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REPORT OF THE EXPERT MEETING ON FINANCING COMMODITY-BASED TRADE AND DEVELOPMENT: INNOVATIVE FINANCING MECHANISMS

Held at the Palais des Nations, Geneva,
from 16 to 17 November 2004

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Chapter I

CHAIRPERSON'S SUMMARY

1. This summary focuses on the nature of the dialogue during the meeting and its salient points. The arguments and opinions presented are those of a broad selection of experts and do not necessarily represent a point of consensus. Indeed, a wide range of views was represented, and these helped fuel a healthy and active debate. All experts, whether from developed or developing countries, shared a high level of enthusiasm for learning and discussion about innovative mechanisms for agricultural finance. A basic overview of the issue is provided in the UNCTAD background document "Financing Commodity-Based Trade and Development: Innovative Agriculture Financing Mechanisms" (TD/B/COM.1/EM.24/2). The papers and presentations of keynote speakers and participants can be found on the Internet.[1]

Experiences with agricultural finance in the developing world and its relevance for development and poverty alleviation

2. Lack of finance is a major impediment to the development of the agriculture sector, particularly in developing countries, where over 2 billion people depend on this sector for their livelihood. Agricultural finance has been decreasing since the 1980s, with the 1990s seeing steep declines in many countries, often as the result of commercial banks' retreat from the sector. Where finance was available, it was mostly provided to larger borrowers, thereby excluding the majority of small producers from the formal credit system. New commercial financing arrangements, through contract farming schemes and similar vertical marketing linkages, closed only a limited part of the financing gap created by the commercial banks' conservative lending policies. Renewed and deliberate efforts were made by dedicated institutions to counter the negative growth trends, but, while such efforts in themselves were often successful, they fell short of reversing the trend. Nonetheless, experts believed that the potential for agricultural finance was very positive. While the destitute are virtually impossible to reach through sustainable banking schemes, poor landless workers and even very poor farmers may be covered by special schemes that could be designed to be financially viable. This requires reconsidering agricultural finance to allow for the introduction of proper tools, which are critical for ensuring a safely positive risk/return ratio. Public/private partnerships could make a significant contribution, and governments and the international community could review their own policies and practices in this regard; their efforts, if properly focused, could have a large multiplier effect. The time for scepticism about the future of agricultural finance is over.

Common obstacles: Why is agricultural finance so difficult?

3. Experts listed the various difficulties of agricultural finance, both those endogenous to the agricultural process and exogenous ones created by inadequate government policies and a difficult marketplace. In particular, pre-harvest finance could be very risky. For poor farmers, obstacles are linked to their poverty, their lack of knowledge and professionalism, and their lack of collateral. For banks, obstacles are linked to legal constraints, lack of insurance for the agricultural sector, inadequate government policies, and lack of knowledge about the sector. Constraints linked to the

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[1] *http://www-dev.unctad.org/Templates/meeting.asp?intItemID=1942&lang=1&m=9124&info=doc*.

market include product quality concerns, high price volatility and the stringent requirements of purchasers.

4. One common problem is the high co-variant risk caused by weather and pest attacks. A shortage of rainfall, unseasonal rains, cyclones, hailstorms, prolonged high temperatures, and pest attacks affect crops adversely and impact all the farmers in a region. Banks active in the region, including micro-finance institutions (MFIs), will then be severely affected. Although farmers who default in one year may reimburse the following year if their crop is better, financiers should still look for ways to counteract this risk. One way would be to widen their financing to cover agricultural infrastructure, such as irrigation schemes. This has often proved difficult, although positive experiences linking infrastructural finance to farmers' earnings show the way forward. Financiers can also support research and development involving technologies that reduce farmers' risks. Yet another approach is to use weather insurance to externalize risks of crop failure. This approach is currently being piloted, and demand appears strong; for example, Basix, an Indian MFI, has used weather insurance products both for individual loans and to protect the risk of part of its loan portfolio, and it sees great potential demand from its clients for such coverage.

5. Exposure to price risk is another problem. Contract farming arrangements are one solution. Providing access to commodity futures and options exchanges is also a possibility, and experts noted the efforts that were made by some of these exchanges to reach out to farmers.

6. More broadly, financiers are often faced with the basic problem of not knowing the value of the commodities they are asked to finance. Several experts noted that the development of new commodity exchanges (e.g. for African countries) could greatly help in this regard. However, it has so far proved difficult to establish viable exchanges, and for this reason it generally makes sense to establish strong warehouse receipt systems in advance of the exchanges. These systems provide a transparent and ready-made delivery mechanism and thus make it easier to garner support for the subsequent development of an exchange. New microprocessor-based technologies to spread price information on a real-time basis could also be of great value to farmers, processors and traders.

7. Infrastructure in rural areas is often weak, leading to increased transaction costs and larger risks for producers and financiers alike. To reduce this risk, banks could consider financing relevant infrastructure, such as irrigation schemes; they could also structure schemes under which institutional investors fund new infrastructural projects (as in the case of Zimbabwe).

8. The weakness of support mechanisms, such as agricultural insurance, is also a problem in many countries. Nevertheless, financiers have found that, by making personal injury and life insurance an obligatory part of agricultural loans, they can improve overall loan performance.

9. Farmers are often poorly educated and are not fully aware of the requirements of the marketplace. They often have little or no access to the information they need to improve their performance. More professional, better-informed and better-trained farmers would pose lower credit risks for banks.

10. There are considerable market risks: Will there be buyers for the commodities produced? In particular, quality problems can lead to the disappearance of anticipated marketing opportunities, leaving the producer unable to sell, or forced to sell at steeply discounted prices, which in turn increases the probability of defaulting on the loan. Banks thus need to pay great attention to quality issues and are increasingly doing so through the use of independent inspection agents and collateral

managers. They may also bring in technical partners representing the commodity buyers, who can help improve the quality of the farmers' products.

11. Farmers also have difficulties providing collateral owing to legal and regulatory restrictions (which may, for example, prevent them from giving their land as loan collateral); lack of proper title over their land; and social factors. (For example, even if farmers are legally allowed to give land as loan collateral, financiers may in practice not be able to enforce their rights in case of a loan default.) Some organizations and financial institutions have made progress in facilitating agricultural finance through the registration of land titles, including to forest lands.

12. A further problem is inappropriate donor policies. Sometimes in a given region there are aid donors (including NGOs) that provide inputs on credit and others that provide them as grants (specifically so, or because farmers know that in practice they can default on their payment obligations without any risk or sanction). Aid donors should stop the latter behaviour, because it seriously undermines efforts to implement sustainable financing schemes.

13. Ultimately, financiers' risks are larger where agricultural production or processing is not sufficiently profitable, and they can reduce their own risk by helping the sector to become more profitable. If financiers wish to make agricultural finance sustainable, they would do well to take a "cost plus" approach. Borrowers' operational costs will then consist of the financier's cost of capital (plus a profit), a provision for non-performing loans and the transaction cost involved in the financier's reaching the borrower and servicing the loan. By taking a "cost plus" approach, financiers can reduce the default rate dramatically. (For example, by ensuring that proper seeds and extension services are provided, they can reduce the risk of crop failure.) They can also reduce transaction costs (e.g. by using group lending schemes, or by structuring reimbursement around the payments that commodity buyers will make). Also, in a supply chain, it may be possible for the bank to share some of the risks with the stronger players in the chain – for example, the buyers can provide technical services to the farmers and take the risk that the quality of farmers' outputs falls below the expected standard. From the marketing perspective, this practice also improves product traceability, which customers increasingly demand.

Agricultural finance disbursal through financial institutions (commercial banks and micro-finance institutions): difficulties and potential

14. Experts noted that established organizations such as commercial banks and MFIs are often not very active in agricultural finance.

15. In the case of commercial banks, this lack of activity has been linked to their mostly urban presence; their difficulties dealing with smaller loans (given documentation and processing costs); and past losses in agricultural finance, which make them hesitant to enter into new schemes. Because of their perception of the sector's risks, many of these banks feel they have only a peripheral role to play in agricultural finance.

16. Some developing-country banks, including local banks, have, however, successfully developed innovative financing mechanisms, such as financing based on collateral management agreements, lien-backed commodity finance, financing backed with ownership, pre-shipment financing, risk-sharing-type finance, and the use of special-purpose vehicles for borrowing purposes.

17. MFIs have been facing their own obstacles, such as the following (among others):

- Nationalized banks, regional rural banks and credit cooperatives may be yielding loss-making loans to agriculture (at highly subsidized interest rates), leaving little or no institutional space for MFIs in agricultural lending.
- Most MFIs were established to extend credit to the poor. Often, in rural areas, the poorest households are landless. Not owing any land (or at least not owing more than a very small plot) can then become a criterion for selection of borrowers, which automatically excludes farmers.
- Seasonality is another important reason for MFIs' not giving crop loans. It is difficult for them to cope with a demand for credit that is strongly concentrated in a short period of the year.
- Bulky repayments – with farmers wishing to repay soon after harvest – do not fit well with the established practices of MFIs: they are generally accustomed to granting loans with weekly or monthly repayment schedules.

18. While there are still ways for MFIs to become involved in agricultural lending, they have to adjust their way of operating, both to reduce lending costs and to make lending and reimbursement patterns more compatible with the agricultural cycle. Some have been successful in this area, often providing finance along the supply chain (linking farmers with offtakers), including a strong emphasis on education and provision of proper technology, appropriate lending technology (use of structures that depend on the actual target public, with group lending techniques for the poorest borrowers), and inclusion of a family's overall activities in the credit decision. Also, MFIs should not be too stringent by excluding larger agricultural clients, as the volume of business that these clients can provide may enable the creation of a service infrastructure that the MFI can use to reach more members and smaller clients.

Can a supply chain approach help?

19. Experts noted the increasing integration of farmers, processors and traders in national or global supply chains. For example, farmers grow crops under contractual schemes, or for sale under a contract with a supermarket. (Supermarkets already play a dominant role in agricultural marketing in several developing countries.) If such a supply chain is in place, financiers can profitably use it as a tool to strengthen their financing mechanisms by providing credits to farmers, processors, service providers and even infrastructure providers, on the basis not of their individual credit risk but of their position in the supply chain. This can considerably improve a sector's competitiveness, as these logistics and value-added activities often contribute more to the export value of the product than the producer's costs. It is a myth, unfortunately still believed by many banks, that only direct exporters can be financed from the international market.

20. A supply chain approach is in effect the safest way to provide pre-harvest finance. (After the harvest, warehouse receipt finance and collateral management can provide solutions.) It allows financiers to group credit demand and be reimbursed through one or a few buyers rather than a multitude of small farmers. The incentives for farmers to submit (and reimburse) under their supply arrangements are strong, and the risks that the financier runs are basically limited to crop risks – the risk that the farmer does not produce enough, or does not produce the required quality.

The role of credit support organizations in reducing the risks of agricultural finance: operational aspects and preconditions

21. Experts extensively discussed the experience of inspection agencies and, in particular, collateral managers as facilitators of commodity finance.

22. With proper warehousing and collateral management systems in place, farmers can use their commodities, once produced, to make deposits or, as is currently being done by NCDEX in India, create "commodity accounts" – accounts expressed in kilos and tons of produce that they have deposited in a safe warehouse. They can then pledge the respective warehouse receipts, or draw on their accounts, to obtain cash or buy inputs. This system allows farmers greater control over their marketing decisions, as they are no longer forced to sell directly after harvest at the prevailing price in order to meet their cash flow needs, but can instead store their produce, waiting for better times, and also obtain finance against their stocks.

23. Several approaches are possible to reach this goal. One is "field warehousing", where a collateral manager takes temporary control over the warehouse of a farmers' group or a processor, enabling those who deposit commodities in this warehouse to obtain access to much-needed finance. The problem with this mechanism is that it is bespoke – specifically set up for one operation where a single large depositor has entered into an agreement with a collateral manager. The collateral manager's costs to control the site are more or less fixed, and only if the expected volumes are substantial will the scheme make financial sense.

24. An alternative approach is that of "public warehousing". This is standard in some developed countries and has been tried, for example, in Zambia. In this scenario, warehouses accredited by some central warehousing organization (which may be public, private or mixed; in many countries, public-private partnerships, with some donor support, would work best) accept deposits of agricultural commodities from any interested party (farmer or trader). The costs in this system are variable (depending on the tonnage and the time in storage). Such a system is appropriate for accumulating commodity deposits of small farmers.

New tools and approaches: farmers' "credit cards" and use of new technologies

25. Experts heard of attempts in India to bring all farmers into one credit framework through the provision of "farmers' credit cards" – passbooks that give each farmer a three-year credit line, the size of which depends on the size of the holdings. All farmers are entitled to such credit cards (although only 43 million, about one third of the total, have so far claimed them). This standardization of loan procedures greatly reduces costs.

26. This mechanism, which gives all farmers a unique credit identity, has helped bring down default levels considerably, although they are still too high (losses are covered by a government-sponsored agricultural insurance scheme). Further refinement of the approach (in particular, converting the passbooks into smart cards) is likely to enhance performance.

Changing the banker's perspective: the bank as an active partner in agricultural development

27. In many cases, financiers see potential in a situation, but the structures needed to realize this potential are simply not in place. Traditionally, banks have let such opportunities pass by. However,

banks can play a more proactive role by becoming partners. Experts heard a presentation on one such experience in the Philippines, where a bank has set up a "corporative" – a professional corporation that is a joint venture between the bank and farmers, with the bank ensuring professional management, and with a mechanism for transferring the majority of the shares to farmers over time built into the structure. The bank thus obtains a viable vehicle for client campaigns and for increasing investment finance, while farmers build up their assets and get a stake in the value addition of their production.

28. This experience is, in principle, replicable. When banks become partners and equity investors in agricultural development, one of their key roles can be to bring in expertise: management expertise, R&D knowledge, extension services, marketing support, and so on. They normally bring outside managers with the necessary specialized skills into the operation that they will finance. However, banks would need to ensure that this activity is compatible with local banking regulations and that it does not unduly burden their balance sheet in the light of tighter provisioning conditions under the Basel II Capital Accord.

29. Such a proactive role by the bank requires the bank to understand, analyse and manage the agricultural supply chain. It cannot just finance a rice mill or production scheme. Also, it needs to understand the risks involved, and to proactively manage these risks. Governments can leverage banks' support for such schemes by setting up a special venture capital facility for "corporatives".

New finance providers: Can farmers be linked directly to the capital market?

30. Experts heard of a successful experience in Colombia with linking farmers directly to the capital market through the country's commodity exchange. The system works for agricultural crops as well as for livestock and poultry. It is possible to obtain finance for crops that are already produced (and stored in an approved warehouse), and for livestock and poultry being fed for subsequent sale to the market. Through some basic financial engineering, investors such as pension funds or individual investors can bid on the "right to finance" the producer. Investors assess what will be the reimbursement expiry of the contract, and the difference between the price that they bid and the price they expect to receive amounts to the interest rate they wish to receive. The exchange guarantees that investors will be reimbursed through a range of mechanisms. This system has helped agricultural producers to attract considerable working capital at rates several percentage points below those available in the banking market. It is possible, however, only because of the existence of a strong, reputable and regulated warehousing system, which in this respect shows its capacity as a building block for many other, more sophisticated marketing and financing applications.

31. Others contributed their experiences, which showed, for example, that pension funds can be convinced to finance relatively large sums (several million US$) in rural infrastructure, in return for receiving rights to part of the export earnings of the farmers who will benefit from this infrastructure. Such institutional investors are normally interested in longer-term placements, which complement the shorter-term approach of banks. Experts noted, however, that while feasible for certain projects (and including through instruments such as the issuance of project bonds), it may not be possible to generalize this approach to all categories of lending because of governments' concerns about the commodity sector becoming an adjunct of the financial sector. This could lead prices to be driven by financial market developments, which in many countries may not be acceptable.

The way forward: partnerships between the private sector, governments and the international community

32. New agricultural financing initiatives are often generally driven by the private sector, but they need some minimal government support. Also, governments need to make certain that actions in the area of agricultural financing form part of their strategic development plans, including their poverty reduction strategies. While there is still a difference between planned intentions and actual implementation, such an approach will make it easier to obtain wider necessary support for implementation. These actions should be put into the appropriate framework of macro-economic policies (in particular, the foreign currency that can be generated when an appropriate agricultural financing system is in place), of food security and poverty reduction, and of the country's trade capacity and competitiveness. Without such specific inclusion in the country's strategic development plan, and the ownership and feeling of priority that this conveys, the donor community is unlikely to give financial support to projects and programmes in this sector. Such donor support is often essential for testing new approaches and for educational and extension-type activities.

33. An essential part of government support is proper and stable rules and regulations. Governments should review their existing regulations that prevent farmers from giving collateral for loans. Where useful, they should introduce new regulations, such as a Warehouse Receipt Act, to provide a clear legal and regulatory framework for agricultural lending. They should ensure that the laws and regulations that exist are equitably enforced.

34. Governments, banks, financial institutions and donors have a role to play in enlarging the volume of credit available to agriculture; in particular, some participants felt that they should provide credit lines for on-lending, as well as discount facilities. Alternatively, governments can promote more sustainable delivery of finance by providing a supportive policy and legal environment and supporting the development of market institutions and instruments, some of which were discussed at the meeting.

35. At a broader level, governments should invest in the key infrastructure necessary to reduce risks and increase agricultural productivity and, with the same purpose, should support research and development programmes. The international community should review the restrictions that they may place on governments' investment programmes. While social sectors are important, governments should invest in rural infrastructure and thus enhance productive capacity in agriculture.

36. But while governments play a key supporting role, they should not be the ones designing agricultural financing products. Here the private sector should play the leading role. Banks, and in particular local banks, are of major importance. International banks and local banks can work together in various areas. In many cases, banks can productively cooperate with MFIs, which have the necessary outreach, door-to-door delivery and know-your-customer capacity to bring credit to small farmers.

37. Viable agricultural financing often depends on the involvement of active farmers' groups and cooperatives (with a broad range of activities), commodity-based groups (working together for one or two groups, e.g. for purposes of joint marketing or joint input procurement) or joint liability groups (with producers coming together to enable access to finance). More efforts are needed to stimulate the formulation of such farmers' groups and to strengthen their performance.

38. NGOs that work with farmers' communities should be made aware of the new agricultural financing possibilities that exist and should be assisted, through capacity-building programmes and

technical assistance, in replicating successful experiences. They should also represent the farmers' interest vis-à-vis the government, with a view to including the type of actions mentioned in this report in the country's National Development Plan.

39. Local banks and other companies involved in commodity financing, such as warehousing companies and collateral managers, should make a continuous effort to learn about agricultural financing techniques. Where useful, they should consider the creation of associations that can help reduce financing risks, such as an Association of Warehouse Operators. Governments should support these cooperation efforts by giving such associations appropriate powers and assistance.

40. Donor agencies should make a greater effort to ensure that their projects are sustainable. More active cooperation with producers and others in the commodity supply chain would help in this regard. Also, it is to consider the best ways to bring about synergy between government and the private sector. Public-private partnerships will be necessary in many domains, and donors should buy support these, particularly for LDCs.

41. The private sector and donors should be open to the possibility of technology leapfrogging in the area of agricultural finance. While this is not possible in all countries (given minimum infrastructure requirements), there are often promising possibilities. Appropriate use of technology seems an important way to dramatically reduce transaction costs for loan disbursal and for loan recovery from large numbers of small farmers. While noting the importance of technology in improving agricultural commodity trade and finance, the experts stressed that, for farmers to gain optimal benefits, technological innovation should be supported by reliable physical infrastructure as well as institutions ensuring the integrity and timely delivery of information used by transacting parties.

42. UNCTAD should enhance its support in this area across the board, targeting governments, banks, agricultural borrowers and other key players. With respect to governments, UNCTAD can help them to elaborate commodity sector strategies. It can also point to international best experience in areas such as legal practices that stimulate agricultural lending. UNCTAD can provide cross-country experiences, so that countries do not need to reinvent the wheel. This should be made possible through South-South cooperation, as through this expert meeting.

43. With respect to banks, one priority is to provide them with information, training and advice on new financing methods for agriculture and on their implementation. UNCTAD should continue its pioneering work in developing innovative financing solutions for the commodity sector (including such approaches as dematerialized warehouse receipts and the "corporative" approach to financing), and should enhance its technical assistance to deliver such solutions into the field. It should make international best experiences available through its publications and the organization of networking events. One specific proposal by the experts was that UNCTAD organize a global meeting on experiences with warehouse receipt finance and collateral management. Large amounts of money have been spent by donors on projects in this area, in different parts of the world, and the results have been very uneven. Still, lessons have been learned and, in light of all the money spent, UNCTAD's Commission on Trade in Goods and Services, and Commodities could consider organizing a meeting to which key donor agencies, banks, collateral managers, lawyers and others involved in these projects are invited, to share their experiences and improve the prospects for future success.

44. With respect to agricultural sector borrowers, UNCTAD can assist in increasing awareness of innovative financing methods and the conditions for access to efficient financing.

45. Experts called on donors and international agencies to support UNCTAD's activities in this area so that the organization would be able to respond better to specific requests for assistance from developing countries and in particular LDCs. One of the action groups of the International Task Force on Commodities launched at UNCTAD XI will be on commodity finance, and for this, cooperation from governments and the private sector and support from donors is greatly needed.

Chapter II

ORGANIZATIONAL MATTERS

A. Convening of the Expert Meeting

46. The Expert Meeting on Financing Commodity-Based Trade and Development: Innovative Financing Mechanisms was held at the Palais des Nations, Geneva, from 16 to 17 November 2004.

B. Election of officers

(Agenda item 1)

47. At its opening meeting, the Expert Meeting elected the following officers to serve on its bureau:

Chairperson:	Mr. Vinod Rai (India)
Vice-Chairperson-cum-Rapporteur:	Mr. Emmanuel Farcot (France)

C. Adoption of the agenda

(Agenda item 2)

48. At the same meeting, the Expert Meeting adopted the provisional agenda circulated in document TD/B/COM.1/EM.24/1. The agenda for the meeting was thus as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Financing commodity-based trade and development: innovative financing mechanisms
4. Adoption of the report of the meeting

D. Documentation

49. For its consideration of the substantive agenda item, the Expert Meeting had before it a note by the UNCTAD secretariat titled “Financing Commodity-Based Trade and Development: Innovative Agriculture Financing Mechanisms” (TD/B/COM.1/EM.24/2).

E. Adoption of the report of the meeting

(Agenda item 4)

50. At its closing meeting, the Expert Meeting authorized the Rapporteur to prepare the final report of the meeting under the authority of the Chairperson.

Annex

ATTENDANCE [*]

1. Experts from the following States members of UNCTAD attended the meeting:

Belarus
Bolivia
Bulgaria
Burundi
Cameroon
China
Democratic Republic of the Congo
Egypt
France
Ghana
Honduras
India
Iran (Islamic Republic of)
Mauritius
Nigeria
Philippines
Russian Federation
Senegal
Uganda
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Yemen
Zambia

2. The following intergovernmental organizations were represented at the meeting:

Common Fund for Commodities
European Community
South Centre

3. The following specialized agencies and related organizations were represented at the meeting:

Food and Agriculture Organization of the United Nations
International Monetary Fund
United Nations Industrial Development Organization

4. The following non-governmental organizations attended the meeting:

General category

Exchange and Cooperation Centre for Latin America
International Confederation of Free Trade Unions

[*] For the list of participants, see TD/B/COM.1/EM.24/INF.1.

5. The following panellists attended the meeting:

Mr. Nabil Marc Abdul-Massih, Risk Manager, ACE Audit Control & Expertise, Geneva, Switzerland
Mr. Julio Alem Rojo, Executive Director, Centro de Investigación y Desarrollo Regional (CIDRE), La Paz, Bolivia
Mr. Gustavo Bernal Villegas, President, National Agricultural Exchange, Bogotá, Colombia
Mr. Nicholas Budd, Denton Wilde Sapte, Paris, France
Mr. Matthieu Delorme, Vice President, Collateral Management, Cotecna Inspection Services SA, Geneva, Switzerland
Mr. Chris Goromonzi, Director, Pivot Capital Partners, Pretoria, South Africa
Mr. Nick Hungate, Rabobank, Amsterdam, Netherlands
Mr. K. G. Karmakar, Executive Director, National Bank for Agricultural Development (NABARD), Mumbai, India
Mr. Edwin Moyo, CEO, Trans Zambezi Industries Ltd., Harare, Zimbabwe
Mr. Bogdan Rascanu, Société Générale de Surveillance, Geneva, Switzerland
Mr. P. H. Ravikumar, Managing Director & Chief Executive Officer, National Commodity & Derivatives Exchange, New Delhi, India
Mr. Alex Valdez Buenaventura, Chairman, Rural Bank of Panabo, Philippines, and Chairman, PAICOR, Manila, Philippines
Ms. Cindy van Rijswick, Rabobank, Amsterdam, Netherlands

6. The following special invitees attended the meeting:

Mr. Atsen J. Ahua, Associate Editor, *Africa Link* magazine, Geneva, Switzerland
Mme Andrée Alliod, Director, Société internationale financière pour les investissements et le développement en Afrique (SIFIDA), Geneva, Switzerland
Mr. Antonious De Bleser, Vice President, ACE Audit Control & Expertise, Geneva, Switzerland
Mr. André Soumah, Chairman, ACE Audit Control & Expertise, Geneva, Switzerland
Ms. Anne Willmes, Cotecna Inspection Services SA, Geneva, Switzerland