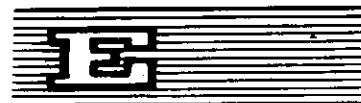




**UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL**



Distr: GENERAL

E/ECA/CM.17/19
24 January 1991

Original: ENGLISH

ECONOMIC COMMISSION FOR AFRICA

Twelfth meeting of the Technical
Preparatory Committee of the
Whole

Addis Ababa, Ethiopia
29 April to 7 May 1991

ECONOMIC COMMISSION FOR AFRICA

Twenty-sixth session of the Commission/
seventeenth meeting of the Conference
of Ministers

Addis Ababa, Ethiopia
9 to 13 May 1991

REPORT ON ECA-EXECUTED TECHNICAL CO-OPERATION PROJECTS

INTRODUCTION

1. The 1989-1990 period bore a particular significance for ECA's technical co-operation activities in Africa. Not only was the region on the threshold on a new and crucial decade, but also all assessments on its achievements during the 1980s concurred on the conclusion that it was a lost decade to Africa.

2. Meanwhile, in the course of the 1980s, new problems and crises had developed and gained added momentum, among which:

- (a) Increasing mass poverty and persistent decline in real per capita income;
- (b) Declining agricultural, food and industrial production;
- (c) High demographic growth;
- (d) A crushing debt burden;
- (e) Shrinking external financial flows;
- (f) The debilitating effects of structural adjustment programmes; and
- (g) Social and political instability.

3. These developments compelled urgent initiatives in technical co-operation activities, as regards the identification and prioritization of problem areas, the mobilization of resources and the allocation of such resources among different areas of concentration where ECA was to direct primarily its technical assistance efforts.

I. THE SOCIO-ECONOMIC BACKGROUND - AN OVERVIEW

4. The 1980s decade was one of general economic and social retrogression. Over the decade, per capita income persistently fell at an average annual rate of 1.7 per cent, export volumes at 2.7 per cent, import volumes at 3 per cent, commodity prices at 3.1 per cent, while unemployment increased four times faster than in the 1970s.

5. The development challenges of the 1990s promise to be even more daunting than those of the 1980s.

6. The root causes of this general deterioration in the African economic and social conditions lay on the worsening domestic setting and the extremely unfavourable external economic and financial environment including the following:

- (a) A slow-down in growth in the industrialized countries with considerable impact on the growth of developing countries;
- (b) Further falls in resource inflows; and

(c) The adverse effects on African exports of growing protectionism and restrictions on market access resulting from the emergence and consolidation of regionalized economic blocs.

7. Redynamizing the economic development process in the African region, under these circumstances, called for, *inter alia*, renewed and greater effectiveness of the programmes of regional and subregional, economic, financial and monetary co-operation, and the formulation and operationalization of an African Alternative Framework for Structural Adjustment Programmes (AAF-SAP).

II. RESOURCE MOBILIZATION AND USE

8. Current economic problems and the preparation of the development challenges ahead put even more pressure than previously on resources, both human and financial, necessary to provide adequate technical assistance to African countries and conduct operational activities. The resources mobilized were drawn from the following sources:

- (a) The United Nations Regular Programme for Technical Co-operation;
- (b) Agencies of the United Nations system;
- (c) Special funds administered by the United Nations; and
- (d) Bilateral sources.

9. Section 24 of the Regular Programme allotment for 1990 was \$2,088,300. The resources have been used mainly to support the activities of regional advisers on providing advisory services to African countries in different economic and social areas. However, part of the resources were used in support of capacity-building activities intended for African experts such as seminars, training, workshops and study tours.

The United Nations agencies

10. As in previous years, the United Nations Development Programme (UNDP) continued to be the main source of funding for technical co-operation activities through financing of subregional and regional projects. Despite the continuing financial crisis affecting technical co-operation assistance at the global level, UNDP has increased slightly its contribution from \$US 10,590,025 in 1989 to \$US 10,699,578 in 1990 representing a 1 per cent increase of its total allocation.

11. Resources provided by UNDP were distributed among priority sectors such as development issues and policies, social development, transport and communications, industry, natural resources, information system, statistics, public administration and finance, food and agriculture, and environment.

12. The United Nations Population Fund (UNEPF) allotted \$US 4,722,923 during 1990 to support ten ECA-executed regional population projects, which represents an increase of 19 per cent over resources during the previous year.

13. While 62 per cent of the total allotment went to support some core personnel and/or population programmes of regional institutions such as RIPS, IFORD, IDEP, CERPOD as well as UDEAC, 27 per cent went for regional advisory services on population matters, including the demographic analysis and social statistics aspects. The population information network programme for Africa benefitted from 11 per cent of the resources.

14. In addition, under the terms of an associated agency status, UNFPA provided \$US 172,400 through the United Nations Department of Technical Co-operation for Development to enable ECA to execute part of the activities of the project concerning inter-census training programme for sub-Saharan Africa.

15. In terms of major developments, 1990 saw the indepth evaluation of the regional advisory services projects on POPIN-Africa, and the beginning of the concretization process for instituting the proposed mechanisms on successor arrangements including the far-reaching decision to transform the regional advisory services into autonomous multidisciplinary teams of advisers under the umbrella of UNFPA.

16. In view of the tremendous impact that the above developments will impinge on the work programme of ECA and on its role as executing agency for UNFPA-supported projects, ECA, together with the other regional commissions, has voiced some concern and reservations on the matter.

17. Notwithstanding the merit in developing specific country population programmes, regional approach to population issues still deserves even more attention and resources than before, especially in view of the increasingly important inter-country population movements which the ongoing economic integration efforts will entail.

United Nations Trust Funds

18. The United Nations Trust Fund for African Development (UNTFAD) has been one of the single most readily available sources of funding for meeting critical development activities. The resources in 1990 amounted to \$US 762,525 and covered activities in areas of agriculture, industry, economic integration, natural resources and human resources development.

Non-European bilateral donors

19. Bilateral funding by way of trust funds or cash grants represented one of the major sources of financing ECA's technical co-operation activities during 1990.

20. Bilateral assistance from non-European sources, including developing countries such as India, amounted to about \$US 584,000, representing an increase of about 35 per cent over allotments made in 1989.

21. Out of this amount, about 60 per cent was allotted by India to support a regional project on the promotion of small-scale industries in Africa. Canada, acting through the IDRC, provided 30 per cent of the amount to support a new initiative in computer networking for Africa, and provide assistance to IFORD as well as to a project aimed at contributing to the strengthening of institutions for the

development of science and technology in Africa. The rest of the resources were provided by the Ford Foundation to finance a project concerning women's productive activity in the informal sector.

European bilateral donors

22. For the year 1990, five European countries contributed a total of \$US 998,679 which amounted to about two thirds of total bilateral funding.

23. Of this amount, Belgium contributed \$US 382,907 or a little over one third, which was used to conduct an inventory and an assessment of industrial minerals. Sweden's contribution of \$US 169,464 through the Swedish International Development Agency (SIDA) was allocated to a project on "Increasing women's access to credit", while the Federal Republic of Germany contributed \$US 130,000 to a seminar on telecommunications. These and others sources contributed \$US 316,308 towards financing the services of bilateral experts seconded to ECA.

Table 1. Summary of 1990 financial allotments

Regular programme	\$2,088,300
United Nations Development Programme	10,699,578
United Nations Population Fund	4,722,923
United Nations Trust Fund for African Development	396,365
Bilateral donors	3,492,610

Resource mobilization - a continuing process

24. The figures in table 1 indicate only part of ECA's efforts in mobilizing internal and external resources for technical co-operation activities, inasmuch as they relate to a specific accounting period in time over the life cycle of ongoing technical assistance projects.

25. ECA is currently managing a portfolio of 176 technical co-operation projects, spreading over a range of sectors, subsectors and areas of activities of significance to current African development issues.

26. The current distribution of projects by sectors, activity area and status is shown in table 2.

Table 2

Sector/area of activity	Status			Total	%
	Ongoing	Terminating	Pipeline		
1. Women in development	5	8	3	16	9.1
2. Economic integration	15	3	3	21	11.9
3. Industry	12	7	-	19	10.8
4. Trade	3	1	2	6	3.4
5. Agriculture and rural development	5	9	2	16	9.1
6. Natural resources and environment	5	8	16	29	16.5
7. Development and information systems	3	3	-	6	3.4
8. Public administration and social development	9	3	1	13	7.4
9. Population	8	-	-	9	5.1
10. Socio-economic research and planning	2	1	2	5	2.8
11. Statistical development	6	1	-	7	3.9
12. Transport, communications and tourism	7	9	3	19	10.8
13. Internal capacity building (ECA)	4	3	3	10	5.8
Totals	84	56	36	176	100

27. The table shows the predominance of efforts towards promoting economic integration, infrastructural development in transport and communications, capacity and management development, and the development of natural resources and environmental protection.

28. The intention is to gear future efforts towards the promotion of agricultural and rural development, documentation and information systems, and socio-economic research and planning.

29. Yet, in spite of these efforts, meeting the development problems and challenges of the 1990s will require more resources than before, to be partly mobilized in an unfavourable international environment of resource crunch. This does not imply that ECA and African Governments should let themselves be overwhelmed by undue pessimism. But rather, a situation of diminishing external resource flows should be taken as a challenge for enhanced internal effort at generating the resources required for developmental activities as an important step towards economic self-reliance.

III. FUTURE PROSPECTS

30. ECA's efforts in assisting African countries in dealing with the development challenges of the 1990s, in both direction and substance, are best reflected in its 1992-1996 mid-term plan. This mid-

term plan is further broken down into biennial programmes, the first of which will cover the period 1992-1993.

31. As a first one in a series of such programmes, the 1992-1993 biennial programme will have a great significance both in terms of our ability to mobilize internal and external resources for development, and our capacity in addressing efficiently the social and economic problems ahead.

32. The resource requirements for launching the operational activities and related support services and activities for the 1992-1993 biennium are shown in table 3.

Table 3. Outline of the programme budget for the biennium 1992-1993 extrabudgetary resources (in thousands of US Dollars)

Sub-prog. code	Subprogramme	Total resource need	(a) Services in support of XB programmes	(b) Substantive activities	(c) Operational activities
1	Executive direction and management	998.4	606.7	391.7	-
2	Agricultural development policy, planning and programming	1,428.8	35.2	1,393.6	-
3	Development of agricultural, institutions and infrastructure	655.7	-	655.7	-
4	Rural transformation and development	125.0	125.0	-	-
6	Socio-economic analysis, planning and projections	319.0	319.0	-	-
11	Social development in Africa	900.0	-	-	900.0
12	Development information system	-	-	-	-
14	Industrial development	2,911.7	159.2	567.3	2,185.2
20	Energy and development	166.4	166.4	-	-
21	Science and technology	2,161.4	110.9	-	2,050.5
22	Cartography and Remote Sensing	194.4	194.4	-	-
23	Population	5,850.0	-	-	5,850.0
24	Advancement of women	1,624.0	146.1	-	1,477.9
25	Statistical development	4,897.2	35.2	212.0	4,650.0
26	Transport and communications	3,765.0	-	-	3,765.0
28	Management of technical co-operation	934.8	750.5	184.3	-
29	Administration and conference services	1,876.4	876.4	-	-
	Total	28,808.2	4,525.0	3,404.6	20,878.6

33. As it can be seen from the planned pattern of resource allocation, the 1992-1993 biennium gives priority to the following critical economic sectors:

- (a) Agricultural development and rural transformation;
- (b) Industrial development;
- (c) Transport and communications;
- (d) Women in development; and
- (e) Social development.

34. These priority sectors combine with the areas of concentration of the UNDP Fifth Programming Cycle (1992-1996) to further enlarge the basis from which a wide range of development programmes and projects can be designed, to assist the specific requirements of individual African countries.

35. The 1992-1993 biennial programme of ECA in terms of operational activities and the UNDP Fifth Programming Cycle both offer African countries a broad range of opportunities for development assistance projects the identification and implementation of which ECA and UNDP will have a vital role to play.

36. One of the highlights of the new orientation being given by UNDP to programme and project execution is what it termed "national/government execution". A number of key responsibilities under the new implementation modality bestowed to the governments include the following:

(a) Much extended authority, including financial, in the management of UNDP-funded programmes;

(b) The nomination, in consultation with UNDP, of a national programme manager with full responsibility in the day-to-day implementation of the national programme. This responsibility includes in particular the following tasks:

- (i) The identification, appraisal and hiring of the required and appropriate project inputs, in particular personnel;
- (ii) Inside the national programme, the co-ordination of the different component projects;
- (iii) The appraisal of the work of individual project personnel, including the evaluation of their reports;
- (iv) The integration of individual project outputs to obtain a structurally coherent global output of the national programme;

(c) The nomination, in consultation with UNDP, of a national (programme) director, with the primary responsibility of overseeing the implementation process of the national programme,

reporting to the government and the UNDP representative, and apprehending all possible linkages between the national programme and the inter-country programme.

37. Another important dimension of the new arrangements by UNDP is the adoption of the programme approach, as opposed to the project approach used so far, in the dispensation of technical assistance. The programme approach has the advantage of providing for a main framework in the form of a coherent and structurally consistent portfolio of national projects whose various impacts, in the end, are expected to converge on the targeted socio-economic sectors or areas. The new approach will, in turn, call for a formidable co-ordination capability which may not always be available at the opportune time.

38. All the above tasks require both high-level and specialized skills, and for their being new to most African countries, their correct discharge will inevitably imply stepped-up ECA assistance in national capacity building and increased advisory services to its member States. Yet, such additional demands for ECA technical assistance will be emerging at a time when the resources subsequently required may not be available in adequate amounts. One of the reasons for this possible resource inadequacy is still another new arrangement being envisaged within the United Nations system, whereby the previous agency support cost arrangements that guaranteed a certain amount of income for technical assistance activities may be replaced by a new formula under which United Nations funding agencies, particularly UNDP and UNFPA, will provide funds on a posteriori basis once given services would have been provided. Generating the required resources to meet the demand for ECA technical assistance will indeed be one of the challenges ahead for ECA, its member States, and its development partners as well.

39. As usual, ECA shall endeavour to mobilize from external sources as much resource as it possibly can. Nevertheless, given that the required resources are meant for African development, it would be symbolically significant if African Governments took the lead in contributing to the resource mobilization efforts and thereby showing the way to the international community at large. It is in this perspective that the forthcoming UNTFAD pledging conference will represent, in several respects, still another testimony to their unrelenting commitment to African development.

IV. CONCLUSION

40. Past economic and social problems and future challenges on the African development scene have heavily taxed and shall continue to bear just as heavily on the resources of ECA for technical assistance.

41. In view of the development challenges ahead, the technical assistance requirements of African countries are likely to be compounded by an increased need for assistance for national capacity building, human resources development, the formulation of regional economic policy and strategy papers, the designing of national development programmes and plans at the request of member States. For ECA to be prepared to shoulder its share of the responsibilities, its resources have to be increased, through an increase in its allotments from the United Nations regular programme, and an intensification of internal and external resource mobilization activities.