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PROGRESS REPORT ON THE PREPARATION FOR THE
SECOND INDUSTRIAL DEVELOPMENT DECADE
FOR AFRICA (1991-2000)

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June 1990

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REPORT OF THE ECONOMIC AND SOCIAL COUNCILProgress report on the preparations for the
Second Industrial Development Decade for Africa
(1991-2000)

Covering the period from December 1989 to 30 April 1990

Report of the Secretary General

I. BACKGROUND

1. The United Nations General Assembly adopted, at its Forty-Fourth Session, resolution 44/237 of 22 December 1989 proclaiming the period 1991-2000 the second Industrial Development Decade for Africa. The present report is submitted in accordance with paragraph 4 of the resolution which "requests the Secretary-General of the United Nations, in consultation with the Director-General of the United Nations Industrial Development Organization, the Secretary-General of the Organization of African Unity, the relevant subregional and regional economic groupings in Africa and the United Nations bodies concerned, to undertake the necessary preparations for the second Industrial Development Decade for Africa and to submit, through the Economic and Social Council, a report on those preparations to the General Assembly at its Forty-Fifth Session".

2. The resolution 44/237 has endorsed the proposals of the Secretary-General in which ECA and UNIDO were given specific responsibilities with respect to the preparation of a framework of the second IDDA. In addition, ECA and UNIDO were requested to provide technical assistance to individual countries, at their request, for the preparation of national programmes and to intergovernmental organizations on the preparation of their subregional programmes for the Decade. Both secretariats should also prepare a zero draft programme and organize two meetings of the Working Group of Governmental Experts (WGGE) to consider it. ECA has the responsibility of providing local experts to Governments and international experts to intergovernmental organizations as well as convening the two expert meetings. UNIDO is entrusted with the

responsibility of providing international experts to individual countries. In this connection, ECA and OAU have worked out the resource requirements of \$1,345,800. Out of this, UNIDO has earmarked \$883,900 out of the total \$8.6 million approved for the IDDA programme for the biennium 1990-1991. The balance of \$462,700 provided by the United Nations will be disbursed by ECA.

3. A timetable for the preparation of the programme for the second IDDA has been established in both resolution 2(IX) of the ninth meeting of the Conference of African Ministers of Industry (CAMI. 9) and the report A/44/832 of the Secretary-General as follows:

- (a) Second half 1989: Proclamation of the second industrial development decade for Africa by the United Nations General Assembly and preparation of a framework by the secretariats of OAU, ECA and UNIDO, in consultation with the Working Group of Governmental Experts, to assist member states in the elaboration of their programmes for the second decade;
- (b) First half 1990: Preparation by African Governments, with the assistance, upon request, of the secretariats of OAU, ECA and UNIDO, of national programmes for the second industrial development decade for Africa, taking into account the recommendations contained in the independent experts on the mid-term evaluation of the decade, the joint comments of the secretariats of OAU, ECA and UNIDO on that report and existing subregional industrial co-operation programmes. Similar assistance could be provided upon request to subregional organizations in the preparation of their programmes for the second decade;
- (c) Third quarter 1990: Preparation by the secretariats, in consultation with African countries and relevant Africa and United Nations organizations, of a zero draft of the programme for a second decade;

- (d) Fourth quarter 1990: Organization of a first meeting of the Working Group of Governmental Experts to review the zero draft of the programme for the second decade;
- (e) First quarter 1991: Organization of a second meeting of the Working Group of Governmental Experts for the finalization of the draft programme for the second industrial development decade for Africa;
- (f) Second quarter 1991: Tenth meeting of the Conference of African Ministers of Industry and the preceding meeting of Intergovernmental Committee of Experts of the Whole on Industrialization in Africa with the main objective of considering and adopting the programme for a second industrial development decade for Africa.

II. ACTIONS TAKEN AND PROGRESS MADE IN THE PREPARATION OF A PROGRAMME FOR THE SECOND IDDA

(a) Establishment of a Working Group of Governmental Experts (WGGE)

4. In a letter dated January 1990 and a reminder in February, UNIDO has invited nominations from each subregion through the members of the Bureau of the ninth meeting of the Conference of African Ministers of Industry for the composition of the Working Group of Governmental Experts established by the ninth meeting of the Conference of African Ministers of Industry in paragraph 8 of resolution 2 (IX). The Working Group of Governmental Experts should be composed of three countries in each of the five subregions of North Africa, West Africa, Central Africa, Eastern Africa and Southern Africa. The main responsibility of the Working Group is to review and finalize both the framework for the preparation of national and subregional programmes and the zero draft of the second IDDA programme.

5. By 30 March 1990, Central Africa, Eastern Africa and West Africa have submitted their nominations of countries to be members of the Working Group of Governmental Experts. Southern Africa and North Africa were contacted by UNIDO urging them to submit their respective representative countries. At the same time, countries nominated as members of the WGGE were invited to designate their representative experts.

(b) Preparation of a framework for the programme of the second IDDA

6. The Joint Committee of the OAU, ECA and UNIDO secretariats on IDDA has considered and finalized during its tenth meeting held at Addis Ababa (Ethiopia), from 22 to 27 March 1990, a draft framework with a view to assisting African countries and subregional organizations in the formulation of their respective programmes for a second IDDA. In order to accelerate the preparation process, the meeting recommended that the draft framework should be circulated to all African Governments and organizations in that form, to enable them to start preparation. The final version would be circulated later after revision based on the comments of the members of the Working Group of Governmental Experts.

7. The framework covers the following areas:

- (i) Concepts and basic principles for the second IDDA;
- (ii) Outline of the national and subregional programmes for the second IDDA;
- (iii) Guidelines for national programmes;
- (iv) Guidelines for subregional programmes;
- (v) Promotional programmes;
- (vi) Co-ordination and monitoring.

(i) Concepts and basic principles for the second IDDA

8. The fundamental twin objectives of the second IDDA are self-reliance and self-sustainment at the national and regional levels. This has to be achieved mainly through an increasing use of local factor inputs, the promotion of internal engines of growth, the institutionalization and intensification of co-operation and integration schemes among African countries, particularly in the core and strategic industries, with the full involvement of indigenous entrepreneurs, both public and private. Emphasis should be put on the building up of domestic and regional production structures through enlarged markets, multinational core projects and the strengthening of an interdependent physical and human infrastructure in critical areas.

(ii) Outline of national and subregional programmes for the second IDDA

9. In the preparation of national and subregional programmes, Governments and subregional organizations are advised to formulate appropriate policies and strategies for industrial development, to choose specific and selective programmes, to concentrate on a limited number of concrete programmes and projects in order to be effective. Four main indicative thrust areas have been proposed to the countries and subregions in the preparation of their respective programmes for the second IDDA, namely:

- Programmes of consolidation;
- Programmes of industrial expansion and new investments;
- Support programmes;
- Special programmes for LDCs.

(iii) Guidelines for national programmes

10. The following sequential actions are proposed :

- Analysis of the industrial sector :

Structure and pattern of the industrial sector and subsectoral survey of performance, capacity utilization, industrial exports and imports, level of industrial investment, availability of skills, level of entrepreneurial development, costs of domestic industrial production, degree of use of domestic factor inputs, degree of dependence on imported inputs; review of regulatory framework and public policies affecting industrialization, problems and constraints, potentials and priorities, etc.;

- Formulation of national programmes should include objectives, policies and implementation strategies with respect to the use of domestic factor inputs, the agro-industrial linkages, the promotion of indigenous entrepreneurship, the development of skills and manpower; and the provision of institutional and physical infrastructure. It should also provide a selection of priority investment projects.

- Preparation of the national programmes for the second IDDA

The second IDDA is a multidisciplinary exercise and as such it is important to establish a consultative mechanism - a national co-ordinating committee for the IDDA - involving all relevant Government agencies and ministries of industry, finance, planning, agriculture, national resources, energy, transport, education, trade, commerce as well as public and private enterprises, chambers of industry and commerce, manufacturers associations, development banks and financial institutions, etc. Governments may consider setting up subsectoral committees under the overall guidance and supervision of the national co-ordinating committee for the IDDA;

- Financing and other major factor inputs

An estimation of the cost of the national programme for the second IDDA is a necessary tool in the programming and implementation process in order to launch resource mobilization, both local and external. Countries would have to mobilize resources from (i) domestic sources, mainly (budget allocation, domestic savings, surplus of public enterprises, private domestic investments, loans from development and commercial banks and (ii) external sources (foreign loans, foreign investment, donors assistance, international technical assistance, etc. The resource mobilization exercise should also deal with the availability and supply of domestic raw materials, indigenous skills available and other local factor inputs.

(iv) Guidelines for subregional programmes

11. The subregional programmes should aim at implementing engineering core and resources - based projects retained in the revised subregional programmes and to strengthen existing mechanisms or establish new mechanisms for ensuring effective follow-up and monitoring of their implementation. As in the case of country programmes, the preparation process of the subregional programmes should include :

- The evaluation of subregional industrial co-operation and identification of subregional priority:

Review of legal framework and policies for industrial co-operation, with reference to mechanisms of co-operation, their effectiveness, constraints, potential, provision of industrial support services, enumeration of adequate trade policies, etc.

- The preparation of subregional industrial development programmes for the second IDDA :

Definition of policies, objectives and strategies; selection of priority investment programmes (iron and steel industries, engineering industries, agricultural machinery and equipment industries, energy equipment, fertilizers, basic chemical industries, pharmaceutical, food-processing industries, etc.) costing of the programme including the provision of an investment portfolio, etc.;

- The modalities for formulation and implementation

The formulation and the implementation of subregional programmes would require the establishment at the subregional level of an industrial promotion co-ordinating committee with the mandate of overseeing the implementation of all industrial programmes in the subregion. Where necessary, subsectoral promotion committees may be established. Those committees should include representatives of Governments, public and private enterprises from each country participating in the project, chambers of industry and commerce, national and regional financial institutions, etc. Modalities for implementation should identify "host countries" for subregional projects with a view to placing responsibility and ensuring speedier follow-up;

- The financing and other major factor inputs:

Subregional co-operation is essential for the provision of major factor inputs as well as financing. Hence, financing of subregional programmes and mobilization of other major factor inputs should come mainly through strengthened subregional financial and banking institutions, co-operation between central banks, cross-equity participation by Governments, tax and tariff relief measures, encouraging joint ventures and regional trade in raw materials and other development factors, etc.

(v) Promotional programmes

12. During the first IDDA, promotional activities were largely directed towards Government officials and policy makers. The promotional activities to be undertaken for the second IDDA have to have a qualitatively different dimension and a new direction and focus. They should be action-oriented and geared to stimulate the implementation of the programme of the second IDDA. While the participation of key Government officials will still be needed, the action oriented thrust demands that the level of participation should now shift to operating levels: entrepreneurs, investors, managers, technicians, planners, etc., at the project and enterprise levels, both from the public and private sector.

(vi) Co-ordination and monitoring

13. Monitoring and evaluation mechanism must be created to co-ordinate and monitor the implementation of the programme of the second IDDA. At the national level, the composition of a high-level committee made up of the relevant ministries and representatives of the private sector is proposed. Similar mechanism should be considered at the subregional and regional levels.

(c) Preparation of terms of reference of local and international for the preparation of programmes of the second IDDA

14. On behalf of the three secretariats, UNIDO has informed all African countries of the availability of technical assistance in UNIDO and ECA for the preparation of their respective programmes, requesting them to specify the areas where such assistance is needed. As of 10 April 1990, 37 countries have indicated to UNIDO their interest and needs. As a follow-up, ECA has

requested each country to nominate a local expert who should work in team with the international experts provided by UNIDO to assist the Government in the preparation of national programme.

15. The tenth meeting of the Joint Committee of the OAU, ECA and UNIDO secretariats on the implementation of the IDDA, held in Addis Ababa from 22 to 27 March 1990, reviewed the terms of reference prepared by ECA for local and international experts to assist countries and subregional organizations in the preparation of their respective programmes for the second IDDA. The meeting stressed the need for the local experts to work in close co-operation with the international experts to be provided by UNIDO. The identification of local and international experts and their recruitment are underway.

(d) Implementation plan for activities to be undertaken during 1990

16. The tenth meeting of the Joint Committee has also drawn an implementation plan of the activities to be undertaken during the remaining of 1990, on the basis of the time table established in Resolution 2(IX) adopted by the ninth meeting of the Conference of African Ministers of Industry for the preparation of the programme for the second IDDA. It has agreed on the following time table :

- April 1990:
- (i) Translation and despatch of draft framework document to Working Group of Governmental Experts (WGGE), Governments and subregional organizations;
 - (ii) Completion of constitution of WGGE;
 - (iii) Identification of consultants and experts.
- May :
- (i) Recruitment of national experts;
 - (ii) Receipt of responses from 15 members of the WGGE;
 - (iii) Preparation of national and subregional programmes by Governments and subregional organizations;
 - (iv) Field experts and consultants where required;

- June: (i) Finalization of the framework, translation and despatch to all Member States, subregional organizations and experts;
- (ii) Continuation of preparation of national and subregional programmes by Governments and organizations;
- July : Continuation of preparation of national and subregional programmes by Governments and organizations.
- August : Continuation of preparation of national and subregional programmes by Governments and organizations.
- September : Submission by Member States of their respective programmes for the second IDDA.
- October : (i) Submission by subregional organizations of their programmes for the second IDDA; and continuation of submission by Member States;
- (ii) Consultations among the Secretariats to :
- (a) Review the progress and plan for future activities;
- (b) Agree on the outline of the zero draft of the programme for the second IDDA;
- (iii) Preparation of the preliminary text of the zero draft of the programme for the second IDDA.
- November : (i) Meeting of the Secretariats to consider the zero draft of the programme for the second IDDA;
- (ii) Translation of zero draft;
- (iii) Invitation to first meeting of WGGE;
- December : (i) First meeting of the WGGE;
- (ii) Consultation among the three Secretariats to review progress and plan future activities

REPORT OF THE ECONOMIC AND SOCIAL COUNCIL EXECUTIVE SECRETARY

PROGRESS REPORT ON THE PREPARATION FOR
THE SECOND INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA
(1991-2000)

COVERING THE PERIOD FROM DECEMBER 1989 TO 30 APRIL 1990

REPORT OF THE SECRETARY GENERAL

1. The United Nations Assembly adopted, at its Forty-Fourth session, resolution 44/237 of 22 December 1989 proclaiming the period 1991-2000 the second Industrial Development Decade for Africa (IDDA II). The resolution requested the Secretary-General of the United Nations, in consultation with the Director-General of UNIDO and the Secretary-General of the OAU and other relevant United Nations Agencies and subregional and regional economic groupings in Africa to submit, through the Economic and Social Council, a report on the preparations for the second IDDA to the General Assembly at its Forty-Fifth Session.

2. In resolution 44/237 specific responsibilities were given to ECA and UNIDO to prepare a framework of the second IDDA and provide technical assistance to individual countries, at their request, for the preparation of national programmes and to intergovernmental organizations on the preparation of their subregional programmes for the decade. The technical assistance to countries and subregional organizations is to be extended through provision of local and international experts. ECA and UNIDO were equally entrusted with the responsibility of preparing a zero draft programme of the decade and organizing two meetings of the Working Group of Governmental experts (WGGE) to review and finalize the draft programme.

3. A timetable of activities to be undertaken by the secretariats of the OAU, ECA and UNIDO, the WGGE and member states from the proclamation of the decade in the second half of 1989 to the submission and adoption of the programme for the second IDDA by the tenth meeting of the Conference of African Ministers of Industry in the second quarter of 1991 was established in both resolution 2(IX) of the ninth meeting of the Conference of African Ministers of Industry and the report A/44/832 of the Secretary-General.

4. With a view to accelerating the preparations of the programme of the Second IDDA, UNIDO has, in January and February 1990, invited nominations from each subregion for the composition of the WGGE which should comprise three countries in each of the five subregions or North Africa, West Africa, Central Africa, Eastern and Southern Africa and whose main responsibility is to review and finalize both the framework for the preparation of national and subregional programmes and the zero draft of the Second IDDA programme. By 30 March 1990, Central Africa, Eastern Africa and West Africa have submitted their nominations of countries to be members of the WGGE while the remaining two subregions were being urged to do the same. Countries nominated to the WGGE were invited to designate their representative experts.

5. With regard to the preparation of a framework for the programme of the Second IDDA, the Joint Committee of the OAU, ECA and UNIDO secretariats on IDDA has considered and finalized, during its tenth meeting held in Addis Ababa from 22 to 27 March 1990, a draft framework for the preparation of national and subregional programmes.

6. The framework for the preparation of national and subregional programmes covers the following major areas:

(i) Concepts and basic principles for the Second IDDA:

This areas puts emphasis on self-reliance and self-sustainment at national and subregional levels through an increasing use of local factor inputs, the promotion of internal engines of growth, the intensification of subregional and regional co-operation and integration schemes in the core and strategic industries, a greater role for indigenous entrepreneurs, both public and private, etc.;

(ii) Outline of national and subregional programmes for the Second IDDA:

African Governments and subregional organizations are advised to formulate appropriate policies and strategies for industrial development, to choose specific and impact-oriented programmes, to concentrate on a limited number of concrete programmes and projects in order to be effective;

(iii) Guidelines for national programmes:

Here, Governments are advised to conduct a thoughtful analysis of their industrial sector to assess its weakness and potentials; to formulate national programmes based on the use of domestic factor inputs, increasing agro-industrial linkages and indigenous entrepreneurship; to establish a national consultative mechanism involving all relevant Government ministries, all agents of production, development and distribution. public and private Governments are equally urged to look more and more inward to mobilize resources and other major factor inputs for financing the programme of the Second IDDA;

(iv) Guidelines for subregional programmes:

Subregional programmes should aim at implementing core-and resources-based projects and strengthening existing mechanisms or establishing new mechanism for ensuring effective follow-up and monitoring of these projects. The preparation process of the subregional programmes should follow the same approach as in the case of national programmes;

(v) Promotional programmes:

During the first IDDA, promotional activities were largely directed towards Government officials and policy-makers. During IDDA II, there should be a shift from policy-making level to operating levels of entrepreneurs, investors, managers, technicians, planners, etc., at the project and enterprise levels.

(vi) Co-ordination and monitoring:

Monitoring and evaluation mechanism must be created to co-ordinate and monitor the implementation of the programme of the Second IDDA. At the national level, the composition of high-level committee made up of the relevant ministries and representatives of the private sector is proposed. Similar mechanisms should be considered at the subregional and regional levels.

7. In order to accelerate the preparation of the programme for the Second IDDA, UNIDO has, on behalf of the three secretariats, informed all African countries of availability of technical assistance in UNIDO and ECA for the preparation of their respective programmes. As of 10 April 1990, 40 countries have indicated to UNIDO their interest and needs. As a follow-up, ECA has requested each country to nominate a local expert who should work in team with the international experts provided by UNIDO to assist the Government in the preparation of the national programme.

8. Furthermore, the tenth meeting of the Joint Committee of the OAU, ECA and UNIDO secretariats on the implementation of the IDDA, held in Addis Ababa from 22 to 27 March 1990, has reviewed and finalized the terms of reference prepared by ECA for local and international experts to assist member countries and subregional organizations in the preparation of their respective programmes. It was noted that the terms of reference of international experts to be provided by UNIDO would be based on the specific requests received from the countries.

9. The meeting has also drawn an implementation plan for the activities to be undertaken during the remaining of 1990.