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UNITED NATIONS ECONOMIC COMMISSION FOR AFRICA

*Expert Group Meeting on a Critical Review and
Appraisal of the Progress Made in the
Implementation of the United Nations
Programme of Action for African
Economic Recovery and Development (UN-PAAERD)*

*22-24 April 1991
Addis Ababa, Ethiopia*

**REPORT OF AD HOC AFRICAN ECONOMIC EXPORT GROUP
ON
THE REVIEW AND APPRAISAL OF THE IMPLEMENTATION OF
UN-PAAERD BY THE AFRICAN COUNTRIES AND
THE INTERNATIONAL COMMUNITY**

April, 1991

PART I - Organization of work

1. *An Ad Hoc Expert Group Meeting of African Economists from the African Economic Association (AFEA) was held in Addis Ababa (Ethiopia) from 22-24 April 1991, in conjunction with the Intergovernmental Expert Group Meeting to consider the final Review and Appraisal of the United Nations Programme of Action for African Economic recovery and Development (UN-PAAERD). The Expert economists first met on their own to express their views and opinions on the implementation of UN-PAAERD by the African Governments and the International Community. The list of participants is in Annex I.*

2. *The Expert economists were further requested to join the ongoing Intergovernmental Expert Group Meeting on the final review and appraisal of the UN-PAAERD (26-28 April 1991) in order to contribute to the drafting of the memorandum by the ECA Conference of Ministers to the Ad-Hoc Committee of the Whole of the General Assembly on the Final Review and Appraisal of the Implementation of UN-PAAERD 1986-1990. They have thus effectively contributed to the drafting of the Memorandum included in the Report of the Intergovernmental Expert Group Meeting on the UN-PAAERD.*

PART II: VIEW OF THE AFRICAN EXPERT ECONOMISTS ON PROGRESS OF IMPLEMENTATION UN-PAAERD, 1986-1990

3. From the report of the Survey administered by ECA in the member States, it is clear that the African States put in commendable effort to implement economic reforms. Greater amounts of resources were channelled by the African Governments to the agricultural sector which amounts have enabled increased agricultural production as the mandate of UN-PAAERD in 1986.
4. Together with the above, additional effort was placed on the development of other sectors that support, directly or indirectly, agricultural development.
5. The majority of African countries, along UN-PAAERD lines and along Structural Adjustment Programmes as well, placed on board definite policy reforms at great socio-economic costs and political skills and sacrifices.
6. In this respect, it has been shown that SAP, instead of supplementing UN-PAAERD, actually undermined it. In essence, African States experienced relative achievements regarding the commitments they entered into in 1986.
7. However, regarding the international Community's commitments, the available information indicates indeed, that the commitment to supplement Africa's development effort on the part of the international community was not at all carried out. For instance, Africa's debt burden increased rather than declined during the 1986-1990. In addition,

resource requirements for the implementation of UN-PAAERD were not available and the net resource flows to Africa declined in real terms during the programme period. The official development (ODA) assistance stagnated while private flows declined, according to OECD figures.

8. In addition to the negative resource flows, the international environment has also been unfavourable to Africa. The falling commodity prices and the ever increasing import prices resulted in a continuing unfavourable terms of trade. So, international cooperation on commodity issues therefore became weaker during the UN-PAAERD period than before. It has further been noted that while African countries have been pressurized to liberalize its import regimes, the industrialized countries have not changed their protectionist policies. It is therefore clear that the international community failed to meet their commitments.
9. From the compact between the African Governments and the international community, it was that obvious that success of UN-PAAERD would depend on both parties leaving up to their commitments. But, as the efforts of the African Governments were stifled by external forces in addition to their own structural shortcomings internally, less UN-PAAERD was, from this point of view, doomed to fail. The heavy debt burden of African economies increased continually, their commodity problems complicated their export earning capacity of Africa and the SAP's conditionalities continued to undermine the relative contribution to UN-PAAERD. Thus, it became quite clear that no programme would succeed in Africa if the debt and commodity issues as well as the conditionalities in SAP's, are not resolved.
10. It is important therefore to realize that, in the next decade, whether UN-PAAERD II evolves or whether a new programme is instituted, no economic recovery and development would take place in Africa unless the above issues are resolved. In order to put an end to the continuing socio-economic crisis in Africa, a more meaningful agenda for cooperation that deals with the root causes of the above crises must be put in operation for effective implementation.
11. Internal constraints have proved to be one of the obstacles to recovery and development in Africa. But external constraints and unfavourable international economic environment proved have also remained in financial recovery and development.
12. An attempt must thus be made to provide a viable conceptual and practical framework for economic structural programmes in keeping with the long-term development objectives and strategies at the national, subregional and regional levels, along the lines suggested in AAF-SAP.
13. But ECA confirmed also that pursuing the transformation of African economies and society would not succeed if the international economic environment remains antagonistic and if the related problems of debt burden, commodities problems and resource flows are

not effectively resolved. And this should constitute the new agenda for cooperation between the African States and the international community, focusing on the key problems. Under the agenda, the continent should strengthen her efforts towards the transformation of the structures of the economies in order to achieve sustainable growth and development.

14. The international community, on the other hand, would have to deal with the bilateral and multilateral debt and commodities issues in a much more fundamental manner that would provide lasting solutions to these problems and embody definite commitments to support Africa's own approaches to development and transformation.
15. On the debt issue, the international community will have to consider very seriously the issue of debt cancellation, this being a political problem. Further, it is suggested that the international community should be made to delink debt relief from the conditionality of SAPs. On the multilateral debt, it is important that the World Bank and IMF should be requested to change their statutes in order to enable them embark on innovative approaches, including debt write-offs to enable them solve this pressing problem.
16. The international community must be made to support the concerted programme of diversification of Africa's economies in order to reduce the continent's dependence on a few commodities and also to improve on Africa's technological position.

**ANNEX I
LIST OF PARTICIPANTS**

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