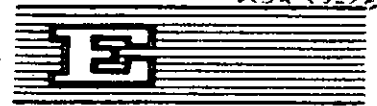




UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL

52022



Distr.
LIMITED

E/CN.14/ECO/53
14 November 1972

Original: English

ECONOMIC COMMISSION FOR AFRICA
Executive Committee
Eighth Meeting
Addis Ababa, 13-17 November 1972

AFRICA'S STRATEGY FOR DEVELOPMENT IN THE 1970s

Review and appraisal of progress in implementing the goals
and objectives of and the policies implied
by Africa's strategy for development in the 1970s

In accordance with Commission resolution 218(X), Africa's Strategy for Development in the 1970s was adopted "as part of the global International Development Strategy for the Second United Nations Development Decade adopted by the General Assembly in its resolution 2626(XXV) of 24 October 1970" (resolution 218(X) section 2). Underlying the two strategies are the assumptions that (i) the developing countries where the development problems have to be tackled on the ground should be seriously involved in both the planning and evaluation of development plans if the objectives and goals are to be achieved, (ii) the developed countries whose assistance, both in real resources and in appropriate domestic policies, is crucial to the whole effort should also be involved, and (iii) all the units in the United Nations system should also be purposefully involved.

It was in recognition of the strategic role that the secretariat of the ECA could play in this exercise, not only in accordance with the content of paragraph 81 of the International Strategy but also in accordance with Commission resolution 187(IX) that the Conference of Ministers in its resolution 218(X) section 7 requested the Executive Secretary to initiate consultations with regional bodies and other United Nations organizations with a view to the establishment of an appraisal and evaluation machinery.

The first time that the secretariat reported on the steps being taken to establish the review and appraisal machinery was at the fifth meeting of the Executive Committee in May 1971. At that time it was reported that, while the existing channels of communication between the secretariat, the regional bodies and other United Nations agencies were being used to obtain ideas about the appropriate machinery, the first major opportunity to discuss the whole issue of the review and appraisal exercise with African planners and other relevant bodies would be at the Fourth Session of the Conference which was to take place in Addis Ababa in October 1972. It was also reported that the problems of data would be discussed at the meetings of the Conferences of African Statisticians and Demographers which took place in October and December 1971 respectively.

Meanwhile, the secretariat continued to examine the material coming from the member countries such as new development plans, plan progress reports, UNDP country programme reports, budget speeches, national economic surveys, etc. for their relevance to the formal and substantive content of the Second Development Decade Strategies. The examination indicated that in most cases the implications of the strategies were not yet being incorporated in national development plans. Hence, the provisional agenda for the Conference of African Planners gave prominence to the contents of the strategies, their implications for planning, the collection and analysis of data, and suggestions about the appropriate machinery for review and appraisal at the national, multinational and regional levels. These matters were thoroughly discussed at the meeting and appropriate recommendations for action by the Conference of Ministers are contained in the report of the Conference. In this connexion, I should like to call the attention of the Executive Committee particularly to recommendation number 5 in the report which calls for, among other things, special attention to be given to capital formation and the consumption of goods and services in the non-monetary sector, and the need to establish national review and appraisal machinery and to improve the availability, quality and timeliness of data.

Moreover, at the meeting it became clear that some of the UN agencies like FAO and ILO whose global sectoral reviews and appraisals we are expected to use for the regional review and appraisal are not doing anything until the mid-term review and appraisal.

However, the secretariat is doing what it can to prepare a report for submission to the Conference of Ministers in February 1973. Among the steps which the secretariat had taken to prepare the first regional report on the progress in implementing the two strategies were country visits between June and October by a group of secretariat staff to collect the most recent statistical and other information on the countries of the region. Unfortunately, most of the data available were only for 1970 or earlier years.

Another step taken by the Secretary-General which might have helped the secretariat in this work was the sending of a note verbale to the Governments of the member States with an Index of Indicators of the goals and objectives of the Second Development Decade inviting them to indicate what is available, what their objectives are and the machinery each Government is establishing for the review and appraisal exercise. Copies of answers to these questions were expected to be sent to the regional commissions but up to now we have not yet received anything from any Government in the region.

Nevertheless, the secretariat is working on the draft of the first regional report on progress made in implementing the goals and objectives of the two strategies for submission to the Conference of Ministers at its next meeting in Accra, in February 1973. The outline of the proposed report is as follows:

Chapter I - International Strategies and African Development Plans

2 - Evaluation of Development Performance:

- 2.1 Production of goods and services
- 2.2 Levels of living
- 2.3 Productive capacity
- 2.4 Problems of external environment

3 - Problems of Development Plan Implementation

4 - Progress, Problems and Prospects of Economic Co-operation

5 - Special Problems of the Hard-Core Least Developed Countries

6 - Conclusions and Recommendations

As part of the United Nations efforts to help the countries to realize fully the implications of the strategies for their development efforts during the DD2, I should like to report that the Centre for Development Planning, Projections and Policies (CDPPP), New York is organizing in 1973, in co-operation with the regional commissions and other international agencies, a series of training workshops on the techniques of review and appraisal. A workshop is being organized for the English-speaking and French-speaking African countries respectively. It is understood that the Arab Republic of Egypt has accepted to host the workshop for the English-speaking countries. In connexion with the workshops, two staff members undertook jointly with staff members of the CDPPP between September and October country visits to Nigeria, Kenya and Rwanda respectively to discuss with national planning officials the problems of review and appraisal as well as to collect material for preparing notes for the training workshops.

I should like to stress that in order to establish the review and appraisal machinery at the regional level as well as prepare a first regional report on review and appraisal, this exercise must be seriously pursued at the national level by the countries themselves if the work of the secretariat is not to be seriously hampered.

Review of Africa's Strategy for Development in the 1970s

Agricultural Development

The Strategy envisages raising the growth rate in agricultural production from 2.0 per cent per annum to 4.0 per cent per annum. One of our main activities for achieving this objective is the study on the promotion of intra-regional economic co-operation and trade in agricultural and agro-industrial products. This is a comprehensive study comprising a general agricultural sector study which will define the general policies for agricultural development and for the promotion of intra-regional trade, and an in-depth study of selected commodities and processed products.

Special attention is given to agricultural extension, credit and marketing services, agricultural prices and the use of improved seeds, fertilizers and insecticides for improving the farming techniques with a view to making proposals on the farming patterns and farming techniques that will best increase output and the farmers' income, and to establishing a basis for partial specialization as a means of increasing productivity and promoting intra-regional trade. Phase I of this study was completed in 1971. This was a macro-study designed to indicate the possibilities for promoting intra-African trade. The comprehensive in-depth Phase II study will be started in West Africa early in 1973, and also in Central Africa where it will be limited initially to food crops.

While undertaking this study, we are also taking steps to help the farmers organize themselves for the production and marketing of their produce. Recently, a questionnaire was sent to the Governments in order to ascertain what farmers' organizations exist for various crops and what type of assistance could be given for the promotion of farmers' organizations. The purpose of this particular initiative is to assist farmers and Governments in keeping production and marketing conditions under constant review, to enhance the bargaining power of farmers, to provide a medium for the introduction of new techniques (improved seeds, fertilizers, implements, etc.) and methods and standards of production and to provide effective and more profitable distribution channels. These measures will clearly affect the breaking down of socio-economic barriers between urban and rural communities.

Rural development is being promoted through advisory services and training programmes, including vocational training. In August 1971, a Symposium on Rural Development in Africa in the 1970s was held and, following the recommendations of this Symposium, a Voluntary Agencies Bureau was established within the ECA to assist voluntary agencies in pre-investment studies, project management and project evaluation activities, thereby making their work more effective.

For the development of livestock, action-oriented studies are being undertaken on the production and marketing of livestock and livestock products. A study of the Prospects for the Production, Marketing and Trade in Livestock and Livestock Products in Eastern Africa up to 1985 has been completed and the report has just been published. Another study of livestock development in south-central Africa comprising Zaire, Tanzania, Zambia, Malawi, Botswana, Lesotho and Swaziland has also been completed and the final report is expected shortly. This study identified several livestock development projects on livestock breeding, research and disease control which the Governments have agreed to implement. The second phase of this study will be for West Africa and plans have already been advanced for starting it early in 1973.

Trade and mobilization of external and of domestic resources

Africa's strategy in respect of trade and mobilization of resources determines the priorities of the region within the framework of the Second United Nations Development strategy. This strategy was further amplified and developed by the African Ministers at their meeting in October 1972, prior to the Third Session of UNCTAD. The Action programme adopted by the Ministers at that meeting presents a coherent set of measures to be taken by African and non-African Governments as well as international organizations at the national, regional and international level.

Trade

The strategy defines two basic objectives for Africa's trade if the development requirements of the region during that period are to be met, namely to generate structural changes and to provide foreign exchange earnings. To achieve these objectives the Strategy outlines steps that have to be taken in trade with non-African countries, in intra-African trade and in trade promotion.

A general study on ways and means of introducing structural changes in the trade of African countries was presented to the Sixth ECA/OAU Joint Meeting on trade and development in 1971. It was later updated and presented to the African Group at UNCTAD III.

The projects that have been undertaken to assist African countries in their trade with non-African countries cover, in particular, commodity problems, trade in manufactures and semi-manufactures, and trade with other developing countries and with socialist countries. A member of the ECA secretariat has on a number of occasions assisted the UNCTAD secretariat in the negotiations to achieve a cocoa agreement recently in September/October this year during the Conference which succeeded in drawing up an agreement. A study on bananas and cotton was submitted to the Seventh ECA/OAU Joint Meeting in September this year, subsequent to similar studies covering seven commodities of export interest to African countries prepared in 1970.

A study on African trade with the developing countries of East Asia is nearing completion. It is hoped that the study will identify increased trading opportunities for African countries in a number of East Asian countries. Depending upon the nature of the recommendations contained in the study, the

secretariat will follow it up with advisory missions to member Governments and, if required, with seminars or working groups on particular issues. A long-term project aimed at expanding the volume and value of trade between African countries and the socialist countries has been submitted to UNDP for financing.

The Strategy recommends international action to facilitate the diversification and expansion on trade in manufactures and semi-manufactures. The ECA secretariat is co-operating with the UNCTAD secretariat and the International Trade Centre in assisting African countries in taking full advantage of the Generalized System of Preferences. Two seminars on GSP will be held for African countries, the first in December 1972 and the second in May 1973.

The Strategy recommends that African countries should harmonize their views in order to arrive at truly joint African positions in all international bodies in which problems affecting their trade and development are being discussed. The ECA assisted African countries, through a number of meetings in 1971, to prepare themselves and to arrive at common position for the third session of UNCTAD. The secretariat has prepared a comparative analysis of the African Action Programme and the Programme of Action adopted by the Ministerial Meeting of the Group of 77. This analysis shows clearly what African countries can achieve if their line of advance is properly defined and their strategies agreed upon and prepared. The secretariat is at present formulating projects to assist African countries in the forthcoming discussions within IMF on a reform on the international monetary system, the multilateral trade negotiations within GATT, and the inter-governmental commodity consultations within UNCTAD.

Projects to assist African countries to expand their mutual trade cover the following studies on the identification of products for which trade concessions might be considered: a study on North Africa; a study on West Africa; and a study on East and Central Africa. A study on criteria to be applied in formulating rules of origin in intra-African trade liberalization was published in 1971. A preliminary report on transit traffic in East and Central Africa was completed the same year. A study on how international procurement can be used to promote intra-African trade was presented to a seminar of English-speaking African countries at the beginning of 1972. The seminar has decided

to set up an African Purchasing and Supplies Association. Draft statutes of the Association will be discussed at a seminar for French-speaking countries later this year. The inaugural meeting of the Association is scheduled to take place in 1973. Arrangements have been made to hold bilateral, confidential and non-committal consultations between African countries in conjunction with the next session of ECA in February next year to promote an expansion of intra-African trade. Through the sub-regional committees of the Association of African Central Banks the ECA secretariat is assisting African countries to devise and negotiate their own payments agreements.

Through the Africa Trade Centre it has been possible to undertake twenty trade promotion advisory missions to 15 member countries. Eight more countries have requested missions. Two courses on commercial policy and trade promotion were organized in 1971 for English and French-speaking African countries respectively, while a similar bilingual course was organized in 1972. Two ECA/ITC export promotion courses were organized in 1971 and two in 1972. Five junior executives from ECA member Governments have had six months in-service training at the Africa Trade Centre carrying out projects under expert supervision. Two symposia on intra-African trade, one in Lusaka, Zambia, and one in Nairobi, Kenya, have been organized. Market research has been provided on request to carry out direct market research studies for individual African countries. Resolution 222(X) of the ECA Conference of Ministers requested the Africa Trade Centre to assist African countries in establishing an Association of Trade Promotion Organizations. The establishment of the Association was a major item on the agenda for the Symposium on intra-African trade held at Nairobi in connexion with the First-All-Africa Trade Fair. The Technical Committee at its third meeting in September adopted a draft resolution for the establishment of the Association and the Seventh ECA/OAU Joint meeting urged the Conference of Ministers of ECA to give full support to the creation of the Association and to assist in ensuring that it will become operative by 1973.

External financial and technical co-operation

The ECA secretariat study on international financial and monetary issues, which was presented to the Sixth ECA/OAU Joint meeting on trade and development, the second regular meeting of the Association of African Central Banks and the 1971 meeting of the African Group in Washington, and later up-dated and presented to the UNCTAD III, amplifies on issues under this heading. This assisted African countries in drafting their common positions submitted to the

Ministerial Meeting of the Group of 77 in Lima and to the Third Session of UNCTAD in Santiago. Results can already be seen: the UNDP Governing Council has decided to increase the Indicative Planning Figures for some African countries and the Development Assistance Committee of OECD in their meeting in October this year has decided on softer terms and conditions for the official development assistance going in particular to least developed countries.

The work of the secretariat in this field is guided by the Association of African Central Banks and its sub-regional committees. The third meeting of the Association will take place in 1973. The ECA secretariat is carrying out the technical work that is required for that meeting. A practical Central Bank's training course under the auspices of the Association is starting next week in Tunisia. It will discuss, among other questions, monetary issues in so far as they affect African trade and development.

Mobilization of domestic resources

The Strategy distinguishes basically between two main areas for domestic resource mobilization: through fiscal policies and by means of various financial institutions. It considered this part of the strategy so important that, in the Annex to the Strategy, it recommended the establishment of a Fiscal and Financial Advisory service within the secretariat of the Economic Commission for Africa.

Special attention has been paid to the development of effective fiscal policy measures, including budget-plan harmonization, and improved legislation for, and organization of, financial institutions. Advisory missions on tax systems, budgetary management problems and the role of financial institutions in mobilizing rural incomes have been carried out in seven countries. Studies on programme budgeting as an aid in budget-plan harmonization, and on progress reporting and evaluation of development budgets have been completed. A practical training course in budget-plan harmonization was organized in 1971. From 1972 onwards emphasis has been shifted to national courses. One national course was held in 1972 and five are planned for 1973.

Industry

In accordance with resolution 218(X) adopted by the Conference of Ministers on African strategy for development in the 1970s, the following activities were carried out and/or initiated in the field of industry.

Industrial harmonization

A review of African industrial policies and appraisal of growth trends and structure features of the manufacturing sector, including capital and operating costs, in African countries is being undertaken by ECA in co-operation with UNIDO.

ECA and OAU are undertaking a study of the pre-investment programming and institutional requirements for promoting multinational industrial projects.

With a view to establishing a formula and determining the allocation of specific industries and sharing of benefits on a multinational basis, ECA has also initiated a study aimed at:

- examining current policies, problems, experiences and financing for implementing multinational industries;
- identifying the types of multinational enterprises, with reference to ownership, management and other factors;
- specifying the methodology for defining equitable distribution of net benefits;
- analysing the effect of alternative operational policies;
- laying down criteria for appraising the distribution of benefits.

Investment and Incentive

With a view to defining the role of domestic and foreign investment, assessing the benefits and costs of private foreign investment and laying down certain general principles for foreign investment, ECA has initiated a study aimed at:

- reviewing selectively the country experiences and policies in respect of foreign investment and governmental instruments and machinery for promoting investments;
- examining African industrialization priorities and foreign investment in the 1970s;
- determining the factors for distribution of gains between the host country and investor;
- formulating guidelines for appraising investment proposals and implementation policies.

A study to develop guidelines for successful entry into the African economy by foreign investors during the 1970s is also being undertaken by ECA.

A study on the social cost-benefit analysis of foreign investment projects in developing countries is completed.

Investment promotion

The slow rate of progress in project implementation has been attributed to difficulties in locating the right type of investors, and in promoting enterprises. In order to assist African Governments in overcoming the handicaps of reaching the right kind of investors, ECA has brought out a Directory of investment promotion contacts for African industrialization for the reference of African Governments.

To assist in assessing potential, ECA is continuing its service for project identification and preparation of pre-feasibility descriptions on specific industrial opportunities for the attention of the Governments and investors. These are chosen for promotion through foreign investment if so requested by the Governments.

Industrial promotion meetings are also organized, annually, in co-operation with UNIDO and ADB for publicizing African industrial proposals for investment attention.

ECA is also examining the feasibility of a Special Purposes Fund for pre-investment programming and investment follow-up.

ECA has brought out a Register of new and planned industrial projects in selected African countries for the guidance of potential investors.

With a view to assisting African countries in the establishment of efficient industrial promotion machinery, ECA has brought out operational Guidelines for the Development of Investment Promotion Institutions.

As a further aid to developing institutional machinery for industrial development, ECA and UNIDO organized jointly, in November 1972, a seminar on Industrial Information. This seminar was useful in identifying the problems of industrial development arising from the lack of industrial intelligence, and in outlining proposals for the development of industrial information machinery for accelerating industrialization.

ECA will shortly bring out a periodical Investment Promotion Newsletter in order to draw attention to the investment climate in Africa, projects under establishment, and new industrial opportunities for investment.

Training and Development Skills

In recognition of the importance of the role of modern concepts and methods of industrial administration and management, ECA organized a Workshop for industrial administrators from English-speaking African countries in co-operation with UNIDO in October 1972. In this connexion, a manual is being brought out for the guidance of African industrial administrators. The need for intensified efforts for training African personnel in specific industrial disciplines was stressed at the Workshop and some proposals for UNIDO action have been made.

ECA has also formulated proposals for the establishment of an African Institute for Management Development under UNDP financing.

In order to minimize reliance on expatriate personnel, the question of surveying the availability of African skilled personnel and compiling a Register for the use of African authorities for purposes of the utilization of the services of such personnel is under consideration.

UNIDO is assisting ECA in an appraisal of training programmes and projects, and of training guidelines for action.

Transfer of Technology

The need for making arrangements for the transfer of technology through production techniques, research, and the acquisition of know-how through licensing arrangements has been stressed. In this connexion, ECA is undertaking a study through UNCTAD on the principles and criteria governing the acquisition and adaptation of technology.

Problems of least developed countries

With a view to identifying the problems peculiar to African countries and to evolving measures to solve them, ECA is co-operating with UNIDO in organizing a regional seminar on UNIDO operations in the least developed countries in Africa. This will be held in Addis Ababa in January/February 1973.

Agro-allied industries

Following the emphasis placed on the development of agro-allied industries and industries providing inputs for agriculture, the establishment of a joint ECA/FAO Agriculture Industry Advisory Group has been proposed for UNDP assistance.

ECA is also undertaking an appraisal of rural industrialization case studies for making action proposals for the integration of national markets.

Export industries

At the request of ECA, UNCTAD is undertaking the preparation of papers on the promotion of export industries and the special assistance required for developing export capabilities.

Small-scale industries

Development of small-scale industries based on innovative technology and the use of local raw materials has been emphasized as a key element of the strategy linking industry and agriculture. A number of small-scale industrial possibilities have been identified and the formulation of brief project descriptions for the guidance of entrepreneurs is being programmed.

A supplement to the 1969 ECA Directory of Sources of supply of Small-scale Machinery incorporating information regarding UK is being brought out by ECA. This work was undertaken by the Intermediate Technology Development Group of UK for ECA.

ECA is enlisting the co-operation of Japanese industry for bringing out a floating exhibition of machinery and equipment to various African ports for stimulating entrepreneurial interest as a means of providing technical assistance to the small-scale sector, co-operation between ECA and the Small Business Promotion Corporation of Japan in the field of information exchange is being organized.

ECA is also assisting in the establishment/strengthening of the country institutional facilities and services for the development of the small-scale sector. This includes:

- the formation of the Association of Ethiopian Entrepreneurs for mobilizing entrepreneurial interest;
- the establishment of a Consumer's Co-operative Society in Ethiopia to provide training facilities for the development of entrepreneurs;
- the establishment of Opportunities Industrialization Centres in Ethiopia, Kenya, Nigeria and Ghana for training school drop-outs in saleable skills;
- proposal for the establishment of a sub-regional institute in OCAE countries for the industrial training of extension workers and managerial staff;
- establishment of a Technical Consultant Centre in Kumasi, Ghana for providing technical support and consultancy services;
- establishment of a manufacturing unit for hospital equipment in Nigeria.

As the Second Development Plan gets implemented new facts and experiences begin to emerge and attract the consideration of member States of the United Nations and the UN system as a whole. The limitations of economic analysis are beginning to be realized and the fact that some of the major determinants of material progress cannot be readily analysed with the tools of economic theory is increasingly being accepted. Some of these are personal and group attitudes, aptitudes, social institutions, external contacts and political arrangements. In Africa, we need to place a special emphasis on the creation of a community of production and productivity-minded farmers, workers, and managers, as well as an efficient bureaucracy. Our major activities should have as their guiding principles saving investment and the promotion of capital-generating ventures. These realizations point more and more to the fact that a common yardstick for measuring economic progress needs to be applied with great caution. In Africa, we have not reached a point of capital accumulation which brings us in sight of Rostov's concept of a take-off. Our generation, in addition to all other efforts, has to give special attention to pre-industrial rather than industrial plans and preparation rather than cumulative achievement.

For these reasons, we apply the targets to Africa not purely in a quantitative sense but in terms of some of the activities I have mentioned under the headings of agriculture, industry, trade, and mobilization of external and domestic resources.