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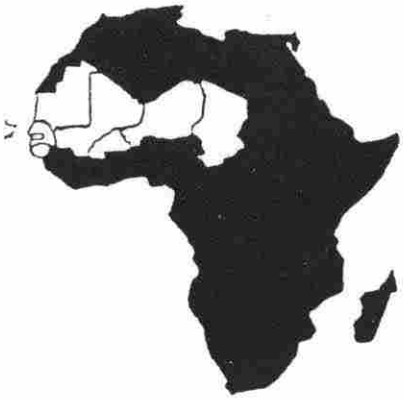

CILSS

Organisation de Coopération et de Développement économiques

Organisation for Economic Co-operation and Development

Comité Permanent Inter-Etats de Lutte contre la Sécheresse dans le Sahel

Permanent Inter-State Committee for Drought Control in the Sahel

Club du Sahel

Report on the Proceedings of the Ninth Meeting of the Club du Sahel

Ouagadougou, April 8-9, 1992

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Club du Sahel: Study and Documentation Center for the Sahel Region

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This extensive corpus of information on the Sahel is unique. As well as being used by the Club and the CILSS, the documents are widely distributed and can be consulted by other users. Some 400 documents have been catalogued by the Club since its creation.

DOCUMENTS

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- The Club du Sahel Newsletter (mailed to some 2,500 addresses).
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Telephone : (33-1) 45-24-82-00
Telex : F620160 OCDE Paris
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Compte rendu des discussions
de la 9e réunion du Club du Sahel
Ouaga, 8-9 avril 1992

REPORT ON THE PROCEEDINGS

OF THE NINTH MEETING

OF THE CLUB DU SAHEL

Ouagadougou, April 8-9, 1992

Document prepared by the Secretariat of the Club du Sahel

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SUMMARY OF THE MAIN CONCLUSIONS

The ninth meeting of the Club du Sahel was held in Ouagadougou on April 8 and 9, 1992 and brought together the nine Sahelian CILSS member countries with representatives of various bilateral and multilateral donor agencies.

Discussions addressed a number of topics in the order below:

- Democracy and the transformation of the rural world

Participants wondered whether the steady advance of democracy in the region had reached the rural world of the Sahel.

Participants agreed that a thriving democracy forms the bedrock of a de jure State and that it determines the ability of the people to express their full economic potential.

It is the role of the State to enforce democratic rule. A number of examples illustrate the emergence of democracy at the local level with the full participation of the rural world. To bolster and strengthen this movement, considerable efforts must be made to increase literacy and schooling.

A number of examples also point to greater participation by rural producers in decisions of an economic nature.

Much remains to be done in the above areas. These topics have long been a focus of interest for the CILSS and the Club du Sahel and will continue to be so in the future.

- The environment

Participants noted the complexity of environmental problems, which are now addressed on a global basis as illustrated by the forthcoming Rio Conference. The meeting sought to identify the best course of action for the Sahel -- a region where efforts have often foundered in the past.

Discussions revealed considerable gaps in our picture of the relations between man and his environment. Solutions have yet to be found for such issues as the ownership of natural resources, and, more particularly, land tenure.

The Sahel is in a state of collapse and the Sahelians lack the resources to protect their environment, which is consequently overused.

To shed new light upon the numerous issues involved, participants agreed to join forces in the drafting of a charter for the environment. Such a document would make it possible to define criteria for promoting the improvement of natural resources, to identify the most appropriate courses of action and to work towards full coordination of initiatives.

- Regional cooperation

Regional integration in West Africa was considered to be vital by all participants and yet the process is clearly making little headway at present. The administrative obstacles to regional trade are considerable. States maintain few links with their neighbors and define their policies on the basis of national rather than regional strategy. The development of the private sector is a prerequisite to regional integration. In particular, private entrepreneurs must be encouraged to set up joint ventures.

The problems facing integration reflect age-old divisions as well as the low level of priority allocated to regional cooperation by the different States in the past. The results achieved by regional organizations are far from encouraging.

Participants were unanimous in recognizing the crucial role of currency. Cross-border trade is seriously hampered when countries have non-convertible currencies. The compartmentalization of currencies was maintained -- and even increased -- on independence despite its attendant disadvantages.

Foreign aid could make an effective contribution to regional integration. This would require greater coherence between the programs implemented by the various agencies in different countries. Donors could also invest in transportation and communication infrastructure.

Most participants stressed the need for a progressive step-by-step approach. In the livestock sector, for example, a number of Sahelian and coastal countries recently drafted a free trade plan. The next step will be to take appropriate measures at the domestic level and to start negotiations between neighboring countries.

Initiated at Dakar in 1991, the Conference of the Ministers of Agriculture is primarily an informal framework providing political impetus and a sound basis for discussion and initiatives in the field of regional cooperation. The Conference seeks the participation of the CILSS in its different areas of activity.

Participants expressed a wish for the CILSS to play a role in facilitating trade between Sahelian countries and between Sahelian countries and their neighbors. The CILSS has acknowledged skills in the cereals and livestock sectors but its true comparative advantage lies in the unique know-how that it has gained as a user-friendly forum with a proven ability to generate successful partnerships. The CILSS could use this skill to work towards better relations with coastal countries.

- The Food Aid Charter

Participants noted the main conclusions arising from the appraisal of the Food Aid Charter for the Sahel, a document that was adopted at Bissau in 1990. The appraisal sought primarily to answer two questions:

- Have the countries of the Sahel and the donors respected the principles of the Charter?

- Is the Charter a useful tool and pertinent framework of reference?

The first fact to emerge is that the Charter has not been disseminated throughout the Sahel: The document is recognized and accepted in the higher political and technical spheres but dissemination at the intermediary levels and in areas relating to food aid has remained largely superficial. However, the appraisal also pointed to a considerable improvement in the information available for the monitoring of the food situation in CILSS countries: Considerably more is known about agricultural production, farmers' stocks, consumption and cereals imports (both official and informal). Significant progress has also been made with the cereals market information systems and early warning systems.

Naturally, much remains to be done in the above areas. Early warning, production and market information systems are not yet sufficiently widespread. Further, data are under-used and ill matched to the information requirements of policy makers.

With respect to the consultation process, serious difficulties persist within national structures and between CILSS countries and donors, while the pertinence of decisions on food aid is far from satisfactory. The 1991/1992 situation is noteworthy in this respect: Cape Verde had a bad harvest in 1991 but the amount of food aid pledged still falls well short of requirements; other countries had an excellent harvest in 1991 but have still been promised aid. Extensive consultation is necessary within these countries to curb the negative impact of superfluous food aid.

In conclusion, although the principles of the Charter are not contested as such, their content and consequences need to be more broadly disseminated in CILSS and donor countries. Serious problems in the application of the Charter have been noted on both sides. Efforts must therefore be made -- on a unilateral and bilateral basis -- to promote consultation, to accelerate procedures and to facilitate the mobilization of national security stocks.

- The recovery of the CILSS

For the benefit of the cooperation partners present at the meeting, the Executive Secretary of the CILSS reviewed the initiatives taken since the meeting of the Council of Ministers in February 1991 when the Ministers requested that a financial recovery plan be drawn up.

Participants then heard a report on the decisions taken prior to the meeting by the CILSS Council of Ministers:

- adopt a plan of action and a schedule for the finalization of the recovery plan to be managed by an ad hoc steering committee;

- appoint a competent qualified unit to perform organizational, administrative, financial and legal audits;

- obtain a solemn commitment from member States to pay their arrears and to take all measures necessary within their respective administrations to guarantee punctual payment of contributions in the future.

The co-Chairman of the meeting, representing the European Commission, then took the floor on behalf of the various cooperation partners. He praised the Executive Secretary's report as

reassuring and confirmed the donors great interest in the CILSS. The donors hope that the CILSS will continue to work for the greater good of the region and to pursue -- as in the past -- a number of different activities that have often proved to be both useful and fruitful. The co-Chairman expressed a wish for the adjustments to increase the efficiency of the CILSS while underpinning the successful execution of its brief.

In the ensuing discussion, participants agreed to give particular attention to the future organization of CILSS and Club consultation bodies. Priority must be given to frank and productive dialogue between all Sahelian partners and donors. Both parties pursue the same fundamental objective: To serve the best interests of Sahelian populations and to further their development. The meeting also recognized the importance of allowing the competent bodies to take important decisions in the light of their specific legal and administrative context.

The Canadian and US representatives confirmed that they would be willing to meet all expenses relating to the audit. The Italian representative confirmed that his government would provide financial support for the operation of the CILSS Secretariat. The Dutch representative announced that his country would make an extra contribution with a view to covering the accumulated deficit.

Last, partners stated their conviction that the Ministers' decisions would have a positive outcome. They applauded the high level of discussions and agreed to continue the dialogue at the next suitable opportunity.

Mrs. Cissé, who also acted as co-Chairman, made a closing comment in which she stressed the importance of the Food Aid Charter and the development of a climate of true regional cooperation.

REPORT ON DISCUSSIONS

In her speech of welcome to participants, the Secretary of State of Plan for Burkina Faso stressed that the meeting would offer an opportunity for an appraisal of various issues relating to general policy: Democracy and the transformation of the rural world, the environment, regional cooperation and the Food Aid Charter.

The preamble to the meeting also noted that the exchange of views would strengthen the CILSS and reinforce its relations with its different partners. Participants discussed the CILSS recovery plan. Mr. Michel Hauswirth, representing the European Commission, co-chaired the meeting on behalf of the cooperation partners.

The Director of the Club Secretariat introduced discussions with a brief summary of the traditions governing the meetings of the Club du Sahel[1].

1. Democracy and the transformation of the rural world

This topic was introduced by the representative of the French Ministry of Cooperation[2].

Over the past year, cooperation partners have sought to initiate a dialogue with Sahelian leaders in order to discuss the new wave of democracy currently sweeping the region. More specifically, they have sought to address the following question: How can this push towards democracy change the lives of rural dwellers, particularly the poorer members of the community such as women?

It is true that civil society has been strengthened by the combined impact of new economic policies and political change but the role played by the rural world in this process undoubtedly bears little relation to its true economic and social weight. It could nevertheless be argued that the conditions necessary for States and external partners to modify their approach to the rural world have now been satisfied.

The issue needs to be studied from a number of angles, three of which are addressed here: Local democracy, economic democracy, the de jure State.

- A multiparty system and freedom of expression are not the sole appurtenances of democracy, which must also be active at the local level. In the rural world, local democracy is based on the full participation of local communities in the development process, notably through the collective services managed on a decentralized basis.

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[1] A document summarizing the main points is provided in Appendix 8: "Club du Sahel Meetings: Forums for discussions on development policy".

[2] The representative's full report is appended: "Introduction to the debate on democracy and the rural world" (Appendix 3).

- With reference to the economic aspects of democracy, we must establish whether the rural world can now make its voice heard in the negotiations on policy making, pricing and protection. What possible forms of co-management could be introduced?

- The last aspect of the new democracy concerns the relations between the State and its citizens and the best way in which to place the administration at the service of the people. How can the arbitrary powers of government officials be limited without the backing of a de jure State and the effective organization of the rural world?

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Participants thanked the French representative for this first paper whose content prompted a number of comments that can be grouped into the areas of interest below:

- Democracy is thriving in the Sahel. Democratic rule has long been the norm in a number of regions and has spread to many others over the past few years. Numerous examples can be quoted to illustrate the development of democracy.

  Foreign partners place great store by the respect of basic freedoms and the transparency and efficiency of the public sector. The contribution of the American representative[3] illustrates this point.

- Is democracy a consequence of development or is it a prerequisite?

  The meeting discussed this question at length. A number of participants felt that democracy without economic development -- particularly in the agricultural sector -- would be exceedingly fragile. Others felt that freedom of expression was the fundamental freedom at the root of all progress; even in poor societies, freedom promotes education and communication while creating a climate of trust and security. Freedom places populations on the same level and opens the door to competition and private initiatives. These activities progressively become part of the nation's economic fabric and generate a process of development.

- What is the role of the State?

  The State holds responsibility for the enforcement of democratic rule. The State is the sole guarantor of national security, the guardian of national unity and the chronicler of the law. It can also modify its role to serve civil society more effectively. This is the case in Cape Verde, where the Ministry of Rural Development has refocused its activities

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[3] Document reproduced in Appendix 9: "Democracy, Government and Human Rights: US Government Investment Policy for the Economic Development of sub-Saharan Africa".

to concentrate on the organization of the different players involved in the development process.

The State and its foreign partners still have a role to play in economic affairs, particularly in a number of key areas such as rural credit, training and the development of infrastructure -- but only within certain limits. To quote one participant's vehement cry, "The State is not a good business man!"

- Is local democracy making progress in the rural world?

Progress can be observed in a number of countries. In Mali, for example, rural dwellers have requested and obtained the creation of a special commission within the national assembly as well as the organization of states general meetings. In Burkina Faso, many farmers are now listed on the electoral register while in Senegal, rural councils are elected by universal suffrage and regional councils are scheduled for creation in the near future. In Gambia, proposals sent down from the upper administrative echelons tend to disappear: The populations are not interested in projects defined by the government.

Whether the rural world is really taken into account is nevertheless debatable. In the words of one participant, "How do you explain the fact that 70% of State expenditure is used to pay officials' salaries?"

If local democracy is to be promoted and strengthened, one major priority must be addressed: The acute need to increase literacy and to promote the decentralized schooling that will foster entrepreneurial spirit and further local development rather than concentrating solely on academic objectives.

- A number of examples illustrate the progress achieved on the road to economic democracy. In Senegal, for example, a number of joint committees have already been set up for different products and others are emerging. The country's rice sector found solutions to problems that had been pending for two years as soon as producers, traders and processors were brought together.

Economic democracy is also an issue at the global level owing to the worsening terms of trade and the distortions engendered by the heavily subsidized agriculture of northern countries.

- The meeting also discussed the role of the CILSS. Even before the recent developments, CILSS/Club du Sahel studies were already converging towards questions relating to democracy and the de jure State as illustrated by the land tenure and decentralization studies generated by the Ségou Encounter and the work on the private sector, with particular reference to the operation of traders' networks.

As one participant pointed out, "the CILSS can act as a pivot" by continuing discussions with the different States.

Participants recognized the vast scope of the topic that they were discussing together for the first time. Democracy is a process in which the numerous components play a mutually supportive role. It is an objective that is pursued throughout the world. With reference to this point, the ACP negotiators involved in the Lomé Convention, and notably the Sahelians, expressed clear views on the importance of democracy and sought to place men and women, and the population groups of which they form the essence, at the very center of development -- a process in which human efforts must provide the driving force. This approach forms the basis of the section relating to cultural cooperation in the 3rd Convention and the measures relating to decentralized cooperation in the 4th Convention.

2. The environment[4]

Taking the floor to introduce this second topic[5], the Canadian representative stressed that the dialogue on democracy is still in the opening stages and that the thread will be taken up in future studies.

The complex issue of the environment confronts the world with an immense challenge. The definition of sustainable solutions will demand partnerships between north and south. However, the forthcoming Rio Conference is likely to give priority to the problems of the north to the detriment of the problems encountered by Sahelians such as soil deterioration, desertification, poverty and survival. To slight the problems of the south would be an abhorrent miscalculation: It must be remembered that pollution recognizes no frontiers and that poverty has a direct link with the deterioration of the planet.

These facts illustrate the need to take a global approach to environmental problems in association with the representatives of southern countries.

We need to establish how best to further the protection of the environment in the Sahel while promoting economic and social development, to identify the activities that will take priority and adopt appropriate strategies. The need to address these issues becomes ever more pressing from year to year and is underscored by the recent realization that the Sahel is consuming its natural capital in order to survive.

Efforts made to date have encountered numerous obstacles. Populations have no desire to participate in initiatives when -- as is frequently the case -- they have played no part in their definition. Further, donor coordination is inadequate. To overcome these obstacles, we have devised an approach to local-level natural resource management that is more modest and more closely linked to the populations. For initiatives to have more than a limited impact on the environment, however, it will be necessary to achieve critical mass, to impose coherence and to create a dynamic interface between the populations and their government.

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4 This question was discussed at the meeting of the Club du Sahel Donors' Advisory Group in December 1991. The results are presented in the report on the meeting, which also includes the introductory paper by Jacques Giri.

5 The introductory text is provided in Appendix 4, "Introduction to the Debate on the Environment".

For this reason, the Canadian representative revived the idea of a Charter for the Environment, which was first mooted at the end of 1991 in Brussels.

Participants thanked the Canadian representative for his introduction. The meeting then discussed the topic of the environment:

- A number of participants felt that it would be more appropriate to talk about the integrated management of natural resources for the Sahel as this approach involves the population, its organization and its economic interests.

  We must take into consideration the factors that are open to human control. The first step must be to gain a full understanding of the present relationship between man and his environment.

  The ownership of natural resources is still unclear although the State is more or less acknowledged as rightful possessor. The first step must therefore be to find a solution to the question of land tenure, which becomes particularly complex in pastoral areas where we are more likely to talk about the management of land tenure.

- One of the ministers present at the meeting declared that environmental protection in the Sahel can be summed up by the struggle against poverty. People ravage the environment in order to survive and would not do so if they had other resources to meet their basic needs.

  Fuelwood is a critical problem as it can only be obtained by chopping down plant cover. Further difficulties are raised by demographic growth and illiteracy.

  Participants approved the idea of a Charter for the Environment.

The example of food aid showed that the studies preceding the adoption of a Charter offer an excellent opportunity to clarify a highly complex topic whose numerous ramifications may still be somewhat nebulous. The Charter for the Environment would make it possible to define criteria for promoting the improvement of natural resources and to identify inappropriate courses of actions, which could then be duly abandoned.

The Charter would form the basis of a joint global approach to desertification control -- a sharp contrast to the current chaos in the national strategic frameworks set up to plan the management of natural resources. All of the various initiatives, PNGTVs, PNLCDs, PAFTs[6], etc., jockey shamelessly for position while seeking to impose their own form of coordination on the others. Each national service manages to obtain the resources it needs for its own operations. In future, the contribution of each service must be specified in order to optimize usage of public funds.

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[6] Plans for desertification control (PNLCD), local-level natural resource management (PNGTV) or Tropical Forestry (PAFT)

The meeting discussed whether the introduction of the Charter would increase the environmental aid that donors have provided with extreme parsimony to date. This point was raised by a number of participants who feared that aid would be made contingent upon a whole new set of conditions. To quote one of the participants, "We must not block possibilities of intensifying production in the name of environmental protection."

In conclusion, participants approved the immediate creation of a team with a brief to initiate the definition of a Sahelian Charter for the Environment. This document will solemnly state that the protection and the improvement of the environment must take priority in all development initiatives.

Participants entrusted the CILSS and Club du Sahel Secretariats with the preparatory work entailed by the Sahelian Charter for the Environment. They suggested that the Secretariats create a committee bringing together representatives of Sahelian countries and donor agencies.

3. Regional cooperation[7]

Introducing discussions[8], the US representative pointed to the considerable progress achieved in this field. The process that began with the cereals sector has since broadened to incorporate the prospects for economic growth in West Africa as a whole and has also brought together Sahelian and coastal countries.

This progress stems primarily from the innovative CILSS/Club du Sahel audits on regional trade patterns and the competitiveness of production systems. The rapid dissemination of this work has made it possible to create a circle of researchers and informed decision-makers and the Cinergie unit at the African Development Bank, will now seek to broaden this structure.

The Conference of the Ministers of Agriculture, which involves seventeen West African countries brought together by Senegal, offers a further opportunity to promote regional integration within the region.

Recent studies pointed to the dynamics of traditional traders' networks but concluded that trade flows were determined not by the logic of comparative advantages but rather by differences in national policies, particularly as regards customs and monetary issues. These incoherent policies create artificial sources of economic rent and waste resources.

The American representative felt that a consensus was emerging on two main points:

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[7] The question of regional integration was discussed at the meeting of the Club du Sahel's Donors' Advisory Group in December 1991. The results of discussions are presented in the report on the meeting, which also includes the introductory paper by Elliot Berg.

[8] "Regional Economic Integration in West Africa in 1992", (Appendix 5).

First, these distortions demand too high a cost. That is why the majority of West African countries are in the process of freeing their national economies. These reforms must now be implemented at the regional level in order to facilitate trade and to encourage a better allocation of resources. This is the objective of the recent plan of action for liberalizing the trade in livestock products between Mali, Burkina Faso and Côte d'Ivoire. Second, the protectionist policies that pursue self-sufficiency in all sectors are increasingly recognized as inappropriate. Economic potential can only be fully expressed if the door to regional and world markets remains open.

Sahelian countries have two main cards to play: Exports of agricultural products and livestock to coastal markets and exports of labor-intensive agricultural or industrial products, e.g., fruit and vegetables, to world markets.

Growth could pick up once more in the coastal countries, which require such products as coarse grains, rice, vegetable oils, cotton and meat. The Sahel could provide these products in far larger quantities if its competitiveness were not hampered by the overvaluation of the CFA franc. A more realistic exchange rate would also give the Sahel access to a greater number of agricultural and industrial outlets on the world market.

If the CFA franc is not devalued, the countries in the franc zone will be forced to put up protective barriers that the other countries in the region will also be compelled to adopt in order to create a regional market. It has been amply demonstrated the world over that overvaluation combined with protectionism is bad for the economy. In the Sahel, such a policy would notably hamper the emergence of the new export activities whose development is vital if the region is to compensate for its meager natural resources.

Contrary to an oft stated belief, a strategy of this type would not threaten food security, which is based primarily on the growth and the diversification of household income; many studies have proved this fact. Further, food security and self-sufficiency do not necessarily go hand in hand: The structural stability of the world rice market is undoubtedly greater than that of Sahelian rainfall. Last, the development of livestock activities would provide new outlets for traditional cereals and would thereby help to maintain price stability for the greater good of both producers and consumers.

To conclude, the USAID representative stated that a clear strategy has emerged from recent studies and discussions: The obstacles to regional integration must be eliminated. The next step must be to undertake joint analyses with a view to identifying the most appropriate courses of action.

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Participants thanked the USAID representative for his contribution. The meeting then discussed a number of questions raised by the issue of regional cooperation[9].

. Regional integration is vital but the process is stagnating.
The true de jure State continues to show little sign of emergence while the results of regional organizations are far from encouraging.

Countries maintain few relations with their neighbors. Administrative structures are slow and unwieldy. Populations are hampered in their activities.

"None of these obstacles existed in the days before our countries were colonized and balkanized. Now that we have become micro-nations, our countries are divided. We inherited foreign systems centered on the colonial mainlands and we have maintained those systems to the present day."

Certain countries, such as Niger, maintain brisk trade with their neighbors but the fact that the flow is largely informal raises serious problems. Cross-border trade nevertheless generates a significant proportion of Niger's GDP.

The problems of integration reflect these ancient divisions as well as the low level of priority allocated by the different States to regional cooperation.

This fact is amply illustrated by the emotive declaration of the Gambian minister, "Where is our resolve to pursue cooperation? Where is the fruit of the reams of agreements that bear our signatures? The situation is becoming increasingly difficult at airports and border posts. Next year, Europe will be united and we will be talking to a single group of twelve people. For the sake of our region, we must introduce coherent economic policies... But the advice that we receive from outside entities, particularly as regards structural adjustment, has done nothing to further this coherence. Time goes by and no organization has come up with a project to bring us together. In some cases, neighboring countries maintain totally different agricultural policies. Before a country can set a course for national policy, it must first reach an agreement with its neighbors, particularly as regards the use of foreign aid. Our heads of State should be brought together to discuss this topic."

Regional integration requires the enforcement of a de jure State. Political leaders are aware of the administrative problems faced by populations. And they recognize the fact that these problems stem from their own administrations.

Participants also stressed the pressing need to rationalize regional organizations and to allocate a certain portion of the public budget to regional investment. State resources are very limited and must therefore be used wisely or not at all.

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[9] The draft report of the Commission of the European Communities has also been distributed to the participants "Regional cooperation and integration in sub-saharan Africa ; Basic issues for an action programme" (Appendix 6).

- The development of the private sector is a prerequisite to regional integration.

  Confronted with the emergence of huge free markets around the world, Africa must rise to the challenge and unify its nations. Private entrepreneurs, in particular, must strive to set up joint ventures. "At the moment, it's easier to set up a company that involves Gambia and Britain or Burkina Faso and France than one that involves two Sahelian countries. This situation has got to change." Participants called for the free movement of capital. To quote the emotive statement of one participant, "We must encourage our entrepreneurs to unite! They will spur us to change our legislation."

  In the UDEAC, for example, employers in certain countries are worried about the growing liberalization within the union. This phenomenon will inevitably increase competition and create a real need for negotiation. Africa will one day experience trade conflicts on the same lines as the GATT's global clashes.

- All participants recognized the crucial role of currency.

  Non-convertible currencies seriously hamper cross-border trade and encourage countries to trade with distant nations rather than with their neighbors. The compartmentalization of currencies was maintained -- and even increased -- on independence despite the attendant disadvantages.

  The convertibility of the CFA franc is a great advantage in this respect. The existence of the franc zone is a positive factor for regional integration. And whatever some experts may think, the CFA franc is faring no worse than many other currencies; on the contrary, matters are clearly taking a turn for the better.

  In conclusion to discussions on this topic, a number of participants expressed the view that the parity of the CFA franc is an issue that demands expert knowledge and that these questions need to be addressed with considerable prudence.

- Foreign aid could contribute to regional integration.

  This would require greater coherence between the programs implemented by the donor agencies in different countries.

  Donors were encouraged to invest heavily in transportation and communication infrastructure.

  A number of the donor agencies present at the meeting are in the process of adopting a new strategy in which regional cooperation plays a major role.

- Most participants stressed the need for a progressive step-by-step approach.

  The road to regional integration is littered with obstacles. Efforts must therefore be made to progress step by step, grasping the best opportunities as they arise.

This approach has already been adopted in the livestock sector where a number of Sahelian and coastal countries recently drafted a free trade plan. The next step will be to take appropriate measures at the domestic level and to initiate negotiations between neighboring countries.

The Conference of the Ministers of Agriculture, which was initiated at Dakar in 1991, is primarily an informal framework providing political impetus and a sound basis for discussion and initiatives in the field of regional cooperation. The Conference seeks the participation of the CILSS in its different areas of activity.

Participants expressed a wish for the CILSS to play a role in facilitating trade between Sahelian countries and between Sahelian countries and their neighbors. The CILSS has acknowledged skills in cereals and livestock but its true comparative advantage lies in the unique know-how that it has gained as a user-friendly forum with a proven ability to generate successful partnerships. The CILSS could use this skill to work towards better relations with coastal countries.

4. An initial appraisal of the Food Aid Charter

The Director of the Club du Sahel presented a brief appraisal of the Food Aid Charter to the meeting.

The weather has remained favorable in the Sahel since the Food Aid Charter was ratified by the CILSS Heads of State in Bissau in February 1990. The absence of major food crises since this date has made it possible to perform a dispassionate appraisal of the document's application[10]. This appraisal seeks to answer two questions:

- Have the countries of the Sahel and the donors respected the principles of the Charter?

- Is the Charter a useful tool and pertinent framework of reference?

The first fact to emerge is that the Charter has not been disseminated throughout the Sahel: The document is recognized and accepted in the higher political and technical spheres but dissemination at the intermediary levels and in areas relating to food aid has remained largely superficial. Efforts must be made to inform members of the general public about the Charter and to encourage their involvement.

The assessment also pointed to a considerable improvement in the information available for the monitoring of the food situation in CILSS countries, notably through the regional Diagnostic Permanent (DIAPER) project. Considerably more is now known about agricultural production, farmers' stocks, consumption and cereals imports (both official and informal). Significant progress has also been made with the cereals market information systems and early warning systems.

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[10] The appraisal of the Food Aid Charter is included in the report on the meeting of the Donors' Advisory Group in Brussels (Document SAH/CR(92)73).

Naturally, much remains to be done in the above areas. Early warning and market information systems are not yet sufficiently widespread. Further, data are under-used and ill matched to the information requirements of policy makers.

The consultation process continues to encounter serious difficulties. The numerous national structures frequently use conflicting data and thereby complicate efforts to make appraisals or identify needs.

The quality of the dialogue between CILSS countries and donors, and the pertinence of decisions on food aid are still far from satisfactory. In some cases, national policy on food security is vague and changeable and consultation tools fail to play their full role. Moreover, some donors have opted out of efforts in this area while others display a marked lack of enthusiasm.

In consequence, CILSS countries and donors reached the same conclusion: It takes too long to process requests and deliver the promised consignments of food aid. The time taken to process requests probably stems from the highly formalized nature of the political processes implemented by certain countries. Donors continue to face administrative problems, especially in cases where the type of food aid (triangular operations, certain types of local purchases) contrasts with a more conventional approach.

Finally, participants agreed that the impact of these delays on Sahelian populations could be further exacerbated by the difficulties of mobilizing national security stocks in certain countries.

In conclusion, although the principles of the Charter are not contested as such, their content and consequences need to be more broadly disseminated in CILSS and donor countries. Serious problems in the application of the Charter have been noted on both sides. Efforts must therefore be made -- on a unilateral and bilateral basis -- to promote consultation, to accelerate procedures and to facilitate the mobilization of national security stocks.

We should add that the CILSS countries and the donors consider the Charter to be a highly useful document and an adequate frame of reference. The pertinence of the Charter is no doubt limited to some extent, e.g., with respect to the prevailing macroeconomic trends, but it is a flexible working tool and can therefore be modified as and when the different parties choose.

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Recent information from the FAO was placed at the disposal of participants[11].

FAO information shows that in a number of countries, the quantities of food aid pledged exceed the estimated requirements whose low levels reflect the quality of the 1991 harvests,

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[11] See Appendix 10: "Supplemental Report on Food Aid to CILSS Countries", April 1992.

except in Cape Verde and Mauritania. For Cape Verde, the amount pledged falls short of requirements.

The above data indicate a need to limit wheat and rice imports to countries where the aid pledged exceeds requirements and to take action to ensure that deliveries of food aid do not interfere with local markets or overtax the budgetary or managerial capacities of cereals organizations.

Referring to the exchange of views on economic democracy, the Director of the Club du Sahel Secretariat stressed that it would be highly unfortunate if food aid were to depress prices. He reminded the meeting that during the debate on democracy, a number of participants had emphasized the importance of the people's well-being as a tool with which to protect a fledgling democracy. The Director felt that this information should encourage authorities and donors to initiate dialogues at the local level. In particular, it would be useful if certain agencies could convert their food aid credits into local purchases.

5. The recovery of the CILSS

For the benefit of the cooperation partners present at the meeting, the Executive Secretary of the CILSS reviewed the initiatives taken since the meeting of the Council of Ministers in February 1991 when he was asked to present a plan for the financial recovery of the organization. This plan was submitted to an extraordinary council meeting in Bissau, which adopted a schedule for the payment of arrears. In compliance with ministers' instructions, the CILSS reduced its staff: 33 employees were made redundant, including four executives who could not be dismissed without the explicit agreement of the countries concerned. This decision was thereby held in abeyance. The council also requested that an organizational, administrative and financial audit be performed with a view to drawing up a sustainable recovery and revitalization plan; ministers requested that the plan be submitted to them at their next meeting.

During the December 1991 meeting of the Donors' Advisory Group in Brussels, the Executive Secretary set out the conclusions of the organization's internal analyses and discussions, which had been backed by the donors represented at Ouagadougou and the Club du Sahel Secretariat. The Executive Secretary asked partners to back the CILSS' efforts to clear its accumulated liabilities. He also requested their support for his plans to create a consultative body of people with the knowledge to express an impartial but responsible view on the future of the CILSS. The Group supported both requests but suggested that their contribution to the settlement of the deficit be linked to a payment schedule involving specific conditions[12].

In February 1992, a group of experts met in Dakar under the chairmanship of the Senegalese Minster of Rural Development and Water Supplies. The meeting defined a series of measures for the recovery of the CILSS in which the main points referred to the need to place strict limits upon the role and mandate of the organization, to enforce a system whereby the States

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[12] See the report on the meeting of the Donors' Advisory Group, document No. SAH/CR(92)73.

pay their contributions in installments and on the basis of a regular payment plan and, last, to size the organization in accordance with the financial capacities of member States.

Last, participants heard a report on the decisions taken prior to the meeting by the CILSS Council of Ministers:

- A decision was taken to adopt a plan of action and a schedule for the finalization of the recovery plan. This plan of operations will be managed by a steering committee comprising two Sahelian representatives, one representative from a northern country, the Executive Secretary of the CILSS and a representative of the Club Secretariat. The committee will present periodic progress reports to the coordinating minister and will submit its conclusions to an extraordinary meeting of the Council of Ministers in November 1992 (with the participation of cooperation partners).

- A competent qualified unit will be appointed to perform organizational, administrative, financial and legal audits.

- Member States will make a solemn commitment to pay their arrears and to take all measures necessary within their respective administrations to guarantee punctual payment of contributions in the future[13].

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The co-Chairman of the meeting, representing the European Commission, then took the floor on behalf of the various cooperation partners. He praised the Executive Secretary's report as reassuring and confirmed the donors great interest in the CILSS. The donors hope that the CILSS will continue to work for the greater good of the region and to pursue -- as in the past -- a number of different activities that have often proved to be both useful and fruitful. The co-Chairman expressed a wish for the adjustments to increase the efficiency of the CILSS while underpinning the successful execution of its brief. He stressed the importance of making a distinction between the core activities of the CILSS, whose permanence is guaranteed by the commitments contracted by member States, and the intermittent activities of specific duration that are funded by the CILSS' partners. Positions created for a specific project must never become permanent.

The ensuing discussions highlighted the major concerns of participants. To give the recovery plan the requisite coherence, it was agreed that the coordinating Minister would submit the results of the steering committee's work directly to CILSS member States and cooperation partners. The plan of operations adopted was recognized to be less definitive than a recovery plan; Ministers nevertheless hoped that their partners would take a positive view of the visible efforts that have been made to implement the plan and to secure its success. With reference to this point, they hoped that their cooperation partners would acknowledge that one of the conditions laid down at Brussels had been fulfilled.

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[13] Tables showing the outstanding arrears and changes in staffing levels were prepared for participants and can be consulted in Appendix 7.

Both the Ministers and their partners expressed concern over communications between the formal CILSS bodies and the more informal Club bodies and the sequence in which the two entities organize their meetings. A number of participants felt that placing the Club's meeting immediately after that of the CILSS council made it difficult to discuss problems on a frank and open basis or to note partners' views before taking a final decision. They felt that it would be better for the broader Club meetings to be held before those of the CILSS. Other participants pointed to the dangers of the donors' agenda taking priority in debates and overshadowing the specifically Sahelian issues.

In this context, Ministers discussed the meaning and scope of the text that cooperation partners had provided for their meeting. The donors' representatives stated that the text summarized their position prior to the meeting of the Council of Ministers and that it was based on the facts at their disposal at this time and also on the information that they had received concerning the experts' recommendations. The objective was to define the donors' common standpoints and to convey them privately to Ministers in a spirit of partnership, which would avoid ambiguities.

Participants agreed to study the organization of the various consultation bodies in detail. Priority must be given to frank and productive dialogue between all Sahelian partners and donors. Both parties pursue the same fundamental objective: To serve the best interests of Sahelian populations and to further their development. The meeting also recognized the importance of allowing the competent bodies to take important decisions in the light of their specific legal and administrative context.

The Canadian and US representatives confirmed that they would be willing to meet all expenses relating to the audit. The Italian representative confirmed that his government would provide financial support for the operation of the CILSS Secretariat. The Dutch representative announced that his country would make an extra contribution with a view to covering the accumulated deficit.

Last, partners stated their conviction that the decisions taken by the Ministers would have a positive outcome.

Conclusions of the co-Chairman, Mrs. Djiga

"The principles of the Food Aid Charter are not contested but application is nevertheless halfhearted. We need to show greater commitment and determination in our efforts to implement the Charter.

We need to be more perceptive and selfless in our approach to regional integration. If our support is not to be merely verbal, we must accompany our words by specific action. Already at the beginning of independence, an eminent African head of state advocated economic and political integration: He added that integration was not a utopian objective -- the real dreamers are those who are plowing on with a patchwork Africa made up of numerous pseudo-States.

The Director of the Club du Sahel has reminded us that crises frequently bring both danger and opportunity. It is our role to bring the CILSS out of its crisis, to increase its effectiveness and added value and to place these qualities at the service of the Sahel.

Before closing, I would once more like to express my gratitude to friendly countries and donor organizations for their constant and fruitful support of the sub-region. Long live Sahelian solidarity! Long live international cooperation! I hereby close the ninth meeting of the Club du Sahel. Thank you all."

APPENDICES

APPENDIX 1

DRAFT AGENDA

General theme of the meeting

"THE SAHEL IS IN THE THROES OF MAJOR ECONOMIC AND POLITICAL CHANGE AND WHAT THE FUTURE HOLDS IN STORE IS STILL UNCLEAR: WHAT ACTION CAN BE TAKEN TO MARK OUT THE FIRST STEPS OF A NEW COURSE FOR THE REGION?

Part one: A) Raising awareness

General policy discussions: The political changes currently taking place in the Sahel and in Africa as a whole do not just affect the highest echelons of State, although this is where their impact is most spectacular, they also affect the operation of society as a whole. The shift towards democracy as well as the transformation of the rural world and its relations with the rest of society have opened new horizons for development efforts. How can policies accompany these changes? In particular, how can trade be balanced between urban and rural areas? How can local users be given greater powers over the resources that they manage?

Reference document:

1) Report of the Brussels meeting

Part two: B) Making decisions

1. The environment: How can ecological issues be integrated into global development strategies in the current economic context? How can sustainable changes be made to the relations between natural resources and their users? What lessons can be learned from the experience of the past? What follow-up systems would make it possible to create shared references and to avoid a proliferation of isolated initiatives? Has the time come to prepare a Charter for natural resource management in the Sahel?

Reference Document:

1) Donor Agencies and the Environment; In Pursuit of Sustainable Development in the Sahel, by J. Giri. See Appendix 6 of the Brussels report
2) Also see pages 3 to 6 of the report

2. Regional cooperation: How can this issue best be addressed? What methods could hold out real promise for the region's future? Have ongoing consultation efforts made a good start? What pitfalls need to be avoided? What is the best way in which to prove that taking the regional environment into consideration need not make it more difficult to solve problems in the short term?

Reference documents:

1) Economic Integration in West Africa. Problems and Approaches, by E. Berg. See Appendix 7 of the Brussels report.
2) Also see pages 7 to 10 of the report.

Part three: C) Operational discussions

1. The Food Aid Charter: When the Charter was adopted at Bissau in February 1990, it was agreed to appraise its implementation on a joint basis and to update this appraisal at the next meeting of the Club du Sahel. The appraisal confirms the utility of the Charter but highlights certain difficulties that were encountered during the first attempts to implement its contents.

Reference documents:

1) Appraisal of the Food Aid Charter, Club du Sahel. See Appendix 5 of the Brussels report.
2) Also see pages 13 to 15 of the report.
3) The report from the meeting of the network for the prevention of food crises, Club du Sahel, 1991.

2. The recovery of the CILSS: In 1991, the CILSS commenced a program for its sustainable recovery and revitalization. Prior to the Club meeting, the recommendations of the program will be discussed by the CILSS Council of Ministers at its meeting on April 5 and 6. Club members would like to discuss the details of this plan, notably as concerns the future role of donor agencies.

Reference document:

1) The report from the meeting of the Group of Experts (to be prepared).

Part four: D) Conclusions

APPENDIX 2

LIST OF PARTICIPANTS

Sahelian countries

BURKINA FASO

Mr. Joseph Parcouda	Minister of Agriculture and Livestock Coordinating Minister of the CILSS
Mrs. Abi Djiga	Secretary of State for Plan
Mr. Alassane Sangare	Secretary of State for the Organization of the Rural World Minister of Agriculture and Livestock

CAPE VERDE

Mr. Rosario Antonio Gualberto	Minister of Fisheries, Agriculture and Rural Structures
Mr. Victor Alfonso G. Fidalgo	Ambassador of Senegal

CHAD

Mr. Bambé Dansala	Minister of Rural Development

GAMBIA

Mr. A. Omar Jallow	Minister of Agriculture

GUINEA BISSAU

Mr. M. Mario Cabral	Minister of Rural Development and Agriculture
Mr. Mane Ansumane	Secretary of State for Plan

MALI

Mrs. Sidibe K. Mariam Cissé	Minister of Plan and International Cooperation

MAURITANIA

Dr. Mohammed Sidiva Ould Bah	Commissioner for Food Security

NIGER

Mr. Abba Malam Boukar	Minister of Agriculture and Livestock
Mr. Ide Niandou	Secretary of State for Plan and Finance

SENEGAL

Cheikh Abdoul Khadre Cissokho	Minister of Rural Development and Water Supplies

Partners

CANADA

Mr. Claude Francoeur	Regional Director CIDA Abidjan
Mr. Denis Potvin	Director of Regional Cooperation CIDA Abidjan
Mr. Georges Barchechat	Program Director CIDA Ouagadougou
Mr. Laval Tremblay	First Secretary of Cooperation CIDA Ouagadougou

EUROPEAN COMMISSION

Mr. Michel Hauswirth	Special Consultant Brussels

FRANCE

Mr. Michel de Verdière	Deputy Director of Rural Development Ministry of Cooperation Paris

GERMANY

Mr. Christian Potika	Director, Federal Ministry of Economic Cooperation Bonn

ITALY

Miss Ciara Meriano	Assistant Director for sub-Saharan Africa Ministry of Foreign Affairs Rome
Mr. Eddy Andréoni	Italian Technical Assistance to the CILSS Ouagadougou

JAPAN

Mr. Minoru Obayashi	Technical Consultant for Africa Japanese Embassy Paris

THE NETHERLANDS

Mrs. Ineke Duijvestijn	Chief Consultant for the Sahel Program Ministry of Foreign Affairs The Hague

SWITZERLAND

Mr. Pascal Fellay	Delegate Ouagadougou

UNDP/UNSO

Mr. Peter Branner	Director New York
Mr. Augustin Mandeng	Regional UNSO Director Ouagadougou Ouagadougou

UNITED STATES

Mr. Timothy Bork	Director, Sahel and West Africa Affairs USAID Washington
Mr. Thomas Wilbur	Resident USAID representative Ouagadougou

APPENDIX 3

INTRODUCTION TO THE DEBATE ON DEMOCRACY AND THE RURAL WORLD

by

Mr. Michel Colin de Verdière (French representative)

For a number of years now, the partners of the Sahel and the Executive Secretary of the CILSS have come together annually under the umbrella of the "Donors' Advisory Group", a select body that holds its meetings towards the end of the year.

At the meeting of the Donors Advisory Group in the Hague in **December 1990**, I was surprised to note that the wave of democracy that was then sweeping the world -- and which had been making the headlines regularly during the course of the preceding year -- was not the main topic of debate. Participants agreed with this view but we all acknowledged ourselves to be totally perplexed by the manner in which the situation had developed and by the cultural, social and economic implications of these changes. This is only natural when changes are not foreseen in forward-looking studies. We all felt that the powerful wind of freedom blowing over the world was a very important phenomenon.

When the group met in Brussels **at the end of 1991**, I asked the following question on the political situation in your countries: Has the **push towards increased democracy** changed matters for **rural communities**, particularly its **poorest members** and those who produce most of the food in the Sahel and elsewhere in Africa, i.e., women?

The idea of making democracy and the rural world a topic for discussion by Sahelian leaders and representatives of donor agencies developed out of the above observation. Half of you are Ministers responsible for rural development and are therefore particularly concerned by the forthcoming debate. I would like my introduction to open a dialogue on this topic.

Without using quotes too extensively, I would nevertheless like to repeat the words of **the French President François Mitterrand (La Baule, June 1990)**:

"... just as a vicious circle links debt with under-development so **another vicious circle links economic crisis with political crisis**. One feeds off the other. For this reason, we need to jointly define a course of action whereby political institutions and systems could **restore a climate of trust** -- trust between a people and its leaders in some cases or, more frequently, trust between a State and other States and, in all cases, trust between Africa and developed countries."

In this way, the French president introduced his paper on democracy to the African Heads of State at La Baule.

The new economic policies (structural adjustment) combined with political change will inevitably reinforce the role of civil society and reduce the role of the State. Simply talking about change is not sufficient, however. Action is required.

Rural communities have been sadly absent from this democratic renaissance. Their role in discussions has never been commensurate with **their social and economic weight** (two-thirds of the population and approximately 50% of GDP, frequently the bulk of exports). The process of political change was initially spurred by the urban bourgeoisie. This is only natural when we consider the predominant role that intellectuals have always played in social change. However, even if these urban dwellers provide the impetus for the ongoing changes, we still need to ask **whether these political changes can modify the lot of the rural world.** In what way will the **behavior of Sahelian leaders and development partners need to change** with respect to the definition of priorities for rural communities?

I believe that these questions should form the basis of an **exchange of views.**

The topic is broad and I would like to open a number of possible avenues to introduce the debate. My own presentation is far from exhaustive, however, and we would be happy to hear any other views on this **delicate issue.**

The **first topic** is **local democracy**. I would like to quote Tocqueville on this subject. Referring to the workings of national administration at the local level, he made the following thought-provoking statement, **"Local communities are to democracy what schools are to science**. They place democracy within reach of the people and allow them to use it peaceably."

Democracy is not just a multiparty system and thirty-five daily newspapers, it is also a local issue. In the rural world, local democracy could be developed through the active participation of rural communities. It must provide the basis for the **decentralized management of community services:** Schools, health care, water supplies, cereals banks and also the management of land or natural resources.

The second topic concerns the men and women who produce food or cash crops and how best to make their voices heard. How can these producers be brought into discussions on economic policy to ensure that **urban consumers** are not the sole group to be heard during negotiations, particularly on such issues as imports and market protection? How can producers be brought into the field export management, notably as regards **the pricing of exports**, to ensure that they act in a responsible manner? What systems of co-management could be introduced? These questions illustrate what I would call **the economic dimension of democracy**.

The third topic concerns **the relations between government and citizens** and it is this topic that is perhaps most closely linked to your responsibilities as heads of ministerial services responsible for the rural world. What steps must be taken to place government at the service of the citizens and not vice versa? What can be done to curb the **arbitrary powers of the State** and its officials over illiterate farmers and to enforce the law wherever the State is present? This is the way to the **de jure State**. Clearly, government officials will not willingly give up the various advantages attendant upon their supporting functions in the rural world. The government must therefore set the example by helping to define appropriate support structures for the rural world and ensuring that these structures are strongly rooted in **the participation and the effective organization of rural communities.** This change will

naturally require a new definition of the State's functions and it is your role to encourage moves in this direction.

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The above topics open a number of possible avenues for the discussion on democracy and the rural world. The main issues are:

- **local democracy** and the decentralized management of community services;
- **economic democracy** and the participation of producers in agricultural policy and sectoral management;
- changes in **the relations between the government services responsible for the rural world and the rural communities.**

Numerous other topics have a bearing upon this area, e.g., training in rural areas, information structures in the rural world, etc.

There is no universal answer to the above questions. Even in our western democracies, the answer has not always been satisfactory. Nevertheless, there is no reason why this topic should not be addressed today through the definition of your development policies and through the support that we can provide to further their implementation.

APPENDIX 4

INTRODUCTION TO THE DEBATE ON THE ENVIRONMENT

by

Mr. Claude Francoeur (CIDA representative)

Madam Chairman,
Executive Secretary,
Ministers,
Colleagues,
Ladies and Gentlemen,

I would like to start by extending my thanks to our Burkinabé hosts and to the CILSS for giving me the privilege of addressing the meeting on such a topical issue as **the environment.** As you know, delegates from all over the world will be coming together in Brazil in a few months time to discuss the close links between the quality of the planet's environment and its economic prosperity.

This highly complex problem confronts the world with a challenge of colossal proportions. In some quarters, it is recognized that the definition of sustainable solutions to environmental problems will demand the creation of true partnerships between north and south, between governments and populations. However, the Rio Conference could give priority to the problems of the rich northern countries, e.g., acid rain, atmospheric pollution and the deterioration of the ozone layer, to the detriment of the more immediate problems faced by the Sahelians such as soil deterioration, desertification, poverty and survival. Such an approach would be totally abhorrent today when all agree that atmospheric pollution recognizes no borders, that poverty has a direct link with environmental deterioration and that education and health have a direct impact on the natural capital of societies.

Hence the need for a global approach to environmental problems in association with the representatives of southern countries. Man is dependent upon his fellow men and no one group can be given priority over the others. The long-term survival of the human race is at stake. The countdown has already started and the entire international community must now make a collective effort, each group acting in accordance with its financial and technical capacities.

This being so, it is crucial for developing countries to participate actively in the search for equitable solutions to the world's environmental problems. Myriad dangers threaten the world's environment and it is vital for countries to show awareness and international solidarity.

How can we contribute to environmental protection in the Sahel while favoring the economic and social development of Sahelian populations? What development activities could best meet the most pressing subsistence requirements of these populations while providing the requisite safeguards for the natural capital that will be bequeathed to future generations?

What long-term strategies or plans of action could combat environmental deterioration effectively while holding out hopes of a better future? How can we increase the awareness of populations and involve them in the search for effective and sustainable solutions?

None of the above questions are new. All of these issues were raised some time ago but they become more pressing with every year.

The donors took some time to make environmental protection a priority in their respective strategies. Jacques Giri's study on "The Donor Agencies and the Environment" reveals that only in the 1980s did donors understand that the Sahel was consuming its natural capital in all its forms in order to survive. The donor agencies subsequently launched into a somewhat disorganized series of reforestation projects, forest and environmental protection projects and integrated rural development projects.

The lack of effective coordination between donors was considered to be one of the main problems encountered in these activities and prevented them from having any significant impact on the environment. The other major problem was that the populations were absent from the definition of projects and, in consequence, did not take them over and continue the effort started.

In view of the above, we donors initiated new activities to provide a more specific response to the problems raised by the socio-ecological balance and the protection of the environment. Our efforts to improve our coordination and to increase the participation of the population groups concerned, led us to "invent" the concept of local-level natural resource management. These initiatives were deliberately designed on a more modest scale and we hope that they will allow us to accompany populations in their efforts to improve their lives while protecting the environment. Above all, we hope to obtain a better understanding of their mentality, their attitudes and their behavior and to work <u>together</u> to find solutions responding to their legitimate aspirations.

The above initiatives illustrate the genuine efforts made by donors to find sustainable solutions to the problems of the Sahel. Taken individually, however, these projects would have a limited or non-existent impact on the environment. If we are to protect the environment effectively, then we must acquire critical mass and secure the active participation and support of the populations concerned. The dynamic interaction of these populations with their governments, who must be ready to adopt coherent national long-term development policies, will also play a vital role in bringing sustained economic and social wealth to the region. Even though the future of the Sahel may seem uncertain, donors and Sahelians have a <u>duty</u> to join forces in the pursuit of viable solutions for the long-term development of the Sahel. And the environmental issue must be one of the pillars of the development process.

Madam Chairman, I would like to close this introduction by making a proposal. At the risk of being totally unoriginal, I would like to take up an idea that was submitted to the Brussels meeting last December by our French colleague and to propose that a Charter for the Environment be adopted in 1992. I suggest that the definition of the document be managed in the first instance by the CILSS and Club Secretariats working with a donors' representative, a Sahelian representative and the director of a local-level natural resource management project.

APPENDIX 5

INTRODUCTION TO THE DEBATE ON REGIONAL INTEGRATION

by
Mr. Timothy BORK (USAID representative)

Your Excellencies,
Ministers of the CILSS,
Esteemed representatives of our fellow donors,
Mr. President

1. INTRODUCTION

Two years ago at the last Club du Sahel meeting, the United States' representative reviewed the already impressive work that had been accomplished in the area of regional cooperation. I understand that there was a general feeling of satisfaction. The fruits of joint work conducted were apparent to all. I am very pleased to join you on this road, for we have further progress to celebrate as well as some difficult challenges to face on this long but important journey -- a journey which we now have reason to believe will conclude with solid development results.

I am pleased to join you in this vital work. I look forward to the vigorous intellectual exchange which always accompanies CILSS/Club initiatives as well as to the practical challenges of supporting implementation of agreed upon plans of action.

Let us take a moment to review the status of our joint work and achievements in the area of regional integration from two perspectives:

First, our understanding of the reach of the topic "regional integration" has evolved rapidly since we last met. What was begun in 1986 in Mindelo as an effort focused on the problem of stagnant cereals production in the Sahel has taken on many new dimensions. We now look beyond the Sahel and include the coastal states. We are concerned with other commodities besides cereals. The range of both the economic tools used in the analysis and the economic variables being analyzed has been expanded. And, many more actors have been integrated into the discussions.

Second, we have vastly increased our knowledge of the terrain on which regional integration must take place and of the constraints that impede progress. We know much more than we did two years ago about the cost to economic growth of policy distortions resulting from inappropriate macroeconomic policies, overvalued exchange rates, excessive fiscal deficits, distorted credit allocation and heavy domestic market protection. We also understand better the policy implications of a growth strategy based on Sahelian comparative advantage.

2. NEW DIMENSIONS

Today, discussion of regional integration is solely focused neither on cereals nor on the Sahel. Rather, the discussion has evolved to a broader consideration of the future of economic growth in West Africa. This involves renewed consideration of the economic links between the Sahelian countries and their coastal neighbors. It also involves a larger perspective of the wider agricultural (and non-agricultural) economy, which encompasses a range of food and non-food commodities.

Our analysis of regional economic issues has become more extensive and sophisticated. Pioneer work done by teams of West African and French social scientists has described informal cereals trade flows. In close cooperation with that effort, a team of West African and American economists has estimated the competitiveness of various agricultural production systems in Mali, Senegal, Guinea, and Côte d'Ivoire. They have assessed what production patterns would look like in an economy free of price, exchange rate, and incentives distortions. In addition to the original policy scenario of a regional cereals production zone protected by high tariffs vis-a-vis the world market, alternative policy reform strategies have been articulated, and their pros and cons assessed from the perspective of individual countries whose policy environments are often quite at odds with one another.

Moreover, these analyses are being communicated rapidly to a widening audience of policy makers and researchers in West Africa. The CILSS and the Club du Sahel have taken great pains to promote the dissemination of regional integration research results to regional and national audiences as quickly as possible. The CINERGIE policy unit has now been established at the African Development Bank to address an even wider audience. Finally, seventeen West African Ministers of Agriculture, led by his Excellency, the Minister of Agriculture from Senegal Cissokho, have now organized technical committees to carry on the promotion of the regional integration ideal within West Africa.

In West Africa today, regional economic integration is being promoted for a number of reasons. It has become more compelling as Sahelian policy makers and donors increasingly realize that it is the sine qua non for unstalling economic growth. A successful economic strategy for any Sahelian State requires access to larger markets. Not only does the notion respond to a political ideal of pax communitaria, not only is it in line with regional integration movements in Europe West and East, North America, and the Pacific, but, most importantly, it seeks to formally approve what has existed in the region for centuries: A flourishing trade across post-colonial national boundaries of both commodities and people.

Such trade has long existed in West Africa. Under certain conditions, it has exploited comparative advantage and thereby promoted economic growth of all partners concerned. But unfortunately, as pointed out during the CILSS/Club sponsored conference held in Bamako last May, cross-border trade has also existed for less than optimal reasons.

When economic incentives differ sharply from one country or subregion to another, what economists call "rents" develop. These can be caused by subsidies, tariffs or differences in currency valuations which alter trade patterns. In the process, domestic resources are wasted by diverting them to transport, storage, commission, and fee payments that otherwise would not be necessary.

3. OUR INCREASED KNOWLEDGE OF THE TERRAIN

Today there is a growing consensus around two central ideas. One is that the cost of policy distortions is simply too great and must be eliminated. The other is the link between economic growth, increased regional trade and a sense of where the Sahel's comparative advantage lies, i.e., what regional neighbors as well as the world market would purchase from the Sahel rather than elsewhere because of lower prices or better quality.

A. Policy distortions

Most countries, in West Africa as elsewhere, have already undergone a period of structural adjustment aimed at eliminating market distortions. Many individual West African countries have already liberalized pricing structures, reduced or eliminated quantitative trade restrictions, revised tariff policies, privatized many State-run operations, reduced public sector employment, and devalued their currencies. This has led to a reallocation of domestic resources towards more economically profitable activities. While it is recognized that structural adjustment alone is not a sufficient precondition for economic resurgence, several countries in West Africa (notably Ghana, Nigeria and Guinea) are now poised for renewed economic activity. It is now appropriate, therefore, that attention be focused on the elimination of distortions at the regional level, such as the costly barriers to trade among countries within the region. One example of a concrete plan to do so is presented in the Action Plan for Liberalizing Regional Markets for Livestock Products in Mali, Burkina Faso, and Côte d'Ivoire.

B. Comparative advantage

The other central idea gaining credence is that inward-oriented development policies, stressing self-reliance in all sectors and protective barriers are no longer appropriate for promoting the economic growth, and thus improved welfare, of countries and their peoples. It is increasingly accepted that a country's economic potential will only be achieved via integration of the local economy into much larger regional and world markets.

Broadly speaking, it appears that the Sahelian countries have two areas in which they have a growing comparative advantage in these markets. One is in the production of agricultural and livestock products for the West African market; the other is in the production of labor-intensive agricultural and manufactured goods for export to the rest of the world.

It is the interior of West Africa, especially, that has a comparative advantage in agricultural and livestock production for the region as a whole. Especially important are the coastal markets. Even today there is substantial excess demand for vegetable oils and meat, which the Sahelian countries could profitably fill if account is taken of the overvaluation of the CFA franc. In the absence of devaluation, a case could be made for a preferential tariff to offset the effects of overvaluation, but only as a second-best policy.

Should growth in the coastal markets be restored to levels that existed during the 1960s and, to a lesser extent, the 1970s, there would be a substantial increase in demand for coarse grain cereals, rice, vegetable oils, cotton, meat, and other livestock products -- all goods in which

the Sahelian countries have an increasing comparative advantage as the coastal countries continue to specialize in tree crops, forest products and manufactured goods.

The other area of potential comparative advantage in the Sahel is products that can be exported to markets outside of West Africa. The most important of these are horticultural products and labor-intensive manufactured goods, e.g., leather working or textiles. Burkina Faso, Mali, and Senegal are already exporting irrigated fruits and vegetables and Senegal has managed to export some manufactured goods despite the overvaluation of the CFA franc. With a macroeconomic and monetary policy environment more conducive to trade, these exports could doubtless be increased many times. This is because of the natural comparative advantage that the Sahel has with its abundant sunshine and relatively inexpensive labor.

Until monetary and macroeconomic policy changes are made, however, the achievement of such an outward-focused development strategy in West Africa will be greatly hindered. At the present time, the CFA franc zone countries are forced to erect high protective barriers to prevent their markets from being flooded with imports. Under current conditions, significant intra-regional trade will be difficult to undertake without asking the non-CFA franc countries, most of whose currencies are already more or less in equilibrium, to raise their tariffs vis-à-vis third countries to very high levels -- a policy change that would inflict great hardship on their consumers and dramatically distort the pattern of resource allocation away from their comparative advantage.

Most important, high tariff protection for the region would result in a serious bias against exports. A highly overvalued exchange rate supported by high protective barriers to trade would be particularly damaging to the growth of non-traditional exports, which is especially needed if the Sahelian countries are ever to overcome their relatively poor natural resource base.

One frequent objection to the pursuit of a development strategy based on comparative advantage is that this might involve some reduction in food security. The argument that encouragement of cash crop and livestock production along the lines of comparative advantage might jeopardize food security is based principally on the competition that this would supposedly offer to food crop production. But there is abundant evidence now that the most important way that food security can be enhanced is through increases in household income. Study after study in West Africa and elsewhere has shown that the problem of food security is not one of food availability but of entitlement, or access to income. Production of those goods and services in which the Sahelian countries have their greatest comparative advantage does most to increase incomes and therefore to improve food security.

Although the exploitation of comparative advantage may imply a strategy opposed to that of food self-sufficiency, this does not imply that food security will be decreased. The most important single factor affecting the availability of food in the Sahel is fluctuations in production due to variations in rainfall. By comparison, imports are a more stable source of food. Furthermore, the world market for rice, the Sahelian countries' most important food import, is characterized by fundamental world demand and supply conditions that make this an extremely low priced source of staple food. Although this does not imply that all the Sahelians should be encouraged to shift to consumption of rice, it does suggest that efforts to become self-sufficient in rice through high-cost projects and protective trade policies, most

of which are not very effective in any case, does not make sense. Economically, it is far better to produce those products that can be exported at a good price, thus increasing incomes, and to import cheap food to supplement coarse grains and rice that can profitably be grown locally.

Conclusion: The future

In conclusion, we now know much more about the costs to economic growth of the range of policy distortions across West Africa. We also know much more about the policy implications of a growth strategy based on comparative advantage. We have identified many of the barriers which thwart the establishment of an integrated West African economic zone. We know that if there is to be greater integration through trade, all of the following will have to continue to be addressed -- the real costs of production and marketing that are too high; protectionist national policies; monetary policy; inadequate infrastructure and legal and regulatory barriers.

While we are proud of the record of objective and in-depth research which has encouraged serious and non-ideological discussion, in all humility, we must recognize that, in large part, we are still at the level of ideas. Compelling as they are, we must never forget that taking steps to realize them will affect peoples' lives in the profoundest of ways and that many different factors will have to be considered. The ultimate test will be whether the results of these research efforts are embraced by the intended beneficiaries -- the Sahelian and coastal states. Without that vote of confidence, our efforts will be condemned to the realm of intellectual exercise.

What is needed now is a vision of where we want to end up on this journey and what is the most effective way to get there. We the donors can only play a supportive role. We can and must continue to support policy research. We can and must insist that our bilateral policies do not take us in contradictory directions. And, we can and must discipline ourselves and each other to hold to our earlier commitments to focus on the practical and achievable. But, it is to you -- the policy makers of the region -- that we know we must turn for guidance on completing the vision. For it is you who ultimately must assess what is tolerable and what is not. It is you, in the end, who will make the political decisions which will enable us all to build on surer ground.

We hope that the member States and our fellow donors will remain convinced of the importance of the regional integration dossier. AID is ready to continue to contribute, in our small way, to the development of a strategy for West African regional integration. This is something we believe holds great promise for improving the lives of the courageous people who inhabit this fragile part of the world.

COMMISSION
of the
EUROPEAN COMMUNITIES

DIRECTORATE-GENERAL
FOR DEVELOPMENT
Operation Post-Maastricht

Brussels, 15 November 1991

APPENDIX 6

D R A F T*

REGIONAL COOPERATION AND INTEGRATION IN SUB-SAHARAN AFRICA

Basic issues for an action programme

* This document constitutes a part of the preparatory work for discussions within the Global Coalition for Africa.

Address:
Rue de la Loi 200
B-1049 Brussels

Telephone:
Direct line: 235 .....
Exchange: 235.11.11

Telex:
COMEU B 21877
Telefax: 236.27.25

Telegraphic address:
COMEUR Brussels

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SUMMARY

In July 1990, at the Africa conference held in Maastricht (the Netherlands), representatives of African countries and the international community agreed that regional cooperation and integration should be amongst the priorities for Sub-Saharan Africa (SSA) in the years to come. At that conference, Mr MARIN, Vice-President of the Commission of the European Communities offered the services of the Commission in coordinating the preparation of an action programme to promote regional cooperation and integration in Sub-Saharan Africa. This paper constitutes one of the first steps in the exercise, in that it summarises current thinking on the subject and provides elements for discussion and exchange of views.

On the basis of a few theoretical concepts, the paper briefly assesses the African experience in cooperation and integration. Soon after independence, many African countries realised that, in addition to increasing their economic possibilities, political weight and bargaining power, regional integration could contribute to greater cohesion and stability. These ideas motivated the creation of a vast majority of the economic groupings in SSA. Other groupings were formed with a view to cooperating in certain specific sectors or in order to face up to a common challenge. Still others were based on monetary unions inherited from the colonial or pre-colonial eras. But in spite of the large number of regional bodies and the resources deployed, the results of the African experience in cooperation and integration has generally been disappointing. Moreover, the positive catalytic role that donors could have played in this field was, in most cases constrained by the lack of specific instruments for the purpose.

Recently, the development impasse, the changing face of international relations and the recognition that many development issues transcend national boundaries, have all contributed to renewed interest in regional cooperation and integration in SSA.

Since the European integration process is considered to be one of the success stories of regional integration, it is examined with a view to drawing a few lessons that could be useful in the African context. Some of the features which fashioned the process are the regional and social policies to reduce disparities, the strong institutional set-up, the convertibility of currencies, the possibility for sub-groups to proceed at different speeds and more recently, the principle of subsidiarity. Above all, the European experiences demonstrate the importance of strong and sustained political will and of proceeding step-by step towards realistic goals.

The assessment of the African experience and the lessons of the European integration process point to a number of issues that need to be explored further before an action programme can be drawn up. These include: better insight into the barriers to trade and factor movements, analysis of how to improve the functioning of payments arrangements, assessment of the benefits of integration and the cost of non-integration, improving the division of labour between different types of regional organisations, the role of the private sector and of human resources development. The successful implementation of any action programme to promote regional cooperation and integration in SSA will depend on the strong political commitment of the African States and will require substantial donor participation. Furthermore, it is clear that progress in integration by itself will not speed up economic growth unless there are at the same time improvements in national policies, governance and participation as well as reforms to enable sustainable development.

DRAFT 15.11.1991

REGIONAL COOPERATION AND INTEGRATION IN SUB-SAHARAN AFRICA:
BASIC ISSUES FOR AN ACTION PROGRAMME

1. Introduction

The past decade has been particularly difficult for sub-Saharan Africa (SSA). The mounting debt burden, the fall in primary commodity prices and inappropriate domestic policies, all worked together to place SSA in a crisis situation whose solution will require major efforts both within SSA and at the international level.

At the Africa conference in Maastricht, in July 1990, representatives of African countries and the international community agreed on broad guidelines to enable Africa to overcome its present crisis. These guidelines covered a number of basic themes including development of human resources, governance and human rights, agricultural production growth, protection of the environment, participation of the private sector, population growth and migration and regional cooperation and integration.

The European Community (EC) has always favoured regional cooperation and integration as instruments for its development cooperation this is reflected in its allocation of special resources to regional activities. At the Maastricht conference, Mr MARIN, Vice President of the Commission of the EC (CEC) reaffirmed the EC's commitment to regional cooperation and offered its services in coordinating the preparation of an action programme to promote both regional integration and cooperation in sub-Saharan Africa (SSA). This work would fit into the wider context of follow-up activities to implement the Maastricht recommendations in the framework of the Global Coalition for Africa (GCA). It will complement the work being undertaken by the relevant institutions in the framework of the implementation of the treaty establishing the African Economic Community (Abuja, June 1991). So far, the African institutions have given priority to the drafting of the protocols to the treaty.

It is foreseen that an action programme for promoting regional integration and cooperation will be drawn up and presented at the follow-up meeting to the Maastricht conference, which should take place around mid-1992.

The purpose of this paper is to provide a basis for discussion and exchange of views, on the subject of regional cooperation and integration, with African governments, organisations and academics as well as with the international community. The focus is on economic aspects of cooperation and integration, but other aspects e.g. political and cultural are also crucial. It is important to realise that successful economic cooperation and integration requires a strong political will to collaborate, which must be sustained since integration is a long-term process. In fact, political will is often the starting point of cooperation or integration. It should also be noted that capturing the economic benefits of cooperation and integration does not necessarily prejudice political and cultural autonomy.

The CEC is also encouraging discussions in international fora on the regional dimension of adjustment as well as preparing a more general background document on regional cooperation and integration in developing countries to be examined in 1992 by the Development Assistance Committee of the OECD. The issue of the regional dimension of adjustment was discussed by the Group of donors of the Special Programme of Assistance (SPA) for African countries at its meeting in Tokyo in October 1991.

This paper is structured as follows. Section 2 summarises the different forms of integration and cooperation and introduces a few basic theoretical concepts. In Section 3 the reasons why the promotion of regional cooperation and integration is important in the present day context are highlighted. Section 4 provides a brief assessment of African experience on cooperation and integration. For completeness, annex B summarises factual information on organisations to promote cooperation and integration in SSA. Some of the lessons that can be drawn from the European experience are in section 5. Annex A contains an overview of European integration experience to complement what is in that section. On the basis of the assessment, section 6 outlines a number of issues that should be explored further. The last section briefly outlines the principles that could guide the formulation of an action programme for the promotion of cooperation and integration in SSA.

2. Concept of regional economic cooperation and integration

Immediately after the independence era, the SSA countries recognised that in view of the fragmentation and small size of their economies, and given the large number of landlocked or semi-landlocked countries regional cooperation and integration had to be important components of development strategies for SSA. They realized that in addition to increasing their political weight and bargaining power, regional integration could contribute to greater regional cohesion and stability. This idea as well as the theories of market and monetary integration and the principle of free trade, motivated the creation of most of the economic groupings in SSA. Other groupings have been more narrowly focussed on a specific sector or theme. Before assessing the results of these groupings, it is worthwhile to examine some of the reasoning that is behind their creation.

2.1 Market integration

The basic premise of the market integration approach is that, under certain conditions, the trade generated by the abolition of intra-regional restrictions (trade creation) leads to economic gains for the participating countries which exceed the losses that could be incurred through discrimination against third countries (trade diversion). The emphasis is placed on mobility of commodities and factors and on the market, whose expansion increases opportunities for the exploitation of comparative advantage and economies of scale and which provides a regional "training ground" for infant industries. Market forces ensure rationalisation of production by allocating resources more efficiently.

In this framework, the simplest form of integration is the creation of a free-trade area. In this case, the objective is to eliminate tariffs and quantitative restrictions on trade in goods and services between countries of the region without necessarily adopting a Common External Tariff (CET) with respect to third countries. This, in fact, is the feature which differentiates a free-trade area from a customs union, which provides for a CET with respect to third countries. The CET prevents imports intended for countries where tariffs are high from entering as transit goods where tariffs are low. A customs union is thus, in principle, a more stable arrangement than a free trade area.

A common market is usually considered as going beyond a customs union by allowing factors to move freely. This would specifically imply the possibility of labour migration and cross-border investment. The most advanced form of economic integration is the economic union, which combines the suppression of restrictions on commodity and factor movements with the harmonisation of economic policies. Such integration typically requires the setting up of supra-national bodies whose decisions are binding on Member States.

2.2 Monetary cooperation and integration

It is well known that monetary problems, such as currency inconvertibility and instability seriously hamper trade and thus jeopardize economic integration. A particular problem arises where countries with inconvertible currencies interact with countries belonging to a convertible currency zone. In order to enhance their cooperation, many of the regional economic groupings motivated by the free trade/customs union approach are also contemplating forming a monetary union. There are various levels of monetary cooperation short of the creation of a monetary union. Most of these aim at stabilisation of exchange rates to facilitate trade and investment flows by reducing the exchange rate risks. They generally imply some collaboration between the central banks. The cooperation may consist of payments arrangements that are formalised through a clearing house. The clearing facilities may also be complemented by mutual credit arrangements.

A monetary union can be the final stage of a process of monetary integration and coordination, where the participants decide to maintain a common currency and therefore a single monetary policy, implying a single central bank and a pooling of reserves. Experience with monetary unions in SSA indicates that while monetary integration may greatly facilitate market integration, it is not in itself sufficient. At the same time there can be a lot of progress with respect to market integration, without having a full monetary union.

2.3 Functional cooperation

In addition to market and monetary integration which, in principle, affect the whole economy, there are forms of cooperation that are sectoral or thematic. These forms are also sometimes referred to as being functional and often call for a flexible institutional set-up. Two types can be distinguished:

- those for enabling joint implementation of (investment) projects and programmes in a given sector (e.g. transport and communications, training); and

- those for carrying out projects and programmes on specific themes such as food security or environmental protection.

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In many cases, the regional markets created fell short of the minimum size required to secure significant economies of scale, especially in a context of weak industrial structures and inadequate infrastructure. In fact, the GDP of SSA as a whole is roughly equal to that of Mexico or Belgium, with almost half of it originating in only five countries. Furthermore, in most of the agreements the trade liberalisation measures aimed at goods which were hardly produced in the region and as soon as tariff reductions began to affect the highly protected key industries, the regional trade liberalisation process would be halted and sometimes even reversed. This allowed highly inefficient national import-substitution industries to become even less competitive. This lack of political commitment to implementing regional integration measures was also apparent in the failure to properly address regional equity and in the low priority given by the governments to the financing of regional organisations. In times of liquidity crises, regional initiatives were the first to be affected. More fundamentally, governments continued to put national considerations before regional efforts and were reluctant to surrender a part of their national sovereignty on matters that could be more effectively handled through a regional body (principle of subsidiarity).

4.2 Monetary cooperation.

One of the major constraints on intra-regional trade in SSA is the lack of means to settle payments for regional transactions. As early as 1976, ECOWAS, established the West African Clearing House (WACH) in an attempt to overcome this difficulty. For Eastern and Southern Africa and the Indian Ocean, the PTA Clearing House (PTACH) was established in 1984.

Experience with these payments arrangements has been mixed. In the WACH, there has been a tendency towards accumulation of credits by countries with a relatively strong currency and corresponding increases in the debits of the other countries with relatively weak currencies. Furthermore, transaction costs are high and the time required to go through the payment procedure is long. As a result, only a small part of the official regional trade now passes through the Clearing House. The share of intra-regional trade passing through WACH decreased from about 40% in 1983 to almost zero in 1990. In the PTA, on the other hand, there has been an encouraging progression in the share of intra-PTA trade transacted through PTACH: from 9% in 1984 to 57% in 1989.

An assessment of the results achieved by monetary unions in SSA has to be considered from two perspectives: firstly, from the point of view of their original objectives; and secondly from the point of view of their contribution to regional integration as a whole. There are two monetary unions in Africa: the French Franc zone which covers 14 countries in West and Central Africa plus the Comores and the Rand zone which has some member countries in Southern Africa, but it should be noted that the monetary unions in SSA are more of a historical legacy than unions specifically created to further economic integration. In the case of the CFA franc zone, the unions maintain the link between France and its former colonies and are sometimes considered to be an instrument of France's development policy. In the case of the Rand zone, the union facilitates the maintenance of the dominance of South Africa as a pole in the region and is closely related to the Southern African Customs Union (SACU), from which some of the member States derive considerable amounts of revenue.

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In monetary terms, the CFA franc zone countries appear to have benefitted from the monetary union. Inflation has always remained at a reasonable level and the convertibility of their currency has helped the countries of the zone to avoid some of the difficulties experienced by other African countries. In addition, the countries within the zone have enjoyed relatively stable exchange rates in comparison with those experienced in other developing countries. However, the fixed relationship that has been maintained for extended periods between the French franc and the CFA franc, has has lowered the relative prices of tradable products, encouraging imports and reducing the competitiveness of exports.

It is not at all clear how much the monetary union has contributed to integration in the West African region since a large proportion of trade involves third country products and arises from the distortions referred to above. In the CEAO, increases in intra-regional trade can be partly attributed to the existence of a monetary union. However, much of the trade is based on traditional patterns inherited from the colonial and pre-colonial eras. Finally, it should be noted that although the Union Douanière des Etats de l'Afrique Centrale (UDEAC) enjoys the same currency convertibility, it has been one of the least succcessful in promoting intra-regional trade.

4.3 Functional cooperation

The results achieved in cooperating on specific themes or in specific sectors have been more positive due partly to the flexibility of the modalities for cooperation. Countries participate according to their priorities. In addition, many such projects or programmes are set up in the face of a common challenge or threat (locust control, desertification, control of livestock diseases), which is recognised as such by the participating countries. As a result they often have the full patronage of the governments concerned. However, this does not necessarily mean that the governments provide the backup in terms of resources.

This approach has found favour because it allows countries to keep their autonomy in terms of economic policy, but at the same time to cooperate in areas where they perceive a need to do so. In some cases the cooperation on one theme or in one sector leads to wider coooperation. The step-by-step approach reduces the difficulties linked to the distribution of costs and gains since it concentrates on those areas which bring benefit to a majority of participating countries.

An example of this pattern of cooperation is the Southern African Development Cooperation Conference (SADCC) which was set up in 1980 to facilitate coordination of measures aimed at reducing the dependence of member countries on South Africa. SADCC has been effective in channeling external support for regional transport and communications networks.

Another organisation which aims at the achievement of specific goals is the Comité Permanent Inter-états de Lutte contre la Sécheresse dans le Sahel (CILSS). In line with its mandate, CILSS has done a lot of work on monitoring environmental trends and on coordinating food security policies.

One of the weaknesses of this type of cooperation is that, so far, it has tended to be motivated and to rely almost exclusively on donor funding. This presents the risk that the cooperation may not be sustainable once external funding is phased out.

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4.4 Regional Organisations

Virtually all the regional efforts were undertaken within the framework of one regional organisation or the other. In addition to the four regional economic communities (Economic Community for West African States, Economic Community of Central African States, Preferential Trade Area for Eastern and Southern African States and Maghreb Union) which are to merge into a pan-African Economic Community, there are said to be almost 200 regional bodies. Annex B contains a brief overview of the main organisations. The overview, even though not exhaustive, shows that they sometimes have overlapping functions and are often in a situation of competition for funding. In this competition the basic mandates of the organisations are often not respected and the "fundability" of proposals gets priority over the objectives.

It should be recognised that inter-governmental organisations represent a large direct and indirect cost for the African states which typically belong to several organisations at the same time. The organisations themselves are adversely affected, because in these times of economic crisis, the states pay their contributions by order of priority. Since each state has its own priorities, this practice has often led to serious financial difficulties in the organisations which greatly hamper their operation. Several fora have already referred to the need for restructuring of the inter-governmental organisations. This issue should be further addressed and deepened by appropriate political initiatives.

4.5 Financing regional cooperation and integration in SSA

One of the characteristics of regional efforts in SSA is their dependence on external financial support. Successful regional cooperation and integration in SSA will require major efforts and resource mobilisation within the region as well as by the international community. Donors can play a positive and catalytic role in promoting and enhancing regional integration and cooperation in SSA, but the existing framework for such action is not always adequate. Few donors have the instruments or the experience necessary to launch regional initiatives which are very complex and require much sensitivity.

Although the African Development Bank (ADB) is now strongly committed to economic integration it was, in the past, limited by a number of internal operational and institutional obstacles to multi-country lending. Its resource allocation criteria emphasized individual country allocation and made no specific reference to support for sub-regional organisations. African States were thus deterred from soliciting the ADB's support for regional projects since they had to rely on their individual country allocations. It should be noted, however, that the ADB has recently increased its support for regional operations and set up a unit to promote regional cooperation and integration. Similarly, the World Bank's machinery is geared more to State-by-State interventions and is thus not truly appropriate for supporting regional cooperation and integration. As a result, there have been few cases where regional integration initiatives have benefited from Bank loans or advice.

It appears that many of the multilateral and bilateral donors are characterised by this shortcoming. Exceptions include: (i) the EC which has long-standing experience in providing support for regional cooperation and has clearcut procedures as well as funds earmarked for regional cooperation; (ii) the United Nations institutions, particularly UNDP, with its intercountry programmes and UNCTAD; (iii) the ADB which, as indicated above, has recently created a special unit for the purpose.

It appears essential to find ways and means of enhancing the role of donor agencies in SSA cooperation and integration schemes especially with a view to ensuring increased coordination and the development of appropriate mechanisms.

5. Lessons of European integration experiences

The European integration process is often referred to as one of the few successful integration experiences. More than 40 years have passed since the process was started in the period following the second World War. Annex A contains a brief account of some of the main aspects of European integration experiences. There can be no doubt that the conditions in Europe at that time were very different from those in SSA to-day but, still, certain lessons, which are valid beyond the European context, can be drawn.

One such lesson is the importance of strong, sustained political will. The European integration process was a long-term process, strengthened by strong and sustained political will to proceed towards realistic objectives. Progress was uneven over time, with periods of great difficulties sometimes alternating with periods of successive breakthroughs, but in most cases, achievements were built upon and there was no backtracking.

European integration would probably not have got very far without a strong institutional set-up and without a system of "own" resources. An organisation to promote integration, should have a certain independence from the participating governments so that it can effectively pursue a "community" interest rather than a sum of national interests. This independence requires a claim to own resources to carry out the community tasks. Otherwise the integration organisation will constantly have to beg for funding and will not be able to formulate and implement integration policy. A logical start may be to consider customs receipts as community resources, because in a customs union it should not matter where a product is imported and which country happens to collect the duty. However, in the SSA context this may not be feasible because customs duties make up a very large share of government receipts. Clearly, "own" resources does not imply that an integration organisation needs an apparatus to collect taxes, rather it means clarity on a rule to finance the implementation of integration measures.

Another important lesson to be learnt from the European experience is the importance of coordinating macro-economic policies. In the area of monetary policy, the European experience demonstrates that even though a full monetary union is not at all necessary for progress on market integration, a satisfactory degree of currency convertibility is required. As economic integration proceeds there is gradually a greater need for coordination of monetary policy, ultimately leading to the desirability of a full monetary union. Convertibility of the currency reflects a certain maturity of monetary institutions generally implying a separation of the responsibility of the treasury and the central bank. Convertibility makes it possible for traders and investors to plan their operations and to avoid costly barter operations. Payments arrangements through clearing houses are generally a step towards convertibility.

The European experience also demonstrates the importance of regional and social policies to reduce welfare disparities between different zones in the integration area. There is a tendency for market based integration to benefit zones of great economic potential, because supply response to comparative advantage will be quicker in such zones. Even though depressed areas may not suffer, the increased disparities are typically perceived as a cost for such zones. There is a certain trade-off between migration and compensatory regional policies. Migration away from the depressed areas may not always be politically and socially desirable. Compensatory regional policies should preferably attack the causes for the relative backwardness of certain zones. In the SSA context, the financing of such policies poses problems. However, not all compensatory policies should cost money. In some cases one could try to protect the market for products for which the poorer area has a comparative advantage (e.g. protection of livestock products in coastal West Africa could help the Sahel area).

The recent discussions on European Economic and Monetary Union and on Political Union have underlined the importance of the principle of subsidiarity. This principle provides a way to distribute responsibility over bodies representing various levels: e.g. communes, countries, groups of countries. Application of subsidiarity means that the body representing the level at which an issue can be most effectively tackled should be the one that has the responsibility, e.g. the running of primary schools can probably be best organised at a low level, whereas environmental problems which transcend borders are better handled at a higher level. The subsidiarity principle may help in determining a reasonable division of labour between different regional bodies and/or national administrations.

The European experience also shows that a certain pluralism of organisation is compatible with integration. Thus the continued existence of the Belgium Luxemburg Economic Union and of Benelux is fully compatible with the EC approach. Several EC policies have been implemented by sub-groups of the 12 member states (e.g. the European Monetary System). Such cases of "integration at different speeds" are normal once the number of participating countries becomes relatively large. In the SSA context, variable geometry could for example mean making progress at ECOWAS level while maintaining the achievements of CEAO. However, even though variable geometry justifies a certain pluralism of organisations it does not justify any wasteful duplication of functions.

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Finally, the European integration experience was not a process for governments alone. It benefitted significantly from strong non-governmental participation by a wide vairety of socio-economic groupings including trade unions, employers' organisations and consumers groups. The constant pressure of such groups ensured that the issue was kept high on the agenda. The successes of integration efforts reinforced the momentum thus built up and the integration process could in this way be said to have created its own momentum.

6. Important issues that should be explored further

The review of European integration and cooperation and the assessment of integration and cooperation initiatives in Africa point towards a number of themes or issues that are particularly important for the preparation of an operational action programme. Most of them require further analysis specifically in relation to the African context. This analysis could complement the work which is already being undertaken by the relevant institutions as a follow-up to the signature of the treaty establishing the African Economic Community (Abuja, June 1991). The purpose of this section is to summarise the main issues and to outline any further analysis that would be called for.

6.1 Barriers to trade and factor movements

The gradual elimination of trade barriers and restrictions on factor movements is an essential ingredient of economic integration. There is a large volume of theoretical literature on the welfare effects of trade barriers, specifically in the form of tariffs or quotas. The theoretical knowledge on factor movements (especially labour and capital) is less developed, but still substantial. Much less is known about non-tariff barriers.

In the SSA context specifically, there is a lack of the factual knowledge about non-tariff barriers and restrictions. Many of these barriers are of an administrative nature and represent rent-seeking behaviour. Unofficial trade between certain countries is substantial, but not all of it is efficient. Some of it may be a consequence of trade barriers and would not be viable if trade liberalisation took place.

A better factual knowledge of the various types of constraints on trade and factor movements in SSA is highly desirable in order to prepare an action programme to promote regional economic integration. This is the specific subject of a study undertaken jointly by the World Bank and the EC.

6 2 Payments arrangements

As observed above, monetary issues, including the lack of convertibility, may impose serious constraints on regional trade and may therefore hamper regional integration initiatives.

It would be worthwhile to work out operational recommendations to make payments arrangements in the African context more effective, taking into account any lessons to be learnt from experience with arrangements in other regions (e.g. the European Payments Union 1950-58 and the Central American Clearing Facility). These recommendations could be based on an assessment of the contribution of payments arrangements to:

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- saving on foreign exchange and interest payments;
- facilitating regional trade involving private agents;
- facilitating regional trade involving public agencies;
- encouraging cooperation between private and central banks;
- stabilising receipts of traders;
- circumventing problems related to inconvertibility;
- economic integration (in general).

An important issue to be examined is the effect of (differential or fluctuating) overvaluation of currencies on the operation of regional payments arrangements. In this context, specific attention should be given to fair ways of settling arrears and to credit mechanisms. Another point is the interrelation between structural adjustment and stabilisation programmes and regional payments arrangements.

A study to address the contribution of adequate payments arrangements to integration and cooperation in SSA is presently being prepared.

6.3 Benefits and costs of integration (and non-integration)

Economic integration is not a zero sum game where in the end a fixed payoff is distributed over the participating countries, so that whatever one country gains, another must loose. Integration, through increased efficiency and growth may result in a higher payoff for all the participating countries. However, there may be losers, especially in the short run. Various situations may arise. A country, or a particular group within a country, may loose in the short run. Whereas it may already be difficult to arrange compensation for the loosers within a country, it is certainly even more complex between countries. At the same time, the perception of any losses, even if they are only likely to occur in the short run, may be a motive for opposing an integration scheme.

The issue of compensation is closely related to the expected benefits of integration, because the resources for compensation should be derived from the benefits of integration. If no credible benefits can be expected, integration is not worthwhile. Compensation typically necessitates formulating policies to help specific zones or population groups that are bypassed by the integration process.

At a very general level, benefits of integration arise from:

- increased efficiency through a better division of labour at the regional level; this gain takes place through the competitive process;
- economies of scale through production for a larger market;
- savings through simplification of procedures and coordination;
- savings through standardisation of design and technical specifications.

However, very little is known on the order of magnitude or on the nature of the benefits from integration that would arise in the SSA context. It would be worthwhile to carry out a systematic analysis of these benefits. From the viewpoint of methodology, such a study could benefit from the experience gained by the Commission of the EC on the costs of not completing the 1992 European single market (the Cecchini analysis). During a first stage the analysis could highlight a specific sector such as transport and communications where benefits are certainly important. At the same time the compensation mechanisms should be looked at, referring in particular to the CEAO and UDEAC experience.

6.4 Comparative advantage of various types of organisations

As mentioned in section 4, there are a large number of organisations which deal with regional cooperation and integration in SSA. Many of these organisations find it difficult to secure funding for their activities. Several organisations rely almost exclusively on direct donor funding or on a "mark-up" on donor funded regional projects. In some cases, even the minimum administrative costs are not guaranteed. In such circumstances, it is difficult for the organisations to fulfill their mandates. At the same time there may be overlap in the mandates of different organisations.

Even though a process of increased cooperation and integration cannot be rigidly structured and should allow for a certain pluralism and variable geometry, there are certain limits to be respected for the sake of efficiency and rational utilization of scarce resources. An assessment of the mandates of different types of organisations with a view to recommending a good division of labour is highly desirable. The pan-African organisations such as OAU, ADB and ECA should have the lead on this subject. The possibilities to restructure, merge or, in the extreme case, abolish organisations should be looked at from the point of view of overall welfare maximisation.

6.5 Regional dimension of structural adjustment

The relation between adjustment and integration can be positive or negative depending on the precise circumstances. On the one hand, since stabilisation as well as structural and sectoral adjustment programmes have generally focused on the national context, they often lead to additional constraints on trade or factor movements and therefore on economic integration. Given the length and largely uncontrolled nature of borders, there is a possibility that trade policy measures implemented in one country have negative spillover effects on neighboring countries. Such "beggar my neighbour" policies are ultimately harmful for the region as a whole.

On the other hand, stabilisation and adjustment programmes eliminate distortions that are at the origin of inefficient production location and goods flows. Such programmes may thus constitute a favourable element for regional integration. At the same time, measures to promote regional integration may strengthen the adjustment programmes.

The issue of the regional dimension of adjustment is related to the more general problem of economic policy coordination. The European experience demonstrates that progress on integration in general calls for more and better policy coordination. In practical terms little attention has been paid to the "regional dimension of adjustment". At present, work is in progress for a regional SAL for the UDEAC. Furthermore, the EC has been examining the relation between regional integration and structural adjustment. A paper on this subject was submitted by the Commission to the SPA group of donors which met in Tokyo in October 1991. The overall response to the paper was positive and it was felt that it should also be submitted to the GCA. The main orientations of paper can be summarised as follows:

- the regional dimension should be taken into account right from the design stage of national structural adjustment programmes;
- an effort should be made to harmonise the macroeconomic and sector policies in order to reduce negative cross-border effects;
- while maintaining an overall outward oriented approach, there should be some regional preference with respect to flows of goods, services and factors;
- where appropriate, regional structural adjustment work should be undertaken.

6.6 Private sector involvement, foreign and cross-border investment

A central argument in favour of regional integration is that it enables participating countries to benefit from increased efficiency and economies of scale. It is the private sector that should be the driving force to capture these benefits. However, it cannot be taken for granted that this is an automatic process. The governments should ensure an enabling environment for the private sector to fulfill its potential. There is already a tradition of trade promotion activities at the regional level (e.g. trade fairs, buyers/sellers meetings). It would be worthwhile to establish closer linkage between regional integration and trade promotion. This may imply deeper involvement of chambers of commerce or other appropriate private sector groupings.

In many SSA countries, foreign direct investment flows have dried up since the beginning of the 1980s. There has been increasing disinvestment which, to a large extent, explains the deterioration of the balance of financial flows to SSA. Successful economic integration would greatly stimulate foreign direct investment in SSA and may help in reversing capital flight. Closely related to this is the facilitation of cross-border investment and factor flows.

In order to promote regional integration, the possibilities for greater involvement of the private sector in regional trade and investment flows should be investigated.

6.7 Human and institutional resource development

Human and institutional resource development are fundamental in a strategy to promote greater cooperation and integration in SSA. One aspect is the factual knowledge and skills to effectively set up and run regional integration organisations (e.g. on monetary matters, customs regulations, quality inspection, standardisation etc.). However, there is probably a more fundamental aspect embedded in the knowledge of each others traditions, culture and values.

Various possibilities exist to strengthen human resources and institutions. Examples include:

- exchange programmes for research on topics related to regional cooperation and integration (cf. African Economic Research Consortium);
- exchange programmes for students (cf. ERASMUS);
- establishing a special university curriculum on economic integration.

The possibilities of strengthening human resources with a view to promoting integration should be carefully assessed.

7. Concluding remarks

It is not possible at this stage to reach specific conclusions on the best ways to promote integration. The recommendations resulting from studies referred to in section 6, as well as from discussions in different fora, should provide a solid basis for an action programme on the promotion of cooperation and integration. However, a few principles might be put forward.

It is important to distinguish between the promotion of cooperation and integration and financing cooperation and integration as such. The purpose of the initiative envisaged will be to explore possibilities for the promotion of integration.

Efforts towards integration should preferably build on existing intitatives and rely on viable existing organisations with clear and precise mandates, without excluding the dismantling of some organisations. In addition, proposals should be thoroughly pragmatic and avoid grand design. Proposals should also be realistic in relation to the political will to collaborate that is called for, as well as in relation to available resources and institutions. Specific actions should not necessarily involve all members of an organisation; actions involving only a few countries, products or only one theme may have more chances of success. The requirements of transparency and accountability that are at the centre of the present debate on governance, should also apply in the context of regional cooperation and integration.

Annex A: Overview of European integration experience

Historic background

The years following the end of World War II were extremely difficult for Europe from an economic point of view. Huge investments were needed to overcome the destruction caused by the war. The process was made even more difficult by massive population migrations and by the rapidly mounting tension between the East and the West leading to the cold war period.

In 1948, in order to support the European recovery process, the US set up an aid programme that became known as the Marshall Plan. The aid consisted in loans that helped to cover the heavy balance of payments deficits of European countries vis-à-vis the US. The Organization of European Economic Cooperation (OEEC) which was set up to coordinate the programme, had seventeen members: Austria, Belgium, Denmark, France, the Federal Republic of Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Sweden, Switzerland, Turkey and the United Kingdom. The countries under the influence of the USSR did not participate.

In 1950, the European Payments Union (EPU) was established under the aegis of the OEEC. The task of EPU was to provide a clearing system for the multilateral payments between the member countries. In addition, EPU contained a mechanism for automatic credit lines to members with a payments deficit.

The Marshall Plan was quite effective in fostering economic recovery, but since the OEEC had a predominantly coordinating role, recovery took place in a purely national context. Many European politicians, especially Jean Monnet and Robert Schuman in France, felt that something more substantial had to be done to promote greater cohesion and integration in Europe and preserve the peace. At the same time, they were aware that most governments were reluctant to give up their prerogatives. The creation of the European Coal and Steel Community (ECSC) in 1951 was a compromise, in the sense that it involved giving up national prerogatives, but only on two specific sectors of the economy. In contrast to the large number of OEEC members (17), there were only 6 countries that signed the original ECSC treaty: France, the Federal Republic of Germany, Italy and the 3 Benelux countries: Belgium, the Netherlands and Luxembourg.

The ECSC treaty was the real breakthrough in European integration, because it endorsed the principle of supranationality (i.e. giving up some national prerogatives for the common good) and because it put in place the necessary legal and institutional framework.

The ECSC provided for a common management of two important economic sectors: i.e. coal and steel. A powerful "High Authority" was established to formulate and implement the common policy. The High Authority members were nominated by governments, but could act independently on the basis of the treaty. The institutional set-up was completed by the Council of Ministers, the Common Assembly (later to become the European Parliament) and the Court of Justice.

The main task of the ECSC was to organize the reconversion of the coal and steel industry which faced problems of overproduction and high production costs. The ECSC established free trade within the Community for coal and steel products and went even further. It had its own resources coming from import duties and a tax on production. It also had power to control restrictive practices and mergers in order to promote free competition and, if the market circumstances so required, the ECSC could fix prices levels as well as production and trade quotas.

The instant success of the ECSC very much strengthened the belief in European integration and in 1957, in Rome, the 6 countries signed two more treaties: one to create the European Economic Community (EEC) and one to establish a European Atomic Energy Community (EURATOM). The EEC treaty is by far the most important one in terms of coverage and relevance. The main elements of the EEC treaty were:

- creation of a full customs union;
- establishment of a competition policy (antitrust);
- establishment of an agricultural and a transport policy;
- establishment of a social policy, including a social fund to support e.g. professional training and employment mobility;
- provision for economic policy coordination and for free movement of labour and capital;
- creation of a fund for investment in the "overseas territories" (this provision is the origin of EC development cooperation and the fund became the first European Development Fund, EDF).

The EEC treaty foresaw an institutional and budgetary set up that was similar to the ECSC.

Progress on the "integration programme" embodied in the EEC treaty has been uneven over time. There have been periods of great difficulties (e.g. on budgetary matters and on agriculture) and breakthroughs have sometimes been concentrated. But more significantly, achievements have been maintained and built upon; there has been no backtracking. All internal import duties were abolished, and a common external tariff was established already by 1968.

In 1965 the institutions of the 3 separate communities (ECSC, EEC and EURATOM) were merged through a specific treaty. Because of this merging it is generally more appropriate to speak of the European Community (EC), even though the three separate treaties remain valid.

An important development was the creation in 1975 of the European Regional Development Fund to reduce regional disparities within the Community. The regional fund was to a certain extent a response to the enlargement in 1973.

The EC treaties contain a procedure for admitting new members. In this way the Community was enlarged by the admission of the UK, the Republic of Ireland and Denmark in 1973, Greece in 1981 and Spain and Portugal in 1986. As a result the Community now has 12 members.

In 1959, outside the EEC and partly as a reaction to it, seven countries set up the European Free Trade Association (EFTA). The founding members were: the UK, Norway, Sweden, Denmark, Austria, Portugal and Switzerland. Finland and Iceland also became members later on, whereas the UK, Denmark and Portugal left EFTA on joining the EC. The EFTA countries abolished quantitative restrictions and tariffs on their trade at a pace comparable to the progress in the EC. However, in contrast to the EC, EFTA does not involve supranationality and the establishment of common policies.

By 1958, the members of the EPU had all restored the convertibility of their currencies. As a result, the EPU was wound up in 1959. An important lasting effect of EPU is the cooperation between the European Central Banks. The winding up of the EPU, together with the creation of the EEC and EFTA changed the role of the OEEC considerably. In 1961, to mark this changing role, the OEEC was replaced by the Organization for Economic Cooperation and Development (OECD). The OECD's membership has been broadened to include non-European industrialised countries such as the US and Canada.

Recent developments

Shortly after the accession of Spain and Portugal to the Community, a revision of the Treaty of Rome was approved. This revision, referred to as the "Single Act", became operational in 1987. The main objective was the completion of a unified European market by the end of 1992. It may at first sight be surprising to aim at the completion of a single market when there was a full customs union for almost two decades. The 1992 single market programme goes beyond the customs union requirements into eliminating distortions other than those related to trade: e.g. differences in value added tax rates and in excise duties, phytosanitory requirements, design standards etc. It also includes financial, banking and insurance services and provisions for Community wide tendering for public sector contracts.

The complexity of the 1992 programme on the unified market necessitated institutional and procedural improvements, including a wider use of majority voting instead of unanimity. These provisions were included in the Single Act. The Single Act also broadened the scope of Community policy by including environmental issues which, in many cases are cross-border issues. Finally, the Single Act initiated a reform of the instruments to reduce disparities within the Community. These instruments are now collectively referred to as the structural funds and include: the social fund, the regional fund and the fund to restructure agriculture.

In December 1990, two intergovernmental conferences were started: one on Economic and Monetary Union (EMU) and one on Political Union (PU). Both conferences will have far reaching consequences for European integration. On the monetary side, EMU implies the transformation of the present European Monetary System into a single currency, the ECU, with a single central bank. On the economic side EMU will lead to far reaching coordination of economic policies and arrangements on budgetary matters.

Political Union is concerned with a wide range of issues including: establishment of a European foreign policy, steps towards a European security policy and strengthening of democratic legitimacy of European institutions.

Annex B: Overview of organisations for promoting cooperation and integration in Sub-saharan Africa

B.1 Pan-African initiatives

The OAU Charter (1963) was designed to promote African unity. In 1980, the Lagos Plan of Action was approved with a view to forming a pan-African customs union by 1990. The plan was based on ideas developed under the aegis of the United Nations Economic Commission for Africa (ECA), which has been one of the most prominent advocates of integration in Africa. More recently, on 7th June 1991, the OAU Heads of State signed a treaty in Abuja (Nigeria) which provides for the creation of an African Economic Community over the next three decades. These initiatives demonstrate, to a certain extent, the recognition by the African States that regional integration is an important instrument of development strategy. In practice, the OAU has served to maintain the arbitrary boundaries of the colonial era and to safeguard the sovereignty of individual States.

It should be noted that the African Development Bank (ADB) which plays an important role in financing and mobilising resources for development in SSA, has recently become much more interested in promotion of regional integration.

B.2 Regional groupings

The largest regional grouping in SSA is the Economic Community for West African States (ECOWAS), with a total of 16 Member States, a total population of 179 million and a GDP of US$ 78 billion (1988). The grouping is characterized by the wide diversity of the situations of each of its Member States. On the one hand it is dominated by Nigeria, which accounts for 55% of the population and 60% of GDP and, on the other, it includes some of the smallest African economies. In terms of production, some States are amongst the most industrialised in SSA (e.g. Côte d'Ivoire), while others depend almost solely on agriculture for their income.

ECOWAS has achieved very modest results even though the group of ECOWAS countries had one of the best growth performances of all regional groupings before the creation of the union. In fact, ECOWAS was practically the only grouping for which market size was sufficient for exploitation of economies of scale; and yet since 1980, GDP has declined considerably. One of the major problems for regional trade has been the interaction between the members of the CFA franc zone and the States which have inconvertible currencies.

The Preferential Trade Area for Eastern and Southern African States (PTA) was established in 1981 and now comprises 16 countries with a total population of 146 million and a GDP of US$ 33 billion (1988). The PTA includes four of the five most industrialised SSA economies, but has a market size which is insufficient for exploitation of economies of scale. Although it is too early to pass a clear judgement on its achievements there are promising signs in the area of trade liberalisation and facilitation and as well as trade financing.

The Economic Community of Central African States (ECCAS) comprises 10 members and only exists since 1983. The Members are also members of UDEAC (Union Douanière et Economique de l'Afrique Centrale) and CEPGL (Communauté Economique des Pays des Grands Lacs). Like ECOWAS and PTA, ECCAS has Members with a wide diversity of situations ranging from rich oil-producing to least developed. The future of ECCAS depends on the capacity to implement compensation mechanisms and on the capacity to effectively integrate Zaïre in a basically "French" system.

B.3 Sub-regional groupings

The convertibility of the CFA Franc seems to have contributed significantly to regional efforts in the Communauté Economique de l'Afrique de l'Ouest (CEAO) which was created in 1974 as a reaction to the difficulties surrounding the negotiations for the creation of ECOWAS. The CEAO also has a few other advantages over the other unions such as:

a) the long tradition of regional cooperation amongst its Members;

b) significant labour and capital mobility;

c) a fairly effective compensation mechanism (Fonds de Solidarité);

The economies of scale argument would not be justified for the CEAO, but it does have considerable scope for economic specialization. In any event, the CEAO has achieved a relatively high degree of integration and is considered to be the most successful grouping in SSA.

Although UDEAC (Union Douanière des Etats de l'Afrique Centrale) enjoys the same currency convertibility as CEAO, the grouping has had one of the worst performances in terms of intra-regional trade. This is probably due to limited mobility of labour and capital in the area. In addition, UDEAC appears to have an acute problem with sharing out the costs and benefits of integration.

The Southern African Development Coordination Conference (SADCC) was set up in 1980 to facilitate coordination of measures that would help the Member countries to reduce their dependence on South Africa. Economic cooperation was thus a continuation of successful political cooperation on the foreign policy. This may explain the remarkable progress made by SADCC in regional transport and communications. The joint food security efforts have also yielded significant results.

The Southern African Customs Union (SACU) created in 1910 a free trade area between South Africa, Botswana, Lesotho and Swaziland (BLS). The agreement gives South Africa the responsibility of managing tariff receipts. The system is a source of conflicts because although it reduces the administrative burden on BLS countries, it confers powers on Pretoria to redistribute the receipts. In addition, although South African products enter the BLS market freely, BLS products have limited access to the South African market. Nevertheless, SACU is one of the more operational Customs Unions in SSA.

Indian Ocean Commission (IOC) comprises 5 Member States, including France (Réunion), and was founded in 1982. The membership of an industrialised country limits the scope and objectives of the organisation, but it is too early yet to assess its performance as a body to facilitate regional exchange.

The "Communauté Economique des Pays des Grands Lacs" (CEPGL) comprises Zaire, Rwanda and Burundi. The CEPGL was founded in 1976, but has had limited results in stimulating intra-union activities. Zaïre, the largest member country still conducts more than 60% of its African trade with countries that are not members of the CEPGL.

B.4 Sectoral or thematic groupings or organisations

The sectoral or thematic approach to regional cooperation has been rather successful and is being increasingly favoured in SSA.

The Comité Permanent Inter-Etats de Lutte contre la Sécheresse dans le Sahel (CILSS) has made remarkable progress in the area of exchange of information and in collaboration on certain other themes. The concrete and realistic nature of its mandate facilitates its functioning and its capacity to achieve objectives.

The Intergovernmental Authority on Drought and Development (IGADD), created in 1985, is also receiving increasing recognition due to its capacity to directly address a real concern of its Member States. Its activities are, however, severely contrained due to civil strife and war in a number of the Member States.

As pointed out earlier, regional cooperation can also be undertaken within groupings which have no permanent institutional form. A case in point is the extension of transport corridors in Eastern Africa. Other examples include cooperation in the area of fisheries, locust control and the control of livestock diseases.

APPENDIX 7

Contributions by CILSS member States
Situation as at April 10, 1992

Member States	Arrears			Contributions due: end 1991	Contributions due: 1992	Total due	Remarks
	1989	1990	1991				
Burkina Faso	0	0	0	0	47,773,502	47,773,502	
Cape Verde	0	8,775	19,109,400	19,118,175	19,109,400	38,227,575	119,118,175: Transfer in progress
Gambia	3,163,423	19,109,400	19,109,400	41,382,223	19,109,400	60,491,623	41,382,223: Expected for June - July 1992
Guinea Bissau							
Mali	0	0	15,995,454	15,995,454	25,479,200	41,474,654	
Mauritania	0	0	0	0	47,773,502	47,773,502	47,773,502 (1992): Expected
Niger	0	31,343,969	31,849,001	63,192,970	31,849,001	95,041,971	31,343,969: Expected
Senegal	0	23,886,751	47,773,502	71,660,253	47,773,502	119,433,755	23,886,751: Expected
Chad	0	0	0	0	47,773,502	47,773,502	
	0	0	13,056,731	13,056,731	31,849,001	44,905,732	23,056,731: Transfer in progress (inc. 13,056,731 in arrears for 1991 and 10,000,000 for 1992)
	3,163,423	74,348,895	146,893,488	224,405,806	318,490,010	542,895,816	

1992 BUDGET

EXPENDITURE	ENTRIES FOR 1992			REVENUE	ENTRIES FOR 1992
	EXEC. SEC	AGRHYMET	INST. SAHEL	Account 105-01: Revenue and contributions from member States	
Category 1- OPERATING COSTS	125,806,066	100,833,711	112,523,295	Burkina Faso	47,773,502
				Cape Verde	19,109,400
				Chad	31,849,001
				Gambia	19,109,400
				Guinea Bissau	25,479,200
				Mali	47,773,502
Category 2 - EQUIPMENT COSTS	57,177,000	106,930,000	42,440,593	Mauritania	31,849,001
				Niger	47,773,502
				Senegal	47,773,502
				Total contributions:	318,490,010
				Account 105-03: Misc. revenue	36,483,992
Category 3 - INVESTMENT COSTS	0	0	0	Donor support	
				Executive Secretariat	70,690,000
				Aghrymet	106,780,000
TOTAL EXPENDITURE BY INSTITUTION	182,983,066	207,763,711	154,963,888	Sahel Institute	13,266,663
				Total donor support	190,736,663
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TOTAL EXPENDITURE		545,710,665		Total revenue	545,710,665

BREAKDOWN OF DONOR SUPPORT: 1992

Donors	Amount
Executive Secretariat	
- USAID	15,000,000
- The Netherlands	15,000,000
- CIDA	17,000,000
- ATI	7,000,000
- French Min. of	4,690,000
Coop.	3,000,000
- CEC/PRS	3,000,000
- CEC/PRG	6,000,000
- PAROC	
Total Executive Sec.	70,690,000
Sahel Institute	
- CIDA	10,920,000
- FAO	1,677,000
- PRS/FAC	669,663
Total Sahel Inst.	13,266,663
Agrhymet	
	15,400,000
- UNDP	21,280,000
- USA	28,800,000
- Italy	22,400,000
- France	18,900,000
- Reinvoicing of projects	
Total Aghrymet	106,780,000
Grand total	190,736,663

Top officials	Institutions	Burkina Faso	Cape Verde	Gambia	Guinea Bissau	Mali	Mauritania	Niger	Senegal	Chad	Total
Member States	E.S.	3				1			2	1	7
	SAHEL INST.			1		2	1			1	5
	AGRHYMET							2	1	1	4
	Sub-total 1	3	0	1	0	3	1	2	3	3	16
Donors	E.S.	4				4	2	3	3	5	21
	SAHEL INST.	1				6			1		8
	AGRHYMET	3	2			1	1	2	2		11
	Sub-total 2	8	2	0	0	11	3	5	6	5	40
Donors	CERPOD	2				6	1		7	2	18
	DFPV			1		1			4		6
TOTAL		13	2	2	0	21	5	7	20	10	80

Middle-grade officials	Institutions	Burkina Faso	Cape Verde	Gambia	Guinea Bissau	Mali	Mauritania	Niger	Senegal	Chad	Total
Member States	E.S.	11									11
	SAHEL INST.					7					7
	AGRHYMET							8			8
	Sub-total 1	11	0	0	0	7	0	8	0	0	26
Donors	E.S.	8				1	1	1			11
	SAHEL INST.					17					17
	AGRHYMET						1	3			4
	Sub-total 2	8	0	0	0	18	2	4	0	0	32
Donors	CERPOD	1				7	1				9
	DFPV							6			6
TOTAL		20	0	0	0	32	3	18	0	0	73

Executants	Institutions	Burkina Faso	Cape Verde	Gambia	Guinea Bissau	Mali	Mauritania	Niger	Senegal	Chad	Total
Member States	E.S.	21									21
	SAHEL INST.					16					16
	AGRHYMET							26			26
	Sub-total 1	21	0	0	0	16	0	26	0	0	63
Donors	E.S.	16									16
	SAHEL INST.					4					4
	AGRHYMET							16			16
	CERPOD					26					26
	DFPV							27			27
	Sub-total 2	16	0	0	0	30	0	43	0	0	89
TOTAL		37	0	0	0	46	0	69	0	0	152

APPENDIX 8

Club du Sahel meetings: Forums for discussions on development policy

A few remarks on Club meetings

The resolution that gave birth to the Club du Sahel expressly recommended that the Club meet at least once a year. This does not always happen, however, as the CILSS and Club Secretariats agreed to reduce the frequency of Club meetings in the wake of the Amsterdam Conference in 1978.

Club meetings are neither decision-making assemblies nor media-pulling extravaganzas. Their informal structure is in keeping with the Club's mandate, which is to provide a forum for dialogue between partners committed to development efforts in the Sahel. However, the general informality of the meetings does not prevent them from exercising a significant influence over the political choices of donors and CILSS member countries.

The unofficial Club du Sahel meetings are subtly linked to official CILSS assemblies, Ministerial Conferences and State Summits. Club and CILSS meetings are generally attended by the same Sahelian ministers and it is not unknown for Club recommendations to be discussed at CILSS meetings and, in some cases, incorporated into general policy.

The first meeting of the Club du Sahel -- Dakar (March 29-31, 1976)
The Club du Sahel comes into being and a working group is created

The meeting that created the Club du Sahel was organized in Dakar (Senegal) in March 1976, by invitation of President Senghor. Almost all the bilateral cooperation agencies and Sahelian countries had sent representatives and an exceptional spirit of solidarity pervaded the proceedings. The meeting's most important achievement was the resolution creating the Club du Sahel. The resolution laid down a long-term drought control program for the Sahel and it also stated the Club to be the joint creation of the CILSS member States and their donor partners. In compliance with the principle of equality, Club meetings are always chaired jointly by a Sahelian representative and a donor's representative.

The second meeting of the Club du Sahel -- Ottawa (May 30 - June 1, 1977)
A strategy is adopted

The second meeting of the Club du Sahel was held in Canada in 1977. It followed the April meeting of the CILSS Council of Ministers, which had approved the strategy that the working group had formulated around two main objectives: Self-sufficiency in food and a restored ecological balance by the year 2000. The second Club du Sahel meeting also approved the strategy and asked the working group to further its studies on a number of topics, particularly

recurring expenditure and cereals policy (prices, marketing, storage, links between cereals production and food aid, etc.).

The third meeting of the Club du Sahel -- Amsterdam (November 21- 23, 1978)
New ideas emerge

The Dutch government had already expressed firm support for the Club at the Dakar meeting in 1976 and, in 1978, it gave further proof of this support by hosting the third meeting of the Club du Sahel in Amsterdam. On this occasion, the working group was asked to revise the development strategy for the Sahel on the basis of the experience acquired. Participants learned that the working group had appointed a select committee to research cereals policy on the basis of the study performed by Dr. Berg. This work marked a major step forward for the Club, which had inaugurated a dialogue on cereals policy between donor agencies and Sahelian leaders. With this initiative, the organization was breaking totally new ground. The dialogue subsequently paved the way for the Nouakchott Conference, which was the first debate on cereals policy to be organized in the Sahel between development partners.

The fourth meeting of the Club du Sahel -- Kuwait (November 16-17, 1980)
A first appraisal is made of Club/CILSS achievements

The fourth meeting of the Club du Sahel was hosted by the Kuwaiti Development Fund. This was the first time that the meeting had been organized in an Arab country and it was therefore considered to be a major event. The choice of venue was the outcome of extensive discussions between the CILSS and Club Secretariats and the Arab countries. It was also an acknowledgement of the major role played by Arab financing institutions. Nine Arab countries, all the OECD countries involved in the Club du Sahel and a number of multilateral, regional and sub-regional organizations sent representatives to the Kuwait meeting. Taking note of the recommendation issued at Amsterdam, the working group had reviewed the strategy to place the emphasis on the environment, ecology and food security.

The fifth meeting of the Club du Sahel -- Brussels (October 26-28, 1983)
The Club's future course undergoes further analysis

The fifth meeting of the Club du Sahel was hosted by the European Community in Brussels. The Club Secretariat had prepared a global report for the meeting: "Drought Control and Development in the Sahel: Situation at the Beginning of the 1980s, Appraisal and Outlook". This second critical appraisal offered a far more detailed picture than the document presented in Kuwait of the impact of development efforts in the Sahel. The conclusions of the document showed results to fall far short of expectations. The appraisal opened a broad debate on development policy and participants adopted a series of proposals with a view to acquiring better results in the future. It was suggested that the CILSS and Club Secretariats should be less sectoral and more farsighted. The meeting asked the two Secretariats to undertake a forward-looking analysis of the problems of tomorrow.

The sixth meeting of the Club du Sahel -- Milan (December 10-12, 1985)
Forward-looking studies begin

The sixth meeting of the Club du Sahel was hosted by the Italian Ministry of Foreign Affairs. The meeting brought together 150 participants from some fifty different countries and organizations to discuss sectoral strategies, economic policy and the timeliness of starting a forward-looking study to the year 2020 with a view to targeting future initiatives more effectively.

Milan was the Club's biggest ever meeting in terms of the number of delegates. At the close of the event, the Club's main organizers decided that future meetings should be smaller in order to facilitate discussions.

The main donors asked the Secretariat to bring the Donors' Advisory Group together once a year in order to discuss the problems arising. The CILSS Executive Secretary would automatically be invited to these events.

The seventh meeting of the Club du Sahel -- N'Djamena (January 26-27, 1988)
A forward-looking study is adopted

The seventh meeting of the Club du Sahel was the first to be held in Africa. The N'Djamena meeting brought together a restricted number of delegates (twelve countries and donor agencies) and also, for the first time, the Ministers of Plan.

The main topic discussed was the adoption of the forward-looking study as a reference document for future Club studies. The meeting also discussed the role of the State in cereals production and the problem of population policies in the Sahel.

The eighth meeting of the Club du Sahel -- Bissau (February 6-7, 1990)
The Food Aid Charter is adopted

The highlight of the eighth meeting was the adoption of the Food Aid Charter. For the first time in the Club's existence, Sahelian and donor countries produced a concrete agreement on an extremely complex topic involving numerous conflicting issues. The meeting also set the scene for frank and open discussions on other topics of major strategic importance for the region's future, notably regional cooperation, decentralization and the management of the agro-ecological balance.

Once again, the number of delegates was restricted. A total of eleven countries and international organizations sat round the table with the nine Sahelian delegates to discuss the important topics above.

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THE DONORS' ADVISORY GROUP

Created in 1985 in the wake of the Club du Sahel's sixth meeting in Milan, the Donors' Advisory Group has met in Ottawa (1986), Bern (1987), Tucson (1988), Montpellier (1989), the Hague (1990) and Brussels (1991).

These meetings offer donors an opportunity to discuss the most important issues in the CILSS/Club joint work programs with each other and also with the CILSS Executive Secretary and the Director of the Club Secretariat.

The Donors' Advisory Group also prepared the Club du Sahel meetings in N'Djamena, Bissau and Ouagadougou.

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THE CLUB DU SAHEL SECRETARIAT AND THE OECD

The OECD is a consultative organization headquartered in Paris and bringing together twenty-four countries characterized by a common political and economic ideology and a high level of economic well-being (Australia, Austria, Belgium, Britain, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, Turkey and the United States, with the CEC and the World Bank as observers).

The Club Secretariat was created by nine of the above countries who provide the resources necessary to finance the secretarial services required in various areas and to further studies and research.

The Club Secretariat provides back-up for the CILSS Secretariat, which has always been associated with its work in one way or another.

APPENDIX 9

Democracy, Government and Human Rights: US Government Investment Policy for the Economic Development of sub-Saharan Africa

Encouraging democracy has long been one of the main objectives pursued by the United States of America. Experience has shown that our relations with democratic countries tend to be more constructive and to generate greater national support than our relations with authoritarian regimes. Moreover, it is becoming increasingly clear that societies that value individual rights, respect the law and enjoy open and responsible government, offer better opportunities for sustained economic growth than the closed systems where individual initiative is stifled. In consequence, democracy is as much a development problem as a political problem.

Our objective in the long term is to pursue our commitment to development, by helping nations to create democratic systems while keeping their own traditions and customs. We are aware of the widely varying political, economic, cultural and social contexts in which USAID operates and our efforts will be tailored to the conditions prevailing in each country. Further, we will be sufficiently flexible to respond to any specific opportunities that may arise. The promotion of development will provide the common link running through all our efforts to encourage the emergence and the establishment of political systems that:

- offer the entire population rights of citizenship and full participation in the nation's political life;

- respect civil and human rights.

In terms of political and human rights, an encouraging example is provided by the countries that have opted for democracy <u>and</u> that allow their citizens to participate freely in the nation's life without fear of hindrance or reprisal. Unfortunately, some of the countries that have made the democratic choice have failed to safeguard their citizens' rights to free and full participation in the nation's life. This highly regrettable situation runs contrary to the fundamental principles of democracy.

Political systems must therefore:

- establish and maintain useful and astute government institutions of recognized competence;

- authorize political debate and free competition leading to regular and fair elections and the continuity of civil government.

Our objective is to make sure that these general principles of democracy and government are incorporated into our main bilateral decisions concerning investments for the development of Africa. These decisions, which are based on country-to-country relations, therefore take into

account not only the national government's respect of basic freedoms and human rights but also the transparency and the efficiency of its public sector.

The above criteria of democracy and government will be applied to decisions concerning the whole of Africa, which is where the bulk of our investments in development will be made.

The CILSS already plays an important role in promoting a pluralistic viewpoint on development. In 1984, the CILSS produced a revised version of its drought control strategy, which called upon Sahelian governments and the international community to "give rural populations an active role in their own development once more". At the historic round table of Ségou in May 1989, the CILSS brought together representatives from all areas of development including rural organizations. Participants put forward a number of recommendations illustrating their desire to see programs that would effectively promote democracy and government in rural development and primarily:

- give local communities a greater role in the decentralized management of local-level natural resources as part of a national land development policy;

- introduce better policies on land tenure and the enforcement of rights, etc.;

- enhance the major role played by women.

The work performed by the CILSS in a number of key areas (land tenure, decentralization, regional trade and the development of the private sector) since 1989 has pointed to the need for Sahelian States to open the dialogue on development to a broader mix of players from Sahelian civil society and to explore possible options for sharing the responsibilities -- and the prerogatives -- of government with local communities and institutions.

We believe that the CILSS could act as a pivot by fostering the emergence of strong democracies and by continuing discussions on policies to improve natural resource management and food security. The principles of democracy, government and human rights are gaining ground all over Africa and we believe that the CILSS States could leap ahead of all the other regions by implementing the recommendations issued by the Ségou Conference.

APPENDIX 10

COUNCIL OF MINISTERS AND
SUMMIT OF HEADS OF STATES OF THE CILSS
Ouagadougou April 6-9, 1992

SUPPLEMENTARY REPORT ON THE FOOD AID SITUATION IN THE COUNTRIES OF THE SAHEL

Club du Sahel - April 1992

Following favorable rains, cereal production in the Sahel countries has been particularly good in 1991 (overall 36% more than in the previous year) although important deficits have been recorded in Cape Verde and Mauritania.

Most CILSS countries have traditional cereal surpluses, so that the balance of cereal needs really refers to wheat and rice (see table below) and thus, for most countries, raises again the issue of switches in consumption patterns and of taking full advantage of local grains.

PLACE OF FOOD AID IN THE
CEREAL DEFICITS OF CILSS COUNTRIES
1991/1992 CROP YEAR
(thousand metric tons)

	Cereal Deficit	Incl. Rice/ Wheat	Expect. Commerc. Imports	Balance Cereal Requir.	Food Aid Pledges	Food Aid Recvd 3/15/92
Burkina Faso	140	125	134	6	60	16
Cape Verde	66	31	8	58	10	2
Gambie	70	70	59	11	10	2
Guinee Bissau	62	62	55	7	7	-
Mali	80	70	70	10	22	11
Mauritania	165	150	95	70	49	12
Niger	75	55	60	15	33	17
Sénégal	650	560	565	85	46	11
Tchad	50	50	45	5	20	7
Total CILSS	1358	1173	1091	267	257	78

(Source: FAO/GIEWS Special report on Africa, April 1992).

Within the scope of the application of the Food aid Charter to the CILSS countries, these recent data on the grain stock and trade conditions of member countries suggest two main conclusions:

- The need to continue efforts to reduce as much as possible planned rice or wheat imports when there is a significant surplus of traditional cereals.

- In the case of Burkina Faso, Chad, Mali and Niger, food aid pledges are far above needs derived from the difference between the national stock and anticipated imports. As of March 15, 1992, even deliveries are above estimated needs in Burkina Faso and, to a lesser extent, in Niger and in Chad.

Donors must, therefore, ensure that their food aid deliveries neither interfere with the normal operation of sahelian markets (which should play this year a major spatial arbitrage role between excess and deficit areas) nor tax the financial or management capacities of national cereal boards.

SUMMARY OF THE CURRENT SITUATION IN THE CILSS COUNTRIES
(from the FAO/GIEWS Special report on Africa)

Burkina Faso: Overall food supply is satisfactory; the country has, after farmers' stocks rebuilding, an exportable surplus. Food aid requirements are largely covered by pledges. Donors are urged to convert their outstanding food aid pledges in coarse grains and wheat into local purchases.

Cape Verde: Adequate food imports and food aid deliveries are in the pipeline to cover short-term requirements, but reported pledges are still much below estimated requirements.

Chad: Food situation generally satisfactory, but the supply of certain areas is disrupted by civil disturbances. Current food aid pledges largely cover the food aid requirements. Donors are urged to convert their food aid pledges in coarse grains carried over from last year into wheat and local purchases.

The Gambia: Generally satisfactory food situation. Expected cereal import needs partly reflect plans for re-export of cereals.

Guinea Bissau: Generally satisfactory food situation. Food aid pledges cover anticipated requirements.

Mali: Generally good food situation, in spite of the repatriation and emergency settlement of 60-65,000 refugees. Structural food aid needs are covered by pledges. Donors are urged to convert their present food aid pledges in coarse grains into local purchases and to support export through triangular operations, especially to Senegal and Mauritania.

Mauritania: Large amounts of food aid and commercial imports in 1991 have helped stabilize the food situation. However, the low 1991/92 production and the needs of many refugees are such that the food situation will have to be closely monitored. Food aid pledges currently add up to 49,000 tons, compared to estimated requirements of 70,000 tons.

Niger: Generally satisfactory food situation. Structural food aid requirements are largely covered; donors are urged to convert their outstanding pledges in coarse grains into rice or local purchases to rebuild the national security stock.

Senegal: Generally satisfactory food situation, although the situation is likely to become tight in some northern deficit areas. Structural food aid requirements (85,000 tons) are not covered by current pledges (46,000 tons). Mali could be one of the main sources of cereal supply in certain northern areas.

APPENDIX 11

Address by the Director of the Club du Sahel Secretariat to the 10th CILSS Summit Meeting

Ouagadougou, April 1992

Mr. President,
Your Excellencies,
Ministers,
Executive Secretary,
Esteemed representatives of the diplomatic corps,
Cooperation partners,
Ladies and gentlemen

The Secretary General of the OECD, represented today in the humble person of the Director of the Club Secretariat, has always attended the meetings of the CILSS since the Club was first created in 1976.

The Secretary General, Mr. Jean-Claude Paye, wishes your conference every success and has asked me to pledge his full support.

The reputation of the CILSS has extended far beyond the region's boundaries and is regarded by some with envious eyes. The CILSS has won the unswerving loyalty of cooperation partners. When the organization was first created in 1976, donors were giving some 450 million dollars annually, including the vast quantities of emergency food aid that were necessary at the time. By 1983, the figure had risen to over one million dollars and, in 1989 a total of 1,732 billion dollars was pledged. This constant increase can be attributed primarily to the unique mind-set that governs your relations with cooperation partners. This mind-set is embodied by the CILSS. The Conferences of Mindelo, Nouakchott and, more recently, Ségou and Lomé, were the milestones marking the emergence of a relationship of mutual trust between the Sahel and its partners in the international community.

My recent conversations with donors leave me in no doubt that they are eager to continue working with you and to support CILSS efforts to meet future challenges. This meeting has offered ample proof of this fact.

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Address by Mr. Jean-H. Guilmette to the CILSS Council of Ministers

The heart and soul of the CILSS must remain in your hands. The CILSS must continue to represent your interests and to express your views without the slightest ambiguity. For this reason, donors are anxious that you should take steps to guarantee the payment of your respective contributions. This decision would give them clear proof of your intentions. They understand that your countries are beset by financial difficulties but it is these very difficulties that make regular payment a gesture charged with meaning.

In Bissau, you explained very clearly that you were determined to meet your financial obligations but that you could not provide more than the amounts voted in the 1990 budgets. This being so, you must build a structure that is commensurate with the size of available Sahelian resources. The structure must have the capacity to expand where necessary but only as a result of carefully considered decisions. The CILSS could complement its core activities with periodic initiatives that could be funded by external sources. This is where donors have a role to play.

The structure must be simple and highly flexible. It must operate in the same way as a service company with an eye to reputation, quality and efficiency. The CILSS must use modern, high-performance management methods in its activities. A number of possible techniques could be suggested but it is crucial that they be tailored to your values and to your culture.

Sahelians with the necessary skills do exist and the CILSS must deploy all necessary resources to attract and to keep them. An organization such as yours cannot survive in the long term unless it develops a personal "aura". Serving the CILSS must become an honor and a privilege. The pursuit of excellence must become its chief method of survival.

The Executive Secretary has made great efforts to improve management practices since your meeting in Bissau and the Club Secretariat has provided assistance whenever it was asked to do so. Acting on the request of the Executive Secretary, we recently commissioned an expert to make an assessment of the problems relating to financial management and to prepare the terms of reference for a possible audit in the future. Mr. Metzger's report was conveyed to you by the Executive Secretary. I repeat that we are ready and willing to support and assist the recovery of the CILSS in any way that we can. We will act in the tradition of the Club Secretariat, which has always sought to work within the limit of its resources in a spirit of discipline and quality.

The CILSS adventure started in a spirit of passion in December 1973 when your heads of State met here in Ouagadougou and called upon donors to respond to the Sahelian challenge with their generosity. Today, we must keep the flame alive and make the challenge of development the focal point of our relationship once more if aid to the Sahel is not to become a routine practice.

Your partners are aware of the challenges raised by regional cooperation, the restoration of the environment and the possible Charter, the difficulties of decentralization and the advent of democracy and these issues will certainly galvanize them into action. I therefore urge you to initiate a sincere and open dialogue in the spirit of trust that is in keeping with the best tradition of the Club "des amis" du Sahel.