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Medium-Term Plan: 1980-1983Economic Co-operation and Integration Programme:
Economic Commission for AfricaSub-Programme I: Policies and Institutions(a) Objectives

The objectives are set out in Paragraph 1 of the Terms of Reference of the ECA.

Within the framework of these policy guidelines and subsequent resolutions and recommendations adopted by ECA and OAU as well as the principles established in the Programme of Action on the Establishment of a New International Economic Order, ECA's activities in the field of economic cooperation are directed towards achieving optimum national development through a multinational process.

To this end assistance is provided to African countries and to inter-governmental organisations in the identification and programming of multinational programmes and projects and identification of possible areas of cooperation between Africa and other developing regions.

(b) Problems addressed

The present structure and orientation of African economies are the major obstacles to the successful pursuit of national socio-economic goals. ECA's programme on economic co-operation focusses on activities directed towards the restructuring of the economies and to measures required for the removal of obstacles to effective multinational co-operation which is a necessary condition for national socio-economic transformation.

Of the 49 independent African countries only two have populations of over 30 million; more than half have populations of 5 million or less. Most countries not only have small populations, but compared with the populations in almost any part of the world the

1/ e.g. Resolutions adopted at the fifth and eight sessions of ECA; and African Declaration on Co-operation, Development and Economic Independence adopted by African Heads of State and Government in 1973.

African people have very low per capita incomes. Moreover national markets are fragmented and dominated by subsistence output. This imposes a major constraint on the creation of viable productive units. In the majority of countries the productivity of the agricultural sector is low and its contribution to GDP is only around 30 per cent. Hence the majority of countries are dependent on food imports and the agricultural sector, which is the source of living for about 90 per cent of the population is not providing the necessary stimulant to the rest of the economy. Industrial development is characterised by capacities below minimum requirements for economies of scale, high unit costs, parallel and duplicating developments in neighbouring countries resulting in idle capacities, low value added arising from concentration of activity in primary processing and assembly plants and operations which require a large share of imported components and other inputs, and generally by lack of basic industries. Employment opportunities are limited and the labour market is characterised by an enormous supply of unskilled labour and a shortage of artisans and other skilled workers. Transport links within the region are still very sparse and intra-African communication services very slow. There are few links between states and the landlocked countries have few connecting links with the coast. The transport problems combined with low productivity in agriculture, inefficient industrial structure, excessive dependence on developed countries, and inadequacy of effective payments arrangements, reduce intra-African trade and net export earnings and increase gross domestic expenditure on overseas imports.

The limited potential in terms of growth and development arising from small and fragmented national markets, make economic co-operation imperative. But, efforts towards creating effective co-operative arrangements are hampered by: inward-oriented national policies and institutional deficiencies, failure to identify collectively specific multinational projects and to appreciate fully the direct and indirect benefits which will accrue to all countries promoting such co-operative projects and programmes, and dependence on foreign technology and investment with consequent centrifugal influences on economic policies and strategies.

The failure to reorient national economies and internalise cooperation at the national level and the consequent slow progress towards achieving effective multinational co-operative arrangements, make meaningful co-operation between Africa and other developing regions difficult.

(c) Legislative authority

Commission resolutions 221(XI), 246(XI), 256(XII), 296(XIII), 311(XIII), and General Assembly Resolution 3362(S-VII).

(d) Strategy and output

With a view to overcoming institutional deficiencies and creating effective multinational co-operative arrangements at the sub-regional and regional levels, priority is given to the re-organization of ECA's field institutional structures both from the administrative and substantive viewpoints and to strengthening and rationalising African inter-governmental organizations.

The fourth ECA Conference of Ministers called for the strengthening and conversion of ECA existing subregional structures into Programming and Operational Centres; and for the creation of additional Operational Centres so that the whole of the Africa region could be divided into appropriate groupings of countries each of which is served by an Operational Centre. Inter-governmental policy and supervisory organs are to be created for each centre to identify, on a collective basis, multinational priority projects and programmes and to monitor the implementation of such projects and programmes as well as oversee all activities related to the Centre.

The fourth Conference of Ministers also called for the rationalising of existing inter-governmental organizations within the purview of each Operational Centre in order to avoid competition, duplication of efforts, and inconsistencies and fragmentation.

The ultimate objective is to create subregional common markets as a first step towards a regional common market; and within the framework of African cooperation to promote cooperation between the Africa region and other developing regions.

To achieve these objectives ECA's activities consist of: convening meetings at subregional levels to create Operational Centres and their policy and supervisory organs, establishment of multinational priority projects for such centres, mobilisation of resources for the implementation of priority projects, provision of assistance to inter-governmental organizations in critical development areas; undertaking research to identify possible areas of cooperation among existing inter-governmental organizations, and identification of areas of cooperation between Africa and other developing regions.

(i) Situation at the end of 1979:

By the end of 1979, the creation of ECA multinational Programming and Operational Centres and establishment of their priority projects and programmes will have been completed. Assistance to inter-governmental organizations in critical development areas and consultations and studies towards rationalising their programmes will continue.

(ii) Biennium 1980-1981:

Taking account of the fact that economic cooperation and integration cannot be achieved in a short period of time, the need will remain for all the parties concerned to initiate and to maintain a continuing dialogue and negotiations on the best ways to advance economic cooperation and integration in the region. Co-operative undertakings leading towards the creation of subregional common markets will continue to be promoted. It is hoped that mechanisms for the creation of subregional preferential trade areas including clearing house and payments arrangements will have been established. Identification and implementation of projects and cooperative arrangements between Africa and other developing regions will be provided on a continuing basis.

(iii) Biennium 1982-1983:

During this period the Office for Economic Cooperation will continue to act as a catalytic agent to strengthen subregional and regional economic groupings and institutions in the area. It will also help governments prepare new integrated development schemes and assess the performance of the ones already in place.

(iv) Activities of marginal usefulness:

There are no activities of marginal usefulness. All activities listed in sections (ii) and (iii) above are of great importance in helping to achieve the objectives set out under paragraph (a) above.

(e) Expected Impact

It is expected that during the period of the plan the ECA Multinational Programming and Operational Centres will become effective instruments for the promotion of programmes directed towards the creation of subregional common markets; and that concrete results will have been achieved in the rationalisation of the activities of inter-governmental organisations and the gradual integration of the smaller and/or limited sectoral inter-governmental organisations into multi-purpose larger co-operative arrangements oriented to much higher degrees of formal subregional economic integration.

Sub-Programme 2: Projects

(a) Objectives

The objective is to identify and promote the implementation of specific projects during the plan period, within the group of countries served by each ECA Multinational Programming and Operational Centre and between groups of countries served by two or more Operational Centres. Expert teams in neighbouring Centres will, as necessary, co-operate in the evaluation and implementation of projects cutting across subregional boundaries.

The specific priority projects selected for implementation should not only reflect the national overall objectives of the countries served by each Operational Centre but should also be multinational and/or multisectoral projects and national projects with a multinational potential.

(b) Problems addressed

There are political, economic, and financial obstacles to identification and implementation of multinational projects.

Because of the inward-orientation of countries, national development plans are not yet coordinated on a multinational basis or related to subregional and regional programmes, and the countries have not yet internalised economic cooperation in their national socio-economic policies. There is also an apparent lack of firm political commitment to take decisions on the implementation of multinational projects and programmes and to provide on a sustained basis moral and material support to multinational institutions created to promote cooperation. These problems are partly responsible for the slow progress in implementing multinational projects and for some of the set-backs encountered by some cooperative institutions.

Another major constraint in the identification and implementation of multinational projects is inadequacy of resources. Taking into account the limits on resources for each Operational Centre, particular attention has to be paid to programme-timing in such a way that only a limited number of key projects are selected for implementation during and within the plan period, in the light of problem - areas identified by the inter-governmental organs of each Operational Centre. However, programme-timing necessitated by inadequacy of resources should not detract attention from the fact that structural transformation is an inter-sectoral process in which, though some key sectors and projects selected for immediate implementation may play a leading role for a time, all projects and sectors are linked. Therefore in pursuance of the goal of long-term structural transformation recognition of inter-

relationships between sectors and projects and their spread effects, should form the main criterion for establishing priority projects during the period of the plan.

(c) Legislative authority

Economic Commission resolutions 241(XI) and 311(XIII); decisions on specific priority projects taken by the meetings of Councils of Ministers of the ECA Multinational Programming and Operational Centres; Economic and Social Council resolution 1552(XLIX); and General Assembly resolution 2563(XXIV).

(d) Strategy and output

In accordance with resolution 311(XIII) adopted by the fourth meeting of the ECA Conference of Ministers meetings of the supervisory bodies (Committees of officials and Councils of Ministers), of the ECA Multinational Programming and Operational Centres, are convened annually; to take decisions on specific priority projects and on appropriate machinery for project evaluation and implementation. The supervisory bodies also make recommendations on the mobilisation of resources from within each subregion and from members of the United Nations Family and donor countries. The staff of each Operational Centre is expected to produce technical reports at appropriate stages in the implementation of each project activity. Where necessary, appropriate mechanisms (sectoral committees, inter-governmental commissions, inter-governmental negotiation committees, etc.) will be established to monitor the implementation of each project and assist in finding solutions to problems which may arise.

The team of experts in each centre will implement the projects on an interdisciplinary basis. As the Operational Centres are an integral part of ECA the priorities established by the governments will be reflected in the ECA Work Programme and Priorities and the ECA Headquarters will be responsible for the overall supervision of the centres, provision of backstopping services, and for securing, in close cooperation with the governments of additional resources.

Within the framework of the New International Economic Order and ECA's framework of Principles For the Implementation of the New International Economic Order in Africa the Operational Centres will be required, in the implementation of their programmes, to adopt methodologies and techniques for project evaluation and implementation that are appropriate to economies which are basically dual in character, characterised by a large subsistence sector low per capita incomes, unemployment and underemployment, balance of payments problems, limited resources and limited possibilities of intra-African trade because of inadequacy of complementarities and external dependence.

The areas which form the core of the work programmes of the ECA Operational Centres and within which specific projects have been identified are:

- Agriculture and rural development

Assistance in devising broad-based multinational programmes of socio-economic engineering through integration into one coherent programme of projects in crop-production, livestock production, processing of agricultural commodities, water-resources development, credit schemes, provision of better seeds, fertilizers and equipment, storage facilities, health, education, and research.

- Industry

Assistance in co-ordination of industrial policies and strategies within the group of countries served by each Operational Centre and between groups of Countries served by neighbouring Centres, with a view to recommending measures for minimising duplication of industrial plants among neighbouring countries and for the promotion of multinational basic and strategic industries. Within the framework of agreed policies and strategies, assist in programming multinational cooperation in creating new productive capacities and/or rationalising existing productive capacities for example in the following branches of industry:

- (a) Integrated iron and steel plants
- (b) Non-ferrous metals
- (c) Fertilizer plants
- (d) Pulp and paper
- (e) Basic engineering plants
- (f) Petro-chemicals
- (g) Mining equipment
- (h) Telecommunication equipment
- (i) Agricultural implements
- (j) Agro-allied processing industries.

- Transport and Telecommunications

Assistance in measures directed towards the completion of the Trans-African Highways Project and construction of feeder roads. Assist in the preparation and implementation of programmes for the creation of integrated transport services including roads, railways, shipping, and air-transport; and standardisation of technical parameters and removal of physical and institutional barriers.

- Trade

Assistance in promoting intra-African trade within each grouping of countries served by an Operational Centre and between sub-groupings. Assistance in creating clearing house and payments arrangements as well as preferential trade areas as a step towards the establishment of subregional common markets.

- Manpower

Assistance in promoting inter-country specialisation in the training of scientists, technologists, and artisans; and establishment at the country level of manpower planning agencies. Assistance in promoting indigenous consultancy services.

- Natural Resources

Assist in the identification of, and exploration for, natural resources including minerals and energy; and in promoting co-ordinated multinational programmes for the exploitation and utilisation of natural resources for development purposes. Assist in promoting multinational research and training institutions in the field of natural resources. Advise on legislation and other measures directed towards achieving full sovereignty over natural resources by African countries. In executing this programme the ECA will co-operate with ECLA, ESCAP, ECWA and ECE.

(i) Situation at the end of 1979:

By 1979, it is expected that all the ECA Operational Centres will be implementing specific priority projects in agriculture, energy, industry, transport,

manpower and trade. It is envisaged that preferential trade areas will have been established in at least three subregions, integrated rural development schemes established in a number of project-areas, and machinery created for inter-country specialisation in training of manpower, multinational shipping lines and freight booking centres established, and feasibility studies completed on some basic industries.

(ii) Biennium 1980-1981:

During this biennium, progress will be made towards the consolidation of the preferential trade area and the clearing house arrangements proposed for Eastern and Southern Africa, Central Africa (Great Lakes Community countries), and Central African countries served by the Yaounde-based Operational Centre. It is also hoped that transport, agriculture, energy, manpower and industrial projects will be completed.

(iii) Biennium 1982-1983:

Continuation of programmes initiated in 1978/1979 in the fields of agriculture, trade, industry, manpower development, transport and natural resources. Consolidation of progress towards creation of subregional common markets.

(iv) Activities of marginal usefulness:

No activities of marginal usefulness.

(e) Expected impact

There will emerge an increasing number of co-operative ventures in which African countries will pool financial, human and technical resources towards the creation of subregional common markets and achieving self-sustaining development. It is expected that the least developed countries of the continent will benefit greatly from improvements in the fields of natural resources, agriculture, transport, industry, training facilities.

ANNEX : PLAN FORM 1

Major Programme :

Organizational Unit:

A. Organization

1. Intergovernmental Review

The work of the Secretariat in this programme is reviewed by the MULPOC Councils of Ministers (specialized intergovernmental bodies) which meet every year. The inaugural meetings of the Lusaka-based and Gisenyi-based MULPOCs met in October and November, 1977, respectively. The coming meetings for the Yaoundé, Niamey and Tangiers will meet in January, February and March 1978 respectively.

2. Secretariat

The Secretariat unit responsible for this programme is the Economic Co-operation Office in which there were 11 professional staff on board as of 31 December 1977 of which 2 were supported from extrabudgetary sources. The Office had the following branches as of 31 December 1977 :

Branch/Section/Unit	Professional Staff		
	RB	XB	Total
Economic Co-operation Office	9	2	11
Lusaka MULPOC		8	8
Niamey MULPOC	1	5	6
Yaoundé MULPOC		5	5
Gisenyi MULPOC		3	3
Tangier		3	3

3. Divergences between current administrative structure and proposed programme structure

The administrative structure of the MULPOC would be changed according to priorities set by the Council of Ministers of each MULPOC. Taking into account that economic co-operation among African countries will become increasingly important in the next few years, more staff will be required for the implementation of the medium term plan, not only in the field but also at headquarters. Each MULPOC will require at least six professional staff members. In the Economic Co-operation Office, there should be at least one staff for each of the following sectors: Agriculture, Industry, Trade and Finance, Transport and Tourism, Natural Resources (minerals, water, energy), Manpower and Management, Social Development and one staff in the field of ECDC-TCDC.

Thus the Division will need:

(a) MULPOCs $6 \times 5 = 30$
Current posts : 24
New posts : $30 - 24 = 6$

Economic Co-operation Office:

Current posts : 9 RBs ; 2 x B = 11

Policies and Institutions Posts : 5

Projects : 8. See paragraph 3 above.

Additional posts required: 4

4. Expected completions and consequent reorganizations

(a) Expected completions

The following programme elements described in paragraph (d) in the Proposed Programme Budget for Biennium 1978-1979 (A/32/6) are expected to be completed:

(i) In 1978-1979:

By 1979, it is expected that all the ECA Operational Centres will be implementing specific priority projects in agriculture, energy, industry, transport, manpower and trade. It is envisaged that preferential trade areas will have been established in at least three subregions, integrated rural development schemes established in a number of project-areas, and machinery created for inter-country specialisation in training of manpower, multinational shipping lines and freight booking centres established, and feasibility studies completed on some basic industries.

(ii) In 1980-1981:

During this biennium, progress will be made towards the consolidation of the preferential trade area and the clearing house arrangements proposed for Eastern and Southern Africa, Central Africa (Great Lakes Community countries), and Central African countries served by the Yaoundé-based Operational Centre. It is also hoped that transport, agriculture, energy, manpower and industrial projects will be completed.

(b) Consequent reorganizations

The Division wishes to maintain a flexible organizational structure in order to respond as quickly as possible to the needs and priorities of the countries and subregional economic groupings. MULPOC experts will be recruited on short-term basis to allow greater flexibility and substitution of expertise in the implementation of priority projects.

5. Other organizational matters

The staff of the Office will be assigned specific subject areas in accordance with subject areas indicated in paragraph 3 above. In addition some staff members will be assigned responsibilities in the field of economic co-operation between the African

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B. Co-ordination

1. Formal co-ordination within the secretariat

The Economic Co-operation Office will co-operate very closely with all ECA substantive divisions on the identification and implementation of specific projects within the framework of the MULPOC; as well as with PPCO and TACOO on policy and programming matters.

2. Formal co-ordination within the United Nations System

Co-ordination of sub-programmes with UNIDO for projects on industry; FAO for projects on Agriculture, with UNESCO and ILO for projects on manpower; with UNCTAD on trade problems; as well as with regional economic commissions on co-operation between Africa and other developing regions. The UNDP and other specialized agencies of the United Nations will be requested to provide additional inputs for the implementation of programmes and projects.

3. Units with which significant joint activities are expected during the period 1980-1983:

Appropriate units within the following divisions:-

International Trade and Finance Division, FAO/Agriculture Division, UNIDO/
Industry Division, Transport and Tourism Division, Natural Resources Division,
Manpower and Public Administration Division, Social Development, Technical Assistance
Co-ordination Office (TACCO)

C. Allocation of resources to subprogrammes

The trend in the percentage allocation of resources to subprogrammes is expected to be approximately as shown in the following table:

Table : Allocation of resources to subprogrammes
(percentage)

[illegible]