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PROVISIONAL SUMMARY RECORD OF THE ONE HUNDRED AND TWENTY-EIGHTH MEETING

held at the National Hall, Lagos,
on Monday, 13 February 1967, at 3 p.m.

Acting Chairman:	Mr. MBOYA (Kenya)
Chairman:	Mr. AYIDA (Nigeria)
Secretary:	Mr. SYLLA

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Participants wishing to have corrections made to this provisional summary record are requested to write them on two copies of the record and to send the corrected copies to the Office of the Secretary of the Commission (Mr. A. SYLLA) as soon as possible. If necessary, the corrected copies may be sent by post to the Office of the Secretary of the Commission, Economic Commission for Africa (P. O. Box 3001, Addis Ababa, Ethiopia), after the session, to arrive not later than 30 April 1967.

been shared with other countries. Wider co-operation was needed in the production and marketing of foodstuffs grown for local consumption. Only with adequate food supplies could African Governments make headway with their development efforts and maintain political and social stability.

The Commission could promote joint efforts in development research by creating institutions for translating and adapting the results of research. Individual countries could not themselves surmount the difficulties involved in applying science and technology to development.

In many parts of Africa closer economic co-operation was impeded by political, historical or language difficulties. Industrial integration, for instance, was complicated by economic relations with advanced countries, especially those maintaining close economic links with their former territories in Africa. Some of those countries viewed African industrialization as a potential threat to their long-term economic interests, whereas, in fact, the developing countries would become better trading partners as their economies grew stronger and required more capital goods. The Commission could help to correct such misconceptions.

African countries should, however, try to derive maximum advantage from the development already achieved. Some African products could compete with similar goods imported from outside Africa. A decision at the current session that no member of ECA should impose higher tariffs on goods from an African country than on similar goods from non-African countries would represent a significant step forward. The ECA countries could then go on to a progressive lowering of trade barriers among themselves.

Nigeria would not fail in its obligations as an African State, but, like all young nations, it would need the patience and understanding of other countries. It had learnt that, irrespective of political, tribal or religious differences, common economic interests strongly reinforced the bonds between peoples. The countries should concentrate

OPENING OF THE SESSION (Item 1 of the revised provisional agenda)

The ACTING CHAIRMAN declared open the eighth session of the Commission and invited Lieutenant-Colonel YAKUBU GOWON, Head of the Federal Military Government of Nigeria, to address the meeting.

Lieutenant-Colonel YAKUBU GOWON (Head of the Federal Military Government of Nigeria) welcoming delegations to the session, said that the modest scale of the Nigerian Government's hospitality for the session did not detract from the warmth of its welcome. By foregoing over-lavish hospitality, it wished to set an example in prudent living for the Nigerian people. He felt that some African Governments and African people were too extravagant in their public and private expenditure and should save more for the development of their economies.

The Commission had entered the second phase of its role in promoting development and was tackling the practical problems of economic co-operation. Many member States were taking steps to provide an infrastructure for such co-operation. Nigeria had recently established high frequency radio links with nearly twenty African countries, and was improving its waterway and road links with its neighbours. The Commission should concentrate on helping member countries to improve communications with each other. Better air travel facilities across the continent were urgently needed. The Commission and OAU must continue to co-operate and give leadership in that field.

Before they could establish basic industries, African countries would have to form permanent associations to provide larger markets and a wider production base. Many ECA countries had co-operated to a limited extent in agricultural export marketing and production research. Nigeria was co-operating fully with other African cocoa and groundnut producers and the results of its oil palm research had on the unifying factors in Africa and mount a concerted attack on their common problems of economic backwardness, poverty, illiteracy and primitive technology. All African countries should regard themselves as truly equal partners in a joint development effort and no country should try to dominate its partners.

Nigeria recognized that the future of Africa lay in true economic co-operation and political understanding among the member States and would continue to play an effective role in African affairs. It fully supported ECA's current efforts to establish inter-governmental co-operation in West Africa and appealed to the industrialized countries for their co-operation. Nigeria would continue to improve its communications with other African States in accordance with the programme of work proposed for adoption by the Commission at the present session. The Government and people of Nigeria would make their full contribution to ECA's activities. He was confident that the work of the present session would be fruitful.

The ACTING CHAIRMAN, on behalf of the participants, thanked Lieutenant-Colonel YAKUBU GOWON for sparing time, amid his heavy duties of State, to inaugurate the session and for his wise and practical suggestions. He expressed his faith in Nigeria's eminent role in Africa's future and stressed the interdependence of all African States.

Mr. de SEYNES (Under-Secretary for Economic and Social Affairs, United Nations) read out the following message from the Secretary-General of the United Nations:

"The opening of the eighth session of the Economic Commission for Africa, which is being held in Lagos thanks to the generous hospitality of the Government of Nigeria, reminds us afresh of the crucial importance which the United Nations attaches to the building of peace through economic and social development of the developing countries. In pursuing this objective, the urgency of which has in no way diminished, the United Nations as a whole draws constant benefit from the African experience and the Commission in turn cannot but benefit from the progress the United Nations is able to make at the international level.

"Thus the decisions of the General Assembly, taken since your last session, to merge the Special Fund and the Expanded Programme of Technical Assistance into the United Nations Development Programme and to establish the United Nations Industrial Development Organization will, I am convinced, have a definite impact on the development efforts of the African continent. Conversely, the United Nations as a whole will certainly be strengthened by the closer co-operation with the Organization of African Unity, formalized by the Agreement which its Administrative Secretary-General and I signed last year.

"The Commission, a vital part of the United Nations, has always recognized that the fate of Africa is inextricably linked with that of the world as a whole. The developing countries cannot grow in isolation from the principal sources of the capital and the technology which they need for their development nor can the more affluent countries remain aloof from the economic and social conditions reigning in the developing countries. The very slow expansion in recent years in the flow of external capital to the developing areas is, I confess, a matter of keen concern to me. How to stimulate that flow and help by other means to accelerate the progress of development in Africa are objectives of the first importance to the United Nations, and in the process of achieving them - and I am quite confident that they will be achieved - the Commission has a key role to play.

"This is the first occasion I have had to address you since the re-election of the Secretary-General. I should like to use this opportunity to reaffirm my deep interest and firm support for your work. May this session mark further progress towards the fulfilment of your aims, further progress in the United Nations' relentless search for enduring peace and prosperity throughout the world!"

<u>Lieutenant-Colonel Yakubu Gowon withdrew</u>.

The ACTING CHAIRMAN said that, during the two years he had been impressed by the difficulties faced by the African countries, the efforts they were making and the opportunities yet to be recognized and exploited. While the task of developing the African continent was ultimately that of the African countries themselves and would, of course, be facilitated by co-operation among them, truly rapid development would also require increased assistance from the advanced countries and some obviously necessary reforms in their aid programmes.

The first six years of the United Nations Development Programme had been a period of disappointment, bordering on failure. During that period, the average income in the developing countries had increased by $220 - $1,800 per annum, while the corresponding increase in the very poor nations had been perhaps $70 - $90 per annum. The objectives of the Decade were still largely unachieved. If the future outlook was based on the existing situation, pessimism was fully warranted.

The net flow of long-term capital from the richer to the poorer countries was not increasing. According to an estimate by the Organization for Economic Co-operation and Development (OECD), the net flow of official assistance (including the cost of technical assistance) had been $9,200 million in 1961, $8,300 million in 1963 and $10,000 million in 1965. The flow of official capital, which better reflected the policies of Governments, had risen only from $6,100 million to $6,400 million during that period. Those figures had not been adjusted for price changes and it was probable that the 1965 flow would not buy more investment goods than that of 1961. During that period, terms of trade had deteriorated, populations had grown and the terms of loans had hardened, thus reducing the value to the developing countries of the flow of capital in 1965, as compared with the flow in 1961.

In terms of the target of 1 per cent of the gross national product of the advanced countries, the net official flow of aid had fallen from 0.60 per cent in 1961 to 9.49 per cent in 1965. The full picture was, in fact, even worse, since the figures reported by OECD did not take account of repayments of principal and other reverse flows of capital, which were continuing to rise at an accelerating rate.

The possibility of a reduction in the flow of capital from the richer countries was occurring at a time when those countries were achieving unprecedented rates of growth, thus making it even more difficult for the poorer countries to narrow the gap.

The shrinkage of foreign capital was already having a number of undesirable effects, such as the continuation, or even the intensification, of spheres of influence, greater selectivity on the part of the countries providing aid on a bilateral basis and increasing competition for the limited funds available. The complexity of aid negotiations, the frustration created by the growing number of refusals and the increasing external supervision, at times bordering on interference in domestic affairs, were also resulting in an ambivalent attitude towards foreign aid among the developing countries.

The outlook was being worsened by the growing hostility to foreign aid in the advanced countries. Although much aid had to be given on a long-term basis to be effective, it was curtailed as a means of alleviating short-term balance of payments difficulties. It might also be cut if recessions threatened, wars were intensified or the political party in power changed. It thus became unstable and could not serve as a basis for planning.

There was little hope for the developing countries unless they initiated a constructive programme of co-operation, which would benefit both rich and poor countries. The funds set aside for foreign aid by the advanced countries represented a small fraction of their expenditure on defence, an expenditure necessitated by an ideological conflict which was essentially irrelevant to the developing countries. Moreover, foreign aid at present included a sizable proportion of military assistance, goods paid for and loans repaid by the recipient countries in their own currency, and capital subscribed to multilateral organizations.

The inclusion of the principal of loans in the flow of development capital created a false impression of total aid. Such aid could be more realistically measured by calculating the proportion of the principal that would have had to be obtained as a grant if the recipient country had borrowed in the capital market. On that basis, only 20 per cent of the amounts loaned in 1965 would qualify as grants, as compared with 29 per cent in the preceding year, indicating that terms had hardened substantially.

The primary aim of technical assistance and the provision of development capital, that of raising per capita incomes, could be achieved only by increasing the ratio of capital and skilled manpower to unskilled labour. In that regard, the developing countries needed to slow down the rate of population growth since emigration offered little hope of a solution in view of the fact that advanced countries generally admitted only relatively well-trained and educated immigrants. The flow of investment capital from the advanced countries was also impeded by the restrictions they imposed on imports of goods from the poorer countries. Yet the flow of such capital would benefit the advanced countries themselves, since capital goods were largely purchased from them and their consumer goods would find bigger markets as the developing countries prospered.

The Marshall Plan had involved a capital flow of nearly $14,000 million in three years from one country, 80 per cent of it in outright grants. The rich nations, which had since greatly prospered might now assist Africa, especially the European beneficiaries of that Plan.

Many of the existing policies and institutional arrangements governing the distribution of development capital were better suited to the needs of the older developing countries, whereas most African countries had attained independence since 1960. They were making slower progress in terms of per capita income than Asia and Latin America and had had to reorganize or create suitable governmental and fiscal structures and overcome the fears of domestic and foreign investors.

The African countries should prepare a comprehensive integrated economic development programme suited to their needs and obtain the support of the advanced countries for it. Such a programme would require a massive inflow of capital for perhaps thirty years and of technical assistance personnel for ten to fifteen years; it would also require the co-operation and support of all independent developing African nations. It should provide for the creation of a continental infrastructure, the collection and analysis of economic information, the expansion of food production, storage and marketing, and the development of human resources.

As they gained independence, African countries made large investments in extending and modernizing the infrastructure left behind by the colonial Powers. As a result of those investments, the continent was equipped with modern harbour facilities, railways, roads and airports; efficient posts and telecommunications; extensive power facilities, and well-staffed systems of government administration. The infrastructure inherited from the colonial Powers was, however, designed to facilitate trade between the colony and the metropolitan country; it tied Africa to Europe but the African territories could scarcely communicate or trade with each other. That kind of infrastructural development was reflected in the pattern of Africa's trade, which was almost entirely with countries outside Africa. Until African countries generated more trade among themselves, they would achieve neither their development potential nor the degree of specialization which would enable them to compete in the sale of industrial products in international markets. Furthermore, they would have to continue to rely for industrialization on import substitution and the elimination of barriers abroad to the import of African industrial and processed primary products. In Africa, however, import substitution, the extent of which depended on the size of the market that could be served, was limited by the physical and technical barriers to intra-African trade. Until those barriers had been removed, it was difficult to imagine import substitution playing the important role it had played in Latin America and Asia. An effective continental infrastructure was another means for promoting the export of African products. Indeed, infrastructural development was a method by which private foreign capital could be attracted to the continent as an important and ever-growing supplement to official development capital. The Commission should provide economic advice on the kinds of infrastructure needed, the appropriate order of priorities and possible sources of finance; it should also take the lead in organizing the co-operative effort that would be essential to success.

Substantially better basic information was needed not only for national planning but also for the planning of the continental infrastructure. An intensive and thorough study of the continent's natural resources should be made, since the ultimate shape of the African infrastructure would be affected by a knowledge of the continent's potential resources. A better knowledge of Africa's human resources was also required. Agreement should be reached on uniform systems for collecting and classifying data. Data centres might be established throughout Africa where information could be stored on tape and analysed with the aid of modern computers. The data thus collected and analysed would assist both the public and private sectors to make better decisions, particularly investment decisions in the industrial field.

An improved continental infrastructure would open up many opportunities for industrial development, but steps must be taken to ensure that such opportunities were widely known and understood. Experience suggested that private enterprise alone could not be relied on for the rapid industrialization necessary, and it had thus become essential to increase the time and money spent in evaluating industrial opportunities for potential foreign and domestic investors.

Substantial work of that kind had already been undertaken by ECA and similar studies on a smaller scale had been made by various development banks in the African countries and by outside consultants. But what had been done was not enough. Rapid industrialization required a much more carefully organized approach to the identification and evaluation of industrial projects.

He had suggested the previous month at the Addis Ababa Conference of Industrialists and Financiers that consideration should be given to the establishment of feasibility analysis centres at strategic points throughout Africa to survey industrial opportunities and assess the feasibility of promising projects. He outlined the specific functions of such centres, which could be established under the sponsorship of ECA. He urged support for the recommendation submitted by the Executive Secretary of ECA for the establishment of industrial information and promotion centres.

The third aspect of the programme to fill the information vacuum was the intensification of research activities. Three problem areas merited special attention: nutrition and food production, education and training, and the social and economic problems of development. There was an urgent need to find better foods, and increase the nutritive content of those now produced; and to improve methods of cultivation and means for preserving food. Progress on such problems was essential not only for the development, but for the very survival of the African countries. In the field of education, the methods now employed were archaic and unsuited to the needs and further research on the learning process, the identification of aptitudes, etc. was urgently needed. Finally, there was a need for extensive inter-disciplinary research on the social and economic problems associated with development.

Africa needed at least one large-scale research institute dealing with each of those three sets of problems. The centre being started in Nigeria was a beginning so far as food research was concerned, but no action had yet been taken in the other two fields. The problems he had mentioned had unique characteristics in Africa and research on them must be carried out in that continent. The institutes he proposed might help to decrease the flow of better-educated people, whom the African countries could ill afford to lose, to research institutes abroad, and it was an investment which should qualify for financial support on a grant basis from the International Development Association.

A food programme for Africa must be intimately related to the needs of the rest of the world. The aim was not to achieve self-sufficiency, but to become a major supplier to the remainder of the world. No matter how successful the efforts to industrialize, Africa would remain for many generations primarily a producer of agricultural and other primary products, and it must learn to produce them efficiently and on a rapidly growing scale.

Africa needed capital for the construction of food storage facilities and finance for the crops to be stored. It was important that developing countries should increase food production, not only for domestic uses but also to supply countries faced with food shortages. The United Nations should undertake to purchase essential stocks of basic foods at negotiated prices from those African countries able to grow surpluses. It should also construct essential storage facilities in those countries. Both the storage facilities and the grains stored would remain the property of the United Nations, which could draw upon and make shipments from the stocks whenever and wherever the need arose. Such a storage and marketing programme should lead to a substanial expansion in the production of staple foods. Other necessary complementary measures included the opening up of new lands, land reclamation, the introduction of agricultural extension services, the determination and implementation of sound land tenure policies, the development of transport and marketing facilities in the rural area and the provision of loan capital to small farmers. Africa had to find means of expanding the flow of capital for rural and agricultural development. Much of the food processing done in the advanced countries should be transferred to the developing countries, where the basic crops were grown. That would not be possible, however, until the advanced countries eliminated their trade barriers.

If Africa was to overcome its manpower shortages, it would have to expand realistically and practically its secondary school and university facilities. Rapid expansion would not be effective, however, unless fundamental and related services were also increased. The danger of overproduction in education and of graduate unemployment should be circumvented by expanding job opportunities, not by curtailing enrolments in schools and universities. Training and apprenticeship opportunities abroad for middle-level occupations and an expansion of university scholarships were also required. Steps should also be taken to increase the number of primary school enrolments and reduce illiteracy among the adult population.

The programme outlined would be expensive in development capital. There would also have to be a significant increase in technical assistance, particularly for the preparation and co-ordination of projects, an aspect that had been greatly under-estimated in the past, partly owing to the growing complexity of administration and partly because the situation in Africa was not the same as in other developing areas.

Large numbers of technical assistance experts of all kinds would be needed to train Africans and simultaneously help to carry out an ambitious development programme, but the critical question was whether they could be found. Doubling the large flow of technical assistance would raise difficulties of recruitment and involve heavy expenditure; also such assistance might be inefficiently used.

First of all, the planning staff in ECA and the African Development Bank should be substantially expanded, so that technical assistance needs could be accurately defined. The main agencies for bilateral and multilateral technical assistance should devise methods of increasing the flow of technical assistance, including more countries and using private channels to the full. Increasing the duration of contracts and employing teams of experts might ease the recruitment problem. Continuity throughout the implementation of major continental infrastructural projects could be ensured by organizing international management groups.

The raising of development capital was more complex. Africa should make greater use of the world's capital markets, through the African Development Bank. By joint action, it should be possible to borrow larger amounts on more reasonable terms; guarantees and interest subsidies by the advanced countries would make such flotations easier and reduce the cost to Africa, at very little expense to the assisting nations. Projects so financed would have to become viable before repayment of the loan became due.

The bulk of the development programme for Africa would have to be financed more liberally than was possible through the commercial capital market. It was therefore necessary to seek a substantial increase in the flow of official development capital on much more liberal terms, as basic investments would hardly pay off in the short time normally allowed. Such projects were, however, of permanent value and that fact should be taken into account in working out terms. The external development capital needed for the programme might take the form of grants or very long-term low-interest loans, distributed by the African Development Bank, and raised by special subscriptions so as not to jeopardize existing aid. There would have to be a balance among continental, sub-regional and national projects.

The realism of such a programme might be questioned, but Africa could certainly play its part in initiating the programme and in carrying it through. As conditions in African countries were very diverse, the development strategy would affect countries differently. Countries could help one another and the success of the programme would depend on the degree of economic co-operation achieved.

The Commission should be asked to convene a meeting of economic and finance ministers in the developing countries of Africa to agree on a co-ordinated approach to the advanced nations. For that meeting, ECA should prepare a detailed plan, in consultation with the African Development Bank, and also estimate capital and manpower requirements.

The development of Africa was at stake and a major effort was required. An "African economy" had to be created to ensure even some countries might develop while others stagnated. But, above all, there was a danger that Africa's dependence on countries outside the continent would never come to an end.

The meeting was adjourned at 5.10 p.m. and resumed at 5.40 p.m.

ELECTION OF OFFICERS (item 2 of the revised provisional agenda)

The ACTING CHAIRMAN called for nominations for the office of Chairman.

Mr. BRIGHT (Liberia) nominated Mr. Ayida (Nigeria).

Ato MOHAMMED ABDURAHMAN (Ethiopia) seconded the nomination.

Mr. Ayida (Nigeria) was elected Chairman by acclamation.

The ACTING CHAIRMAN called for nominations for the office of First Vice-Chariman.

Mr. MHIRI (Tunisia) nominated Mr. Sbihi (Morocco).

Mr. MUTSAL (Sudan) seconded the nomination.

Mr. Sbihi (Morocco) was elected First Vice-Chairman by acclamation.

The ACTING CHAIRMAN called for nominations for the office of Second Vice-Chairman.

Mr. KUO (Cameroon) nominated Mr. Lamana (Chad).

Mr. DEBRAH (Ghana) seconded the nomination.

Mr. Lamana (Chad) was elected Second Vice-Chariman by acclamation.

The ACTING CHAIRMAN called for nominations for the office of Rapporteur.

Mr. ABDI (Somalia) nominated Mr. Chimba (Zambia)

Mr. OGOLA (Kenya) seconded the nomination.

Mr. Chimba (Zambia) was elected Rapporteur by acclamation.

The ACTING CHAIRMAN expressed his deep appreciation for the support and co-operation he had received during his term of office from all the member countries of ECA and from its secretariat. In particular, he wished to place on record his appreciation of the valuable work done by Mr. Gardiner, the Executive Secretary.

Mr. Ayida (Nigeria) took the Chair.

The CHAIRMAN expressed the Commission's gratitude to Mr. Mboya for the valuable work he had done during his two year term of office, and hoped that he would prove a worthy successor. He thanked the Commission for the honour they had done his delegation in electing him Chairman.

Great changes had taken place in Africa since the establishment of ECA in 1958. In that year, for example, the journey from Lagos to Addis Ababa had taken three days whereas now it took only five hours. He hoped that the Development Decade would enable solid economic foundations to be laid for further material progress in Africa.

In 1958, there had been only nine African members of ECA, if South Africa were excluded, as it should have been if ECA was conceived as an institution for enhancing the economic interests of the African. At the 1958 session, the Nigerian delegation had been instructed to state that ECA had no useful role to play and that when Nigeria became independent it would concentrate on collaboration in technical and scientific matters through Commission de co-operation technique en Afrique au sud du Sahara (CCTA). The United Kingdom delegation had been taken aback when the Nigerian delegation departed from its official brief and declared Nigeria's support for ECA. However, to the pleasant surprise of the Nigerian delegation, the United Kingdom delegation had changed its position and also affirmed its support for ECA.