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INTERNATIONAL CONFERENCE ON AFRICA: THE
CHALLENGE OF ECONOMIC RECOVERY AND
ACCELERATED DEVELOPMENT

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ABUJA STATEMENT ON ECONOMIC RECOVERY
AND LONG-TERM DEVELOPMENT IN AFRICA

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1. An International Conference on Africa: The Challenge of Economic Recovery and Accelerated Development was convened in Abuja, the new Federal capital of Nigeria from 15 to 19 June 1987 for the purpose of making an in-depth review of Africa's recovery process and prospects for long-term development.

2. Such a review and assessment is both crucial and timely, taking into account the time that has elapsed since the adoption of Africa's Priority Programme for Economic Recovery 1986-1990 (APPER) and the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 (UN-PAAERD) in 1985 and 1986 respectively. The Conference was also deemed timely in view of the continuing gravity of the economic situation facing Africa, in spite of the efforts in the implementation of these programmes. It has accordingly become necessary to undertake a critical assessment of actions that have so far been taken by Africa and the international community in their implementation with a view to identifying what progress has been made and the constraints that are impeding Africa's economic recovery and long-term development. This Statement reflects the conclusions and recommendations which have emerged from this review and assessment. It draw attention to the emerging trends, opportunities and constraints and put forward concrete and practical proposals for generating sustained recovery and growth and bringing about structural transformation of the African economies.

3. Over 200 African and world experts and scholars, government officials and policy-makers from 36 countries, and from the UN system and inter-governmental and non-governmental organizations participated. To assist the Conference in its task, several of issue- and policy-oriented papers and studies were submitted as background documentation. The diversity and very high level of participation provided a unique opportunity for a balanced exchange of ideas and reasoned recommendations. The Conference is, therefore, appreciative of the initiative and effort by the Executive Secretary
of the Economic Commission for Africa in organizing this important Conference. The Conference is also appreciative of the co-sponsorship by the Federal Republic of Nigeria and the co-operation of the Organization of African Unity and the African Development Bank.

4. The Conference was particularly honoured that H.E. Major General Ibrahim Babangida, President of the Federal Republic of Nigeria and Commander-in-Chief of the Armed Forces and H.E. M. Colonel Denis Sassou Nguesso, President of the People's Republic of Congo and current Chairman of the Organization of African Unity, personally addressed the Conference. The Conference was greatly encouraged by the message of the Secretary-General, H.E. Javier Perez de Cuellar. The Conference welcomed the Statement delivered by H.E. Madame Monique Landry, Minister of External Relations of Canada, reflecting Canada's interest in and support for Africa's recovery and development.

5. The Conference proceedings were conducted in seven Plenary Sessions and several Group Discussions. While detailed proceedings will be published in due course, this Statement brings out the highlights of the issues, conclusions and recommendations for action. The Conference hopes that African governments and peoples and the international community will take prompt and appropriate actions to implement the recommendations.

A. OVERALL ASSESSMENT OF THE SITUATION

Progress, Problems and Prospects in the recovery process

6. The review of the progress made in the implementation of APPER and UN-PAAERD was at three levels: actions taken by African governments; actions taken by African regional and subregional organizations and institutions; and, actions taken by the international community. The conference noted that the measures undertaken so far by African governments included, among others, higher public investment in the agricultural sector, reduction in public expenditure, reduction of subsidies and transfers, greater incentives to farmers, and domestic manufacturing, restructuring
of public administration, reform of public enterprises, squeezing of public sector wages and reform of the exchange system. These measures have so far yielded some positive results in a number of countries particularly in improved agricultural production and in the rationalization and better utilization of resources. More than anything else, these measures have demonstrated the limitations and constraints that need to be removed if the process of recovery is to gain any momentum on a sustainable basis.

7. The collapse of international commodity prices has drastically reduced the actual and potential earnings from increased volume of commodity exports; the expected inflow in the level of resources to support the recovery process has not been forthcoming to the extent that they can have an adequate impact on the situation; and additional external debt-service burdens have put serious limits on what can be mobilized to promote domestic reconstruction and development as envisaged in APPER and UN-PAAERD. The net effects of these are the aggravation of balance of payments problems and the dire need for external resources thus forcing many countries to implement structural adjustments programmes aimed at correcting financial current imbalances. To date, 28 African countries are implementing such measures.

8. In many countries, the period of the adjustment programme has been too short to allow for a realistic evaluation; and, in any case, there is hardly any country that has been able to mobilise adequate resources to support its adjustment programme. What has become evident, however, is that unless structural adjustment programmes are closely related to the wider objectives of APPER and UN-PAAERD, and unless more substantial resources can be mobilised to support the programmes, there is great danger that the process will have negative impact on growth, living standard, employment, social development and political stability.

9. The Conference was gratified to learn that subregional concerted approaches to the promotion of the recovery process have begun to emerge. For example, the Authority of Heads of State and
Government of the Economic Community of West African States (ECOWAS) has pledged individual and collective support to initiate West Africa-wide recovery process through a joint plan of action which would be launched on 8th July 1987. Such a programme would concentrate inter alia on subregional food security, control of drought and desertification and water resources development and management.

10. Similar efforts have been taken in other subregions, particularly in Southern Africa under the auspices of the Southern African Development Coordination Conference (SADCC) where concerted efforts, particularly designed to counteract the destabilizing policies of South Africa have preceded both APPER and UNPAAERD. These concerted efforts focus especially on strengthening the subregion's alternate transport and communications structure, development of food security, strengthening of the subregion's capacity, securing social and economic infrastructure, reducing the subregion's dependence on South Africa, and promotion of cooperation in the field of trade, industry and energy.

11. The Conference also noted with satisfaction the substantial increase in the authorized capital of the African Development Bank (ADB) which will be available to finance projects in response to priorities of APPER and UN-PAAERD. The Conference also welcomed the growing role of ECA and OAU in promoting the objective and monitoring the implementation of APPER and UN-PAAERD.

Africa and the International Community

12. While it is generally agreed that much of the effort and resources required for implementing the recovery programmes and bringing about long-term development in the region will have to come from African countries themselves, the Conference recalls that the contribution of the international community had been underscored as being critical during the 13th Special Session of the United Nations General Assembly on the critical economic situation in Africa. African countries had estimated their external
financial needs for the recovery programmes at $45.6 billion for the five year period and their external debts servicing requirements conservatively estimated at $14.6 billion annually; thus bringing the average annual external resource requirement under the UN-PAAERD to between $24 billion and $34 billion on the assumption that commodity prices remained at the 1985 level. While it did not commit itself to these figures, the international community did undertake to make every effort to provide sufficient resources to support and supplement Africa's development effort and agreed that measures have to be taken to alleviate Africa's debt burden.

13. The Conference noted with satisfaction that a number of positive steps have been taken since last year. These include: (i) the replenishment of IDA resources to the tune of $12.4 billion and the decision to allocate 45 per cent thereof to Sub-Saharan Africa; (ii) the increase in the level of the grant element in Official Development Assistance by some developed countries to the hard-pressed low income African countries; (iii) the cancellation of ODA debts by some donor countries in favour of some least developed African countries. The Conference also welcomed the recent decision of the 13th Summit meeting of the seven most industrialized market economies of the West that consideration should be given by the Paris Club to the possibility of applying lower interest rates to the existing debts of African countries that are undertaking adjustment efforts and that agreement should be reached on longer repayment and grace periods to ease the debt burden. It also endorsed the proposal submitted by the Managing Director of International Monetary Fund to the Summit for a significant increase in the resources of the structural adjustment facility over a period of three years beginning January 1, 1988.

14. While the Conference would wish to express its appreciation for these efforts, there is some concern that they may not be adequate to meet the external resource needs of Africa for its recovery programme particularly in the face of the dramatic fall in commodity prices and the escalation of debt burden obligations. The Conference is also of the view that the approach so far to
the African external resource needs is rather **ad hoc** and partial in nature and therefore likely to have limited impact. What is required is a comprehensive approach to the debt problem and aid flows which provide the financial resources required for economic recovery and development in Africa.

15. Delegates noted the continuing trend of declining primary commodity prices including oil. They also noted the grim prospects for future commodity prices which is going to increase the already substantial need for resource for African countries. In view of the sizable magnitude of the resource needs of these countries, however, they called on the industrial countries to make special efforts to increase the flow of capital and concessional aid, remove protectionist barriers and structural rigidities in their economies and create an international environment conducive to growth-oriented structural adjustment and increased trade.

16. The Conference stressed the importance of south-south co-operation in Africa's economic recovery and long-term development. Such co-operation is particularly essential in bringing about the structural changes required for self-reliance and self-sustained development. The main areas outlined include the building up of appropriate technological capabilities through technical assistance, interregional trade among developing countries and human resource development.

17. In view of the foregoing analysis, the Conference came to the conclusion that the prospects for recovery depend on the concentration of efforts on such issues as (i) sustainance of domestic policy reforms; (ii) continuation of the efforts to improve economic management; (iii) ensuring that Structural Adjustment Programmes are consistent with the objectives and priorities of the recovery programmes; (iv) the amelioration of the debt burden; (v) the intensification of the search for the solution to the Commodities problems; (vi) the constraints on achieving fully adequate levels of Official Development Assistance; and, (vii) the impact of acts of political and economic destabilization on the recovery of the countries of Southern Africa. Accordingly
the Conference devoted considerable part of its time to an indepth study of these issues in four group discussion encounters. The recommendations contained in the latter part of this Statement have derived from these detailed group discussions and analysis.

**Long-term development prospects**

18. The second part of the Conference was devoted to reviewing Africa's prospects for long term development in the light of the experience of the past seven years since the adoption of the Lagos Plan of Action and the Final Act of Lagos in April 1980. The Conference undertook this review in the light of the historical, socio-cultural and political situation of Africa as well as the scientific and technological perspectives. It came to the conclusion that Africa's long-term development must be based on a fundamental structural change which will not happen by itself and which therefore has to be engineered by the Africans themselves as envisaged in the Lagos Plan of Action. In accordance with APPER, the food and agricultural sector should constitute the base for structural change with the African countries gradually reducing the importance and significance to their national economies of exports of primary commodities while increasing the role of domestic and intra-African production relationships until the latter becomes more dominant and the former more marginal.

19. In order to achieve such a structural change, Africa must take measures to overcome its scientific and technological backwardness. However, the Conference believed that structural changes at the political and cultural levels will also have to be engineered. In a situation where rapid changes are taking place in the geopolitical and technological world order, Africa will have to contend with the pace, content and turbulences of global structural shifts. The continent must also gear itself to respond to the long-term demand prospects for its primary commodities and endeavour over time to move out of the present structure of export-oriented primary commodity system. However, the continent's ultimate future has to remain firmly rooted in its own uniquenesses and
diversities: in its cultures, in its peoples and in its natural resources. An improvement in the capacity to respond to these changes must therefore be an essential component in Africa's long-term development strategies.

20. Africa's history and recent experiences confirm that the future prospects of the continent will not hinge simply on issues of economic growth and financial flows. It will require a refocusing of the African ethos and a regathering of all African forces. Africa, as an entity in the world, will have to derive its strength from its internal socio-cultural authenticity, territorial and political cohesion and economic viability based mainly on endogenous forces.

21. New political perspectives are also imperative for setting into motion the process of African progress. A viable development strategy for Africa should be predicated on a comprehensive programme of social transformation which requires vision, resolve and commitment on the part of the African leadership. The democratisation of the African society and increased accountability of those entrusted with power are vital for the mobilization of greater popular participation. For such necessities to become realities African political perspectives vis-à-vis external political and economic interests will also have to be sharpened to become more decisive and enlightened so that the African destiny is assured to be in the hands of the African people.

22. Overcoming scientific and technological underdevelopment will be one of the critical preconditions to Africa's economic maturity in the coming twenty-first century. To achieve this task, Africa will have to depend less on technology transfers that only deepens its dependency. It must, instead, make consistent effort to develop, acquire, adapt and internalize such technologies and scientific knowledge that will enable it to make full and effective use of its resource endowments and in relation to its needs. Two areas that will have to be focussed on include the enhancement of African
research and innovation and their institutionalisation in the fabric of society and the development and fuller utilisation of African scientific and technical skills.

23 Given the present political and economic fragmentation of the continent it will be difficult if not impossible for Africa to realise its vision without collective self-reliance, economic cooperation and integration. Although the process of cooperation in Africa has been going on for sometime, it will require strengthening and rationalisation. Efforts at African integration can bear fruits only if African countries honour faithfully their commitments to integrate their economies particularly through productive activities. It is only in this way that the objective of an African Economic Community can be achieved.
B. CONCLUSIONS AND RECOMMENDATIONS

24. In the light of the foregoing analysis, the following conclusions and recommendations are proposed for the most careful consideration of African countries and the international community.

25. Measures for accelerating the recovery process

(i) Sustaining domestic policy reforms and improvement in economic management: African countries must continue to pursue structural policy reform measures taking into account the need to minimize the adverse social impact of such measures and to take into account the human dimension of adjustment; ensure that budgetary cuts do not affect the development of social infrastructure, particularly health and education services; and, put greater emphasis on the rationalisation of government institutions with a view to ensuring effective and efficient contribution of the public sector to the recovery process. In the light of the recommendation of the Niamey Symposium on Grass Roots Development, African Governments must create favorable conditions for decentralization of decision making, and for delegation of authority and responsibility for increased access to resources so as to broaden the participation of all groups of the population in the recovery process.

(ii) Structural adjustment programmes and the recovery process: African countries must sustain and accelerate the process of economic recovery by increasing the level of investment in agriculture, developing rural transportation with greater emphasis on low-cost transport equipment and promoting agro-allied industries. They must ensure that structural adjustment programmes are consistent with the requirements for recovery and growth. They are urged to undertake, with the assistance of African regional institutions, concerted efforts to exchange information on their negotiation with international financial organizations and donors on policy reform measures and structural adjustment programmes. They must also take appropriate measures for controlling capital flight and brain drain from Africa.
(iii) The ECA Secretariat should constantly monitor, through in-depth studies, the impact of Structural Adjustment Programmes on medium- and long-term development.

(iv) At the sub-regional level, collective approaches to recovery and development within the framework of the existing sub-regional economic communities, should continue to be devised and vigorously implemented.

**Debt and debt service payments**

26. In view of the severity of the debt-servicing problem in many countries in Africa and its dire implications for recovery and development prospects, new efforts will be needed to deal with this problem, particularly as low income countries are concerned. These efforts should include:

(i) lowering interest-rates on existing debts, which, in rescheduling agreements, could be critical in some cases; longer repayments and grace periods to ease the debt-service burden as agreed at the recent Venice Summit should be pursued;

(ii) conversion of bilateral ODA debt and interest obligations for low-income countries undertaking structural adjustment programmes into grants, where this has not already been accomplished;

(iii) re-payment of debt in local currency could be considered.

(iv) conversion of debt and debt-servicing obligations into investment portfolios and equity.

**Development Assistance**

27. In addition, there is an urgent need for increased aid flows which will provide the resources required for recovery and development. In this connection, the Conference welcomes the recent initiative of the United Nations Secretary-General to establish a high-level Advisory Group on Resource Flows to Africa which will make practical recommendations to ease the debt-burden and increase
resource flows to the continent. The Conference also welcomes the new initiatives by some major bilateral donors to increase resource flows to Africa. African governments and institutions and other development programmes should offer to assist these countries establish and expand their activities in Africa. In addition to all these, the Conference is putting forward the following policy options for serious consideration:

1. Further increase of bilateral aid and more effective use of these flows for recovery and development;

2. A significant increase in additional concessional resources through multilateral institutions. In this regard proposals or agreement to triple the Structural Adjustment Facility and replenish IDA and the African Development Fund at higher levels and allocate substantial parts thereof to Africa deserve special support;

3. Consider the possibility of the issuance of new SDR's in relation to development needs;

4. With the assistance of ECA, ADB and African Centre for Monetary Studies, consideration should be given to the possibility of setting up an African consultative machinery to enable member States to exchange information and harmonize their positions for the meetings with creditors in the Paris and London Clubs.

3. Commodities, trade and price stabilization

29. Within the overall context of Africa's recovery and accelerated growth the Conference arrived at the following conclusions: (a) intra-African trade offers substantial opportunities for trade expansion, and increased production; thus one way of reducing the vulnerability of the economies is to intensify efforts towards subregional and regional co-operation in trade including trade in commodities; (b) existing initiatives in international co-operation in commodities need to be continued and strengthened, especially as regards the operation of the common fund; (c) there is a link between commodity, price level,
external debt and the need for international resource flows; and, (d) over the past ten years there have been marked rigidities in the trade policies of industrialized countries towards Africa especially with regard to trade in processed or semi-processed commodities; a trend which has proved detrimental to Africa's efforts to shift away from commodity dependence. In the light of these conclusions, the following proposals were addressed to specific target groups, namely, the African governments, the international community and international institutions.

(a) **African Governments** should:

(i) initiate supply rationalization measures so as to bring production and supply of their commodities in line with long-term demand trends; to this end governments should take steps to promote new domestic and export demand for their primary commodities through increased market research, development measures and improved market information systems;

(ii) diversify efforts while avoiding repeating costly mistakes or creating new surplus situations; the diversification should include the use of locally available raw materials for production instead of relying on imported ones;

(iii) examine the prospects for the increased use of counter-trade as a measure to promote intra-African trade expansion including trade in primary commodities without having to use scarce external currencies.

(b) **The International Community** should:

(i) ensure that the Uruguay Round of negotiations enables the granting of more liberal access to industrial country markets of African exports, including tropical products. The possibility of a more rational system of world agricultural trade in the 1990s should be encouraged;

(ii) continue to discuss especially at the forthcoming UNCTAD Conference the problem of commodity price changes, seeking measures to deal with
the problem of reduced income as African countries undertake long-
term structural adjustment;

(iii) give further consideration to expanding donor participation in Stabex
schemes to include other OECD donor countries;

(c) International organizations and institutions should bear in mind, where
structural adjustment and other programmes undertaken under the auspices of
the multilateral financial institutions are targeted to achieve external balance,
that the reference prices on which the programmes are based are, themselves,
subject to short-term distortions; therefore, less rigidity in the price
assumptions is necessary. The Conference urges full discussion of issues related
to commodities, trade and the special problem of least developed countries at
the forthcoming UNCTAD Conference

Political and economic destabilization and the consequences for economic
recovery and development

30. The conference recognized that peace, security and stability are necessary
pre-conditions for Africa's economic development. Recovery and economic
development efforts in the countries of the Southern African region members
of the Southern African Development Co-operation Conference have been and continue
to be frustrated by the racist regime of South Africa's continued policies of
aggression and political and economic destabilization. To achieve peace,
stability and security in this region, the conference recommends the following:

(i) continuation of the campaign to ensure divestment by all transnational
corporations in South Africa;

(ii) full implementation by African countries of the measures identified
in APPER in support of the national liberation movements and the SADCC
countries;

(iii) support to the efforts of SADC countries to strengthen co-operation
among themselves and reduce their dependence on South Africa
particularly through maximum support to the SADCC Programme of Action
and its plans for alternative transport and communications routes,
food security and manpower development;
(iv) increased assistance by the international community to the SADCC countries to allow them to implement their recovery programmes and cover the cost of aggression and destabilization policies of South Africa which were estimated to have cost the region over US$ 2 billion annually;

(v) urge the international and regional development and financial institutions to increase their co-operation with and assistance to SADCC countries.

As a result of the continuous aggression by the South African regime and its support of destabilization activities in Mozambique and the current drought affecting large areas in that country, Mozambique is facing a serious economic emergency. Thousands of people are facing severe famine. The conference urges more urgent humanitarian relief, specially food aid and shelter as well as assistance in removing the fundamental cause of instability.

31. **Prospects for long-term development**

As far as the prospects for accelerated and long-term development are concerned, the general conclusion of the Conference is that Africa needs a new approach to its political economy. This should involve more coherent and more clearly thought out principles to guide its development process and to provide a framework for more efficient resource mobilization. In this context, recovery must also mean economic reconstruction for long-term development which, in turn, calls for new forms of social organization and economic management and the bridging of economic and social disparities.

The Conference therefore decided to put forward the following recommendations to African countries:

(i) The internalization of the productive forces and the growth impetus, as well as increased and effective self-reliance and co-operation on a regional basis;

(ii) Intensification of popular participation in the economic development process and the promotion of social justice and distributive equity;
(iii) Recognition of the fundamental role of women in the development process.

(iv) Development and enhancement of African research and the encouragement of the process of technological and scientific innovation and adaptation; and

(v) Ensure consistency of the development process and environmental sustainability;

(vi) Greater reliance on African technical and scientific skills and entrepreneurship; and,

(vii) The political, social, administrative and cultural dimensions that are conducive to long-term development must be created to ensure the success and sustainability of the development process.

32. Economic co-operation in Africa and between Africa and the international community

In order to reverse the disappointing experience with economic integration and to ensure that the process of integration contributes more effectively to economic development and structural change, African countries should embark on a comprehensive approach to economic integration involving and (i) the rationalization of existing co-operation organs in each subregion, and their effective mobilization for co-ordinated planning and development at the subregional level (ii) the pursuit of measures for the close co-ordination of economic and social policies at the subregional level as well as for the joint planning and development of community projects in the key economic sectors.

The current effort to harmonise the activities of the multinational institutions established under the eagis of the O.A.U. and E.C.A. should be accelerated with a view to ensuring that their institutions act in support of the comprehensive approach to economic co-operation and integration.

The comprehensive approach to economic co-operation should be accompanied by new efforts to promote closer collaboration with other developing regions,
in particular the Newly Industrialising Countries (NICs) which are now in a position to provide African countries with an effective programme of technical co-operation in support of sectoral planning at the sub-regional level in the key economic sectors.

Realizing that, in the final analysis, the pursuit of self-reliant and self-sustaining development on the continent would demand a new pattern of economic relationship with the developed countries involving new trade structures and new efforts to promote foreign investment in Africa, African countries should devise appropriate mechanisms for promoting collaboration between the different productive sectors in Africa and those in the developed countries.

Follow-up actions

The Conference would be most grateful to the President of the Federal Republic of Nigeria and the Chairman of the Organization of African Unity for bringing the recommendations of this Abuja Statement at all forthcoming appropriate major international forums. The Conference particularly referred to the forthcoming 23rd Assembly of Heads of State and Government of the Organization of African Unity, as well as the Summit of Francophone countries, the Commonwealth Conference and the 14th Summit of the seven most industrialized countries, that are scheduled to be held in Canada. The Conference also requests the Secretary-General of the United Nations to bring the document to the attention of the 42nd session of the General Assembly.

The Executive Secretary of ECA should follow-up on the implementation of the above recommendations taking into account the consideration that would be given to them by the above main international forums. One of the major challenges that faces Africa is how to sustain international public interest on Africa's long-term development through continuous and effective communication that will reach all levels of society. This is a challenge that faces the governments of Africa as much as it faces the United Nations in general and its regional arm, the ECA, in particular. It is therefore imperative that it should be addressed in a comprehensive manner. In this connection, the ECA can, with necessary financial support, play a catalytic role.
Vote of thanks

In conclusion, the Conference wishes to reiterate its appreciation for the generous hospitality of the Nigerian Government and people in providing the necessary facilities for the meeting. Its deliberations and conclusions were particularly enlightened by the inspiring addresses of the President of the Federal Republic of Nigeria, the President of the People's Republic of Congo and current Chairman of the OAU, and by the enriching message of the Secretary General of the United Nations.

Done at Abuja, Federal Republic of Nigeria.
This 19th day of June 1987