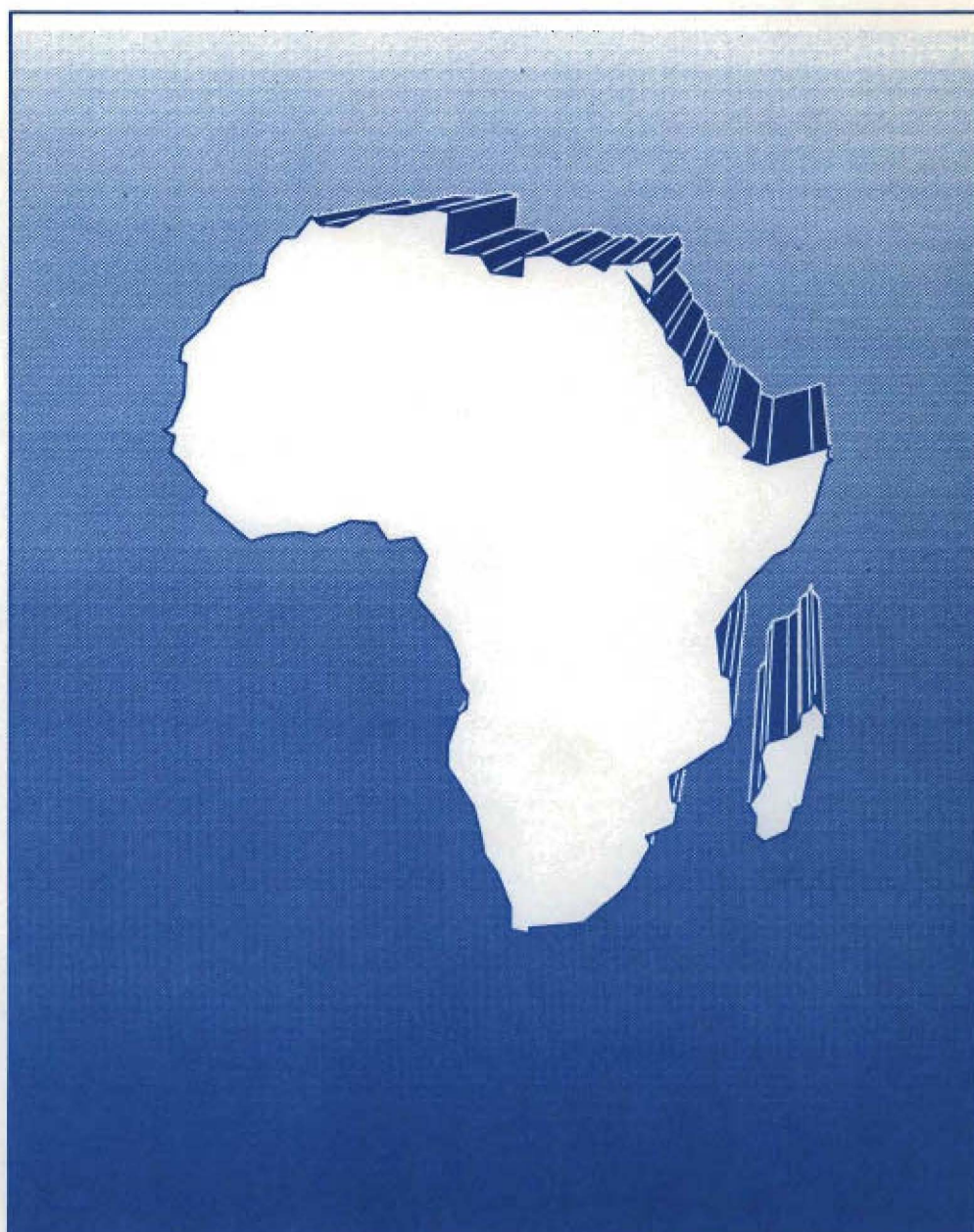


**Eighteenth Meeting of
the Conference of Ministers**

**Issues Before the Conference:
EXECUTIVE SUMMARY**



UNITED NATIONS
Economic Commission
for Africa

20 April 1992 Addis Ababa, Ethiopia

ECONOMIC COMMISSION FOR AFRICA

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Preface

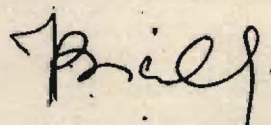
This document presents in synoptic form the key issues which the eighteenth Conference of Ministers will consider. It is intended to help the Ministers obtain a quick grasp of matters which are more lengthily explained in the preparatory documents before their technical experts.

The theme of this year's Conference is **"New Directions for the Commission in the 1990's"**. No more compelling topic could have been chosen, given the major changes that continue to evolve in Africa and the rest of the world. Contemporary events challenge member States to re-examine their priorities. They also impel the secretariat to find newer, more imaginative ways of serving those States, and enhancing the role of Africa in an increasingly interdependent world.

The theme paper which has been prepared for the Conference ("ECA in the 1990's: A Policy and Management Framework for facing Africa's Development Challenges") offers some ideas as to how the Commission

might best respond to the changes. That paper has benefited partly from the work of a Task Force of eminent persons which I established in November 1991, to look into the policy orientation, programmes, and management capacity of ECA, and from insights of my colleagues in the secretariat. It is my hope that the Ministers will find in it suggestions which are both stimulating and challenging.

This eighteenth Conference of Ministers will be the first which I have attended since I assumed the stewardship of ECA in August, 1991. It is therefore a pleasure and a privilege to welcome you to Addis Ababa, for what I hope will be an exciting and productive session.



Issa B.Y. Diallo,

UN Assistant Secretary General

&

**Acting Executive Secretary of the
Economic Commission for Africa**

Introduction

The theme of the eighteenth meeting of the Conference of Ministers of the Economic Commission for Africa is "New Directions for the Economic Commission for Africa in the 1990's". The meeting represents a watershed in two ways.

There is, first of all, the situation of Africa itself. After a decade that saw famine, social turmoil, and disappointing economic performance, the region is at last beginning to believe that recovery is possible; that democracy has a place in our societies; and that we may be able to take control of our common destinies.

It would be naive to expect that all of this will come without effort. The constraints on African trade at the global level are real and formidable. The delegations of Africa at the meetings of UNCTAD and the GATT are still in a disadvantaged position. African economies are still fragile, and two bad seasons could see many of them in difficulties. The role of African entrepreneurs as an engine of growth is still poorly understood in some countries, and efforts at public participation may still be seen as a threat to established groups.

The debt burden remains a critical bottleneck in Africa's development. With a ratio of external debt to exports of 334 percent, it is clear that bold measures are needed if trade development is to lift Africa out of its economic trap. Among those that have been proposed are the cancellation or reduction of ODA debt and debt servicing, with similar reductions in official bilateral debt; the use of debt-equity swaps, buy-backs, and environment-for-debt schemes to encourage write-offs; reduction of debt to multilateral institutions; and early implementation of IMF quota increases. Meanwhile, various recent initiatives on debt have not led to a reduction of the debt overhang of African countries, much less contribute to their external viability. It would thus be overly-optimistic to say that there is yet significant movement as a result of these proposals.

Africa's problems continue to be predominantly structural: at the global level, lack of access to investment and markets; at the regional and subregional level, lack of co-operation between countries on transport, communications, financial and trading arrangements; and at the national level, lack of access to economic resources, trade facilities and

decision-making processes. It is the resolution of these problems that will be the overriding preoccupation of Africa in the 1990's.

Yet the strengths of Africa remain. The region is enormously rich in mineral and other natural resources. It has an impressive reserve of human resources, waiting to be productively used. Significant financial resources in the informal sector only require the removal of restrictive national barriers to achieve significant production gains, while other, even greater resources which have moved out of Africa only require the demonstration of safe, predictable business environments to flood back.

In another way, this meeting also represents a watershed for the Economic Commission for Africa. The optimistic view of 1978—that the commissions had a critical role as the advocates of their regions in the General Assembly, and that they could act as team leaders for all United Nations agencies in producing economic and social development for the countries under their care—has been replaced by an increasing sense of disillusionment, as economic crises produced *ad hoc* systems of financial management in member States, as donor agencies in the system increasingly took on the role of executing agencies, and as regional cooperation as a means of communal development was discarded in favour of independent, national approaches. It has been an ironic turn of events, that as developing countries have increasingly been urged by donors to adopt national approaches, the developed countries themselves have increasingly grouped themselves into regional trading blocs which potentially may be barriers to the economic improvement of those same developing countries.

It is also ironic that an inherent strength of the regional commissions, their multidisciplinary approach, has been adopted by many of the executing agencies of the United Nations system, thus raising questions as to the unique contribution of the commissions to UN development assistance, and equally, eroding the legitimate authority of ECA as it had been expressed in United Nations resolutions on the structure of the system.

The effects of these changes on the present restructuring process of the system remain to be seen. What is clear is the dramatic reduction in extrabudgetary funding which ECA now confronts in the first half of 1992.

Though all regional commissions are faced with this problem, its impact will be more serious for ECA, where resources from the United Nations system itself—the source of the reduction—have made up a greater proportion of the extrabudgetary accounts. The steps being taken to reverse this trend are discussed elsewhere in this report.

Thus 1992 represents a point where ECA must seriously reconsider what it has become, and what it must be in the 1990's. How much further ahead might Africa as a region be if ECA becomes more innovative, more focused in its efforts, and more attentive to the voices of its constituency? ECA must at all costs strive to remain a major force in Africa's development.

The issues before this meeting are therefore few in number, and yet exceedingly complex in their resolution. What must Africa do to take advantage of the historical changes transforming the globe? What must ECA do to resume its place as a major force in this process?

To meet this challenge, a Task Force of eminent persons with rich experience in African development was convened in November 1991 to review the purposes and goals of ECA, the environment for its operations in the 1990's, the manner in which its programming was organized; and the steps which could be taken to improve the quality of its products. The eminent persons made a number of imaginative proposals, many of which have been considered in depth by the secretariat, and which now find their way into the documents before the Conference.

Ministers will thus review a number of agenda items covering such matters as regional development strategies, approaches to food and agriculture, the environment, population, statistics, transport and communications and trade. Significantly, it will also consider a document which outlines the new directions which are proposed for the revitalization of the secretariat. At the end of this process, it will be called upon, as a bold new step, to draft and adopt, in place of the usual transcriptions of prepared speeches, a communique, setting out the way forward, for member States, the international community, the United Nations as a whole, and the ECA secretariat.

Global Issues

At its last session in May 1991, the Conference of Ministers proposed to the General Assembly that, as a follow-up to UNPAAERD, an international agenda for cooperation with Africa in the 1990's be adopted. The forty-sixth session of the General Assembly agreed, and the **New Agenda for the Development of Africa in the 1990's** was adopted on 18 December 1991.

The Agenda represents an advance on UNPAAERD, in the sense that goals are specific and must be achieved within a certain time frame. A desirable objective of a six per cent per annum growth rate throughout the period has been set. Priorities are accorded to accelerated transformation, integration and diversification. Special attention is paid to human resource development, increased employment and productivity, and the achievement of improvements in basic needs: life expectancy, economic status, child and maternal mortality reduction, nutrition, health, water and sanitation, basic education, and shelter.

As a policy document of the General Assembly, the New Agenda embraces several initiatives already underway. These include the so-called **Programme 45**, a medium-term plan on Africa's economic recovery and development for the period 1992-1997, which requires the new Department of Economic and Social Development in headquarters, ECA, and the Department of Public Information to work together in maintaining Africa's critical situation on the international agenda, in attracting international investment to the region, and in monitoring and assessing the commitment of the international community to promoting Africa's recovery. Additionally, the United Nations system is engaged in preparing a **system-wide plan of action**, which will monitor and coordinate the efforts of all UN entities in Africa, in an attempt to multiply the effect of individual efforts. That plan, which is still in draft form, will be examined by the General Assembly at the end of 1992.

The New Agenda also involves by implication the recently-established **Global Coalition for Africa**, an advisory body consisting of prominent Africans, Bretton Woods institutions, donor Governments, the Organization of African Unity, the African Development Bank, and ECA.

Many of the objectives of UNPAAERD, particularly with regard to peace, human development, the advancement of women, and provision of basic human needs, continue in the New Agenda. Member States at the General Assembly were, however, emphatic that any follow-up to UNPAAERD must have specific goals, and in this regard targets were added which include the attainment of a 6 percent gross domestic product throughout the 1990's for the region; a growth of 4 percent per year in net official development assistance; support for the diversification of Africa's economies away from primary commodity export; and a cancellation or reduction of ODA debt, with additional relief for official bilateral debt.

A specific timetable for this process has been designed. In 1993, the General Assembly will consider a report on the implementation of the New Agenda to that date. At this eighteenth meeting of the Conference therefore, Ministers will need to send a message to the international community regarding the adoption of the New Agenda; to voice their support for the political and economic changes which are sweeping Africa; to direct the secretariat as to the priority areas that the 1993 report on the New Agenda should stress, so that programming over the next year may take their views into account; and to express their opinions with regard to the role of ECA in the system-wide plan of action.

Also of importance are activities involving **international trade and development finance, and environment**. The recent UNCTAD VIII conference in Cartagena, Colombia has served to emphasize the difficulty that the Group of 77 as a whole, and the African bloc in particular, have in making their voices heard on trade matters. With the end of the Cold War, the Western countries have become increasingly absorbed in the trade differences which exist between them, in particular with matters of common agricultural policy and trade barriers. The switch of the centrally-planned economies of eastern Europe to market-oriented mechanisms produces further competition for African commodities, and diverts much-needed investment.

Of course we must continue to insist that Africa's acquired trading rights be respected; that support must be provided for diversification of our production economies; and that mechanisms intended to provide price stability in primary commodities and minerals be estab-

lished. But for these proposals to be respected, African trade must itself become competitive, and market-oriented. African countries must go to future global trade negotiations with a clear message that, if the developed countries provide access to African goods, it will result in a multiplication of global trade flows, rather than a diversion of existing resources. Our own subregional trade agreements and financial institutions must become more aggressive in promoting indigenous trade, particularly among private institutions. ECA must move from acting as a support secretariat to African delegations at global negotiations, and become more dynamic in promoting trade as an instrument in subregional integration. Accordingly, the Conference should be prepared to make a statement on the importance of establishing self-reliant, subregional trade, and provide the secretariat with specific objectives, and a timetable for the development of a major initiative in this direction for the present biennium.

In the area of environment, the United Nations Conference on Environment and Development will take place in Rio de Janeiro, Brazil, in June this year. The African position has now been formalized through the ministerial meeting held in Cairo (11-16 July 1991), and the follow-up meeting in Abidjan (11-14 November 1991). There is a difference between the 1972 Stockholm Conference, and the 1992 Rio Conference. In 1972, there was a clear intention to develop environmental solutions to problems caused by development. The "bad actors" were starkly portrayed: polluting industries, inefficient gas combustion engines, and criminally negligent farmers and loggers. The "good actors" would be the environmental agencies, which, given suitable legal powers, would bring the enemies of a clean environment under control. The problem was seen from the perspective of the developed countries: environmental degradation was a way of cutting production and operating costs. Twenty years on, we in the developing countries see environmental problems in a more complicated way. Environmental degradation is a result of poverty, and it is only sustainable development which can bring the solutions. In Africa, industrial pollution represents a minor percentage of the environmental degradation: the major problems are desertification, deforestation, and water pollution in poor, overcrowded areas. The actors best placed to solve these matters are no longer the traditional pollution control-oriented environmental agencies, but the development-

oriented agencies themselves. This perspective is now widely shared.

In ECA, therefore, we see environmental issues being linked more closely to issues of food and agriculture, population, and human settlements, and, at a second level, to a host of development issues. How this is to be done, both from the point of view of the secretariat and of the Conference's subsidiary bodies, still needs to be explored. Accordingly, the Conference might send a directive that the secretariat develop a major focus in its activities based on development solutions to environmental problems. That directive would be planned for implementation immediately after the Rio Conference, and the Conference might then wish to request a further report in 1994.

Regional Issues

The regional picture in Africa has become extremely dynamic. The treaty establishing the African Economic Community was signed in June 1991 in Abuja, Nigeria. The treaty, which aims *inter alia* at the integration of African economies, will establish the Community in six stages over a period of 34 years. The first phase is intended to strengthen the institutional framework of the existing communities. A major problem confronting the implementation of the treaty will be the rationalization of the present number of subregional institutions, which are too many to be viable.

Subregional cooperation and integration has been for some years a testing ground of ECA's ability to achieve regional cooperation. At the last session of the Conference of Ministers, member States again gave their support to the concept of the MULPOCs, and renewed their request to the General Assembly for increased resources to make those entities more effective. The General Assembly complied, providing a further five professional posts for distribution among the subregions. It is now up to the MULPOCs to show that these new resources can be put to good use.

For ECA, the question continues to be not whether the MULPOCs should exist, but how they should be organized to provide the best contribution to subregional cooperation. The role of MULPOCs as miniature economic commissions is one that has not been effective, and, viewed as a long-term programme, can never be achieved under the present limitations of the United Nations budget. Other ways of working must be considered, which might in-

clude whether the MULPOC offices continue to be located in the centres of action for subregional integration, whether they should not be working in closer harmony with various subregional organizations, and whether they might not be more effective, not in providing sectoral expertise, but as institutional liaison offices working between the subregional organizations and ECA headquarters.

An issue of equal longevity is that of the ECA-sponsored subregional institutions. At the time of their establishment, Africa was in a mood of optimism. Economies were moving ahead, and funding for the institutions came easily. African economies have now been crisis-ridden for much of the 1980's, and spare resources for the continuation of many of these institutions have become increasingly difficult to find. For many, ECA has continued to support senior posts on an *ad hoc* basis through its extrabudgetary resources. It has, further, been successful this year in obtaining an allotment of some US\$875,000 from the General Assembly for the continued operation of IDEP.

The rapid decline of that source of funding has now reached a point where, pending the discovery of new reserves, ECA must begin a process of withdrawal from those institutions which are no longer being supported by their member States. At the same time, ECA will ensure that those institutions which are performing well are firmly linked with ongoing ECA activities, so that programming is made comprehensive.

Accordingly, the Conference, while appreciating the efforts of the General Assembly to support both the MULPOCs and the ECA institutions, will be called upon, first, to set specific targets and objectives during the biennium 1992-1993 for the MULPOCs in the context of the process of achieving economic community. Second, it will be requested to set a specific deadline, after which a decision on the continued support of ECA to the institutions will be taken. Such a decision will have the financial and hosting support of the member States as a major factor in its formulation.

Programme Issues

A number of programme issues are also before the Conference as requiring a review of the ECA approach. They can be grouped into two categories: those which are major programmes in ECA, but need confirmation that the progress and direction are satisfactory;

and those which the secretariat perceives as unduly sectoral, and which are in need of a more comprehensive approach.

In the first category, the Transport and Communications (UNTACDA II) and Industrial Development (IDDA II) Decades have now been launched by the General Assembly, and our major concerns are to see that they are well-implemented. A particular concern to the tenth session of the Conference of African Ministers of Industry held in Dakar last year was that these two Decade programmes should not be pursued independently, but that their effects should be additive. The Conference therefore called upon the secretariat to produce a plan for the coordinated implementation of the two Decades. This is a complex issue, largely because of the success of ECA in involving other major organizations in the two programmes. For the Industrial Decade, UNIDO is heavily involved. For the Transport Decade, the World Bank, the African Development Bank, and numerous other institutions are involved. A coordinated plan is not therefore a simple agreement between ECA substantive Divisions, but a complex negotiation between all parties. For this Conference, a tentative proposal is before the Ministers. Indications as to whether this draft is moving in the right direction would be of valuable guidance.

In the second category, we have issues involving **population, information, and statistics**. Population problems have become a particularly important factor, not simply because of their fertility and family planning aspects, but also because of their effects on the region's environment, and its development. With the limited resources available to ECA, the choice has been between adopting a traditional programme based on fertility, mortality and demography, which might take 50 expensive years to implement before Africa's population stabilizes or seeking quicker solutions aimed at reaching a level of living standards where parents limit the size of their families voluntarily to increase their economic well-being. The unique collection of expertise available in ECA suggests the latter approach. Again, in view of the close connection between population factors, development, the environment, and the agricultural economy which is the basis for most African society, we would look forward to a directive from the Conference which would urge the secretariat to produce a plan for combining these four issues into a coherent strategy by the time of the next session in 1993.

Discussion of information issues within the Conference will, to a large extent, focus on measures that member States may take to develop a viable system of information technology and exchange in the region. This must be seen against the background of information development within the secretariat itself. Concerned at the multiplication of databases in various sectors; the lack of on-line information on important matters such as commodity prices and other economic indicators; the lack of access to current publications and government documents, the secretariat is in the process of integrating its activities in this area. The worth of institutions such as **PADIS** and **POPIN**, and publications such as **FLASH**, is well known to their users. Other databases, such as that in the transport sector, are less well-known, but equally useful. Their worth could be multiplied many times by intelligent organization of material into networking systems emanating from ECA, and Ministers could give us valuable suggestions in this regard.

We also see statistics as a crucial part of our information networking activities. The Addis Ababa Plan of Action for Statistical Development in Africa in the 1990's was adopted by the Conference of Ministers in May 1990. Since then, the Joint Conference of African Planners, Statisticians and Demographers has developed a strategy for the implementation of the Plan. There is now a need for member States to set up teams which will assess needs and develop strategy at the local level. We hope that the Ministers will devote time to considering how this national activity can be technologically linked in such a way as to aid our cooperative economic efforts.

Organizational Issues

In the year since the holding of the last Conference, major efforts have been initiated to improve the quality of ECA outputs, and to increase the efficiency with which they are produced. The evidence is already before the Ministers. Documentation for the present meeting has been roughly halved in both size and number, with only those documents requiring action by the Conference now appearing on the agenda. Of the 21 "action" documents presented, some 90 percent were distributed according to the "six-week" rule governing United Nations documents, a major improvement on past years. The report of the Ministers will change its format from a summary of speeches, to an action-oriented communique designed to attract the attention of major

development partners on the global and regional scene.

The shift toward a more competitive approach is occurring in other areas. A system for reviewing all intergovernmental documents will be in place by June this year, with review mechanisms to ensure that they are well-focused on their target groups, and that they are of the quality expected of a United Nations institution. The calendar of meetings is being scrutinized, to ensure that the major meetings of 1993 lose their routine nature, and become efficiently organized around themes of immediate importance to the Commission. Networks are being established with the research arms of various African and multilateral institutions to improve the data contained in ECA reports. Within the house, major efforts are underway to upgrade the skills of professional staff.

The improvement of large organizations is neither simple, nor easy, particularly at a time when the structure of the United Nations itself is under review and modification. A desirable time frame for putting all changes in place would be before the holding of the next Conference, so that a report could be issued to Ministers on the progress we have made. The support of member States will be essential, if we are to be able to move ahead in these matters quickly, and the Ministerial communique might reflect their encouragement in this regard.

Financial Issues

The financial issues confronting the organization will represent a major constraint for some time to come. Under the regular budget, a major freeze has been instituted on recruitment, which will limit our flexibility in adjusting our personnel profile to the current problems of Africa. Significant reductions in United Nations staffing at the upper levels, while undoubtedly useful in streamlining the Organization, could reduce career opportunities and raise problems of staff morale. The budget of the United Nations remains uncertain and highly indebted. Regardless of the fact that programme planning extends for two years, de

facto financial planning horizons are now reduced to six months.

The document before the Conference on the drastic decline in extrabudgetary resources graphically illustrates the crisis that we are encountering in 1992. In one biennium (1991 to 1993), extrabudgetary resources are expected to drop from some US\$32 million to about US\$17 million, a fall of nearly 50 percent. In the same period, the percentage of extrabudgetary resources in the ECA budget will drop from 39 percent to 24 percent.

It must be stressed that this drop in extrabudgetary support is not a sudden, or even an unexpected event: the trends have been there, for those who wished to see, for some years. The crisis now occurs because ECA is left with little room for manoeuvre. The regular budget must be considered to have very nearly reached its limit under the present organizational arrangements. The United Nations Trust Fund for African Development (UNTFAD) no longer attracts the funds it once did when African economies were moving ahead. Regional cooperation as a mechanism for African development has received less priority than it should, though we can take satisfaction from the signing of the treaty establishing the African Economic Community, and the fact that the economies of a large number of African countries are too small and undiversified to achieve a high level of development on their own. If extrabudgetary funds decline, no other source can make up the difference. The precipitous nature of the decline will cause difficulties both in delivery of technical assistance, such as the support ECA provides to various African institutions; and in its ability to maintain valuable professional staff who are the backbone of its technical cooperation activities.

Obviously urgent steps are required, and I have made the re-establishment of ECA's extrabudgetary financial base a major priority since my arrival. The voices of member States need, however, to be added to my efforts if donors are to modify their approach, and fund African cooperation. We hope that the Conference will respond accordingly.