

SEMINAR ON DEVELOPMENT POLICY  
OF  
AfDB & CLUB DU SAHEL



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**SEMINAR ON DEVELOPMENT POLICY  
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## I. Development Policy of AfDB



Mr. Emmanuel Tetegan, AfDB

## II. Development Policy of Club du Sahel

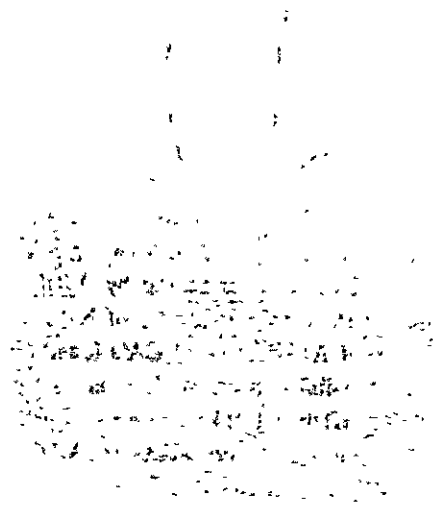


Dr. Henri Jorritsma, Club du Sahel

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SEMINAR ON DEVELOPMENT POLICY  
OF  
AfDB & CLUB DU SAHEL



## Opening Address

Ladies and Gentlemen:

It gives me a great pleasure to say a few words of welcome on behalf of JICA, Japan International Cooperation Agency, at the opening of "Seminar on Development Policy of African Development Bank (AfDB) and Club du Sahel".

First of all, I would like to express my sincere welcome and deepest appreciation to all the participants in the seminar, particularly my sincere thanks to Mr. Tetegan, director, department of infrastructure and industry, AfDB and Dr. Jorritsma, advisor to director of Club du Sahel, OECD in Paris. Today they are going to tell us about their organizations' development strategies for Africa.

Both experts have extensive knowledge and experiences on the development problems of Sahel region in Africa. Mr. Tetegan is going to tell us mainly about infrastructure development, while Dr. Jorritsma is going to place special emphasis upon "environment and rural development".

With regard to AfDB, JICA has sent missions for the past two years to discuss the strengthening of cooperation between AfDB and JICA such as feasibility studies by JICA and financing by AfDB. As an example, Kourani Baria Irrigation Project in Republic of Niger was materialized by financial cooperation of AfDB after JICA's feasibility study in 1982. In addition, among the feasibility studies JICA is now conducting, there are some cases in which AfDB has taken interest. Furthermore, JICA is planning to dispatch development specialists to AfDB this fiscal year. Therefore I believe relations between AfDB and Japanese aid organizations will become even closer in the future.

Now I would like to introduce Club du Sahel, it is the organization that has information on general trend of aid for Sahel region extended by industrialized countries, international organizations, and so on. In 1985 Mrs. De Lattre, director of Club du Sahel came to Japan to attend "Seminar on Africa" sponsored by Institute for International Cooperation, JICA. Since then exchange of views has continued between them and Japanese parties concerned with aid. Indeed, we are fully aware of the importance of environmental problems and rural development in Sahel countries which Dr. Jorritsma is in charge. As a matter of fact, this year



JICA is aiming to prepare the guideline for environmental consideration in development assistance by establishing a special panel. In this connection I believe it will be very useful for all of us to listen to the lecture by the expert from Club du Sahel which has plenty of information on desertification, and other issues.

Finally, I do hope this seminar turns out to be constructive and fruitful to all the participants.

Thank you.

Kiyoshi KATO  
Director, Institute for International Cooperation, JICA

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by Kiyoshi Kato

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## **I. Development Policy of AfDB**

by Emmanuel Tetegan, AfDB

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**BACKGROUND**

**Mr. EMMANUEL TETEGAN**

**A. CURRENT POSITION**

Director, Department of Infrastructure and Industry—Region II—,  
African Development Bank

**B. EDUCATION**

University of Grenoble (France)  
—Physics and Chemistry  
Ecole Nationale Supérieure des Télécommunications (Paris)

**C. RELATED WORK EXPERIENCE**

1963-1971 Director of Post & Telegram Office in Cotonou (Benin)  
1971-1972 Adviser to Director of P & T Office in Cotonou (Benin)  
1972-1979 Engineer of Telecommunication in AfDB  
1979-1981 Chief of Public Utilities in AfDB  
1981-1986 Deputy Director, Department of Infrastructure and  
Industry in AfDB  
1986-1987 Deputy Director, Department of Country Programmes in  
AfDB

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Mr. Director,  
Ladies and Gentlemen:

## **1. INTRODUCTION**

**1.0.1** We feel greatly honoured to be on this platform at the invitation of the Japan International Cooperation Agency (JICA) to the seminar on development in Africa.

**1.0.2** We also seize this opportunity to introduce in a few words the African Development Bank, which plays on the continent a role similar to that of other regional development banks, such as the Asian Development Bank and the Inter-American Development Bank, and which also has the disadvantage that it is in Africa according to the United Nations that two thirds of the poorest countries in the world are found.

**1.0.3** We will end up by enumerating the salient points of the Bank's activities with regard to infrastructure in Central and West Africa.

## **2. THE AFRICAN DEVELOPMENT BANK**

### **2.1 Establishment and Purpose**

**2.1.1** The 1980's were marked by the independence of groups of African States: very few were hitherto independent. For this international sovereignty to be complete, new authorities felt the urge to organize the economies of their young states. Accordingly, an institution capable of promoting socio-economic development in Africa for Africans was conceived and established. This institution has since been called the African Development Bank.

**2.1.2** The United Nations Economic Commission for Africa gave impetus to the establishment of this institution by facilitating indispensable contacts among Governments and other bodies. And at the Conference of Ministers of Finance held in Khartūm (Sudan) on August 4th, 1963 an agreement establishing the Bank was reached: it took effect on

September 10th. The agreement stipulates as follows:

**Article 1:** The purpose of the Bank shall be to contribute to the economic development and social progress of its regional members—individually and jointly.

**Article 2: (1)** To implement its purpose, the Bank shall have the following functions:

- (a) To use the resources at its disposal for the financing of investment projects and programmes relating to the economic and social development of its regional members, giving special priority to:
  - (i) Projects or programmes which, by their nature or scope, concern several members; and
  - (ii) Projects or programmes designed to increase the economies of its members complementary and to bring about an orderly expansion of their foreign trade;
- (b) To undertake, or participate in, the selection, study and preparation of projects, enterprises and activities contributing to such development;
- (c) To mobilize and increase in Africa, and outside Africa, resources for the financing of such investment projects and programmes;
- (d) Generally, to promote investment in Africa of public and private capital in projects or programmes designed to contribute to the economic development or social progress of its regional members;
- (e) To provide such technical assistance as may be needed in Africa for the study, preparation, financing and execution of development projects or pro-

grammes; and

(f) To undertake such other activities and provide such other services as may advance its purpose.

(2) In carrying out its functions, the Bank shall seek to cooperate with national, regional and sub-regional development institutions in Africa. To the same end, it should cooperate with other international organizations pursuing a similar purpose and with other institutions concerned with the development of Africa.

2.1.3 At the outset, only a number of independent African States (regional countries) could become members of the Bank. Following the amendment in 1982 of the Agreement establishing the Bank, eligibility for membership was also open to non-regional members. Current rules stipulate that non-regional countries wishing to become members of the African Development Bank (AfDB) must first be participants in the African Development Fund (ADF), which will be described later.

## 2.2 Membership

2.2.1 On December 31st, 1987, the African Development Bank was made up of a total of fifty (50) independent African countries: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Comoros, Congo, Ivory Coast, Djibouti, Egypt, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Equatorial Guinea, Libya, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Morocco, Mauritania, Mauritius, Mozambique, Nigeria, Uganda, Rwanda, São Tomé and Príncipe, Senegal, Seychelles, Sierra Leone, Somalia, Sudan, Swaziland, Tanzania, Chad, Togo, Tunisia, Zaire, Zambia and Zimbabwe.

2.2.2 The 25 non-regional members are: Saudi Arabia, Argentina, Austria, Belgium, Brazil, Canada, China, Korea, Denmark, Spain, United States of America, Finland, France, India, Italy, Japan, Kuwait, Norway, Netherlands, Portugal, Federal Republic of Germany, United Kingdom, Sweden, Switzerland and Yugoslavia.



## **2.3 Structure**

**2.3.1** The Bank is made up of a Board of Governors, a Board of Directors, a President and at least one Vice-President as well as the officers and staff required for the performance of duties which it determines.

### **2.3.2 The Board of Governors**

**2.3.2.1** The Board of Governors of the Bank is the supreme organ. It is made up of ministers and members of the highest rank of economic and financial institutions. Each member country is represented by a Governor and his alternate. The member country may reappoint the Governor and his alternate or terminate this appointment at any time. The Governors exercise the voting rights of their respective member countries within the Board. Each AfDB member country is entitled to an equal number of basic votes and an additional number of votes proportionate to the share of the Bank's capital stock which it holds.

**2.3.2.2** Neither member country nor group of countries has veto power; the Boards' decisions are also taken on the basis of discussions and consensus rather than votes.

**2.3.2.3** The Board of Governors meets annually to review the application of decisions on the Bank's general policy and to decide on new lines of action proposed by its members or submitted by the Board of Directors or by the Bank's Management. The Board of Governors is empowered to take decisions on a number of issue specific to AfDB, such as: the admission of new members, capital increases, amendment of by-laws and the election of the Board of Directors and its President. The first meeting of the Board of Governors of the Bank was held in Lagos (Nigeria) — from 4th to 7th November, 1964.

### **2.3.3 The Board of Directors**

**2.3.3.1** The Board of Directors is made up of eighteen members, who are neither governors nor alternate governors. Twelve members are elected by the Governors of member States. Directors are elected for a

term of three years and may be re-elected. Each Director has an Alternate who may not be of the same nationality as the Director. The Board of Directors is responsible for the conduct of the general operations of the Bank. They exercise powers provided for under the Agreement establishing the Bank as well as powers delegated to them by the Board of Governors from time to time. The Directors (but not their alternates) are resident in the Headquarters where they meet as often as required by the Bank's activities. The Alternates may be invited to attend Board meetings. The Board of Directors met for the first time in November 1964.

#### **2.3.4 Management**

**2.3.4.1** On the recommendation of the Board of Directors, the President is elected by the Board of Governors of the Bank for a period of five years. He may be re-elected. The President of the Bank Group is also the *Chairman of the Board of Directors*. The President is the head of the Bank's staff, and conducts the current business of the Bank under the direction of the Board of Directors. He is responsible for the organization of the offices and staff of the Bank. He determines the functions, the responsibilities and the internal structure of organizational units, regional and representation offices as well as *field offices*. Since March 3rd, 1987 the Bank has had a new organizational structure based on the regionalization of operational departments, namely, country programmes Departments, Projects Departments and a Disbursement Department. This structure provides for 5 Vice-Presidents, (the 5th post of Vice-President having been approved by the Board of Directors at its 225th Meeting), 22 Departments, Units and Offices attached to the Presidency, 57 divisions, 4 regional offices and other national representation offices. The Departments and Units are as follows:

#### **2.3.5 Staff Organization**

- (i) The Office of the Secretary General is responsible for the implementation of decisions taken by the Board of Governors and the Board of Directors, the organization of the Board's documents and matters of protocol and relations with the host country.

It is also responsible for enhancing the Bank's public image and disseminating information on all the activities of the Bank Group.

- (ii) **The Office of the Internal Auditor** assists all levels of the Bank's management, including the Board of Directors, through the regular and independent auditing of accounts as well as operational and administrative activities.
- (iii) **The Operations Evaluation Office** is responsible for assessing the operational activities of the Bank Group, by devoting special attention to lending activities with a view to determining if they have attained or are likely to attain their objectives and drawing lessons which could be used to increase the quality and efficiency of operations, policies, practices and procedures of the Bank Group.
- (iv) **The Office of the General Counsel** is responsible for assisting the Board of Governors, the Board of Directors, and the President of the African Development Bank in dealing with all legal matters and the legal consequences of all the actions taken and the policies adopted by them as official representatives of the Bank.
- (v) **The Strategic Planning and Policy Development Staff:** The main functions of the Strategic Planning and Policy Development staff are to assist the President in following up and assessing the Bank's present policies, determining their efficiency and usefulness, identifying and recommending the ways and means of reinforcing the Bank's policy framework including the proposed feasible modifications or new policy initiatives in respect of planning, operations and the budget and follow-up their application.
- (vi) **The two Country Programmes Departments:**
  - (a) **The Country Programmes Department I**, which is responsible for maintaining close relations with member coun-

tries, preparing programmes for African member countries in the sub-regions of North Africa, East Africa and Southern Africa, consolidating and initiating dialogue on policies with member countries: Algeria, Botswana, Burundi, Comoros, Djibouti, Egypt, Ethiopia, Libya, Kenya, Lesotho, Madagascar, Malawi, Morocco, Mauritius, Mozambique, Uganda, Rwanda, Seychelles, Somalia, Sudan, Swaziland, Tanzania, Tunisia, Zambia, Zimbabwe.

- (b) The Country Programmes Department II, which performs the same functions as those of the afore-mentioned department is specifically responsible for member countries in West and Central Africa. The Country Programmes Departments I and II also supervise the regional representation offices and the Conakry Field Office. The countries under Region II are: Angola, Benin, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Congo, Ivory Coast, Gabon, Gambia, Ghana, Equatorial Guinea, Liberia, Mali, Mauritania, Niger, Nigeria, São Tomé and Príncipe, Senegal, Sierra Leone, Chad, Togo and Zaire.
- (vii) **Projects Departments:** There are two projects Departments for each region, namely: the Agriculture and Rural Department and the Infrastructure and Industry Department. The projects departments are responsible for undertaking sectoral and technical studies and the evaluation of technical assistance programmes and the granting of loans as well as sectoral studies in borrower countries and providing technical assistance counsel to member borrower countries on sectoral problems, the priorities and the processing of projects through various phases, i.e. identification, preparation, appraisal and implementation which make up the project cycle.
- (viii) **The Development Research and Policy Department** is responsible for undertaking research on the development process with a view to broadening knowledge of the said

process, recommending appropriate development strategies for regional member countries and for the Bank Group's operations, preparing appropriate economic analysis instruments to assist the Bank in carrying out its activities and providing statistics and research data to all the Bank's staff.

- (ix) **The Central Projects Department** formulates and proposes projects and operational policies in the sectors where the Bank operates, as well as procurement policies, rules and procedures and advising the other departments on the selection of consultants. The Central Projects Department supervises the unit detached from the Federation of African Consultants (FECA).
- (x) **The Cooperation Department** is responsible for promoting, negotiating and administering technical and financial co-operation programmes and agreements between the Bank and donor agencies with a view to facilitating pre-investment studies, the financing of projects and technical assistance programmes or all development activities of common interest to the Bank and its regional member countries. The Cooperation Department supervises the unit detached from the Association of African Development Finance Institutions (AADFI).
- (xi) **The Training Centre** is responsible for proposing and implementing programmes and plans for the training of the Bank's staff and officials from member countries and mobilizing supplementary external resources for training programmes.
- (xii) **The Financial Policy Planning and Budgeting Department** prepares, proposes and updates the medium-and-long-term financial policies and plans of the Bank Group and guidelines on the preparation as well as the implementation of the annual budget.
- (xiii) **The Accounts Department** keeps the accounts of all other

financial transactions of the Bank Group, processes and authorizes the payment of salaries, benefits and allowances and all other administrative expenses and prepares financial statements.

- (xiv) **The Disbursements Department** undertakes the financial audit, processing and authorization of disbursement requests in respect of loans granted by the Bank Group and subsidies granted out of resources managed or administered by the Bank; it administers disbursements.
- (xv) **The Treasury Department** manages the financial resources of the Bank Group, implements financial programmes and makes payments authorized by the Accounts Department and the Disbursements Department.
- (xvi) **The London Office** undertakes, develops and maintains contacts between the Bank and the international financial community and financial circles.
- (xvii) **The Administration Department** handles the management of the Bank's property, supplies, travels, communications within the institution and security.
- (xviii) **The Human Resources Management Department** is responsible for preparing, implementing and following up personnel policies and programmes so as to attract, recruit, develop, motivate and retain competent and qualified staff with a view to attaining the objectives of the Bank Group and promoting relations between Management and staff. Through the Medical Centre it also provides health services for its elected officers, staff in general and their dependants.
- (xix) **The Legal Department** is responsible for counselling and assisting all the organizational units of the Bank in respect of the legal aspects of financial, operational and administrative matters, proposing legal solutions inherent in the Bank's activities and participating in negotiation and in the prepara-

tion of all agreements and contracts.

- (xx) The Language, Conferences and Documents Services Department is responsible for translating the Bank's documents into English and/or into French, providing interpretation services and managing conference rooms. It is also responsible for the editing, reproduction, storage and distribution of the Bank's documents.
- (xxi) The Computer Services Department proposes and implements policies, procedures and strategies governing the optimal use of the Bank Group's computer technology and manages data processing system within the institution.
- (xxii) The Organization and Methods Unit analyses, prepares and evaluates the most appropriate systems and structures of the Bank Group aimed at fostering the efficient management of the institution.

## 2.4 Capital and Resources

2.4.1 The Bank's authorized capital stock is made up of paid-up shares and callable shares. Under the terms of the Agreement subscriptions to AfDB's authorized capital stock are open to member countries only. The authorized capital, which initially stood at US\$250 million, increased to US\$6.6 billion and is now US\$20.827 billion.

2.4.2 The Bank's resources come from ordinary funds or special funds.

- (a) The ordinary resources comprise (i) the share of authorized capital whose portion of callable capital may only be called up to guarantee AfDB's borrowings; (ii) the funds received as repayment of loans granted by AfDB, such as interests; (iii) the funds which come from AfDB's borrowings or guarantees on international financial markets; (iv) all the revenues from loans granted by AfDB; (v) all the other funds or revenues received by the Bank, which are not part of special resources (real estate revenues, for example);

- (b) The resources from special funds: Article 8 of the Agreement establishing AfDB provides that AfDB may establish or be entrusted with the administration of special funds, which are designed to serve its purpose, and come under its functions. Pursuant to these provisions, the African Development Fund (ADF) and the Nigeria Trust Fund (NTF) have been established.

### **3. THE AFRICAN DEVELOPMENT FUND**

#### **3.1 Establishment and Functions**

**3.1.1** At their eighth annual meeting held in Algiers in July 1972, the Governors of the African Development Bank adopted the Agreement establishing the African Development Fund. The Fund was officially established at the Bank's ninth annual meeting held in Lusaka in July 1973. The Fund provides funds on concessional terms with a view to assisting the Bank in contributing to the economic and social development of regional member States of the Bank and to promote cooperation including regional and sub-regional cooperation and international trade, especially among its members. The agreement establishing the Fund came into force on June 10th, 1973. The activities of the Fund began on August 1st, 1973 and the first loan was granted on January 16th, 1974.

#### **3.2 Membership**

**3.2.2** The African Development Fund comprises the African Development Bank and the following 26 participant States: Saudi Arabia, Argentina, Austria, Belgium, Brazil, Canada, China, Korea, Denmark, United Arab Emirates, Spain, United States of America, Finland, France, India, Italy, Japan, Kuwait, Norway, Netherlands, Portugal, Federal Republic of Germany, United Kingdom, Sweden, Switzerland and Yugoslavia.

#### **3.3 Structure**

**3.3.1** The Fund has a Board of Governors, a Board of Directors and a



President.

### **3.3.1.1 Board of Governors of the Fund**

**3.3.1.1.1** The AfDB Governors and their Alternates are ex-officio Governors and Alternate Governors respectively of the Fund. Moreover, each participant State, which is not a member of the Bank, appoints a Governor and his alternate.

### **3.3.1.2 Board of Directors of the Fund**

**3.3.1.2.1** The Board of Directors is made up of twelve Directors, of which six are appointed by the Bank from among the members of the Board of Directors of the Bank and six selected by participant States. To carry out its functions, the Fund utilizes the premises, staff, organization, services and facilities of the African Development Bank. The President of the Bank is ex-officio President of the Fund. He is Chairman of the Board of Directors but does not vote.

## **3.4 Resources**

**3.4.1** The resources of the Fund consist of: (i) subscriptions by the Bank; (ii) subscriptions by State participants; (iii) other resources received by the Fund; and all funds derived from operations or otherwise accruing to the Fund.

**3.4.2** AfDF's resources are replenished by the periodic subscriptions of participant states. The First Replenishment (AfDF-I) of an amount of US\$327 million covered the period 1976-1978. AfDF-II which stood at US\$712 million involved operations over the period 1979-1981. AfDF-III contributions for the period 1982-1984 stood at about US\$1 billion. AfDF-IV for the period 1984-1987 amounted to US\$1.5 billion. AfDF-V for the period 1988-1991 stood at FUA 2.250 billion.

## **4. NIGERIA TRUST FUND**

### **4.1 Establishment and Functions**

**4.1.1** The Nigeria Trust Fund was established under an agreement between the Bank and the Government of Nigeria in February 1976. The purpose of NTF is to contribute to the development effort of AfDB member countries, especially the relatively less developed countries, by granting loans on more concessional terms than those applied by AfDB.

### **4.2 Structure**

**4.2.1** NTF does not have its own management; it is managed by the AfDB Board of Directors and President.

### **4.3 Resources**

**4.3.1** NTF resources are entirely made up of contributions from the Government of Nigeria. The initial contribution, which stood at US\$80 million, was entirely used during the period of the AfDB lending programme which ended in 1980. In 1981, the Government of Nigeria went on to replenish resources of the amount of about US\$88 million paid in three instalments, the last of which was in 1985.

**4.3.2** The African Development Bank, the African Development Fund and the Nigeria Trust Fund make up what is commonly known as the African Development Bank Group, even though the three institutions remain independent entities from a legal point of view.

**4.3.3** After this general presentation of the African Development Bank Group, we wish to give you a general idea of the activities of our institution. As expected, the activities are closely related to Africa's economic situation.

## 5. GENERAL OPERATIONAL POLICY

### 5.1 Economic Context

5.1.1 Within the 1980's most African countries experienced negative or very slow growth. In almost all the countries, population growth was faster than economic growth, hence a decline in the per capita gross domestic product. The worst economic performance was experienced by the poorest countries, which, for structural reasons, were unable to recover rapidly<sup>1)</sup>.

5.1.2 The most striking economic problem in African countries is how to manage the runaway increase in external debt. The total debt of the African continent stands at almost US\$200 billion. In 1986 debt repayments stood at some US\$14 billion, i.e. five times the volume of the repayment at the beginning of the decade. The African continent's debt service ratio now exceeds 30% with a number of countries allocating more than 50% of their export earnings to the debt service. Since 1985, the African continent has, in fact, become a net exporter of financial resources with debt repayments exceeding the inflow of official development assistance<sup>2)</sup>.

5.1.3 All the economic sectors have been affected by the economic crisis. In the agricultural sector food production has not met population growth, which is higher than elsewhere. At the same time earnings from traditional export crops have been affected by the decline in the prices of basic products<sup>3)</sup>. In spite of the increase in the volume of resources allocated to the management of the environment, ecological deterioration is still a very pressing problem, especially the decline in the fertility of soils caused by inappropriate farming methods as well as overcultivation and overgrazing.

5.1.4 During the 1980's mining and manufacturing industries were not spared either. Countries whose economies depended on primary products such as oil, copper, and precious metals were seriously affected by the decline in the world prices of basic commodities. With the deterioration of the terms of trade, African member countries of AfDB have had to step

up borrowing to finance their imports, thus increasing their debt burden. With the increase in the debt volume, there has been a scarcity of commercial sources of finance. This has given rise to shortages of foreign exchange, depriving manufacturing industries of the means to import sufficient factors of production and equipment, thereby leading to the underutilization of capacity and a decline in the productivity of the factors of production.

5.1.5 Inevitably, the economic crisis has also had adverse effects on social sector budgets. Social services including education and health, depend, to a great extent, on public funds for their investments and operating budgets. With the rapid population growth increasingly weighing on African school systems and endemic diseases absorbing the bulk of the available resources for health services, the necessity to provide social services with sizeable budgets has become even more pressing than in the past. Most of the public resources are allocated to the debt service, while only a small proportion is allocated to social services. Moreover, in order not to increase their debt burden, African member countries of the Bank are increasingly hesitant about accepting resources other than grants to finance the social sector.

5.1.6 The decline in the economy of African countries is due to a combination of exogenous and endogenous factors. The exogenous factors are the oil shocks of the 1970's, the world recession at the beginning of the 1980's, and after a brief recovery between 1983 and 1984, the slow growth rate of the economies of the major commercial partners of African countries in 1985 and 1986. The economic difficulties of the industrialized countries with free market economies contributed to the decline in the demand for African basic commodities and in the drop in the flow of commercial credit. The endogenous factors are structural shortcomings and inappropriate economic policies.

5.1.7 The dependency of African economies on foreign markets and capital gives prominence to the structural shortcomings which characterize almost all African countries, namely domestic markets which are not buoyant, an undiversified production capacity, the inefficient use of the present capacity and low savings mobilization rates<sup>4</sup>. In addition to these structural factors are spells of drought which periodically hit the agricul-

tural sector, and the low literacy rates and endemic diseases which decrease the productivity of the African populations.

5.1.8 It is evident that in order to overcome these obstacles African countries require more abundant inflows of resources. With the tripling of AfDB's capital under the Fourth General Capital Increase and with the substantial increase in concessional resources under the Fifth AfDF resource replenishment, the Bank will be able to meet most of the financial requirements of the African continent. In actual fact, according to estimates, the share of the Bank Group in the flow of external resources to member countries will stand at 3.5% in 1995 as compared with 2.7% in 1987 and 1.0% in 1982.

5.1.9 Confronted with such a pressing situation, the Bank Group, after much consideration, has directed its efforts towards the preparation of five-year operational programmes.

## 5.2 Operational Programmes

### 5.2.1 Operational Programmes 1982-1986

5.2.1.1 The Bank Group's five-year operational programme for the period 1982-1986 (POQ. 1) was based on the idea of admitting non-regional countries as member countries of the African Development Bank (AfDB); this objective was attained at the end of 1982. The main purpose of this programme was the action which the Bank Group was to take to meet the investment requirements of its regional members. A new period of planning therefore began in 1982 and the approach adopted was in several ways different from previous approaches in that (i) the programme represented a systematic approach to the planning of the Bank Group's operations; (ii) it was a global programme assessing the past and future role of the Bank Group and also attempting to determine an estimate of the requirements of regional member countries during the programme period; and (iii) it primarily involved specific areas of operations and policies to be improved so as to increase the efficiency of the institution as a development facility.

5.2.1.2 The POQ 1 was aimed at attaining several major objectives.

The first major objective was the intensification of resource mobilization efforts initiated in 1977 with the study conducted by management of "Reserve mobilization for the African Development Bank, 1977-1986" with a view to increasing the Bank's resources on a permanent basis. The purpose was to increase the rate of disbursement of the African Group's resources such that its share in the inflow of external capital to regional member countries increase from 1% to almost 1.70% in 1986. To this end, the gross disbursements/commitments ratio of 34% was used as the basis for making projections of commitments for groups A and B countries with regards to AfDB and NTF and 40% for all the regional member countries. This ratio was about 33.40% during the period 1977-1981. In order to increase the Bank's resources on a permanent basis, management in its study conducted in 1977 strongly recommended to the Board of Governors to approve the opening of the Bank's share capital to non-regional members to enable the Bank to procure substantial resources so as to carry out the assignment entrusted to it by its founding fathers. Management considered other actions which included negotiating the replenishment of concessional resources and reaching bilateral and multilateral agreements.

5.2.1.3 The second major objective was to give priority to agriculture, food production and related agricultural infrastructure projects. The third objective was to prepare and introduce two new forms of loans. They were: (i) loans for reconstruction and rehabilitation following major events seriously upsetting a country's economic life; (ii) foreign exchange loans for the purchase of equipment, spare parts and necessary inputs which the country would otherwise not procure, so as to revitalize an underutilized industrial capacity; and (iii) loans for well conceived sector development programmes.

5.2.1.4 The 1982-1986 operational programme was also aimed at enhancing the Bank Group's role of a catalyst in the co-financing of projects or programmes with other external sources of finance. The programme was also intended to have the Bank Group play a greater role in the financing of multinational projects. The share of multinational loans in the Bank Group's total cumulative loans was only 3% over the period 1977-1981 and the target was 10% by 1986.

**5.2.1.5** The 1982-1986 operational programme also emphasized the necessity to mobilize external assistance for activities related to the preparation and implementation of projects, reinforcing the capacity to formulate policies and establishing institutions in African countries. During the programme implementation period, the Bank's intended to mobilize a total amount of US\$219 million; the bulk of this amount was to be mobilized under AfDF.

**5.2.1.6** As regards financial operations, the objective was to undertake financial management on a more sound basis and improve the major financial performance indicators such as the disbursement rate, the financial charges coverage ratio, the liquid assets/consolidated debt ratio, the reserve/loan ratio, the consolidated debt/callable shares ratio, the debt ratio and the earnings on total assets. Moreover, various criteria have been laid down for the monitoring of performance in various areas of financial operations, such as portfolio management, borrowing operations and budgetary control.

## **5.2.2 1987-1991 Five-Year Operational Programme**

**5.2.2.1** The African Development Bank Group's five-year operational (1987-1991) differs from the previous programme in many ways. First of all, the environment in which it has been conceived and which, to a great extent, determines its content, is characterized by two unquestionably significant events on the African continent. The first is the economic crisis which African countries have been going through since the beginning of the 1980's and which aroused the interest and support of international opinion, and the 21st summit meeting of the Organization of African Unity, which was primarily devoted to economic issues. This economic crisis situation gave rise to the second event, which was the adoption by African Heads of States of a priority economic adjustment programme for the period 1986-1990, which was presented to the international community at an extraordinary meeting of the United Nations General Assembly on Africa.

**5.2.2.2** The 1987-1991 five-year programme differs from the previous programme by the size of the African Development Bank's capital increase accepted by its member countries and by the appeal made at

UNO's special meeting on Africa to substantially increase the replenishment of concessional resources of the African Development Fund. It further differs from the previous programme by the new lines of action set out by the President in his inaugural address. These lines of action include support to the member States' programme aimed at stamping out the economic crisis and the provision of expertise by the Bank in the area of macro-economic and sectoral policies. This new approach entails the increased role of the Bank Group in the mobilization of the resources required for the development of the African continent and actual assistance to member States in the implementation of more appropriate economic policies.

**5.2.2.3** To play this role efficiently and in keeping with its operational programme, which is the first concrete evidence of its change of direction, the Bank is expected to analyse thoroughly the problems and constraints that may hinder the implementation of this new strategy and adopt a detailed programme for the application of measures thus worked out. The present paper focuses on the various actions mentioned above.

**5.2.2.4** In view of the heavy resource requirements to be used for the financing of development as well the major role which the Bank Group is expected to play in meeting these requirements, the Ad Hoc Committee of the Board of Governors dealing with the Fourth General Capital increase has recommended a lending programme within the range of UA 5 billion to UA 6.5 billion for the period 1987-1991, which represents 9.5% to 10% of the total requirements of this category of resources. With regard to AfDF resources the Fifth Replenishment has just agreed on the amount of FUA 2.250 billion. The amount for these lending programme is one of the major reactions of the African Development Bank to the challenge of assisting African countries in their efforts towards economic adjustment and growth.

**5.2.2.5** The second major reaction to challenge of assisting the efforts of regional member countries is, as mentioned above, to see to it that the African Development Bank plays an active role in respect of dialogue and economic policy reforms, with a view to coping more efficiently with the present economic crisis. To assume its responsibilities fully and take into account the magnitude of policies aimed at fostering



growth, the Bank Group has begun to expand its scope of operations by adopting other operational instruments such as non-project lending to support policy reform measures. However, the Bank Group's new experience in this type of operations calls for a degree of prudence, so as to develop the competency required in the first place.

**5.2.2.6** The third aspect of the Bank Group's role in assisting African countries involves efforts to be devoted to the coordination of operational activities with other multilateral and bilateral donors. It is undeniable that the proposed adjustment programme can only be implemented through concerted action taken along with other sources of development finance. The assignment of a more active role to the African Development Bank Group entails a more active participation in the consultation and coordination process and in co-financing, which should increasingly compel recognition of the Bank as a catalyst in the flow of resources to countries in the region.

**5.2.2.7** The components of the Bank Group's role in Africa's economic adjustment and growth, as described above, definitely make up a broad sphere of action and are essential to the effort to be made to overcome the economic crisis which African countries are going through. It is undeniable that in order to play this role effectively within this sphere of action, the Bank should develop an adequate internal capacity, lay down more rigorous standards for project identification, preparation, appraisal and implementation, review its method of programming by country, its sector strategies and disbursement procedures, work out the strategy to adopt in respect of policy reform issues and encourage multinational projects with a view to fostering cooperation and economic integration. To this end, actions are to be taken on the lending programme and allocation by country.

### **5.3 Lending Programme**

**5.3.1** Based on the recommendations of the Ad Hoc Committee on the capital increase and proposals on the replenishment of AfDF-V, the Bank Group is considering for the period 1987-1991 a lending programme of about UA 10 billion. In actual fact, after considering the various proposals, the Ad Hoc Committee held that the African Development

Bank's lending programme could range from UA 5 billion to UA 6.5 billion. In spite of Management's proposals, the replenishment of AfDF-V resources stands at only FUA 2.250 billion for the period 1988-1990. All the regional member countries may be granted loans by the Bank Group, which will in addition carry out operations in two of the countries which had earlier deliberately decided not to request loans; these countries are Algeria and Nigeria. However, on account of policies proper to each institution, the allocation of these institution's resources by country will be based on the criteria laid down.

#### **5.4 Allocation by Country**

**5.4.1** Under the first operational programme (1982-1986) the allocation of resources to regional member countries has been based on a set of criteria which include the per capita gross national product, the population and land-locked nature or geographical remoteness of each country. The countries were first classified into three groups on the basis of per capita GNP: Group A corresponded to a per capita income below US\$ 510, Group B between US\$ 511 and US\$ 990 and Group C above US\$ 990. Under the 1987-1991 five-year programme other classification criteria will be determined.

**5.4.2** To allocate the African Development Bank's resources, the programme will use this classification of countries into three groups as well as the results obtained per group in terms of the utilization of the resources allocated under the 1982-1986 operational programme. In actual fact, it has been noted that the level of commitments has exceeded the target for Group C and that it has been close to the target for Group B but markedly lower than the target for Group A.

**5.4.3** With regard to AfDF resources it is proposed that the same categories as those of AfDF-IV be maintained for the period 1988-1990. The proportion of resources to be allocated to each of the categories A and B will be determined after negotiations, but priority will be given to the countries under Category A.

**5.4.4** In keeping with the decisions taken in July 1985 by the economic summit meeting of African Heads of States and in conformity with

the nature of resources of each of the institutions within the Group and other Bank Group's sector guidelines as laid down in the documents on the Fourth Capital Increase and the Fifth Replenishment of AfDF resources, the five-year operational programme provides for the following priority sectors:

- (i) AfDB: the agricultural sector, the industrial sector, the public utilities sector and the transport sector;
- (ii) AfDF: the agricultural sector, the transport sector, the social sector and the public utilities sector.

5.4.5 Multinational projects have not up till now represented a significant portion of the operations of the Bank Group, even though the Charter establishing the Bank Group provides that such projects be given priority. The 1982-1986 five-year programme provided for 10% of the Bank Group's operations to be allocated to multinational projects. The attempt to attain this objective was not at all satisfactory. Such projects accounted for only 3% of the total loans as at 31 December 1985. The 1987-1991 five-year programme offers a fresh opportunity to encourage the implementation of multinational projects which will make for regional integration. Accordingly, 10% of the total resources under the programme are expected to be committed to the financing of these projects.

5.4.6 Under the 1982-1986 five-year programme the Bank Group co-financed 183 operations with other institutions. This active catalytic role in mobilizing supplementary resources from other financiers will be further encouraged under the 1987-1991 five-year programme. In fact, the Bank's Management has taken a number of measures to enable the institution to play this role fully. Two Divisions will henceforth deal with research and the establishment of agreements with bilateral and multinational institutions.

5.4.7 To meet, on an appropriate basis, regional member countries' resource requirements for the implementation of policy reform programme, the Bank Group intends to expand significantly within the next five-years its scope of operations with regard to non-project financing, the disbursement of which is rapid. In this connection, the five-year pro-

gramme provides for this type of operation 20% of its resources.

5.4.8 These are the major lines of action of the African Development Bank, which has also laid down for the period 1988-1990 guidelines and objectives in response to the economic difficulties of African member countries of the Bank. This response combines a significant increase in financial assistance with several revised or reinforced courses of action and initiatives.

## **6. THE ACTIVITIES OF THE BANK GROUP WITH REGARD TO INFRASTRUCTURE IN WEST AND CENTRAL AFRICA**

### **6.1 Introduction**

6.1.1 Prior to 1980, which was considered a relatively prosperous year, transport demand increased more rapidly than the GNP growth rate, thereby necessitating substantial investment in transport infrastructure with the assistance of international and bilateral finance institutions. These substantial investments led to large-scale maintenance requirements coupled with a shortage of budget resources. Most of the investments were made in road infrastructure.

6.1.2 The increasing decline in financial resources considerably brought about the neglect of maintenance and, hence, the critical deterioration of the road network. The state of deterioration varies from country to country, with the exception of countries in which the road network has been recently constructed. The total value of the road network in Africa south of the Sahara is estimated at about US\$70 billion and about US\$20 billion is required to rehabilitate it. On account of the deterioration of these roads, vehicle operating costs have increased by 25% of the normal range when actual maintenance is not carried out. In view of this situation, it is not appropriate for a good number of countries not to undertake works to rehabilitate the deteriorated roads.

6.1.3 The same situation applies to the rail network, which was designed during a specific period using standards different from those of

non-regional countries and on which no maintenance at all is carried out as a result of a shortage of spare parts, whose manufacturers have shut down their plants.

6.1.4 The airport infrastructure of great African centres are maintained in a relatively acceptable state because they have been designed according to international standards and because aircrafts today are tending to be the most widely used means of transport from one capital to the other on account of their numerous advantages. The same situation does not apply to secondary airports.

6.1.5 In the great ports, port infrastructure are maintained and have even been significantly improved to cope with container vessels. We are witnessing the disappearance of smaller ports, especially river ports, because of a lack of traffic, which is a consequence of the severe economic and financial crisis that has hit most countries in Africa on the whole and more particularly Africa south of the Sahara.

6.1.6 As part of its action, the African Development Bank Group:

- gives priority to maintenance and rehabilitation;
- encourages African countries to adopt road infrastructure development plans, especially in the case of land-locked countries—hence, trans-African roads.

## 6.2 The Bank Group's Operations in West and Central Africa

6.2.1 With regard to the Bank's operations from 1967 to 1987, 113 infrastructure projects were approved for a total amount of UA 998.56 million including 28 projects in Central Africa for the amount of UA 213.63 million and 32 projects in West Africa for the amount of UA 254.35 million (Table 1).

6.2.2. Over the period 1974-1987 the African Development Fund approved 114 projects in the transport sector for a total amount of FUA 807.32 million broken down into 28 projects amounting to FUA 196.70 million for Central Africa and 38 projects estimated at FUA 241.35 million

Table 1  
Breakdown of AfDB loans by region and by sector, 1967-87 (in million UA)

Sector	Central Africa	East Africa	North Africa	Southern Africa	West Africa	Total	%
Agriculture including lines of credit to agriculture	239.49 (23)	118.29 (15)	745.80 (29)	108.06 (15)	237.93 (21)	1,449.57 (103)	28.01
Transport	213.63 (28)	140.90 (22)	193.43 (11)	196.25 (20)	254.35 (32)	998.56 (113)	19.30
Public Utilities	223.57 (23)	77.77 (11)	365.10 (30)	258.05 (28)	278.26 (44)	1,202.75 (136)	23.24
Industry including lines of credit to industry	118.40 (11)	204.63 (21)	341.45 (20)	162.33 (19)	190.67 (33)	1,017.48 (104)	19.66
Education and Health	51.40 ( 4)	4.45 ( 1)	133.80 ( 5)	56.75 ( 4)	40.20 ( 5)	286.60 (19)	5.54
Multi sectoral projects	40.00 ( 1)	—	—	—	180.00 ( 1)	220.00 ( 2)	4.25
Total	886.49 (90)	546.04 (70)	1,779.58 (95)	781.44 (86)	1,181.41 (136)	5,174.96 (477)	100.00
% Percentage	17.13	10.55	34.39	15.10	22.83	100.00	

for West Africa. In Central Africa, road infrastructure construction and rehabilitation make up the bulk of our operations in the sub-region of Africa which is almost entirely land-locked. However, our operations have also involved the rehabilitation of the ports of Matadi and Kinshasa as well as the waterway in Zaire, the repair of the international airports of Brazzaville in Congo, Douala in Cameroon and N'Djamena in Chad.

6.2.3 In West Africa, where most countries have direct access to the sea, road infrastructure again accounts for the bulk of our operations, in spite of the Bank's activities in the ports of Cotonou (Benin), Conakry (Guinea) and at the airport of Bissau (Guinea-Bissau)(Table 2).

Table 2  
Breakdown of AfDF loans by region and by sector, 1974-87 (in million FUA)

Sector	Central Africa	East Africa	North Africa	Southern Africa	West Africa	Total	%
Agriculture including lines of credit to agriculture	258.62 (41)	364.84 (39)	114.14 (15)	281.48 (36)	496.55 (70)	1,515.63 (201)	39.35
Transport	196.70 (28)	172.91 (19)	25.00 ( 2)	171.36 (27)	241.35 (38)	807.32 (114)	20.96
Public Utilities	212.42 (30)	196.74 (22)	75.40 ( 8)	99.83 (20)	148.81 (27)	733.20 (107)	19.03
Industry including lines of credit to industry	13.99 ( 4)	9.91 ( 3)	19.00 ( 2)	9.65 ( 2)	43.10 ( 3)	95.65 ( 14)	2.48
Education and Health	104.97 (25)	88.52 (17)	64.63 ( 9)	132.72 (16)	184.59 (35)	575.43 (102)	14.94
Multi sectoral projects	11.98 ( 3)	1.37 ( 1)	—	31.00 ( 1)	80.50 ( 4)	124.85 ( 9)	3.24
Total	798.68 (131)	834.29 (101)	298.17 (36)	726.04 (102)	1,194.90 (117)	3,852.08 (547)	100.00
% Percentage	20.73	21.66	7.74	18.85	31.02	100.00	

### 6.3 1988-1990 Programme

6.3.1 For the next three years including 1988 the Bank Group's projections for infrastructure are:

In Central Africa:

- 11 road projects;
- 1 port project;
- 2 railway projects.

In West Africa:

- 20 road projects;
- 1 port project;
- 2 railway projects;
- 1 airport project.

Of a total of 38 projects, 31 are road infrastructure projects, and in carrying out our operations we are bound to emphasize maintenance and its financing.

6.3.2 The rapid deterioration of roads is due to inadequate maintenance or the age of infrastructure. The following factors account for this situation:

- inadequate resources allocated to maintenance;
- inefficient maintenance.

The disadvantages of this lack of maintenance are:

- the deterioration of the national road network;
- the increase in transport costs.

6.3.3 In view of this situation, the Bank recommends the following during project appraisal and implementation:

- the arrangement in order of importance of the components of the network: since financial resources are very limited, a choice must be made which entails the classification of the network;
- maintenance standards based on climatic conditions, vegetation, traffic and geotechnical characteristics of the soil;
- the training of personnel: list tasks so as to determine the qualification's required;
- road tax and the financing of road maintenance: it is essential to redirect the transport sector's resources to maintenance, to use funds more efficiently and to step up costs recovery through taxes. Fuel taxes are preferable to most of the other taxes.

Whether this involves the "Office des routes" (Road Authority) or the Road Fund, the main objective is to mobilize financial resources, save



them and finance road maintenance at appropriate time.

6.3.4 The Bank Group also recommends to beneficiary countries not to increase taxes heavily but to cover at least the marginal cost of the wear and tear of the carriageway by *levying various taxes, namely:*

- fuel tax;
- taxes on vehicles and spare parts;
- taxes on commercial vehicles: axle tax;
- tolls;
- fixed taxes on driving licences.

Schemes should be set up by countries and financiers to allocate directly proceeds from road user taxes to road maintenance.

## 7. BANK GROUP'S RELATIONS WITH JAPAN

7.0.1 At an early stage, the African Development Bank Group developed close financial relations with Japan, hence the various borrowing operations carried out in Japan and Japan's active participation as a major shareholder in the establishment of the African Development Fund in 1973, and with the opening of the share capital to non-regional members, Japan's participation in the replenishment of AfDF-V at the end of 1987 for the period 1988-1990, thus becoming the first shareholder in this institution.

7.0.2 Although borrowing operations have been successful, Japanese organizations providing assistance to African countries through the Bank Group (what we call tied or untied bilateral aid) are on the other hand, virtually inexistent. However, we know the great importance of these organizations to Africa, as, for example, JICA's recent drinking water supply operations in Zaire. These operations could have been co-financed—and why not—by AfDB/Japan, which would have provided the advantages of granting concessional loans to beneficiary countries or assisted countries in carrying out feasibility and pre-investment study programmes.

**7.0.3** Japanese consultants and compaies: there are virtually no Japanese consultants participating in the Bank's operations. In paragraph VII-2 we have just noted that organizations providing assistance could, through tied funds, have their consultants participate in the numerous and costly studies conducted through the Bank Group. Only those Japanese companies which operate in the area of communications have, on behalf of the Bank, implemented projects in Guinea (West Africa), Angola (Central Africa) and Malawi and Zambia (Southern Africa).

## **8. CONCLUSION**

**8.0.1** We have made an attempt to present the African Development Bank which will be celebrating its 25th anniversary in 1989. In conclusion, kindly allow me to repeat what was said by the President of the African Development Bank Group, Mr. Babacar N'DIAYE at the AfDB and AfDF Meetings of Governors which took place in Abidjan, Ivory Coast, from 1st to 8th June 1988, and I quote:

"Our institution is fully conscious of the responsibility of ensuring that both our traditional operations and new orientations respond effectively to the economic and social crisis afflicting the continent. Indeed, this concern has been, and will continue to be, the principal motivating force behind all major endeavours, whether they be in increasing the magnitude and efficiency of resource flows, in proposing initiatives aimed at alleviating the external debt burden or in the introduction of new lending instruments".

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1) According to estimates for the period 1980-1986, the population of African member countries increased at the average rate of almost 3%, while the GDP growth rate stood at an average annual rate of 2%.

2) In 1985 the net transfer of resources to Africa stood at -US\$ 3.01 billion as compared with US\$ 19.6 billion in 1978. The numerous debt reschedulings are another indicator of the debt problem. In 1976 only one African country re-scheduled its debt. But over the decade following this date there were 63 re-schedulings involving 24 countries and including thirteen in 1986.

- 3) It is estimated that from 1980 to 1986 the agricultural sector grew at the rate of 2.3%.
- 4) According to estimates, from 1979 to 1983 savings dropped at the average annual rate of 12% in the least developed member countries. In these countries domestic savings stood at an average of only some 6% of the 1983 GDP as compared with 15% in the 1960's and at the beginning of the 1970's.

Thursday  
16th June, 1988

## **Questions & Answers**

**Public Address by Mr. Emmanuel Tetegan:  
"Development Policy of AfDB"**



**CHAIRMAN:** Although our time is running out, we would delay probably the afternoon session. For about half an hour from now, we would like to take questions from the floor to Mr. Tetegan. Mr. Tetegan's speech was very detailed in nature, and was very enthusiastic about his presentation. If you have any questions about AfDB, please raise your hand. Please identify yourself, your name and your affiliation, when you raise a question.

**SHOHJI:** My name is Shohji with OECF. I would like to ask about the long-term structural adjustment issue in Sub-Saharan Africa. I understand that many countries in the region, which are faced with serious *economic difficulties*, are implementing major programmes of structural adjustment/reforms or about to do so with the support from the World Bank. And, my question is about the AfDB's involvement in this issue. Could you please tell us what the Bank is doing in this connection? Do you have your own special programmes by AfDB? Have you done anything special for this purpose? What is the AfDB's view on the actions taken by the World Bank?

**TETEGAN:** Thank you for your questions. As I mentioned earlier, many African states are faced with economic crisis. They are heavily indebted. In face of such huge amount of debt as exceeding 200 billion dollars, they are not self-sufficient any more: the present levels of debt *cannot be reconciled with present levels of growth*. The problem is, then, how to cope with such a situation.

Various initiatives have been taken to redress such problem. One of the most important initiatives is, as I mentioned earlier, to adjust/reform the economic structure, i.e. a structural adjustment programme. This programme is aimed at macroeconomic reforms: for example, what sort of macroeconomic policy should be adopted, and what should be deleted from the macroeconomic policy, etc.

As you pointed out, the World Bank, in the past four years or so, has been deeply involved in this important issue. At this moment, the World Bank has embarked on the economic reform to redress the imbalances that exist in *different nations in Africa*.

The African Development Bank believes that there is no labour that is free of paying. So, the structural adjustment programme is always accompanied by paying. But, as far as AfDB is concerned, if something is to be done, money has to be paid. This is the principle of AfDB.

Then, what is the means of payment? In other words, the World

Bank makes the proposals of various policies and suggests its adoption, in response.

There is, of course, a problem as to whether each of those policies would turn out to be really effective or not. But in any case, the programme for structural adjustment/reforms was usually mapped out by the World Bank, for instance, in case of the adjustment programmes in Zaire, and Senegal, etc. The problem is that there are some countries who do not always want to accept and act in line with the macroeconomic policy proposals made by the World Bank. And, in fact, Senegal refused the adjustment programme prepared by the World Bank, despite she had accepted the IMF's idea.

Since AfDB is located in Africa and being as a regional development institution in Africa, AfDB is in a position to be able to intervene more easily in what is happening in Africa. Two years ago, the Board of Governors of AfDB convened and had a meeting concerning the (structural adjustment) loan, and we all agreed that cash was needed for all of Africa. This was a major conclusion at the Board of Governors Meeting held two years ago. Based on that, AfDB began collaborating last year with the World Bank in this issue and we would expect to work together with the World Bank for the structural adjustment programmes of regional member countries in Africa.

Thus, local and regional conditions should carefully be taken into account in the preparation of the programmes. It depends on the country what aspects should be emphasized. And if I am not mistaken, there are ten programmes of that kind (AfDB/WB collaboration in the structural adjustment programmes in Africa) already in progress. There is one adjustment programme in Congo, one in Senegal, one in Tunisia, one in Guinea, one in Guinea-Bissau, one in Gabon, one in Benin. We are working in collaboration with the World Bank of such adjustment programmes.

Nevertheless, in the five year programme during the period from 1987 to 1991, we do not expect that the share of the structural adjustment loan at AfDB will exceed 20 percent, mainly because of the AfDB's viewpoint of development that the adjustment itself is not part of development but is aimed at just redressing the imbalances. Although we work hand in hand with the World Bank, we will not attach the top priority to that particular aspect at the AfDB. Let me say, for example, among the UN organizations, UNICEF doesn't agree on this aspect of assistance in the sense of UNICEF's view that more open adjustment programme

should be done. Therefore, I have just explained the option we have taken. Does that satisfy you?

**CHAIRMAN:** Any other questions?

**SHIMIZU:** My name is Shimizu. I am with the Export-Import Bank of Japan. I would like to ask one question. Among some African states, rescheduling of debts has been taking place on commercial basis. London Club, for instance, or Paris Club on the governmental basis, are the forum at which debt rescheduling has been discussed and agreed so far to a great extent. The World Bank, IMF, other international institutions, and AfDB can also be included. Those institutions have not done any rescheduling of that nature, because of their practices. In reality, however, there have been a number of instances in the case of the World Bank. And I imagine that it is also the case with AfDB. Well, has there been so far any arrears in the payment of the interests or the principals from the borrowing countries to AfDB? How much arrears has so far been in the payment of interests or in the repayment of principals? And what sort of counter-measures are you taking at AfDB? I would like to know specifically the relations between the borrowing countries and AfDB.

**TETEGAN:** Our borrowers are at various levels. Repayment schedule is determined, for instance, depending upon the project for over 25 year period, that is the maximum period during which the interest rate will be fixed or frozen. The initial three years are the normal term in which delay in the repayment of principal may be considered permissible. That would be the grace period. When we extend loans to member states, if the nation is in difficulties, we pay (disburse) the loan, for instance, for the period up to six months. From January 1st to July 1st. As of July 1st, at the deadline, during the period, if the borrower cannot pay back during the period from July 1st to December 31st, during the six months, if they were not able to pay, that six months in arrear—six month delay. They are allowed additional three months. If they cannot even meet the additional three months delay, the sanctions will be taken. The type of sanctions taken by AfDB is that it will not extend any further loan to the borrower. AfDB will not extend any further loan for any other projects which are even under study in that particular nation in question. If the repayment cannot be made even after one full year, then, their repayment burden will be doubled. What I mean by "double" is that the project is already in progress, and orders will be suspended. That means the loan to that particular project will be totally suspended. That borrower country, then,



hopes to take some sort of measures to way out.

There are some countries that are so problematic in this respect. It is quite impossible to have projects progress smoothly, for instance, in Sierra Leone, Tanzania and Guinea. They are not solvent; they don't have the solvency. This means that the loan cannot simply be extended to those countries. In the case of Liberia, 7 million dollars are in arrears. They are deeply indebted and unable to make the repayment of 7 million dollars. AfDB is trying to reschedule the original programme to a longer term repayment schedule. We have tried to rearrange the payback period for the terms to be extended. The President of AfDB has that sort of basic way of thinking—to enable repayment by the borrower nation by some way or other.

**CHAIRMAN:** We have enough time just for one more question. We would just take one last question from the floor.

**OHNO:** My name is Ohno. I am with JICA. I have three questions. My first question is concerning the structural adjustment. You mentioned earlier that AfDB would not allocate more than 20 percent of the total available funds to the structural adjustment programmes in the regional member countries. I think the structural adjustment programmes have brought both positive and negative impacts. Even though a programme proves economically and politically feasible, it naturally requires structural reforms/restructuring of governments and public enterprises that could lead to unemployment, reduction or cut off of subsidies, increase of cost recovery/user fees for public services, etc. That would make the money tight for the under-privileged people. That could be a problem. Sometimes, the social, political and cultural backgrounds are not always fully taken into account in the elaboration of structural adjustment programmes, and there are some people who hold the position that it would be wrong to make judgment from economic viewpoint alone. At AfDB's viewpoint, do you take any policies to mitigate the negative political impact likely to be generated by the implementation of the World Bank initiative adjustment programmes?

My second question is related to the classification of the regional member countries and the eligibility for the loans from each of the African Development Bank Group, that is, AfDB, AfDF (African Development Fund), and NSF (Nigeria Special Fund). How do you classify the regional member countries into three groups?

And finally, please let me know the size of budget and the name of

the biggest shareholding country of AfDB.

**TETEGAN:** Thank you for your questions. As I mentioned before concerning the structural adjustment issue, I am in full agreement with what you have just said. Of course, there are some people who oppose such an idea, and others who agree with such an idea. In the case of Senegal, just as an example, 35 percent of the work force are out of work, i.e. unemployed. Something had to be done. Then, AfDB worked with the World Bank to adjust such a situation, to do something about the unemployment rate.

As to your first question, we do not have any such specific and alternative measures to the World Bank initiatives. We have been involved in the structural adjustment programmes for two years, and honestly speaking, we are acting in line with the World Bank. If the World Bank funds 60 percent of the total financing requirement, we will pay the remaining 40 percent. We are working with the World Bank in a project in Gabon. After its completion, we would probably be able to reach a certain conclusion as AfDB on the structural adjustment issue. But at present we do not have yet any such definite policy to mitigate the World Bank's action as you pointed out.

Your second question was related to the classification of the countries. The regional member countries are classified on the basis of the per capita GNP of each country into three different groups, i.e. Groups-A, -B, and -C. Group-A is further broken down into two groups; A-1 and A-2. A-1 group countries are with per capita GNP less than 350 dollars. There are 23 countries in this classification. A-2 group countries are those with per capita GNP in the range of 351 to 510 dollars. Most of our financial resources are allocated to Group-A. Actually, 70 percent of our financial resources are allocated to Group-A countries. And, A-1 and A-2 add up to 33 nations.

There are 9 nations falling under the Group-B category, whose per capita GNP ranges from 511 to 990 dollars. For this group 40 percent of AfDB financial resources are allocated. Technical assistance and feasibility studies for construction projects are covered by AfDB loan for those countries.

Group-C countries whose per capita GNP is greater than 991 dollars, e.g. Mauritius, Tunisia, etc. are not entitled to borrow money from the African Development Fund (AfdF). But if the project is multinational in nature and if the Group-C nation is involved together with Group-B in a

multinational arrangement, we can, then, make adjustment to extend loans with low interest to Group-C as well. As for Nigeria Special Fund, those countries falling under Group-A and Group-B are eligible to borrow money from this particular Fund.

As to your third question, the largest contributor to AfDB in its capital compilation process is so far the United States.

**CHAIRMAN:** I am afraid it's time to conclude the morning session, though there seem to be some participants who have more questions and views. Today, we have lots of participants not only from the official aid agencies but also from private consulting and trading firms. Mr.Tetegan has been looking forward to having opportunity to exchange opinions also with people from private companies. Therefore, if you have any further questions, please contact him directly during the coffee break time of afternoon session. Please give a big hand of applause to Mr.Tetegan. Thank you very much, Mr.Tetegan, for your excellent lecture.

## **II. Development Policy of Club du Sahel**

**by Henri Jorritsma, Club du Sahel**

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## BACKGROUND

**Dr. HENRI JORRITSMA**

**A. CURRENT POSITION**

Adviser to Director, Club du Sahel(OECD)

**B. EDUCATION**

University of Utrecht

— Cultural anthropology, Rural sociology, Rural economics,  
Agricultural economics, Economics of developing countries,  
Regional planification

**C. RELATED WORK EXPERIENCE**

1974-1975 Royal Institute of Tropical Countries (Amsterdam)

1975-1977 Regional studies on Niger in cooperation with Human  
Science Centre and Ministry of Rural Development in  
Niamey

1977 Visit to development projects in Mali, Burkina Faso,  
Togo, Cameroon and Ivory Coast

1978-1979 Royal Institute of Tropical Countries (Amsterdam)  
Study on rural development in Sahel countries

1980-1981 Bureau of Special Programme for Reconstruction and  
Rehabilitation, Ministry of Foreign Affairs of Holland  
Evaluation of rural development project in Uganda

1981-1984 Bureau of Co-finance Programme, Ministry of Foreign  
Affairs

Evaluation of N.G.O and international organizations  
development programme in Sahel countries

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Ladies and Gentlemen:

Allow me to start my speech by thanking the Japan International Cooperation Agency for inviting the Club du Sahel to participate in this exchange of ideas and opinions on development problems in Africa. The Club du Sahel is, of course, only one among a growing number of organizations and institutions dealing with African development and its field of action is limited to a restricted area in West Africa, the Sahel countries, whose problems often, but not always, can be generalized for the whole of Sub-Saharan Africa.

My director, Anne de Lattre, asked me to express her deep regrets that she was not able to attend this conference on account of a previous commitment to attend Niger's Round Table on the Private Sector. She would have been the ideal person to discuss with you the history, development and actual functioning of the Club du Sahel, being the Head of the Club du Sahel Secretariat from the very beginning. Although my first experiences in Sub-Saharan Africa date back to the mid-seventies, I only joined the Club du Sahel Secretariat some three years ago, so it is with modesty that I address myself to you concerning its history and activities.

I would like to elaborate, in this introductory statement, on four main issues:

- the history of the Club du Sahel;
- its on-going working programme;
- a short analysis of the actual situation in the Sahel, and
- some perspectives for the development of the Sahel countries.

Although I will express from time to time some of my personal views, the major part of my speech will be based on the numerous studies and analyses prepared by consultants over the years and whose views I share.

## 1. THE CLUB DU SAHEL: AN EXPERIMENT IN INTERNATIONAL COORDINATION

Before the early seventies, the Sahel was a virtually unknown region of the globe. It had little economic interest due to its limited resources and scarce population; it was isolated due to its rudimentary infrastructure and politically it was relatively quiet, except maybe for Chad.

Apart from the French, because of their former colonial ties, hardly any Western country was interested in this area. Of course, you could find historians studying the old empires that existed in the Sahel in medieval times or anthropologists studying social structure or religion in some remote village. It was the severe drought which struck the West African countries in 1972-73, but that had commenced already some 5 years earlier with a series of rain deficit years, that brought to the headlines of world news the existence of the Sahel countries.

The alarming pictures and data on starvation in these countries elicited an international movement of solidarity among the developed countries. In the first few months it was reflected by a massive food aid campaign to cope with the most urgent needs and later on, there was a common feeling that something had to be done to contribute to the development of this region and to protect it against future climatic hazards.

The few countries that were already allocating aid to the Sahel increased their efforts and others, unfamiliar with the region, created new aid programmes for relief and drought control in the Sahel.

Soon it became obvious that there was an urgent need for:

coordination among the interested donor agencies involved, and research, not only on the climate, but also on the many other factors playing a role in the vulnerability to drought of the region. Even the aid agencies already having experience in the area had doubts on the effectiveness of their activities.

As early as 1973 the Sahelian States (at that time made up of Upper Volta, Mali, Niger, Mauritania, Senegal, Chad, and Gambia; Later on by the Cape Verde Islands and then Guinea Bissau), conscious of their common problems, created their own inter-governmental organization, the Permanent Inter-State Committee for Drought Control in the Sahel (CILSS), with its headquarters in Ouagadougou (capital of Burkina Faso, formerly Upper Volta) and two specialized institutions: Agrhymet, for collecting, analysis and diffusion of agrometeorological information in Niamey (Niger) and the Institut du Sahel, for the coordination of research in Bamako (Mali). One of the first objectives of CILSS was the mobilization of the sharply increased international aid. Donor agencies were, however, rather reluctant to support CILSS. The resources allocated directly to the CILSS system were relatively small, so it was confined to putting together a long list of projects already formulated by the Member States. Most of these projects were of rather mediocre quality so that donors showed little interest in them. They found an absence of clear guidelines for increased effort, a lack of strategy at medium and long term.

In the same year, the United Nations created a special office for the Sahel (UNSO—United Nations Sahelian Office) with mandate to coordinate donor efforts. But donor agencies were not very interested by the idea of being coordinated by a United Nations' structure, and UNSO soon became one of the numerous specialized offices within the United Nations responsible for its own projects without playing the role of coordination even with the UN system itself.

Still the need for coordination remained and the preliminary contacts established between two major donors, that of the United States and France, after intensive consultations with and the agreement of the Sahelian authorities, resulted in the creation of what was then called the "Club des Amis du Sahel" and later became the "Club du Sahel". We are now in early 1976, in Dakar, Senegal.

The mandate of the Club du Sahel was formulated in a very open and flexible way:

- giving support to the CILSS;



- informing the donors about the problems of the Sahel and fostering their awareness;
- encouraging the cooperation among donors and facilitating the mobilization of new resources; and
- acting as an informal platform for discussions between Sahelians and donors on development policies for the Sahel.

The name "Club" might be a bit surprising. Why a Club? Each donor organization has its own policy frameworks, procedures, constraints, financial as well as others, its own ways of acting. Of course, each donor agency is willing to coordinate with others when you ask them, but, in reality the limits to real coordination are reached very soon. The same applies to the recipient countries. They are the first to express the wish for greater and more effective coordination among donors. Diversity of policies and actions pursued by donors is time-consuming for their governmental services and hardly favourable to a harmonious development of their society. However, here too in reality, the limits to the coordination proclaimed by the recipient governments are soon reached. In fact, too much coordination among donors is seen as a threat to their own autonomy and pace for manoeuvring.

It is, therefore, quite clear that sharply defined and rigid procedures for coordination are not easily accepted, neither by donors nor by recipient countries.

It was in this perspective that the idea of a "Club" was a worthwhile task. A club, by definition, is not a constraining structure. It is a place to go to if one feels the need, without obligation—a place where one can discuss freely.

The Club du Sahel was created according to this philosophy, restricting constraints and obligations to an absolute minimum. In fact, the Club du Sahel does not really exist: it has no rules, no register of members, no compulsory subscription and no chairman. Its secretariat is based in Paris with a staff of only four persons of different nationalities. Apart from the Director, the other members are replaced every 3 or 4 years, and the necessary administrative support is given by the OECD. The Secretariat formulates its working programme in consultation with the CILSS and

with those donor agencies who wish to participate, and all that in an informal atmosphere.

Another important and interesting characteristic of the Club du Sahel is that it is not an exclusive donor organization but combines both donor agencies and CILSS Member States, both being represented by persons who, during most of the meetings, have the freedom to speak on their own behalf and are not officially delegated spokesmen of their own organization. This freedom helps to avoid official statements and leaves room for real in-depth discussions.

When the Club du Sahel was created, a number of aid donors, some of the main ones such as the United States, France and Canada, and also a growing number of others such as the Netherlands and Switzerland, expressed their interest in the originality and utility of the Club as a place of reflection, consultation and discussion. Today, the Club is able to operate thanks to contributions from the following donors: Austria, Canada, Denmark, the Federal Republic of Germany, France, Italy, Japan, the Netherlands, Switzerland and the United States.

The first task undertaken by the Club du Sahel was to reflect on the situation in the region and on ways of making it evolve in a favourable direction, with the aim of creating a kind of framework within which the activities of the Sahelians and the international community could be undertaken. By situating their action within this framework, all parties could be assured that they were working in the same direction.

The originality of the approach lay in the fact that experts from three continents shared in this reflection within one working group: Europeans, North Americans and Sahelians. Each contributed its own vision of the problems of the Sahel, their causes and the solutions to be provided to them, which was enlightening for all.

This approach was undoubtedly fruitful: it enabled discussions to go beyond the analysis of the mere effects of the drought, and to show that with or without the drought, the Sahel was not evolving in a healthy way, that the economic base for sustained growth was virtually non-existent, and that changes in the societies of the Sahel were resulting in a disturb-

ing degradation of the natural environment, causing a severe threat to the future. The drought had done nothing but worsen, exacerbating existing obvious trends. All these ideas, which seemed new at the time of the Club's early work, are now widely disseminated and broadly admitted.

This comprehensive reflection on the Sahel led to the working group's shaping a framework for action, which came to be called the "Strategy of Drought Control and Development in the Sahel". The goal of this strategy was to achieve food self-reliance in the region, regardless of the climatic uncertainties, while putting a stop to the degradation of the natural environment.

This strategy was adopted by both Sahelian governments and donors in 1977. It was subsequently revised and improved several times, in line with advances in the reflection carried on within or outside the Club du Sahel.

It would be an exaggeration to say that the strategy adopted by the Sahelian governments and donors was the framework and guide for action by all concerned since its adoption. It has undoubtedly not been without impact but, at least until now, it has not really played the role that had been expected of it.

*Apart from this overall reflection, the Club has conducted sectoral analyses on the crucial problems of the region: the development of rainfed agriculture and cereals policies; irrigated agriculture; livestock and fisheries; energy, forestry and ecology; rural water supply; recurrent costs generated by development projects.*

Perhaps to a greater degree than the overall reflection, these sectoral studies have had a direct impact on activities undertaken in recent years. Two examples of this will be given:

The analysis of the irrigated agriculture sector showed that these crops had only a marginal role in the Sahel. The potential for developing this type of agriculture is considerable. Equally sizeable investments were made, virtually all financed by external aid. Despite these favourable factors, the surface of effectively exploit-

ed irrigated areas grew only very slowly. Many irrigated areas had to be "rehabilitated" shortly after being brought into operation, and crop yields from irrigated areas that had been constructed at great cost were frequently mediocre and disappointing.

The analysis afforded a better understanding of what was actually going on, and enabled bottlenecks to be identified in this area. It enabled somewhat greater realism to be injected into the work of planners and into the activities of donors in this sector.

Similarly, a study on livestock has shown that the traditional systems of animal husbandry were a rather optimal way of using existing resources and that in the actual situation not water but fodder and the preservation and improvement of pastureland are the key factors in the development of animal husbandry. With rising population and soil degradation, crops in the Sahel are taking up more of the space that was traditionally reserved for grazing; the cattle owners are faced with a crisis. The farmers are turning gradually to stock-breeding but their productivity is low.

Livestock development is very dependent on a rural code that should allow correct land management to prevent disputes between stockbreeders and farmers, and should integrate stockbreeding, intensifying agriculture and developing pasture lands.

The reflection heightened awareness of mistakes that had been made and pointed out obstacles to increasing production. Admittedly, this did not go far enough—we will come back to this point later—but it was undoubtedly a first and necessary step towards improving a situation that had been worsening steadily for many years.

Alongside this effort of reflection, the Sahelian governments were constantly concerned to mobilize increased financial efforts by the international community and accordingly, to prepare development projects that could be financed by the different aid donors.

During the preparation of the first version of the strategy of drought control and development in the Sahel, the CILSS was preparing a "first-

generation programme" and submitting it to the international community. As I said earlier, many projects contained in this programme were either of questionable value, or inadequately prepared.

The Club played a significant role by helping to sift through the projects which could effectively be included in the approved strategy and whose chances of success appeared relatively good, and also by participating in the preparation of projects that existed only in bare outline, to raise them to the standards of donor acceptability for funding.

This had the consequence of substantially increasing the amounts of official development assistance in the region. Aid commitments rose from US \$ 1.14 billion in 1976 to US \$ 1.5 billion in 1980 and US \$ 1.9 billion in 1985. These figures are in dollars at constant prices (corrected for inflation). In all, the Sahelian countries received more aid than most developing countries: an annual US \$ 44 per capita in recent years, which means more than double the average per capita aid received elsewhere in Africa south of the Sahara, or four times as much as the per capita aid received by countries in Asia. The Club's existence and work undoubtedly have played a role in creating this privileged situation for the CILSS countries.

Before I present a general outline of the actual working programme of the Club du Sahel, I would like to make some short remarks on the results of the numerous works realized by the Club. At first sight, we have to admit, the general picture is rather disappointing.

None of the identified major unfavourable trends have been reversed. The Sahel remains extremely vulnerable to climatic uncertainty, as shown in 1984 and 1985. Both were exceptionally dry years and the region was able to survive only through massive food aid that reached record levels. More seriously, this food aid has now become permanently necessary, even in years of relatively favourable climatic conditions. The Sahel has on the whole drifted away from the objective it had set itself of food self-reliance.

Livestock problems have not been solved. Sahelian herd numbers on the eve of the dry period had reached a size that was hardly compatible with available grazing resources. The droughts have considerably reduced

the number of animals, but the question of how to prompt an evolution in the pastoral system so that it responds to increased needs still remains unanswered today.

Deforestation has not been halted. As a result of the work of the Club, donors have given greater attention to reforestation operations. However, this was far from enough to reverse the trends. Degradation of crop-lands and pasture-lands is continuing at a rate which is tending to accelerate.

Overall, the economy of the Sahel countries has not developed favourably, especially since the early 1980's. It might be said that the only new feature is that the Sahelian countries, which until the end of the 1970's were scarcely at all indebted, saw their external debt grow very fast. Taking into account their domestic product or the value of their exports, some countries now rank among the most heavily indebted in the world.

Are we to conclude from this that the experiment of the Club du Sahel was a failure? This would certainly be a hasty conclusion.

First, it should be pointed out that, since the late 1970's, the region has been immersed in an unfavourable environment:

- the 1984 and 1985 droughts were probably the most severe ever recorded in the region, not only in the time for which written data have been available, but also since the earliest times referred to in oral traditions;
- the second oil shock, the fall in prices of the commodities exported by the Sahel countries—cotton and especially groundnuts—the rises in the dollar during that time and in interest rates directly affected the Sahelian trade balances, indebtedness and economies.

This being so, internal factors were still more responsible than external factors for bringing the region to its present situation. And the chief merit of the Club is that it has improved awareness of the mechanisms that have been and still are at work in this. Its merit is that it

has highlighted the fundamental problems of the region:

- production systems which fail to adapt to a rapidly growing human population and to an increasingly restricted land area; at least part of the Sahelian population now survives only because of international food aid and by encroaching upon a natural environment whose resources are gradually diminishing when they should be increasing to satisfy the growing needs;
- production systems which fail to adapt to an even faster-growing number of city-dwellers, who themselves are no longer being fed by the rural environment and do not produce enough value to pay for food imports.

The droughts have merely precipitated the appearance of phenomena which would have occurred sooner or later, and have worsened them.

Moreover, the reflection conducted by the Club has enabled considerable advances to be made in understanding the reasons why the Sahel did not better adapt to the circumstances. It has contributed to a better understanding of the reasons for which the policies of the Sahelian governments and donors have hitherto failed to bring about these necessary adaptations.

*Experience has also shown that it was not enough to advance the understanding of the reasons why the blockages in the way of change, particularly socio-political blockages, have failed to give way on their own. Understanding the reasons for the rise in unemployment in our countries, or for the rise in food dependency in the Sahel countries is one thing. In either case, applying remedies that will work is quite another.*

Thus it may be thought that the work of the Club du Sahel, apart from a few successes in limited fields, has above all prepared the way for the future. And this by creating a forum for discussion and analysis in which Sahelians as well as donor agencies participate. It can be felt that this way of involving donor and recipient countries in reflection on the region, will in the long run be effective. First, because the two sides have something to learn from this joint reflection. Sahelian politicians have further analysis to make (and they have already begun doing so) on the

effectiveness of the development policies introduced to date, and on ways of changing them. And it may be thought that, to the extent that the conclusions to such reflections are their own conclusions and not constraints imposed from without, they are *more likely to move faster and more deeply into reality*.

Donors, too, undoubtedly, need to reflect on their share in the responsibility for the failures recorded, to become aware of the pressures Sahelian governments are under, and to redirect their activities accordingly.

In the arduous search for a fruitful method of dialogue, the Club du Sahel is without doubt an original experiment; one that reflects certain Sahelian realities: a regional homogeneity, the existence of common problems and a framework for regional cooperation, the CILSS. Perhaps a disappointing experiment in the short term, but a promising one in the long term in that it has increased awareness—perhaps to a greater degree than elsewhere in Sub-Saharan Africa—of the complexity of the problems to be solved.

## 2. THE ACTUAL CLUB DU SAHEL WORKING PROGRAMME

In my description of the actual work programme, I would like to focus on three main issues that to a large extent define the individual activities undertaken:

- cereals policies in the Sahel countries;
- ecology and agricultural development; and
- a futures study on the socio-economic development of the Sahel.

In December 1986, seven years after the first conference on the cereals policies of the Sahel countries, which was held in Nouakchott (Mauritania) in 1979, the CILSS and the Club du Sahel organized, in Mindelo (Republic of Cape Verde), a meeting of experts from Sahel Member States and the international community. The Mindelo Conference pointed out that the problems analysed in Nouakchott, in 1979, are still problems today: imports of cereals are continuing to increase, and



extensive agriculture, which is extremely sensitive to climatic variations, is still predominant in the region. The land resources of the Sahel are still deteriorating and a halt has not been brought to the unyielding march of desertification.

The progressive marginalization of the most underprivileged sectors of rural society is continuing. Nevertheless, in view of the region's production potential, the Conference sought to reaffirm the ultimate feasibility of the objectives of food security and food self-sufficiency, which can only be achieved if suitable policies are adopted at the sub-regional level.

In order to make use of the information presented at the Mindelo Conference of which the Acts were published during the Spring of 1987, the Secretariats of the Club du Sahel and the CILSS set up a restricted committee on cereals policy to help them to define their work programme in this field. For the time being, three major interrelated fields of activity emerged from the numerous discussions and consultations. They make up what might be called "the CILSS/Club de Sahel Food Security Programme".

1. Improved quality and circulation of information, without which it will be impossible to develop an effective cereals policy or to formulate an effective response to food crises. It is not sufficient to improve the quality of information on cereals markets and on the food situation in the Sahelian countries. The information must also circulate within the Sahelian countries and among donor agencies. With the support of the donors, CILSS has made a firm commitment to further these objectives through the Agrhymet programme and the so-called Permanent Diagnosis project. The Club du Sahel contributes to these two programmes by providing assistance in improving methodologies. Recent work has covered subjects such as information on farmers' stocks, a presentation of food balance sheets, development of early-warning systems and the use of remote-sensing techniques. The Club also coordinates two networks of Sahelian and non-Sahelian experts on the information of cereals markets and the prevention of food crises.

2. Strategies for the prevention of and response to food crises.

In this field, the Secretariats of the CILSS and Club du Sahel are leading a two-pronged offensive aimed on the one hand at setting up and coordinating early warning systems through which the relevant services in each Sahel State would work with donors on a permanent basis, and, on the other hand, at tailoring food aid policies to the real needs of the Sahelian countries, through the formulation of a sort of 'code of good behaviour'.

3. Promotion of trade and consumption of domestic cereals.

In fact this covers the issue of cereals policy in the strictest sense of the word, at the national as well as at the regional level. At present, three activities are taking place:

First a study on regional trade, border trade between the Sahel countries and the West African coastal countries. The study, which is undertaken by a team of French and African researchers, is based on two underlying observations: current perceptions of regional trade rely on national accounts that are very far removed from the actual situation and obstacles to integration at the intergovernmental level in many cases stimulate informal and clandestine border trade. The study attempts to answer the following questions: How much trade in agricultural products is actually conducted within the sub-region? Which products are involved in border trade and how much of that trade involves imported products?

What factors govern this trade? Comparative advantages, differences in monetary systems, inconsistency between economic policies?

What are the mechanisms behind border trade? How are informal and clandestine trade networks organized and how are the transactions carried out?

And finally, what are the unrecorded advantages and disadvantages for national economies and for the region as a whole?

The first results of this study will be available during the autumn of this year.

A second activity is the creation of a regional programme for the promotion of domestic cereals in the Sahel, called Procelos. Through this programme, the CILSS and Club du Sahel intends to set up a durable communication network consisting of numerous private and public initiatives which are poorly known at present and remain isolated activities in their own countries instead of having a 'spread effect'. A team of consultants has conducted an inventory of promising initiatives in the different Sahel countries and created a network bulletin. National teams were set up during the field visits, making it possible to contact persons involved in local cereals processing, who could ultimately participate in the network and to forge links that had hitherto not existed.

A first regional meeting of the Procelos network is planned to take place in September this year in Senegal, and will bring together some 70 persons—craftsmen, representatives of industry, project leaders, donors and representatives of interesting projects outside the Sahel.

Finally, the Club initiated a reflection on the role that protection of markets could play in cereals production, consumption and trade flows. There is no doubt that this reflection is arousing considerable interest from the donors and Sahelian authorities. However, in view of the scope and complexity of the issues, differences of opinion are not uncommon. In the formulation of its activities, the Club wants to avoid ideological discussions, but stick as much as possible to the facts. Protection is 'tabou' in modern economic thinking on *free market flows*. But *free markets* are based on the assumption of more or less equally spread comparative advantages. Sahel countries have no comparative advantages whatsoever. Thus, if Sahelian agricultural production has to be saved in the future, measures to prevent cheap cereals imports from countries like the United States, the CEE and Japan, amongst others, has to be taken.

In order to focus the actions undertaken by Sahelian countries and donors in an effort to promote domestic cereals, the work of the Club du Sahel will not only cover consideration of means of

protecting the market, but will also include examination of how to improve trade among the different countries in the region, and how to better harmonize national cereals policies.

The first phase of this work aims at identifying and analysing those measures adopted under national cereals policies that have an effect on or interfere with foreign trade: import policies, export policies, consequences on incentives to producers, consequences on consumption patterns, domestic sales and local cereals processing. Although initial results of this first phase will be submitted to the Club Secretariat by the end of this year, it is clear that activities in this field will play a major role in the Club's work programme for the coming years.

It was the Mindelo Conference that set the path for the Club programme on food security. In the meantime, the Club du Sahel started a process of rethinking their activities on ecology, environment and rainfed agricultural production. The positive effects of Mindelo brought the Club and CILSS to decide on the preparation of another regional meeting on how to achieve a new socio-ecological balance in rural areas of the Sahel. This meeting which will probably take place in Mali, in November 1988, will aim at reviewing the restrictions, possibilities, successes and failures in agricultural development, and the ways of giving halt to desertification through the improvement of farming systems.

Various initiatives have been taken in the field of environmental protection and agricultural development in the Sahel. It is particularly alarming, however, to observe how little impact they had and with what speed the environment is deteriorating. Most agricultural production systems and livestock activities are outdated and need to be entirely reviewed. The rural world is not developing and the rural exodus is reaching such enormous proportions that the capacity of the cities to absorb newcomers has been exceeded. Government policies and foreign aid initiatives are not reaching their objectives. The approaches that have been adopted are not sufficiently global, and are only addressed to specific sectors or activities.

Nevertheless, there is evidence that changes have begun to occur.

Rural population organizations are progressively starting to recognize how serious their situation is. Organizational dynamics are developing in the rural world and effective methods for fighting desertification are starting to be applied on a small scale. Northern NGOs were the first to recognize the potential value of these developments. Some of them have adopted more flexible forms of financing that are better suited to the rhythm of these developments in the rural world. More recently, bilateral donors have pointed out the need for more efficient executing organizations, and more generally, are now beginning to address the issue of how to find more suitable ways of capitalizing on rural dynamics.

However, there is still insufficient communication between the major actors that are really responsible for development: farmers organizations on the one hand, and decision-makers in the Sahel and in donor organizations on the other. A new socio-ecological balance in the Sahel can only be defined and applied if all these actors make a concerted effort to work together. We have not yet reached a sufficient level of experience-sharing, and consideration of the issues in hand is still too compartmentalized. This is the main reason why the CILSS and the Club du Sahel have oriented part of their activities towards fostering closer dialogue between the different groups involved, which is after all, let us not forget that, one of the most important "raison d'être" of the Club du Sahel.

These initiatives have had a very positive response from the major donor agencies of the Club du Sahel during their annual meeting held in Bern (Switzerland) in December 1987. Participants at the meeting felt that the starting point of all discussions conducted under the aegis of the Club du Sahel should be the idea that initiatives should henceforth be 'demand-pulled' rather than 'supply-pushed', which means that they should address the needs expressed by the Sahelian rural population rather than proposing solutions that do not necessarily correspond to local requirements.

The objective of the CILSS and Club du Sahel is to initiate a Sahel-wide, self-sustained flow of information, exchange of experiences and joint consideration of the policies and projects that contribute to striking a new socio-ecological balance in the rural world in the Sahel. It is in this context that a regional meeting will be organized for the before-mentioned three main groups of actors. The aim of the meeting

will not be to make recommendations (since this would tend to polarize the positions adopted by the respective groups), but to encourage frank discussion and open dialogue and produce a report summarizing the proceedings and the ideas mooted.

The CILSS and the Club du Sahel are fully aware of the need to encourage communication among the three main groups of actors, and wish to make this goal the principal challenge of the meeting. That is why the number of key themes will be limited to three:

- involvement and participation of rural farmers organizations;
- water and soil conservation, and
- reform of farming systems.

All persons consulted consider that these topics provide a clear view of the problems involved in striking a socio-ecological balance in the Sahel. The reform of farming systems, which is a pre-requisite of any rural development cannot be achieved without conservation of water and soil, and these objectives in turn rely on the voluntary mobilization of the rural population.

Not only the number of themes but also the working documents will be limited in number to only three. These three documents will present the three groups' respective experiences and perceptions of the main themes of the meeting:

- a report on approaches to and experiences of rural organizations in several Sahel countries;
- a report on the policies and resources of Sahelian governments, and
- a report on the policies resources and activities of donors.

It is clear that this type of meeting, which will be a break-through in CILSS/Club tradition of working exclusively with governmental and international structures, asks for a special selection and preparation of the participants. The participants selected must be likely to enrich the exchange of views and to make the necessary efforts to prepare their contributions to the workshop sessions. This last point refers in particular

to participants representing rural organizations in the Sahel. Up to now, they never had the chance to discuss freely in international fora, so it is not surprising that they often lack experience. Their preparation, which is a labour-intensive and careful affair, plays an important role in the organization of the meeting.

Although the outcomes of the meeting are difficult to predict, it is clear that—like those of the Mindelo Conference—they will have an important impact on the Club's work programme and hopefully on the attitudes of donors and Sahelian governmental representatives involved.

My last subject concerning the Club work programme preludes, already the last two points of my speech, is on the analysis of the actual situation in the Sahel and its perspectives for development.

In 1985, the Secretariats of the CILSS and the Club du Sahel decided to commission a future study of the Sahel over the next 25 years. This major work, undertaken by Sahelian, Canadian and French consultants, has just been completed. The title of the report, 'The Sahel Faced with the Future—Increasing Dependence or Structural Transformation', correctly describes the subject. It was mainly written by Jacques Giri, one of the Club's most outstanding consultants.

The author starts with a retrospective analysis, describing the ancient empires, the colonial period and putting emphasis on the factors that played a key role in the creation of the actual socio-economic and political situation in the Sahel. The writer then examines and analyses all aspects of the Sahel, emphasizing that the present major trends cannot be extrapolated over very long periods of time because the rural degradation cannot continue indefinitely nor can continue the increase of dependence on foreign countries. When building a scenario based on present trends, the consultants considered the Sahel as a social system captive to its environment; they assumed that the forces acting within Sahelian societies would not be fundamentally changed and that sufficient adjustments could be made so that they would continue to live without any major shocks and, secondly, that the environment of the Sahel in relation to climatic, socio-economic and foreign factors would develop according to the most likely projection.

The second part of the work successfully deals with the development of the society as a result of the inherent tensions, the climate and the world of tomorrow, the values and mental habits that will constitute the Sahelian culture of tomorrow, possible sources of power, population, the rural world and industries of tomorrow. A coherent scenario stems from this exploration, indicating the probability of tensions that should not lead to a major crisis, as long as more foreign aid is devoted to financing consumption in excess of domestic production, and the Sahelian governments are wise enough to take measures in time to prevent tensions from over-running the danger point.

Though not excluding worst-case scenarios (such as increased drought, reduced foreign aid, collapse of government services) the author believes the present-trends scenario is based not just on a prolonging of these trends, which would become intolerable, but on capacities for limited adaptation and that such adaptation is plausible.

However, such a scenario would not solve the fundamental problems if it allowed increased dependence on the outside world without devising some plans to end it. It reveals the increasing constraints, as much for the Sahelian governments and populations as for the developed world. It predicts a difficult future, with decline of the welfare state, degradation of the environment and increased tensions.

In the last part of the study, "Exploration of the Future", the author examines whether an avenue exists which could lead during the next quarter century, "neither dramatically nor miraculously" from the present-trends scenario to a more desirable scenario and a more acceptable future.

Noting that the Sahel manages to survive in the present-trends scenario with no real growth and at the cost of a considerable increase of its dependence and a reduction of its natural assets, the author has explored the scenarios likely to reduce outside dependence, which is considered a sine-qua-non condition: those of self-generated development; integration with the world market; and a mix of these scenarios. He then examines the roles of government and society in building an improved future, conditions necessary for role changes, policy changes, public and



private foreign aid, educational systems and population policy.

The author concludes by speaking of the conditions needed to emerge from the present-trends scenario. The door is certainly narrow and current or expected changes, such as those relating to values and world conditions, or the population explosion, imply that a deeper transformation of the Sahelian structures is needed. If such a transformation does not take place, the present-trends scenario will become a reality, unless—worse still—internal or external factors cause an abrupt change in the system and postpone real development to a later date.

On the other hand, if the “locomotive” groups (including the donors) act as suggested, it should prove gradually possible to emerge from the present-trends scenario without major catastrophes and start a process of real development, which in the long run will allow a reduction of dependence on the outside world and the construction of a specifically Sahelian society.

The new dynamism manifested by the Sahelian societies during recent years is a reason for hope.

The futures study gives us a lot of material for reflection and that is what is actually happening. The study was discussed during several donor meetings and right now Sahelian experts sit together to dialogue with the author on the analysis he made. It is too early to tell to what extent the study will reform the CILSS and Club work programme in the long run. However, the growing interest for non-governmental structures, whether professional groups, private enterprises, the informal sector, for the role of the state in society and for macro-economic policy issues related to debt and government expenses are only few of the many issues raised in the study, that are already clearly inscribed in the actual activities of the Club.

### 3. A SHORT ANALYSIS OF THE ACTUAL SITUATION IN THE SAHEL COUNTRIES

In my description of the history of the Club du Sahel and its actual work programme, I already gave you implicitly a number of indications on the socio-economic situation in the Sahel. So excuse me if I repeat myself when I now try to synthesize the different elements that seem to play a key role in the Sahelian development problems.

The present-day situation of the Sahel can be characterized by three types of dependency—relations with the developed world:

- a dependency on food;
- a dependency on investments for economic growth, and
- a dependency on external funding for the functioning of the governmental structures.

How can we explain this situation, and how can we explain that the situation seems to deteriorate instead of to improve?

The first question we have to ask ourselves is: does the Sahel have sufficient resources to support its population? Before going into a more analytical description of the resource base, let me start with a number of face value statements, often heard. The Sahel has land, water and an active population which could, as has been done elsewhere, be trained to exploit and manage their resources in an intelligent and efficient way.

There is not an abundance of land for rainfed agriculture, but there is sufficient land, especially in better watered areas of the south, often untouched until now. And, more important, the existing farming systems can be largely improved to increase productivity.

There is an enormous potential for irrigation in Senegal, Mali, Gambia and Niger, but also in the other Sahel countries. Irrigation lands have been estimated at 2 million hectares, the largest expanses being in Mali. Yet, at the present time, only about 100,000 hectares are cultivated under total water control and maybe 150,000 hectares under partial water

control. Management and maintenance of irrigation schemes are so costly and irrigation policies are so poor that after a few years, most of the schemes have to be fully rehabilitated. In the meantime, all over the Sahel, there is a fast and spontaneous growth of small, often private, irrigation activities around waterholes, lakes and alongside small river beds.

There is a considerable potential for livestock, especially in the northern Sahel. Studies have shown that the traditional semi-nomadic way of herding was surprisingly well adapted to the local ecological circumstances. Expansion of agricultural zones, overgrazing around recently constructed water-wells and population pressure have destroyed the traditional strategies, so that animals tend to be decimated in times of drought, restocked in times of better rainfall and destroyed again if rain does not come.

Fisheries are also a potential resource, especially in the coastal countries, Senegal and Mauritania, and in Cape Verde of course. But these countries have tended to sell their fishing rights at a very low price to foreign companies who skim the seas.

In former days, the vegetal cover was an important source for construction wood, firewood, food for animals, and support to the agricultural system, but, in many areas, desertification is spreading fast. Not, as many still believe, as a result of an expanding Sahara or a climatic change, but as a result of a complex process involving poor management of agriculture, livestock, water, energy as well as poor education, information and local participation of the people, and poorly conceived policies of Sahelian governments and of donors!

Nevertheless, if the Sahel has resources which can be exploited, how can we explain the present situation? Why is it that economic progress seems to be completely absent? Why is the Sahel becoming more and more dependent on foreign aid? To get a better understanding we have come back on the resource base in the Sahel and ask ourselves if we really made the right analysis, and after that go into four other important factors:

- the population growth;
- the agricultural policy;
- the lack of interest for the environment, and
- the perception of the role of the state.

Every natural environment has limited physical, biological and chemical resources and has as a consequence a limited carrying capacity. This means that whatever is taken out of the soils through a specific production system has to be brought back into it. Sahelian dryland soils, however, are almost always relatively poor soils. The Sahelian environment shows at least three weak points:

- a scarcity of organic material and nutrients;
- a vulnerability of the hydrological systems, and
- a limited vegetation.

In such an environment over-exploitation rapidly takes place. Over-exploitation is caused by population pressure without development of technology. It causes erosion, destruction of hydrological systems and of vegetation.

Now sustainable systems depend upon balanced use of human and natural resources. Balanced human resources refer to the most optimal human use of natural resources at a defined technological level. Balanced use of human and natural resources takes place when there is sufficient insight in how to do it, a social structure that allows to get it done and thirdly a production system based on the insights.

The traditional production systems in the Sahel were based on hundreds of years of experience through trial and error. Distortion in the balance was corrected through slow adaptation and sometimes through disasters. We now know that famine has always existed as did massive migration.

For a variety of reasons the actual production systems in the Sahel are no longer in balance with the natural resource base. Subsistence agriculture degraded to what we might call survival agriculture.

In this last system, everything is allowed to survive. The ransacking will continue until all natural resources are consumed. Then the population migrates to another region and the same process starts all over again.

In these circumstances, a return to a sustainable agricultural production system means that one has to deal with the upgrading of a devastating production system or at least with the radical change of one system of shifting cultivation into another, that is sustainable agriculture. This sustainability issue has been largely underestimated. For a long time, one has thought that minor adaptations in shifting cultivation would do. In fact, until now no one realized that farmers were reluctant to accept these kind of piecemeal changes.

It is clear that like all other people, farmers will only start moving if they have a strong motive, that is if they see a real short-term profit in the proposed changes. To get motivated, farmers need at least to have an idea of the nature of their problems and ways to solve them. Actually in the Sahel, there are hardly any development programmes which realistically aim at sustainable agriculture. Of course, there are a few exceptions. In those places where farmers interests are well served, where they got insight in their problems and the possible solutions, where they got the necessary support in technology and institutions, there they move willingly into the direction to get sustainable production systems.

Under the actual conditions, this is a heavy population pressure, growing urban centres, production needs to be pushed to the limits of the carrying capacity. This carrying capacity is limited by the nature of available soils, their quality and the existing technology.

As I mentioned earlier, soils in general show a declining fertility while technology stagnates in shifting cultivation. New technology to combat soil degradation exists. The problem is how can people master this new technology in a situation of highest pressure to feed as many persons as possible. And here we have to say that given the natural resource base that even if we could improve the production systems to a maximum, in many rural areas a large number of people has to migrate.

The problem of maximizing production is a question of a fundamental change in the way of life of a people. Since many farmers in the Sahel don't have a real perspective to earn a living outside the scope of agriculture they are inclined to stay reluctantly in the rural areas until they are physically urged to leave. And the moment they leave they really have exhausted their natural resources. If they then move elsewhere they do not alleviate the situation of those who stay: their heritage is from the point of view of productive potential equal to zero.

The constant decline of soil fertility and the destruction of environment can only be stopped if the actual rural population deliberately chooses to do so through a fundamental change of their production systems. And they will only do so when we are able to give them a long term new perspective, which means much more than the mere survival perspective which is reality for a growing part of the rural population.

Having said that, let me describe a number of key factors that deserve a closer look.

The first factor which stands out among the many factors causing slow progress and rising dependency on foreign aid is the growth of population and its uneven distribution. Although demographic data are in general unreliable in Africa, it seems that in the Sahel countries it has exceeded 2.7% per year over the last decade, except for Burkina Faso and the Cape Verde Islands where emigration is rather high and for some time already governmental policy is more articulate and organized.

The distribution of population over the Sahel is quite uneven, mainly due to climatic constraints. The density of the population is almost nil in the desert and sub-desert zones and increases on average as one moves south to increasingly watered regions. However, neither climatic data nor agricultural resources alone explain the present distribution pattern. Historical and ethnic factors play a role as well. There is constant flow of migratory movements in the Sahel and the map of the population undergoes perpetual change. This is an important element because the Sahel countries are made up of regions with varying carrying capacities and the zones with the highest carrying capacity are not a fortiori, the zones with the highest population density. Often, on the contrary, we find

fragile zones with very high population densities.

Another of the most preoccupying factors in population distribution is the growth of cities. In 1960, urban population in the Sahel was about 7% of the total; today, almost 20% of the population lives in urban areas. A simple extrapolation of present trends gives a 30% urbanized population by the year 2000, which, of course, has a tremendous impact on the national food security policy.

At the end of 1984, the population of the Sahel was estimated at some 35 million. If current trends continue, the population will reach 54 million in 2000 and 70 million in 2010 of which 40% in cities.

The population growth rate in the Sahel (and other countries in sub-Saharan Africa) is relatively high, compared to other third world countries, where starting at the end of the 1960's and the beginning of the 1970's, high growth rate trends slowed down or were even reversed.

Today each farmer must feed about three persons. In the year 2000, each farmer will have to feed 4, excluding the urban population.

It is clear that the population growth rate has had an enormous influence on economic and social trends, on the disappearance of traditional social structures, on the migration of young people to the towns and abroad, leaving the agricultural activities to older men and women. It has had an enormous influence on the consumption of energy as well, which, in the Sahel, is mainly firewood. And finally, it has influenced consumption patterns: urban people prefer to eat rice and bread, which is much easier to prepare in an urban context, but which at the same time is largely produced with imported grains.

I think we underestimate the influence of demographic trends on cultural changes. What we see today in the Sahel is a population of which more than 50% is under 15 years old. It is clear that this enormous wave of youngsters—a phenomenon that never existed before in the Sahel—is going to change in a radical fashion the outlook of society. The old social security systems are not working anymore. The traditional power of elderly men and women in society will disappear. New hopes, values and

attitudes will become prevalent in Sahelian culture. It is still too early to say what the Sahel society will look like in 20 to 25 years from now, but it will be different.

A second element is the insufficient priority which African governments have given to the agricultural sector. It is not easy to find reliable statistics on cereals production, but for the nine CILSS Member States it must be around 5 million tons with considerable annual fluctuations. Important is that apparently productivity is increasing at a much slower pace than population, which is probably best illustrated by the food import figures, either through direct purchase or through food aid. At the beginning of the 1960's, no more than 200,000 tons of grain per year entered the region. Towards 1970, it was around 400,000 tons. In more recent years, food imports have amounted to over 800,000 tons about 1.3 million tons in 1984, 1.5 million in 1985 and around 1 million tons during the last few years. Although there are major fluctuations, the trend has been on the increase so that the last 4 or 5 years the daily food supply of many Sahelians depended largely on foreign farmers—mainly American and European—for close to 3 or 4 months out of the year.

If we extrapolate the recent trends, the CILSS countries will need about 4 million tons in the year 2010. How can we explain this? Drought, of course, has been a factor, but *only one among many others*, and certainly not the most important one.

First, we can mention the lack of interest on the part of governments *for the agricultural sector and for the restoration of the ecological balance* although about 80% of the population still earn their living in agriculture.

If you examine development plans, for instance, you will see that in their analysis they are quite clear: priority for the agricultural sector, increasing food production and improvement of the ecology. But if you then look at the programmes and projects, *which are formulated according to the outcomes of these analyses*, you will see a lack of clear priorities for productive projects in agriculture, training programmes for farmers research, etc. Given the absence of clear priorities, donors generally tended to choose the 'easier' projects in economic and social infra-



structure of the projects that were pushed by strong ministers—which unfortunately is never the case of the minister for rural development. During the last decade, only 4% of ODA has gone directly to rainfed agriculture; 1.5% of ODA to ecology and reforestation and about 8% to irrigated agriculture.

If one gives a closer look to the agricultural policies which represent a rather complex system, involving prices, trade, storage, inputs and their distribution, credit, articulation of the system with food aid, training and research and so on. . . . One can hardly avoid the conclusion that policies in the Sahel countries have not been oriented towards increasing food production and productivity, safeguarding the natural environment, on the contrary.

Although positive trends emerge here and there, food prices to farmers have tended to be kept low so that urban consumers could buy food cheaply, trading systems, up to very recent times, were a monopoly of costly and ineffective governmental structures. On-farm storage has not been encouraged. Large parastatals have been set up to manage big projects. But they were incapable to deliver inputs to farmers, who lacked seed, fertilizers, tools, pesticides, etc., in sufficient quantities or at appropriate periods of the year.

As a consequence, farmers have, in general, taken little interest in governmental policies. They kept, very much, to their own traditional way of farming, avoiding risks and producing mainly for their own consumption. They have not really responded to opening and growing markets in the cities whose needs, generally, were met with food aid and cheap imports. To take an example, commercial imports of rice have been indirect competition with locally produced rice because they were imported and sold at a much lower price.

But there is another, even more complicated element, which is the approach used in the agricultural development programmes. Here I want to say a few words on what I would like to call the 'global approach'.

The meaning of the word 'global' is rough or broad in the sense of worldwide inscope. Worldwide in its original sense in Africa was as wide

as the 'known' world, that is the territory of the group. A global approach means: approaching people and their way of life, their culture, if you like, as a coherent system of action, of behaviour of thinking.

In this context, it refers in particular to the problem of change, not as an isolated or fragmented fact, but as a phenomenon that transforms a way of life. In the Sahelian countries, the way of life of many rural communities is at stake and needs to be rethought and recomposed in such a way that again a new coherent conception emerges. The importance of the global approach lies in the Sahelian reality that people do not judge change on its face-value but on its compatibility with the existing way of life. This people's concern is: Is change or are innovations compatible with the existing global system, or, at best, could the global system as such be altered in an acceptable way, that is motivating people to insert and to internalize it?

First of all, the nature and content of change needs to become clear to the people involved either through their own effort and/or through the efforts of a change agent.

Key issues are:

1. The basic principles of the existing system of production and of social/economic organization;
2. The basic principles of the new or revised system.

Basic principles are those of technology, production, distribution, organization, ownership of resources, legal frameworks and others. They should be fitted together in such a way that they reinforce each other and that together they shape a system of sustainable production, or at least are on the right track to get that installed. The conception of a new or revised system of production, of society, of economy should be shaped in very close cooperation between the people involved and those who have extensive knowledge of these types of problems.

The question then comes up how to involve the population and how do they perceive reality?

It is clear that farmers perceive *first and above all through experience*. Their perception served mainly continuity and conformity. Things are what they are and known as such. Nowadays they experience that everything changes, but they feel that they have lost the grip on their reality. Consequently they adopt an attitude of wait and see and make the best of it. The evolution has been one of living in a culture that had all the answers to one that does not provide real answers anymore. The global order broke into pieces. Sahelian farmers need to reconstitute a new way of life. *In order to do this, they need a thorough knowledge of why things have changed.* The creation of alphabetization campaigns or the extension of some technological innovations is not enough. What they need is a fundamental change in their way of life aiming at a better adapted and sustainable reorganization of the natural and human resources. This can only be realized through a transformation of the traditional perception of the farmers of their way of life to a new perception. This is what I mean by a global approach.

What we have seen during the last 25 years of development cooperation in the Sahel is that after a period of commodity promotion it moved to the *fertilizer solution*, to the *agricultural equipment solution*, to the *earthen down solution*, etc. and that nothing really worked. Not that the technologies proposed were useless, some of them certainly were useful, but the problem is not one of technological change only. It is the application of this new technology that demands a new social and cultural system.

In other words, governmental agricultural policies were full of contradictions and approaches hardly adapted to reality and we have to admit that donors, in general, have simply accepted this, even re-enforced this by responding more than generously to food aid demands and by *financing all kinds of projects without looking at the economic and social environment in which they had to operate.*

Finally research. Of course there has been research on agricultural production in the Sahel. But most of this research was oriented to improving cash crops production, like cotton or peanuts. Interest in local food crops, such as millet and sorghum has been very limited. Moreover, from the studies done by institutions like ICRISAT we learn that a dominant

cause of lack of agricultural progress is the fact that most of the agricultural labour force works at very low levels of productivity. While yields in Asia and Latin America have considerably increased since 1965, those of Africa have remained stagnant. Knowledgeable observers now agree that African farming systems are very complex and that development, as I tried to explain earlier, of these farming systems cannot be based on piecemeal change; change has to be global, touching on all the elements of the existing farming systems and adapted to the farmers' perception of his environment. The attitudes of most extension workers, based on the often even insufficient knowledge of specific technical operations are not adapted to this kind of approach, nor is the sectoral way of thinking of most donor and government decision-makers.

A third factor I would like to touch upon is the degradation of the environment: soil degradation, cutting of trees and burning of the vegetation cover, overgrazing, disappearance of traditional fallow land practices. Although since the early seventies environmental issues are at the agenda of almost every meeting or conference on the Sahel, nothing, I repeat, nothing has happened and the situation is worse than it ever was. It looks as if the Sahelians live on their land as if space and resources were for ever renewable and infinite. Unfortunately, this is not the case. Aren't they aware of this fact? And if yes, why do they do so?

It is difficult to say if, in former times, something like an optimal socio-ecological equilibrium exists. However, it seems clear that environment and human society were in better harmony in those days, although even then, droughts existed and famines occurred.

A host of indicators show that the relative stability of the old times no longer exists and that environment is deteriorating: the extraction of natural resources from the environment through the existing systems of farming and herding and through wood cutting to satisfy the needs of a growing population, leads to an ecological disaster.

Every year, the Sahel and many other countries in Africa (and even outside of Africa, when we think of Brasil ! ) consume a part of their natural patrimony for subsistence, although in order to support a growing population, the region should consolidate its natural resources, should

work on the instauration of a new equilibrium.

Is the rural population to blame for this? Not really. First of all, we have to realize that we as donors are mainly responsible for this. Twenty years of experience with ecological projects don't seem enough to let us see and understand that what we were doing is repeating the same failures all over again. And even today costly projects are set up that are identical to the ones that already failed in the early sixties. But besides that, we have to ask ourselves if the rural population in its destructive activities had a real choice. Abandoned by the government, without any alternative sources of income and without the means to change their way of life, they have only their traditional way of farming which secures their survival in the short term. They don't have the means to think about the long term, although they often see quite well what is happening. If you ask him to plant trees, he will probably say no because it doesn't give additional income for the next ten years and because he needs his fields for cereals growing. It is not his priority.

Still, a lot can be done just by improving the existing farming systems. For instance, through the introduction of erosion control measures that have a direct impact on agricultural production and so on the survival of the family. The different techniques are well known. Often they are even traditional but were abandoned at a certain moment.

Another element is the role of women. We have to admit that we often forget this, we should ask ourselves what role women can play. It is well-known that they play a key-role in agricultural production in the Sahel. It is less known that they are often much more concerned about environmental issues than men and that they might be more willing than men to accept and introduce changes. It has taken us a long time to realize that we have *ignozed* the more important half of Sahelian rural society.

It is impossible to be exhaustive in this analysis. There are, of course, many other factors involved in the socio-economic situation in which the Sahel countries find themselves. Allow me to spend a few words on fourth element: the role of the state versus private sector.

After independence in the early sixties, the new governments of the Sahel took over from the colonial powers. They became the driving forces in building a new society in the Sahel. In fact they could not do otherwise. Centuries of anarchy, marked by the progressive destruction of traditional social structures and by power struggles in which rural population suffered consistently and after 75 years of colonial rule, the private sector was in no position to play that role. During the preceding years, rural society was above all involved in protecting itself against the demands of the colonial powers, and traders, who played an important role in pre-colonial times found themselves assuming a marginal role in society. The only sector of society that could be described as dynamic and in full emergence, was the new political elite. And for some years they were really the driving force. But they never realized to create self-sustained development in the Sahel.

Why is that? In the first place, we have to realize that the new ruling elites in the Sahel all received their education and training almost entirely in the Western world, or at least through Western educational systems. They individually adapted themselves perfectly to Western standards and became members of a class of 'modern rulers' in their country. At the same time, certainly to the same extent, they lost their capacity to understand the rural population of their own country. They alienated themselves from their roots.

This new class of rulers, at the beginning, had no real economic power. They did not produce anything. But they gained economic power through the phenomenon of foreign aid. Practically all investments originated from that source. All the investments passed through government channels and thus through the hands of the ruling class. They were mainly destined to urban or infrastructure projects, very little going to the rural areas. This lack of interest of the rural world went along with a fear of an organized movement of farmers which would threaten the political power. As a consequence, until recently, all government initiated farmer organization were state-controlled, which is quite the opposite of traditional rural organizations. In traditional society, farmers were organized on the basis of common interest and responsibility. Private initiative and private enterprise are alien elements for the bureaucrats of the ruling class. They consider themselves as people to be obeyed instead of serving

the people.

Times have changed now. In the first place, the governmental structures have become a financially unbearable burden for the Sahelian society. The attitude of creating new administrative posts for every minor activity in society has provoked an unacceptable growth of public services, the functioning of which has largely become dependent on foreign funding. We find ourselves here in a sort of vicious circle in which every project asks for new administrative posts and every well-respected functionary will see to it to have his own project to guarantee his post.

But in the private sector, something has changed too. As I have already stressed, many rural communities seem to be passively watching the end of their world approaching and deploring the trends that they can do nothing to change. Nevertheless, since the early seventies, individual and collective initiative does exist in rural areas as well as in some cities, and that initiative has had very positive results. Everywhere we see independent rural organizations of farmers or craftsmen emerge on the basis of common interest, often with the help of foreign non-governmental organizations, and it seems as if this dynamism is likely to become even more intense in the near future. Whatever the future holds in store, it seems inevitable that the new dynamism in the private sector and the widening gap that exists between the State and the private sector, society if you like, will bring changes in the respective roles of the State and this private sector. The structural adjustment politics proposed by the World Bank and IMF are meant to play an important role in this change. Personally, I have my doubts about their success but it is probably too early to evaluate.

One thing is clear: there is a saying that has become rather fashionable in the Sahel over the last few years: 'less government equals better government'. But complete delinking of the State, as is recommended by liberal economists, is not compatible with the current situation of Sahelian societies. In South-East Asia, where the dynamism of the private sector has, for some time, been considerably greater than it is today in the Sahel, the State has assumed a major entrepreneurial role over the last few decades. While it would be unfair to claim that the entire Asian adventure has been plain sailing, it is undeniable that the private sector as

a whole has benefitted from the entrepreneurial role assumed by the State. In the Sahel, as elsewhere, privatization has its limits.

The State also has a role to play in research, documentation, diffusion of economic information, although up until now, nowhere in the Sahel have governments really played that role.

#### 4. SOME PERSPECTIVES FOR DEVELOPMENT

None of this sounds very positive. At first sight, this pessimistic analysis of the socio-economic situation of the Sahel countries (which is also the situation in many other countries in sub-Saharan Africa, by the way) leaves little room for hope. But I believe strongly in man's capacity to adapt to new situations. And I think the history of the Sahel has clearly shown the surprising flexibility of man to survive under extremely harsh conditions.

That is not to say that we can stop all our efforts and the problem will be solved on its own. I think we can do a number of things, although we have to be modest. I think we should finish with the old myth of controlled change. How many colonial governments during the first decades of this century thought that they could guide a process of planned development that results in a sort of 'blending of cultures', keeping the best of traditional society and marrying it with the wonderful outcomes of modern society. Nothing is less true although many development experts still think implicitly or explicitly in these terms. Development is something of the peoples themselves and the only thing we can do is create the conditions under which this development can take place more easily.

Having said this, I think we should realize that the current socio-economic crisis in the Sahel countries is the outcome of a long process. It has been building up for several decades and it will take several decades to be reversed. There are no shortcuts to progress! We must all realize that the causes of this situation are complex and inter-related and that they cannot be attributed to either one factor or a set of factors. The present crises cannot be solved by simply doubling the actual programmes



*for food aid, reforestation or food production.*

Most of the well-known recent documents on the socio-economic crisis in Africa agree on the acuteness of the situation. But they underestimate the importance of the mistakes made by African governments and donors and they overstress the need for more aid. Of course, on a temporary basis the most urgent needs of the poorest people can be satisfied with foreign aid including food aid, but the long-term solutions have to be found in a fundamental change of the behaviour of African governments and donors. Only their changes in attitudes and policies can make foreign assistance more effective. The probability of this change, I have to admit, is greater within the Sahelian governments than within donor agencies.

Let me mention a number of the changes that are most urgently needed, and that together make up a sort of strategy.

The first and most important goal of a new development strategy should be to ensure—not only on paper but in practice—that the men and women of the Sahel regain control of their own production and land use and, once again, play an active role in their own development.

Population growth which is such a disrupting factor, should gradually be controlled, but that can only be done over the long term although some governments are becoming more open to change in population policies. But there are other measures that can be introduced more quickly. There is, up until now, and for many reasons, very little real participation in development. The tendency has been to give functionaries and technicians the responsibility for all development activities. This can be changed. They should play the role of facilitators in helping the population to take initiatives and develop an attitude of service towards the people. Providing information, providing training to change production systems, improving living conditions through health care, water supply and housing. This implies a reversal of the actual dominant and technocratic policies of the governments.

A second goal of a new strategy should be to rebuild a sound economic basis which will make it possible to reverse current trends towards a deteriorating food situation and increased dependence.

A sound economic base is absolutely necessary to the development of the agricultural sector. There are a number of measures thinkable such as giving space for farmers' initiatives and support them by creating the socio-economic conditions which will help them to sell their surplus production and acquire necessary inputs, advice to farmer organizations, efficient credit policies and better oriented research. All these measures are yet to be carried out.

A third goal of a new strategy should be to give the highest priority to feasible and easily applicable measures to stop the degradation of the ecological balance. Neither governments nor foreign aid can unilaterally develop a new ecological balance. Only the herder can save his pasture land, only the farmer can save his fields. This means that the measures have to be acceptable for these people, which means that they have to be an integrated part of system change that leads to better social and economic living conditions in the foreseeable future.

Encouraging and helping the rural population should go hand in hand with measures of another nature, some of which will be measures of creating new legal frameworks particularly a new land tenure system.

If strategic guidelines are implemented, that is, if governmental services begin to regard their role more as one of soliciting local initiatives and supplying advantageous models and frameworks, rather than participating directly in development, the relative size of national structures should decrease. In any case, slowed growth in public spending (which has become disproportionate with respect to the productive base) and development of domestic savings, in order to obtain a higher ratio of investment to national production are conditions for re-establishing a sound economic base.

Considering the amplitude of problems facing the Sahel, it is vital for both the region and the international community to maintain the efforts they have undertaken over the past ten years. Clearly, given the problems of climatic conditions, demographic growth, ecological imbalance, poor production figures, to name only a few, the state of socio-economic crisis in the Sahel countries will worsen without broad, efficient support through foreign aid.

Implementing a new development strategy will require capital to accompany the broadening of the productive base. As long as the economy of the region does not rest upon a solid foundation, increasing amounts of foreign capital will be needed to keep the region afloat, and to allow for development in the medium-term future and preparation for the long-term future.

Financial aid from abroad will be all the more important as the international context continues to work against the Sahel (worsening trade conditions, variations in exchange rates, with their adverse effects on foreign debt service). More than before, foreign financial assistance should be incorporated into long-term planning, taking into account the limitations related to each source of financing.

But, if foreign aid is needed to counterbalance the weak economies of the Sahel countries, in its present form, foreign aid is not adequate to enable those countries to rebuild their economies on a sound basis. Foreign aid should be fundamentally redirected.

Analyses have shown that a significant percentage of foreign aid money (about a third) has been spent on ensuring the survival of the Sahel, including food aid, assistance for balance of payments and aid for the operation of the public sector. Clearly, there must be no intervention in this aid, part of which is vital, yet in the future, more attention should be given to its efficient use. Another percentage of aid money goes to investment, some of which are not directly productive. Figures show, as I said earlier, that only a small part of the aid is devoted to the development of food crop production, particularly rainfed crops and the search for a new ecological balance.

In the future, a greater percentage of foreign aid should be channelled to the three strategic goals proposed: making man the driving force behind development, reconstructing the economy of the region on a more solid base, and determining a new ecological balance and developing land use patterns accordingly.

Some studies on recurrent costs and the effects of foreign aid, clearly show the destabilizing effects of relationships fostered by aid and develop-

ment cooperation. Projects are formulated, without taking into account the social and economic context, without dialogue with the people concerned. They often follow a rigid project cycle that is in conformity with procedures within donor agencies but makes no sense in the project environment. And besides that recipient governments are confronted with project proposals of different donors often with quite opposite and contradictory objectives and approaches, but all promising heavy capital investment in the governmental services. Investments, of course, that fall apart as soon as the project ends. And finally, most projects in their execution, heavily depend on the presence of large numbers of foreign experts, who, not only cost a lot of money, but whose efforts are often of less help than they are thought to be. They direct projects without giving much guidance to local staff, immobilize local initiative and will never have a real impact on key people involved because they stay only for two or three years and thus are not able to build up real partner relations with their counterparts. It is quite obvious that much has to be done to improve the effectiveness of aid and that donors have to start with a profound rethinking of their own aid policies and procedures. Because many of the failures start there.

Until now, a large proportion of official development aid has been allocated to governments, and even when it was intended to reach the private sector via the governmental offices, it has by no means always reached its targets and even less been used efficiently. The gap between state structures and rural society is often so wide that conditions are very unfavourable to the transmission of aid to groups such as the most underprivileged sectors of society that donors naively seek to reach by sending aid to governments.

Will the redefinition of the roles of the State and the private sector necessarily involve changes in official development aid? Can that assistance reach the private sector more directly and thereby support the initiatives taken by the most dynamic groups, and if so, how? Should a greater part of the foreign aid pass through the offices of NGOs which, in some cases, are likely to act more effectively? Donors will have to reflect on these questions. But it is clear that in order to answer these questions, moves must be made to change the way in which action is traditionally taken, and preconceived notions of development must be abandoned.

A first step might be to try to make foreign aid more 'demand pulled' than 'supply pushed', that is based on the real needs of the people concerned. When I recently discussed these issues with a Sahelian friend, he said "If we don't realize a real and full participation of the population in the definition of their own development and in the activities that are needed, foreign aid will be like water on the wings of a duck".

Ladies and Gentlemen, excuse me if I have been too long. Thank you very much for your attention.

Thursday  
16th June, 1988

## **Questions & Answers**

**Public Address by Dr. Henri Jorritsma:  
"Development Policy of Club du Sahel"**



**CHAIRMAN:** We would like to resume the session, and we would like to entertain questions from the floor. For about 30 minutes we would like to have a question and answer session.

If you have a question, please raise your hands. Please be sure to introduce yourself.

Now, the floor is open to questions.

**NISHIHATA:** My name is Nishihata. I am working for JICA.

In your presentation, Mr. Jorritsma, about the irrigation agriculture, I understand you pointed out that the irrigation agriculture made little contribution.

Is that from the result of the cost analysis that it had low liability in the cost analysis study? Or, were there any other grounds for you concluding that little contribution is made by irrigation agriculture in Africa? For instance, the different value system of the society, etc.

If that is the case, what are the unique characteristics of the areas that have little achievement as a result of irrigation agriculture?

We extend our aid to the region, and we think that irrigation agriculture is a preferable thing to be developed in the region in order to improve productivity. So, I am really concerned about this issue. Would you elaborate on this point?

**JORRITSMA:** Thank you for your question.

Irrigated agriculture in the Sahel has a very long history, which started already in the 1920's, 1930's, during the colonial period, when the French created what they call the "office de initiale", which was an enormous irrigation project in this area, in Mali. And at that time, they wanted to set up irrigation schemes with people who came from other areas and settled down there. They've got paid salary for the agricultural work i.e. activities for their work in the irrigation schemes. And that has worked for a certain period of time, and then fallen apart for several reasons.

First of that, because the salaries were rather low.

Secondly, I think more important, because people who settled down to work in irrigated agriculture in those areas came from different parts of the Sahel, and found themselves away from their kin folks, from the families. In a new environment, they had to create a new society. And that was a very complicated process.

The "office de initiale" still exists, because Mali took it over after independence: In the first decade, they followed the traditional system,



before they finally changed it. In the meantime, of course, a sort of new society came about. I mean, people had to live together, had to work together. And new structures were born.

But in the first place, it was not so much a new society structure that was needed. New institutions were needed to deal with problems of new sort of decisions to be made, new kinds of responsibilities to be taken. But those institutions didn't exist. And it took as well the Malian Government as donors a very long time to realize those new societies. So, that had to be built up. That's one point.

Second point is that until very recently, the whole "office de initiale" as one example of a big irrigation scheme, was managed in a top-down way, which means that it was a bureaucratic organization that took all the decisions for the farmers involved, and it was not decisions with the farmers.

And what we see now is that during the last five-six years, slowly, with the help of donors, and with the help of people who stay in the villages and try to work with the farmers explaining to them what their rights are, and how they can express their rights, they are creating new decision-making structures in which the farmers are involved. I think that from there on, slowly we will have the possibility of developing irrigation agriculture, as far as the social and political side is concerned.

Still left is the economic problem for these large-scale irrigation activities; for "office de initiale" it's rice production. And when you see that the rice—imported rice in Mali, coming through Abidjan or Dakar, on the Bamako markets, is at this moment still on the same price level; it's the highly subsidized produced rice by the "office de initiale". You have quite a lot of questions of where we go to with rice production in Mali, because it's quite possible that in ten years from now, rice production—rice imports in Mali are much less expensive than local rice production. And I can understand the Malian Government, when they say: "Well, I prefer cheap rice imports than spending on local rice production. How nice it is to have a rice production scheme in your own country."

Now, that's one side of irrigation. That's the large-scale issue in Mali. When I take the Senegal example, it's even more difficult to see the possibilities of developing rice production, as now already rice in Dakar is 50 percent cheaper than local produced rice in Senegal.

Besides that you see other irrigation activities that are much more interesting. You see, for instance, in Niger and in Burkina, small scale

irrigation activities; and not only activities initiated by donor agencies or NGOs, no spontaneous activities. When you go around a town like Ouagadougou, or when you go around the town like Niamey, or even smaller towns inside the country, you will see all over small farmers creating their own gardens, producing tomatoes, producing vegetables, producing all kinds of new foodstuffs for which market is slowly growing because of changing food habits. And I think it would be interesting, and I think up till now it's not done, to make an analysis of what motives drive these farmers to invest in these kinds of irrigation activities which are rather new and rather promising.

I hope I answered a little of your questions.

**CHAIRMAN:** Thank you for the question, Mr. Nishihata. Then, going on to the next question.

**SHOJI:** I am from OECF. Your explanation, Mr. Jorritsma, of the problem is so clear, that I am quite happy to know that.

But I think, although it depends on your experience, what you described is rather theoretical. Could you explain, or could you present some examples that is realized through the approach you mentioned? For example, some agricultural projects or something like that. And the result of that project.

If you have not realized that kind of project yet, how would you realize that kind of project?

I think, if you face a problem, it's rather the problem of the farmers, or recipients who do not understand the way of our doing: that is to say, a kind of problem of culture. And how are you going to solve that kind of problem?

**JORRITSMA:** Thank you. I think there are not many examples of projects that, let's say, follow the approach as I shortly described during my speech. Still there are some.

One example is a very interesting project. I think you can't even call it a project. It's a farmers' movement in rural areas, in Burkina Faso, that exists for 16 years already, but started very small, and is growing very fast. It's called in French "Six S"—Six S, which means, using the dry period in the Sahel for activities for improving living standards in rural areas, (which is a mouthful of short acronym). And "Six S" is an organization that gets together local farmers organizations in the villages, based on the traditional organization structure "NAM" in that society, in Burkina Faso. The "NAM" is the so-called traditional self-help structure

in the society on which these new organization is based. And they cover about 250 to 300 villages in Burkina Faso now, where they have this huge level organizations based on these "NAM". And at the same time, a number of donors—mainly the NGO donors, but also some bilateral donors like the Swiss and the Dutch support these activities.

Now, what is interesting thing about this movement is that during five years they didn't do anything. They didn't do anything. They went down into the villages with a small team of, what we might call animators; people who wanted to discuss with the rural people. They went down into the villages, sat down with the villagers, and discussed with them. During five years, they didn't do anything else than that, trying to understand how people in those villages see their own environment, what analysis they themselves make of that environment, and how they themselves think they can improve it. And after those five years, they slowly started to present some new ideas, little by little, bringing in new ideas in the discussions with those farmers. And then, from the sixth, seventh year on, they came in with equipment or money, saying "why not try this, why not try that. It's not you, but we take the risk." "If it doesn't work, we pay you back." "If your production doesn't grow, we are responsible for that, and not you."

And, let's say, for a period of four or five years, six years, they helped village in changing slowly their production system. They started with small gifts; money, or other material. A little more in the second, a little more, the third year. And after *the fourth year, it goes back to nothing again*. Because at that moment, the village has to have some savings itself to do investments.

Now, to make it easier for the villagers to adhere to this approach, they give some social services as well, besides that. And they are given on a gift basis: a dispensary, or a teacher for the school, or whatever things like that.

Now, what you see in this project, or in this movement, is that, firstly, it's spreading rapidly. Secondly, it raises consciousness of people of attending sort of general movement, being part of a movement of change, which was almost non-existent in other projects which are isolated activities in some village or another village. So, it's the first sign of a real rural level organization. And I hardly dare saying it, but I think it's the first sign of a real countervailing power in an African society.

And I think when we want to do something about rural development

on the long-term basis, we need to have this countervailing power. Because, when you leave agricultural development to functionaries in the bureaucratic systems, it will never come about.

**SHOJI:** Excuse me, but let me continue my question.

But your process takes time. And how do you compromise with the urgency of the need of development? I mean, under the current economic crisis, they need to get the foreign currencies; and also, they have to provide food for themselves.

How do you compromise? And how do you persuade the bureaucracies who are handling the major flow of official development assistance?

**JORRITSMA:** Well, of course, what I am describing now is a rural development activity, that doesn't exclude that you have to have other sorts of development cooperation on the national levels, on institutional levels. I mean, I think that support to ministerial structures, technical services, is okay, although I think that part of the enormous growth of technical services, governmental services in the Sahel countries is mainly due to the fact that we gave them too much money to build up. And it is funny when you discuss with technical people within the ministries in the Sahel countries, you see that every functionary wants to have his own project. Because without his own project, he won't be a functionary any more. And then, you are in a sort of vicious circle in which there is only one way out of that still growing bureaucratic system, which has become so big, as Mr. Tetegan has said this morning, that those countries are largely indebted by the cost of the running of the governmental structures.

Of course, a support to governmental institutions help them think in policy terms, help them think in changing strategies; but please be aware of the fact that you are supporting governmental structures that are already too costly for those states.

**CHAIRMAN:** Thank you very much. We will accept just one more question.

**IMAI:** Thank you Mr. Chairman. I am Imai of JICA.

I have one question which I would like to clarify. There are things which are necessary to the central government. But at the same time there are contradicting needs in the local, rural areas. NHK broadcasted the food price structure—a TV programme by BBC. For example, the cash crop needs to be developed and need to be promoted by the World Bank. The World Bank recommends those countries to get the foreign

currency through the cash crop to buy oil and food. But the implementation of those policies brings about serious problems at regional level. It actually happens in some regions that people could not become self-sufficient to supply their own food, because of this World Bank policy.

So, we understand that Country A may need to get foreign currency through cash crop to buy things. But if you continue this type of aid forever, I think it may not lead to a sustainable development of each country. And those countries may not be able to become independent with regard to food security.

So, there is a need on the government level. And there is another need on the local, rural level. And if those two needs conflict with each other, how can we solve this contradicting situation like in Sahel?

Maybe you have some hint or advice or ideas to solve this contradicting needs.

**JORRITSMA:** I think you are putting the finger on one of the most complicated matters dealing with the Sahel countries.

Of course, those countries, and the governments of those countries, are facing the enormous dilemma: In the one hand, shortage of financial means to get the machine rolling, and on the other hand—well, I won't say "starving population", but the rural population that, at least to a certain percentage, is in a desperate need of most of the basics like food and health and things like that.

I don't have a clearcut answer to this problem. But I think that part of this problem for the Sahelian countries can be overcome when they are willing—and not only "they" but also the West African coastal countries are willing to work on a regional agricultural policy. Because you were talking about the World Bank; and as far as I understand it, the World Bank now likes to talk about comparative advantages.

Now, when you look to the Sahel countries, and you want to find some comparative advantages, you are getting rather frustrated. Because I think there are hardly any comparative advantages.

On the other hand, when you take the West African region as a whole, you will find some of them, at least, and I think it's an urgent need not only for the Sahel countries but also for the West African coastal countries to come to a sort of cooperation, like a cooperation we are trying to come to in Western Europe with the E.C. And when you read the newspapers and see the discussions between the French and the Dutch and the English and the German, you will see that after all those years it's still

fairly difficult to let pray the comparative advantages of our countries.

So, I mean, that gives you an idea of the time perspective you have to think about to come to this common market, or common agricultural market for West Africa.

I think when we are very optimistic, we may hope to have a rough structure of regional cooperation by the end of this century or at the beginning of the following century, in which some of the comparative advantages of the coastal countries, and some of the problems of the Sahelian countries, will be taken into account into a, let's say, a regional economic policy.

This is, I would have to admit, only a part of an answer to your question, because I don't have the full answer.

About the World Bank, I am fairly concerned about the economic reasoning within donor agencies, not only the World Bank but also within the U.S.A.I.D, for instance, about the economic development in the Sahel.

What they say, for instance, is that the agriculture— the system of agriculture— that you find in the Sahel countries, and mainly in more marginal areas, is not an economically viable agriculture. And in the strict economic sense, they are right. Because it's much more effective to produce more millet, more weeds and more rice and more other cereals in the United States or in Asia than it is to produce rice or millet or sorghum in the Sahel.

But—but, if we don't invest money and energy in this agriculture, in twenty years from now, the more promising zone, which is the south of the Sahel, will look very much like the Sahel. Because you will have to face an enormous migration out of that zone into more southerly zones.

And I went down a couple of months ago with an ecologist, an expert, to Southern Mali, which for the time being is one of the best surplus areas in the Sahelian countries, and he showed me that you can find there the first signs of justification, in an area where at this moment rapid production in cotton is realized. So it's not fantasy. I think it's real that when we don't invest in the more marginal agricultural systems in the Sahel, we will have to face another ecological disaster in a more southerly zones in twenty years from now.

So, I think, which is probably economically not viable on the short term might be very viable on the long term.

CHAIRMAN: Thank you very much.

We only accept one more last question. And please identify your

name and affiliation. Thank you.

**KITAGAWA:** I am Kitagawa, from the Multilateral Cooperation Division of the Ministry of Foreign Affairs.

Thank you, Dr. Jorritsma, for your comprehensive presentation, and especially addressing on where the constraints are in the Sahelian region, and also putting emphasis on the sustainability issues.

As Japan, as a donor country to the International Agricultural Research Centres, under the umbrella of the CGIAR, I would like to ask some questions, and your assessment of these international agriculture research centres' roles in these regions.

WARDA is in the region; Liberia, and Ivory Coast. IITA is in Nigeria. And now, ICRISAT has set up the Sahelian Centre in Niamey, Niger. The ICRISAT Sahelian Centre is making programmes such as millet based cropping system and alley farming. CIMMYT used to extend Maize programme, and now, IITA is covering the programme in West Africa region. And WARDA has one rate on rice in these regions.

About livestock: ILCA is in Ethiopia, and their extensions in West Africa. ILCA is dealing with livestock in Africa; research on animal husbandry, animal tractions, pastures and fodders. In the case of ILCA, the sustainability issue is important. So, there are some areas of ILCA's contributions, especially for the pasture improvement or the use; so to speak, preservation of soil. ILCA also has programmes on the pastures as well as the nitrogen fixations combined with legumes.

So, I would be grateful if you can give some of your assessment on these matters. Thank you.

**JORRITSMA:** I know, of course, all the names of the research institutions you mentioned, although I haven't worked with all of them personally. So, I prefer not to go in detail on the specific institutions.

Let me say one thing in general about research. I think that in general, of the whole of Sub-Saharan Africa, the Sahel is the best studied region. When you see the libraries full of studies, analysis, research projects, etc., etc., on the Sahel, why it's becoming so bad in Sahel. We know everything about every detail you can think of.

So, I think in general, of course, except for specific questions that might come up, we don't need a lot of research as such. What we need is ways to use in an efficient and an adaptive way the information that we already have and that has come out of all this research. To give you an example of ILCA: ILCA has turned excellent studies on livestock in

several African countries like Kenya, Tanzania, Ethiopia, and several Sahelian countries like Mali, although other teams in the Sahel have done quite as well research on livestock. We ourselves did a series of studies with multidisciplinary teams as sociologists, ecologists, veterinary specialists, etc., etc. And I think we have about the best analysis you can make of the livestock systems in the Sahel.

But, but on the governmental level, in these countries, for the time being, there is no voluntary will to do something concrete and intelligent with livestock, on the basis of these analysis. You can translate the results of those studies into a sort of short and medium term strategy. But it stays at that. After that, there is no discussion. And that's explainable from the fact that livestock, although the situation has changed, is still something that is directly identified with nomadism. And nomadism is something that doesn't belong to modern society. So, culturally, it's fairly difficult to accept these traditional ways of livestock—stock-breeding.

Now, things are changing, of course. Things are changing in different directions, and not for the best. When you take a country like Niger, or like Burkina Faso, you see that nowadays, more than 50 percent, if not 75 percent, of the stock is in the hands of sedentary people, and often, even, urban dwellers including functionaries. And they have some herders with their cattle, who are paid salary. Now, these people are not interested in our kind of research on livestock. Because we say traditional transhumant's nomadic system was a good system. And your system of sedentary livestock breeding is a bad one.

So, that's for research. I mean, we know what's going on. We have made the analysis. But if it's contrary to the political situation in the country, you can't do anything about it. To know the bad word about research is useful.

For ICRISAT, I have a little experience with ICRISAT. I think ICRISAT has done excellent research on sorghum and millet production, and especially an analysis on the production of the traditional millet and sorghum seeds, trying to analyze ways—cheap ways of improving its production without very complicated improvement of the seed itself, without using costly chemical fertilizers, etc., etc. So, they have done very interesting studies on millet and sorghum.

But what you can see, and what comes out of this research, is that the traditional millet and sorghum in the specific areas are very well adapted to the region where they are growing—and don't forget there are



hundreds and hundreds of different types of millet and sorghum in Sahel. For instance, in northern Burkina, they did experiments with millet from another area in Mali, thinking that it would grow better. It didn't work, although in a laboratory situation improved very well; actually in the field, completely in a failure— didn't work.

Now, ICRISAT has done an excellent research on that. There is no doubt about that. But there, again a problem. Although it's not so much a question of political will, there it is much more of what I said earlier: When you want to change production systems, try to integrate new technology in a society, you have to be aware of the fact that it demands, much more than explaining to people, a new way of sowing or a new way of ploughing, or a new way of, let's say, introducing fertilizer. You have to see to it that it needs a whole new system—a system, an institutional system and cultural system, and not only a technical change.

**CHAIRMAN:** Well, thank you very much for your attention for a long time. We would like to give big hands to Dr.Jorritsma.

Dr.Jorritsma, thank you very much for your wonderful lecture.

With this, we conclude today's lecture. Thank you very much for your attention and cooperation.

— APPLAUSE —

MEETING CONCLUDED

Chairman of this seminar:

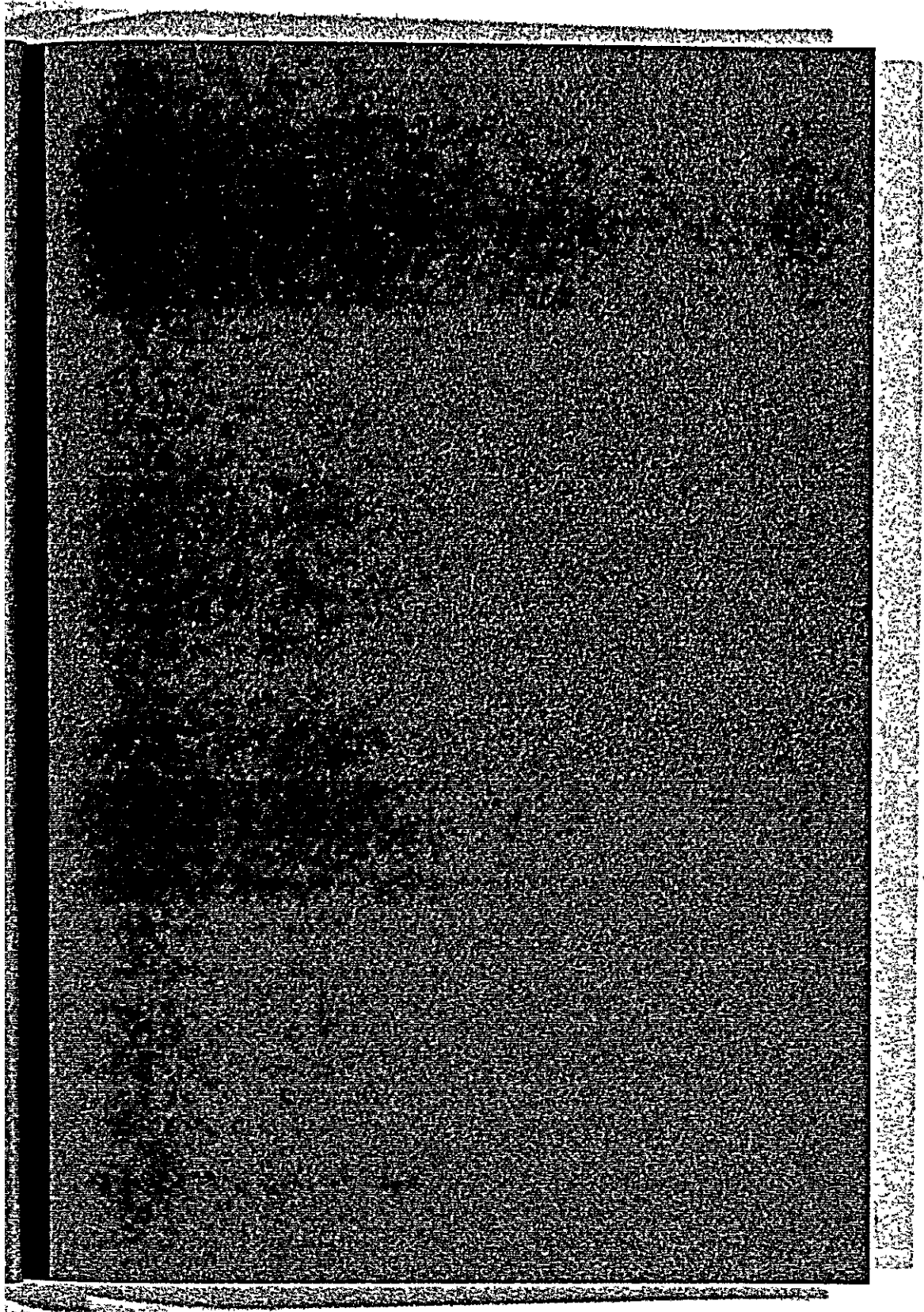
Tsuneo KUROKAWA

Institute for International Cooperation, JICA

### **Japan International Cooperation Agency**

With a view to promoting international cooperation for the social and economic development of the developing world, the government of Japan established the Japan International Cooperation Agency (JICA) on 1st August, 1974 under the Japan International Cooperation Agency Law.

JICA is the official agency of Japan whose main function is to extend technical cooperation to developing countries based upon agreements reached between the Japanese government and the governments of these countries. Such technical cooperation is designed to help developing countries in their economic and social development. For this purpose JICA: (1) invites people from developing countries for technical training in Japan, (2) dispatches Japanese experts and Japan Overseas Cooperation Volunteers (JOCV) members, (3) dispatches survey teams to help in formulating development plans and projects, (4) recruits and trains Japanese experts to be dispatched abroad, and (5) supplies necessary equipment for technical cooperation. Combining into a development project the "acceptance of trainees", the "dispatch of experts", and the "grant of equipment", JICA extends integrated cooperation (known as project-type technical cooperation). JICA also extends capital grant assistance to the developing countries in building schools, hospitals and other facilities related to technical cooperation. Under certain conditions, JICA provides financial assistance to Japanese private enterprises to help them in their development cooperation. For Japanese people wishing to emigrate, JICA serves as an information centre, and for those who have already emigrated, JICA extends assistance.



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