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ECONOMIC COMMISSION FOR AFRICA

Twenty-second session of the Commission/  
Thirteenth meeting of the Conference of  
Ministers

Addis Ababa, Ethiopia, 23-27 April 1987

Item 8 of the Provisional Agenda

REPORT OF THE SEVENTH MEETING OF THE CONFERENCE OF MINISTERS  
OF AFRICAN LEAST DEVELOPED COUNTRIES

A. Attendance and organization of work

1. The seventh meeting of the Conference of Ministers of African Least Developed Countries was held in Addis Ababa, Ethiopia on 21 and 22 April, 1987. At the opening session, statements were made by: Comrade Mersie Ijigu, Member of the Central Committee of the Worker's Party of Ethiopia and Minister in-Charge of General Planning; Mr. Ide Oumarou, Secretary-General of the Organization of African unity (OAU); and Professor Adebayo Adedeji, United Nations Under-Secretary-General and Executive Secretary of the Economic Commission for Africa.

2. Delegates of the following countries attended the meeting: Burundi, Central African Republic, Chad, Comoros, Djibouti, Equatorial Guinea, Ethiopia; Guinea, Guinea-Bissau, Lesotho, Malawi, Mali, Niger, Rwanda, Sierra Leone, Sudan, Tanzania, Togo and Uganda.

3. Other member States of the United Nations who attended the meeting in an observer capacity are: China, Finland, France, Gabon, Korea and Mozambique.

4. Also in attendance were the following United Nations Organizations and Specialized Agencies and other Intergovernmental Organizations: United Nations Educational Scientific and Cultural Organization (UNESCO); United Nations Development Programme (UNDP); United Nations Industrial Development Organization (UNIDO); United Nations Food and Agriculture Organization (FAO); United Nations World Food Programme (UNWFP); International Labour Organisation (ILO); Arab Bank for African Development (BADEA); Organization of African Unity (OAU); Economic Community of West African States (ECOWAS); Office of the United Nations Relief Co-ordinator (UNDRO); Islamic Development Bank (IDB); East Caribbean Currency Authority (ECCAS); United Nations Conference on Trade and Development (UNCTAD); International Telecommunications Union (ITU); Customs and Economic Union of Central Africa (UDEAC); African Development Bank (ADB); World Meteorological Organization (WMO) and International Civil Aviation Organization (ICAO).

5. The Conference elected the following Officers: Chairperson, Hon. Mrs. Amina Salam Alli, M.P, Minister of State for Foreign Affairs in-charge of International Co-operation of the United Republic of Tanzania; Vice Chairman Hon. Dr. Michael-Malefetsane Sefali, Minister of Planning, Lesotho; Rapporteur Mr. Akreba Ghaldou, Chef de Service de la planification au Ministere du plan, the Niger.

B. Agenda

6. The Conference adopted the following agenda as amended:

1. Opening of the meeting:

(a) Statement by the Executive Secretary of ECA

(b) Statement by the Secretary-General of OAU

(c) Statement by the Minister of Planning of the Government of Socialist Ethiopia

2. Election of officers
3. Adoption of the agenda and organization of work
4. Consideration of the report of the sixth meeting of the Intergovernmental Committee of Experts of African Least Developed Countries on:
  - (a) Admission of Mauritania as a least developed country
  - (b) Review of economic and social conditions in African Least Developed Countries (1985-1986)
  - (c) Progress towards the implementation of the Substantial New Programme of Action in African Least Developed Countries
  - (d) The implications of structural adjustment and stabilization programmes for long-term growth and development in African Least Developed Countries
  - (e) Review of ECA activities from April 1986 to April 1987, those programmed for the remainder of 1987 and the work programme for 1988-1989 in favour of the African Least Developed Countries
5. In-depth study of the United Nations intergovernmental structures and functions in the economic and social fields: Decision 1987/112 adopted by the Economic and Social Council at its fourth meeting on 6 February 1987.
6. Date and venue of the seventh meeting of the Intergovernmental Committee of Experts and eighth meeting of the Conference of Ministers of African Least Developed Countries.
7. Consideration and adoption of the report of the Conference of Ministers of African Least Developed Countries
8. Closure of the Meeting.

#### C. Opening Session

7. In opening the meeting, Comrade Mersie Ijigu, Minister in-charge of General Planning of the Government of Socialist Ethiopia, welcomed the delegates to Addis Ababa and to the seventh meeting of the Conference of Ministers of African Least Developed Countries. He assured the participants that the Government of Ethiopia would do everything possible to ensure that their stay in Addis Ababa was fruitful and worthwhile.

8. Mr. Ijigu stated that the plight of the LDCs has been a subject of intensive debate in international circles for almost a quarter of a century which makes the international community to be quite aware of their developmental problems. He pointed out that despite the priorities and recommendations of the Substantial New Programme of Action (SNPA) to address these socio-economic problems of the LDCs, the structural rigidity these economies had dissipated all efforts made to attain any meaningful achievement in development.

9. On recent economic performance of the African LDCs as a group, he stated that the attainment of a real GDP growth rate of 4.2 per cent in 1986 was largely due to favourable weather conditions and pragmatic policies adopted to stimulate agricultural production. Overall agricultural value added increased by 5.5 per cent in 1986. However, the sector is still characterized by low level of productivity, the threat of desertification and population pressure on cultivable land. He urged the African LDCs to direct increased resources to agricultural development which is a major determinant of the depth and direction of socio-economic development in the LDCs. On the issue of structural adjustment and stabilization programmes adopted by some African LDCs, he deplored the lack of adequate external financing in support of the policy packages which is a fundamental condition for the success of such programmes.

10. With respect to the unfavourable international economic environment, he mentioned three factors which had frustrated development efforts of the LDCs. Firstly, the continued deterioration in their terms of trade due mainly to depressed world demand and prices of primary commodities while prices of imported manufactured goods continue to rise. Secondly, the mounting external indebtedness which is currently estimated at \$39 billion debt service payments absorb about 25 per cent of the LDCs export earnings. Thirdly, the very inadequate international support measures, in particular, the low level of annual aid flows which had fallen far short of the \$8.6 billion envisaged by the SNPA for the African LDCs. Donor commitments under the SNPA to improve aid modalities had not also materialized as the grant element in Official Development Assistance (ODA) had decelerated from 89 per cent in 1983 to 85 per cent in 1985. In this connection, he pointed out that the terms and conditions of providing external assistance on a bilateral level, is increasingly being determined by the political and commercial interest of donors. On the basis of these observations, Comrade Ijigu emphasized that the African LDCs and their counterparts in Asia and Latin America should continue to pressurize the international community to fulfil its commitments under the SNPA.

11. Finally, Comrade Ijigu, outlined the objectives of Ethiopia's current Three Year Plan (1986-1989) for economic recovery which are to augment food production through integrated rural development programmes; tackle the root causes of the drought through reafforestation and other related measures and expand the foreign exchange earning capacity of the country.

12. In his statement, the Secretary-General of the Organization of African Unity (OAU), stated that the regularity of the meetings of the Conference since the adoption of the Lagos Plan of Action and Final Act of Lagos in 1980 demonstrated the determination of the countries concerned to collectively seek ways and means of overcoming the serious internal and external obstacles to their economic and social development. The various plans and programmes implemented by African countries had been hampered by their structural weaknesses, the current international economic order which had not made available the external financing required and Africa's situation as an assisted continent had worsened during the 1980s, that situation could become even worse in the 1990s.

13. What needed to be done to cope with the persistent crisis facing African countries in general and the least developed countries in particular was: (a) to effectively mobilize and efficiently manage national resources in line with the spirit and philosophy of the Lagos Plan of Action and the Final Act of Lagos and of the African Priority Programme for Economic Recovery; (b) to strengthen economic co-operation and integration so that the countries concerned could individually and collectively assume their responsibilities and make sacrifices with respect to development; and (c) achieve better solidarity to strengthen their bargaining power with respect to issues as crucial as primary commodity prices, external indebtedness and the establishment of a new international economic order.

14. Given the gradual decline in flows of external aid to African LDCs at a time when the economic crisis had spread throughout the continent and based on the scepticism of donors with respect to the ability of African States to rationally organize their economies, he invited participants and the whole of Africa to design pragmatic recovery and rehabilitation programmes. He concluded by expressing the hope that the discussions of the Conference would be crowned with success and prove that African LDCs were determined to overcome their economic and social crisis.

15. In his statement, the Executive Secretary, after welcoming the participants informed the Conference that the forty-first Session of the United Nations General Assembly, based on the recommendations of the Economic and Social Council in decision 1986/153 of 11 July 1985, decided in resolution 41/186 of 8 December 1986 to include Mauritania in the list of least developed countries. This decision, he went on, brings the number of LDCs in the world to 39, out of which, 27 are in the African Region. Another significant event which he alluded to was the adoption by the Special Session of the United Nations General Assembly of the United Nations Programme of Action for African Economic Recovery and Development, 1986-1990 (UN-PAAERD). For the African LDCs, the total cost of the investment programmes under the United Nations programme was around \$29.8 billion, with \$17.77 billion as likely available resources during the programme period. He then appealed to donors to assist the African LDCs in meeting their funding gap of \$12.03 billion so as to ensure that the programme objectives are realizable in these countries.

16. With respect to the forthcoming UNCTAD VII, the Executive Secretary informed the Conference that the African Regional Preparatory Meeting of African Ministers in-charge of Trade and Development took place in Addis Ababa from 16 to 18 March 1987 to consider proposals for a concerted African position to be negotiated within the framework of the Group of 77. The proposals, he said, were contained in the Addis Ababa Declaration of African Ministers responsible for Trade and Development Preparatory to UNCTAD VII in which the Trade Ministers had reiterated the recommendations of the Mid-term Global Review of the SNPA on behalf of the African LDCs.

17. The Executive Secretary, in reviewing the economic performance of the African LDCs as a group during 1985-1986, stated that there has been an overall economic recovery in the LDCs with real GDP recording a growth rate of 0.7 per cent in 1985 and an estimated increase of 4.2 per cent in 1986. This performance was largely explained by the good showing in the agriculture sector which is the major determinant of overall value added in the LDCs. Favourable weather conditions and pragmatic policies adopted by the LDCs governments to stimulate agricultural production resulted in an increase in agricultural output by 0.5 per cent in 1985 and 5.5 per cent in 1986. Despite these improvements, the African LDCs are still experiencing persistent budget deficits, chronic balance-of-payments difficulties and mounting external debt obligations.

18. As regards the progress achieved in the implementation of the Substantial New Programme of Action in the African Region, the Executive Secretary stated that the African LDCs had taken concrete actions to implement the programme but these efforts had not been matched by corresponding actions required of the international community in fulfilling their commitments on external resources flows and other support measures particularly those related to commodity stabilization and debt relief. Total net disbursement (in current US\$) of financial flows increased from \$5.3 billion in 1984 to \$6.1 billion in 1985 but this amount falls far short of the annual minimum external financing requirements of \$3.6 billion for the African LDCs as envisaged by the SNPA. In terms of the SNPA target for donors to transfer 0.15 per cent of their GNP as ODA to the LDCs, he noted that four members of the Organization of Economic Co-operation and Development (OECD) (Denmark, Netherlands, Norway and Sweden) had consistently attained that threshold while a number of major donors of the Development Assistance Committee (DAC) had not made any appreciable progress towards meeting this target.

19. On the structural adjustment and stabilization programmes adopted by some African LDCs, the Executive Secretary noted that the policy packages that go along with the programmes do not sufficiently take into consideration the structural deficiencies of the African LDCs economies which are the root causes of the internally and externally induced imbalances in these countries. He stated that it is absolutely necessary for the adjustment and stabilization programmes to have a balanced set of policies which will take into consideration the peculiar problems of the LDCs, other than the stereotyped demand management and exchange rate depreciation measures usually emphasized and made as necessary condition for the signing of letters of intent agreement with the IMF. In the context of ECA's mandate to advise African governments on development issues, he assured the Conference that the secretariat will do its best to assist those governments which require such advisory services during their negotiation of such externally-sponsored

20. In conclusion, the Executive Secretary informed the Conference that the United Nations General Assembly had established a special economic commission to undertake an in-depth study of the United Nations intergovernmental structure and functions in the economic and social fields. As far as ECA intergovernmental structure was concerned, he stated that one of the proposals before the eighth meeting of the Technical Preparatory Committee of the Whole (TEPCOW) was that the Conference of Ministers of African LDCs be abolished. In its place the annual session of the Commission would have and agenda item on the problems of the African LDCs and when necessary and ad hoc meetings of the group would be convened either within the context of TEPCOW or the ECA Conference of Ministers. Finally, he stated that with the proposed arrangement, a substantial amount of savings could be realized in terms of time and financial resources, with no loss in the substantive work of the Conference.

21. On behalf of the seventh meeting of the Conference of Ministers of African Least Developed Countries, the Minister of Planning of the Republic of Guinea gave a vote of thanks to the Government of Socialist Ethiopia for the kind hospitality accorded them since their arrival in Addis Ababa. In winding up the opening ceremony, the outgoing Chairman, on behalf of the Conference, welcomed Mauritania as the 27th member of the African LDCs group. He expressed his thanks to his colleagues for the co-operation extended him during his tenure of office.

D. Account of Proceedings

Report of the sixth meeting of the Intergovernmental Committee of Experts of African Least Developed Countries (agenda item 4)

22. The Chairman of the Conference informed participants about the admission of Mauritania as the 27th member of the group of African least developed countries.

23. Presenting the Report of the sixth meeting of the Intergovernmental Committee of Experts of African Least Developed Countries (E/ECA/CM.13/31) held from 9 to 11 April 1987, the Chairman of that Committee indicated that its work had focused on the: (a) review of the economic and social conditions in African least developed countries in 1985-1986, with emphasis on the major development problems encountered and the policies pursued by the countries; (b) assessment of the progress achieved in the implementation of the Substantial New Programme of Action in African Least Developed Countries; (c) consideration of the implications of structural adjustment and stabilization programmes on long-term growth and development of African LDCs; and finally, (d) review of ECA's activities from April 1986 to April 1987 and those programmed for 1988-1989 in favour of the African LDCs.

24. Consideration of the macro-economic performance of the African LDCs over the period 1985-1986 had revealed that, despite net external resource inflows per capita of only \$29.3 in 1983, \$29.9 in 1984 and \$33.9 in 1985, the GDP of African LDCs had in real terms increased by 0.7 per cent in 1985 and 4.2 per cent in 1986. These trends were reflected in a per capita GDP decline of 1.9 per cent in 1985 and an upswing of 1.6 per cent in 1986.

This overall growth recovery was largely due to the good performance of the agricultural sector which was the major source of value added in the economies concerned. In real terms, agricultural GDP grew by 5.5 per cent in 1986 as compared to 0.5 per cent in 1985, inducing a mean annual manufacturing growth rate of approximately 2.3 per cent. The manufacturing sector, dominated as it is by agro-industries, is still constrained by poor import capacity of African LDCs. For this reason, raw material, spare parts and energy supplies have been irregular and insufficient.

25. Total financial flows to African LDCs rose from \$5.3 billion in 1984 to \$6.1 billion in 1986. However, this falls far short of the external financing requirement fixed under the Substantial New Programme of Action at \$8.6 billion per year.

26. In order to offset growing budget deficit and external public debts which increased from \$28 billion in 1985 to \$39 billion in 1986, the African LDCs have made considerable effort both within the context of IMF and World Bank structural adjustment and stabilization programmes and without the aid of such financing. The results of these recovery measures have largely been compromised by the fact that they were focused on short-term problems. Natural disasters such as droughts and cyclones and an unfavourable economic environment characterized in particular by constantly deteriorating terms of trade and rising protectionism have also had their part to play.

27. After reviewing the activities conducted by ECA over the period 1985-1986, the Committee had stressed the need for setting up at the regional level an inter-agency committee which would co-ordinate the mobilization and rational use of the human and financial resources of African LDCs. Without this, neither the SNPA nor the United Nations Programme of Action for African Economic Recovery and Development would succeed. In conclusion, the Chairman of the Committee submitted to the Conference of Ministers a resolution on measures for the effective implementation of the Substantial New Programme of Action in African Least Developed Countries.

(a) Review of economic and social conditions in African least developed countries 1985-1986

28. The Conference considered this item at the same time as document E/ECA/LDCs.7/EXP.6/2 written on that subject. During the ensuing debate, one participant congratulated the secretariat for the quality of its work and went on to draw the attention of the meeting to the corrections and additional information which should be included in the review of economic and social conditions in his country. Another participant reformulated part of paragraph 246 of the background document by replacing "AID and BADEA" with "bilateral and multilateral assistance".

(b) Progress towards the implementation of the Substantial New Programme of Action in African Least Developed Countries

29. During the discussion of this item, the representative of ICAO indicated that his organization had participated in several donor round table meetings and assisted African LDCs with the preparation of their civil aviation



projects. Air transport was important for promoting foreign trade and tourism as means of generating greater revenue. For this reason, ICAO was prepared to assist African LDCs in developing air transport through its offices located in Cairo, Dakar and Nairobi.

30. The representative of UNCTAD thanked the Conference for being invited to take part in its work. He recalled the pioneering role that his organization had played in mobilizing resources for LDCs, particularly with the organization of the Paris Conference, the Mid-term Global Review of the implementation of SNPA and the work being done in preparation for UNCTAD VII. The seventh session of UNCTAD would provide an occasion for the international community to honour the commitments made in Paris regarding the volume and modalities of aid disbursement and for reducing the wide gap which existed between the external resources provided to LDCs and their needs.

31. Regarding paragraph 23 of the Committee's report, the observer of France pointed out that his country had been left out of the list of donors which had achieved and/or exceeded the 0.15 per cent of GDP target for official development assistance. In his view, his country exceeded the target as far back as 1984 when the total aid provided by his country to the LDCs amounted to 0.155 per cent of France's GNP (95 per cent of which went to African LDCs). In 1985, the percentage had risen to 0.155. The total volume of financial assistance provided by France to the developing countries has risen from the equivalent of 0.36 per cent of that country's GNP in 1980 to 0.54 per cent in 1985.

(c) Effects of structural adjustment and stabilization programmes on the long-term growth and development in the least developed African countries

32. With regard to the reference document presented on this agenda item a delegation mentioned the absence of an analysis on the real effects of structural adjustments and stabilization programmes on the growth and economic and social development of African LDCs. It would have wished to see in the study an evaluation of the efficiency of each of the economic policy instruments recommended by the IMF and the World Bank. This would facilitate negotiations of these two institutions and allow an exchange of experiences between the LDCs. The delegation finally requested that the list of countries which had carried out a series of devaluations be corrected (paragraph 27) because one country of UMOA had been included by mistake.

33. A delegate requested a full list of balanced measures envisaged by the secretariat to counter the adverse effects of structural adjustments on stabilization programmes. He also drew the attention of the Conference to the need to add cyclones to the natural disasters mentioned due to their recurrence and destructive effects on the economies of some African countries.

- (d) Examination of ECA's activities during the period covering April 1986 to April 1987 and those anticipated for the remaining part of 1987 and the programme of work for Least Developed African Countries for the 1988-1989 biennium

34. The Conference took note of the report of the intergovernmental committee of experts together with the observation made by a participant on the selection criteria for countries which had received ECA assistance.

- (e) Resolution on the steps to be taken to ensure the smooth implementation of the new substantial action programme in the Least Developed African Countries

35. Concerning the resolution presented a delegation was of the opinion that it was very long and burdened. It wished that this resolution be split into two or three resolutions each of which would take account of one specific problem such as: (a) the non-politicization of aid to be presented to the Economic and Social Council (b) the review of the conditionality clauses of IMF and the World Bank and the non-observance of commitments undertaken at the Paris Conference; and (c) the compensatory financing mechanisms and expected results of the seventh UNCTAD conference concerning the implementation of SNPA. It was also proposed that the operating paragraph no. 1 be amended to reflect the fact that LDCs for their part, had always assumed their rightful responsibilities but that the support provided by the international community had failed to meet the requisite needs. In conclusion the same delegate recommended that the double aspect of aid co-ordination, that is, co-ordination on the part of both beneficiaries and donors (especially within the United States system) be taken into account in the new resolutions in order to ensure better complementarity.

36. The Conference agreed to amend paragraph 6 of the resolution in order to achieve the strengthening of existing machineries and not through the creation of new co-operation and aid co-ordination structures.

In-depth study of the United Nations intergovernmental structure and functions in the economic and social fields: Resolution 1987/112 adopted by ECOSOC at its fourth meeting on 6 February 1987 (agenda item 5)

37. Introducing this agenda item, the Executive Secretary of the ECA informed the meeting that over the past fifteen months the entire United Nations system has been engaged in streamlining exercises with a view to reduce cost. He stated that the United Nations General Assembly had established a special ECOSOC Commission to undertake an in-depth study of the United Nations intergovernmental structure and functions in the economic and social fields. As for ECA intergovernmental structure, a proposal was made to TEPCOW on the abolition of the Conference of Ministers of African Least Developed Countries as a subsidiary organ of the Commission. In its place the annual session of the Commission would have an item on its agenda on the problems of the African LDCs and as and when necessary ad hoc meetings of the group could be convened either within the context of TEPCOW or of the ECA Conference of Ministers.

38. The Executive Secretary pointed out that in 1981 when the SNPA was adopted, there were 21 least developed countries in the African Region but by end-1986, the number had increased to 27 constituting over 50 per cent of the membership of the Commission. It therefore seemed odd that the "majority" should be a subsidiary of the "minority" in that the LDCs ministers were now in a better position of strength to ensure that their view on their specific problems are adequately articulated within a wider context of the ECA Conference of Ministers. He further pointed out that participation at LDCs Expert and Ministerial meetings had considerably declined in recent years which may be explained by financial constraints of the LDCs to finance the participation of their delegations to the annual meetings. In view of these factors, he proposed, on the basis of ECOSOC's recommendations, that the Conference of Ministers of the African LDCs should be abolished.

39. In his intervention, a delegate stated that decisions taken by the ECA Conference of Ministers in Rabat in 1979 was aimed at reducing cost and enhancing the efficiency of the Commission. Subsequently, the merger of the Conferences of African Planners, Statisticians and Demographers, was considered judicious because of the interrelated nature of these disciplines and the need to co-ordinate their activities in a concerted manner at one forum. Also, the Governing Council of the West African MULPOC had decided to hold its meeting bi-annually instead of annually as had been the case because it was deemed necessary to give ample time to the MULPOC secretariat to implement its work programme so as to ensure the effectiveness of the MULPOC meetings. In the context of the special proposal before the Conference, he stated that the ECA secretariat should have submitted to the member States as study on the advisability of abolishing the Conference long before the present meeting which would have enabled the country representatives to make a decision. In view of the significance of the Conference as the only forum for the African LDCs to devise their common positions, the periodicity of the meetings should be considered as a better alternative rather than outrightly abolishing the Conference.

40. Another delegate informed the meeting that when the LDCs Ministerial Conference was established in 1980, the objective was to enable the LDCs to discuss their unique problems and come up with a common position as a negotiating strategy vis-a-vis the donor community. He said that if the LDCs issues are treated as a simple agenda item of the ECA Conference of Ministers, it will be diluted and will not produce the requisite impact on the international community. He noted that it was disquieting for the Conference to receive a proposal of this nature from TEPCOW. He pointed out, however, that it was necessary to carry out a self-evaluation of the achievements of the Conference since its establishment. The argument of decreased number of participants at LDCs meetings in recent years was not convincing enough to support the proposal.

41. Elaborating on the same issue, another delegate pointed out that the issue of attendance should be secondary to the overriding factor of the peculiar problems of the LDCs which are usually addressed at the LDCs ministerial meetings. He said that the increasing number of least developed countries in the African Region was an indication of the continued economic and financial difficulties of developing African countries and that the LDCs problems should be given more prominence and looked at much more seriously now than ever before. In the absence of any documentation to back up the proposals, he stated that it was ill opportuned to decide on the abolition of the Conference. He requested for the secretariat's assurance on the strengthening of the ECA special programme for the LDCs, especially the LDCs unit within the secretariat so as to maintain the quality of research activities undertaken on behalf of the African LDCs.

42. Expounding on the same issue, a fourth delegate stated that the call for a study on the proposal was ill-advised as it was seen as a way of the shelving the issue without any concrete decision. The membership of the African LDCs group was substantial and with their peculiar problems, it was necessary to have a forum where the LDCs issues could be properly articulated, culminating into a concerted position.

43. A representative observed that the issue of LDCs is of extreme importance to the subregion since eleven of ECOWAS member States were classified as LDCs. He stated that the proposal to abolish the Conference of African LDCs should take into consideration the international repercussions, both political and psychological, particularly with respect to the international support measures recommended in the SNPA.

44. Finally according to one delegate, participants were not aware of the proposal prior to the meeting and that there was no documentation before the Conference to explain the ramifications of the proposals. He proposed that the meeting should continue to be held annually as is the case now or bi-annually.

45. In response to various queries raised by the delegations, the Executive Secretary stated that as someone who had been personally involved in the creation of the LDCs Ministerial Conference, and realizing the enormous problems of the LDCs, the ECA secretariat will continue to strengthen the LDCs programme. He assured the ministers that measures are being contemplated to strengthen the LDCs unit which will continue to execute all the programme elements. He stated that the cost implications of the proposal and possibly the attendance at the meetings may not necessarily be the crucial issues but the over-riding factor is that, in view of the developments that had taken place since the Paris Meeting, particularly with respect to the increasing number of LDCs' members of the Commission, it seemed odd for the 'majority' to continue to be a subsidiary organ of the 'minority' of the ECA Conference of Ministers. He pointed out that the proposal was not made at the initiative of TEPCOW but rather those of the secretariat within the framework of the decision of the United Nations Economic and Social Council to streamline the United Nations system.

46. Based on the general consensus that emerged in support of the proposal of Lesotho, the Chairperson concluded the debate in the following line: That the Conference of Ministers of African Least Developed Countries have decided to continue and arrangements should be made by the ECA secretariat to convene the meeting either annually or bi-annually.

Date and venue of the seventh meeting of the Intergovernmental Committee of Experts and eighth meeting of the Conference of Ministers of African Least Developed Countries (agenda item 6)

47. The Secretary of the Commission informed the Conference that the twenty-fourth session of the Commission/thirteenth meeting of the ECA Conference of Ministers is scheduled to take place from 26 to 29 April 1988 to be preceded by the meeting of the Technical Preparatory Committee of the Whole (TEPCOW) from 18 to 25 April 1988. As has been the case, the secretariat will decide on five days for the LDCs meetings which will be communicated to the countries in due course. With regards to the venue, he said that the ECA secretariat is in consultation with a number of member countries of the Commission and once decision is taken, this will also be communicated to all member States.

Consideration and adoption of the report of the Conference of Ministers of African LDCs (agenda item 7)

48. The Conference considered and adopted its report and resolution along with the amendments.

Closure of the meeting (agenda item 8)

49. In closing the meeting the Vice-Chairman stated that the developmental problems of African LDCs are structural and formidable which meant that increased efforts had to be made by the LDCs themselves to address these problems supported by increased external assistance from the international community. Despite the efforts of the LDCs to implement the SNPA, the international response had been inadequate, particularly in terms of transfer of official development assistance at levels commensurate to the external resource requirements of the African LDCs. On behalf of the Conference, he appealed to donors to fulfil their commitments under the SNPA.

50. In a vote of thanks to the Government of Socialist Ethiopia, the Vice-Chairman expressed the appreciation of the Conference for the kind hospitality accorded them. In this context, he extended the gratitude of the Conference to H.E. Comrade Mengistu Hailemariam, General Secretary of the Central Committee of the Workers' Party of Socialist Ethiopia and Chairman of the PMAC. He also commended the excellent and effective manner in which the meeting was conducted by Hon. Mrs. Amina Salam Alli, M.P., Minister of State for Foreign Affairs in charge of International Co-operation of the United Republic of Tanzania. The Vice-Chairman also thanked the Executive Secretary of the ECA and his staff for the excellent documentation as well as for servicing the Conference. Finally, the Vice-Chairman declared the seventh meeting of the Conference of African LDCs closed.

## RESOLUTION

Proposals on the developmental problems of African least developed countries for the seventh session of the United Nations Conference on Trade and Development

The Conference of Ministers

Recalling its resolution 397 (XV) of 12 April 1980 entrusting the Conference of Ministers of African Least Developed Countries with the responsibility for ensuring the co-ordination of efforts, establishing priorities, monitoring and evaluating progress under the Comprehensive New Programme of Action and the Substantial New Programme of Action (SNPA) in African Least Developed Countries,

Noting that the seventh session of the United Nations Conference on Trade and Development (UNCTAD VII) is scheduled to take place in Geneva from 9 to 31 July 1987 and will consider the problems of the least developed countries bearing in mind the Substantial New Programme of Action for the 1980s for the LDCs; and that the Addis Ababa Declaration of African Ministers Responsible for Trade and Development Preparatory to UNCTAD VII of 18 March 1987, had inter alia, reiterated the recommendations of the Mid-term Global Review on behalf of the LDCs as part of the proposals for negotiations at the sixth Ministerial meeting of the Group of 77 in Havana (Cuba), 20-25 April 1987 and at UNCTAD VII in Geneva,

1. Reaffirms the Substantial New Programme of Action as the basis for continued mutual co-operation between the LDCs and the international community and that the programme should be fully and affectively implemented;
2. Decides to endorse the proposals contained in the Addis Ababa Declaration of the African Ministers responsible for Trade and Development Preparatory to UNCTAD VII of 18 March 1987 with respect to the problems of the African Least Developed Countries and the corresponding measures recommended to be taken at the national and international levels to ensure the effective implementation of the SNPA;
3. Requests the seventh session of UNCTAD to explore the possibilities for fully compensating the export earning shortfalls of the LDCs and in this regard, special measures should be taken to strengthen the commodity markets and enhance export receipts of the LDCs from such commodities;
4. Further requests that special arrangements be considered for the LDCs, in the IMF Compensatory Financing Facility Scheme by providing for full coverage of their export shortfalls, for the subsidization of their interest payments on outstanding drawings and for a longer repayment and grace periods than hitherto;
5. Urges donors to provide substantially enlarged volume of financial assistance in real terms to the LDCs on terms which correspond to their immediate- and long-term development needs; and in that respect, donor countries, which have not yet done so, should endeavour to attain 0.15 per cent of their GNP as ODA to the LDCs before the end of the decade or should attain, on a priority basis a doubling of their ODA by 1990;

6. Further urges developed countries to fully implement UNCTAD Trade and Development Board Resolution 165 (S-IX) expeditiously and to convert all outstanding bilateral ODA loans of all African LDCs into grants without discrimination;

7. Requests the Executive Secretary to report on the implementation of the Resolution to the eighth meeting of the Conference of Ministers of African Least Developed Countries and twenty-third session of the Commission/fourteenth meeting of the ECA Conference of Ministers.

Measures for the effective implementation of the Substantial  
New Programme of Action in African Least Developed Countries

The Conference of Ministers,

Recalling United Nations General Assembly Resolution 40/205 of 17 December 1985 which reaffirmed the Substantial New Programme of Action for the 1980s for the least developed countries, "as the basis for continuing co-operation between the least developed countries and their development partners, as well as the commitment to the full and effective implementation of the programme" and which also endorsed the conclusions and recommendations contained in the report of the intergovernmental group on the least developed countries on the Mid-term Global Review of the SNPA,

Further recalling also the decision of the twenty-first ordinary session of the Assembly of Heads of State and Government of the Organization of African Unity by which the Summit adopted Africa's Priority Programme for Economic Recovery (APPER) which was subsequently endorsed by the 13th Special Session of the United Nations General Assembly in Resolution S-31 of 1 June 1986 and elaborated in the United Nations Programme of Action for African Economic Recovery and Development (UN-PAAERD),

Deeply concerned about the continued and persistent downslide in economic growth and development performance of the African Least Developed Countries largely as a result of the deepening internal economic crises compounded by such exogenous factors as drought and cyclone, collapse in world prices for primary commodities, considerable deterioration in their terms of trade, protectionist measures of industrialized countries, and mounting debt service obligations,

Deploing the fact that the adoption of adjustment and stabilization programmes supported by the IMF and/or IBRD had become a sine qua non for mobilizing international assistance in terms of financial flows and debt relief and noting that the structural deficiencies which are the root causes of imbalances in the LDCs are not taking into consideration in these programmes,

Noting with satisfaction the enormous efforts made by the African LDCs to improve their economic and social conditions, especially the painful austerity measures taken which were expected to lead to adequate economic recovery as a foundation for sustained economic growth and development,

1. Strongly urges African Least Developed Countries to intensify their economic recovery efforts through the mobilization and efficient utilization of domestic resources for the implementation of the United Nations Programme of Action for African Economic Recovery and Development (1986-1990) which would enhance the effective implementation of the Substantial New Programme of Action;

2. Appeals to donors to provide increased and quick-disbursing balance-of-payments support as well as commodity aid, programme aid, including sector assistance and general import financing;



3. Requests that such balance-of-payments support in general must not be used to exercise political pressure on the African LDCs and should not be dependent on acceptance by these countries of IMF and/or IBRD structural adjustment and stabilization programmes which involve social costs that hinder their basic aims, objectives and priorities;

4. Urges the IMF to undertake a fundamental review of the principles on which its conditionality rests in such a way as to reflect the peculiar social, economic and political problems of the LDCs;

5. Further urges the IMF and the World Bank to provide an effective mechanism in support of African LDCs currencies while they implement structural adjustment and stabilization programmes; otherwise these currencies will be subject to rapid exchange rate depreciation which in turn will aggravate already acute inflationary pressures, reduce growth and development in general;

6. Urges organizations of the United Nations system and other relevant international institutions, regional and subregional organization to intensify their efforts in mobilizing increased technical, financial and material resources for the LDCs in a concerted manner;

7. Requests the Executive Secretary of the ECA, in collaboration with UNDP and UNCTAD to provide resources, on priority basis, for in-depth case studies to be carried out on the overall impact of structural adjustment and stabilization programmes in African least developed countries;

8. Further requests the Executive Secretary to report on the implementation of this resolution to the eighth meeting of the Conference of Ministers of African Least Developed Countries and twenty-third session of the Commission/fourteenth meeting of the ECA Conference of Ministers.