



**UNITED NATIONS  
ECONOMIC AND SOCIAL COUNCIL**

---

Distr.: LIMITED

E/ECA/PSD.6/11  
5 December 1989

Original: ENGLISH

ECONOMIC COMMISSION FOR AFRICA

Sixth session of the Joint Conference  
of African Planners, Statisticians and  
Demographers

Addis Ababa, Ethiopia  
15-20 January 1990

REPORT ON ECA PLANNING ACTIVITIES (1988-1989) AND EXAMINATION OF  
APPROVED WORK PROGRAMME (1990-1991) AND CONSIDERATION OF DRAFT  
WORK PROGRAMME (1992-1993) AND MEDIUM-TERM PLAN (1992-1997)

## CONTENTS

|   | Page |
|---|------|
| A. INTRODUCTION   | 1    |
| B. PLANNING ACTIVITIES DURING THE BIENNIUM 1988-1989                    | 1    |
| C. WORK PROGRAMME FOR 1990-1991   | 6    |
| D. DRAFT WORK PROGRAMME (1992-1993) AND MEDIUM-TERM<br>PLAN (1992-1997) | 9    |

## A. Introduction

1. The ECA work programme in the field of economic development planning focuses on a set of activities designed to enhance the implementation of the regionally agreed development strategies, the Lagos Plan of Action, the Final Act of Lagos, the United Nations Programme of Action for African Economic Recovery and Development, subregional and regional sectoral plans, and development decades. Thus, the work programme concentrates on the undertaking of technical assistance and advisory services to countries, research and studies on major developmental problems, and economic outlook and forecasts to enable decision-makers to formulate policies and analyses their implications.

## B. Planning activities during the biennium 1988-1989

### Sub-programme 1: Socio-economic analysis, planning and projections

2. The main thrust of the work programme under this sub-programme consists of undertaking studies to assess the economic and social situation of African countries and assist member States in creating and improving their own national mechanism for review and appraisal of development policies and programmes; and to devise techniques relating to sectoral planning, short-term forecasting, regional and subregional co-ordination of plans and contingency planning for specific crisis.

3. The Survey of Economic and Social Conditions in Africa 1986-1987 was presented to the thirteenth meeting of the Conference of Ministers in April 1988. The Survey of Economic and Social Conditions in Africa 1987-1988 was presented as a background document to the fourteenth meeting of the ECA Conference of Ministers in March 1989. Some changes have been made in 1989 in response to the recommendations of the thirteenth meeting of the ECA conference of ministers which called upon ECA to present the Economic Report on Africa as a concise summary of the Survey to make it more readable, while the Survey will be retained as a background document of significant relevance to the needs of policy-makers, planners and other officials and researchers in the field of development. The Economic Report on Africa 1989 was then presented to the fourteenth meeting of the ECA Conference of Ministers in March 1989.

4. The Survey gave stock of the current socio-economic events in the region and highlights the major sectoral developments and their policy implication. As can be gathered from the Survey, the last two years witnessed various adverse developments not only in the domestic but also in the external sphere. Overall GDP registered sluggish growth of only 3 and 1.3 per cent in 1988 and 1989 respectively. The performance of the North, West and Central African subregions was particularly more than disappointing. Similarly, the worst performance was recorded in the group of oil producing and exporting countries where their combined GDP fell from 2.5 per cent in 1988 to 0.9 per cent in 1989 due to the fall in oil revenues. In the social field, the region continued to suffer from high unemployment, underemployment and mass poverty.

5. In the field of planning and projections, the work programme centred on:

(a) Technical assistance and advisory services to African countries in the field of planning and projections;

(b) The elaboration of short-term forecasting systems for African countries;

(c) A review of the progress in the implementation of regional development strategies in national development plans including in particular the Lagos Plan of Action, the Final Act of Lagos, and the United Nations Programme of Action for African Economic Recovery and Development (UN-PAAERD);

(d) Perspective studies on Africa's development.

5. In the field of technical assistance and advisory services, the ECA secretariat provided during the 1988-1989 biennium assistance at the request of a number of African countries. Technical assistance and advisory services missions were mounted to 11 African countries and institutions in the establishment of short-term forecasting systems, research policies and preparation of annual surveys.

6. The secretariat has expanded its programme of work in the development of short-term forecasting systems with the view of enabling African countries to monitor short-term developments and assess their policy implications. In this field, the secretariat continued to provide its assistance to some African countries. The system is presently in its final stage of implementation in the Congo. The programme aims also to bring new focus on the short-term forecasting models by putting more emphasis on the capital and financial accounts in order to fully analyze the impact of the structural adjustment programmes.

7. The secretariat continued to review the progress of implementation of the regional development strategies in particular the Lagos Plan of Action, the Final Act of Lagos, Africa's Priority Programme for Economic Recovery and the United Nations Programme of Action for African Economic Recovery and Development. To that effect, a number of development plans covering post-LPA periods had been analyzed in the light of the objectives, strategies and policies of the regional development strategies. While some genuine attempts were made to implement the LPA and the UN-PAAERD, the economic and social situation in the region remained, on the whole precarious. Since the inception of the regional development strategies, adverse developments in the domestic as well as the external spheres had interacted in various shapes and degrees to produce an unmanageable crisis situation in the region. The food position was critical and the external balances were in a deplorable state of affairs. Thus, the majority of African economies were far from achieving self-sustaining development, restoring normal growth and attaining a reasonable degree of food self-sufficiency, the basic objectives of the LPA and the UN-PAAERD.

8. In response to General Assembly resolution 43/183 which, *inter alia*, called upon the United Nations Conference on Trade and Development, the regional commissions and other organizations and specialized agencies of the United Nations system to include in their agenda, during the 1989 meetings, items regarding their contribution to the preparation of the International Development

Strategy for the Fourth United Nations Development Decade, and to contribute effectively to the preparatory process for the Strategy by providing all appropriate inputs, including relevant documentation and comprehensive analytical studies, the secretariat has prepared the African region's contribution to the Strategy. The contribution was adopted by the fifteenth meeting of the Conference of Ministers, twenty-fourth session of the Commission and the meeting, requested its Chairman to submit it to the Chairman of the Ad-hoc Committee of the Whole on the preparation of the International Development Strategy for the Fourth United Nations Development Decade.

9. The African concerns were identified as either the continuation of the current factors that had mitigated growth in the Decade as well as the emerging new factors that are likely to intensify and influence development in the next decade. The major concerns relate to:

(a) The widening social gap between Africa and the rest of the world in terms of quality of life and life expectancy in spite of the huge budgetary expenditure in education, health services and housing;

(b) Environmental degradation as regards issues of deforestation, social degradation, drought and desertification that threaten to cause permanent damage to the eco-system;

(c) The increasing technological gap between Africa and other developing regions of the world, not only in terms of the acquisition of technology but in the manner of internalizing, adapting and optimizing it;

(d) Providing solutions to the problem of the collapse of international commodity prices;

(e) Need for a comprehensive solution to the debt problem and to relate it to the imperative of fundamental solutions to socio-economic problems as an adjunct of short-term balance of payments crisis and liquidity constraints;

(f) Need to intensify the preparatory process and steps towards the economic integration of the continent and the establishment of the African Common Market in particular at a time when developing and developed countries are coming closer in regionalized bloc economies.

10. In the area of perspectives and long-term outlook, ECA prepared a comprehensive study on Africa's development perspective entitled "Beyond Recovery: ECA revised Africa's Development Perspective, 1988-2008" which meant to provide a methodological framework for the accelerated implementation of the Lagos Plan of Action.

11. In the area of policy formulation, ECA, in recognizing the need for improving the policy framework to make it consistent with Africa's development priorities and objectives as stipulated in the regionally agreed development strategies, was prompted in a search for an alternative. The document entitled "African Alternative Framework of Structural Adjustment Programmes for Socio-

economic Recovery and Transformation" was prepared and then adopted by the joint meeting of the Ministers of Planning and the Ministers of Finance.

12. The secretariat prepared in 1989 a number of studies on the policy instruments of AAF-SAP relating to trade, exchange rates, subsidies and interest rates as policy instruments for adjustment with transformation. The studies provide analysis of theoretical and conceptual aspects of policy instruments, assesses the impact of the instruments in achieving the objectives and/or targets, and formulates the approaches to be adopted in applying the policy instruments. In addition the secretariat made a survey of the issues that are pertinent to appropriate modelling of AAF-SAP and proposed some basic models that would enable the final elaboration of a macro-economic model of AAF-SAP.

13. In the field of economic co-operation and integration, the secretariat prepared some studies on the conceptual and practical methodologies and approaches for harmonization and co-ordination of the various projects at the national level that have practical subregional dimensions in the field of agriculture, industry, transport and communications, trade, education, etc.

Sub-programme 2: Fiscal, monetary and financial issues at the national level

14. This sub-programme is designed to assist member States in the adoption and implementation of fiscal and monetary policies, in particular in areas of mobilization and channelling of personal savings in accordance with development plans and priorities and survey of domestic money markets in Africa and their potential role in development.

15. Under this sub-programme, a report on "Mobilization of private savings in selected African countries" was prepared. The importance of savings in accelerating the rate of economic development via its impact on capital formation has long been recognized. The report focuses on the mobilization of private savings in selected African countries, with particular emphasis on the household sector. The report reviews the theoretical basis of the determinants of savings and examine their applicability in the African setting; examines the existing institutional framework for mobilizing private savings; estimates the magnitude of private savings in selected African countries; identifies major constraints that hinder private savings mobilization in Africa; and identifies viable options for improving the mobilization of private savings in Africa.

16. In addition, a report on "A survey of banking institutions and their potential role in the allocation of resources for development was prepared. A basic problem of resource mobilization is how to turn domestic resources mobilization into an engine of growth and structural transformation. The focus of the report is on financial intermediation and the role of banking institutions in tapping and equilibrating the demand and supply of resources as between deficit and surplus units.

Sub-programme 3: least developed countries (LDCs)

17. The activities under this sub-programme cover:

(a) Technical assistance in planning, drawing up of development plans and project preparation and organization of round tables;

(b) Review of economic and social conditions in individual least developed countries;

(c) Evaluation of the effectiveness of the Substantial New Programme of Action for the 1980s for the Least Developed Countries in the African region;

(d) In-depth studies on the economies of LDCs in particular human resources development and utilization and financial structures and resource utilization.

18. In the field of technical assistance to African LDCs the secretariat participated in a number of country round-tables in support of the Substantial New Programme of Action. These are Chad, Lesotho, Burundi, Sao Tome and Principe. The secretariat also attended a meeting of Governmental Experts of Donor Countries and Multilateral and Bilateral Financial and Technical Assistance Institutions with the representatives of the LDCs, and the UNCTAD/Netherlands-sponsored Meeting Preparatory to the United Nations Conference on LDCs.

19. The review of economic and social conditions were prepared for the African least developed countries for 1988 and 1989 focusing on country-by-country analysis. The review is particularly useful in monitoring the socio-economic developments in the light of the progress made in the implementation of the Substantial New Programme of Action and in assisting the Conference of Ministers of African LDCs to evolve policies and recommendations in relation to the special problems encountered by them.

20. The secretariat continued to review the progress of the implementation of the SNPA in African LDCs. It particularly noted the failures for the implementation of the Programme to relate to inadequate resource mobilization and the marginalization of SNPA objectives in aid programmes both at bilateral level and in consultative groups and round-tables, and the introduction of structural adjustment programmes that had not taken into account the specific situation of the LDCs.

21. The secretariat also prepared two studies on the development and utilization of human resources in African LDCs, and the growth and structure of financial institutes in African LDCs.

C. Work programme for 1990-1991

22. The activities to be undertaken will continue to address themselves to problems relating to enhancing planning capabilities at the country level, and research in critical areas to assess and review various aspects of social and economic development in African countries in the light of the objectives of the International Development Strategy, the Lagos Plan of Action, the United Nations

Programme of Action for African Economic Recovery and Development (General Assembly resolution S/13-5, annex, of 1 June 1986), and the African Alternative Framework to Structural Adjustment Programmes for Socio-economic Recovery and Transformation (General Assembly resolution A/44/L-70, Rev. 1 of 14 November 1989). Moreover, continual indepth studies of the economies of the least developed countries will be undertaken to address critical areas, and the evaluation of the Substantial New Programme of Action in favour of least developed countries.

Sub-programme 1: Socio-economic analysis, planning and projections

1.1 Advisory services

Advisory services to member States, upon request, in development planning, the establishment or improvement of planning machineries at the national level, economic projections and forecasts, economic surveys, and economic studies at the national and subregional levels.

1.2 Survey of Economic and Social Conditions in Africa

(i) A technical publication analyzing the performance in the region as a whole and in the least developed countries, and short-term prospects for the years 1990 and 1991;

(ii) Expert group meeting of African economists to assess Africa's development during the 1980s; and expert group meeting of African economists to review the implementation of the United Nations Programme of Action for African Economic Recovery and Development.

1.3 Studies on African development issues

Technical publications:

(a) Study on the informal sector in selected African countries;

(b) Macro-economic management and planning in African countries;

(c) Study of national experience in grass-root development;

(d) Planning and financial markets in the context of stabilization programmes.

1.4 Short-term forecasting and outlook:

(a) Report on the implementation;

(b) Short term forecasting systems in some African countries;



(c) Technical publication: ECA reference short-term forecasting model and macro-economic management:

1.5 Development planning, methods, modelling and projections

(i) Technical publication on the determination of appropriate exchange rates in African countries;

(ii) Substantive servicing of the sixth session of the Joint Conference of African Planners, Statisticians and Demographers as a whole and of its planning committee;

(iii) Planning practices in African countries;

(iv) Harmonization and co-ordination of national development plans at the subregional level.

1.6 Training of African planning specialists at the United Nations African Institute for Economic Development and Planning on:

(a) A nine-month basic programme in economic development and planning in Africa;

(b) A short-term programme dealing with industrial development, population, energy, environment, agriculture and rural development.

Intermediate activity: Preparatory work for the African Conference on Economic Modelling and Forecasting (1992).

Sub-programme 2: Fiscal, monetary and financial issues at the national level.

2.1 Studies on fiscal, monetary and financial issues:

Studies on the role of financial instruments in economic policy and management in African countries.

Operational activities: Advisory services to member States, upon request, on fiscal, monetary and financial problems in the framework of overall planning policies and programmes.

Sub-programme 3: Least developed countries

3.1 Advisory services to least developed countries:

Advisory missions to African Least Developed Countries, upon request, for the preparation and organization of donors' meetings and round-tables in project preparation, plan preparation and evaluation;

3.2 Review of economic and social conditions in individual least developed countries

3.3 Progress reports on the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries and the long-term development strategies and policies in the 1990s for the least developed countries:

(a) Review and appraisal of the implementation of the SNPA during the 1980s and measures for accelerating their development process in the 1990s;

(b) An assessment of the outcome of the second United Nations Conference on the Least Developed Countries in the context of the long-term development strategies and policies in the 1990s;

(c) An African position paper for the United Nations Conference;

(d) Substantive servicing of the meetings of the Intergovernmental Committee of Experts of African Least Developed Countries and of the meetings of the Conference of Ministers of African Least Developed Countries.

3.4 In-depth studies on the economies of the least developed countries in Africa:

(a) An evaluation of employment policies in African least developed countries;

(b) Agricultural pricing policies in African least developed countries.

D. Draft work programme (1991-1993) and Medium term Plan (1992-1997)

23. The projected work programme for the period 1992-1997 is based on the Medium-term Plan as contained in document A/37/6 - General Assembly Official Records: Thirty-seven Session Supplement 4.6. Only sub-programme 1 to 3 of programme 3 on Development issues and policies are carried out by the Socio-economic Research and Planning Division, namely Socio-economic analysis, planning and projections; Fiscal, monetary and financial issues at the national level; and Least developed countries.

24. Under sub-programme 1 Socio-economic analysis, planning and projection the secretariat will continue to prepare annual economic reports and surveys of economic and social conditions in Africa, analyze the impact of structural adjustment programmes and develop the capacities for the implementation of the African Alternative Framework to Structural Adjustment Programmes for Socio-economic Recovery and Transformation, undertake an overall assessment of the implementation of the Lagos Plan of Action, assess and evaluate the effectiveness of subregional economic co-operation schemes with the view of developing the modalities for the establishment of the African Common Market; expand the work on multisectoral models for key development sectors; operationalize the ECA macro-economic model of AAF-SAP; and assist in developing country long-term development studies.

25. In sub-programme 2: Fiscal, monetary and financial issues, the secretariat intends to strengthen the efforts towards the expansion and strengthening of the capacity of African countries to mobilize domestic resources for development financing and the building and strengthening of financial institutions.

26. In sub-programme 3: Least developed countries, the secretariat intends to continuously review the socio-economic development trends and the critical areas that relate to their special problems, to evaluate the implementation of the ENPA and to assess the progress achieved in the implementation of the Second United Nations Conference on the Least Developed Countries in the context of the long-term development strategies and policies.