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**PROGRESS REPORT ON THE IMPLEMENTATION OF THE NEW INTERNATIONAL  
ECONOMIC ORDER**

**INTRODUCTION**

1. The implementation of the Programme of Action on the Establishment of a New International Economic Order was the major issue before the Conference of Ministers at its third meeting held at Nairobi in February 1975.
2. Pursuant to General Assembly resolutions 3201(S-VI) and 3202(S-VI), the Conference of Ministers adopted resolutions 256(XII) and 260(XII) calling upon ECA to put into effect the provisions of the above-mentioned resolutions.
3. The Conference laid stress on the need for an action-oriented programme. In other words, ECA was urged to adopt a more operational approach to the programming of its activities and to design its studies in such a way as to produce specific projects which could be implemented in order to meet African development needs.
4. ECA has responded to this challenging task without delay. In-depth action is under way to further the implementation of the above-mentioned resolutions. The Executive Secretary has established a twelve-member ad hoc Programme Development and Review Committee. In the light of the development problems facing African countries in the 1970s and possibly in the 1980s and considering the aspirations of African Governments arising from the New International Economic Order, the Committee has been given the task of preparing the strategy for participation by ECA in the development of African countries, of identifying the priorities for the period 1976-1981 and of reviewing the existing work programme with a view to making the Commission as responsive as possible to African development needs.
5. Meanwhile, the various divisions of the secretariat have already embarked on the following programmes of action:
  - A. **NATURAL RESOURCES, SCIENCE AND TECHNOLOGY DIVISION**
6. Studies have been initiated on key raw materials such as iron ore, ferro-alloys, phosphates and potash and on the training of manpower to deal effectively with the above-mentioned topics. In the preliminary stages, the following has been accomplished:

(a) A synopsis has been prepared on general aspects of potash and phosphate fertilizers in Africa;

(b) A study has been completed on iron ore and ferro-alloys raw materials which the Division is currently engaged in updating and finalizing for publication;

(c) Concrete steps have been taken to set up in conjunction with the Joint ECA/UNIDO Industry Division an African Mineral Development Council as recommended by the Conference of Ministers of Industry held at Cairo in 1974;

(d) An intergovernmental meeting convened in February 1975 agreed to establish an East African Mineral Resources Centre in the United Republic of Tanzania whose objectives will be to assist East African member States in the field of mineral resources development. It is intended to establish other centres in various subregions to do the same for the countries in the respective subregions;

(e) In the field of the transfer of technology, the Division forwarded a proposal to African Governments on areas requiring urgent action at the national and subregional levels, aimed at the establishment of national machineries that will ensure the transfer of technology to African countries on an equitable basis. A number of countries have already established such machineries, and the Division is waiting for responses from the remaining member States.

7. In the field of the human environment, steps have been taken to establish a station in Africa to receive data direct from satellites in co-operation with the National Aeronautics and Space Administration of the United States (NASA) to expedite the exploration of natural resources and to monitor environmental changes on the African continent.

#### B. JOINT ECA/FAO AGRICULTURE DIVISION

8. The activities of the Division have concentrated on the study of specific commodities of regional interest for expanding production and improving marketing of the main agricultural products of the region, including commercial and food crops.

9. A study on the oil-palm industry covering seven countries (Cameroon, Dahomey, Ghana, Ivory Coast, Nigeria, Togo and Zaire) concerning oil-palm research, cultivation, production, processing, storage, transportation, marketing and prospects, has been completed and will be used as a background document for discussion with the countries concerned with the oil-palm industry in West Africa.

10. A paper on the consumption of fertilizers (phosphates) in Africa was prepared by the Division and represented a contribution to a more general document that the Economic Planning and Research Division is co-ordinating.

11. The future activities of the Division are expected to concentrate on specific commercial and food crops, having in mind not only the recommendations contained in the resolutions concerning the establishment of a New International Economic Order but also with a view to promoting the expansion of food production and the betterment of nutritional conditions in Africa.

C. JOINT ECA/UNIDO INDUSTRY DIVISION

12. - In pursuance of the recommendation of the second meeting of the Follow-up Committee, on Industrialization in Africa which is to be examined further by the third Conference of African Ministers of Industry at Nairobi in December 1975, the immediate focus of ECA/UNIDO activities include the following:

(a) The identification, preparation and promotion of large-scale export and multi-national industries as well as the expansion of import substitute industries;

(b) The promotion and organization of regional, interregional and international consultations on international industrial development programmes and policies; and

(c) - The establishment of selective regional institutional machinery to strengthen Africa's bargaining position in international negotiations and at the same time to provide the technical services and infrastructure required for speeding up the process of industrialization.

13. In pursuance of Commission resolution 256(XII) and the recommendations of the second meeting of the Follow-up Committee on Industrialization in Africa with regard to the implementation at the regional level of the Lima Declaration, ECA and UNIDO elaborated a number of intercountry project proposals for financing by UNDP during the second programming cycle. Consultations between ECA, UNIDO and UNDP were conducted at Addis Ababa between 13 and 15 August 1975 under the chairmanship of the Executive Secretary. As a result of these consultations, agreement was reached in principle on the implementation of the following intercountry project proposals for the period 1977-1981:

- (1) Centre for the Design, Adaptation and Transfer of Industrial Technology;
- (2) African Centre for Iron and Steel Development;
- (3) African Regional Standards Organization;
- (4) African Centre for Consulting Engineering and Management Services;
- (5) Pilot demonstration plant for the manufacture of agricultural tools, animal-drawn implements and simple hand-operated machines;
- (6) Unit for the Development of Union Industrial Projects;
- (7) Centre for the Development of the Petrochemical Industry in West African Countries;
- (8) Regional Pesticide Development Programme;
- (9) Multinational industrial co-operation in the African region;
- (10) Regional Industrial Plant Design, Construction and Environmental Centre;
- (11) Solar Energy Testing and Development Centre (in co-operation with the Natural Resources, Science and Technology Division);
- (12) Development Programme for the Fertilizer Industry in Africa.

14. The realization of the regional UNDP-funded projects further implies that the Division should develop competence to backstop these projects. In addition, it should also be enabled to undertake promotional measures and to organize intra-African consultations within the framework of the global consultations called for in paragraph 70 of the Lima Declaration. In the light of the above, the Executive Secretary has initiated consultations with the Executive Director of UNIDO with a view to developing a new and more appropriate structure for the Joint Industry Division. The Executive Committee will be informed of the results of these consultations in due course.

#### D. TRADE, FISCAL AND MONETARY AFFAIRS DIVISION

##### International trade

15. A number of changes have been introduced into the work programme for 1976-1979 to ensure that it will constitute meaningfully to the implementation of a New International Economic Order. These relate firstly to the programme component on the improvement and expansion of Africa's trade. Greater emphasis has been put on the need to improve significantly the conditions under which Africa's trade presently takes place, rather than on the expansion of the latter, so as to assist the region in advancing towards the New International Economic Order.

16. To that end, studies of problems of selected specific commodities are to be undertaken and remedial measures formulated with respect to:

- Pricing policy, including a study of the price structure of commodities imported by African countries;
- Synthetics and substitutes;
- Marketing and distribution structures and practices, including those of transnational corporations and enterprises;
- International commodity agreements; and
- Producers' associations.

17. Two other main elements in the activities aimed at improving Africa's trade are those connected with the multilateral trade negotiations and with Africa's trade with Socialist countries. Both of these activities are expected to assist significantly in the much-needed restructuring of Africa's trade, and, in particular, in the diversification of the region's trading patterns and partners.

18. Another major programme component relates to the development and expansion of intra-African trade, which should receive much more priority than has been the case so far. As it is, the last meetings of both the Technical Committee of Experts and the ECA Conference of Ministers left no doubt about their strong wish to see activities connected with this theme play a key role, if not the key role, in the implementation of the New International Economic Order.

19. In addition, a project on the establishment of common trade institutions has been introduced whose main objective is to assist member States in the development of trade institutions in the fields of both intra-African and external trade, and in their discussions on trade and development issues.

20. Finally, it is worth noting that a new integrated approach has also been introduced whereby commercial policy and trade promotion activities have been integrated within each project, instead of constituting separate programmes as had been the case before.
21. A number of meetings relating to the implementation of the New International Economic Order have taken place since the last meeting of the Executive Committee. These include the Lomé meeting, which led to the formal adoption of the Convention of the same name between the ACP countries and EEC. This Convention contains a number of important provisions, including those relating to stabilization of export earnings, which constitutes one of the main objectives of the New International Economic Order.
22. On a purely intra-African level, the ministerial meeting held at Monrovia in January 1975 which led to the establishment of the Economic Community of the West African States (ECOWAS) undoubtedly represented a great step forward in the implementation of a New Economic Order, as was the case of the Tangiers meeting of the Association of African Trade Promotion Organizations to the extent that they provided concrete illustrations of member States' determination to foster collective self-reliance.
23. More recently an OAU/ECA group of experts was convened to harmonize the African view and formulate an African position on the issues before the seventh special session of the General Assembly. It made an indepth analysis of various approaches to commodity stabilization. Specific recommendations were also adopted concerning the steps which African countries should take to improve the marketing and distribution of their primary commodities and to lessen to the maximum extent possible their over-dependence on commodity exports and on a narrow range of trading partners.
24. Some steps have already been taken with a view to implementing the above-mentioned changes in the work programme. Regarding the programme component on the improvement and expansion of Africa's trade, the UNDP-financed project on multilateral trade negotiations has now reached the operational stage. The first joint ECA/UNCTAD seminar on multilateral trade negotiations was held at Addis Ababa from 13 to 24 January 1975. The conclusions adopted were transmitted to the African Group at Geneva and to all member States. Two seminars on multilateral trade negotiations will be held in 1976.
25. Discussions are scheduled to be held shortly with other interested United Nations agencies with a view to finalizing the project on the development of African trade with Socialist countries.
26. As for the development and expansion of intra-African trade, which should play a vital role within the framework of the establishment of a New International Order, a major UNDP-financed project comprising a wide range of activities was started in July 1975.
27. Regarding the establishment of common trade institutions, the ECA secretariat, jointly with the OAU secretariat, serviced the first General Assembly of the Association of African Trade Promotion Organizations held at Tangiers from 31 March to 4 April 1975. The secretariat will assist in organizing an extraordinary meeting of the Association scheduled for December. It is planned to maintain close co-operation with the new Organization with a view to assisting it in the execution of its work programme.

### Fiscal affairs

28. A study on international income tax problems of African countries with particular reference to the establishment of a model tax convention with technical commentary thereon has been prepared. This study will be discussed and adopted by a study group of African fiscal experts during 1976. A study on company taxation with special reference to multinational corporations is being carried out. This study will form the subject of the seminar on company and corporate taxation to be held in 1976. Budgetary and taxation advisory missions were undertaken and local (national) training courses held to assist ECA member States in strengthening their budgetary and taxation systems and to develop and implement phased programmes of budgetary and taxation reform plans.

29. An integrated programme for the development of budgetary management and taxation policies and measures in African developing countries within the context of the International Development Strategy for the Second United Nations Development Decade and the New International Economic Order has already been prepared and approved in principle by the United Nations Development Programme. The programme is expected to become operational during 1976. The project is aimed at improving the budgetary and fiscal systems of African countries in order to prepare them for handling new tasks in the field of the mobilization of resources and their effective utilization for productive investment in a climate of economic and financial stability.

### Monetary and financial affairs

30. A number of steps have been taken with a view to promoting the implementation of General Assembly resolution 3202(S-VI) in the field of monetary and financial problems. Within the framework of Commission resolution 256(XII), which emphasizes the importance of channelling existing available finance in Africa towards the rapid economic and social development of the region, including the effective participation of African countries in matters pertaining to the international monetary system and the flow of development financing, several studies were incorporated in the work programme for 1976-1979 which are expected to lead to concrete projects for action.

31. The Association of African Central Banks at its fourth regular meeting held at Kinshasa in August 1975 adopted a work programme which included the study of ways and means to implement the Programme of Action on the Establishment of a New International Economic Order. The research work to be undertaken in this regard is to be carried out by the ECA secretariat. A Working Party of the African Group at IMF and IBRD met at Addis Ababa in July this year and stressed the need for a quick decision on the reform of the international monetary system and for improvements in the flow of real resources to the developing countries. It is worth noting also that the guidelines and draft articles for a West African Clearing House Agreement aimed at facilitating settlements among countries of the subregion were adopted in May 1974.

32. The Constitution of the African Centre for Monetary Studies was adopted at the fourth regular meeting of the Association of African Central Banks. The Centre, whose aim is to promote the economic development of Africa through a better understanding of banking and monetary matters and the interrelationship between these matters is expected to be established very soon. And the secretariat has been requested to ask for UNDP assistance in the initial stages of the establishment of the Centre. The project on intra-African monetary co-operation in support of intra-African trade expansion

(RAF/73/030/Rcv.1) will be submitted for assistance as soon as interested countries request the secretariat to do so. The secretariat, with the help of UNDP, has already conducted preparatory activities in connexion with the establishment of the West African Clearing House.

#### E. TRANSPORT, COMMUNICATIONS AND TOURISM DIVISION

33. Work continues on the trans-African highway network, on transport facilities, and on the development of intra- and extra-African airfreight services. With regard to maritime shipping, the recommendations of a Joint IMCO/UNCTAD/ECA mission sponsored by UNDP are being examined to determine priorities, phasing and implementation.

34. In civil aviation and shipping the opportunities now emerging will require close co-operation among States and in many cases the joint ownership and operation of common services. In civil aviation fresh initiatives are being taken by AFCAC. In West and Central Africa, a Conference of Ministers responsible for maritime shipping has been established on the initiative of the Government of Ivory Coast with assistance from UNCTAD. It is expected that the establishment of a Ministerial Council for Transport Co-ordination in Eastern Africa as well as the implementation of some of the recommendations of the joint maritime mission referred to above will facilitate closer co-operation in East Africa. In North Africa, the co-operative development of shipping and civil aviation is likely to take shape in association with States members of the Economic Commission for Western Asia.

#### F. ECONOMIC RESEARCH AND PLANNING DIVISION

35. Resolution 256(XII) called on the Executive Secretary to take the necessary measures "to organize meetings of ministers at the subregional level to follow-up the application of the Declaration and the Programme of Action on the Establishment of a New International Economic Order". The Division has been active in making preparatory arrangements for these meetings and it was decided to use the existing network of UNDATs and subregional offices (especially the North African subregional office) to organize those meetings. In the Central, West and North African subregions, it was intended to use the regular meetings of the programming committees of the UNDATs, whose scope would be broadened.

36. In North Africa, the framework of the Permanent Consultative Committee of the Maghreb, with which the Tangiers subregional office maintains close links, is to be used to convene the ministerial meeting. Unfortunately, owing to financial problems, the meetings which were due to be convened at Yaoundé and Niamey during September 1975 had to be postponed. It is hoped that these meetings will take place during the last quarter of 1975 as soon as the financial situation permits. As for North Africa, member States have been informed of the subject of the proposed meeting and, it will be held during 1976.

37. In the field of economic co-operation, assistance has been rendered to inter-governmental meetings, and in particular to the Conference of Central and East African States ministerial meetings. A paper was prepared at the request of the Department of Economic and Social Affairs at Headquarters on the contribution made by ECA in promoting economic co-operation among African countries. Through the subregional

offices and particularly the North African subregional office at Tangiers, the Division took an active part in promoting co-operation and integration in the subregions. In this respect, close co-operation was maintained with various United Nations agencies working in the field.

38. The Division also participated in one of the three commodity studies which it was decided that ECA should prepare as part of its programme of action for the establishment of the New International Economic Order. In conjunction with the Agriculture Division, it prepared a study on oil-palm products within the broader context of oil-seeds, oils and fats entitled, "The Oil Palm Industry of Africa". The deteriorating position of African producers in the world market for palm oil was noted. It was felt that this was primarily a production problem as opposed to a price or marketing problem. Domestic production remains inefficient through an inadequate understanding of basic economic realities, an inappropriate institutional structure of production, or ignorance of best-practice techniques. For example, because of economies of scale in palm fruit processing, the minimum efficient size of landholding appears to be about 3,000 hectares; smallholdings are inefficient. It was suggested that an association of palm-oil producing countries would be one way of overcoming these difficulties.

39. In the light of the decisions and recommendations of the above-mentioned meetings and more specifically in response to Commission resolution 256(XII) and the OAU Council of Ministers decision concerning a study on raw materials the FCA secretariat prepared a paper entitled "Development and economic co-operation: Proposals for consideration by African Governments". The paper is intended as a briefing document in the efforts to harmonize the African stand on development and international co-operation at the seventh special session of the General Assembly. Part I of the paper contains proposals for consideration by African Governments with respect to the following topics: (a) agricultural development; (b) industrial development; (c) commodities and trade; (d) transfer of resources; (e) international monetary system; (f) transfer of technology; and (g) transnational corporations. Part II provides arguments, sector by sector, in support of proposals outlined in Part I.

40. The paper referred to above was circulated at the OAU Council of Ministers and Assembly of Heads of State and Government held at Kampala between 18 July and 3 August 1975 and at the meeting of the OAU/ECA group of experts held at Addis Ababa from 13 to 16 August 1975 to harmonize the African view and formulate an African position on the issues before the seventh special session of the United Nations General Assembly.

41. The work programme of the Division was remoulded to make it more effective in meeting the challenges of development and analysing some of the major economic problems that exist in Africa. The 1975-1976 work programme includes the following studies:

(a) Third biennial review and appraisal of the progress of the region during the Second Development Decade, Part I of the Annual Survey of Economic and Social Conditions in Africa (1976);

(b) Current economic developments and policies in the member countries of the Commission, Part II of the Annual Survey of Economic and Social Conditions in Africa (1975-1976);



(c) The origin and development of inflationary trends in African countries; the impact on growth, Part I of the Annual Survey of Economic and Social Conditions in Africa (1975);

(d) Analysis of those development plans of the African countries issued in 1975 and 1976;

(e) Unified approach to development planning: Study of existing planning methods in ten African countries and suggestions for reforms (1975-1976);

(f) Study of measures to eradicate mass poverty (1975);

(g) Projections of trade gaps and feasible growth rates in a number of countries of the region up to 1980 (1975);

(h) Examination of the possibilities of developing a standard macro-economic model for African countries (1976);

(i) Annual socio-economic review of the problems and prospects of the least developed countries emphasizing their specific needs and recommending measures for the improvement of their development opportunities (1975-1976);

(j) Biennial review of activities within the region aimed at achieving economic integration and co-operation; review to identify bottlenecks and suggest possible remedies (1975);

(k) Comparative study of industrial property laws of English-speaking Africa (1976);

(l) Research into ways in which UNDATs can promote economic co-operation in the subregions of Africa (1975-1976).

42. To make the Survey of Economic and Social Conditions in Africa an instrument for following up the implementation of the New International Economic Order and the Strategy for the second United Nations Development Decade, the format of the ECA 1974 Survey has been changed.

43. Part I of the 1974 Survey provides a mid-term review and appraisal of the ECA region during the 1970s and includes an assessment of the international situation and monetary developments; the oil situation and development assistance flows; external debt and additional capital requirements; domestic savings and unemployment, agriculture and institutional structure and reforms. Part II of the Survey provides a summary of the current economic development policies in countries members of the Commission and some indication of economic prospects.

44. The 1975 Survey of Economic and Social Conditions in Africa consists also of two parts. Part I is devoted to the analysis of the origin and development of inflationary trends in African countries and their impact on growth. Part II presents an analysis and review of economic trends and developments in member countries in the context of implementing both the international and the regional development strategies. Particular attention is also given in the Survey to countries most subject to economic crises and natural calamities.

## G. STATISTICS DIVISION

45. In response to Commission resolution 256(XII) a number of modifications have been made in the statistical programme. Provision has been made for continuing data bank operations in national accounts, finance, prices, general economic statistics and demographic and social statistics. These are a development of existing activities and will permit more systematic recording and retrieval of information in a wide variety of fields.

46. The work programme now includes a number of specific projects on prices of raw materials and capital goods, terms of trade, etc. In addition plans have been made for an African Household Surveys Programme which will enable countries of the region to collect better and more integrated demographic, social and related economic statistics. This is necessary for measuring the social effects of economic changes and in examining the interrelated effects of economic and social factors on development. The programme is intended as a follow-up to the African Census Programme which is already improving the demographic statistics of the region.

47. In co-operation with the United Nations Statistical Office the work on African external trade statistics is being reorganized with the aim of producing more comprehensive and analytical trade series for the region, including regular calculations of terms of trade, etc.

48. A further modification involves the African Statistical Yearbook which will in future include more information on production, trade and prices in respect of selected commodities. It is also intended to publish regional and subregional summaries of these data on a regular basis.

49. Implementation of these arrangements, particularly with respect to data bank operations and external trade statistics, is dependent on the replacement of the ECA computer. It is also necessary for the secretariat to develop speedier means of printing its statistical publications.

50. All aspects of the statistical programme will be reviewed by the Conference of African Statisticians at its ninth session in October 1975.

## H. MANPOWER, TRAINING AND PUBLIC ADMINISTRATION SECTION

51. Although Commission resolution 256(XII) did not deal directly with manpower development as an area for action, the ECA work programme in manpower development is being refocused on the training of African nationals in priority areas of manpower needs and on improving African countries' administrative, management and technical capability to cope effectively with the task of economic and social development and the goal of economic independence within the framework of the New International Economic Order and African economic co-operation. Consequently, the work programme in manpower, training and public administration for 1976, is being reviewed in conjunction with the preparation of the medium-term plan for 1977-1981 which will accord high priority to manpower development, institution strengthening, and the development of new training institutions and programmes within the framework of intra-African co-operation in developing and utilizing regional and subregional specialized training and research institutions.

52. The following specific action has been taken on the relevant resolutions since the third meeting of the Conference of Ministers: ECA administers a bilateral scholarship and fellowship programme of offers made through the Commission. Fellowships are for training in African and non-African institutions and establishments. The main focus is on post-graduate specialized training and in-plant, practical training programmes aimed at broadening technical and management experience and at facilitating the transfer and adaptation of technology. By the end of August 1975, a total of 88 Africans had been successfully placed for training. A programme for the training of trainers and instructors is being financed by the Netherlands Government. It is aimed at helping African training institutions to develop the required local capability for carrying out effective training functions according to the country's manpower requirements. The programme offers both individual and group training in training methods, use of audio-visual aids and instructional materials, as well as regional and national intensive six-weeks' training workshops. During 1975 about 13 to 20 individual fellowships and 90 to 100 participants in one regional and four national training workshops will have benefited from the programme. A two-volume Directory of African Specialists and Consulting Organizations has been prepared but its publication has been delayed by printing bottlenecks. The Directory is designed to provide full particulars on African specialists, thereby facilitating their identification for possible employment in technical co-operation activities in the region. As regards institution building and strengthening, ECA is lending support to the African Association for Training and Development in securing financial aid from CIDA and professional co-operation from Seneca College for initiating three circuits of national trainers workshops and seminars between November 1975 and March 1976. It is envisaged that about 150 to 160 trainers will benefit from these workshops. ECA has also formulated an intercountry programme relating to a proposed Regional Institute for Higher Technical Training and Research for the least developed countries of Africa. The project which has been submitted to UNDP for consideration, is designed to assist African least developed countries to achieve self-reliance in technical manpower resources through co-operation. It is anticipated that an inaugural conference to be held at Tangier, Morocco, will formally establish the African Procurement and Supplies Association which will have responsibility for promoting professionalism and competence in the management of procurement and supplies services in African countries. This project is being developed in co-operation with the Swedish International Development Authority.

#### I. HUMAN RESOURCES DEVELOPMENT DIVISION

53. In none of the specific areas covered by the resolutions were the social sectors directly addressed, although it is obvious from the Programme of Action on the Establishment of a New International Economic Order that the action-oriented programmes requested, particularly in the fields of natural resources, industrialization and the transfer of technology have substantial implications for human and social development. It is a known fact that the pace of agricultural and industrial development in most African countries is being seriously hampered, not so much by the scarcity of capital or even the lack of technical knowledge, as by the forces of traditional social structures and practices.

54. Thus, in response to the resolutions, the programme of work and priorities in the human and social sectors is being revised to include measures which will give substantive support to the industrialization and transfer of technology programmes of the Commission. In particular, new projects relating to social aspects of industrialization are being formulated to assist member States in anticipating and coping successfully with social factors which affect industrialization, including social prerequisites, obstacles, social consequences and essential social services needed to facilitate industrial progress.