would have on developing countries – for example, FDI has all but dried up and 65 per cent of tourist bookings have been cancelled.

The March conference will present more hard data and will serve as an opportunity to focus America's attention on the problem and to challenge policymakers and opinion makers to think creatively about how we mitigate the effects of September 11. If we are to win the war against fanaticism and terrorism we will do it by dealing with the conditions that breed despair and discontent and incubate fanaticism.

It is important to keep Africa on the administration's radar screen. The Bush administration did not hold the AGOA conference (African Growth and Opportunity Act) in October, but the president met with ministers of trade and finance from about 35 African countries. From a foreign policy perspective, we are consumed by our response to the attack of September 11. However, given the isolationist instincts of our president, I think it's safe to say that he doesn't have a clearly defined agenda in terms of how we can go about that. That's the bad news.

The good news is that there is a tremendous amount of openness in the administration to begin the process of thinking creatively about how we tackle some of the problems in developing countries that make them susceptible to this kind of fanaticism. People in the administration may have had these kinds of sentiments all long, but September 11 gave a kind of urgency to coming up with some kinds of solutions that were not there before. ■

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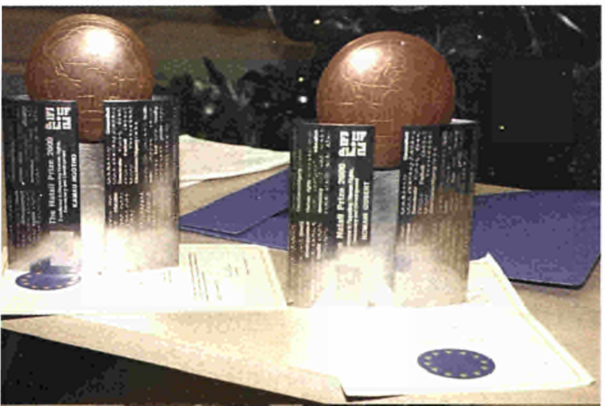
The Lorenzo Natali Prize

Human rights and development, the real winners

Investigation and eyewitness accounts, truth, hope and persistence: these will ultimately be the winners of the 2001 Natali Prize, organised by the European Commission and the International Federation of Journalists. On 18 December 2001, Kenyan Kamau Ngotho and Romain Gubert, from France, each received €10,000 and the trophy presented by the European Commissioner for Development and Humanitarian Affairs, Poul Nielson.

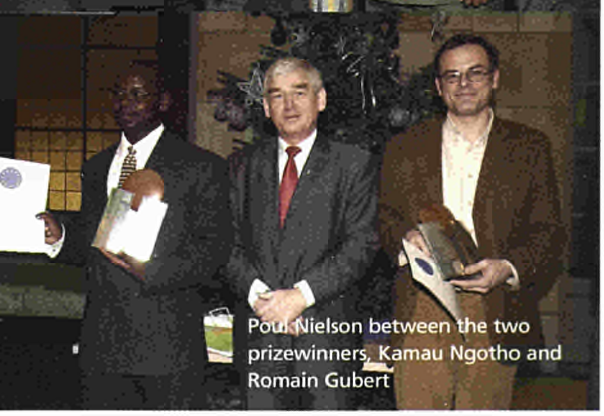
Kamau Ngotho received his award for an exhaustive investigation into an unsolved political murder in Kenya; Romain Gubert collected harrowing witness accounts from refugees fleeing the war in Chechnya. Ana Lucia Raffo Florez, a Colombian, and Teun Voeten, from the Netherlands, were also finalists. Although they leave empty-handed, what they have obtained is of essential importance: international recognition for their work.

François Lefèbvre



Left to right, the four finalists : Ana Lucia Raffo Florez, Teun Voeten, Romain Gubert and Kamau Ngotho

Jean-Robert Goulongana and the kenyan prizewinner Kamau Ngotho



Poul Nielson between the two prizewinners, Kamau Ngotho and Romain Gubert

Human rights and development go hand in hand, but this is not always reflected in the economic development process. Development depends on stability, and cannot really flourish unless freedom and the rights of individuals are encouraged and protected. This is a message which does not always get through. Each year, the Natali Prize rewards journalists from the European Union and developing countries for articles written on the subject of human rights – an inexhaustible subject according to Teun Voeten, journalist at *Vrij Nederland*. "I have covered many conflicts – in the Balkans, in Sierra Leone, where I was kidnapped, and many other places – and I always see the same thing. It is very difficult to explain why some people can be extremely cruel at times, but it has always been like that. It doesn't make sense, but it happens all the time. Journalists have to try to describe these barbaric acts, and explain them, in the hope that by explaining them we can prevent them happening in the future."

A permanent target

From a certain standpoint, the Lorenzo Natali Prize, named after the former European Commissioner for Development, is just another award. For the prizewinners, however, it holds a very special meaning. "Our greatest problem is intolerance on the part of the government," said Kamau Ngotho of Kenya's *The Sunday Nation*.

"Officially, the government is happy to say that journalists should have free access to information, but in reality it is very difficult to obtain information from gov-

Kamau Ngotho and John Owen

The finalists Ana Lucia Raffo Florez and Teun Voeten

Two of the speakers at the "Round table", Patricia Kelly and Collete Braeckman

ernment representatives. You have to look elsewhere. In Kenya, as in other African countries, the government treats journalists with hostility and puts pressure on them not to publish what they have discovered, sometimes even resorting to violence."

European journalists who cover crises in developing countries can testify to their colleagues' working conditions, which are sometimes extremely difficult. Says Romain Gubert of *Le Point*, "As regards the countries of the European Union, some would consider this a prize intended to appease the conscience. But for others, for the journalists working in developing countries, there is no contest. This prize is obviously justified. €10,000 is a lot of money, which will allow them to have better working conditions. It is a fact not often given due recognition, that, in certain countries, being a journalist makes you a permanent target. My Colombian colleague is proof of this." Indeed, Ana Lucia Raffo Florez will not give up and continues to write. She deals specifically with drug-trafficking in Colombia and the possibilities for fighting against it. "Issues such as human rights are extremely sensitive in our country because of the climate of violence, power struggles and corruption," explained the journalist from *El Spectador*. "Violence is everywhere in Colombia. By searching for sensitive information you are risking a lot; acts of violence, even death. This is one of the reasons why it is particularly important to speak about democracy and human rights in a country like Colombia. It is also important to support the media who will talk about it."

"A free press is important everywhere in the world, not just in emerging democracies in the developing world. Today, the power of the media, manipulation and the power of money are an explosive cocktail, threatening the innocent idea of democracy. For this reason, high quality journalism of integrity is more vital than ever." Poul Nielson, Commissioner for Development and Humanitarian Affairs

A plea on behalf of the media

Of all the various forms of information media, it is the press which has recorded the most striking changes in recent years. The democratisation process initiated at the end of the 1980s encouraged the emergence of independent newspapers, in Senegal and Benin to begin with. Thereafter, privately-owned newspapers began to spring up all over Africa. The new independent press is helping to shape public opinion so that people are better informed of the various development options and, therefore, better equipped to take part in this process.

Nevertheless, the democratisation process currently under way is leading to a change in the entire system, and media in developing countries is called upon to play an increasingly important role in this process. However, without guaranteed freedom and international support, these media will be unable to play their part fully in driving development. In fact, the media industry in countries in the southern hemisphere faces sizeable obstacles in the shape of the lack of infrastructures, the absence of a communication system or means of production that are frankly insufficient. This is why Jean-Robert Goulongana, Secretary-General of the ACP Group, also wants "the media in northern-hemisphere countries to help the media in southern-hemisphere countries, because the former enjoy much easier working conditions. Also, the Western media are in many cases long-established entities, and the culture of democracy which has nurtured them is also older. Therefore, the media in northern-hemisphere countries should help their counterparts in the southern hemisphere by strengthening their capacity, by improving the environment in which they work, in terms of equipment, training, and also advice."

Emulation

The professional accounts of Romain, Teun, Ana Lucia and Kamau have a political echo in the ACP countries and within the European Union. According to Jean-Robert Goulongana, "Any reward for journalists who report the reality of situations, who fight for democracy and for freedom, should be promoted." He emphasised the importance of involving international institutions in the organisation of the prize, so as to enable or urge developing countries to encourage journalists to work professionally, because "it is a job that strives for individual and institutional freedom."

Commissioner Nielson added that "a free press is important everywhere in the world, not just in emerging democracies in the developing world. Today, the power of the media, manipulation and the power of money are an explosive cocktail, threatening the innocent idea of democracy. For this reason, high quality journalism of integrity is more vital than ever." Two days later, in Dakar, a second Natali prize dedicated more specifically to West Africa was awarded to the Nigerian Ibiba DonPedro of The Guardian. Can we expect a prize per region, or per continent, in the future? The organisers are certainly thinking along these lines. ■

Developing World award: Kamau Ngotho, Kenya "The Pinto murder"

Published in The Nation, June 2000, and running throughout one week

The Jury selected Kamau Ngotho's article because of the extensive and serious investigation needed to collect eyewitness accounts and a wide range of documents to review the events surrounding the assassination of Pio Gama Pinto in 1965. The impact of the article was huge because it contributed to the freeing of a prisoner who had been incarcerated for 35 years for a murder he insisted he never committed. The article raises awareness of the importance of the constitutional separation of powers, and the role of the media in exposing impunity and wrongful imprisonment.

"The murder of leftist firebrand Pio Gama Pinto shocked the nation. Now the fight is on to free the man accused of his murder. Read how a secret statement never revealed at the trial shows how the so-called killer was framed... and about the yawning gaps in State evidence at his trial.

Pinto, a Kenyan of Goan extraction, was shot dead at the gate to his house in Nairobi's affluent Westlands suburb on the morning of February 24, 1965.

Who killed Pio Gama Pinto? A *Nation* investigation has established that the man sentenced to death for the murder was not the culprit but only a fall guy of the Special Branch. The *Nation* details how independent Kenya's first political assassination was plotted.

We tell another intriguing story... Kisilu Mutua, the man convicted of killing Mr Pinto... is still languishing in jail 35 years after he was sentenced to death on July 15, 1965.

Pinto, a hero of the Nationalist movement, was a nominated Member of Parliament when he was gunned down in 1965, one and a half years after independence.

A day after the killing, Kisilu, 21, and Chege Thuo, 19, were arrested and charged with the crime. Chege was later acquitted but Kisilu was sentenced to hang. The sentence by the Chief Justice, Sir John Ainley, was later commuted to life imprisonment.

Thirty-five years on, Kisilu is still in prison. The Kenyan Human Rights Commission reckons that he is the longest-serving prisoner anywhere in Africa. The Prisoners' review Board has on several occasions recommended his release on account of good conduct and many years in prison, but the government has not been in any hurry to oblige.

Why?

Two weeks ago, the *Nation* visited Kisilu at the Naivasha Maximum Security Prison.

Emaciated and sickly – a pale shadow of the energetic youngster of the 1960s – Kisilu swears, as he did 35 years ago, that he never killed Pinto.

While sentencing Kisilu, Sir John acknowledged that the youngster was not the person who had pulled the trigger. Yet he sentenced him on the basis of evidence alleging that he had been at the murder scene.

The present investigation confirms this, but finds that the reason was quite different. We have also dug up what kind of person Pinto was, and why someone wanted him buried six feet under.

We have reliably learned that Kisilu's undoing was a tell-it-all statement he gave. This statement was never produced in court. Instead, the court relied on a second statement Kisilu claimed to have written under duress, a claim that the Chief Justice dismissed.

We have read Kisilu's first statement, which is locked in the strong room at the Police Archives.

It shows that Kisilu appears to have been recruited by the Directorate of Intelligence (Special Branch) as an informer and "dirty jobs" errand boy. He was recruited in exchange for freedom from prosecution after he was arrested over a tyre theft.

Kisilu's brief was to hawk vegetables in the Eastlands area while keeping watch on what was happening there. In the evenings, he had instructions to hang around a bar on River Road from where he would monitor the situation in the crime-prone back-streets in the area.

Kisilu says that three days before the Pinto murder... he was told... a trade unionist was causing trouble and he was to be threatened. The plot would be to wait for the man outside his gate and accost him when he came home.

The following evening he and Sammy took a taxi to the trade unionist's house and waited by his gate.

When the unionist came home, Sammy pulled out a kitchen knife and ran towards the man. Kisilu, who remained in the shadows... heard Sammy tell the unionist he "better stop seeing Odinga and his men or he would soon be dead".

On the day of Pinto's murder, Kisilu disclosed, Sammy told him that a certain Goan in Westlands should be threatened in the same way.

Kisilu saw a car – a white Saab – pull out of the gate, and only then realised that the Goan was Pinto. Kisilu says that within a split second he heard three or four shots and a loud scream from Pinto.

Kisilu wrote: "I was so scared to hear the sound of a gun. Sammy had not told me that we would use a gun to scare the Goan. The thought that an MP had been killed in my presence made my heart pound with worry". ■

European Union award : Romain Gubert

"Ingushetia: The horrifying accounts of Chechen refugees"

Published in Le Point, France, 3 March 2000

The jury selected this article for its style; the high quality of the journalism and the balanced approach the author took in covering the subject.
The investigative effort invested in the article, with a lot of eyewitness accounts, is impressive. The article is a good example of subtle reporting, and gives a lot of background information. It puts human rights considerations at its centre. The jury believed the article had a wide impact, because it appeared in one of France's most renowned news magazines.

"The doctor." No tears come to Adlan's eyes when he describes 'the doctor', his torturer. He does not grimace, but he shakes and his pallid face stiffens. "He's about 30, tall and strong. This 'doctor' wears a military uniform, but with no badge or insignia. He ordered the others to bludgeon me and he was present at interrogations of the other prisoners locked up with me."

Adlan – who refuses even to give his real first name for fear of reprisals – was arrested by Russian soldiers in late January while fleeing Grozny in a bus full of civilians. He spent 10 days in Chernokosovo, the now disturbingly famous filtration camp where several hundred Chechens were held. Officially, the camp was supposed to hold freedom fighters but until just recently it was also used to house teenagers, women and men who had never taken up arms. At least that's how it was until the Russians made it 'presentable' for the arrival of foreign observers – as several sources have confirmed.

In early February, Adlan's freedom was miraculously bought by his family from the authorities in Chernokosovo for $1,500 (10,000 francs) – a fortune in Russia. Today, he is hiding in a house somewhere in Ingushetia, the small Russian republic that borders Chechnya, where more than 200,000 refugees are massed. His body is covered with nasty bruises. One of his arms has swollen up and has recently been set in plaster. It was broken by a sledgehammer. At the beginning they forced him to take all his clothes off several times a day. "They said that they wanted to see if I had any combat scars. They did it to humiliate me, because one inspection would have been enough." After two days of captivity, several men – including 'the doctor' – interrogated him. "They beat me constantly. They only wanted one thing: for me to sign a confession admitting that I was a combatant".

A burden of fear

Ingushetia is crumbling under a massive burden. The refugees, victims of excesses committed by the Russian army, will only tell journalists their stories after long negotiations and only if the journalists in question are introduced by someone they trust. Many of the wounded even refuse to go to the overflowing hospitals, where, according to a rumour making the rounds in the refugee camps, several men suspected of being combatants have been arrested.

Taking a detour via the Kavkaz border post, separating Ingushetia from Chechnya, is enough to get an idea of the oppressive atmosphere of fear hanging over the refugees. On 23 February the Chechens commemorate Stalin's order 56 years ago to deport the peoples of the Caucasus. A group of around 30 Chechen women deploys banners made from old white flags: "Stop the massacre!", "1944-2000: Return of the genocide," "We want peace".

Carrying a Kalashnikov on his soldiers, one of the officers at the border post reads the banners and then moves towards a woman. Despite the presence of several foreign journalists, he violently rips a banner from her hand that reads "Putin = Stalin".

In a refugee camp, an old man called Umar agrees to tell us what he saw that day. Aldi had been 'liberated' and had been swarming with soldiers, Omons and FSB (former KGB) agents for several weeks. However, on the morning of 5 February, a soldier came to warn Umar's family that everyone had to leave as soon as possible. Umar and his loved ones, two other men and six women, did not have time to collect their things. Just a few minutes later a group of kontraktniki (mercenaries employed by the army) from Ossetia, calling themselves the 'red foxes', surrounded both ends of the street and then each of the homes. At Umar's home, the men and women were separated.

"They took our money and the women's jewellery. Then they shot my two cousins, even though they were already on the ground with their arms spread out," Umar says in a soft, weak voice.

He is lying on a bed and his body is still riddled with shrapnel scars, the legacy of the Russian bombings. "The women were screaming. Then my sister rushed forward and threw herself in front of the rifle held by one of the kontraktniki. Inexplicably he lowered his weapon.

The women ran away with me, carrying me for my protection. Only then did I faint with fear."

For a jar of jam

Since the border between Ingushetia and Chechnya is closed several days a week and journalists are only allowed to enter Chechnya as members of "guided tours" organized by the Russian army, the accounts given by refugees and NGO investigations are the only thing that make it possible to measure the extent of excesses by the Russian army and its auxiliary troops.

Given these conditions, Moscow has every opportunity to condemn Chechen propaganda and to call their stories fabrications.

However, just taking a walk along the muddy paths of Sputnik, a massive tent camp in Slepsovskaya that is home to 7,000 persons, one can gauge just how much the refugees' stories have changed in less than four months.

In late October, many of the refugees, although violently criticizing Russian intervention, did say that independence in 1996-1999 had led to massive chaos in Chechnya. Many refugees even accused the freedom fighters of all the bad things being done and hoped that the Russians would restore a bit of order to their country. Today, however, they have completely changed their tune – even the luckiest ones who have not lost anyone close to them.

On the road taking him from Khaty-Yurt, a town that has since been 80 percent destroyed, Abdul witnessed a scene that he will never forget. A soldier shot a boy of 14 or 15 who is now lying in a coma in hospital. "All he had done was steal a jar of jam from an army truck."

Others are simply disgusted by the appalling corruption prevailing along the civilian corridors. A few days ago, Alkhazur had to pay more than 2,000 roubles on the road running from Guikalo, a village near Grozny, to Nazran. He has nothing left. "Sometimes a pack of cigarettes is enough to get through. But some soldiers are a lot greedier. They have thick wads of banknotes in their pockets and it is better to obey them and give them what they want."

Children destroyed

Malika Gaysultanova, 42, who has been living in a railway carriage compartment on the disused Grozny-Vladikavkaz line since October, left the Chechen capital as soon as the bombings began. She dares not think what remains of her apartment. As for her loved ones, some of them have not been heard from for months; she prefers not to think the worst. "By acting the way they do the Russian authorities must realize that they are making a mistake. They are encouraging young men to join the fighters because they would rather head for the mountains than be arrested."

Ahmed agrees. He has never hated the Russians. "Two Russian women saved my 66-year-old father in Ingushetia after the Katamaya district of Grozny was bombed. As far as I'm concerned, that is proof that not all Russians are responsible for this war. But the Russian army has been ordered to terrorize us and its soldiers have been conditioned to believe that all Chechens are criminals. We will never be able to live in peace with them."

On the floor of a tent where gas heating has recently been installed, Rosa is squatting down on the blankets with a small group of children from the Sputnik camp. A Chechen psychologist who works for Doctors Without Borders, her job is to help children 'cope' with the trauma of war. Pinned to the wall are drawings by these young Chechens. The images depicted are staggering in their violence: tanks crush a house; airplanes drop enormous bombs; bloody bodies litter the ground. "These children have not had time to get over the first war," Rosa says. "And today they are reliving this terrible nightmare. The result is obvious: fear has destroyed them." A young girl of seven or eight is in one corner of the tent. She handles her toys with disquieting shyness, as if she were afraid of bothering them. A few weeks ago she lost her mother in a bombing raid. ■

War and Peace: the Challenge of Reporting Human Rights and Development in an Age of Uncertainty

A panel discussion took place after the prizegiving ceremony. Participants were Patricia Kelly, writer and broadcaster, and former Bureau Chief, CNN Brussels; Colette Braeckmann, journalist with Brussel's *Le Soir*, Jean-Robert Goulangana, General-Secretary, ACP Group, John Owen, broadcaster and former director of Freedom Forum, and Teun Voeten, writer and photojournalist.

Will the September terrorist attacks have an effect on how the media reports human rights abuses? John Owen feared that the focus would shift to terrorism, and there would be little money left to pursue other stories. This could result in more danger for local journalists, no longer protected by the spotlight of the international media. Without international scrutiny, certain leaders might feel freer to do as they want with impunity.

Panelists were alarmed at the increase in the number of journalists who feel they have to be armed while reporting in dangerous areas.

Patricia Kelly spoke of the need for journalists to have safety and security training. The fastest growing sector of journalists is the freelance sector and they do not always have the back-up of an agency providing information on safety precautions and safety training. Freelance journalists can see conflict situations as an open house to make their name as a war correspondent. But without training or knowledge of security, and knowledge of the situation on the ground, these journalists can put themselves – and others such as local media workers – in danger.

Jean-Robert Goulangana, ACP Group Secretary-General, spoke of the importance of training for journalists in developing countries – as a protection against a sensationalist press, or the media acting as an apologist for the party in power or for different ethnic groups. "Professionalism is not an empty word. In certain countries, with the establishment of democracy, we have seen the development of a sensationalist press, even one sinking into hatred, or promoting it." He drew attention to the link between economic weakness and journalistic ethics: journalists need the means to be able to exercise their profession. If they have to take parallel jobs in order to make a living – in a ministry for instance – their independence is compromised. He cited examples where cassettes had to be used over and over again, where only one camera was available for a whole team. The support of the North is indispensable, he said "to help develop a truly independent and free press".

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Fax: 44 - 20 7262 2162
e-mail: rptrpa@dial.pipex.com

The International Federation of Journalists (IFJ):
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Thomas Dorn/European Commission

To tackle poverty, investment must first focus on basic education

Basic education – a development priority

One way of beating world poverty is to invest in children: to offer them a safety net in the form of basic education, and to listen to them. Early childhood development programmes have identified these as key factors in breaking the cycle of poverty and putting children at the centre of development priorities. That was the message from the "round table" held in Brussels on 7 November last year by the Aga Khan Foundation and the World Bank, on the theme of education for all.

By Seydou Sarr

Infant mortality in black Africa has fallen in recent years but still remains very high compared with China and Latin America. For young Africans, surviving beyond the age of six is a matter of luck. Of those who do live, nearly one third suffer chronic malnutrition, reflecting economic hardship, lack of care facilities and very poor living conditions.

Over the past three decades, primary school attendance rates in Africa have dropped sharply. World Bank figures published in 1999 show that the number of children on primary school rolls has been steady or has actually fallen in 23 sub-Saharan African countries. In 15 of these, more than half the children of school age do not go to school.

In practice access to pre-school and proper basic education is "reserved" for a very small number of young Africans.

Hard times for children - made harder by AIDS and war

More than 130 million children under the age of six in sub-Saharan Africa are regarded as having an uncertain future. AIDS has ravaged entire families. According to a UN report published in November, more than 10 million children have been orphaned by the disease.

Women and children are most vulnerable, and have suffered particularly from the wars and civil or ethnic conflicts, which have wreaked havoc on the African continent during the past decade. These have led to shifts of population and demographic fluctuations, with disastrous effects on people already living in extremely difficult conditions. Families and whole communities have been broken up. Where children survive such tragedies, the impact of their experiences on their growth and development cannot yet be measured.

Regions and countries spared actual conflict have still suffered political, economic and social instability. This has serious repercussions for the most deprived sections of the population. Despite a return towards greater democracy, political stability in most African countries remains fragile. It will take time to rebuild and consolidate their institutional, economic and social fabric.

Early childhood development: the catalyst for community survival

The experts agree on this point: in order to tackle poverty, investment must first focus on basic education. The big donor institutions have made development in early childhood a key target for funds.

Why? Are children's needs really met by singling them out from other members of society? In developing countries, finding a job to ensure day-to-day survival has become the main concern of many heads of families. Meanwhile governments have to meet the challenges of economic growth and contain the side effects of structural adjustment programmes. In the face of these problems, early childhood development is both a catalyst for community development and survival, and plays an important role in strengthening the wider economic and social fabric.

Agreement at the round table

Opening the round table in Brussels, Glenys Kinnock, a Member of the European Parliament, stressed how important it is for political decision-makers to consider the human potential of young children. Speaking about aid to developing countries, she said it was increasingly clear that part of the European Union's effort should concentrate on children. Development starts in the first few years of life, provided basic needs are met and children's rights are respected.

The participants were unanimous about the importance of early childhood development. Drawing on psychological research, some consider that education and initiation start at conception.

Mary Young, early child development thematic group leader at the World Bank, finds plenty of scientific evidence that, in most cases, retarded growth originates in the very earliest years of life. She insists that World Bank projects, especially in Africa, should cater for the needs of children. She breaks the task down into four categories: care specifically for children; training of educators and child workers; raising parental awareness; and information and communication.

The case for investment in the future

There is no shortage of economic arguments either. Economist Jacques Van Der Gaag, Director of the Institute for International Development in Amsterdam, puts forward education, health, social capital and equality as the four essentials of economic growth and, by extension, human development. A child's health and social development depend on social order in an environment that guarantees safety and freedom - two crucial factors in early childhood development programmes.

Van Der Gaag's view echoes the findings of the World Conference on Education for All, held at Jomtien, Thailand in 1990. Judith L. Evans, a former specialist in early childhood programmes at the Aga Khan Foundation, remembers how the Jomtien conference led to a realisation of the value of programmes focusing on early childhood. She thinks this has been better appreciated since the economic advantages of such investment have become clear. She cites the case of South Africa where, in 1997, the returns from early childhood development programmes were estimated at over $1 billion in improved academic performance at primary school and in the improved health of growing children.

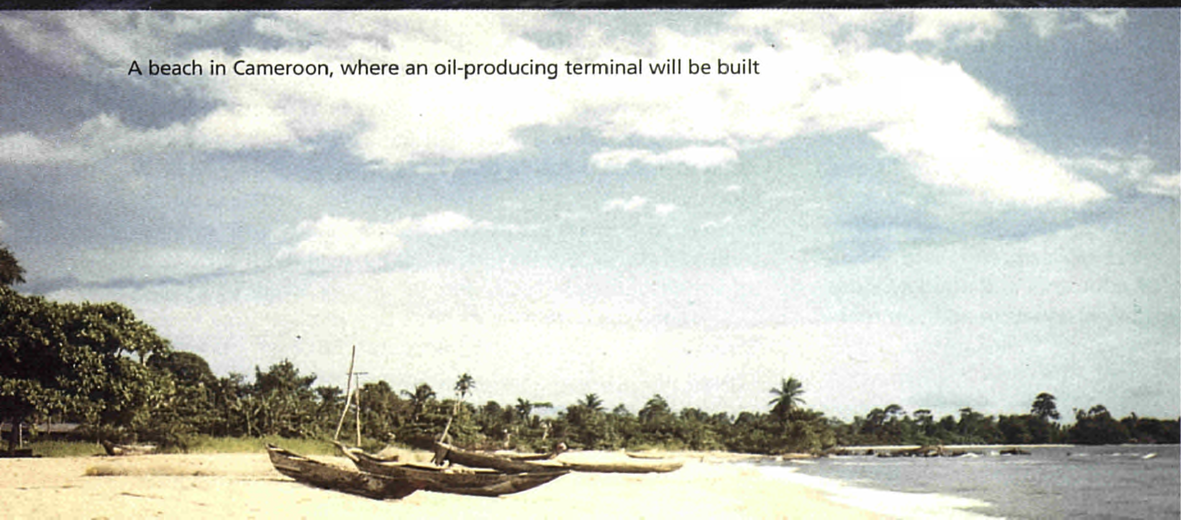
A lesson learned: do not tie children to a time bomb

The focus on early childhood development is an initiative based on a global, cross-sector approach, combining government action with the experience of those responsible for child development, including families and their immediate communities.

Kathy Bartlett, head of the education programme at the Aga Khan Foundation, says the initiative has to take account of cultural, social and environmental factors. Actions taken at local, national and international level have a beneficial effect on children, but also on their families and communities. She points to the special attention paid to overcoming inequalities between boys and girls, and to the need to bridge the gap between rural and urban communities.

Some countries adopt policies that recognise children's rights and define the role of government in family support. Many African governments are now agreeing, albeit hesitantly, to invest more in health, education and social security. In doing so they rely on cooperation with non-governmental organisations working at the grassroots level. The role of NGOs is indispensable in raising the awareness of the people concerned and in training workers in childcare. The donor institutions, including the Aga Khan Foundation, the World Bank, UNESCO, UNICEF, the OECD and the EU provide them with resources to meet each other regularly. The Brussels round table gave organisations from Jamaica, Uganda and the Philippines an opportunity to exchange information and share experiences.

These coordinated schemes, operated in partnership, are boosting family and community motivation to support early childhood development programmes. Some call it a moral imperative; for others it is a question of responsibility and commitment. All recognise that the alternative is to tie children to a time bomb in the form of a destabilised world. ■



A beach in Cameroon, where an oil-producing terminal will be built

Information campaign

OIL


A pipeline fire in Nigeria, in 1999

The future looks promising for the oil sector of Sub-Saharan Africa. Interest is especially keen in the Gulf of Guinea, which is one of the three most promising areas, along with the Caspian Sea and the North Sea. New horizons are opening up for oil companies, whose prospecting offshore of Africa is now being rewarded by significant finds. Massive investment in energy production and transportation infrastructure will be needed to exploit these reserves. Nevertheless, the role of Africa as a supplier of the world's energy looks likely to increase in the near future.

The development of energy resources such as oil or gas can be an important way to generate revenues for a government to raise living standards and build a prosperous, stable society. But, in many oil-producing countries, this has not been the case. Significant oil revenues have not translated into improved standards of living or increased democratic participation in government, or a better climate for human rights, and may even serve to further entrench bad practices.

Much of the revenue generated by oil may not even reach government coffers. Recently, the focus has turned to the issue of corporate responsibility. Many transnational companies work in developing countries with poor human rights records and undemocratic governments. These companies can acquire immense political power. They are coming under increasing pressure to respect international environmental and human rights norms, and to ensure that their operations do not contribute to human rights violations.

Paradoxically, many countries earning most of their revenue from oil are suffering from fuel shortages, and exorbitant prices when fuel is available.

Exploitation of oil fields may have an impact on the lives of indigenous people, and their needs also have to be taken into account.

Many ACP countries are heavily dependent on fossil fuels and import petroleum at some of the highest prices in the world. Renewable energy sources – such as biomass installations, solar wind, geothermal and hydropower – are untapped and offer unique opportunities. They also have the potential to provide non-polluting energy services.

New challenges

facing US oil companies in Africa

New horizons are opening up for oil companies whose prospecting activities offshore of Africa have been rewarded by significant finds in recent years. The development of gas deposits, which may or may not be found together with oil, should strengthen Africa's role as a supplier of the world's energy in the near future. This brings new challenges for US oil companies eyeing the oil-rich continent.

Augusta Conchiglia

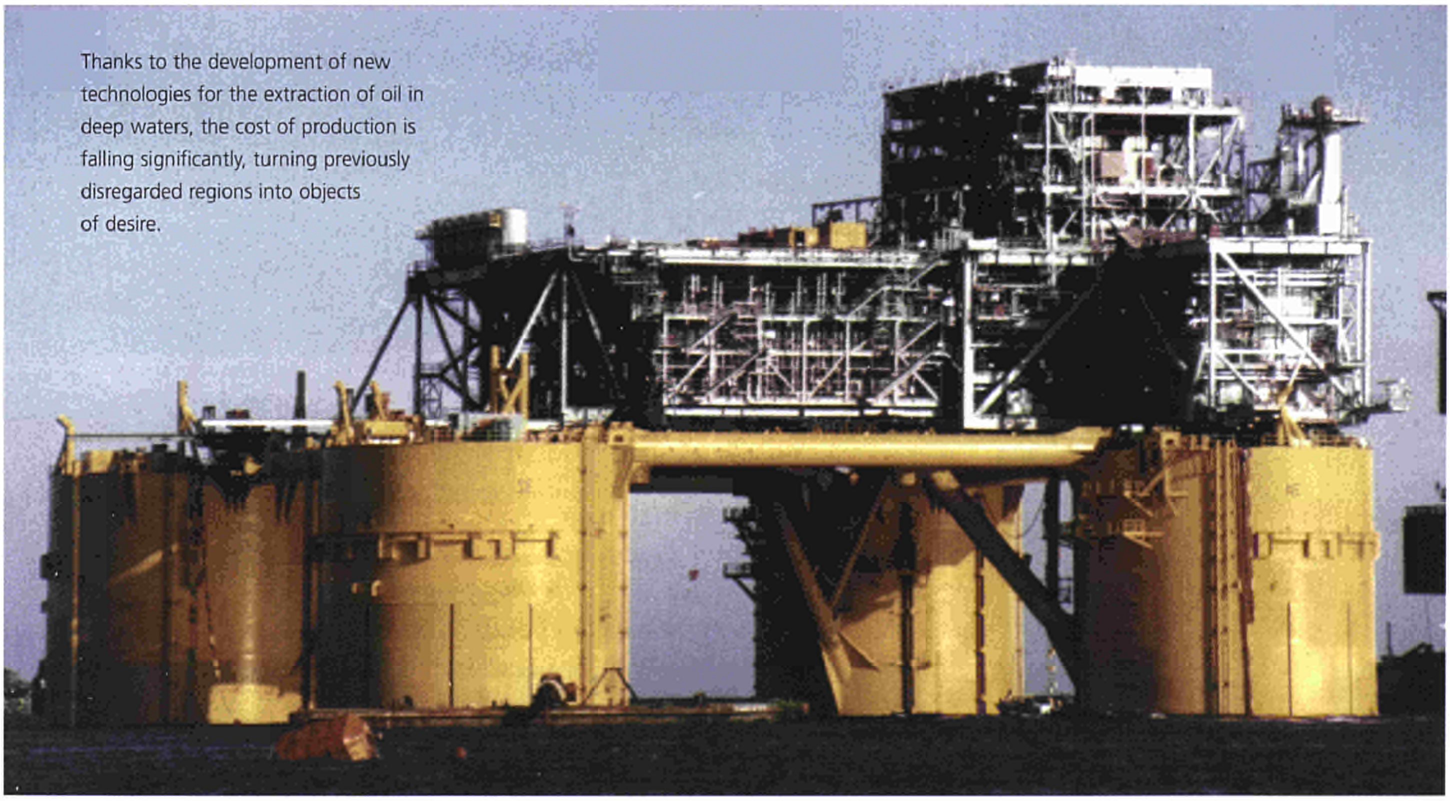
One month after the attacks on New York and Washington, the Los Angeles Times claimed: "After the war against terrorism, the world economy will be less dependent on the Middle East." While acknowledging the continuing weight of the OPEC countries, the article went on to claim that a new order was already emerging in the energy sector and drew attention to the increasing importance of Russia on the world market, as the third biggest producer after Saudi Arabia and the United States. It also discussed the emergence of new participants on the world oil and gas market following recent discoveries in the Caspian Sea and in Siberia. The petrol sector in Sub-Saharan Africa is also changing and new frontiers are opening for oil companies whose research, especially in offshore Africa, is being rewarded by significant discoveries.

In the wake of September 11, US interest is heightened in Africa, particularly in the western coast. Oil industry bosses are claiming that even a drop of up to 25 percent in oil prices will not slow down the surge in offshore exploration in the Gulf of Guinea. Thanks to the development of new technologies for the extraction of oil in deep waters, the cost of production is falling significantly, turning previously disregarded regions into objects of desire.

US eyes oil-rich Africa

One US oil market analyst considers that Africa's share of US oil imports will increase from today's level of 12 percent to about 20 percent in ten years or so. The International Energy Agency (IEA) estimates West Africa's oil reserves at 15.8 billion barrels. IEA forecasts that West African production ought to increase to 5.6 million barrels per day in 2005, representing an increase of 57 percent. It may reach 7.2 million barrels per day in 2010.

Overall, $35 billion is to be invested in the Gulf of Guinea during this period, and exploration has only just started in what are thought to be very promising regions, such as the



Thanks to the development of new technologies for the extraction of oil in deep waters, the cost of production is falling significantly, turning previously disregarded regions into objects of desire.

©AP Photo/REPORTERS

offshore region between Morocco and Guinea-Bissau. The marine region to the east of the islands of São Tomé and Principe is highly attractive to oil companies, as is the Namibian coast in the extreme south.

The success rate of offshore exploration in Angola and Equatorial Guinea is very high. The signing of recent agreements to operate Angolan units in deep water has resulted in astronomical bonuses paid to the State by oil companies, each in the order of US$300 million. Output is expected to double by 2010, approaching two million barrels per day.

The output of Equatorial Guinea, which currently stands at 215,000 barrels per day, is expected to increase by 140 percent. Africa's leading producer, Nigeria, may increase its output to three million barrels per day. In East Africa, Sudan also has significant quantities of oil, but its exploitation is being slowed down by the insecurity caused by the civil war.

In Central Africa, one of the most costly projects in Africa is to be launched by 2003 in Chad, one of the poorest countries in the world. An expected $3.5 billion is to be invested to tap the deposits in Doba, in the south, where reserves are estimated at 900 million barrels, and to construct a pipeline to transport the oil to Kribi on the Cameroon coast. This project was controversial for a long time and is symptomatic of the disputes raised in Africa and by NGOs over the issue of the misuse of oil revenues by the governments of producing countries.

Oil and sustainable development – mutually exclusive concepts?

The social and economic balance sheets of the main African countries where oil has been extracted for a number of years are at best ambivalent. Angola can put forward the partial explanation that the country has been beset by war ever since its independence, but this is not the case in the other countries. Gabon, which has experienced complete stability and extraordinarily few changeovers of power, is one of the few countries in Africa with an income per head in excess of $4,000. Yet it occupies the 109th position in the United Nations Development Programme's (UNDP) Human Development Index.

Nigeria is a textbook case of the effects of dependency on oil production, which accounts for 90 percent of the country's export revenues - vulnerability of the economy to fluctuations in oil prices on the world market, total or partial abandonment of other industries, catastrophic effects on the environment and the misappropriation of petrol revenues on a massive scale as a result of the lack of transparency in financial transactions in the oil sector.

Total misappropriation of revenues during the 15 years of military dictatorship preceding the introduction of the multi-party democracy in 1999 is estimated at between $12 and $15 billion. As a result, the deterioration in the living conditions of the people, especially in the regions of the Niger Delta where 90 percent of the country's oil is extracted, is a major source of political and social instability.

Nigeria has become the symbol of what are frequently considered to be mutually exclusive concepts: oil and sustainable development. These considerations have not escaped the attention of the analysts working for international oil companies, especially as the campaign conducted by NGOs concerned with human rights and international financial transparency has been pointing fingers at them. The oil companies have suffered direct reprisals, as in the case of Shell, whose staff and installations over the past few years have been regularly targeted by organisations set up to defend the Delta communities and by violent demonstrations by workers in the Nigerian oil industry.

Now that Africa is regarded by the United States as a partial alternative to the potentially hostile Middle East, it is no longer possible to avoid the question of the stability of African countries with oil and/or gas resources. Officially, most US companies are reluctant to admit that they cannot remain indifferent to the problems arising in the producer countries, and some of them even go so far as to claim that they consider themselves to be sheltered from any social unrest because the biggest deposits discovered over the past ten years are offshore in deep water.

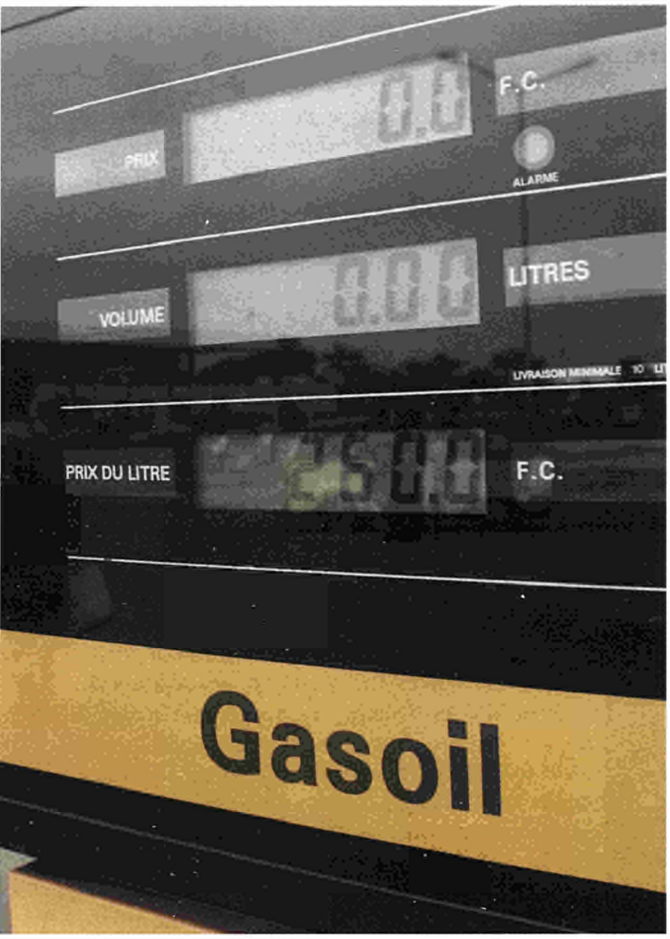
Only three years ago, the pressure of American public opinion forced Amoco, Texaco, Arco and Petro-Canada to withdraw from Myanmar. The only US company to remain there, Unocal, had to take the drastic measure of 'de-Americanising' itself, i.e. of selling its service stations and refineries in the United States in order to eliminate the most vulnerable segment of its operations.[1]

Oil companies caught in the crossfire

In fact, the oil companies are aware of the importance of their public image, if only because, unlike mining companies, they are involved in the distribution of products, such as fuel, and may therefore suffer the effects of a public boycott. A campaign revealing their responsibility for "bad government" or brutal repression in a particular producer country would throw unwelcome light on their behaviour, as has just occurred in the diamond industry, where the media have drawn attention to trading in "blood diamonds", which have been used to finance a number of wars in Africa.

The Bill on Sudan, which last November was again submitted for discussion in the US House of Representatives by the Republican Christian Right lobby, has produced a similar situation. This Bill reiterates the policy of sanctions against Sudan by explicitly prohibiting any entity that is involved in the development of oil and gas in Sudan from using American capital. The Bill is being discussed at the very time when the US government is trying to include Sudan in the worldwide coalition against terrorism.

This measure is targeted at the Canadian company Talisman that together with state-owned Chinese and Malaysian companies is extracting about 200,000 barrels of oil per day in Southern Sudan, a region disputed by the rebel southern forces. It is also intended as a warning to those US companies waiting for the time when they will be free to operate in this oil-rich country. In July 1999,



Djo Tunda Wa Munga

The oil companies are aware of the importance of their public image, if only because, unlike mining companies, they are involved in the distribution of products, such as fuel, and may therefore suffer the effects of a public boycott.

Talisman started to export Sudanese oil, which was piped to the Red Sea. The campaign by humanitarian organisations against this Canadian company intensified and the stock market price of Talisman shares collapsed immediately.

The companies of the English speaking world are actually suffering the crossfire from the restrictions imposed by the foreign policies of their countries and those imposed by public opinion and NGOs, which accuse them of not caring about the effects of their activities on the environment and of tolerating or even colluding with corrupt regimes that have little respect for human rights.

The fierce war waged since April 2000 by two hundred NGOs against the agreement between Chad, the consortium led by Exxon and the World Bank has revealed the level of mistrust of multinational oil companies, especially when they are dealing with a regime suspected of being corrupt.

An attempt to establish a dialogue

As part of his "ethical foreign policy", former British Foreign Secretary Robin Cook managed to convince his then-US counterpart, Madeleine Albright, to take up an initiative intended to establish dialogue between NGOs and the representatives of the oil-rich regions and oil companies.

A December 2000 conference was organised in Washington by the US and British governments with the intent to encourage oil companies to adopt "Voluntary Principles on Security and Human Rights" in their dealings with producer countries. The organisers thought that adopting these principles would lead to the companies to include problems associated with democracy and human rights in their risk evaluations and ensure that measures taken to protect their installations were in conformity with international law and did not violate human rights. According to Bennet Freeman, ex-President Clinton's adviser and organiser of the conference, this dialogue could contribute to re-establishing a consensus on globalisation, which had been broken at Seattle.

Seven oil and mining companies attended, including the "big" five: Texaco, Chevron, Conoco, Shell and BP. ExxonMobil turned down the invitation to attend.

The conference also discussed recommendations made in a publication by Amnesty International and the Prince of Wales International Business Leaders Forum, according to which it was not sufficient for companies to respect human rights, since they also had to exert pressure on their business partners and the governments of the producer countries to do likewise. The International Business Leaders Forum even wanted the companies to help to resolve disputes, stimulate social and economic developments and promote dialogue between the two sides of industry.[1]

But because the oil companies are not in the business of teaching the rules of good government to their business partners in developing countries or acting as mediators, they have no other choice than to appeal to their own governments or the international financial institutions (such as in the case of Chad) so that these bodies can take the necessary action.

This does not mean that attempts to inject morality into the oil business are in vain. For example, a Houston-based publisher of one of the most important sets of specialist publications on oil and gas intends to organise in 2002 a conference of the world's biggest oil companies to discuss the very sensitive question of corruption. In consultation with the producer countries and other international organisations, the companies are to draw up a kind of model contract from which the most binding confidentiality clauses would be eliminated.

By limiting the information that companies are able to publish on the various aspects of the agreements binding them to the producer countries, these clauses create the lack of transparency that is fiercely criticised by NGOs such as the British Global Witness[2]. The NGO claims that such practices make it easier to misappropriate public funds while at the same time depriving public opinion, civil society and parliaments of the producer countries of the information necessary for democratic control by the State. Since 1999, it has widened its campaign to promote transparency on the part of all oil companies, wherever they operate.

US to indulge corrupt regimes?

Considered to be closer to the interests of the oil industry, the Bush administration does not seem ready to fall in behind the ethical foreign policy dear to Robin Cook. Rather it takes a favourable view of any action intended to disassociate the companies from responsibility for any questionable practices of which the governments of the producer countries may be guilty.

In answer to the question as to whether the coalition against terrorism would cause the United States to make the same mistakes as in the Cold War, that is to indulge corrupt regimes as long as they were faithful allies, Walter Kansteiner, Assistant Secretary of State for Africa, claimed in an interview[3] that in areas where an effort was made to promote economic development and strengthen democracy, conditions conducive to penetration by terrorist movements would not prevail.

This would seem likely to reassure the NGOs dealing with the third world if they were not concerned by what they consider to be the annoying tendency of the United States to overestimate the impact of trade on the economic development of African countries and to underestimate the importance of public assistance, which is decreasing in global terms. ■

1. Foreign Policy, July-August 2001, article by Marina Ottaway "Reluctant Missionaries".
2. In 1999, Global Witness published "A Crude Awakening: the role of oil and banking industries in Angola's civil war and the plunder of State assets". It has since widened its campaign to promote transparancy on the part of all oil companies, wherever they operate.
3. With the author in October 2001.

Chad – a new path?

In early 2002 the Africa Subcommittee of the House of Representatives of the United States will consider the Chad oil extraction project of Exxon-Mobil and the construction of the pipeline to the Cameroon coast. This should remove any barriers to the project and tie up any remaining loose ends that gave rise to unprecedented opposition from international and regional NGOs.

The Bush administration is in favour of it because it has all the ingredients of success, according to the former US Ambassador to Chad, Donald Norland, who has followed the various stages of this project. He also claims that all the guarantees ever given in this area have been combined to truly benefit the people of Chad and Cameroon.

In 1996, when NGOs discovered that Exxon was about to commence exploration, they immediately objected that this would enable an undemocratic regime to remain in power and a minority to enrich itself. Confirmation of the existence of sizeable deposits made the objection fiercer. In addition, the problem of the impact of the oil pipeline on the equatorial forest of Cameroon and on the people who live there raised the hackles of environmental movements across the world.

Complex negotiations were initiated and managed by the World Bank, which had announced its intention to participate by granting Chad and Cameroon a loan equivalent to 5 percent of the total cost. By taking on this role, the World Bank became the main negotiating partner of the NGOs. This enabled the US giant to confine itself to its role as a simple oil company. (Exxon-Mobil leads a consortium in which it holds a 40 percent share, with the participation of Petronas (35 percent) and Chevron with 25 percent.)

In June 2001, after long, difficult negotiations with the participation of other international financial institutions such as the European Investment Bank, an agreement was finally reached providing for investment of US$3.5 billion. The Chad government accepted a series of exceptional measures intended to channel most of the future oil revenue into reducing poverty.

The agreement specifies that 80 percent of the money must be spent on health, education, infrastructure and rural development; 5 percent is to be reinvested in production regions; 10 percent would be paid into a fund intended for future generations, leaving 5 percent to be used at the the government's discretion. A supervising committee was set up to monitor the use of the oil revenues, with the participation of parliament and civil society.

The report introducing the Forum of the Oil Industry of Central Africa, held at the beginning of October in Malabo, emphasised that Chad had started on a new path with regard to the transparency of management and use of oil revenues. It went on to point out that it was desirable to follow Norway's example in that the proportion intended for future generations could be increased at a later date when sufficient progress had been made in reducing poverty.

Central Africa

a focal point for petroleum-industry development

The regional petroleum industry was recently the focal point of a forum in Malabo, Equatorial Guinea. The forum was notable for the emergence of Equatorial Guinea as a new force for oil growth

Augusta Conchiglia

Six central African countries participated – in Malabo, from 2 to 4 October 2001 – in the first forum on the petroleum industry in this region. The aim was to identify, through exchanges of experience, best practices in the petroleum sector to inspire the countries to readjust their development policies and strategies in the sector. The choice of Malabo, administrative capital of Equatorial Guinea, for this forum organised by the Yaoundé regional headquarters of the United Nations Economic Commission for Africa (UNECA), was pertinent. This country is a new focal point for growth of the region's petroleum industry. Production began in 1996 and has since grown exponentially. Today it exceeds 200,000 barrels per day (bbl/d), most of which is extracted by US companies.

Thanks to new discoveries in Congo (Brazzaville), which are likely to compensate for falling production from older deposits in that country, and the forthcoming initiation of production in Chad, petroleum companies will continue to see the region as a sizeable asset. The natural falling-off in production in several fields of the region's two traditional producers, Gabon and Cameroon, seemed to mark the inevitable bowing-out of central Africa as an oil-exporting zone. However, the US company Vanco, which has been prospecting in deep waters off Gabon, is showing a degree of optimism about forthcoming results which could, in the long term, relaunch that country's production.

With the participation, as special guests, of four major petroleum companies operating in Equatorial Guinea (Chevron, TotalFina-Elf, ExxonMobil and the Australian Roc Oil), the Forum's discussions concentrated on strengthening the producer countries' ability to negotiate with foreign petroleum companies, emphasising the flanking of current developments in the petroleum industry in central Africa and mergers/acquisitions involving some of the major petroleum companies present in the region.

The Forum also made reference to the experience of the sub-region and elsewhere in terms of producer state/petroleum company relations and the immense political power some of these companies and, through them, their countries of origin, can acquire.

Needless to say, the Forum also dealt with the crucial issue currently being seriously addressed in civil society in Africa; the management of profits generated by petroleum. The introductory text to discussions emphasised that proper utilisation of petroleum-producing countries' resources is also a central concern of the World Bank and the International Monetary Fund. These two institutions encouraged the producer countries to manage their revenue in such a way as, in particular, to "guarantee the repayment of their debt to those institutions".

Cameroon, for example, has approached the World Bank to request benefits from the Heavily Indebted Poor Countries (HIPC) initiative. At the suggestion of the Bank, petroleum income (taxes, fees, customs duties, licence fees and dividends), which were covered by a special account, are now budgeted for and paid over to the accounts of the public revenue department. Reference was also made to the fact that, in the interests of transparency, the government of Equatorial Guinea set up, on 5 August 1999, a committee to monitor petroleum activities.

Thanks to new discoveries in Congo (Brazzaville), which are likely to compensate for falling production from older deposits in that country, and the forthcoming initiation of production in Chad, petroleum companies will continue to see the region as a sizeable asset.

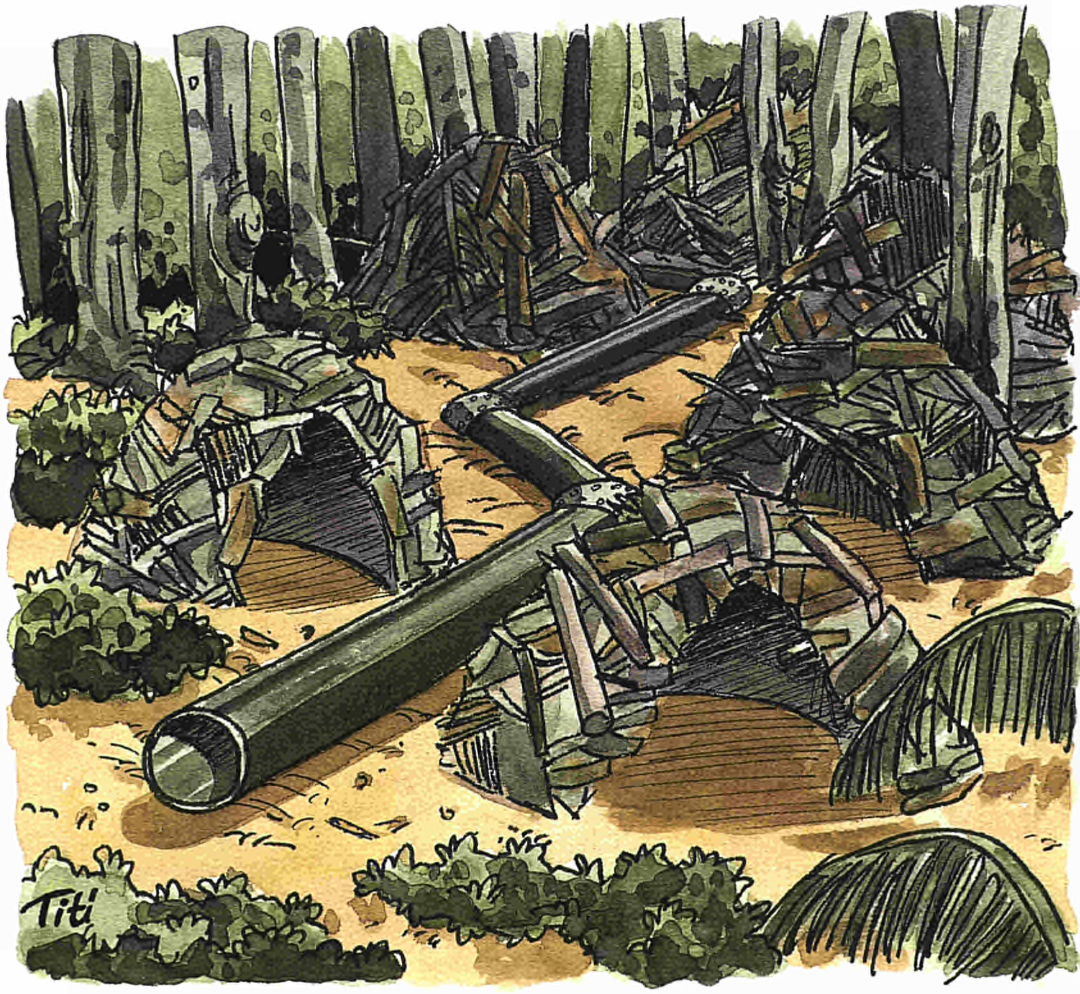
The case of Chad attracted most attention from participants. All measures relating to the management of Chad's future petroleum revenue were the subject of a lengthy presentation. The Chadian delegation in particular related the history of the discovery of petroleum in Chad and the decisions arising from the difficult negotiations which ended last June. In terms of receipts, the delegation pointed out that Chad hopes to receive approximately €15 million annually from its petroleum sector in the form of licence fees, duty and taxes. In addition to the creation of local jobs, the delegation added that particular attention will be directed to the education and health of local populations, not only in Chad but also in Cameroon, in areas alongside the oil pipeline. According to the World Bank, construction of the 1070-km pipeline – which will be buried one metre down in response to concerns expressed by environmentalists – should benefit both those countries, over the lifetime of the project, to the extent of approximately $5 billion. Finally, the land excavated for construction of the pipeline (which will be made from welded materials in order to prevent accidental or deliberate leakage) will be rehabilitated to allow farmers to resume their activities. Apparently, nothing has been omitted in planning this project, and its progress will undoubtedly receive a great deal of attention from all those involved. ■

Doba-Kribi pipeline

How will the Pygmies fare?

On 6 June 2000, the board of directors of the World Bank pledged its support to the oil consortium that is to exploit Southern Chad's oil reserves. Exportation will take place via a 1070-km pipeline, the final section of which will cut through areas inhabited by Pygmy populations....

Eyoum Ngangué



From some 300 wells in Southern Chad's Doba oil fields, the pipeline will run diagonally for a distance of 890 km across Cameroon before emerging into the sea at Kribi in Southern Cameroon.

Construction is already under way, with exploitation scheduled to commence in 2004. Since Chad has no outlet to the sea, the oil pipeline was the obvious solution. NGOs have long been opposed to the project for environmental reasons.

But – with the World Bank, the European Investment Bank and the Chad and Cameroon governments behind the project – the Exxon, Chevron and Petronas consortium pressed on with this lucrative scheme, at an estimated cost of $3,723.9 million. Opinion is divided as to the potential benefits that the people of Chad and Cameroon stand to reap from the project. More certain is the immense risk the Doba-Kribi pipeline poses to the Bagyéli Pygmies in and around Kribi.

Mobilisation of the NGOs

The Bagyéli, or Bakola Pygmies as they are also known, are one of the three main groups of Pygmies in Cameroon, alongside the Baka Pygmies in the East and the Bedjang tribes in the Nditam region. Having settled in Kribi a number of years ago, they live in small encampments along the main road linking Lolodorf, Bipindi and Kribi.

The oil pipeline will pass through 120 km of their land. Before the pipeline issue arose, the 5,000 or so Pygmies in these settlements were completely marginalised. Back in 1995 they set up CODEBABIK, a committee for the advancement of the Bagyéli people of Bipindi and Kribi. Jacques Ngoun, one of the committee leaders, is fully behind the initiative, maintaining that "until now, the Pygmies have always had their decisions made for them by people who view them as forest-dwelling ignoramuses who are not entitled to have their say".

At the time CODEBABIK was created, the pipeline's route was already public knowledge; it would pass through areas inhabited by the Bakola populations. As Samuel Nguiffo, secretary-general of the CED (Centre for the Environment and Development), was quick to point out, "no one stopped to consider the fate of the Pygmies until a number of local, national and international organisations got involved and drew public attention to this extremely fragile population". In March 1997, NGO, World Bank, Consortium and COTCO (Cameroon Oil Transportation Company) representatives met in New York to assess for the first time the detrimental effects the pipeline would have on the life of the Pygmies. Following the meeting, COTCO, an organisation set up to oversee construction of the Cameroon section of the oil pipeline and to deal with any problems relating thereto, set up the "Plan pour les peuples autochtones vulnérables", a scheme in support of vulnerable autochthonous peoples.

Threats to the Bagyéli Pygmy way of life

The NGOs are keeping a close eye on the situation. Virginia Luling of Survival International, an NGO specialising in defending the interests of endangered populations, believes that "the pipeline poses a threat to the Pygmies because it will mean radical changes to their way of life. Most of them have no idea what they are up against". Samuel Nguiffo of the CED feels that "for populations for whom the earth has great mystical significance, cohabitation with a "huge pipe" will be extremely traumatic. This has to be taken into account".

Even at the construction stage, the oil pipeline poses a real threat. The arrival of machines will chase away the forest fauna, the staple diet of the Pygmies, who have always lived off the land, thereby doubling the disastrous effects of deforestation. The arrival of building site personnel will be an added strain on their habitat. To reduce the impact on the everyday lives of the Bagyéli, COTCO has forbidden them from "hunting, fishing and picking edible plants and fruit from the trees". Samuel Nguiffo and the Friends of the Earth association, however, are worried that this measure will go unheeded, as it will be impossible to keep an eye on every single building site employee.

In short, the threats to their ecosystem are many and varied and very real. Many fear the project may give rise to another "Ogoniland", similar to what happened in neighbouring Nigeria.

There has been no shortage of expert missions sent by COTCO and the World Bank to assess the situation facing the Bagyéli populations. However, the reports of NGO fact-finding missions on COTCO activities since the launch of the "Plan" all draw the same conclusion: the Pygmies are receiving little or no information on the oil pipeline, the impact it could have on their lives, or on the possible compensation they might be eligible for. The conclusion drawn by the Forest People Project mission's report in March 2001 is clear: the pipeline will serve to heighten discrimination against the Pygmies.

The integration problems that these populations are experiencing are by no means new, however. With little education, the Pygmies are exploited by the neighbouring Bantous villagers. Most of them work as day labourers on Bantous farms. The best they can expect to receive is a tiny ration of yams, the farms' principal crop; at worst, they might be paid in arki, the local alcohol, at a risk of devastating effects.

Identity problem

Given the Bantous villagers' hold over them, the Pygmies are afraid to voice their opinions and find it practically impossible to defend their interests. COTCO representatives have already chased a number of them off the land where they live and grow their crops. Why do they not complain? One of their number was quick to provide the answer, explaining, "I'm afraid to go to the authorities because I don't have any ID". Over and above the general problem posed by their illegal existence in Cameroon, identity is a real issue for them when it comes to financial compensation. The Bantous, anticipating compensation, declared themselves owners of the Bagyélis' land and pocketed the sums due to the Pygmies. As at the end of November 2001, not a single Pygmy had been compensated.

Following our enquiry, Miles Shah, head of public relations for the Consortium in Houston, Texas, informed us that "when talks between the Pygmies and expert missions drew to a close, over twenty or so modifications had been made to the pipeline route; since the pipeline does not cross their land directly, the Pygmies will not receive individual compensation".

However, this same document, drawn up by COTCO in response to the questions raised by journalists and NGOs, states that the Pygmies are to receive up to $600,000 in compensation from the Environmental Foundation. This information raises a smile from Samuel Nguiffo, who, calculator in hand, explains that this sum has not been allocated just to the Pygmies and will be spread out over 30 years, the theoretical duration of the project. Therefore, each Bakola is looking at $4 a year! Not much when you consider the collective damage to their way of life and culture: their sacred sites are under threat and their traditional and legendary plant-based pharmacopoeia risks finding itself in competition with community health centres set up under the COTCO scheme. In the chapter on "Income-generating activities", tourism, aside from that generated by simple curiosity for these peoples, seems highly unlikely with the presence of the pipeline in Kribi even though it will be buried underground.

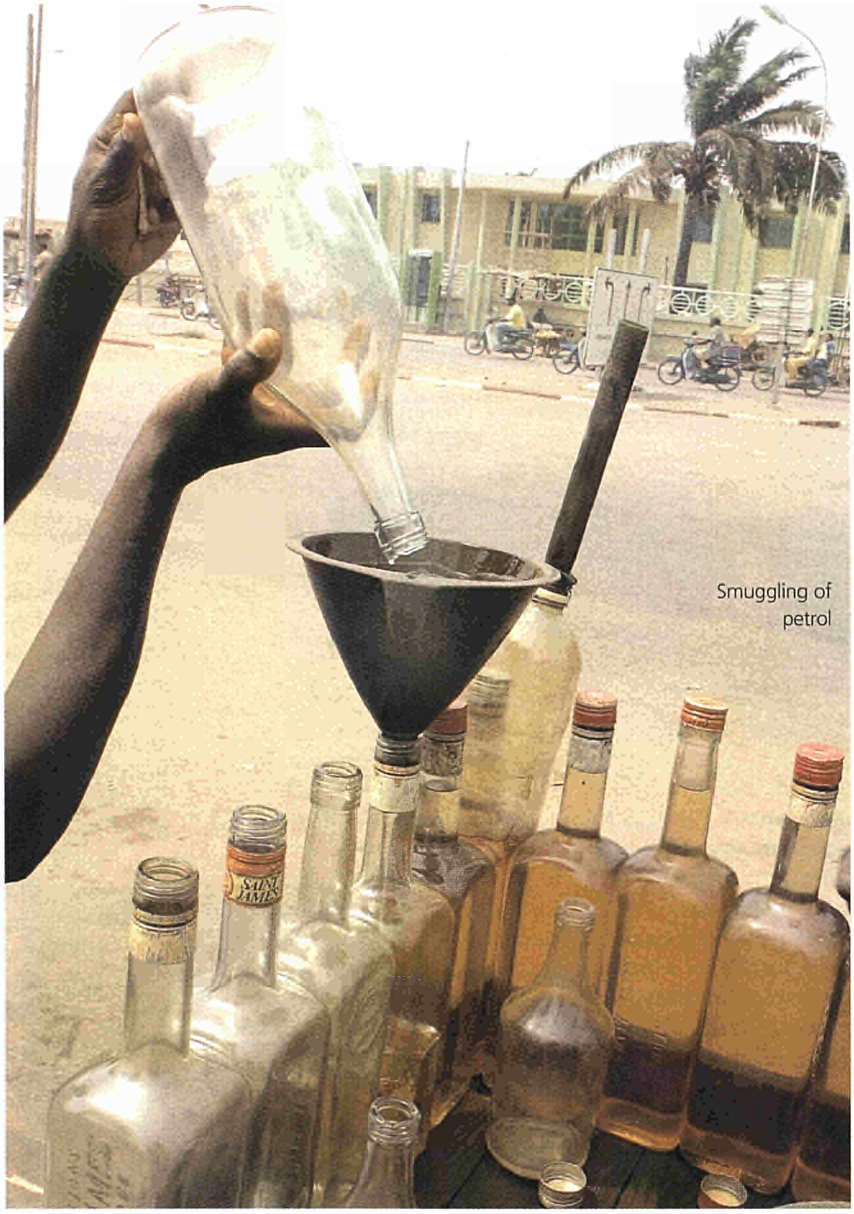
As Jacques Ngoun from CODEBABIK so succinctly puts it, "the Pygmies cannot remain cut off from the modern world... It is time for us to take charge of our own destinies". Will he achieve his dream? As things stand at the moment, the Consortium looks set to reap the lion's share of the benefits from exploitation of the Doba oil reserves, with Chad getting 12.5 percent of this lucrative deal and Cameroon securing itself substantial rights of passage. The Pygmies have been all but left out of the equation. ■

Trafficking fuels ambitious dreams

A portrait of two Kadafis

They first appeared on the scene when the Democratic Republic of Congo was running short of fuel. Today, African "oil sheiks" or "Kadafis" are beginning to receive unofficial recognition. In areas where petroleum is a rare commodity, they operate on the fringes of official distribution structures by importing products from neighbouring countries. The *Courier* provides a glimpse into the lives of two Kadafis trying to make their way in the world.

Djo Tunda Wa Munga



Smuggling of petrol

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Local oil companies are incapable of halting these parallel imports of petroleum that fall below the standard required for the destination countries. However, these imports have the undeniable virtue of being less expensive. As a result, thousands of cubic metres of petroleum products per year pass right under the nose of the State, which suffers a significant shortfall in revenue.

Kadafis are progressively capturing a sizeable market share for themselves that no one has been able to wrest from them. It is impossible to stop these imports, as too many public servants profit from this lucrative trade. Behind this reality lies another daily one: men and women struggle to import fuel under what are often extreme conditions.

Just another job

Zantoto Rodriguez and Alain Zambongo ended up in their current position by different routes. Zantoto took advantage of successive fuel crises to gain a foothold in the business. On a few occasions he accompanied a friend on trips to obtain supplies in Angola. He learnt the ropes and, one day, received a small sum of money that enabled him to set up on his own.

Alain inherited his calling. As early as the 1980s, his older brother was trafficking in fuel, importing large quantities of petrol into the most poorly supplied regions of the Congo.

Zantoto and Alain do not regard themselves as traffickers – they are just doing a job that is actually acknowledged by society and trying to survive. Said Alain: "Our job is buying and selling fuel. As you know, most fuel comes from abroad, and often the State is incapable of providing enough for the country to function properly. We just make up for these shortfalls and give the people what they need."

They move 4-star and wenge, which is a low-grade heating oil similar to paraffin. In the beginning, the work was extremely profitable, but the market is much harder to get into now because everyone is trying to jump on the bandwagon. Even the Angolans

Djo Tunda Wa Munga


Djo Tunda Wa Munga

Above, barrels of petrol
Below, unloading barrels

have created their own circuit. Up until last year, it was possible to buy three barrels for $100.

Zantoto explains: "Now, starting from Cabinda, taking into account buying the barrel, transportation costs and the torantos (carriers), we reach the Angolan border but still need to pay $100 to clear customs. Then we have to pay the smuggler, customs-clearance expenses on the Congolese side, which are around $10, and if the vehicle isn't ready we have to store the goods at a warehouse. Later on, there's transport from Muanda to Kinshasa, which costs $20 per barrel. When we get to the capital, we have to put all the barrels in a warehouse. Once the fuel has been sold, we pay for transportation and whatever is left is our profit."

A risky business

When oil is in short supply, a Kadafi can earn $50 per barrel, as compared with $15 in normal times. Compared with the wages of a civil servant – when there are any wages at all – this profit affords a livelihood. Nevertheless, the business is physically arduous and involves a number of risks. When travelling for supplies in Angola, they are under constant threat from the military. When everything goes well, a Kadafi may be able to get himself out of trouble with baksheesh. Generally, though, their money is stolen, sometimes under very violent circumstances.

Next comes the crossing, which takes place by means of *boîtes* (small wooden barges fitted with a motor), often piled up with about 20 barrels. The crossing takes place at the mouth of the Congo River, where it meets the Atlantic Ocean. If the water is choppy, or if the boîte is off keel, everything is lost.

The last stage of the trip is by lorry to the city. Conditions for this part of the journey are appalling. The lorries are loaded with everything they can take, while passengers perch on top. Smugglers and passengers hang on for all they are worth and sometimes spend six, eight or even 12 hours under unimaginable conditions. But then these are just the risks of the business.

Fuelling ambitious dreams

Living on the margins of society, the young Kadafis are often inspired by ambitious dreams they believe will take them to the upper echelons of society. Zantoto is an evangelist for the New Life Church.

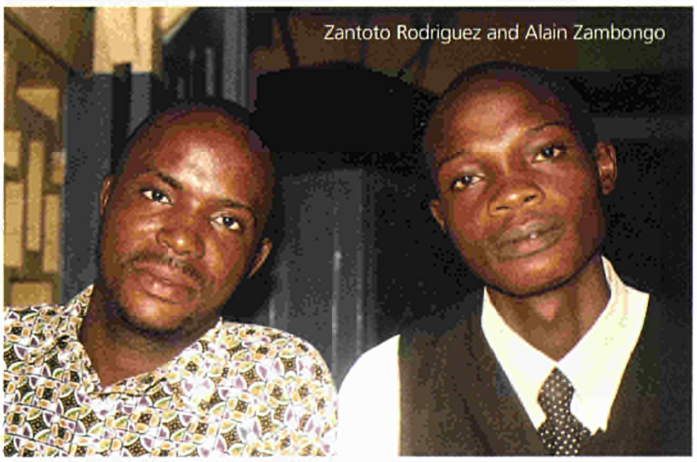
"I don't want to be a beggar, and prefer to work as I do, however hard it may be. I am the Lord's servant. At the time of Christ, the people who served him also got by in their own way," he says.

If his dream comes true, he sees himself as an employer, but today's reality is somewhat different. Zantoto adds, "God is my witness. The life we lead here is far from easy, and we've been waiting several days now for a boîte that should be bringing us the goods. A colleague went to fetch a large quantity of goods and we took advantage of him to order a few barrels. That makes the journey cheaper for us but makes no difference to him. Nevertheless, he's now long overdue, we've run out of money and our landlady will soon be turning us out."

Alain is studying economics at Kinshasa University. He, too, is ambitious and has his sights set on a career in Congolese politics. Perhaps, one day, he might even be president. Meanwhile, he has other things on his mind: "I'm trying to get the money together so that I can go back to university. I've already missed the start of term, but if the next two months go well I'll be able to go back to my studies. In spite of everything, life here is very pleasant – when everything goes well we have money, we have fun and can do just as we wish."

Just how far do they see themselves going in their current profession? Will they become big-time traffickers? No one knows at the moment, but for the time being this is clearly their way of surviving. Inevitably, their experience will be an education, but who knows how it will affect them?

Not even they can guess at that, not yet. ■


Zantoto Rodriguez and Alain Zambongo
Djo Tunda Wa Munga

Energy, governance and human rights

Arvind Ganesan, Director of the Business and Human Rights Program, Human Rights Watch, writes about the need to consider the impact of energy development on governance and human rights. He calls upon governments to insist that their trading partners or companies based in their countries ensure high standards and transparency.

The development of energy resources such as oil and gas is often viewed as an important way to generate much-needed revenues for a government in order to raise living standards and build a prosperous, stable society. However, in many countries, particularly energy exporting countries, this has not necessarily been the case. Instead, the revenues generated for the government may not lead to better standards of living, increased democratic participation in government, or a better climate for human rights.

Energy revenues can reinforce bad practices

Fundamentally, stagnant or diminished development is an issue of governance and is partially reflected in a government's inability or unwillingness to adequately manage energy revenues in order to use its increased wealth as a means to foster constructive economic, political, and social development. A key indicator of the quality of governance is whether a government is committed to the rule of law and human rights.

When governments are undemocratic or otherwise not accountable to their citizens, poor management, poor economic decision-making, corruption, and human rights abuses thrive. Instead of improving the overall situation, an increase in revenue - such as those created by energy development – can serve to reinforce bad practices of an already abusive government by strengthening it financially and by providing the wherewithal to entrench and enrich itself without any accountability for continued abusive behaviour or poor management.

The unaccountable control of resources and revenues can lead to the marginalisation of certain sections of society and if economic or social conditions worsen, the prospect for increased public dissatisfaction with government and hostility towards foreign investors exists because the government and its business partners are seen as mutually reinforcing actors in a situation that does not benefit society as a whole.

This can lead to human rights violations within a general climate of instability that can include abuses in the context of civil unrest or conflict, or because the government chooses to adopt repressive measures to suppress any opposition to its rule, or both. In some cases, the mismanagement or inadequate distribution of energy revenues becomes a central feature in internal conflicts and can no longer be separated from the continuing spiral of violence and instability.

Companies can become complicit in human rights violations because they generate revenues the government uses to commit human rights violations or because they rely on abusive forces that protect their facilities and personnel.

It is increasingly accepted that companies have a responsibility to ensure that their operations do not contribute to human rights violations, to avoid complicity in human rights violations, and to ensure that company activities reinforce good governance and respect for human rights.

Assuming responsibility for the impact of energy development

An emerging issue within the energy industry – where investment in a country is long-term and substantial, often in partnership with governments, and has a significant influence on the economic, social, and political development of the country – is the impact of energy development on governance and human rights. It is increasingly accepted that companies have a responsibility to ensure that their operations do not contribute to human rights violations, to avoid complicity in human rights violations, and to ensure that company activities reinforce good governance and respect for human rights.

The primary responsibility to ensure good governance and protection of human rights rests with governments and some of these legal obligations are enshrined in the Universal Declaration of Human Rights and its related covenants. But it is increasingly accepted that a broader range of actors should assume responsibility for promoting good governance and human rights. They include other governments, financial institutions (multilateral, bilateral, and private) that lend to governments, NGOs, and companies.

Opaqueness in Angola raises concerns about corruption

In Angola, for example, oil revenue has been and remains the Angolan government's principal source of income, and has generated most of the resources enabling the government to pursue its conflict with Jonas Savimbi's rebel National Union for the Total Independence of Angola (UNITA) movement.

Between 1995-1999, oil revenues comprised approximately 70 to 89 percent of government revenues and approximately 85 to 92 percent of exports, according to the IMF. In 2000, oil accounted for US$3,26 billion of government revenue. On February 23, 2001, the Angolan government announced that oil revenues would account for 90,5 percent of the current year's budget, or approximately US$3,18 billion.

The opaqueness of the Angolan government's budget and expenditures has generated concern among multilateral financial institutions, NGOs, corporations, and governments, as well as within the country. At issue is the use of public funds, derived from oil revenues, to secretly finance arms purchases and the mortgaging of future oil revenues in return for immediate oil-backed loans to the government. In some cases in the recent past, oil revenues allegedly bypassed the Ministry of Finance and the central bank and went through the state-owned oil company, Sonangol, or through the Presidency, and used secretly to procure weapons. This sparked allegations of official corruption.

The Angolan government's practices have not met basic standards for fiscal transparency and accountability as those detailed in the IMF's "Code of Good Practices for Fiscal Transparency". The code calls for open disclosure and reporting in order to encourage public debate about fiscal policy and ensure governmental accountability.

The secret dealings of the government made it impossible for the Angolan public and media to hold the government accountable for its use of public funds. In addition, the government has responded to public and press criticism of its use of the country's oil revenues by clamping down on journalists and restricting freedom of expression. In this regard, fiscal transparency, political accountability, and human rights are inextricably intertwined in Angola.

IMF prescribes a diagnostic

In April 2000, as part of a larger agreement on economic reform, the International Monetary Fund (IMF) and the government agreed to monitor oil revenues. Known as the "Oil Diagnostic," it would be supervised by the World Bank and implemented by KPMG, an international accounting firm that also had the Angolan central bank as a client. It was an effort by the IMF and World Bank to assess the percentage of government oil revenues being deposited in the central bank.

The Oil Diagnostic continued to progress, but the government of Angola encountered serious problems with the IMF over its non-compliance with the terms of the IMF's overall programme and its continuing lack of transparency. The IMF allowed the Staff Monitored Program (SMP) that it had agreed with the government to expire in June 2001. The government had committed to make ten major reforms but had only implemented two. It had also failed to publish the quarterly Oil Diagnostic studies that began at the start of 2001 and were intended to ascertain whether all oil revenue were being deposited in the central bank, rather than siphoned off for secret arms purchases or alleged corruption.

On 14 August, the IMF stated publicly that it would not cooperate further with the government until it complied with the requirement of the conditions of the previously agreed SMP and significantly increased transparency by publishing data on oil and other government revenues and expenditures, and conducting an audit of the central bank. Despite the SMP's expiry, the Oil Diagnostic as a contractual arrangement whose completion was a requirement of further IMF cooperation would continue. The government did little to increase transparency during 2001 and it remains to be seen whether it will do more this year.

Multilateral institutions insist on transparency

The IMF took a strong stand in Angola by insisting that further cooperation would be contingent on increased government transparency. Others, particularly the IMF, and to a lesser extent, the World Bank, have not limited their efforts to Angola but sought to ensure that both companies and governments act responsibly. Despite the different degrees of progress, these institutions all made clear that issues related to business and human rights were critical components of their activities.

In addition to Angola, the IMF took strong measures to ensure that governments manage crucial resources such as oil in a transparent and accountable manner, indicating that if it were to act consistently throughout the world, it could help significantly to improve governance standards among opaque and unaccountable governments. The IMF demonstrated this particularly in its relations with the Republic of Congo (Congo-Brazzaville) and the Democratic Republic of Congo (DRC).

No debt relief for Congo-Brazzaville

In April 2001, the IMF sharply and repeatedly criticised the government of Congo-Brazzaville, warning that there would be no further IMF lending as long as "the petroleum sector lacks transparency." Despite IMF requests, the government had yet to audit the state-owned Congolese National Petroleum Company or the petroleum sector as a whole.

The IMF again criticised the government in June 2001 for excessive spending, massive customs fraud, and the slow pace of reforms, and declared that the country would not qualify for debt relief until the government began to seriously address these problems.

DRC promises reform

An SMP began to monitor reforms by the DRC government, which assured the IMF in June 2001 in a memorandum of intent that it would ensure good governance and complete transparency in the mining and diamond sector. The government also committed to eliminate "abuses of authority by individuals and nontax administrations involving intimidation, arbitrary arrests and dishonest profit seeking...."

The agreement, scheduled to run until March 2002, appeared to provide a good basis for reform of the DRC's precarious economy and public administration.

World Bank initiates extractive industries review

The World Bank began a process to assess its impact on human rights in the oil, gas, and mining industries. In July 2001, it appointed Dr Emil Salim, Indonesia's former state minister for population and environment, as the Eminent Person who would lead the bank's extractive industries review and "discuss its future role in the extractive industries with concerned stakeholders".

This review had been announced by World Bank President James Wolfensohn at the September 2000 annual meetings of the World Bank and IMF held in Prague in response to repeated NGO criticism of the bank's lending policies and the negative human rights and environmental impacts of extractive industries. The review represented a compromise between the bank and NGOs opposed to its lending to these industries.

The review was due to be completed within 12 months, during which regional and international consultations would be held to assess the bank's performance in the extractive industries. A final report is due November 2002. It is still too early to tell whether the assessment will lead to human rights considerations playing a larger part in the bank's lending policies in the extractive industries.

More pressure needed

These developments could have an important impact on energy development and human rights, but it is still too early to tell. Without pressure from governments, companies, NGOs, and multilaterals, it will be a challenge to move things forward.

However, governments have a strong role to play. Either individually, or through the EU, governments can insist that their trading partners or companies based in their countries ensure high standards and transparency in their operations. Similarly, the EU should strongly support efforts by multilateral financial institutions and governments to increase transparency and accountability over revenues. ■

Norway:

the story of an oil windfall

In barely three decades, Norway, a rugged land of seafarers and mountaineers, has become the world's sixth largest oil producer and the third ranking exporter of **crude next to Saudi Arabia and Russia. The oil wealth has transformed the kingdom's economy. The 4.5 million Norwegians enjoy one of the world's highest standards of living, but they have resisted the temptation to spend the oil windfall freely.**

Jan Kristiansen

Platform on the Statfjord field, on the borderline between the UK and Norwegian sectors. Statfjord and its satellites produced 819,000 barrels a day on average in the peak year of 1995 – more than the entire current output of Angola, the n° 2 oil producer in Sub-Saharan Africa – and will continue pumping crude until about 2020.

Statoil

From rags to riches

Moderation, sustainable development and the need to share the new wealth fairly through a progressive social policy have been watchwords of successive governments in Norway, right and left. A large part of the state's oil and gas earnings is funnelled into a Petroleum Fund to preserve resources for future generations.

At the same time, awareness of Norway's international responsibilities remains high. Norwegians are among the most fervent supporters of the United Nations and among the frontrunners in development aid. For nearly two decades, Norway has been one of only four donor countries topping the UN's development assistance target of 0,7 percent of GDP.

Norway was a poor, underdeveloped country until the end of the 19th century, when industrial development took off, based on the country's huge hydro-power resources. With most of the land area taken up by large mountain ranges, forests and lakes, the bulk of the population lived along the long, jagged coastline, which explains a long maritime tradition. Fishing, along with farming and forestry, were the key economic activities. From the "era of the white sails" Norway built up a sizeable merchant fleet carrying goods – mostly for other nations – on the seven seas.

Poverty, often linked with the harsh climate in large parts of the country, drove large numbers of Norwegians to emigrate, mainly to North America. By the end of World War I, which hit the merchant fleet badly, the country remained one of the poorest in Western Europe, together with Portugal. The worldwide depression in the 1930s worsened the situation.

The severe crisis, and massive unemployment, brought a labour government to power in the 1935 general elections. Then came World War II and a five-year occupation by the German army, a particularly dark period for a country so far committed to a policy of neutrality in international affairs.

The oil adventure

With the end of the war in 1945, things began to look better in the "Land of the midnight sun", which is also home to "the cradle of skiing" – the southern mountain province of Telemark – and a thriving tourist industry. Two decades of post-war reconstruction and expansion under continued labour rule helped build a more solid economy based on a strong public sector and a generous public welfare system. A competitive liberal shipping industry largely offset a chronic trade deficit. Then, Norwegians were plunged into a new adventure – oil.

As far back as 1935, Norway's leading geologist, Olav Holtedahl, thought there might be oil under the North Sea. "However, we'll never see it," he said. It took nearly 30 years of rapid technological progress and a huge gas discovery in the Netherlands in 1959 to attract the interest of international oil companies and prove him wrong.

By the mid-1960s, the North Sea was divided into British, Danish and Norwegian sectors. The first seismic surveys were completed and Norway proclaimed its sovereignty over the Norwegian continental shelf (NCS) in terms of exploration and production of natural resources. The initial exploration and production licenses were issued to foreign oil companies in 1965.

The first oil discovery was made in the Norwegian sector in 1967. A rash of new finds followed over the next four years. In 1971, Ekofisk, the first large field, came on stream, kickstarting the development of what has become an intricate web of under-sea pipelines linking major oilfields to Norway and the UK. From 1977, the opening of a line to Germany marked the start of Norway's steadily expanding sales of natural gas to continental Europe.

From a modest start in the early 1970s, crude oil and gas production has expanded by leaps and bounds. Oil output hit about 3.3 million barrels a day (MBD) in 2000, with exports averaging 3.1 MBD, placing Norway ahead of all exporters in the Organisation of Petroleum Exporting Countries (OPEC) except Saudi Arabia.

Natural gas sales into the European grid from the Norwegian continental shelf have been running at 50 to 60 billion standard cubic metres (Scm) annually over the past two years and should exceed 70 billion Scm in 2002 under current contracts. Expanding gas sales will largely offset an expected gradual decline in crude output from around 2004 as old fields mature.

Oil and gas accounted for roughly one-half of Norway's overall exports, about 20 percent of all investment and more than 20 percent of the country's gross domestic product in 2000. The oil sector also provided one-quarter of the state's income.

Says Brit Skjelbred, State Secretary in the Ministry of Petroleum and Energy (MPE): "We anticipate numbers at the same level for 2001." The MPE has forecast a net cash flow from the oil sector of about NOK244.5 billion for the state this year, or some US$27.1 billion at current rates, while total oil and gas export value may attain NOK 320 billion (US$35.5 billion).

Such figures explain how Norway's per capita income, as calculated by the World Bank, attained US$33,470 in 1999, ranking behind world leaders Luxembourg and Switzerland, but ahead of the United States and its Group of Seven partners.

The country is still only about half way through its "oil adventure": crude oil production is expected to continue for another 50 years and experts claim gas reserves will run out only in 100 years' time.

The birth of the Norwegian model

Right from the start, Norwegians made a basic choice: the sub-sea resources were to be considered the property of the state and citizens and placed under national management and control. Building up national expertise and an oil sector capable of standing on its own became key policy targets. State equity participation was seen as a necessity.

Norway's parliament, the Storting, which has control of all matters concerning oil and gas, at an early stage ruled in favour of a 50 percent state participation in all production licenses awarded to the oil companies. The MPE has overall

The Statfjord A platform – a giant construction resting on three concrete pillars with a bundle of huge concrete crude oil stocking cells attached.

Statoil

responsibility for implementing the policies laid down by the Storting. The Ministry is assisted by a specialised agency, the Norwegian Petroleum Directorate (NPD), which assures day-to-day control of offshore operations.

The Storting set up a state-owned oil company, Statoil, (short for Norwegian State Oil Company) in 1972, with the brief of working on a commercial basis in all areas of oil activity, from exploration and production to transport, refining and marketing. Statoil learned from its foreign partners in the field and has developed considerable expertise of its own. It has become a major group on an international scale, with significant interests in foreign "hot" oil provinces such as West Africa, including Nigeria and Angola, as well as Central Asia.

Statoil has a domestic rival, Norsk Hydro. This group, in which the state has a 43,8 percent equity stake, is a world leader in fertilisers and among the "big four" in aluminium and other light metals. It has also expanded into oil and gas, which now accounts for one-third of its turnover.

Today, state ownership is somewhat reduced. Statoil was partly privatised in June 2001 when 18,2 percent of the shares were sold to private investors on the Oslo and New York stock exchanges. In the spring, Statoil took over 15 percent of the state equity holdings in the fields, and another 6,5 percent was put up for sale to other oil companies. A new state company, Petoro, was established to manage the remaining state interests and watch over the marketing of the state's share of crude and gas output carried out by Statoil.

Officials at the Paris headquarters of the IEA cracked jokes about "stubborn blue-eyed Nordic oil sheikhs"

Transferring technology and expertise

The agreements concluded with foreign oil companies in the early stages of the adventure all contained specific provisions for transfer of technology to the host country and training of Norwegian personnel. Norway's shipping technology served as a basis for developing rigs and other equipment suitable for the rough weather conditions along its North Atlantic and Arctic coasts.

Norwegians soon joined the top league, contributing to the development of new high-tech solutions that make it possible to boost recovery rates and develop oil and gas fields at large depths. "The North Sea has served as a laboratory," says one expert. Statoil, Hydro and a host of Norwegian service companies are now themselves exporting technology and providing training for future oilmen, in far-away places such as East Timor, Angola or

Statoil

Azerbaijan.

The multinational oil companies initially grumbled at the heavy Norwegian state involvement in the North Sea. Some "majors" stayed away for some time. But against the backdrop of the first oil crisis, which hit the world in 1973-74, they were eager to get a foothold inside a most promising oil province.

The Norwegians stuck to their policies, despite criticism, especially from the proponents of all-out liberalisation. When then US Secretary of State Henry Kissinger fathered the idea of setting up an International Energy Agency (IEA) to manage an emergency oil-sharing arrangement for consumer nations in the OECD, Norway joined, but broadly on its own terms, after lengthy hard bargaining.

Former US president Ronald Reagan at one point sought assurances that Norwegian oil would be reserved for the United States in an emergency. He was rebuffed, and officials at the Paris headquarters of the IEA cracked jokes about "stubborn blue-eyed Nordic oil sheikhs".

Insuring the future

In 1990, the Storting established a Government Petroleum Fund. The entire state take from the oil sector is channelled into the fund, a special account in the Bank of Norway, for investment abroad. The government is only entitled to take out an amount sufficient to cover its annual budget deficit.

Since the mid-1990s, Norway has salted away €70 billion (about US$61 billion) in this fund, which according to Knut Kjaer, a Bank Executive Director who manages the fund's foreign investment portfolio, will show "continued high growth through the current decade". The capital and the return on investment constitute "savings that can contribute to financing welfare in the future", when revenues from limited oil and gas resources start to fall, coinciding with an expected sharp rise in social spending because of the ageing of the population, a recent government report notes.

The Petroleum Fund also helps stabilise the Norwegian economy by sheltering it both against sharp swings in oil earnings and excessive domestic use of oil money that could fan inflation and entail higher interest rates.

Some Norwegians are critical of the authorities' prudent approach. Clearly, there are unmet social needs, such as medical facilities and homes for the elderly. Voters' discontent may partly explain frequent changes of government in recent years. A rightwing coalition took over from a minority labour cabinet last October. However, oil and gas policy will not change much.

One strain of criticism targets "over-cautious politicians and doomsday prophets". Optimistic critics argue that new technology is bound to emerge soon which may entail yet another quantum leap in the recovery rate of oil and gas and allow the oil adventure to roll on.

Looking beyond its borders

The country has always looked beyond its borders. Norwegian Lutheran missionaries began working in India and Africa in the second half of the 19th century. Norway still considers it a "moral obligation" for wealthy countries to help reduce the enormous gap between the world's rich and poor. Opinion polls show that nine out of ten Norwegians support cooperation and development aid.

Statoil

Statoil

Statoil

Together with Denmark, Sweden and the Netherlands, Norway has for many years exceeded the United Nations' target for donor countries to provide at least 0,7 percent of their GDP as official development aid (ODA). Norway's 2002 aid budget foresees total spending of NOK 12.3 billion (about US$1.37 billion) or about 0,89 percent of GDP. This will be up from NOK10.8 billion (US$1.26 billion) or 0,80 percent of GDP in 2001.

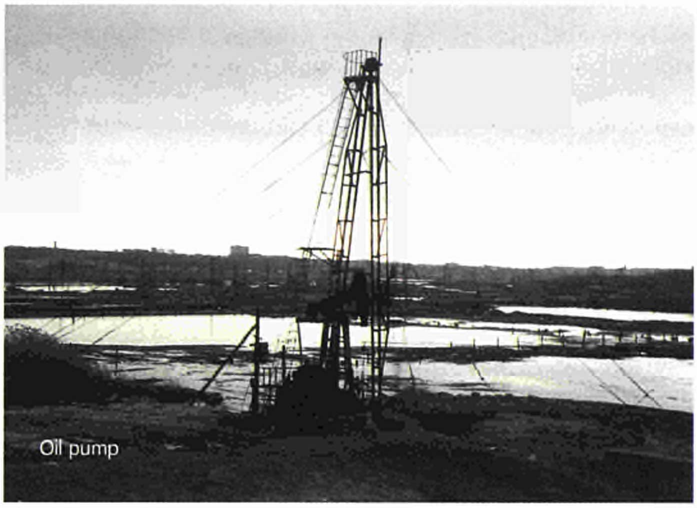
One-third of Norwegian aid will be routed via the UN system, which Norwegians consider an essential partner in the struggle for peace, human rights and democratisation. Poverty alleviation and equal rights for men and women are key targets for aid, which is directed mainly to the poorest nations in Africa, Asia and Central America. Norwegians are keen to preserve the environment. As a result, they strongly support sustainable development as a universal goal. ■

Oil rich or oil poor?

Azerbaijan - a fragile petro-state under the microscope

Azerbaijan, the oldest known oil-producing region in the world, is blessed with potentially large reserves of oil and gas. But the country is struggling with both political and economic development. The region offers a good example of today's potential conflicts and management challenges. It is politically and economically strategic, while at the same time, fragile and unstable. The country is on the threshold of another oil boom. This article looks at the challenge the country is facing to use this resource to benefit the local community.

Dianna Rienstra

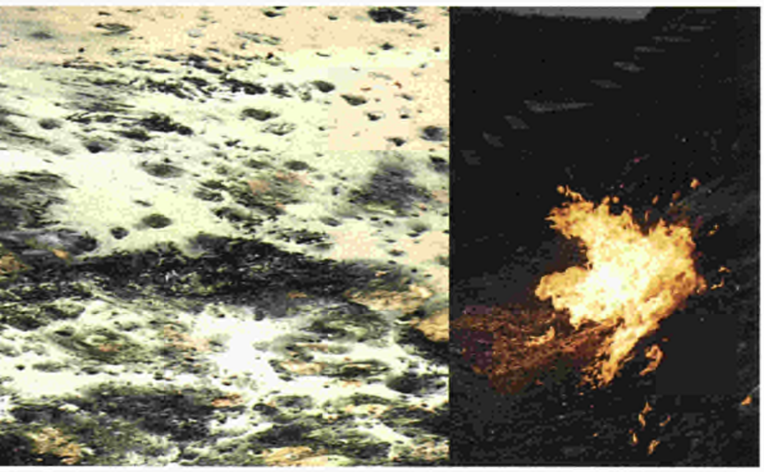


Oil pump

Azerbaijan experienced an oil boom at the beginning of the 20th century and later served as a major refining centre in the former Soviet Union. Production peaked at about 500,000 barrels per day (bbl/d) during World War II, then plummeted after the 1950s as the Soviet Union redirected resources elsewhere. The industry declined after independence in 1991 and is on the threshold of another boom as the country makes the often-painful transition to a market economy.

Production is expected to peak at more than 1,5 million barrels per day by 2010. Multiple multinationals are vying to develop the country's large reserves of oil and gas. (The Shah Deniz field is thought to be the world's largest gas discovery since 1978.) The list of companies in the country reads like a "Who's Who" of the oil industry.

In what was described as "the deal of the century" in September 1994 the Azerbaijan International Operating Company (AIOC) – comprised of ten multinationals and the national oil company SOCAR – signed an US$8 billion, 30-year contract to develop three Caspian Sea fields with proven reserves estimated at 3 to 5 billion barrels. Almost all of Azerbaijan's production increases since 1997 have come from AIOC. The consortium invested US$550 million in 2001.



Left, oil-polluted soil. Scientists consider Azerbaijan's Apsheron Peninsula, including the country's capital Baku, and the Caspian Sea to be, ecologically, the most devastated area in the world...
Right, spontaneous combustion of gas

A daunting challenge to investors and local businesses

Out of a population of eight million, there is about one million internally displaced people and refugees as a result of conflict with Armenia over Nagorno Karabakh. Azerbaijan's borders are contested by neighbouring states and its strategic location has Russia, Iran, EU and US interests competing for political and economic influence. There is an inventory of national and regional factors that make Azerbaijan vulnerable to instability and the vagaries of an economy dependent on energy revenues.

- New and ongoing tensions with neighbouring countries caused by a mix of ethnic, political and resource issues.
- Geo-political disputes and complex political manoeuvring over the routes of export pipelines.
- Fragile democratic institutions.
- The threat of Islamic fundamentalism.
- Social and political tension over refugees and internally displaced populations.
- Severe environmental concerns.
- An over-regulated economy, over-zealous tax authorities and under-resourced infrastructure, making it difficult not only for foreign investors, but also local businesses to get established.
- High levels of corruption and rising crime.
- Build-up in arms internally and regionally.
- High social expectations, especially of the western investors, coupled with growing unemployment and poverty.
- Economic migration within Azerbaijan as people look for jobs related to the oil industry (which currently provides over 50 percent of the state budget), resulting in the decline of rural communities.
- Restrictions on the actions of civil society organisations, many of which are associated with political opposition groups.
- Continuing human rights abuses.

Assembled here are the ingredients of big trouble, but this time, the international community has an opportunity to make it right. There is a chance to create an innovative nexus – an exercise in strategic conflict prevention rather than the transformation of violent conflict after the fact.

Says Phil Champain of International Alert, an NGO active in the area of conflict prevention: "It is early days in Azerbaijan and the dangers are evident. Put simplistically, will it turn into a Norway or a Niger Delta?"

Norway or Niger Delta?

Participants at a Business and Peace conference held in London in May 2000 discussed Azerbaijan and concluded that there is an overlap of interests of the various stakeholders and that a tripartite dialogue model would be the best framework for action.

The process is underway. Following a year of consultation with business, NGOs and government to identify the specific challenges and risks, key people were identified and brought together in two meetings. The group identified the challenges: broadening the economic base by developing local businesses, strengthening democratic processes, dealing with the internally displaced persons/refugee issue, strengthening communications between civil society and industry and improving collaboration among oil companies.

An Enterprise Development Committee has been formed, bringing together oil company representatives, the national bank, representatives from the UN as well as the British and Norwegian embassies, the Azerbaijan Entrepreneurs Confederation, local business leaders, the European Union's TACIS (Technical Assistance to Central Independent States) programme and civil society groups.

"The goal is to develop local supply industries to feed the growing needs of the oil companies," says Champain.

The oil industry has western standards that local companies cannot yet meet. In addition, local businesses are not protected by production sharing agreements with government and they cannot secure bank loans. Oil companies are protected from the corruption that is endemic in the country, but local businesses have to operate with the sharks and often cannot get off the ground.

(Transparency International rates Azerbaijan as number three after Nigeria among the world's most corrupt nations.)

The Committee is trying to work out how to cut through this reality. If it can, it is hoped Azeri businesses will thrive and oil companies will save money through using local suppliers. A database is being developed to match local companies with the needs of oil companies and other players in the region. Working groups are developing training to build local capacities. Another group is looking at what policies need to be changed – such as tax laws – to help local businesses.

An Oil Industry Forum has been created for the industry to discuss social investment initiatives. Also underway is a programme to strengthen civil society through creating a dialogue between NGOs and the international business community.

Champain describes these initiatives as "a rigorous programme of identifying the challenges and integrating the development of Azerbaijan's strategic resources into the fabric of the community."

It may not be too late for Azerbaijan. ■

Above, the landscape is scarred by a jumble of worn out equipment and obsolete technology
Below, workers cleaning a contaminated area

A dirty legacy

The rusty oil pumps scattered across the bleak landscape look like predatory, prehistoric birds, a grim reminder of the Russians and the European oil barons who preceded them. They left a dirty legacy. Scientists consider Azerbaijan's Apsheron Peninsula, including the country's capital Baku, and the Caspian Sea to be the ecologically most devastated area in the world because of severe air, water and soil pollution. The problem of recultivation of land heavily polluted with oil is critical. As this country makes its transition to a market economy, the ecological situation is deteriorating further. The environment in Sumgayit, north of Baku, is seriously damaged because expansion of chemical enterprises has happened without corresponding levels of environmental protection.

A drive through the oil fields of the Apsheron Peninsula is surreal. The landscape is scarred by a jumble of worn out equipment and obsolete technology. Ramshackle shacks are surrounded by small lakes of mud, water and oil, home to the country's poor and Armenian refugees. Children play among these forests of blackened and rusted metal, while shepherds herd sheep, goats and emaciated cattle. The locals joke that these animals produce petrol, not milk.

The country is gripped by an economic crisis and acute budget shortages. It is painfully evident that there is no financing to resolve ecological problems. Nor is there public – or corresponding political – will to do so. As one journalist said: "The people of my country are more worried about food, shelter and electricity than they are about the environment. That is a luxury."

Sonangol-Congo

born in the eye of the storm?

For three years, the Democratic Republic of Congo (DRC) has been torn apart by a war involving six other African countries. Sonangol-Congo, a joint Angolan-Congolese oil company, was established by presidential decree in Kinshasa in September 1998.
In April 2001, a United Nations report on the illegal exploitation of raw materials cited Sonangol-Congo as party to an agreement between Angola and the DRC. Was the company born of the war ? Meanwhile, the DRC has been experiencing serious fuel shortages. Is it possible to launch an oil company under such difficult conditions?
Djo Tunda Wa Munga spoke to Charles Mudiay, Commercial Director of Sonangol-Congo.

Could you describe Sonangol-Congo?

Sonangol-Congo is a mixed oil company. Its partners are Sonangol Angola (a 100 percent public company), the Congolese State, and a number of private investors. It markets, stores, transports and imports finished petroleum products. We began selling to consumers in 1998 and to the trade – that is to say, to service stations – in 1999. As you see, we are a very young company.

Under what circumstances was the company created ?

Against a background of commercial exchanges between Angola and the Democratic Republic of Congo. We were aware that, under the Mobutu government, relations between the two countries were strained : in fact, there was practically no trade at all to speak of. With the arrival of the AFDL (l'Alliance des Forces Démocratiques pour la Libération du Congo – the Alliance of Democratic Forces for the Liberation of Congo) the relationship developed. President Laurent Desiré Kabila's aim is to develop close South/South business relations. Angola, Uganda, Rwanda, Zimbabwe, Congo and other countries in the region were the first ones to be involved in his plans. Sonangol-Congo is the embodiment of that political will, and it has been a profitable venture. At times, numerous petroleum products were imported from Angola at the height of the crisis, but the distribution sector was liberalised around 1997-1998 and a great many small private companies came onto the scene. Unfortunately, war ensued and swept away a number of them. Investments had already been made when war broke out, and we really had to struggle, and not give up in order to survive. These were turbulent years, but we're still here.

The United Nations report on the pillaging of the Democratic Republic of Congo specifically mentions Sonangol-Congo as an integral part of an agreement between the two countries. This might be interpreted as a form of compensation for the military effort provided by Angola.

That report stirred up an enormous fuss, and there was talk of pillaging, exploitation, and the rest! UN members came to our offices, but quickly saw that they had no business there. We operate here without any advantages – in fact quite the contrary. The multinationals have many more advantages than we have. People imagine that we are at an advantage because the State has shares in our company, but it's often forgotten that the State has a share in all strategic companies – and that includes the multinationals, which are much more profitable than we are.

The war significantly affected our growth and penetration into the market, and we still encounter numerous administrative problems on a daily basis, especially in obtaining certain permits. We have great difficulty taking advantage of the investment code, which is supposed to help us. The code guarantees exemption from certain taxes if we exceed a certain level of investment, but to date we've been unable to profit from it.

The market appears to have been divided up between the multinationals. How do you envisage the struggle to develop your marketshare in the next few years?

The market is competitive; it's easy to gain a foothold. But in terms of income, you have to have a sound basis to be able to pay initial overheads. That's where the obstacle lies. We have had two years of growth, and in ten years' time we hope to have many more service stations in Kinshasa city – Sonangol-Congo currently has two service stations and is getting ready to build a third – and to develop the network in the interior of the country. Our strength in terms of imports enables us to carry on our distribution activity.

Perhaps you could expand on that?

The multinationals work only in the distribution sector and get their supplies from importers. Our company has two sides to it: importing and distribution in the field. Because Sonangol-Congo, as an importer, imports on behalf of all the city's distributors, it generates profits independent of service-station sales. But this import strength has to be seen in relative terms: when I say that we have been in the distribution sector for two years, perhaps I should be more precise and say that our first service station sold its first litre of fuel in July 1999 and its second in December 2000 – not exactly what you would call an overnight distribution success! Nevertheless, we have managed to function for two difficult years, waiting for better times to come.

Besides the level of investments and the group's size, what are the differences in set-up between you and a multinational? For example, your relationship with SEP-Congo (Congolese Petroleum Enterprises' Services).

SEP-Congo is principally involved in the transportation and storage of petroleum and has the most developed infrastructure in the country. It has an almost complete monopoly and does not yet acknowledge us as a member-company of the trade group of petroleum-product distributors. We're treated like a small private company, and the taxes on transportation fees and those for building up a stock are higher. Even if the multinationals are shareholders in SEP-Congo, that's no justification for all the other companies to have to pay higher taxes.

Moreover, the multinationals have a credit line which enables them to move the product, sell it and then pay later. We receive no benefits at all: all our transactions have to be paid for directly and, as the amounts we pay are higher, there are automatic repercussions on profits. We have to display the same levels in the structure of the price at the pump in order to be competitive, so our profit margin is necessarily smaller. Of course we make a profit, but, all the same, the difference is quite remarkable!

Do you aspire to becoming a multinational? If so, over what timescale?

One doesn't become a giant overnight. Our investment levels are still well below those of a multinational, but we have major investment planned. We had envisaged having four service stations over three years in Kinshasa, but we have only two – the war took us by surprise! We are looking to set ourselves up in certain provinces and to aim for progressive development. But the business we're in is uncertain and we cannot make projections for the future and be sure to comply with them. We can only be guided by our achievements on the market when planning our company's future and determining our development. ■

Sonangol-Congo currently has two service stations and is getting ready to build a third – and to develop the network in the interior of the country

Early days
for codes of good conduct

After decades of indifference, international financial institutions have finally adopted codes of good conduct to underpin support for petroleum projects. Good governance and anti-corruption campaigns are now commonplace in development aid. It is hoped that oil companies and governments in developing countries will no longer act with complete impunity to the detriment of local populations and human rights. This new path is encouraging, but it is too early to assess the real impact of these reforms.

Isabelle Saussez

The discovery of petroleum deposits in various African countries – in particular, Sub-Saharan Africa, where most of the continent's reserves are concentrated – raised local people's hopes for an improved standard of living on the basis of revenue generated by "black gold". It was just a mirage.

The facilities the oil companies wanted to install led those in power to clear inhabitants from future production areas and, in the most extreme cases, to abduct and even execute opponents. Petroleum has sometimes generated or maintained a state of war between rival factions. Today's most worrying example is Sudan, where hundreds of thousands of people have been forced to leave regions rich in petroleum deposits. Brought together into camps, these refugees are totally dependent on international food aid.

In 2000, an Amnesty International report stated: "Many foreign companies tolerate violations by turning a blind eye to the human rights violations committed by the government security forces or government-allied troops in the name of protecting the security of the oil producing areas."

Although such appalling situations are not a general rule, even a quick study of the impact of petroleum production on developing countries demonstrates that the poorest populations are often the last to benefit from petroleum income, if they receive anything at all.

Endemic corruption

To date, managing and redistributing the revenue from petroleum production has been generally unsuccessful. Endemic corruption, which has lined the pockets of those in power and other public service representatives, is generated by a global mechanism largely encouraged by western companies and their parent states.

The financial manna from heaven that hydrocarbon deposits represent has induced western companies to pull out all the stops to secure exploitation rights. Once such a right has been acquired, "commission" payments are just one way to evade taxation and customs duties or to maintain stability in production areas.

According to a survey conducted by the Swiss investigating magistrate, Paul Perraudin, the French petroleum group, Elf, is suspected of having paid more than €91 million in "bonuses" to certain African presidents to help ease its entry into Africa between 1990 and 1997.

The World Bank estimates the total cost of corruption in the international economy at €92 billion per year.

However, corruption has long been a taboo subject in international transactions and has been discreetly ignored by bodies such as the International Monetary Fund (IMF) and the World Bank. In Washington circles, the word corruption was rarely uttered, being referred to obliquely as "the c-word". When mentioned it was never with the aim of finding a remedy but, rather to complain about its culturally inevitable presence in certain countries.

Ethical reforms

It was not until 1996 that the problem was publicly addressed by the directors of the two institutions at their annual meeting. For the first time, World Bank president, James Wolfensohn, described corruption as a "cancer... that diverts resources from the poor to the rich, increases the cost of running businesses, distorts public expenditures, and deters foreign investors".

The World Bank is the most suitable international institution to coordinate and supervise anti-corruption campaigns. Its objective of promoting foreign investment has made it the biggest sponsor of industrial projects in developing countries. The Bretton Woods institutions recently reformed their loan conditions by adding ethical requirements. The World Bank and the IMF will now take into account the performance of debtor countries in terms of good governance before they grant financial support for any project.

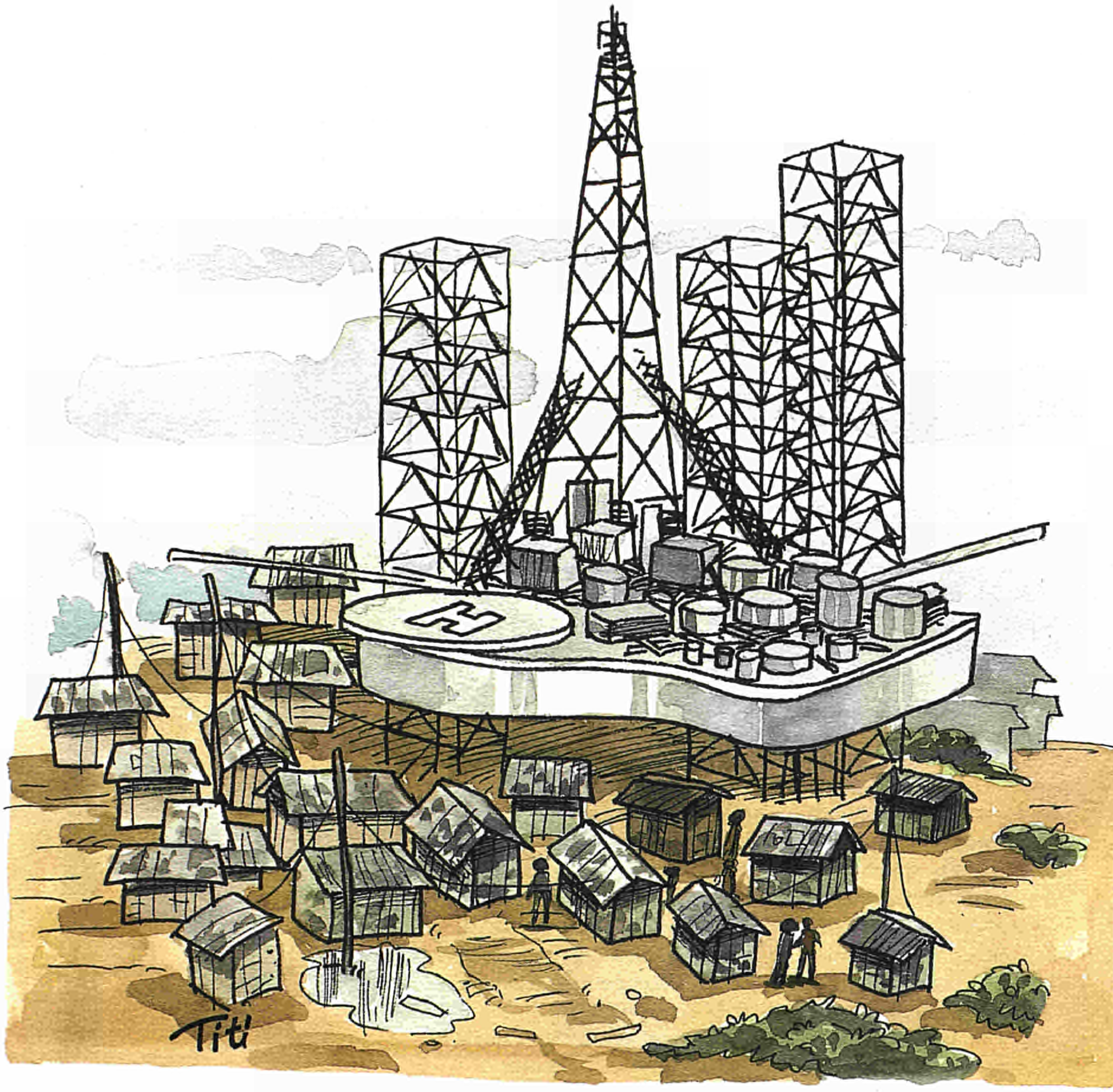
As a result, payments to certain countries have been stopped or held back, pending the implementation of measures to combat embezzlement of public funds or acts of corruption. In 1997, Kenya's economy nose-dived when the IMF – along with the majority of remaining sponsors – decided to suspend the structural adjustment facility on account of high levels of corruption.

Operational audits cover the entire sector

In its ongoing campaign against corruption, the World Bank has set up various control and inspection instruments and has decided to carry out surprise audits aimed at those countries where petroleum revenue management is questionable. Following Angola and Cameroon, Congo-Brazzaville will be the next country on the investigators' list.

Salomon Samen, head of the World Bank mission in Congo, explains: "The decision to carry out this audit arises from the desire that Congo, in its fight against the poverty which affects nearly 70 percent of the population, should maximise its benefit from the petroleum sector resources, which represent 97 percent of export income, almost 75 percent of state income and almost 60 percent of the country's GDP."

The financial audit of the *Société Nationale des Pétroles*



Congolais (SNPC – Congolese National Petroleum Company) is due to begin when its financial statements are published at the beginning of 2002. Investigators will then carry out an operational audit of the entire sector, which according to Salomon Samen, "will review the limits of the system and of the organisation as it stands, with a view to maximising the resources the state can draw from this sector. This will involve taking stock of oil company relations and conditions".

Created in 1998, the SNPC is responsible for marketing 20 percent of Congolese petroleum production on the international market; the companies themselves sell the remaining 80 percent. In June 2000, the Congolese government and the SNPC signed an agreement that should enable the government to control SNPC activities. Salomon Samen fully approves of the signing of this agreement.

"It requires greater attention to certain points, but has laid the basis for greater transparency and improved governance in management of the sector and the transfer of petroleum income to state coffers," he says. "Cooperation of this type will become more effective as audits are carried out and the centralisation of petroleum income is rationalised."

No systematic and independent control

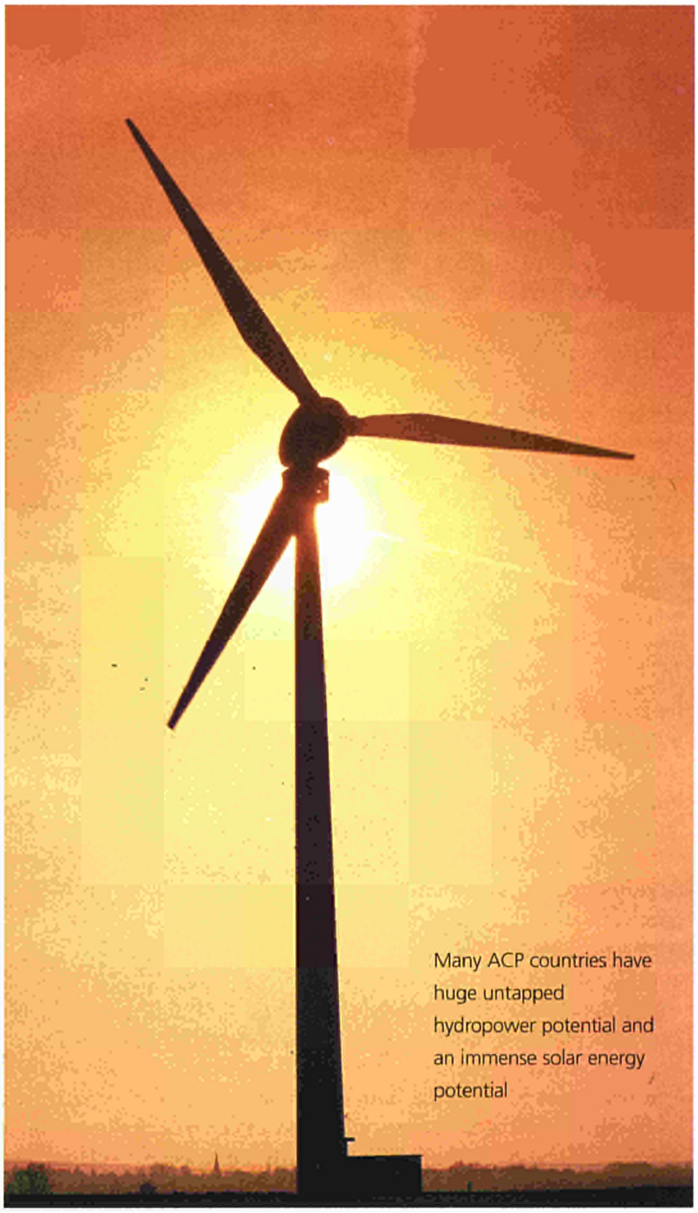
Several World Bank and IMF initiatives are encouraging in that they improve distribution of petroleum revenue and require respect for both human rights and the environment. However, this apparent slight improvement should not be allowed to hide the fact that people in a number of developing countries are still subject to dictatorial regimes or disorganised and corrupt administrations.

Despite the oil companies' adoption of internal codes of conduct, there is no systematic and independent control. Finally, the World Bank is still politically and financially dependent on its principal members. It must be remembered that these countries, for the most part, are home to the oil companies' headquarters. ■

Energy fuels development

Many ACP countries are heavily dependent on fossil fuels and import petroleum at some of the highest prices in the world. A recent ACP-EU working group report calls for various initiatives to promote renewable energy sources. The *Courier* spoke to rapporteur Anders Wijkman about the report's findings.

Dianna Rienstra



Many ACP countries have huge untapped hydropower potential and an immense solar energy potential

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Energy fuels economic growth, but access to and use of energy varies widely among countries and between rich and poor people within them. Today, an estimated 2 billion people – one-third of the world's population – have no access to electricity and rely almost exclusively on fuel wood and animal dung for their energy needs. Two-thirds of the African population have no access to modern energy services.

As long as this situation continues, the prospects for economic growth and development are bleak. Says working group rapporteur, Member of the European Parliament (MEP) Anders Wijkman: "There is a definite link between the provision of energy services and the poverty alleviation agenda. Energy is not a sectoral issue, it is a fundamental development issue."

Energy use in developing countries is linked to a range of social issues including poverty alleviation, education, health, population growth, urbanisation and a lack of opportunities for women. In many countries, energy consumption patterns reinforce poverty. Cooking with poorly ventilated stoves has significant health impacts, while hundreds of millions of people – mostly women and children – spend several hours a day gathering firewood and carrying water. As a result, they miss out on opportunities for education and other productive activities. Lack of electricity limits telecommunications and restricts possibilities for commercial enterprise.

Mr Wijkman points to the link between energy and the ICT (information, communications and technology) agenda. If we are to address the digital divide, people in developing countries and poor regions need access to electricity. Renewables make sense in Africa, for example, where constructing an electricity grid among hamlets scattered across vast regions would be almost impossible.

In addition, according to the report, poor countries often pay outrageous prices for energy imports. Consider that petroleum is imported in the small island ACP states at some of the highest prices in the world – some 200 to 300 percent of international levels in the Pacific region.

Surge in demand brings serious consequences

Between 1990 and 2010 primary energy demand is expected to triple in ACP and other developing countries. This surge brings with it serious environmental consequences. Today's forms of energy generation and use cause environmental problems at local, regional and international levels. The UN's Agenda 21 spells it out: "Much of the world's energy is currently produced and consumed in ways that could not be sustained if technology were to remain constant and if overall quantities were to increase substantially."

Many ACP countries are heavily dependent on fossil fuels and import petroleum at some of the highest prices in the world

Mr Wijkman puts it more bluntly: "If developing countries depend on fossil fuels for modernisation, we can throw the climate convention out the window."

Renewable energy sources, such as biomass installations (plant and vegetable materials), solar (photovoltaics), wind, geothermal and hydropower, have the potential to provide energy services with zero or almost zero emissions of air pollutants and greenhouse gases. For many developing countries, renewables offer unique opportunities to bypass certain stages in the modernisation process and through "technology leap-frogging" to develop environmentally friendly energy systems based on indigenous resources.

Developing countries can't do it alone

However, this potential will be realised only through a fundamental reorientation of energy policies in ACP countries together with strong financial support from the international community.

Energy and energy services have not been sufficiently integrated as a horizontal key element in programmes aimed at reducing poverty. The MEP says it is "embarrassing" that the EU has spent almost nothing on renewable energy resources. Of the total annual aid budget, less than four percent is spent on energy issues and of that, only about one to two percent on renewables.

To move forward will require knowledge and capacity building, technology transfer and political will. Mr Wijkman points to the more than US$100 billion per year invested in developing countries to expand primarily coal-based energy production which in turn generates harmful CO_2 emissions.

"The international community must realise that it is in everyone's interest that we help developing countries invest in renewables," he adds. "This is not a question of development aid, but of enlightened self interest."

Towards sustainability

The ACP-EU working group report notes that it is time to rethink energy and develop strategies based on principles of sustainable development. From both an economic and environmental perspective, efforts are urgently needed for enhanced energy efficiency and the introduction of renewable energies. The report recommends that the following be taken into account when formulating energy policies in ACP states:

- involve the private sector,
- reduce subsidies for conventional energy supplies,
- internalise external costs (in particular those of environmental relevance) in determining energy prices,
- provide legal and fiscal preferential treatment for renewable energy technology (and efficiency technologies),
- mobilise EU and other international financial assistance, including micro-credit systems,
- technology transfer and building up an indigenous capacity in renewables,
- promote private or private-public partnerships and joint ventures.

ACP states should examine the possibilities of overcoming existing obstacles to the use of renewable energy sources, such as the lack of an adequate legal, fiscal or regulatory framework and the reasons for hesitant private foreign investment.

In particular, African ACP states should work together to better exploit the vast hydropower resources, and to put in place stable and transparent government and utilities cooperation for policy making and for implementation of regional energy cooperation. Without regional cooperation, it will be impossible to attract investors for financing transnational infrastructure. ■

Untapped potential in sub-Saharan countries

Per capita energy consumption is about 10 percent of the level in the EU. There will be a substantial increase in energy demand in the next few decades. Two-thirds of the population live in rural areas, where electricity supplies are particularly difficult.

Sub-Saharan Africa has huge untapped hydropower potential (less than 10 GW of the estimated 200 GW has been exploited) and an immense solar energy potential. Solar power installations are particularly well suited to ACP regions where solar energy is enormous. There is great potential for wind energy in coastal areas.

Apart from the traditional use of biomass, renewable energies have been used to a very limited extent.

Substantial capacity for renewables in the Caribbean and Pacific

Island states are heavily dependent on oil imports. In the Caribbean, for example, petroleum imports are responsible for more than 75 percent of primary energy demand. Because of the small size and isolated location of island states, infrastructure costs for energy supply are higher than on the mainland.

Transport of oil is very expensive and environmentally risky. Demand for energy is rising because of the increased population growth and parallel growth in energy demand.

The use of traditional biomass for non-commercial purposes is very widespread. There is substantial capacity for the use of renewables, in particular solar power and wind energy, as well as hydroelectric and geothermal energy.

CASE STUDY
Let the sunshine in
– solar energy powers health care systems

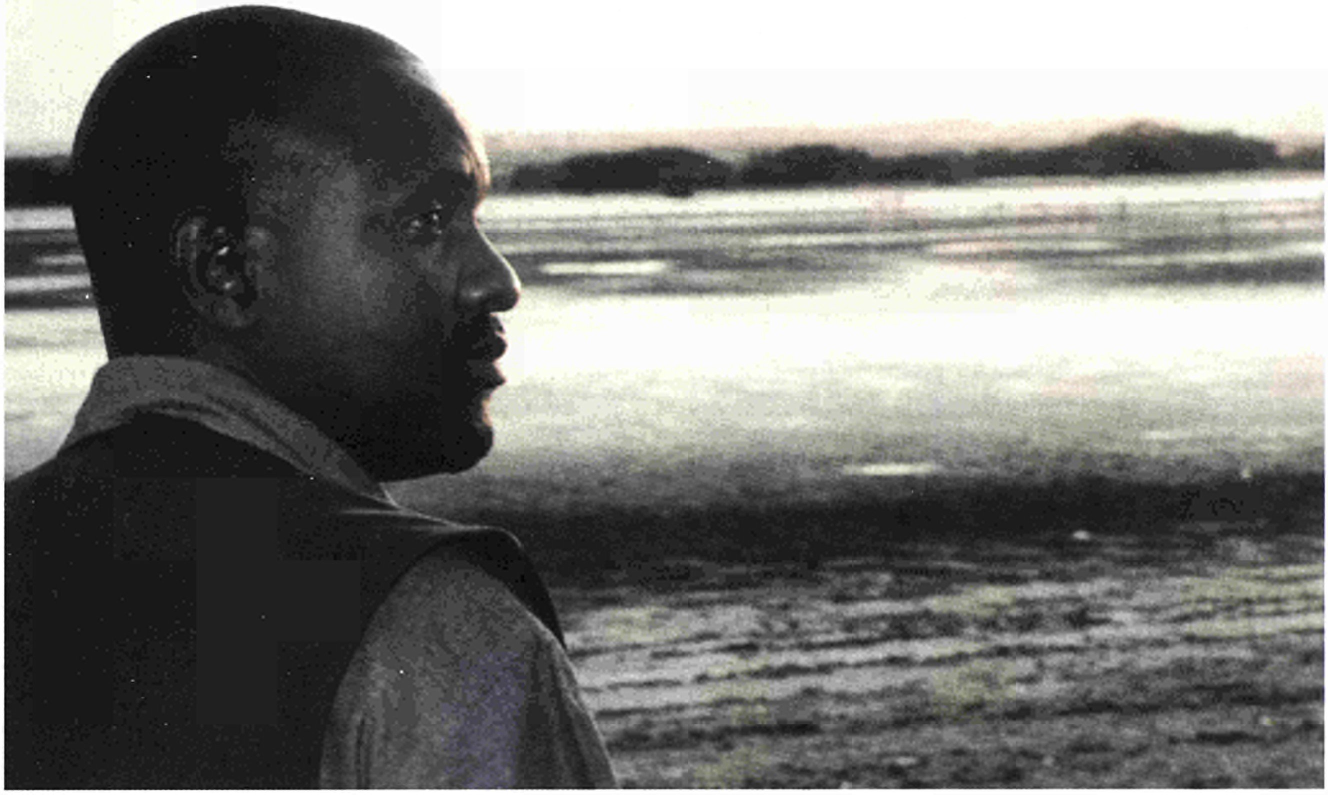
During 1984-1990, the European Development Fund financed in the Democratic Republic of Congo, the world's largest rural health care project using PV (photovoltaics). 750 lighting systems and 100 refrigeration systems for vaccine storage were installed in rural health centres.

The project also involved equipment testing, maintenance, and user training.

High capital costs and expensive operating costs of the vaccination programme were major constraints on further expansion.

To facilitate expansion, the systems were enlarged to generate surplus solar electricity, which was then sold to the local community. Revenue was used to help pay the programme costs.

The extra cost of larger PV generators was low compared to that of the solar refrigerators, while the transport, installation, and maintenance costs remained the same.



"Instead of giving someone a fish, teach them how to fish"

Ismaël Lô roams from Brazzaville to Paris, Kinshasa to Brussels and Bangui, his bag overflowing with lyrics and rhythms blending the wisdom of the Sahel, the Manding and the West: that is his style.
He is no less articulate behind the scenes, either…
We meet a roving minstrel with a golden tongue.

Robin Sappe

"Casamance! France has Corsica, Spain the Basque Country…" Ismaël Lô rejects a negative image of Africa. He defends his country – and his continent – against hasty and dismissive branding. "In Europe, there's the Africa label. Africa is a land of horror, of illness, of drought. Many Europeans tend to highlight the continent's negative side, the ethnic wars, the famines…" Nor does he feel victimised. "Africa is not on the defensive here: the Africans themselves must form a coalition to promote their continent's affairs."

A united Africa

"African unity is something I firmly believe in. The United States did not come together in a day. The euro is making its debut. All it needs is willpower and a favourable mindset to get there." The theme abounds in his songs. "People must have a fierce determination to take things forward and work to bring people together. It's up to the Africans and their leaders to break down these frontiers and present a united Africa. While I am still in the land of the living, I want to see Africa become one country." He backs his desire with evidence from his last South African tour: "Apartheid was terrible, but it hasn't stopped blacks and whites living together now. That's how history goes."

An African from Senegal

Ismaël Lô lives in Dakar with his family. He feels at home there. "The atmosphere, the street parties, the wedding ceremonies, the christenings… all these little things make my spirit come alive." His work reflects this sense of belonging, and his obvious fondness for his neighbours, their heritage and their respect for family and friends.

As for the political situation of the country, he has good reason to be glad. "The presidential elections went well, showing that democracy is now firmly rooted. It passed off without bloodshed. Diouf is out, Wade is in. The democratic process is encouraged." He doesn't make a judgement of the new president. "What matters is that the change took place. Wade has been in office just one year. He must have time to settle in before we can look for the real changes the people expect."

The wandering minstrel, the man and his politics

Courted by politicians, the man they nickname Iso addresses them as citizens. "Let them be honest and merciful to their people, who campaigned to elect them, believing in their potential. Let them not forget who brought them to office." This griot prefers to put his trust in the political system than in a single man. "When someone comes to power, he cannot run a country alone. He needs ministers and elected representatives. The going gets tough very quickly and at times you can't cope. Politicians are people just like everyone else." Ismaël Lô cannot help drawing a parallel with his first appearances in a small Dakar suburb prior to his international tours. "When you put your foot on the gas, it feels great, you surge ahead and you end up forgetting to stop somewhere to pick up someone or other." He seems familiar with the headiness of speed, and he knows human vulnerability.

Justice, justice, justice...

Fairness is at the heart of all the singer's words. For him, his role as an artist is to find, describe and offer a new way forward. Like many of his peers, injustice is his target. He refers endlessly to the upheavals on the international scene and rejoices at cooperation in the cause of justice. "As president, you can do many things but, after your downfall, you can expect the worst because you have lost your protection. Justice is no respecter of persons. There are many presidents who have gone off the rails, and when they leave office they take refuge in strongholds outside their own countries. They have been sought out there. I am delighted at this kind of coalition." This kind of collective experience is vital for him, and is a key feature of much of his work.

Close, disinterested cooperation between people

South-North and North-South cooperation elicits enthusiasm tempered with scepticism in Ismaël Lô. His criticism is trenchant: "it is time to stop presenting Africa as a continent which always has its hand out. Africa has its own resources, its own potential, and its own expertise. It has culture and ideologies of its own. You cannot live only by cooperation." He continues to shake up his "African brothers", stressing the warmth of Senegalese hospitality, the shared meals, and calling for genuine, disinterested and closer cooperation between peoples. "Instead of giving someone a fish, teach him how to fish."

It all starts with us...

In Brussels, he revels in singing before a motley audience of Europeans and Africans. He invites the audience on to the stage to dance the *mbalax*, encouraging them to participate rather than sit back. He gives vent to whatever is bothering him, but doesn't avoid self-criticism: "This doesn't mean always being right. We complain about what we dislike. We may hit the wrong target sometimes..." ■

Dabah

Ismaël Lô is 45, and looks 10 years younger. He started his career as a teenager in the Dakar suburb of Rufisque. With a Senegalese father and a Nigerian mother, his background gave him a strong sense of being first and foremost an African.

His first stage appearances were with Super-Diamono, a group renowned for the social flavour of its lyrics and its mixture of traditional and electric beat. He decided to leave the group in 1984. He adopted his own, lean style, departing from the luxuriant percussion of his peers. His first albums appeared and Ismaël Lô soon gained a reputation in West Africa.

For about ten years now, his success has spread beyond the African continent. An international record company has signed him up and critics dub him "the African Dylan". In 1996, his album *Jammu Africa* used key names which have been significant to his career: Dabajone, Dibi Dibi Rek and Souleymane. The duet he recorded with Marianne Faithfull has a similar flavour.

His tours and concerts have multiplied – sometimes leaving him little room for composing. But his latest album *Dabah* is finally out. Conceived and performed in Dakar, mixed in Paris, this is at last a response to his loyal fans and their eagerness for something new. The album tackles themes dear to him. He attacks selfishness in all its forms: racism and the fetish of money, and calls on Africa to become Africa... to a background of the laid-back *mbalax* which is his signature.

Republic of Congo

After a decade of conflict and fratricidal confrontation, the Republic of Congo is trying to bury its old demons and strengthen the fragile stability which reigns today in the country. Approaching presidential elections, tensions are emerging, re-opening wounds caused by the country's history, crushed by three successive civil wars.

Endowed with extraordinary natural wealth, Congo-Brazzaville has all the resources it needs to rebuild itself. The country has enormous oil resources and can count on an active civil society, an expanding entrepreneurial spirit, a growing agricultural sector, culture which is again gaining confidence, and a natural heritage to be preserved. The country's stability has encouraged international partners to return, and development projects are beginning to flourish. Thus, the Young Enterprise Forum is trying to restore the economic fabric of the country, donors are investing in basic infrastructure, health and education, Agricongo is ensuring food security through agriculture. Today, the country holds all the cards to enable it to build a national unity which transcends conflicts of interests and puts the people at its centre.

Report by François Lefèbvre

Burnt out shells of vehicles litter the Congolese countryside

Tired of civil war, can Congo manage peace?

Successive civil wars from 1993 to 1999 scarred the Republic of Congo, bled it white and orphaned thousands of its children. Now President Denis Sassou-Nguesso is putting the finishing touches to the organisation of elections, which look set to enhance his power and to provide him with much-sought-after legitimacy.

"Plaster is a miracle product", said a woman making her way along the Avenue de la Paix, one of the main arteries and the former front line in Brazzaville. There was irony in her voice. The capital's buildings now show barely any traces of the fighting, but the population at large, however, feels only resignation. Even so, a few concessions to history and openness are a price worth paying for peace – especially as, now the fighting has stopped, the country's stability is so evident.

There is an inevitable climate of tension in the run-up to the election, but for the most part weapons remain unused, the fields are green once again, civil society is reorganising itself, international aid is flowing in to rebuild the country and the Congolese economy is recovering. Consolidation of the peace process and Congo's huge potential are finally allowing it to have a clear-cut vision of its own future. But this is mortgaged to the danger of further political and military fragmentation, which could arise as the election process unfolds.

Brazzaville and beyond – a precarious peace

Although the war cannot be completely blotted out, Brazzaville has been doing its utmost to keep it out of the international spotlight. Public safety and freedom of movement appear to be guaranteed, both by day and by night; businesses and the main public services are functioning; the military and police forces are exercising discretion; and the capital is once again home to the majority of the country's inhabitants. In the city centre, restored in record time, there are freshly repainted buildings. If one walks along the Brazza or OAU Avenues it is almost possible to forget that just two years ago these "humanitarian corridors" were strewn with corpses.

This transformed Brazzaville is in sharp contrast to the potholed roads of the country's interior, the blown-up houses in the Pool region just north of the capital, the burnt-out shells of vehicles and the conspicuous poverty of the majority of the population. The pacification of the country, undertaken by the regime with overt assistance from foreign forces and the tacit support of the international community, is very real. But stocks of weaponry stashed away in every home are a constant reminder of the precarious nature of peace.

A decade of chaos

The three phases (1993-1994, 1997 and 1998-1999) of the civil war that ravaged the country are closely linked to the democratisation of Congo. In the early 1990s, President Sassou-Nguesso initiated a political U-turn. Although his speeches leaned towards Marxism and a dictatorial wielding of power, he was forced to allow his regime to develop under combined pressure from the population and the international community. The Congolese Labour Party (PCT) abandoned Marxism-Leninism and organised free elections in 1992. No sooner were the results announced than the militias of the elected President, Pascal Lissouba, and those of his unfortunate rival, Bernard Kolelas, came to blows. The initial confrontations between rival militia groups (Kolelas' "Ninjas" versus Lissouba's "Mambas") broke out during the summer of 1993. A peace accord, concluded in December 1995 after much international mediation, marked the end of a war essentially confined to Brazzaville. The toll was 2,000 dead and 100,000 displaced persons.

The lessening of political and ethnic tension enabled Bernard Kolelas to become Mayor of Brazzaville, having united all the forces backing the President. Nevertheless the provisions of the peace accord were not complied with. The militias were not disbanded and the weapons that remained in the possession of "soldiers" could immediately be remobilised, leaving the distrust between the war leaders and the balance of terror intact.

The second phase

Shortly before the 1997 presidential elections pressure increased. President Lissouba set about renewing his mandate regardless of the cost. Denis Sassou-Nguesso, after a seven-month trip to France, also reassumed his responsibilities. The country's former strongman was already campaigning in both the north and the south of Congo. A number of Brazzaville's districts were mobilised to support him. Total anarchy reigned. Weapons were distributed and young people were recruited to swell the ranks of the "Cobras", the pro-Sassou-Nguesso militia. Pascal Lissouba, supported by Jonas Savimbi's Unita fighters, General Mobutu's "Faz", Rwandan "Interahamwes" and Israeli advisers, reacted and ordered the military to surround his rival's residence. Artillery was deployed, the entire capital was set ablaze and the country was thrown into turmoil.

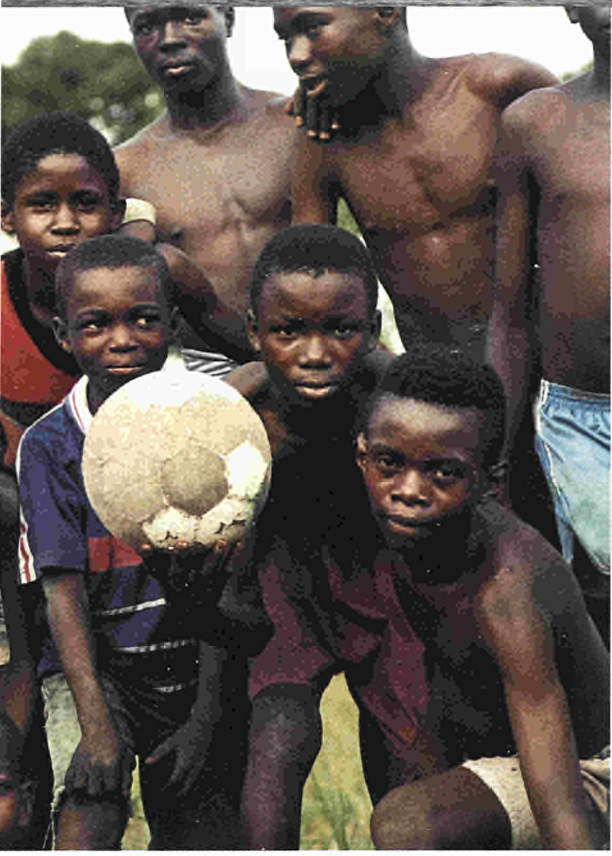
Bernard Kolelas relinquished the office of Mayor and became Prime Minister to President Lissouba, whose mandate was extended. At the same time, Denis Sassou-Nguesso, supported by soldiers from Gabon and Angola, steadily gained power. The French military presence in Brazzaville watched as, on the other side of the river, President Mobutu of Zaire was toppled by Laurent Désiré Kabila. They were also witnesses to the confrontations on their side They did not intervene directly, but restricted their actions to repatriating foreigners. Denis Sassou-Nguesso's military superiority won the day. The fall of Pointe-Noire on the coast, economic capital of the country and the centre of petroleum production, temporarily put an end to the civil war. The toll this time was 10,000 dead.

Consolidating power

France immediately recognised Denis Sassou-Nguesso. This swift action, in contrast to the international community's wait-and-see policy and veiled protestations, merely reinforced suspicions that France was guilty as charged - namely of supporting Denis Sassou-Nguesso during the war and of accommodating the short-term interests of the oil industry.

Before a Supreme Court, which he himself had set up, Denis Sassou-Nguesso took the oath of office on 25 October 1997, combining the posts of President of the Republic, Head of Government, Defence Minister and

"Plaster is a miracle product". Many of the capital's buildings now show barely any traces of the fighting that scarred the country from 1993 to 1999.



On the other side of the river, Kinshasa. "Relations between the two capitals on either side of the river are much improved"
Young boys, Bacongo district, Brazzaville.

Commander-in-Chief of the Armed Forces. His power was consolidated, the constitution was abrogated, institutions were dissolved, a government of former enemies was formed and a National Transitional Council was set up after the organisation of elections based on a "single list". Defeated, Pascal Lissouba and Bernard Kolelas left the country together with their personal bodyguards. A police state had replaced war, but peace had not yet been declared.

On 18 December 1998, the army evacuated inhabitants from the city's Bacongo district – the first forced exodus – as the government suspected infiltration by Bernard Kolelas' militia, the Ninjas. Pushed along the "humanitarian corridors" separating the south and north neighbourhoods of the city, in fact they were being channelled along military corridors. The purpose of these was to identify opponents. Many of them, whether they were Ninja sympathisers or not, were cut down on the streets.

While this was going on, the President's forces left to attack parts of the "Nibolek" to the west (the regions of Niari, Bouenza and Lekoumou) – traditionally supportive of Pascal Lissouba. The fall of the main towns between Brazzaville and Pointe-Noire and the violence that accompanied it also gave rise to massive displacements of population. On both sides, weapons guaranteed impunity for those who had them, and gave them licence to carry out systematic executions, rape and looting.

Once again, military superiority won the day. By June 1999, Denis Sassou-Nguesso had managed to take most of the major towns in the south and, under pressure from Gabon's President Omar Bongo, was headed once more for the negotiating table. Two successive ceasefires were signed and an amnesty declared - except, however, for the defeated leaders, Pascal Lissouba and Bernard Kolelas.

Consolidating peace

With welcome speed the new president put an end to fighting and imposed peace. Relatively few concessions were granted to the opposition, and the national reconciliation process resulted essentially in a strengthening of presidential powers. Through the mediation of President Bongo, an "all-inclusive" national dialogue was launched. The debate was largely dominated by the presidential faction and resulted in a draft constitution. This entrusted a high level of power to the President and granted him a seven-year mandate, with the possibility of re-election for a further single term.

Moreover, in order to lay the groundwork for "free" elections, a population census was organised. Official figures revealed that Congo's population numbered 2.9 million. Within the population and amongst observers, many had their doubts about the integrity of the national dialogue and the census, but the country's stability was paramount.

Setting the stage for elections

As this year's elections draw nearer, the tension is becoming increasingly apparent. A flurry of bargaining over pre-electoral alliances has begun and, according to certain members of the opposition, support can be bought for ready cash. What is the likelihood that genuinely free elections will take place? The electoral base on which the president can traditionally rely is essentially confined to the north of the country, which represents barely 20 per cent of the population. However, Denis Sassou-Nguesso enjoys the recognition of the international community for having kept Congo stable. He can rely on the entire state apparatus throughout the electoral period, and his Angolan, Chadian and Rwandan allies are still in the country. Finally, the opposition is disorganised and the president's two main rivals (Lissouba and Kolelas) have been condemned to death and are barred under the constitution from taking part in the elections. An EU electoral observation mission will be present during the presidential elections.

The planned passage of the elections does not, however, eliminate all risk of events spiralling out of control. The capacity of the players to impose terror depends more on the weapons available to them than on their ability to win a majority vote. Moreover, the threat comes as much from outside as from inside. Denis Sassou-Nguesso has a number of nephews who intend to manage the country as best suits their interests. Promoted to the rank of presidential counsellors in gratitude for their support during the war, these "personal bodyguards" are dissatisfied with income from petroleum and are tarnishing the regime's image. The president, however, has limited room for manoeuvre since each of the counsellors, like the majority of ministers, can at any moment call on his militia and cause blood to be spilt. The prospect of further fighting is also forcing the president to contemplate a fallback position in a form of a withdrawal to his northern stronghold.

Ethnic and regional divisions

At the moment tension is heightened as the various conflicts have ensured a continued climate of distrust, exacerbated by ethnic and regional strains. Brazzaville is in the narrowest part of the country, at the junction between a "square" south, urbanised and densely populated, and an immense but increasingly less densely inhabited north. For example, Nibolek – just one area of the south – has more inhabitants than the whole of the north. The geographical and demographic make-up of Congo is an essential component of its political life. Since independence this has been dominated by inter-ethnic and regional tensions that only the harshness of the Marxist regime of the 1980s succeeded in concealing.

Briefly, it could be said that Denis Sassou-Nguesso's party has only a restricted electoral base confined to the small population in one part of the river basin and plateaus regions and to the immediate north of Brazzaville. The south of the country, which is more densely populated, generally supports the opposition. The Nibolek (the Niari, Bouenza and Lekoumou regions in the west) is the fiefdom of Pascal Lissouba, while the Pool region and areas to the south of Brazzaville are traditionally linked to Bernard Kolelas. Only the capital, where its neighbourhoods are divided along extreme ethnic lines, symbolises north/south opposition.

Even so, unity in the two main subdivisions of the country is not seamless, which explains conflicts within the regions. Indeed, the minorities in the north willingly ally themselves with those of the south to try to gain overall control. Nevertheless, from a cultural standpoint, differences between the Kongo-dominated south and the north, where the Mbochi and the river people have finally gained the upper hand over the Teke, are extreme. This two-way split in the country is further reinforced by the combination of spilt blood, communal vengeance and passionate ethnic division in public life. The bitter struggle for power, ultimately the only genuine key to economic wealth, has thus exacerbated division in Congo. It has also greatly handicapped any attempt at building or rebuilding national unity, a condition desired by most Congolese.

The international dimension

Internal problems are further complicated by the internationalisation of the conflict. Before 1997 the war was largely confined within Congo's borders, but new regional alliances – a legacy of Zaire becoming the Democratic Republic Of Congo – have given rise to major changes. On returning to power, Denis Sassou-Nguesso could rely on intervention by the Hutus of the former Rwandan regime, support from the Chadian military and – more decisively still – aid from Angola. The latter was all the more determined to support the future president as his rival, Pascal Lissouba, was close to Unita's Jonas Savimbi. With more sophisticated military equipment, Angolan soldiers quickly imposed their authority during the 1998-99 conflict. They have remained in Congo to help the regime's leaders, to monitor Unita rebels in the country and to keep an eye on exiles from Cabinda province (which borders Congo).

Relations between the two capitals on either side of the river are much improved. Laurent Désiré Kabila suspected Brazzaville of harbouring his enemies and, consequently, the mood had been extremely tense. Now they are beginning to build up a more constructive relationship, with a view to settling border disputes and solving the problems created by the presence in Congo of a number of refugees from the former Zaire.

Finally, Gabon would appear to be trying to be more even-handed in solving Congo's internal problems. Its president, Omar Bongo, officially married Denis Sassou-Nguesso's daughter in the early 1990s, even though he had not completely broken off his links with Pascal Lissouba (with whom he also has family connections via a customary polygamous marriage). This son-in-law of the Congo is thus involved with the fortunes of several parties and had from the outset mediated in the first phase of the civil war.

Gabon's political and diplomatic intervention increased to some extent Congo's dependence on its natural older brother. President Bongo continues to play his official role, to the extent of encouraging the "all-inclusive" national dialogue. Gabon's mediation, however, has its limits and cannot by itself provide a solution to the problem of the presence of thousands of refugees in Congo, the externalisation of the Angolan conflict and the instability which prevails on the other side of the river. It is more likely that power relationships will have a greater influence on the future of Congo than Gabonese diplomatic games.

Congo now has a fragile and relative peace. Civilians and militias alike are weary of civil war, life has almost returned to normal and the country is on its feet again. The nightmare of a violent decade has strengthened the desire of most of the population to transcend fratricidal warfare and to rebuild Congo to its own design. ■

"Civilians and militias alike are weary of civil war, and life has almost returned to normal"

Congo: a land of contradictions

Taxis queuing to buy petrol

It is five o'clock. Aristide has just spent a second consecutive night in his vehicle - a taxi - in a queue with hundreds of others at one of Brazzaville's petrol pumps. He is optimistic that he will be able to top up this evening - as long as there is still some five-star left in the storage tanks. An everyday, but paradoxical situation for a country which earns most of its revenue from oil.

This is not the least of Congo's apparent contradictions. Nature has been generous with this country which overflows with riches: there is a dense network of waterways, easily exploitable forests and relatively rich subsoil. But years of Marxist administration, the chaos of civil wars, the pillaging of natural resources, generalised corruption and the astronomically high debt have taken a toll on the economy and thrown 70 percent of Congolese into extreme poverty.

In recent years the country has been on the path to recovery, but the fruits of its growth are very unequally distributed amongst the population, as attested by the dearth of public services and the low health, education, nutrition and welfare indicators.

Oil has played a predominant role in the economy, finances and the behaviour of Congolese decision-makers since the early 1970s. The resource has been both a godsend and a curse. It has helped revive the economy, enabling it, in 1984, to achieve one of the highest per capita incomes in sub-Saharan Africa. The succession of crises in the country has always spared the oil sector, which is largely concentrated at Pointe Noire. Congo is currently the continent's third largest oil producer, after Nigeria and Angola. Production, which is essentially offshore, was around the 15 million tonne mark in 2001, and the discovery of new deposits should, in the short term at least, further increase the flow. Oil currently represents 95 percent of Congo's exports and 60 percent of its GDP. However, in Congo, oil and revenue from it are extremely volatile. Throughout the country's recent history, successive leaders, on advice from multinationals, have devoted more energy to guaranteeing control of this wealth than to attempting to turn it to the nation's profit. Transparency in the oil sector is a major concern, and it is believed to be the source of substantial unrecorded revenue.

The Elf empire

After the March 2000 merger, the TotalFinaElf Group became the largest French private company and the world's fourth largest petroleum company, achieving a turnover equivalent to half of France's budget. The French company swallows up 75 percent of Congolese petroleum production, the remaining quarter being dominated essentially by the Italian company, AGIP. Elf Aquitaine's legal affairs revealed part of the scope for corruption in the race for oil: weapons trafficking, secret funds, vote-catching, information, counterfeiting, contributions to political parties... the list goes on. As Georges Clémenceau said, "a drop of oil is worth more than a drop of blood". The lack of financial transparency surrounding the petroleum sector has made the International Monetary Fund (IMF) insists on the signing of an agreement between the Finance Ministry and Congo's National Petroleum Company (SNPC), to regulate relations between the two partners. Furthermore, an independent audit of the national company's accounts is beginning to deliver results, the poor quality of which can be excused by the fledgling nature of the procedure. Finally, in the face of urgent recommendations from the IMF and the World Bank, the process of privatising public enterprises has finally got under way. The process will involve Congo's National Petroleum Company and the Congolaise refinery. It remains to be seen whether TotalFinaElf and Shell, who have regained the distribution sector from the national company, will be in favour of greater transparency in the sector. Financial transparency is a prerequisite for international support. Fraud has reached such a level in the customs service, and particularly at Pointe Noire, that up to 75 percent of revenue due to the State is lost, according to the IMF.

An alternative

Petroleum revenue has long caused the Congolese authorities to neglect other sectors of the economy. However, the unstable price of crude and the reduction in petroleum production in the long term may encourage a progressive reversal of this trend. Copper and diamonds, and the potential for production of hydroelectricity, are beginning to be exploited. Industry, still at the embryo stage, is restricted to the processing of indigenous plant products (wood, sugar refining, oil processing, cotton) and to the manufacture of potassium-based fertilisers. State farms have now been abandoned and small-holdings are progressively gaining ground, essentially through the impetus provided by Agricongo (see page 78). The forests, where tree-felling is on the increase, provide tropical woods (mahogany, ebony, gaboon). Timber exports represent the country's second largest source of export revenue, but the Congolese economy is also still held back by its almost non-existent transport infrastructure. The 12,745-kilometre road network – only 10 percent of which is asphalted - is impassable during the rainy season. The Congo-Ocean railway (795 km), completed in 1934, needs a total overhaul, and the Congo River is not entirely navigable. The only solution for the time being is to use air transport, but this is too expensive for the majority of local operators. Despite all this – and a markedly increasing informal sector - growth in 2001 should remain positive (3,6 percent as against 7,5 percent in 2000).

The "debt trap"

Since 1999, Congo has been categorised as one of the poorest countries in the world by the UNDP (United Nations Development Programme). The country has a crushing debt, mostly contracted from multilateral sponsors and the petroleum companies. With a total exceeding the €4,6 billion mark, Congo has the world's highest level of per capita indebtedness. According to Raphaël Mokoko, Director of international economic relations at the Congolese Finance Ministry, "for a country like ours, if the debt is to be totally paid off, we would have to refrain from using our national wealth for two and a half years." The human poverty index has increased in Congo, from 30,1 percent in 1987 to 34,5 percent in 1999. A recent World Bank study indicates that over 70 percent of Congolese live in extreme poverty, and the level of access to health care is barely 30 percent. Until recently, Congo had one of the most developed education systems in sub-Saharan Africa, but nowadays only 50 percent of school-aged children are receiving an education. Furthermore, only 14 percent of the rural population and 52 percent in urban areas have access to drinking water.

Oil currently represents 95 percent of Congo's exports and 60 percent of its GDP
TotalFinaElf Group swallows up 75 percent of Congolese petroleum production

Escaping the grip of debt

In order to "escape the trap", the government has devised a strategy to combat poverty, with aid from the European Union, the World Bank and the IMF. The reforms put forward relate to budgetary discipline and transparency in public expenditure, privatisation, the recovery of fiscal and customs receipts, investment in non-petroleum sectors, the opening-up of rural areas and the improvement of transport infrastructures. If the country follows a strict macro-economic policy, it should, in the short term, benefit from an alleviation of its debt. Bearing in mind, also, the influx of reconstruction aid, it has all the means for promoting growth.

Just one, albeit sizeable, unknown remains – the maintenance of peace. ■

Relaunching EU-Congo cooperation

In May 2001, the European Commission and Congo signed a National Indicative Programme (NIP) covering actions funded by the 8th European Development Fund.
A budget of €41.3 million is available, which will be spent on transport infrastructures, democratisation, human rights and the social sector. When the remaining funds from previous EDFs and the €50.3 million of funding allocated under the 9th EDF are combined, almost €100 million will be available for Congolese development policies.
This will have to be managed along with the aid provided by other international partners – mainly the IMF (International Monetary Fund), the World Bank and the French bilateral aid agency. How should development be organised in a post-conflict era? How can waste – caused by generalised corruption – be avoided? How can poverty be tackled and relations be improved with sponsors? Raphaël Mokoko and André Mbossa – both assistants to the National Authorising Authority – gave *the Courier* their views.

Raphaël Mokoko
"The country needs a real electric shock"

We're setting up a strategy to combat poverty. We began by reviewing previous programmes set up with sponsors, particularly the IMF. We realised that balance-of-payments support was insufficient. Although there is growth in Congo, it has to generate production and employment, and this is still not the case. Previous investment choices had no impact on the basic causes of people's problems. The majority of heavily indebted developing countries have encountered this problem, as have the Least Developed Countries, which have been the victims of the inflexible funding schemes of international financial institutions. There has to be a rethinking of financial policy. The second observation we made was that there is a strong correlation between indebtedness and poverty – if the resources used to repay the debt were channelled to poverty-alleviation problems, the impact would be much greater and we could substantially reduce the number of poor people.

What conclusions have you drawn about Congo's current situation, apart from the aftermath of warfare?
We've never recovered from the devaluation of the CFA franc, or the economic weakening caused by privatisations, the closure of public enterprises and the lack of public-sector recruitment. This increased unemployment and consequently the number of poor people. This phenomenon must therefore be dealt with as a priority.

How do you envisage structuring your poverty-alleviation plan?
The government's strategy is one of participation, bringing together those affected by poverty and those who are fighting impoverishment. We also conduct wide-ranging surveys so that we can get a true picture of people's standards of living – a "household" survey concentrating on poverty. We're keen to develop cooperation with associations, NGOs, professional organisations and village communities so we can identify actions that should be included in the fight against poverty. The issues primarily include health, education and living conditions – access to water and electricity, and a suitable place to live. We intend to carry out studies – with donor support – to give us a better idea of the qualitative aspects of poverty and to draw up better programmes. That will form the basis of the government's programme, although everything depends on satisfactory negotiations with the IMF. We have also set up a poverty-alleviation committee, which is responsible for formulating policy. This committee represents the various ministries concerned, civil society, academics, intellectuals, various religions and professional organisations.

How have you identified your various partners?
One of this country's problems is defining the concept of a non-governmental organisation. It boils down to guaranteeing that they are truly non-governmental, ie not supported by the State and independent of political organisations. To do this, we've got support from the EU to organise seminars, and allow everyone to have a clear idea of their role. The authorities need contacts in the field to monitor projects and actions, so we have made provision for the setting-up of a national poverty-alleviation watchdog whose responsibility is to evaluate the policies the government implements.

How will the independence of this watchdog be guaranteed?
This is not a political problem. It concerns the watchdog's administrative and institutional capabilities to do its work on the basis of performance indicators. We're setting up this watchdog with support from bilateral and multilateral partners and with technical advisers offered by donors. The watchdog's work will not only cover the government, but also the donors. We are calling for a significant reduction in debt because, as I have already pointed out, there is a strong correlation between debt and poverty. We have to show our partners that the money they part with is used well. The watchdog draws its independence from the fact that sponsors focus on it. Transparency is an essential component of cooperation under the Cotonou Agreement.

Commissions of 10 to 30 percent seem to be the rule for contracts, and corruption even affects the most respectable institutions in Brazzaville.
This is a country where impunity has long reigned. Eighty per cent of people in Congo are involved in some way. Memories are short. There is also the political dimension… but I am not well-placed to speak about that. Everyone wants money. Nothing happens unless money changes hands. What we need is a genuine and independent judiciary and also exemplary sentencing – representatives of the judiciary must not be given preferential sentencing. The country needs a real electric shock.

Renovation of a health centre, Brazzaville

André Mbossa

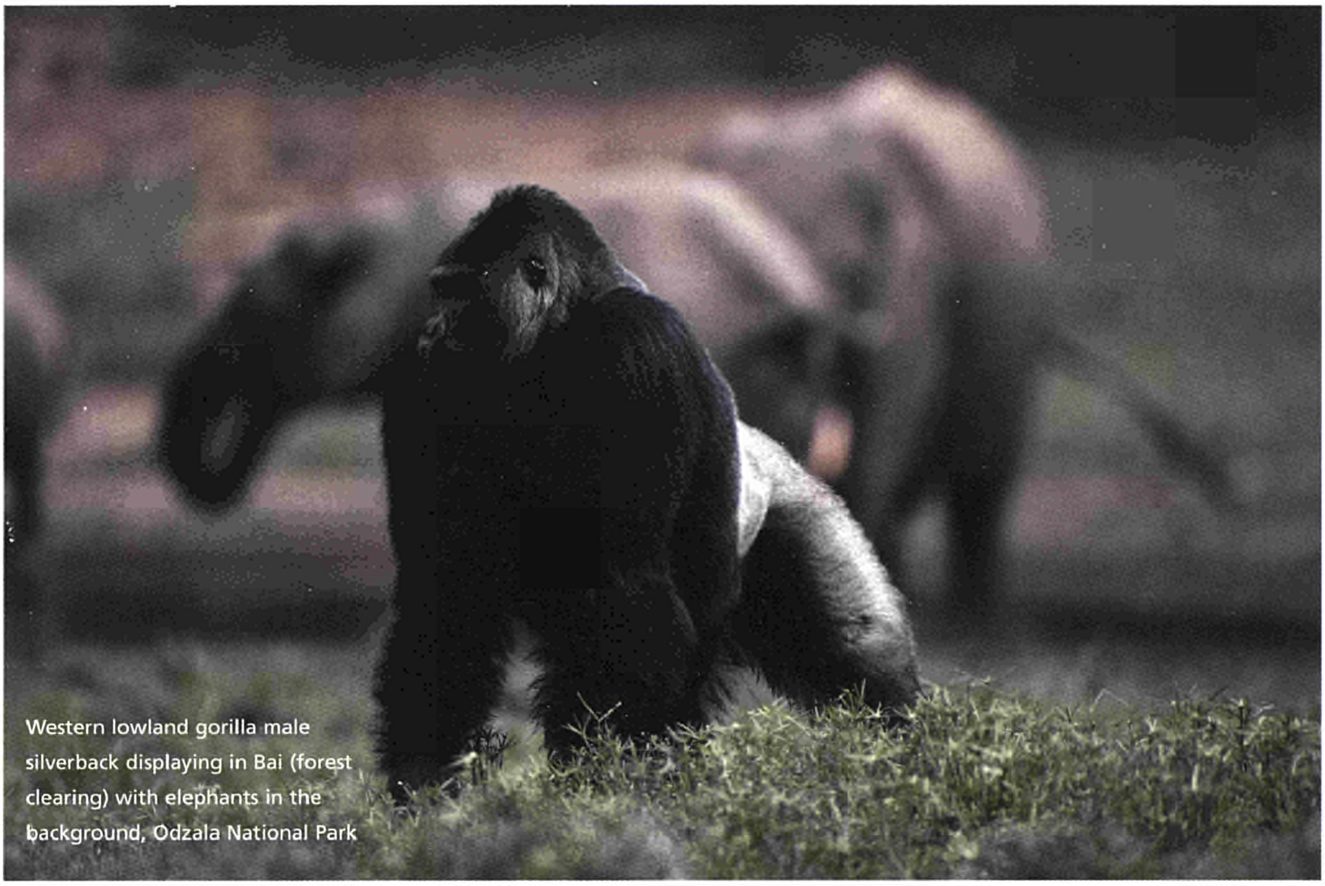
Let's go back to cooperation specifically and, in particular, cooperation with the EU. How is this organised?
There is a coordinating unit for EU programmes. It dates from Lomé III, more than 10 years ago, and it is responsible for preparing and negotiating national indicative programmes – the NIPs – and regional programmes with other countries in central Africa. We identify projects, and then work in collaboration with the ministries involved (health, infrastructure, etc.). With the ministries, we prepare the files for invitations to tender, and we make the payments.

How has the war affected cooperation with the EU?
Because of the war, between 1998 and 2000 cooperation concentrated mainly on humanitarian aid. After the war, the government wanted to relaunch various projects, but slow procedures and paperwork mean that there is still very little to show in the field. In fact, no new project has been set up, and only a few old schemes have been able to restart, such as the cleaning-up of Brazzaville, or the market-garden belt. I'm fully aware that guarantees are needed for an injection of money, but there are urgent population issues. In Brazzaville after the 1997 war, it was possible to clear out the gutters and clean up the city. After the war, a lot of young people still had weapons. It was acknowledged that they had to be helped to find work and to leave the war behind them. With the EU, we've set up a Brazzaville clean-up programme, which involves a lot of manpower.

Which of the projects implemented between 1993 and 1997 received most support from the population?
The projects which were most successful were urban or rural micro-projects. For example, the construction of dirt roads or bridges in some villages – these projects were immediately taken over by the people themselves, with 75 percent EU financing and 25 percent from the local population. People organised themselves to provide their 25 percent without being asked.

And currently?
Warfare, the new constitution and the population census have caused a great deal of delay. These national events – coupled with Brussels red tape, and the fact that the European Union delegation only has one adviser – do not make things any easier. With the signature of the 8th EDF in May 2001 and the forthcoming 9th EDF, there is a feeling that projects will experience a revival.
We intend to spend the funds as quickly as possible to develop our country.

Relics of successive wars on a road leading to the south of the country



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Western lowland gorilla male silverback displaying in Bai (forest clearing) with elephants in the background, Odzala National Park

Odzala National Park

one of Africa's least known and most extraordinary ecosystems

Odzala National Park is an immense patchwork of ecosystems, with an exceptionally high diversity of plant and animal species. Over 400 bird species live alongside one of the biggest populations of gorillas, forest elephants and buffaloes, as well as Central Africa's last remaining lions.

The European Union supports Odzala Park through the "Forest Ecosystems in Central Africa" programme. The first conservation areas were created to protect the large animals from the massacres that had begun with the arrival of Europeans in Africa. Today, hunting and poaching continue – after all, people must live – as well as intensive exploitation of natural resources. Conservation of the Park should not, and cannot, ignore the human factor.

Ecosystems come in all shapes and sizes. From the smallest, such as the canopy of a single tree, to the most vast, like the Central African forest, each ecosystem is a complex network of organisms that depend on one another for survival, in which each component, whether plant, mammal, insect or fungus, plays its part. Created in 1935, Odzala National Park was declared a biosphere reserve by UNESCO 40 years later. The Congo basin is the world's second largest tropical forest, next only to that of the Amazon, and one of the last large areas on the planet still in a state of preservation. Situated in the western basin of the Republic of Congo, the national park encompasses a wide range of habitats, such as savannah, marshes, wetland forests and evergreen forests.

Kaleidoscope

Few African regions present such ecological and biological diversity. Odzala National Park has an exceptional variety of species. With a variation in level of 200 metres and a length of 100 km, the Odzala Park region is made up of vast

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African forest elephant herd, Odzala National Park areas of swamp, several forests, a patchwork of forest-savannah zones and the River Mambili. One of its really unique features is the presence of forest clearings and salt marshes, which are extremely important for the large forest animals. The rich array of fauna - including not only exclusively forest-dwelling species (gnous, bongos, gorillas, chimpanzees, leopards), species that live in both savannah and forest (elephants, forest buffalo) and also species found only in the savannah, such as the last remaining lions of Central Africa – can be explained by this plant diversity. As well as being home to 444 out of the 626 species of bird identified in Congo, Odzala National Park also abounds in 4,397 different types of plant.

It is Odzala's clearings that really make it such a unique site. Some of these – called bais – include salt marshes. Most of the clearings are located in the central and northern areas of the park. These bais offer herbaceous vegetation on an almost permanent basis, attracting many species of animal, like plain gorillas and elephants. These large mammals are also readily found in the salt marshes.The extraordinary ecological potential prompted the authorities to increase the size of Odzala National Park, which has a surface area of 284,800 hectares.

From its creation in 1935, Odzala National Park remained undeveloped until it began to receive funds from the European Union through ECOFAC in 1992

Over the next three years, an EDF budget of more than €2 million is available to ECOFAC (Programme for Conservation and Rational Utilization of Forest Ecosystems in Central Africa, started in 1992). Odzala Park is also part of a regional project covering Cameroon, Congo and the Democratic Republic of Congo. Because of its extraordinary biodiversity, Odzala Park presents exceptional potential for the development of tourism and scientific research. Great efforts have been made to get it operational through renovation and provision of the structures, equipment and staff it needs to fulfil its conservationist mission. Work included building the park's headquarters and several surveillance posts, laying out navigable routes, clearing dirt tracks and rebuilding bridges and opening a landing strip.


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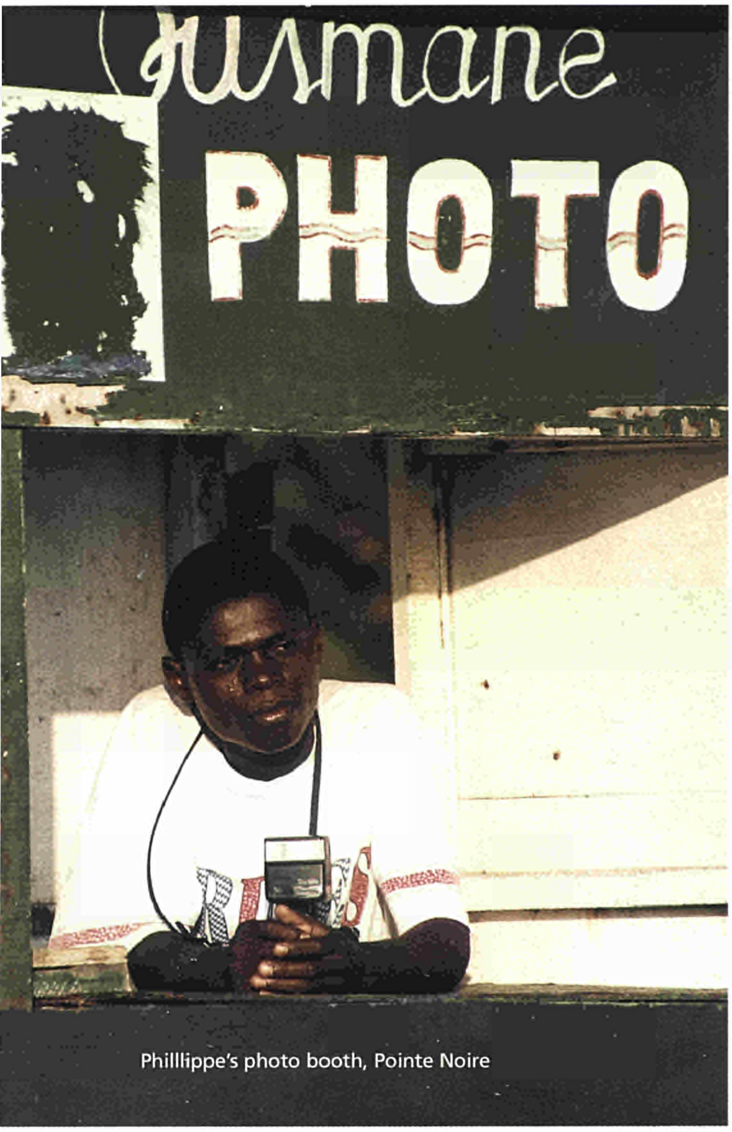
African buffalo with yellow billed oxpecker.
Western lowland gorilla family foraging in rainforest clearing, Odzala National Park

As for the people...

The poverty into which Congo has been plunged as the result of a series of wars, the country's acute needs in terms of transport infrastructure, health care, education and economic diversification, the budget allocated to preserving the park may make seem shocking, or, at the very least, not a priority. Detractors of the programme also argue that the park is located in the north, the least populated area of the country. The project's promoters are aware of this, but point to the "human development" aspect of the park conservation programme. In addition to their importance in developing the area under protection, the works already carried out have contributed significantly to improving the accessibility of an area practically cut off from the rest of the country. In parallel with the conservation activities in the strict sense, "the programme supports the development of the region through making the most of natural resources", says Jean Marc Froment, head of ECOFAC Congo.

In-depth research and exploration has shown the remarkable tourism potential of the ecosystem, because of the opportunities for viewing the large animals in the north of the park. The infrastructures and tourist routes have been put in place to meet growing international demand for ecotourism in Odzala. Says Jean Marc Froment, "the income generated by this activity should partially finance the management of the park and also create opportunities for local communities through employment and services. It should also promote a policy of sharing revenue between the State and local communities".

Working in peripheral areas of the park, ECOFAC also plans to encourage alternatives to hunting by providing training for craftsmen in various trades (masonry, carpentry, brickmaking), the promotion of pastoral farming techniques (food crops, fish farming, or even the revival of coffee and cocoa farming) and making the most of forestry resources (crafts, raising game). ECOFAC also provides training for groups who want to develop viable economic activities. However, all of these initiatives are being implemented as and when the funding arrives, that is to say relatively slowly. Expectations are great, as are the challenges to be overcome and the problems encountered. Despite everything, with Odzala Park, ECOFAC is trying to show that maintaining ecological potential, developing the area and economic exploitation are all compatible. ■



Philllippe's photo booth, Pointe Noire

Young Enterprise Forum;
one of Congo's leading Non-Governmental Organisations

Stimulating initiative

"When we finish studying, our choice is simple: either we go on the dole and wait for the State to find us a job, or we get moving," says Jean-Pierre Bitemo. "We've opted for the second solution." Jean-Pierre is a social organiser at the Young Enterprise Forum and one of its founders.

In the early 1990s, the welfare state had already disappeared. A dozen or so young graduates, with the aid of a French Catholic priest, Father de la Bretesche, decided to set up an economic and social support structure. Over time, the Young Enterprise Forum has expanded its activities, providing its promoters with a permanent income, boosting economic activity, promoting the organisation of civil society and developing the flexibility and skills to adapt to the complexities of post-conflict Congo.

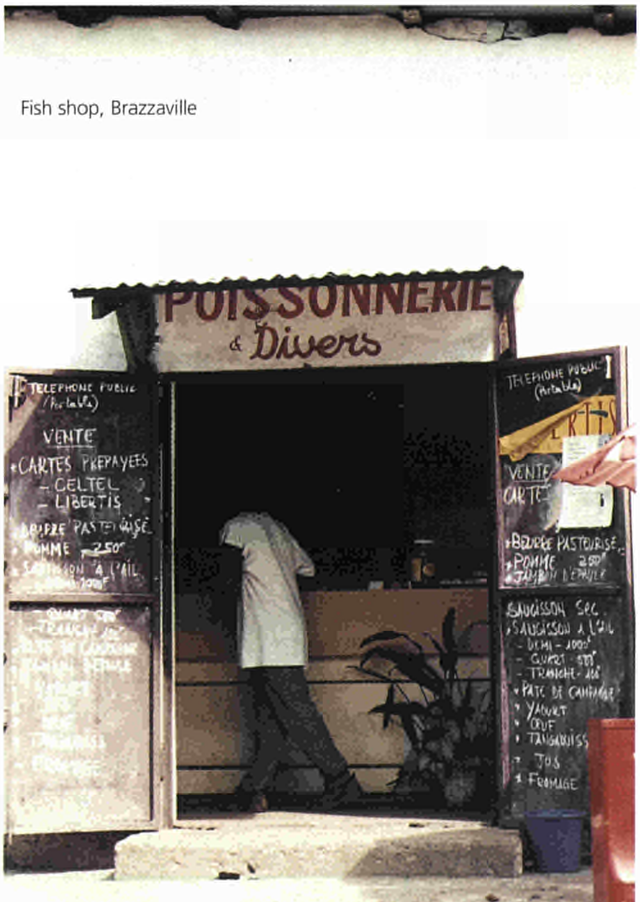
In spite of the wars, which have stymied initiatives and destroyed numerous projects, the Forum has managed to set up a viable structure. Progressively, a number of European bodies have entered into partnership with it, including SOS Hunger Belgium, SOS Hunger Luxembourg, the CFSI (French Committee for International Solidarity), Tech-Dev (Technology for Development), the Thébaïde-France Association and the Normandie-Pool Association. The Forum also has a number of financial partners which include the European Union, the French bilateral agency, the UNDP (United Nations Development Programme), the FAO (Food and Agriculture Organisation) and UNICEF.

Betting (almost) everything on initiative

"We can no longer rely on the public sector or on government policy for directly creating jobs, "Mr Bitemo explained. "So the Young Enterprise Forum has to count on economic and social initiatives. To promote as many projects as possible, the association has expanded the range of services it offers. These include not only advice and technical support, but also microfinancing."

In the opinion of Father de la Bretesche, "in Africa, we realised too late that it was not enough just to provide all young people with an education, in the expectation that they would naturally become incorporated into the accelerated development process in their country. Education for all has led to a situation in which major African towns and cities are overflowing with young job seekers who are poorly qualified, lacking in education and more used to rote learning than to taking the initiative. "Using this as its basis, the Forum organises awareness-raising campaigns to encourage young people to develop their potential and to acknowledge the need to invest in economic initiatives. As Jean Mboro – dubbed the Forum's "enterprise midwife", points out, "people have to be encouraged to take responsibility for their own social and economic integration".

The training programmes organised by the Forum comprise various modules based on very specific aspects of small-enterprise creation, such as street trades, bricklaying,



Fish shop, Brazzaville

"Education for all has led to a situation in which major African towns and cities are overflowing with young job seekers who are poorly qualified, lacking in education and more used to rote learning than to taking the initiative"

carpentry, stock farming, etc. The programmes have to enable the project promoter to identify his resources and needs. "We also set great store on long-term planning, and make sure that people realise that sometimes the benefits will come only in ten years' time", emphasises Jean-Pierre. After having completed a course, the future entrepreneurs can also tap into advice on feasibility and market studies, accounting or management, and can rely on technical support. Jean-Pierre explains: "People come to us with a project requiring appropriate technology and sometimes this is not available locally, in which case we go to Cameroon, DRC, Rwanda or, perhaps, even Vietnam."

Financial engineering

Paul Kampakol, Director of CAPPED (Enterprise Promotion and Development Support Fund) is proud to point out that "we realised that the conventional financial institutions were incapable of financing grass-roots economic initiatives. That which we – sometimes incorrectly – call the informal sector needs the support required for its development. With the Forum, we created an alternative financial instrument – CAPPED."

Despite its long name CAPPED is and acts as an ordinary commercial bank. However, it offers credit facilities on the basis of the confidence in the man/project combination and of guarantees to the entrepreneurs. These latter are expected to comply with savings and repayment programmes. If they default, they will be excluded from CAPPED or receive a visit from one of the Fund's "delegations" responsible for laying down the law in the absence of any independent judicial system in the Congo.

Waiting in Luomo

After three back-breaking hours travelling on a dirt road to cover barely fifty kilometres, a Forum team reaches Luomo, where the villagers are waiting. This is the first time it has returned to this village, south of the capital, since the end of the most recent war. Before the war, Luomo had a resource centre, a sort of development centre helping the inhabitants set up new activities. "We started with young people, and the elderly simply followed their example. There was market-gardening, stock raising, poultry farming and a food-processing unit, but then the 1998-99 war changed Luomo, and it became a camp for refugees who consumed everything they could find", Jean-Pierre explains.

Everything has to be started all over again, and this is one of the reasons why a general meeting has been convened. Ramo, Jean-Pierre's assistant, explained that "civil society has to be restructured and reconstituted, because the social fabric is very fragmented. It's our job to provide the social encouragement." Another reason for organising this meeting is the institutional development of the Forum, essential because of the increase in its membership. "How can we ensure that the 5,000 members all play an active part? That is currently the issue we're dealing with", muses Ramo.

Above, a mother sells her produce at Brazzaville market
Middle, stall financed by a loan from the Forum
Below, small businesses flourish in Brazzaville

Towards midnight, after two hours of a Forum presentation – of sometimes heated exchanges and two rounds of palm wine – the Forum organisers begin to speak more urgently. It is now time to address the delicate subject of contributions. The services the Forum provides are not free of charge and the association's economic survival depends on members' dues, although its long-term plan is to become self-financing.

Approximately ten years on, the Forum is one of Congo's leading NGOs (Non-Governmental Organisations). Using basic requirements as its starting point, it tries to organise a system of "initiative promoters", which is meeting with some success, sometimes outside the agricultural sector. Inevitably, it is sometimes seen as "just another commission" in Congo. But it personifies decentralised cooperation in the way it initiates projects based on needs that are identified by and for the people who are actually involved. ■

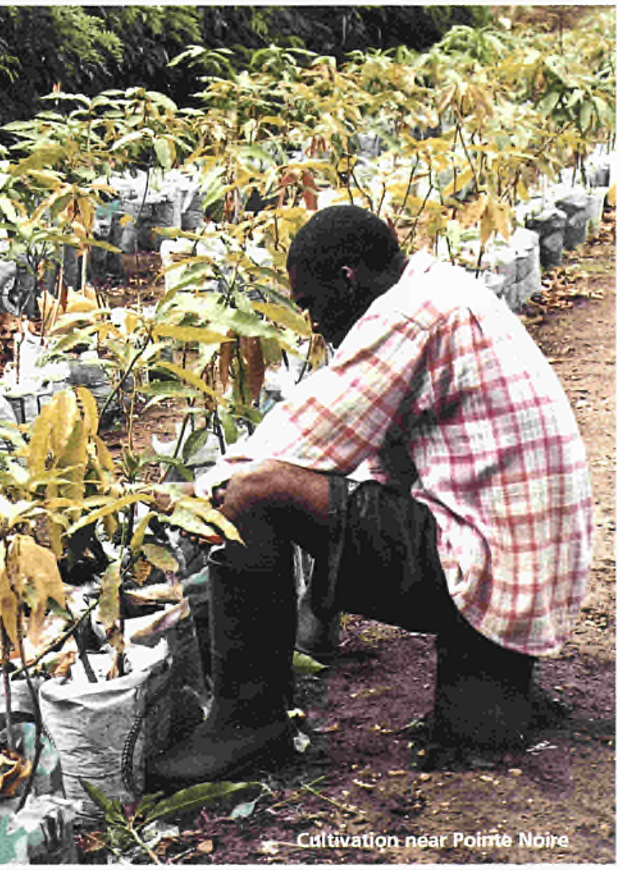
Agricongo
Back to the soil
– supporting peri-urban agricultural development

In a country where almost 80 percent of the inhabitants live in towns, it is crucial to take account of the urban factor in any sustainable development operations. This article looks at the peri-urban agricultural development structure developed by the Agricongo Institute, which encourages market-gardening, farmers' organisations, information and training.

The sun has not yet broken through the clouds, but it is hot – very hot – and the arrival of the rains is a month overdue. All the available water is being diverted to Agricongo's food-supply network – set up as an agricultural belt around Brazzaville. The women tending their plots stand up and make for the pumps: it is time to start watering. The quality of the harvest depends on irrigation, which also determines the quality of the produce for sale. These women farmers have often had to adapt to agricultural techniques which are different from those they learned as youngsters; they learn about fertilisers, crop rotation and careful selection of seeds.

In a country where State structures have failed, agriculture neglected and undervalued, and where the rural population is migrating to the towns and cities, people who had everything handed to them by the State for long years are returning to the soil and making it fruitful again.

Congo's history and development choices – based on a "non-capitalist" model – have shaped its unique system of farming. At independence, the country inherited economic and institutional structures under which the towns and cities took precedence over the countryside. The development-industrialisation equation was rapidly imposed, which exacerbated the imbalances in terms of population, manpower, education, training and infrastructures. The predominant role of the State also led to an increase in public expenditure, indebtedness and over-staffing in the public sector. And the result? Production of foodstuffs was no longer in step with consumption.



Cultivation near Pointe Noire

Massive increases in imports

Despite a favourable environment for farming, agricultural production in Congo has never been able to supply the country's food requirements. Although rural populations (in peacetime) were self-sufficient in terms of foodstuffs, production was insufficient to meet the needs of a growing urban population. Faced with the shortcomings of a farming system held back by twenty years of interventionist agricultural policy, the authorities favoured imports: cereals (mostly wheat flour), beef, poultry, eggs and dairy produce. Customs duties on these commodities were deliberately reduced in order to maintain relatively low prices and to offset discontent among the population. Imported produce became more competitive than local produce and profoundly modified the eating habits of people in the towns and cities. As a result, inflation – generated by the boom in the petroleum sector and especially by the State's inability to pay wages during the crisis of the 1980s – radically worsened the situation of the majority of the population. Almost all subsequent attempts to provide a boost to the agricultural sector were undermined or at the very least greatly hampered by successive wars.

Feeding the towns and cities

Nearly 80 percent of Congo's inhabitants live in an urban environment. So the "urban factor" is a priority in all sustainable development programmes, although this does not necessarily mean that aid is focused exclusively on urban centres. Peri-urban activities are often highly precarious, a consequence of insufficient available land, uncontrolled urban development, abuses of power, and the sector's organisational weakness. The peri-urban agricultural development support system set up by the Agricongo Institute aims to increase the sector's reliability and durability, and to encourages market-gardening, farmers' organisations, information and training.

Agricongo's Director Sylvain Berton explains: "Agicongo's aim is to enable everyone to achieve social and economic autonomy. We respond to individual requests. We support small and micro-enterprises that are set up on the outskirts of towns and cities. There, demand is very high from young people and women. We also provide assistance for farms that already exist, essentially in rural areas. Another of our tasks is to train farmers and local development managers, and to monitor businesses or farms. We take on responsibility for implementing programmes and we keep a close eye on the application of techniques in areas such as crops and stock-raising".

Agricongo was legally established in 1986, and originally concentrated on supply activities in urban areas and consumer markets, and on creating jobs through support for small and micro-enterprises in agriculture and agrifoodstuffs. Nowadays, Agricongo is expanding its range of activities to fishing and fish farming. The organisation has 80 permanent representatives. Financial backing comes from the Congolese state, the EU and the French bilateral aid agency. Its impact can be gauged by the fact that Agricongo receives between 150 and 250 trainees every year. In 2000, the Institute also helped create 7,000 jobs and 1,150 small farms and businesses. Agricongo-supported farms can achieve incomes of up to CFAF 350,000 per month.

Urban/rural balance

Says Sylvain Berton; "It's natural for people to move to the towns and cities because things happen more quickly and infrastructure is more developed. The problem is that the opening-up of the countryside, particularly through construction or repair of roads, is encouraging urbanisation - almost nothing is being done to encourage local development. This policy means that towns and cities get bigger, and most aid goes there because that's where most people are. We mustn't forget that 20 percent of the population still lives in a rural environment. Agricongo has begun to spread out from the country's three main urban areas, because of our focus on peri-urban development. We realised that the urban/rural balance had to be re-established, so we opened up regional resource centres. We have just been given the go-ahead for our programme to help displaced people in the Pointe Noire region".

The Institute bases its activities on a network of farmers who have been beneficiaries, and on resource centres. These are service points with an ongoing partnership between trainees and farmers. The Pointe Noire resource centre, for example, is a full-scale farming reception centre where those attending courses are able to get vocational training and set up and farm a plot of land. The centre also provides technical assistance, economic monitoring of the farms inside and outside the centre through its "watchdog" organisation, and makes provision for innovation transfer. Applicants who want to set up under this system are selected on the basis of an interview, and are trained and monitored. If anyone not working at the centre has a problem - such as a tomato variety that is not resistant to bacterial infection, or difficulties with moving goods on the market – they can also receive advice, says Jean Poundzou, Agricongo, manager at Pointe Noire.

As we strolled through the centre, we saw teachers and students, plant nurseries and kitchen gardens, sheep and pig farming. There was also a flour mill, a seed shop and a fertiliser producer. Says Jean Poundzou, "farmers and trainees enjoy freedom in the way they operate. When their courses are completed, they experiment on their own, sometimes with mixed results".

Woman farmer waters plants in the agricultural belt around Brazzaville
Nursery at Pointe Noire Resource Centre
Vegetable garden at Pointe Noire

Agrisud

Agricongo's success has spawned many imitators. At the request of various states, development support institutes have been set up in Gabon and Cambodia. To control the system and manage further geographical expansion, Agrisud International, the French development support institute, was set up in 1993. It recently extended its network to Côte d'Ivoire, Angola and Benin.

Financing... self-financing

Agricongo is one of the few associations to have transcended the conflicts and ensured continuity of its programme. It benefits from financial support from the Congolese state, which is represented on its board of directors. But Sylvain Berton is quick to stress; "this simply gives us a guarantee of stability. We are an integral part of the structure providing support for agricultural development". This situation certainly guarantees the future of Agricongo's projects, but it means a close relationship with State bodies, a good measure of diplomacy and continuous defence of the association's integrity in order to maintain the smooth running of programmes. In the long term, the Pointe Noire Centre, like the others, will take over responsibility for the programme initiated by Agricongo.

The structure must be capable of surviving the end of sponsors' funding, of becoming self-sufficient and protecting all they have achieved. ■

Poto-Poto School of Art, Pointe-Noire

The Poto-Poto School of Art Foundation
Art rises from the ashes

"A country cannot be rebuilt unless the people themselves are rebuilt, as the human being is one part genetics and one part culture", says Jacques Bouity. "If this cultural portion remains fragmented, there will still be conflict. So, although there are at first glance immediate and urgent needs to be met in Congo, we also have to invest in culture. Ultimately, everything is cultural". This reflection, just a few of many, led Jacques, a former civil servant, to dream up the creation of a foundation - the Poto Poto School of Art – to promote Congolese art and its representatives.

Congo is one of the most ancient centres of Bantu art. From the ninth century onwards, the blossoming of its art - dominated by masks, statues and reliquaries - was promoted by dazzling dynasties. But painting dates back only to 1951. Appearing initially in Brazzaville, this new form of expression was the result of a meeting between the French painter Pierre Lods and African artists who had taken up painting spontaneously. In 1950, Lods decided to open up an African art centre in Brazzaville, and this went on to become the Poto-Poto School of Art. Pierre Lods was looking for authentic African art. He recruited young people, preferring those who had never attended school. He forbade them from consulting artistic reproductions, so that they would not be influenced by western models. He gave his pupils the technical means to express, in plastic form and as freely as possible, themes drawn from their African traditions (market scenes, masks, birds, etc.).

The School's reputation very quickly extended beyond the banks of the Congo river, thanks to the talent of artists such as Odongo, Oba, Bela, Ouassa, Ngavouka and Iloki. International exhibitions were staged. However, at independence, acquiring funding became increasingly bogged down in red tape, and Lods, summoned by President Senghor, returned to Dakar. After that, the number of exhibitions decreased and the School survived as best it could, continuing to accept pupils and financing itself through the sale of works. But it was no longer the standard-bearer of Congolese art.

Re-establishing a pedigree

Through the Foundation, the Congolese Arts and Culture Minister wants to turn the Poto-Poto School into a centre of excellence, providing training in and promotion of pictorial art. Says Jacques Bouity, "a private foundation for public use is the best way to encourage the participation of patrons, museums, galleries and other foundations, to re-establish the pedigree of Congolese art". The Foundation does not lack ambition: it intends to promote painting in Congo, to serve as a meeting place for home-grown and foreign artists, to train young painters, to organise exhibitions and conferences, to found a museum for contemporary plastic arts, to create a core collection of works and to set up a bookshop.

In the meantime, while the conditions necessary for the creation of the foundation are being met, the project's promoters are hard at work. An art book, a CD-rom, an Internet site and a documentary have been produced in the hope that, like the young painter Aurélie Danzayi wishes, "art can also heal the scars of war". ■

Painting lesson

Republic of the Congo

General information

Area:	342 000 sq km
Population:	3,1 m (2001 estimate)
Capital:	Brazzaville
Other main towns:	Pointe Noire, Dolisie
* Administrative divisions:	9 regions and 1 commune*: Bouenza, Brazzaville*, Cuvette, Kouilou, Lekoumou , Likouala, Niari, Plateaux, Pool, Sangha
Languages:	French (official), Lingala, Kikongo, other Bantu languages
*Religions:	Christian 50%, animist 48%, Muslim 2%

Political structure

President:	Denis Sassou-Nguesso He proclaimed himself president on 25 October 1997, following victory in the civil war. Under the new constitution, which was voted in a referendum on 20 January, the president, who is elected by universal suffrage, may serve two seven-year terms. The next president elections will take place on 10 March.
National legislature:	A 75-member transitional assembly, Conseil national de la transition, was set up in January 1998.
Main political parties:	The dominant party is the *Parti congolais du travail* (PCT) of President Sassou-Nguesso. Opposition parties include the *Union panafricaine pour la démocratie sociale* (UPADS) of the ousted President, Pascal Lissouba, and other parties associated with his former coalition government, notably Bernard Kolélas's *Mouvement congolais pour la démocratie et le développement intégral* (MCDDI), Charles David Ganao's *Union des forces démocratiques* (UFD) and Jean-Pierre Thystère-Tchikaya's *Rassemblement pour la démocratie et le progrès* (RPDS). New opposition alliances are forming in preparation for the presidential election.

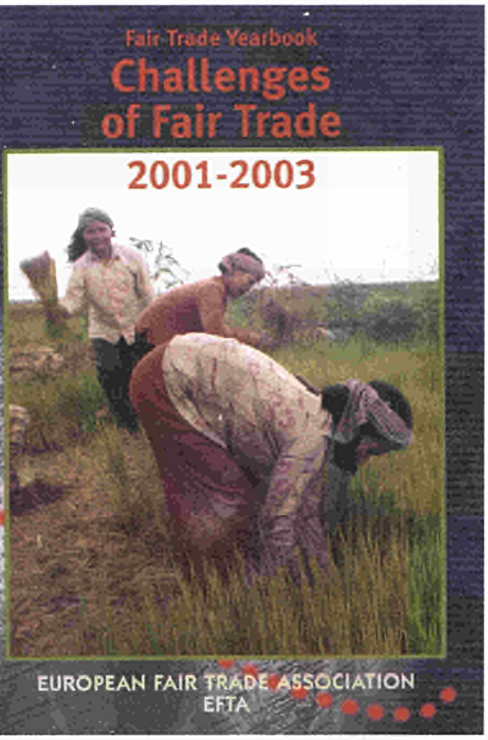
Economy

Currency:	CFA franc €1 = 655.9 CFAfr
GDP per capita:	US$678
GDP growth:	3,8%
Total external debt:	US$5,031m
Main economic sectors:	oil, forestry, agriculture

Social indicators

Life expectancy at birth:	51,1 years
Adult Literacy:	79,5%
Urban population:	61,7%
Population with access to safe water:	51%
Population growth rate:	3,0% (1999-2015)
Infant mortality:	81‰, under 5s: 108‰
Human development index rating:	0,502 (126 out of 162)

Sources: UNDP report 2001, Economist Intelligence Unit



Moving towards fairer trade

Fair Trade yearbook "Challenges of Fair Trade 2001-2003" European Fair Trade Association (EFTA)*

Trade and development are firmly linked on the international agenda with the Doha agreement to launch a new trading round which has development as its guiding principal. Consumers are becoming more aware of the ethical and ecological dimensions of the produce they buy.

The book has two distinct parts, the first three chapters dealing with more general trade issues. The first chapter describes world trade in general, what is at stake in the world economic system, in particular world trade, and raises questions from the perspective of southern countries. The second chapter gives an introduction to the history of fair trade, the principles of the fair trade movement, criteria for fair trade products, and the European dimension. The third chapter deals with corporate social responsibility, discussing why businesses need to take ethical considerations into account, and the legal framework.

The second part of the book is a different style. It consists of nine chapters, each one looking at a different commodity and the effects of trade decisions on the people producing it. We are taken on a journey around many different producer countries in the South. We meet coffee growers in Nicaragua, who have to cope with the all-time low coffee prices; tea producers in India, people involved in sugar production in Mauritius. We visit cocoa plantations in Ghana. We see the problems of banana-growers in the Windward Islands, and read about the impact of patenting in the rice sector. We get a snapshot of the arts and crafts market, from the Philippines where there are a lot of handicraft cooperatives, producing for fair trade organisations; to wood carving in Kenya, and textile workers in Honduras. In these countries millions of people, mostly small producers, and very often factory workers, and plantation workers, produce for the world market and are heavily dependant on world market prices. They often work under very precarious conditions for very low wages, and in production processes that are harmful to the environment. The book also presents families and producers who have had the chance to get involved with alternative trading organisations in the north, who earn decent wages, and get a fair price for their produce. The book doesn't only concern the South. A growing number of consumers in the North take an interest in fair trade and are willing to work within fair trade organisations. There are decision-makers interested in supporting fair-trade activities, and prepared to think about changes in the rules of international trade. ■

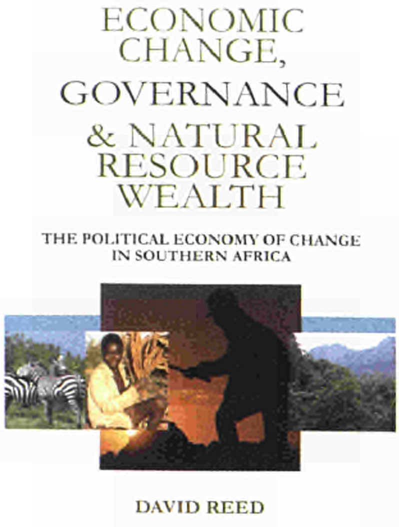
*EFTA is a federation of 12 Fair Trade Organisations in nine European countries, with contacts with more than 700 producing partners.
E-mail: EFTA Secretariat: efta@antenna.nl
EFTA Campaigns and Advocacy Office: efta@eftaadvocacy.org
Website: www.eftafairtrade.org

Economic change, governance, & natural resource wealth

The political economy of change in southern Africa

By David Reed*

WWF has carried out considerable research on the impact of structural reforms on the rural areas and the environment of developing countries. This book resulted from a request by six donors, and chaired by the European Commission, to design a project whose purpose would be to influence the implementation of the economic reform process so as to increase the attention given to the poor and the environment, particularly in rural areas.



The prevailing development framework places high emphasis on trade. Many resource-dependant countries, despite undergoing significant structural change – have more open trade regimes than many OECD countries yet they have had stagnant or only marginally increased incomes. Despite efficiency gains brought by reforms and innovations in technology, many had not improved their status in the global economic system.

Consisting of a series of essays, this book deciphers the complex interaction between the economic, social and political actors and systems of governance in resource-rich countries and analyses how structural reform programmes have had an impact on the environment of three countries in southern Africa - Tanzania, Zambia and Zimbabwe – that rely heavily on natural resource wealth. It looks at whether evolving economic systems use their resources to benefit the whole population.

Most reforms in Africa were carried out in accordance with the traditional "Washington consensus approach"; ending monopolistic control of the key sectors, diminishing public rent seeking, altering the terms of trade in favour of the rural poor, opening the economy to international markets and foreign investment.

The essays look at how the state-dominated economies in these three countries have responded to demands for macro-economic change.

Some of its conclusions are disturbing, for instance on the economic beneficiaries of the reforms. According to the book, the losers have often been the rural poor, and the economic reforms have often allowed a relationship of collusion between the new economic agents and the political elites, and a continuation of the resource rent system; state rent seeking has been replaced by private rent seeking.

Clear from the essays is the centrality of institutional reforms to the economic reform process. There is often a lack of a proper institutional foundation for the new liberal economic regimes, and there has been a failure to understand the complex dynamic of authoritarianism and how it operates in resource-based economies. Statist economies tend to be built on public rent seeking, monopoly control, smallholder commodity production, and a rural poor controlled by an urban elite.

There has not been a transition strategy to help the rural poor who have been dependent on state support for decades.

A key factor which has been missing until recently is civil society, not just NGOs but small miners, farmers, those who are directly affected and should be involved in policy-making.

This book is a valuable addition to the debate on the benefits and costs of globalisation, and the role of development. Its analysis and research will be useful to development specialists and policy-makers. Commissioner Poul Neilson, in the foreword to the book, calls the essays "both insightful and troubling. They are insightful because they take a cross-disciplinary approach to understanding the complex interaction between economic and political actors, both national and international, as resource-based countries undergo structural change. They are troubling because they bring into the open numerous sensitive issues regarding power, privilege, systems of governance, corruption, and above all, the impact of these dynamics on the rural poor." ■

*David Reed is director of WWF's Macroeconomics Program Office (MPO) which works to encourage sound and sustainable economic policies.
Earthscan: www.earthscan.co.uk

Achim Kratz: 27 January 1933 - 22 December 2001

With the death of Achim Kratz just before Christmas, we lost a good friend, who served the Commission in Africa for more than 30 years.

Achim Kratz was born in Pommern. He graduated as an engineer in 1958 from Berlin Technical University. His interest in the development of the newly independent African countries took him to the Africa Verein in Hamburg where he worked on Africa and Madagascar.

In 1966 he became the European Development Fund's youngest Delegate Controller and was sent to the Central African Republic. He had developed a close relationship with Jacques Ferrandi; the first EDF Director dedicated to the Continent and with the same desire to see changes. During his following postings he saw Africa change. He then went on to Niger, then under the Lomé Convention he became Delegate in Gabon, Togo, Kenya and Lesotho. Finally, after the Rwanda catastrophe in 1994, he became the special emissary in Kigali coordinating the substantial assistance from the Commission that flowed into the country.

Achim Kratz resisted government arbitrariness, nepotism and corruption. Twice he was forced to leave a country; both times for reasons of honour. He considered corruption long before it became fashionable to talk about it and even to do something about it. He led a busy, responsible professional life despite the many crisis countries and situations he faced, periods which he often reminisced about. He often called his life "ein schönes Leben". (a beautiful life)

He never complained, never spoke negatively about anyone. Often he thought for others. He was a unique friend and always able to advise. He had a special gift for friendship. The old DG VIII (Development) was home for him despite having only served briefly at the end of his career in headquarters, in particular in the fight against AIDS.

His basis was his family, his wife Heidi, four children and, at his death, nine grandchildren.

We bid farewell to an extraordinary person. A person who knew Africa and one who was liked and respected by all Africans he came in contact with. He was a strong character with an infinite consideration for others. He possessed the Old Prussian virtues "civil courage" and "honour" and he lived by them. He will be sorely missed.

Gaspard Dunkelsbuhler

_Letters to the editor

HIV/AIDS

THANK you for drawing attention to the HIV/AIDS pandemic which brings so much misery to a large part of the world, particularly Africa. However, I did find that the articles selected in your dossier were somewhat one-sided. Even in the worst areas with 25 percent of the population infected, there is still 75 percent not infected. HIV/AIDS is very much a behavioural illness and the norm in the worst areas is that most people know how to remain AIDS-free. It can't be because of the use of condoms. Firstly relatively little use is made of condoms. Secondly condoms are claimed to be only 85 percent effective as a contraceptive according to research. This leaves a 15 percent failure rate, which maybe acceptable as a contraceptive, but makes them unsuitable as a virus protection method. How the vast majority of people remain HIV/AIDS free is not dealt with in your dossier. This would be crucial for your readers to know and could well be the major answer to the problem.

Roel van der Veen, Harare, Zimbabwe

AS AN ANGOLAN journalist who is very well aware of the current Angolan situation through having travelled through practically the entire country, I was deeply saddened by the article entitled "On the road to peace" by my fellow journalist Augusta Conchiglia, published in The Courier (No. 185, March-April 2001).
My eyes filled with tears - of both anger and sorrow - upon reading this fanciful text. Summarized in just a few pages, I was able to read all the pro-MPLA propaganda that is so damaging for those who have lost limbs or who are orphans in Angola and who, night and day, are abandoned to their fate and condemned to poverty or to making baskets in order to survive. With the resurgence of ambushes, genuine democracy and peace in Angola seem ever more distant, and everyone lives in a state of fear and distrust.

Mukinisa Kipulu
Angolan Philosopher and Journalist
Munster, Germany

ISSUE No. 189 (November-December) of the ACP-EU Courier opened with some fine pages devoted to Bishop Dennis H. de Jong, written by your colleague Robin Sappe. The "2001 Africa Prize for Leadership" justly paid homage to the indefatigable work of this man for his brothers, notably those who are victims of the AIDS pandemic.
Your writer makes no reference to the number of souls in this bishop's parish nor the profound effect of the sacraments he gives, nor the acts of charity he performs. The photograph on page 2 illustrates this better than any speech. However, why describe as "moralist" (page 3) the Catholic Church's dogma this bishop propagates and preaches? Such pejorative terms reveal a great many preconceptions!
Without wishing to judge it, the Church's faith, expressed by this bishop and venerated by so many men and women, particularly in Africa, deserves more regard and respect.

Harold Labesse
Saint-Mandé

Corrections and clarifications

Issue 187 (July-August)
In article "Eritrea", page 26-27, the correct name of the Director of "La Belle Flowers" is Mr Yohannes Mezenghe and not Hakisiire Yohannes. The interview and quotations should also have been attributed to Mr Mezenghe.

Issue 189 (November-December)
There was an editorial error in the article "The Kyoto Protocol – any benefits for the poor?" (page 42)

The following sentence is incorrect:
The so-called Clean Development Mechanism (CDM) will provide an economic incentive to the private sector to invest in environmentally sound technologies in developed countries.

It should read:
The so-called Clean Development Mechanism (CDM) will provide an economic incentive to private investors in developed countries to invest in environmentally sound technologies that reduce greenhouse gas emissions in developing countries while supporting sustainable development.

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Luxembourg
Netherlands
Portugal
Spain
Sweden
United Kingdom

France

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Mayotte
St Pierre and Miquelon

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New Caledonia and dependencies
French Polynesia
French Southern and Antarctic territories
Wallis and Futuna islands

Netherlands

Overseas countries

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Aruba

Denmark

Country having special relations with Denmark

Greenland

United Kingdom

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British Indian Ocean Territory
British Virgin Islands
Cayman Islands
Falkland Islands
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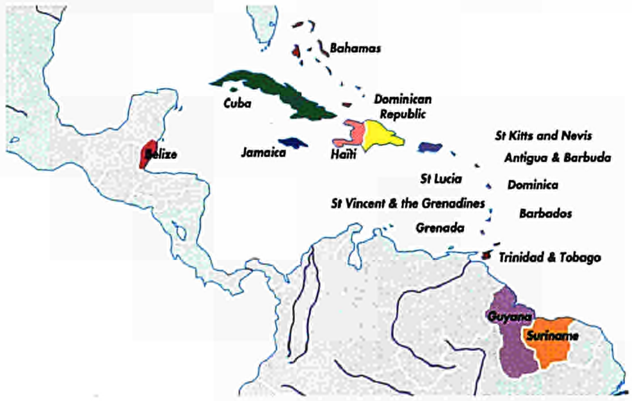
Montserrat
Pitcairn Island
St Helena and dependencies
Turks and Caicos Islands



The 78 ACP States*

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Tuvalu
Uganda
Vanuatu
Zambia
Zimbabwe

* Cuba was admitted as a new member of the ACP group in December 2000, but is not a signatory of the Cotonou Agreement.

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Published by the Directorate General for Development,
European Commission, B-1049 Bruxelles

Printed on environmentally-friendly paper Printed in Belgium NH-AA-02-001-EN-C