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ECONOMIC COMMISSION FOR AFRICA

First Meeting of the Conference of Ministers

of the Least Developed African Countries

Addis Ababa, 27-30 July 1981

DRAFT REPORT

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A. Attendance and organization of work

1. The first meeting of the Conference of Ministers of African Least Developed Countries (LDCs) was held in Addis Ababa, from 27-30 July 1981 under the distinguished chairmanship of Honourable K.A. Malima, Minister of Planning and Economic Affairs of the United Republic of Tanzania. The meeting was opened at 4 p.m. on 27 July 1981 by Comrade Fisseha Desta, Assistant Secretary-General of the Provisional Military Administrative Council, Deputy Chairman of the Council of Ministers and Member of the Executive Committee of the Commission to organize the Party of the Working People of Ethiopia (COPWE) on behalf of Comrade Chairman Mengistu Hailemariam, Chairman of the Provisional Military Administrative Council and of COPWE, and Commander-in-Chief of the Revolutionary Army of Socialist Ethiopia; warmly welcomed the delegations attending the first meeting of the Ministerial Conference of African Least Developed Countries. The Chairman of the Conference, Honourable K.A. Malima thanked the honourable ministers and distinguished delegates to the Conference for electing him to the Chair, and appealed for the co-operation of all participants. He expressed, on behalf of the Conference, appreciation to the Government of Socialist Ethiopia and, in particular, Comrade Fisseha Desta, for the generous hospitality.
2. The meeting was attended by representatives of the following State members of the Commission: Benin, Botswana, Burundi, Cape-Verde, Chad, the Central African Republic, the Comoros, Ethiopia, the Gambia, Guinea, Guinea-Bissau, Lesotho, Malawi, Mali, the Niger, Rwanda, Somalia, the Sudan, the United Republic of Tanzania, Uganda and Upper Volta.
3. On the representation of some state members of the United Nations which are not LDCs, the Conference decided that only African LDCs should participate in order to ensure that African LDCs have ample opportunities to discuss their common problems.

Since the Conference of Ministers of Least Developed African Countries is a subsidiary organ of the ECA Conference of Ministers, other state members of the Commission will have the opportunity to consider the reports of the Conference at the Commission level. However, it was agreed that Kenya should be allowed to participate at the first Conference as an observer, in view of the decision of the OAU Summit that its current Chairman should attend and address the Paris Conference.

4. The meeting was also attended by representatives of the United Nations Development Programme (UNDP) and the United Nations Conference on Trade and Development (UNCTAD) and the Organisation of African Unity (OAU).

5. The Conference elected Honourable K.A. Malima, Minister of Planning and Economic Affairs of the United Republic of Tanzania as Chairman, H.E. Mr. Abu Bakar Baba-Moussa, Minister of Planning, Statistics and Economic Analysis of Benin as first Vice-Chairman, H.E. Mr. Kananiye Serge, Minister of Planning of Burundi as second Vice-Chairman and Honourable J.L.T. Mothibamele, Assistant Minister, Ministry of Finance and Development Planning of Botswana as Rapporteur. It was also decided that Honourable José Brito, Secretary of State for Co-operation and Planning of Cape Verde should be a member of the Bureau in view of the decision of the Nairobi OAU Summit that the President of Cape Verde should be the Spokesman of the African LDCs at the Paris Conference.

6. The meeting adopted the following agenda:

1. Opening of the meeting
2. Election of officers
3. Adoption of the agenda and organization of work
4. Formal official opening of the meeting by Comrade Fisseha Desta, Assistant Secretary-General of the PMAC, Deputy Chairman of the Council of Ministers and COPWE's Executive Committee Member
5. Review of socio-economic conditions in the least developed African countries
6. Review of the country presentations of the least developed African countries
7. Evaluation of the review meetings for the African least developed countries
8. Review of progress under the Immediate Action Programme, 1979-1981

9. The Substantial New Programme of Action for the 1980s

(a) Consideration of the draft resolution submitted to the Third Session of the Preparatory Committee by the Group of 77 on the Substantial New Programme of Action (A/CONF.104/PC/L.7/Add.1 and Add.2)

(i) Preamble

(ii) Chapter I - Programme of Action

(iii) Chapter II - International Support Measures including aid modalities

(iv) Chapter III - Implementation, follow-up and monitoring of the programme

(b) Preparation for the United Nations Conference on the Least Developed Countries - Organization of Work of the Conference submitted by the Chairman of the Preparatory Committee (A/CONF.104/PC/L.8).

10. Preparation of an African position for the United Nations Conference on the Least Developed Countries.

11. Work Programme of ECA for the least developed African countries

12. Adoption of the report of the Conference.

B. Account of Proceedings

Opening Statements

7. In opening the Conference, Comrade Fisseha Desta, Assistant Secretary-General of the PMAC, Deputy Chairman of the Council of Ministers and Member of the Executive Committee of COPWE, stated that the United Nations Conference on the Least Developed Countries, for which this Conference will make the final preparations as far as the African region is concerned, is an outcome of two decades of struggle at various fora of the United Nations system. He noted that the prevailing imbalances in the distribution of development benefits continue to widen the dimensions of poverty and desperation among hundreds of millions in Africa, Asia and Latin America. In spite of the existence of tremendous resource potential, Comrade Fisseha stated, the African least developed countries are faced with problems of a low level of growth of the productive forces and the consequent low standard of living, malnutrition, illiteracy and widespread diseases;

and whatever efforts these countries have made to overcome the problems of poverty, they are handicapped by recurrent droughts and the expanding trends of desertification, high energy and capital costs, deteriorating terms of trade, serious balance of payments problems and mounting debts. He reiterated that the international community decided to come to grips with all the issues involved when it adopted UNCTAD Resolution 122(V) at its Manila session in 1979. However, he expressed disappointment that the Immediate Action Programme was already a failure. In spite of the overwhelming support that Resolution 122(V) received, the response of the international community was indeed very poor. So much promised but so little delivered. He further underscored the fact that Africa's position at the Paris Conference would naturally be based on the assessment of how much the international community has done so far to discharge its responsibilities to the least developed countries of all continents. It would also be based on the strength of commitments to accelerate the development of our countries and on our ability to harmonize our positions, evolve collective programmes and strategies for promoting collective interest vis-a-vis the rest of the world. Decisions would be made in Paris but the greater portion of the work - the crucial aspect of implementation - should be the principal preoccupation, not only of the Paris Conference but also of this First Conference of Ministers of the Least Developed African Countries. He commended and congratulated the Executive Secretary of ECA, and the appropriate bodies of the Economic Commission for Africa on behalf of the Government of Socialist Ethiopia for their efforts to bring into focus the special problems of the least developed countries of the continent.

8. In his vote of thanks the Chairman of the Conference thanked Comrade Fisseha Desta for his lucid and thought-provoking opening address which he hoped will serve as an invaluable guide to the deliberations on the various issues before the Conference. He made a further appeal to the honourable participants for their support in bringing the Conference to a speedy and fruitful conclusion.

9. In his opening statement, the Executive Secretary of the Commission, Professor Adebayo Adedeji, welcomed the participants to the Conference of Ministers of the African Least Developed Countries and reminded them of the importance of this first meeting of the Conference of Ministers of the African Least Developed Countries which meets at an opportune time after the preparatory work for the United Nations Conference on Least Developed Countries at Paris in September had been completed. The main purpose of that Conference he said is to finalize, adopt and support the Substantial New Programme of Action for the 1980s for the least developed countries.

He highlighted the efforts of the ECA in the preparation for this Conference, in accordance with Commission resolution 397 (XV). These included the fielding of four ministerial missions to African LDCs and supporting UNCTAD efforts in the provision of expert assistance to African least developed countries. He further drew the attention of the Conference to the decisions taken by the Preparatory Committee for the United Nations Conference at its third and final meeting in Geneva this month, and encouraged it to deliberate on these decisions, proposing possible amendments and modifications to some of the major elements and aspects which it does not agree with and reaffirm its solidarity in respect of aspects which it is in full agreement with, for the Paris Conference is essentially an African Conference as 21 out of 36 LDCs are African countries. In view of the difficult economic situation of the African LDCs, there is urgent need more than ever before for an emergency aid to cope with the serious problems confronting African LDCs, namely the problems of food shortages, scarcity of foreign exchange to import even critical inputs and cope with the serious inflationary tendencies developing in these countries as an immediate component of the Substantial New Programme of Action for the 1980s. Over the decade the total development expenditure envisaged in the country presentations of the African LDCs amounts to \$133 billion (at 1980 prices), of which \$81 billion have to be met from external sources. The total aid requirements of these countries for the period 1981-1985 amount to about \$37.4 billion or some \$7.5 billion per annum in real terms as compared to \$4.1 billion in 1979 at 1980 prices. For the period 1986-1990, the Executive Secretary said that it would seem, on a first approximation, that African LDCs will require about \$43.6 billion at constant 1980 prices. Concessional assistance requirements which amounted in 1979 at 1980 prices to \$3.6 billion should rise at least four-fold to \$14.4 billion by 1990 if the genuine objectives and targets envisaged in the country presentations could be realized. In this regard he urged the development partners to give a sympathetic consideration to the proposals contained in the country presentations and the Conference to come up with a number of specific recommendations related to changes in the composition of aid, the conditions on which aid is given and the procedures which constitute the delivery system of aid.

10. According to the Executive Secretary, the preparation of an African position in respect of the various issues before the United Nations Conference in Paris is an all important matter to which the Conference of Ministers should address itself, taking into account the resolution already adopted on the Paris Conference by the Summit Meeting of the Organization of African Unity last month in Nairobi, calling upon the current Chairman of the OAU to address the Paris Conference on behalf of the Organization.

11. He said that the annual meetings of the Conference of Ministers of African LDCs will have a focal role to play in the review and monitoring of the implementation of the Substantial New Programme of Action at the regional level, while ECA will continue to provide the supporting and back-up facilities. Therefore the ECA should be strengthened to cope with the additional responsibility involved.

12. Finally he requested the Conference to deliberate on the implementation of the Substantial New Programme of Action at the national and international levels, taking full account of the necessity for continued interaction between country, regional and global monitoring of progress which is indeed crucial for the success of the Programme.

13. The Acting Secretary-General of the Organization of African Unity Mr. A.N. Chimuka pointed out that it was in recognition of the special problems of Africa's least developed countries that during their Extra-Ordinary Economic Summit in Lagos (Nigeria) the Heads of States and Government of the Organization of African Unity paid particular attention to the problems of Africa's least developed countries. He recalled Resolution CM/Res. 887(XXXVII) which was adopted by the Thirty-Seventh Ordinary Session of the Council of Ministers of the OAU in (Nairobi) Kenya, requesting the Conference of Least Developed African Countries (July 27-30) to, inter alia, "work out a common strategy in accordance with the relevant sections of the Lagos Plan of Action, for the participation of African countries in the forthcoming United Nations Conference on the Least Developed Countries as well as for the implementation and follow-up action arising from decisions and recommendations of the said Conference". He reiterated that a growth process through financial aid which entails a series of conditionalities that benefit only the donors or even increases disparities between the rich and the poor, is no development at all. He referred to the vast unexploited natural and human resources of the continent and stressed the pressing need to urge

the international community to increase their financial and technological assistance to the least developed countries in order to enable them achieve national self-reliance.

14. Finally he expressed his confidence that the Paris deliberations would make firm commitments, pledges and targets in those areas where special measures are called for in order to improve the economic conditions of the African least developed countries.

15. In his opening statement, Mr. Gamani Corea, Secretary General of UNCTAD and Secretary-General of the United Nations Conference on the LDCs, expressed gratitude and thanks to the Executive Secretary of the ECA for the most fruitful co-operation and relationship between UNCTAD and ECA which has always been good and is growing in closeness and intensity. He also referred to the most valuable contribution by ECA to the preparatory work of the Paris Conference and paid tribute to the OAU for passing a resolution supporting African LDCs, to the UNDP for its assistance, and to the Director General for Development and International Economic Co-operation who helped immensely in mobilizing the efforts and co-operation of the whole United Nations system for the success of the Conference.

16. He further underscored the fact that this Conference is convening at a time when the documentation of the Paris Conference has been completed and country review meetings have been finalised. Having highlighted the progress made at the Third Preparatory Committee for the United Nations Conference in arriving at a common draft text of the Group of 77, which includes the LDCs, on the Substantial New Programme of Action for the 1980s and in taking decisions on the provisional Agenda for the Conference and organization of work and on the rules of procedure, he warned of the limited time frame for the Paris Conference and underlined the vital need for a great deal of preparation on the part of the LDCs and on the part of developing countries as a whole, prior to the Conference. He further cautioned that a great deal of time should not be wasted in negotiation among the developing countries to reach a common stand, but that sufficient time should be allocated for substantive discussion with the developed countries. He also referred to the disquieting economic performance of the LDCs over the last two decades including their weak structural characteristics and the urgency to bring about a reversal of past trends to enable them to attain cumulative growth and structural transformation. In the end LDCs salvation lies in their own hands.

They have indeed made the bulk of the effort to improve their development record which was unfortunately frustrated by the adverse international economic environment and the inadequacy of international support. He further warned that, the Paris Conference should neither be the occasion to discuss in detail economic co-operation among developing countries nor be a forum for discussing generalities. Rather, it should concentrate on devising specific support measures and agree upon a broad order of magnitude of the resource requirements needed on the basis of which progress could be monitored.

17. He concluded by saying that the Conference should, in addition, help create a climate of confidence between developed and developing countries and that the post conference arrangements should emphasize not only the monitoring of progress at the global level but particularly the need for a country by country approach to implementation.

18. The UNDP Assistant Administrator and Regional Director for Africa, Mr. Michael Doo-Kingué, started his opening statement by conveying to the distinguished participants, the very best wishes of Mr. Bradford Morse, Administrator of the United Nations Development Programme (UNDP), for a fruitful and successful Conference. He enumerated the various areas of co-operation between LDCs and the UNDP particularly the fact that most African LDCs will receive two to three times more funds for their country programmes in 1982-1986 than in 1971-1981.

19. He referred to the vast livestock and mineral potential of some of the African least developed countries and stressed the urgent need to ensure a substantial increase of assistance to LDCs on a predictable basis and, as much as possible, on a grant basis as well. He also made reference to the declining export earnings, the impact of the energy crisis, the lag in food production and the weak and undeveloped infrastructure in the LDCs and stressed the need to articulate a national energy policy in each country and the urgency of putting into effect the relevant recommendations of Resolution 122(V) made by UNCTAD in Manila particularly the one which calls for "provision of longer-term purchase arrangements for the products of the least developed countries by the developed countries whenever possible". Since it will take time to develop and implement the desired energy policies, and considering that the total oil needs of African LDCs is relatively modest, he suggested that a special Oil Facility in favour of the African LDCs be established.

20. The UNDP Assistant Administrator also referred to UNDP's experience in mobilising support from several sources of funds, for development purposes which is well established and appealed to African LDCs to take full advantage of it in organizing their review and commitment meetings with their development partners rather than creating new mechanisms and fora, the advantage and efficiency of which are yet to be proved.

Review of Socio-Economic Conditions in the Least Developed African Countries

(Agenda item 5)

21. Under this agenda item, the Conference noted that African ministers of the Commission have had the opportunity to review together the performance in the least developed African countries at the last session of the ECA Conference of Ministers held at Freetown in April 1981. The Conference was of the opinion that the discussion at that session remained relevant and accordingly simply decided to take note of document E/CN.14/LDCs.I/2 - Survey of Economic and Social Conditions in Africa, 1979-1980, Parts I and II-B and document ST/ECA/LDCs.I/3 -- Domestic Problems and Policies of the Least Developed African Countries submitted to it by the secretariat which contained analysis of the continuing bleak situation and prospects in the least developed countries; and to reaffirm the determination of governments of least developed countries to accelerate economic growth and social development with the help of the international community.

22. The Survey reviews developments in the African countries during the 1970s with emphasis on conditions obtaining in the year 1979. Section B of Part II of the Survey contains an overview of developments in the least developed African countries as a group during the period 1970-1979, and a review of conditions in the individual least developed African countries. Fifteen out of the 20 least developed African countries for which data were available are covered. This section has been prepared in response to ECA Conference of Ministers resolution 397(XV) which, inter alia, recommended that the annual Survey should contain a special section on the least developed African countries.

23. The Survey shows the bleak picture of the present state and prospects of the least developed African countries with a number of them sliding backwards with a negative per capita rate of growth, and with mounting inflation and a severely deteriorated balance of payment position making it extremely difficult for many of these countries to undertake short-and medium-term planning. In most of them, import prices are rising rapidly and the cost of capital formation required has to be continuously revised upwards.

24. Document ST/ECA/LDCs.I/3 - Domestic Problems and Policies of the African LDCs, analyses the development problems and policies of the least developed African countries in the past and examines their policy options and imperatives in the 1980s. Serious constraints are imposed on the development policies of these countries by formidable structural impediments, a tight domestic resource situation and sharp fluctuations in available external resources. Under the circumstances, traditional policy instruments are of limited efficacy in dealing with the development and adjustment problems in these countries and for that matter, there is little that most of these countries could do unilaterally to cope with their present predicament. The document is divided into five sections. In Section I, the structural characteristics of the least developed African countries are outlined; Section II is devoted to an evaluation of their economic performance in the 1960s and 1970s. These, together with the analysis of their general development issues and constraints in Section III, form the necessary background to the discussion of their domestic economic policies in the 1970s in Section IV and of their prospects and policy options and imperatives for the 1980s and beyond in Section V.

Review of the country presentations of African LDCs

(Agenda item 6)

25. Under this agenda item, the Conference had before it document ST/ECA/LDCs.I/5, entitled Review of Country Presentations of the Least Developed African Countries.

26. The Conference took note of and expressed its general agreement with the analyses of the macro picture and the projects and programmes of the country presentations as contained in the document.

27. The broad development objectives of the African least developed countries as contained in the individual country presentations centred on the realization of a substantial rise in per capita incomes, increased food production with a view to achieving self-sufficiency even doubling it by 1990, modernization and diversification of agriculture; transformation in the structure of production by raising the share of industrial output in total GDP, improvement of transport and communication infrastructure, improvement of the efficiency of state enterprises, narrowing rural-urban income disparities, provision of basic social services and the creation of employment opportunities.

28. As far as strategies and policies are concerned the greater use of unexploited capabilities particularly in the sectors of agriculture, livestock, fisheries, energy, industry, mining and economic infrastructure, manpower training, particularly in scientific technical and vocational fields are emphasized.

29. The total development expenditure envisaged in the country presentations of the African least developed countries amounts to \$US 133 billion for the period 1981-1990 (at 1980 prices). After taking into account the expected generation of domestic resources (estimated at \$52 billion or 40 per cent of the total) there would be an uncovered gap of \$US 81 billion or 60 per cent of the total development expenditure to be filled by external assistance. Thus, it is evident that while the least developed African countries are asking for increased substantial external assistance they are also emphasizing self-reliance, self-sustainment and maximum mobilization of domestic resources, both financial and human. The volume of total aid requirements for the African least developed countries for the period 1981-1985 amount to about \$US 37.4 billion. On average this implies that between 1981 and 1985, annual flow to African Least developed countries should average about \$US 7.5 billion per annum in real terms compared with \$US 4.1 billion in 1979 at 1980 prices. For the period 1986-1990, it seems, as a first approximation, that African least developed countries will require about \$US 43.6 billion at constant 1980 prices.

30. The Conference affirmed that the country presentations not only reflected national aspirations and the determination of the countries to accelerate economic growth and social development, but were also in conformity with internationally set goals and targets embodied in declarations such as the International Development Strategy for the United Nations Third Development Decade, the Monrovia Strategy for the Development of Africa and the Lagos Plan of Action. It further noted that the total external requirements of the least developed African countries should be seen in the light of the recommendations of the General Assembly in resolution 35/205 which, inter alia, "urge donor countries to make equitable and all possible efforts with a view to doubling at the earliest possible time within the first half of the 1980s, the flow of official development assistance to the least developed countries. ... and to give serious consideration ... to the proposals for further measures to provide adequate minimum flow of official development assistance including ... those proposals for tripling the net disbursement of concessional assistance by 1984 and quadrupling it by 1990".

Evaluation of the review meetings of the African LDCs (Agenda item 7)

31. Under this agenda item, the Conference had before it document ST/ECA/LDCs.I/6 - Evaluation of the review meetings of the least developed African countries which provides an assessment of the review meetings at which the country presentations of the least developed African countries were individually reviewed by aid partners. The review meetings were held as follows for the least developed African countries: the least developed countries of Eastern African 4-15 May 1981 at Addis Ababa, the least developed countries of Western and Central African plus Somalia, 25 May to 5 June 1981 at the Hague, and the least developed countries of Southern Africa plus Guinea-Bissau, 22-26 June 1981 at Geneva.

32. In the light of the document, the Conference generally agreed that the set-up of the review meetings offered a unique opportunity and forum for some exchange of views and ideas on the development problems and programmes of the LDCs, and for each least developed country to make known and discuss its development plans and programmes for the 1980s with its development partners in some detail, and to receive preliminary reactions, comments, questions and criticisms.

33. It observed that the reaction of development partners was general, guarded and not specific, and noted with regret that not all trade and development partners who had been invited had accepted the invitations.

Review of progress under the Immediate Action Programme, 1979-1981 (Agenda item 8)

34. A representative of the secretariat introduced document ST/ECA/LDCs.I/4 entitled Review of Progress of the Immediate Action Programme, 1979-1981. He recalled that phase one of the Comprehensive New Programme of Action for the Least Developed Countries, as set out in paragraph 1 of UNCTAD resolution 122(V) called for:

"An immediate effort to meet the critical situation of the least developed countries in the form of an Immediate Action Programme 1979-1981 of greatly expanded assistance for the least developed countries, aimed at

- (1) providing an immediate boost to their economies and immediate support for projects for the provision of the most pressing social needs, and
- (2) paving the way for much larger longer-term development efforts".

35. He drew attention to the written statements received by UNCTAD from the donor community and the findings of the ECA ministerial missions to the African LDCs (document ST/ECA/LDCs.I/7) which both confirmed that the response of the international community to the call for supporting the programme has been very poor. The ministerial missions in particular observed that there was no noticeable increase in the volume of aid to the African least developed countries during the period. In fact most of these countries felt that given the high rate of world inflation during 1979-1981 there might have been a stagnation or even a decline in the flow of resources to these countries in real terms. Under this circumstance, the African least developed countries have continued to face many serious short-term problems that have hindered the successful implementation of long-term programmes. The major areas of urgent concern for these countries ^{include} slow growth of agriculture and high food deficits resulting in large food import bills; the critical energy situation including the high oil prices which constitute a serious constraint to both short-term stabilization and longer-term programmes, chronic and severe balance of payments deficits, serious inflationary trends and low levels of capacity utilization.

36. It was for these reasons, he continued, that most of the least developed African countries had elaborated short-term action programmes in their country presentations to cover the first few years of the decade of the 1980s. On the basis of the assumption that nothing short of doubling total external aid during the first five years of the decade would enable the least developed African countries to implement their programmes for the decade, the ECA secretariat estimated that the total requirements for the period 1981-1982 for these countries amounted to roughly \$US 15 billion.

37. It was the general consensus at the Conference that while the Immediate Action Programme 1979-1981 may have lapsed timewise the problems which it addressed still remain urgents. The programme should therefore not be dispensed with and discarded.

38. The Conference was of the opinion that the immediate action programme as an essential component of SNPA for the 1980s should be fully pursued as a prerequisite for the successful implementation of the SNPA to be finalized and adopted in Paris.

Immediate measures should, inter alia, include:

- (a) pressing for a larger part of the short-term assistance in the form of balance of payments support which is more flexible and can be given readily,
- (b) commodity support particularly for oil, food and material inputs which could effect an immediate boost to the utilization of capacity,
- (c) debt relief so as to ease the debt service burden, and
- (d) programme assistance and multi-year aid programming. In addition, the Conference urged that delegates of the LDCs to the Paris Conference to provide information on their countries immediate requirements for external assistance and support.

The Substantial New Programme of Action: Consideration of the draft resolution submitted to the Third Session of the Preparatory Committee by the Group of 77 on the Substantial New Programme of Action (A/CONF.104/PC/L.7 and L.7/Add. 1 and 2) (Agenda item 9(A))

39. Under this agenda item the Conference had before it the following documents:

- (i) A/CONF.104/PC/L.7/Add.1 and 2 - Draft resolution submitted to the Third Session of the Preparatory Committee by the Group of 77 on the Substantial New Programme of Action;
- (ii) ST/ECA/LDCs.I/7 - Reports of the ECA Ministerial Missions on Preparations for the United Nations Conference on the Least Developed Countries;
- (iii) ST/ECA/LDCs.I/8 - Aid modalities in the African least developed countries.

40. In the general debate on the SNPA several issues were raised. Some delegates noted that the statement of objectives as contained in the draft resolution of the Group of 77 did not fully reflect the national goals and aspirations of the African LDCs. In this respect, reference was made to document ST/ECA.LDCs.I/3 - Domestic problems and economic policies.

41. The energy problems and oil prices were seen by several participants as a serious constraint to both the short-term stabilization and the long-term development. Many delegates pointed to the disturbing fact that their oil import bill, even after some stringent conservation measures, was absorbing an alarmingly large part of their total export earnings leaving almost nothing for the importation of capital goods. The ratio of the oil import bill to total export earnings ranged between 30 to 90 per cent in the African least developed countries. Thus while most countries were of the view that long-term measures in the energy sector were necessary, it was urgent and almost inevitable to work out some short-term solutions. Some countries suggested that the oil-exporting countries, particularly the African oil-exporting countries, could assist in this regard with measures such as a two-tier pricing system favouring the least developed countries, and/or an oil facility tailored on the example set by Venezuela and Mexico in favour of the Caribbean countries. The general consensus finally agreed upon at the end of Conference therefore was that energy be treated in its own right as a separate sector in the text of the SNPA.

42. On financial requirements and policies, the Conference generally felt that there was need to strengthen multilateral institutions. In addition it was urged that the World Bank should make a special facility for the LDCs to fund projects in critical areas like energy. The Conference also noted that resolution 122(V) adopted in Manila referred to doubling of aid. It was, however, further noted that in view of General Assembly resolution 35/205, endorsed by the whole international community, the target of quadrupling should be supported. It was pointed out that in any case, the quadrupling of aid flows to the LDCs by 1990 implied only a doubling of the average annual flows over the whole decade.

43. On aid modalities, the Conference emphasized the need for the balance of payments support to come out more forcefully than is the case in the text of the draft resolution of the Group of 77. It was also pointed out that it was necessary to emphasize the need to take into account the possible effects of inflation in planning, preparing and executing individual projects and programmes. Thus it was necessary to consider aid requirements in a more dynamic way. The Conference was also of the view that during negotiations, a lot of emphasis should be put on aid modalities so as to underscore important issues such as the criteria for the allocation of aid.

44. With regard to technical assistance the Conference noted that the cost of experts and studies was very high and continually increasing thus giving rise to increased project costs. It was therefore suggested that it was crucial for the individual countries, with the support of the international community to train their own national experts and to ensure their retention in their countries.

45. Concerning the implementation, follow-up and monitoring of the SNPA, the Conference stressed the importance of having a high level of participation at UNCTAD Intergovernmental Group on the LDCs so as to enable the taking of a concrete decision.

46. The Conference decided to consider the draft resolution submitted by the Group of 77 on the SNPA as the basic working document for its deliberations. The Conference decided to make comments and suggestions on issues which are of vital interest to the African LDCs but may have been omitted or not fully reflected in the draft resolution of the Group of 77. With respect to omissions, the Conference took a decision to limit itself to two critical areas, namely energy and the immediate action component of the SNPA, even though other issues such as human settlement were raised. The comments and suggestions are as set out below.

47. The Conference considered the draft resolution of the Group of 77, Chapter by Chapter.

Preamble

48. The Conference noted the serious omission of the immediate action component of the SNPA in the overall text and recommended that the following addition be introduced in the preamble:

Expressing deepest concern at the non-implementation of the Immediate Action Programme (1979-1981) more than two years after its adoption, while the economic situation of the least developed countries as a group continues to remain not only very bleak but is even worsening.

Recognizing that the immediate action component of the SNPA is a prerequisite for the implementation of the Substantial New Programme of Action.

Decides to adopt the SNPA including its immediate action component based on country presentations and the international support measures for its implementation.

Chapter I:

1. Food and agriculture

Addition:

49. After para. 5 line 18 of the draft resolution, add, ... "In this connection, agricultural research and manpower training at all levels to meet the requirements of this sector will be given due emphasis".

50. Insert a new para. (6) on page 4 of the same draft resolution as follows:

Food security

Least developed countries as a group are major net importers of food. In the absence of a viable international grain reserve, they will require a guaranteed assistance framework that will withstand a future world food crisis and that can be installed without long and protracted negotiations. Recommendations as to specific food trade and food aid related recommendations that could be promptly put into effect for the benefit of the least developed countries, should include:

- (1) A comprehensive set of measures to strengthen the ability of least developed countries to deal with food problems in the short-term consisting inter alia of:
 - a) A food trade financing facility in which income compensation for increased food import expenditure for the least developed countries becomes a grant with immediate disbursement in the year of the shortfall.
 - b) The implementation of a food aid scheme for the least developed countries that could be linked automatically and predictably to situations of food shortage.
 - c) An increase in the International Emergency Food Reserve, the present target of which is 500,000 tons, to 2-2.5 million tons in order to provide adequate food aid to the least developed countries.
 - d) The establishment of an international information system designed to provide appropriate and timely information about production, trade and stockholding

developments and policies in the major producing and importing countries in order to provide greater assistance to the least developed countries and their aid partners in predicting and planning for situations requiring emergency remedial measures.

- (ii) A comprehensive set of proposals to deal with long-term structural changes at the national level in least developed countries designed to provide a permanent solution to the food problem of those countries. Every country, given sufficient assistance, could take important initiatives to reduce food insecurity in the short term. Such assistance should include investments in food production and processing, transportation and other infrastructure, communications, early warning systems, food distribution systems and food storage facilities.

A time-table should be agreed for the further negotiation and implementation of steps needed, as well as for detailed estimates of the financial implications of such decision.

Energy

51. The following addition to Chapter I was proposed to reflect the concern of the African LDCs on energy problems:

"In view of the severe problem of energy that is at present one of the most serious constraints for short-term adjustment and long-term development needs of LDCs, the international community should make available substantial additional resources on concessional terms for balance-of-payments support and the development of energy potentials, In this regard, existing regional and international organizations should be strengthened, and new ones created whenever necessary, to adequately meet the pressing energy needs of LDCs."

Chapter II:

Introductory section

52. Add in the second sentence after the word SNPA, the following: "and the immediate action component".

Financial requirements and policies

53. The Conference recommends that the following be added to the second paragraph under this heading: "The Immediate Action Component of the SNPA for the least developed countries should contain, inter alia, the following:-

- 1) Provision of substantial resources to give urgent and prompt relief to critical commodity shortages, specially of food and energy;
- 2) Immediate financial assistance in the form of debt relief and balance of payment support to all least developing countries;
- 3) Urgent and substantial emergency assistance measures in order to mitigate the effects of natural disasters, including those resulting in unforeseen shortfalls in resource mobilizations;
- 4) Provision of assistance for overcoming urgent bottlenecks in management, maintenance, repair and physical facilities in order to obtain better use of existing infrastructure and industrial plants;
- 5) Immediate provision of additional financial support for the prompt implementation of the Substantial New Programme of Action for 1980s, including identification, of projects, undertaking of feasibility studies and detailed preparation of investment projects as well as projects of social needs;
- 6) Urgent and substantially enhanced supply of inputs necessary for agricultural and rural development, such as fertilizers, pumps, etc., in order to increase production and productivity, especially of foodstuffs and cash crops;
- 7) Financial support for activities at community levels which create jobs, including support for local small-scale labour intensive rural public works projects,
- 8) Assurances on bilateral and multilateral basis should be given by the international community that adequate resources are provided on assured and predictable basis to complement the activities of least developed countries themselves in this critical but vital first phase of SNPA.

After last sentence of para.5, add: "which would imply doubling if the average annual flow is calculated for the decade" as compared with the yearly average for the 1975-1979.

After first sentence of para.6, add: "Resources of the World Bank Group particularly the IDA and the Regional Banks should be substantially increased to the IDCs taking into account structural transformation needs, the rate of inflation and energy requirements.

Substantial New Programme of Action: Preparation for the United Nations Conference on the Least Developed Countries - Organization of Work of the conference submitted by the Chairman of the Preparatory Committee (Agenda item 9b) A/CONF.104/PC/L.8)

54. Documents A/CONF.104/PC/L.6 - Draft Provisional Agenda for the United Nations Conference on the Least Developed Countries and A/CONF.104/PC/L.8 - Organization of Work of the Conference were made available to the Conference.

55. The Conference deliberated on various organizational matters for the Paris Conference. It urged the Group of 77 to incorporate its comments and additions on the draft text of the Group of 77 on the SNPA. The Conference further requested the ECA secretariat to make the necessary arrangements to enable the Chairman to call on the current Chairman of the OAU to give a personal report on the outcome of the Conference.

56. The Conference entrusted to the Minister representing Cape Verde the responsibility of reporting to the Head of State of his country who has been nominated by the Assembly of African Heads of States and Government to be the spokesman of the African LDCs in the Paris meeting, the full outcome of the Conference.

57. It decided that the Chairman of the Conference should act as the Chairman of the African Group at the Paris Conference.

58. With respect to the provisional agenda of the Paris Conference, the Conference of Ministers recommended that consideration of the immediate action component of the SNPA should be discussed as a separate item in Committee I which deals with the SNPA.

59. The Conference further agreed that as far as possible individual country statements in the Paris Conference should be staggered over the period of the Conference, and should reflect the Lagos Plan of Action.

60. The Conference also requested that the ECA, with the assistance of UNCTAD, should ensure the provision of adequate meeting and secretarial facilities for the African LDCs during the Paris Conference.

61. With respect to the distribution of the Bureau for the Paris Conference, the Conference of Ministers of African LDCs decided to defer consideration of this issue since considerable consultation was needed.

Preparation of an African position for the United Nations Conference on the Least Developed Countries (Agenda item No. 10)

62. As a result of discussions under agenda item No. 9, the Conference came up with a number of comments and recommendations on the SNPA as contained in the draft text of the Group of 77. These comments and recommendations are set out in the annex to this report.

ECA Work Programme for the least developed African Countries (Agenda item No. 11)

63. Under Agenda item 11 on the work programme of ECA for the least developed countries, the Conference had before it document ST/ECA/LDCs.I/10 entitled "Activities by the Economic Commission for Africa in favour of the least developed countries." The Conference took note of the document, and also considered the timing of the next session of the Conference of African LDCs noted that the results of the Paris Conference were likely to substantially affect the timing of the next session and also the activities of ECA in favour of the African LDCs. It was consequently suggested that consultations should be made in Paris soon after the Conference so as to determine the time for the next session of the Conference.