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PROGRESS REPORT ON THE WORK OF THE
TRADE AND ECONOMIC CO-OPERATION DIVISION

PROJECTS IN PROCESS

General system of preferences

1. A statistical analysis of African exports of manufactures and semi-manufactures, and in particular processed and semi-processed agricultural products, has started to provide a basis and a framework for the assessment of the implications of the OECD offer for African countries.
2. Efforts are made to obtain consultant assistance for a report on the ground rules for the negotiations on the proposed general system of preferences.

Regional trade promotion centre

3. Pending the provision of additional resources one regional advisor has been diverted from other trade fields to make arrangements for the early establishment and functioning of the Centre.

Economic co-operationECA/CDPPP teams on West Africa and on Eastern and Southern Africa

4. The ECA and the Centre for Development Planning, Projections and Policies (CDPPP) at the United Nations Headquarters have jointly organized two teams of experts (for West Africa and for Eastern and Southern Africa) to assist the countries of the two sub-regions in their efforts to strengthen their economic co-operation within the framework of the second United Nations Development Decade. The terms of reference of the two teams are:
 - (i) To draw up a ten-year projection of development of these sub-regions within the framework of the United Nations second Development Decade, in particular the possible growth of demand for the products of industries which will require multinational co-operation and also probable growth of demand for food and agricultural raw materials;
 - (ii) A programme for the development of multinational industries and of specialized agricultural production, the construction of transport links to support the plan for agricultural development, and to meet the problem of manpower requirements;
 - (iii) To propose national and multinational measures and policies required to carry out the proposed programme for co-ordinated development.
5. The West African team, composed of experts in trade, transport, agriculture, industry, statistics and general economics, visited the

West African sub-region from January to March 1969 to collect information on:

- (a) Trends of the economy including general orientations to development;
- (b) The evolution, trends, perspectives and the requirements for manpower and energy, in agriculture, mining and industry and the main projects in these fields;
- (c) The trade between countries of the sub-region, an assessment of non-recorded trade; the trends and perspectives of increase; the main agricultural and industrial products where trade could be promoted;
- (d) The volume of transportation on various routes between neighbouring countries including both regional trade and transit, the volume of coastal transportation and projects for improvement of links between the countries.

6. The East African team, composed of experts in trade, transport, industry, agriculture and econometrics, visited the Eastern and Southern African sub-region. The team collected information which will enable it (a) to prepare a ten-year projection of development; (b) to prepare a programme for the development of multinational industries; (c) to formulate a tentative programme for sub-regional transport development; and (d) to study the possibilities for specialization in the production of selected agricultural commodities.

7. The first drafts of the reports of the two teams are expected to be ready by the end of April 1969.

Assistance to Somalia

8. A three-man mission visited Somalia from 7 March to 16 April to assist the Government of Somalia in the preparations of its negotiations for association with the East African Community.

Eastern and Central Africa

9. The Ministerial Meeting of Eastern and Central African States held in Dar-es-Salaam in February 1969, in which the ECA participated, adopted a number of recommendations on economic co-operation in the region. The secretariat of the ECA prepared amplified programmes on each of these recommendations for submission to the Conference of Heads of State of Eastern and Central Africa in Lusaka in April 1969.

Central Africa

10. During the ninth session of ECA an agreement was reached among representatives of the member States of the Central African sub-region

to propose to their respective governments that a ministerial meeting on economic co-operation should be held about the middle of 1969; as a follow-up action, the secretariat has consulted the member States of the sub-region and replies have so far been received from Burundi, Cameroon and Chad.

11. The secretariat proposed to submit documents on industry, agriculture, energy, transport, trade, manpower and training and institutional questions for consideration at the ministerial meeting.

North Africa

12. The Permanent Consultative Committee of the Maghreb Countries (CPCM) has requested that a meeting be held between representatives of the countries concerned, members of the Committee and the ECA secretariat to examine problems of economic co-ordination among the Maghreb countries. This meeting may be convened immediately after a meeting of the Maghreb Council of Ministers in June 1969.

13. The ECA proposes to submit documents in the field of industry, covering some twenty sectoral studies and a general paper with tentative conclusions on the sectoral studies, agriculture, transport, statistics and planning.

FINANCE

Fiscal questions

14. Three draft studies have been completed on the project on harmonization of fiscal and budgetary procedures and policies with development planning. The studies will be submitted to a training course on budget-plan harmonization to be organized jointly with IDEP.

15. A study on fiscal policy for economic development has started. One or two countries may be selected for a deeper analysis using sophisticated models.

Monetary questions

16. Arrangements have started for the organization of the inaugural meeting of the Association of African Central Banks, scheduled to take place in Addis Ababa in August 1969.

RESOLUTIONS OF THE NINTH SESSION AND THE WORK PROGRAMME OF ECA

International trade, economic co-operation and finance

17. The first steps in drawing up a new plan of action for African countries in international trade and finance following the second

UNCTAD were taken by the Joint Meeting of the ECA Working Party on Intra-African Trade and the OAU Expert Committee on Trade and Development, which was held in January 1969. The recommendations of the Joint Meeting (E/CN.14/449), which were endorsed at the ninth session of the ECA in resolution 199(IX), were formulated within the perspective of the forthcoming second United Nations Development Decade. In these recommendations African countries have adopted a unified and agreed position in all the various forums, and in particular in UNCTAD, in which the struggle for a new order in international trade and finance must be carried forward.

18. The following is an analysis of the resolutions and decisions of the ninth session as they affect the programme of work of the secretariat in these fields.

INTERNATIONAL TRADE

Development and expansion of intra-African trade

19. The resolutions of the ninth session and the recommendations of the third joint ECA/OAU meeting show a clear desire to see more resources devoted to intra-African trade during the implementation of the programme of work.

20. In particular, the Executive Secretary is requested to:

(i) Direct the trade work of the secretariat of the ECA towards finding practical solutions and measures to promote and increase intra-African trade (resolution 199(IX));

(ii) Pay special attention in the United Nations programmes of technical assistance in Africa to operational activities in support of projects aimed at increasing intra-African trade (resolution 211(IX)).

21. The Regional Trade Promotion Centre, which the Commission recommended at its ninth session should be established, is requested to:

(i) Give special attention to promotion of intra-African trade (ECA/OAU Meeting);

(ii) Investigate some practical arrangements whereby at least in their official purchases African governments can give preference to African suppliers (ECA/OAU Meeting).

Expansion of trade with other regions

22. The following recommendations of the third joint ECA/OAU meeting, are relevant:

- (i) African countries should, with the co-operation of ECA, take a more active part in the establishment of associations and groupings of producing countries with the aim of ensuring eventually that producing countries would be in a position to take self-reliant action in defence of their interests in the commodity markets;
- (ii) ECA should extend and complete its study on processed and semi-processed commodities which are of present and immediate interest to African countries within a general system of preferences;
- (iii) ECA should call a special meeting of interested African countries as soon as the offer of the OECD countries for products to be covered by the general system of preferences has been tabled. The study referred to in (ii) above should serve as a guide to their deliberations and should enable African governments to assess realistically the implications for their economies of the offer and to formulate negotiating positions;
- (iv) ECA should assist in the drawing up of ground rules for the negotiations on the proposed general system of preferences.

Regional trade promotion centre

23. Resolution 199(IX) of the ninth session of ECA requested the Executive Secretary to take steps to establish as soon as possible, and in any case not later than the end of 1969, a Regional Trade Promotion Centre. Reference has been made to two recommendations relevant to the work programme of the centre in paragraph 5 above. The third joint ECA/OAU meeting further recommended that the centre should:

- (i) Further activities aimed at strengthening national machinery in African countries for export promotion;
- (ii) Co-operate with the International Trade Centre and other United Nations agencies concerned to bring to African countries a co-ordinated programme of technical assistance and advice on questions of trade promotion;
- (iii) Give priority to training of Africans in questions of trade promotion.

ECONOMIC CO-OPERATION

24. The third joint ECA/OAU meeting reaffirmed the cardinal importance of economic co-operation among African countries and recommended that the United Nations through ECA should:

- (i) Devote substantially more resources towards the technical study of possible fields and projects for co-operation. In particular co-operative projects and programmes which will accelerate the rate of development of the partner States in each sub-regional grouping should be studied in sufficient detail as to facilitate their early implementation;
- (ii) Assist in running or consolidating African institutions for multinational co-operation.

25. ECA was requested to continue its studies to identify areas and products that lend themselves to co-operation among African countries both in the short and in the long run.

FISCAL AND MONETARY QUESTIONS

26. Resolution 207(IX) of the ninth session of ECA requested the Executive Secretary to assist member States in the strengthening of financial institutions for the purpose of a more effective mobilization of internal resources. The Commission further requested that a study on problems involved in a reform of the international monetary system, including the problem of developing countries' liquidity, be completed in time for the next session and recommended that the secretariat should try to be associated in all important discussions on the problem of international liquidity.

27. The third joint ECA/OAU meeting requested ECA secretariat to continue its studies on payments questions as they affect trade among African countries and make suitable recommendations aimed at removing all difficulties in this field. At the ninth session the Commission urged a study of this problem on a priority basis.

FISCAL QUESTIONS

28. Resolution 207(IX) of the ninth session of ECA requested the Executive Secretary to assist member States in the improvement of their budgetary systems for the purpose of a more effective mobilization of internal resources. The Commission further endorsed the recommendations in the report of the Seminar on Budget Planning and Management (E/CN.14/410). The secretariat was particularly requested to disseminate information on new methods and techniques of budgetary administration and management to African countries.

RESOURCE NEEDS OF THE TRADE AND ECONOMIC CO-OPERATION DIVISION

29. The programme of work of the secretariat in the fields of trade, economic co-operation and finance has been amended in line with the decisions and resolutions of the ninth session. The projected staff requirements up to 1975 are as follows:

International trade

30. Intra-African trade: In view of the increased emphasis on intra-African trade, and, following the criteria suggested in paragraph 5 of resolution 211(IX), the ECA secretariat will have to seek and carry out greater responsibilities in this field, both on a permanent secretariat basis and through United Nations technical assistance projects. It is proposed that a minimum staffing of four professionals and two regional advisers will be required in 1970. This requirement would increase to six professionals and four regional advisers from 1971 to strengthen the ECA machinery for operating a larger programme. Further staff would be mobilized on an ad hoc basis in accordance with the development of the work.

31. Expansion of trade with other regions: Measures for increasing trade with other regions will be of crucial importance for the attainment of the targets of the second United Nations Development Decade. It is proposed that the staff working in this field should be strengthened with two staff members and one regional adviser to work on commodity problems to enable the ECA to give efficient assistance to African countries in negotiations on world commodity agreements and on the establishment of associations and groupings of producing countries. It is further proposed that the establishment should be strengthened with two staff members and one regional adviser to concentrate on trade negotiations in respect of manufactures and semi-manufactures, including the establishment and functioning of a general system of preferences. The other staff will continue to work on problems of trade expansion with specific countries or groups of countries, e.g. Asia, Western Europe etc.

	Staff resources ^{a/}						
	D.1	P.5	P.4	P.3	P2/P1	Total	RA
1969	1	1	-	2	3	7	<u>b/</u>
1970	1	2	3	6	3	15	4
1971	1	3	6	4	3	17	6
1972	1	3	6	4	3	17	6
1973	1	3	6	4	3	17	6
1974	1	3	6	4	3	17	6
1975	1	3	6	4	3	17	6

a/ Including Division Direction

b/ Two regional advisers temporarily assigned to the Regional Trade Promotion Centre.

Regional trade promotion centre

32. It is proposed that arrangements should be made to provide from 1970, on a permanent secretariat basis, one post for the director of the centre, two economists-cum-marketing experts, two research assistants and two regional advisers in trade promotion. The number of regional advisers should gradually be increased to 7 in 1975 to enable the centre to assist individual African countries or groups of countries in establishing and running national and multinational trade promotion services. The regular professional staff required to support this increase in the level of the technical assistance activities should be strengthened with one economist-cum-marketing expert and one research assistant from 1972.

33. Arrangements should further be made to provide out of the regular United Nations budget from 1970 funds for a library/documentation reference unit, initially estimated at US\$15,000. The centre cannot be expected to function properly if the experts which it puts on advisory and market research projects do not have access to complete and up-to-date specialized material in this field.

34. Such action would permit the ECA to start implementing the recommendation of the Meeting of the Executive Secretaries of the Regional Economic Commissions (held in July 1967 on the United Nations Export Promotion Programme) that "regional trade promotion centres be established in ECA, ECAPF and ECLA to be operated under the direction of the respective Executive Secretaries". ECOSOC in its resolution 1362(XLV) noted "in particular the section (of the report) devoted to the United Nations export promotion efforts".

Staff resources

	D.1	P.5	P.4	P.3	P2/P1	Total	RA
1969	-	-	-	-	-	-	2 ^{a/}
1970	-	1	-	2	2	5	2
1971	-	1	-	2	2	5	3
1972	-	1	1	2	3	7	4
1973	-	1	1	2	3	7	5
1974	-	1	1	2	3	7	6
1975	-	1	1	2	3	7	7

^{a/} Temporarily on loan from other trade projects.

Economic co-operation

35. For the work on economic co-operation it is proposed that from 1970 additional posts for four regional advisers should be established and allocated for work with the existing or immediately prospective multinational groups. The provision of two additional regular posts in the secretariat is also recommended from 1970. Further staff for multinational advisory activities should be mobilized on an ad hoc basis in accordance with the development of the work of the secretariat of each multinational group.

Staff resources

	D.1	P.5	P.4	P.3	P2/P1	Total	RA
1969	-	1	1	2	1	5	2
1970	-	1	3	2	1	7	6
1971	-	1	3	2	1	7	6
1972	-	1	3	2	1	7	6
1973	-	1	3	2	1	7	6
1974	-	1	3	2	1	7	6
1975	-	1	3	2	1	7	6

Fiscal and monetary affairs

36. The programme of work has been expanded by a number of projects pursuant to resolution 207(IX). It is therefore proposed that provision should be made for strengthening the regular staff with one professional from 1970 and one more from 1971 and obtaining the services of one additional regional adviser, on payments and monetary problems, from 1970.

Staff resources

	D.1	P.5	P.4	P.3	P2/P1	Total	RA
1969	-	-	2	1	1	4	1
1970	-	1	2	1	1	5	2
1971	-	1	2	2	1	6	2
1972	-	1	2	2	1	6	2
1973	-	1	2	2	1	6	2
1974	-	1	2	2	1	6	2
1975	-	1	2	2	1	6	2

SPECIAL MEASURES IN FAVOUR OF THE LEAST DEVELOPED COUNTRIES

1. At the ninth session the Commission adopted resolution 210(IX) on special measures in favour of the least developed among the developing countries. The Executive Secretary was requested to study, and promote implementation of, special and efficient measures to overcome the bottlenecks which impede development in strategic sectors and of international measures to be taken in fields where the priority needs of the least developed countries might find recognition and submit the studies, with appropriate recommendations to government and appropriate agencies for action, including the fourth joint ECA/OAU meeting.
2. The third joint ECA/OAU meeting recommended a number of problems and issues to which the ECA studies should pay particular attention.
3. One of the most important new lines of thought underlying the evolution of an international development policy is that the rights and obligations of different countries shall be related to their economic situation in some suitable manner; conversely, that countries at different levels of development need to be treated differently before the system of international economic relations can be considered to be equitable and adequate to the needs of development.
4. The question of special international measures to promote the development of the least developed among the developing countries has gained a recognized place in international discussion largely at the insistence of African countries, particularly within UNCTAD. The second UNCTAD could, however, not agree on a clear position on giving priority to the needs of the least developed countries in international trade or financial policies. African countries have therefore once again had to exert a special effort to ensure that this matter would not get submerged, and have requested that the various recommendations in favour of the least developed among the developing countries be consolidated under a Special United Nations Programme to be established by the Secretary-General of the United Nations within the framework of the second United Nations Development Decade and should cover the various aspects of the development and trade of these countries.
5. It is considered that it is incumbent upon the United Nations as a whole to collaborate in order to provide the various elements that will have to go into a positive policy aimed at implementing special measures for the least developed countries. The work that ECA considers should be done includes:
 - (i) Detailed studies of the various strategic sectors of development in order to identify the most serious bottlenecks which impede the emergence of these countries out of their especially poor condition;

- (ii) Preparation of adequate measures, sectoral or multi-sectoral, in fields where the priority needs of the least developed countries might find acceptable recognition;
- (iii) Mobilization of international financial assistance for the implementation of these measures, including special measures to improve the capacity of the least developed countries to absorb financial assistance;
- (iv) Concentration on areas of special interest to the least developed countries in the design of technical assistance programmes and projects.

PROJECTS

Studies on the development prospects and the special problems of the least developed African countries and of measures to promote their development (1969-1973)

6. This is a joint project of the substantive divisions of ECA to study the special problems of the least developed African countries, to prepare recommendations for their solution and to provide assistance in the implementation of such recommendations. The studies will cover both the national and international measures that are required for stimulating economic growth in these countries, with particular emphasis on the following:

- (i) Human resources
- (ii) Natural resources, including hydrology
- (iii) Transport
- (iv) Agriculture
- (v) Trade
- (vi) Economic co-operation
- (vii) Financial assistance
- (viii) Industry

7. While, by any criterion, the African region contains a large majority of those countries which can be considered among the least developed, it is the intention in the first instance to concentrate on finding solutions to the problems of certain groups, such as the landlocked African countries, the Southern African developing countries and the countries in the horn of Africa. An outline study on possible special measures and on means of implementing such measures as part of the strategy for the second United Nations Development Decade will be presented to the Fourth Joint Meeting of the ECA Working Party on Intra-African Trade and the OAU Expert Committee on Trade and Development.

8. The IBRD, UNCTAD, UNIDO and other appropriate agencies will be invited to co-operate. It is expected that through the efforts of African governments to establish a special United Nations programme, the work programme in this field will be supported by the Department of Economic and Social Affairs.

9. It is suggested that, while discussion is going on in respect of the recommendation of the ninth session with regard to the establishment of a special United Nations programme, an effort should be made to enable the ECA to make a start on a comprehensive programme. This would strengthen the hand of the African governments in their negotiations in other United Nations forums to get acceptance for the recommendation of the ninth session. The amended programme of work has accordingly made provision for the establishment of a small unit of two professionals and supporting staff to work directly, and to harmonize the efforts of all secretariat divisions, on such a programme. Further staff should be mobilized after the establishment of the special programme and in the light of the content of that programme.

Staff resources for special measures in favour of the
least developed countries

	D.1	P.5	P.4	P.3	P2/P1	Total	RA
1969	-	-	1	1	-	2	-
1970	-	-	1	1	-	2	-
1971	-	-	1	1	-	2	-
1972	-	-	1	1	-	2	-
1973	-	-	1	1	-	2	-
1974	-	-	1	1	-	2	-
1975	-	-	1	1	-	2	-