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**PROPOSALS FOR THE UTILIZATION OF UNTFAD RESOURCES DURING  
THE PERIOD 1992-1993**

1. Introduction

2. Methodology

3. Results

4. Discussion

5. Conclusion

6. References

7. Appendix

8. Acknowledgements

9. Contact Information

10. Author Biographies

11. Declaration of Interest

12. Funding Sources

13. Data Availability

14. Ethics Approval

15. Supplementary Materials

16. Correspondence

17. Copyright

18. Disclaimer

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## I. INTRODUCTION

1. As an executing agency and in its role of promoting technical co-operation among and with African countries, the Economic Commission for Africa (ECA) has come to rely more on extra-budgetary resources to effectively fulfil some of its work programme. Extrabudgetary resources reached a total of \$US 22 million in 1989 compared to \$US 13 million in 1988<sup>1</sup>. The total allotment for 1990 is \$US 21,399,776 million. Notwithstanding the increased needs for these resources, the actual sources have been waning.

2. Extrabudgetary resources used for operational activities come from five main sources, namely the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), bilateral, the United Nations Regular Programme for Technical Co-operation (UNRPTC) and the United Nations Trust Fund for African Development (UNTFAD), each of which in 1989 accounted for 50, 22, 16, 9.8 and 2 per cent respectively.

3. UNDP has however been a source of funding in a diversified range of activities and usually of large-scale type. However, some resources are given for specific sectoral uses like those of UNFPA designed for population activities and bilateral sources normally prescribing areas of preference for financing. Given the multisectoral activities, the ECA secretariat is charged with, it is thus not always easy to secure the necessary funds for its varied activities.

4. With these restrictions on the use prescribed by donor agencies, UNTFAD has turned out to be a vital source of resources which can be used in a flexible manner for undertaking small- and medium-scale projects as well as supplementing resources provided by other donors. Needs for these resources will evidently increase in the next biennium to implement the many resolutions emanating from various intergovernmental conferences of ECA. Recent developments on the global scale indicate increased need for internalizing resource mobilization. The impending realization of a single European Market and the political/economic changes in the Eastern Europe are all poised to have adverse effect on the traditional resource flows, diverting them away from the African region.

## II. ROLE OF UNTFAD IN OPERATIONAL ACTIVITIES

5. UNTFAD resources have been mobilized biennially since 1977 at pledging conferences which are held in conjunction with the ECA Ministerial Conferences. Countries can however also pledge each year at the pledging session conducted at the United Nations in New York. Since its inception in 1977, a total of \$US 12 million have been mobilized. These resources have gone a long way in financing mainly small-scale projects. Some of these resources have also been used in a catalytic way to finance projects which in turn attract or influence other donors to make contributions.

6. The rationale behind establishing UNTFAD rested in the need for African countries through collective action to make every effort to deal with the mounting social and economic problems riddling the continent. As the problems have not been resolved, the purpose for creating UNTFAD is as valid today as it was 14 years ago. To this end, UNTFAD pledges have been utilized to address key strategic policy directives derived from various intergovernmental legislative organs of the secretariat. One of the forerunners of these strategies was the Lagos Plan of Action and the Final Act of Lagos

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<sup>1</sup> Report on extrabudgetary activities undertaken by ECA during 1989, E/ECA/CM.16/22.

which addressed long- term development issues and perspectives. Subsequent to this, was the identification of priority areas for development by the African Governments under Africa's Priority Programme for Economic Recovery (APPER) and the United Nations Programme of Action for African Economic Recovery and Development, 1986-1990 (UN-PAAERD), which has just been concluded. The most recent policy strategy has been geared towards transforming Africa's structural imbalances. This is outlined under ECA's "blue print", the African Alternative Framework to Structural Adjustment Programmes for Socio-economic Recovery and Transformation (AAF-SAP) endorsed by the Assembly of Heads of State and Government of the Organization of African Unity at its twenty-fifth meeting and by the General Assembly of the United Nations at its forty-fourth session. Implementation of AAF-SAP requires the full support of Africa's population. This has inspired the adoption of the African Charter for Popular Participation in Development and Transformation.

7. Implementation of all these key strategies require tremendous resources. As it has been pointed out in the report on the utilization of UNTFAD resources for 1989/1990, previous pledged contributions have been effectively used to implement a wide range of development activities. Projects have covered key priority sectors in agriculture, industry, natural resources, human resources development and economic co-operation activities.

8. In making pledges to UNTFAD, some countries specify the sector or subsector in which their contributions should be utilized. These form what is considered UNTFAD Specific Funds. When no such specifications are made, the funds are classified as UNTFAD General Fund and the choice of sectors in which these resources are used is left at the prerogative of the Executive Secretary.

9. Prior to May 1990, all interests accruing to UNTFAD General and Specific Fund were not available for use by the secretariat without prior clearance from the contributing countries. In this regard, resolution 678 (XXV) adopted by the sixteenth meeting of the Conference of Ministers in May 1990 empowered the Executive Secretary of ECA to use these additional funds as needed in implementing the projects consistent with the purposes of UNTFAD. This move has evidently increased the resource base of UNTFAD.

### III. PRIORITY AREAS OF CONCENTRATION FOR THE 1991-1993 BIENNIUM - A NEW FOCUS

10. ECA will continue to place great importance on the operational activities since this is the best way of imparting practical applications to the ideas and ideals embodied in the multidisciplinary research and studies undertaken at the substantive level. There is now a general consensus that key priority areas should be identified and targeted for development. This is a consequence of realization that the region is engulfed with a multiplicity of problems which are all very complex. Short-term measures are no longer enough. Some of these persistent problems have been the debt burden, the increased environmental degradation and the under-development of economic and social infrastructures. With limited resources, all these will need time to receive their due share of response.

11. One feature which has long been recognized as a prerequisite for bringing about positive and lasting changes is the need to strengthen economic co-operation in the region among African countries as well as between Africa and the rest of the world. Underlining this is the strengthening and co-ordination of policies between countries of the region. Measures will have to be taken within this

broad framework and with long-term objectives for attaining social and economic recovery and transformation for sustained growth.

12. Thus, the approach to be adopted for use of UNTFAD resources during 1992-1993 would be one of concentrating on the following critical areas.

- (a) Strengthening of human resources planning, development and utilization.
  - (i) enhancement of the capacities of all population groups particularly the grassroots through appropriate planning of resources utilization;
  - (ii) building the supply of middle- and high- level skilled manpower;
  - (iii) addressing the problems of unemployment through providing training programmes; and
  - (iv) promoting activities of women in development especially rural women;
- (b) Ensuring the development of agricultural capabilities and capacity to address in particular the recurrent problems of famine which predominated the last decade. This will involve the strengthening and establishment of projects aimed at:
  - (i) reducing post-harvest food losses; and
  - (ii) strengthening market information systems;
- (c) Increasing focus on developing self-reliant and sustainable industrialization shifting away from import-dependent consumer goods to strengthening capabilities in resource base and engineering core industries, in food processing, textiles, forest and wood, metal, mechanical, chemical, petrochemicals and building materials. In this respect concentration will be put on:
  - (i) creating conditions for small-scale industries and effective functioning of private and public enterprises;
  - (ii) building capacities in industrial planning; and
  - (iii) development of raw materials and factor inputs for industrial production;
- (d) Building and strengthening essential institutional social and physical services for enabling self-reliant and self-sustaining development. This will call upon implementing the United Nations Transport and Communications Decade in Africa;
- (e) Creating and strengthening the market structures with a view to intensifying interregional trade and strengthening trade-oriented multisectoral intergovernmental organizations and financial institutions;

(f) Implementing specific projects designed to break new grounds for subregional co-operation and integration taken at MULPOC level and at other levels particularly of ECA-sponsored intergovernmental organizations.

#### IV. CONCLUSIONS AND RECOMMENDATIONS

##### A. Conclusions

13. The usefulness of UNTFAD can no longer be overstressed as a tool for developing the much-needed capacities and capabilities of African countries. ECA, as a centre of accumulated knowledge and skills in multisectoral and multidisciplinary areas, needs to be exploited to the utmost to ensure that these skills and expertise are disseminated to the member countries. It is only through enabling this key institution by providing it with additional funds to supplement the regular budgetary funds that these activities could be effectively carried out.

14. Regular and generous contribution to UNTFAD by member countries, in particular, and by all other bilateral and international organizations, will ensure the increase of operational activities. Although resources from other United Nations institutions, bilateral and non-governmental organizations will continue to constitute a major source of funds for the major projects, UNTFAD resources will however continue to stand out as the lifeline for ECA's baseline activities. These resources, as has been pointed out elsewhere in this report, can be drawn upon at any time to meet critical and sometimes urgent needs. It is against that background that yet again member States and other donor countries and institutions are called upon to respond generously.

##### B. Recommendations

(a) Member countries of the African region should pledge regularly and as much as possible increase the value of the contributions;

(b) Pledged contributions should be paid timely so as to enable their utilization to be reliable and programmed;

(c) Other donors are encouraged to contribute to this fund whose functions are critical and catalytic in nature.