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REPORT OF THE CONFERENCE ON THE PROBLEMS
AND PROSPECTS OF THE AFRICAN LEAST
DEVELOPED COUNTRIES

(Addis Ababa, 17-22 March 1980)

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A. ATTENDANCE AND ORGANIZATION OF WORK

1. The Conference on the Problems and Prospects of the Least Developed African Countries, which was convened in collaboration with UNCTAD, was opened at ECA headquarters in Addis Ababa by Mr. Adebayo Adedeji, Executive Secretary of ECA. The Conference elected Mr. A. Jamal (United Republic of Tanzania) Chairman, Mr. Albert Muganga (Burundi) and Mr. Ibrahim Ali Ibrahim (the Sudan) as first and second vice-chairmen respectively. Mr. Mersie Ijigu (Ethiopia) was elected rapporteur.
2. The Conference was attended by representatives of the following least developed African countries: Benin, Burundi, Cape Verde, Chad, the Comoros, Ethiopia, the Gambia, Guinea, Lesotho, Malawi, the Niger, Rwanda, the Sudan, the United Republic of Tanzania and Uganda.
3. The following non-least developed countries participated as observers: Djibouti, Equatorial Guinea, Guinea-Bissau and the Ivory Coast.
4. The following United Nations bodies and special agencies were represented: Office of the Under Secretary-General for Special Political Questions, the United Nations Sahelian Office (UNSO), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Industrial Development Organization (UNIDO), the United Nations Children's Fund (UNICEF), the United Nations Development Programme (UNDP), Office of the United Nations High Commissioner for Refugees (UNHCR), the International Labour Organization (ILO), the Food and Agriculture Organization (FAO), the United Nations Educational Scientific and Cultural Organization (UNESCO), the World Health Organization (WHO), the United Nations Centre for Human Settlements, the Intergovernmental Maritime Consultative Organization (IMCO) and the International Trade Centre.
5. The following intergovernmental organizations were also represented: the Organization of African Unity (OAU), the Economic Community of West African States (ECOWAS), the African Development Bank (ADB), the Institute for Economic Development and Planning (IDEP), the Arab Bank for Economic Development for Africa (BADEA), the Lake Chad Basin Commission (LCBC) and the African, Caribbean and Pacific (ACP) Group.
6. The following experts participated in the Conference as senior consultants: Mr. M. Beheiry, Mr. R.K.A. Gardiner, Mr. Ambica Ghosh, Mr. A. Jamal, Mr. Mersie Ijigu and Mr. Albert Muganga.

B. AGENDA

7. On 17 March 1980 the Conference adopted the following agenda:

1. Opening of meeting
2. Statement by the Executive Secretary
3. Election of officers
4. Adoption of the agenda and organization of the work of the Conference
5. Critical assessment of the present state and potential for future development of the least developed African countries:
 - (i) Development trends in the least developed African countries
 - (ii) Quantitative analysis of the problems and perspectives of the least developed African countries in the framework of the Third United Nations Development Decade.
 - (iii) The present state and development prospects of the least developed African countries: agriculture, industry, natural resources, trade, science and technology, transport, telecommunication, transit facilities for land-locked countries, human resources, social development, financial and technical assistance, economic co-operation, etc.
6. Review of progress in the implementation of special measures in favour of the least developed countries
7. Proposals for new initiatives; the Comprehensive New Programme of Action for the Least Developed Countries - Phase one, Immediate Action Programme (1979-1981), and Phase two, Substantial New Programme of Action for the 1980s; the least developed countries and the International Development Strategy for the 1980s.
8. ECA work programme for the least developed countries
9. Adoption of the report.

C. ACCOUNT OF PROCEEDINGS

8. In his opening statement, Mr. Adebayo Adedeji said that the Conference on the Least Developed African Countries was long overdue in a continent which had the lowest per capita income of all the continents of the world. He pointed out that the 20 African countries so far identified as least developed comprised 41 per cent of the total countries in the ECA region with a collective population of 123 million or 30.4 per cent of the total estimated population of the region.

9. He referred to the major structural characteristics behind the extreme economic difficulties of those countries and added that 11 of the least developed African countries were land-locked and two were islands.

10. The Executive Secretary underscored the dismal development record of the least developed African countries during the last two decades and stated that it was in view of that poor performance that a variety of measures had been

formulated at the third and fourth sessions of UNCTAD in resolutions 62(II) and 98(IV) to form the basis of a concerted attack on those problems. So far, however, at the end of the Second United Nations Development Decade, as stated in a 1978 report of the Secretary-General of the United Nations (E/1978/86 (Part I)) "while much had been done to conceptualize and clarify the nature of the problems and structural difficulties facing the least developed countries, and while much had been done in the way of the adoption of resolutions calling on the international community to address itself to those problems, progress towards a solution remained painfully slow".

11. As a result of those factors taken together plus a number of exogenous constraints such as susceptibility to drought, the average annual rate of growth of real GDP for the two decades taken together was a low figure of 3.4 per cent yearly and a mere 0.8 per cent on a per capita basis. At that extremely low rate of expansion and with the present mix of economic policies in those countries, it would take 87 years for the least developed African countries as a whole to double the already poor level of per capita income.

12. The bleak economic performance and prospects of the least developed countries, had greatly aroused domestic, regional and international concern and there was now a broad consensus emerging on all fronts for enhanced international support for the expanded domestic efforts needed so as to enable the weakest developing countries to emerge effectively from their present state of stagnation and poor prospects. In that connexion the international community had taken a major step at the fifth session of UNCTAD in adopting resolution 122(V) in which it had decided to launch a comprehensive and expanded programme for the least developed countries with both immediate and longer-term phases.

13. The Executive Secretary suggested that one of the major tasks for the Conference should also be to consider in full the implications for ECA and detailed measures for the implementation of the four important resolutions adopted at the third session of the UNCTAD Intergovernmental Group on the Least Developed Countries (first session of the Preparatory Committee for the United Nations Conference on the Least Developed Countries) convened in Geneva from 4 to 16 February 1980, namely resolutions 5(III), 6(III), 7(III) and 8(III). They related to monitoring, review and appraisal of progress under the Immediate Action Programme, the desirability of establishing the Conference as a periodic high-level meeting regularly reporting to the ECA Conference of Ministers, the modalities for convening individual country and subregional consultations with aid partners collectively in order to review the proposed individual programme and aid modalities, the timing of such preliminary consultations, the finalization of individual country programmes, and finally the desirability of recommending the establishment of an adequately and properly staffed unit within the ECA secretariat to be responsible for the programme of assistance for the African least developed countries.

14. The Under Secretary-General for Special Political Questions, Mr. Abdurahim A. Farah, commended the Executive Secretary of ECA for the initiative he had taken in convening the Conference. The immediate interest of his office in the Conference arose from the fact that it had been entrusted with the responsibility of co-ordinating special programmes of economic assistance to handle special and urgent economic problems for 16 countries, 13 of which were in Africa. The problems these countries faced stemmed from various factors such as gross underdevelopment during the colonial period, or social and political upheavals or conflict within the country or the region and natural disasters. Six of the 13 African countries had been classified as least developed, and of the remaining countries, five had applied for inclusion in the list of least developed countries. However, based on present criteria the Committee for Development Planning had found that those countries did not satisfy the requirements for inclusion in the list of least developed countries.
15. His office had successfully mobilized some resources to implement special assistance programmes. Most of the funds raised had however been on a bilateral basis.
16. He felt that the Development Strategy for Africa for the Third Development Decade which had been adopted by the ECA Conference of Ministers at Rabat in March 1979 provided an appropriate framework for future activities.
17. Mr. M. Doo Kingué, Assistant Administrator of the United Nations Development Programme (UNDP) and Regional Director for Africa, expressed his appreciation to the Executive Secretary of ECA for having invited the United Nations Development Programme to take part in the present Conference. He commended the excellent documents prepared by the ECA secretariat which provided useful information on the situation of the African least developed countries. He underscored the enormous potential of many of the least developed African countries and stated that it was the duty of all other African countries and of the international community as a whole to help them to utilize their potential fully. He particularly emphasized the urgent need for economic and technical co-operation among African countries.
18. Following the 1971 General Assembly resolution on the least developed countries, in 1973 the UNDP Governing Council had launched a "Special Measures Programme" in favour of least developed countries for which \$US 35 million had been mobilized for the remaining years of the first UNDP programming cycle (1973-1976). Those additional resources were aimed at increasing UNDP's assistance to the then 25 least developed countries and particularly to finance projects relating to their special and very particular problems. The Special Measures Programme had been supposed to come to an end in 1976 with the substantial increase of UNDP resources for least developed countries in the second programming cycle (1977-1981) during which the share of the least developed countries had been from one quarter to one third of UNDP programme resources. However funds had continued to be earmarked by member States for

that programme until now more than doubling the initial volume of the programme.

19. The special measures taken by UNDP in favour of least developed countries had included: (a) the exclusive use of the United Nations Capital Development Fund for the least developed countries and (b) according least developed countries highest priority in the use of the services of United Nations volunteers. Half of these volunteers served in Africa.

20. In February 1980, the UNDP Governing Council had held a special meeting to consider the distribution of resources among the various beneficiary countries for the third programming cycle (1982-1986). As a result the share of low-income countries with less than 500 United States dollars per capita GNP was likely to increase and the resources that would be available to most African least developed countries individually would be at least doubled in 1982-1986, with a large number of the African least developed countries receiving two and a half to three times as much as they had been allocated in 1977-1981.

21. In addition to what was being done by UNDP for each African least developed country, a special regional programme had been launched a few years ago for that group of countries. The main project approved so far was a million dollar project on trade policy and planning for which UNCTAD was the executing agency. It was intended to develop the special regional programme in the years 1982-1986. Three other special regional programmes of interest to African least developed countries were also being developed for the same years namely: a special programme for the land-locked countries, nearly all of which were least developed; a special programme for island countries, two of which were least developed and a special programme to combat desertification and protect the African environment which was of special interest to half the least developed countries.

22. In conclusion, he emphasized the need for the least developed countries to build up their own capacity to forge a better future. He pointed out four priority areas in which UNDP intended to concentrate its assistance to African least developed countries namely (a) development planning management and public administration; (b) development of education systems that would enable full and better use to be made of human resources; (c) increased capacity for wealth generation in the least developed countries particularly through natural resource development and management, self-sufficiency in food and energy and better management of financial resources; and (d) promotion of science and technology for development.

23. The Director of the UNCTAD Special Programme on the Least Developed Countries, speaking on behalf of the Secretary-General of UNCTAD, who had been designated Secretary-General of the United Nations Conference on the Least Developed Countries, noted the close collaboration between the secretariats of ECA and UNCTAD in the preparation of the meeting and offered his warm thanks to the Executive Secretary of ECA for his initiative in convening the Conference and for asking for the co-operation of UNCTAD.

24. One of the most important achievements in the past year at the fifth session of UNCTAD had been its decision to launch a Comprehensive New Programme of Action for the Least Developed Countries. Also of special significance had been the decision of the General Assembly at its thirty-fourth session to convene a United Nations Conference on the Least Developed Countries in 1981 with the broad objective of finalizing, adopting and supporting the Substantial New Programme of Action for the 1980s. Indeed, the Preparatory Committee for that Conference had already held its first session on February 1980 in Geneva and had made significant process in several areas. In particular it had: (a) monitored progress under the Immediate Action Programme and invited regional commissions to make similar reviews at the regional level; (b) agreed on country programmes to be prepared by each least developed country and to be reviewed by donors; and (c) adopted a text on the least developed countries for the new international development strategy.

25. He noted that a Group of High-Level Experts had met in November 1979 to review the Comprehensive New Programme of Action for the Least Developed Countries. The Group had noted that the international community could play a key role in assisting the least developed countries to overcome their structural handicaps through measures to expand their exports and particularly by providing concessional assistance in much larger volume. He felt that the report of the Group had promoted consideration of the entire programme in a very positive manner, and would continue to play an important role in the further elaboration of the Programme.

26. With respect to the preparations for the United Nations Conference on the Least Developed Countries, he indicated five broad subject areas:

(a) It would need to review and assess development potentials, bottlenecks and assistance requirements of the least developed countries, based on a careful survey by the Governments of each of the countries of the development possibilities which they might be able to realize under the Substantial New Programme of Action for the 1980s;

(b) It should achieve further specific agreement on providing particularly liberal and flexible modalities for assistance including support for local cost financing, recurring costs, programme support, and specific projects;

(c) It should review sectoral and regional programmes prepared by the relevant bodies of the United Nations system to help to meet the more ambitious targets now contemplated for the least developed countries;

(d) It should consider a programme of economic co-operation among developing countries on behalf of the least developed countries;

(e) It would need to agree on detailed proposals regarding institutional arrangements for the implementation of the entire Programme of Action for the 1980s, including modalities for co-ordination at the global and country level, for review of progress and monitoring of performance of donors and of the least developed countries themselves, and for ensuring the adequacy of flows of assistance and other support for the Programme.

27. The Comprehensive New Programme of Action for the Least Developed Countries called for greater efforts by all United Nations organizations as well as by the entire international community. The work of the present and similar regional meetings should complement the ongoing work at the global level. In particular, the regional commissions were especially well placed to play a key role in assisting the least developed countries in mobilizing their internal resources without which the Substantial New Programme of Action for the 1980s could not succeed.

Development trends in the least developed African countries / trends from 5(i)

28. The document entitled "Long-term Development Trends in the Least Developed African countries" (ECA/CONF/LDCs/2) gave an over-all picture of the situation and of the trends in African least developed countries in macro-economic terms. From the document it was observed that relative to the 1960s the situation had worsened considerably during the 1970s, when the commodity-producing sectors, especially agriculture, had showed a seriously deteriorating trend. Agriculture had grown by 1.5 per cent on average compared with 2.2 per cent in the 1960s while population has been increasing at a growth rate of 2.5 per cent. On the other hand manufacturing industry had showed a growth rate of a mere 3.6 per cent in the 1970s and the efficiency of capital investment was declining. The share of savings in GDP had fallen and that of course had led to a growing dependency on foreign inflows so as to finance the increased capital formation. The same deteriorating performance had been observed in the foreign sector leading to a strained balance-of-payments situation. Overall the forecast for the least developed African countries on basis of past policies and parameters appeared bleak indeed if present trends were to continue.

29. In the discussion that followed participants congratulated the secretariat on the document presented. It was observed that the success of the Substantial New Programme of Action on behalf of least developed countries depended primarily on external financial assistance as well as on domestic efforts aimed at making structural changes and external financial assistance. It was noted that there could be no real self-reliance without a measure of self-control.

30. The meeting discussed some of the serious problems that least developed countries were facing including the unsatisfactory and declining level of assistance sometimes attributable to the application of non-economic criteria by donors and escalating prices of manufactured goods and oil. That situation required corrective measures through the full and timely implementation of the various measures adopted in favour of the least developed countries.

31. Many participants briefly reported their country experiences in the past two decades particularly during the 1970s. Emphasis was placed on the importance of domestic policies and effort, basic political, economic, and social structural changes, intra-African co-operation and the need for substantial external assistance on favourable terms and conditions as a supplement to national efforts as well as the streamlining of procedures for granting external assistance. Other issues raised included land reform and the development of food and agriculture as a matter of priority covering the planning, production, storage, processing and marketing of agricultural products. In that regard raising labour productivity and integrated rural development were stressed. In conjunction with the development of food and agriculture, the expansion of manufacturing was seen as the other major sector of emphasis.

32. Many participants also indicated that transport and communications, management problems, manpower training, linking training with production, demographic factors, energy and problems of desertification merited due consideration.

33. The representative of UNIDO pointed out that General Assembly resolutions 3201(S-VI) and 3202(S-VI) on the Declaration and Programme of Action for the Establishment of a New International Economic Order, and Lima Declaration and Plan of Action on International Development and Co-operation had emphasized that industrialization in least developed countries must take place at a more rapid pace than the average so far achieved. They pointed out that concerted action and special measures of assistance from other countries and international organizations were necessary to mobilize a greater volume of resources to launch innovative projects in those countries and to lay a sound basis for their industrialization.

34. He also outlined in general terms the different activities that UNIDO had undertaken over the last four years (1976-1979) to assist the least developed countries in general and the African ones in particular.

Those activities were aimed at promoting an integrated industrialization process based on the countries' potential and reflecting the wishes, policies, plans and priorities of Governments and the countries' absorptive capacity. The main areas covered by UNIDO technical assistance activities included the development of small- and medium-sized industries, particularly agro-based industries and improvement of the efficiency of existing production facilities and administrative machineries.

35. The FAO representative pointed out that agriculture was not only the leading sector of the economies of the least developed countries but also the engine of growth and development of the economies of probably most African countries as well. He also noted that unfortunately, the growth rate of per capita food production had been low and had been declining in most least developed countries during the last two decades and imports bills had been mounting. Investment in agriculture had not been commensurate with the sector's contribution to GDP. He mentioned the efforts made by his organization in favour of the least developed countries in the 1980s. He proposed strategies for food and agriculture development which included modernizing the production process by encouraging increased use of improved inputs to be largely produced from local resources; improving physical infrastructure by considerable investment in irrigation, land-development, transport, processing and marketing; and achieving the right mix between production for export and for domestic consumption and intensive and sustained efforts for technical and economic co-operation among African member States. Finally, he stated that FAO gave high priority to the development of the least developed countries and, within the limits of its resources, was always ready to assist the individual countries in preparing strategies, policies, plans and programmes for food and agricultural development and worked closely with ECA in monitoring the progress of programmes of action the Conference might agree to for the least developed countries.

Quantitative analysis of the problems and perspectives of the least developed African countries in the framework of the Third United Nations Development Decade /agenda item 5 (ii)/

36. A member of the ECA secretariat introduced two documents, namely "Quantitative analysis of the problems and perspectives of the African least developed countries in the framework of the Third United Nations Development Decade" (ECA/CONF/LDCs/3) and "Comparative analysis of the projections made for developing African countries by various United Nations bodies" (ECA/CONF/LDCs/3/Add.1).

37. It was observed that the first document contained an analysis of the economic performance of the African least developed countries during the period 1970-1977, an analysis of two alternative scenarios namely, the historical trends scenario and the planned scenario and projections of the individual African least developed countries and of four groups of African least developed countries classified by the per capita income level in 1977 at 1970 constant prices. It was also pointed out that the document contained various policy implications regarding various targets of growth during the 1980s.

38. It was pointed out that the relatively optimistic growth targets given in the documents were based on self-reliance and self-sustainment as outlined in the plan action in the African Strategy adopted in Conference of Ministers resolution 332(XIV). It was further mentioned that the various targets of the planned scenario were in line with the recommendations of the Committee for Development Planning at its sixteenth session. The implications of the historical and planned scenarios were briefly outlined.

39. Many participants commended the ECA secretariat on the tremendous work and the excellent and technically well-structured documents which were of great interest. It was also noted that the model presented for the least developed countries was a useful instrument on which planning could be based.

40. Many participants made remarks regarding the availability and reliability of the statistical data used in deriving model parameters. It was therefore strongly felt that there was an urgent need to improve data collection and processing in order to strengthen the planning and monitoring capacity in the African least developed countries and that the ECA secretariat had an important role to play in that field.

41. Some participants remarked that the efforts should continue to improve the existing models to be able to capture specific socio-economic structures prevailing in the many of the African economies. Such structures included the large subsistence sectors, the social factors like literacy levels, manpower skills, etc. It was also pointed out that many African economies were too small and weak to be taken in isolation and that, therefore, some effort should be made to elaborate models in the context of subregional and regional co-operation.

42. A question was raised regarding the Keynesian structure of the model presented. It was explained that the existing ECA model, like all other macro-economic models - Keynesian or classical, - worked with basic social accounting variables. In different types of models the relationships were handled in different ways. In the Keynesian model investment was a function of rate of interest and marginal efficiency of capital and so on, whereas in the present model investment was a policy variable and therefore the present model was basically different from the Keynesian variety.

43. The only relationship common between the present model and the Keynesian type was the formulation of consumption as a simple function of GDP. For the least developed countries savings depending on the level of GDP was realistic and had given no problems during the fitting exercise.

44. With regard to the planned scenario, it was observed that in setting targets, care should be taken not to make the targets too low or too high. However, the 6 per cent growth target in GDP during the 1980s was sound and desirable. It was very strongly emphasized that that target and its related sectoral growth rates would entail fundamental structural changes. For example, many participants referred to the need for restructuring the land tenure system in order to enable agricultural output to reach the target of 4 per cent yearly growth in the 1980s. Some participants also referred to the experience in their respective countries in co-operativization in agriculture as a means of expanding agricultural output. Further, it was emphasized that appropriate linkages had to be established among agriculture, natural resources and industry.

The present state and development prospects of the least developed African countries [agenda item 5 (iii)]

45. The discussion of this item of the agenda was based on the paper entitled "The present state and the development prospects of the African least developed countries: An assessment of the major sectors" (ECA/CONF/LDCs/4) prepared by the ECA secretariat. Many participants considered the paper well prepared and well structured.

46. The representative of UNSO drew attention to the seriousness of the situation of the ten least developed countries located in the Sudano-Sahelian zone which were facing a process of slow desertification, not to speak of the impact of the great drought of 1968-1973 which had assumed catastrophic proportions and which resulted in massive economic and social disruptions and in great damages to already fragile economies. UNSO was the focal point of United Nations programmes to assist those countries in desertification control, and redressing the effects of drought particularly through resource mobilization for food self-sufficiency and security and the acceleration of economic growth. The priority to be attached to the challenge of drought and desertification was of course the prerogative of individual national Governments. However, UNSO stood ready to continue to give effective assistance to the laudable efforts of national Governments to meet those problems. In that regard, UNSO would continue to collaborate with all international agencies concerned particularly the Economic Commission for Africa with which UNSO was now seeking a formal mechanism for collaborative action.

47. With regard to the problem of drought and desertification it was pointed that deforestation was particularly severe in many countries at a time when the cost of energy was at extremely high levels.

48. The representative of HABITAT suggested that the planned development of human settlements should be a key element of the International Development Strategy. Many African least developed countries had inherited a settlement pattern which hindered the full development of natural resources. There was need for an integration of economic, social and physical plans and programmes. In that connexion, support should be given to the development of local building materials and technology to minimize related foreign exchange demands.

49. The ADB representative emphasized that, while agriculture and in particular land reform were important, equal emphasis should be placed on the manufacturing industry. He gave an account of the assistance given by the ADB Group to African member States and in particular the least developed countries. Most lending went to agriculture and integrated rural development programmes and to the social and transport sectors. Attention should be given equally to the issue of improving the absorptive capacity of aid recipients. However, some participants questioned the validity of the argument that lack of absorptive capacity was the main hinderance to the transfer of substantial resources to developing countries. Moreover, it was noted that it was not enough to increase the magnitude of resource inflows but that the need to improve the quality of aid as well as to streamline the aid procedures was equally important.

50. With regard to transit-transport facilities for land-locked least developed countries, the Conference urged ECA and the international community to pursue vigorously efforts to develop the 17 important transit-transport corridors in Africa. ECA in particular was urged to convene regular meetings of land-locked and transit countries to promote collaboration efforts. In that context the Conference noted the following key elements of an integrated planning approach to the transit-transport problems of the land-locked countries:

(a) Close co-operation between land-locked countries and their transit neighbours especially in pursuing joint efforts with respect to improved consultative machinery to keep transit problems under review; the promotion of bilateral joint ventures in the field of transit-transport; joint efforts toward the simplification and standardization of procedures and formalities; the exchange of representatives to assist in the clearance of goods; and other joint efforts for the facilitation of the movement of rolling stock and vehicles across national borders.

(b) Clear recognition that major efforts to reduce the cost of access to the sea and the world markets facing land-locked developing countries would necessitate improved procedures and new investments not only within land-locked developing countries but also within the neighbouring transit countries as well.

(c) Need for financial assistance by the international community for specific actions. Transit transport infrastructures needed to be effectively improved both in land-locked countries and in transit countries. Such financial assistance should be provided by the international community in a manner which took fully into account the fact that the improvements would be beneficial to both land-locked and transit countries. It should also be noted that very often investment in the improvement of transport services in the transit countries would be of direct benefit to the land-locked countries.

(d) All aspects of the problem of transit-transport needed to be evaluated and reviewed including procedures and regulations, pricing policies, management, training, legal and organizational arrangements (such as joining arrangements between a land-locked country and its transit neighbour), maintenance of existing infrastructure, as well as new infrastructure requirements. Past studies had tended to focus on one or another of those elements, but seldom on their interrelationship and thus on finding the most cost-effective ways of reducing real transit costs.

(e) It was important to provide each land-locked country with feasible alternative routes in order to ensure against difficulties or disruptions that might arise on other transit routes.

(f) Planners from land-locked and transit countries needed to be provided with basic information in the form of detailed planning, costing and economic studies on all available options so as to permit them to establish proper priorities and detailed follow-up of projects.

The Conference noted the special problems of the least developed countries in the context of economic co-operation among developing countries. It stressed the need for devising special measures in favour of African least developed countries and applying non-reciprocity and such measures as would enable those countries to share in technological progress and increase their productive capacity. It was further emphasized that in addition to the provisions on non-reciprocal trade preferences, effective special treatment would be required in favour of products of export interest to African least developed countries, within the context of a global system of trade preferences among developing countries (GSTP).

52. The Conference further took note of the recommendations made in documents TD/B/C.7/35 and Add.1 regarding further measures that could be taken in respect of special, differential and non-reciprocal measures in favour of least developed countries within existing integration groupings of developing countries. Those measures concerned inter alia the following areas:

- (a) trade and GSP tariff and non-tariff barriers, long-term contracts and other direct trade measures, sectoral consultations, safeguards, rules of origin, etc.
- (b) Special action programmes in favour of least developed countries;
- (c) trade financing;
- (d) Production.

53. Many participants stressed that certain sectors needed to be identified and given the highest priority. In that connexion food production and energy appeared to be the areas which required the most urgent action in the 1980s in view of the mounting import bills of food and oil which could lead to a critical situation in the least developed countries. It was noted that a significant proportion of food produced in the continent was wasted through lack of adequate storage facilities, pest control, etc. and that action to remedy that situation alone would substantially improve the food situation.

54. The following areas were identified by the Conference as major priorities in the developmental efforts:

- (a) Achievement of self-sufficiency in food and agricultural products taking into consideration the efforts needed to combat drought and desertification;
- (b) Establishment of a sound industrial base;
- (c) Adequate transport and communications facilities particularly for the land-locked countries;
- (d) Manpower training appropriately linked to the production of goods and services;
- (e) Increased production and conservation of energy with particular reference to oil which was consuming a very large proportion of the export earnings of African least developed countries;

- (f) Improvement of data collection and processing to strengthen the planning and surveillance capacity.

Review of progress in the implementation of special measures in favour of the least developed countries (agenda item 6)

55. The Conference noted the report presented by the UNCTAD secretariat to the General Assembly on progress made in the implementation of special measures in favour of least developed countries contained in document E/1978/86, parts I and II.

56. The main conclusions of the report were that, while much had been done to conceptualize and clarify the nature of the problems and structural difficulties facing the least developed countries, and while much had been done in the way of adopting resolutions calling on the international community to address itself to those problems, progress towards a solution had remained painfully slow. Even with respect to financial assistance the gains in real resource flows had been insufficient to offset the declines in the real purchasing power of exports for most of those countries during the past decade.

57. Participants were concerned about the unsatisfactory performance of donors in the implementation of special measures adopted by UNCTAD and other United Nations bodies, and particularly in UNCTAD resolutions 62(III) and 98 (IV). They therefore called upon the international community to take steps to implement fully those resolutions and resolution 122(V) on the Comprehensive New Programme of Action for the 1980s adopted at the fifth session of UNCTAD.

58. The meeting further noted the review of progress under the Immediate Action Programme (1979-1981) contained in the report of the Intergovernmental Group on the Least Developed Countries on its third session (TD/B/787).

Proposals for new initiatives; the Comprehensive New Programme of Action for the Least Developed Countries - Phase one: Immediate Action Programme (1979-1981) and phase two: Substantial New Programme of Action for the 1980s; the least developed countries and the International Development Strategy for the 1980s (agenda item 7)

59. In connexion with agenda item 7, the Conference had before it the following documents:

(a) Resolution 332(XIV) adopted at the fifth meeting of the Conference of Ministers/fourteenth session of the Commission entitled "Development Strategy for Africa for the Third Development Decade";

(b) Resolution 353(XIV) adopted at the fifth meeting of the Conference of Ministers/fourteenth session of the Commission entitled "Least developed, land-locked, island and most seriously affected African countries";

(c) UNCTAD resolution 122(V) adopted at Manila on 3 June 1979, entitled "Comprehensive New Programme of Action for the Least Developed Countries";

(d) General Assembly resolution 34/203 adopted on 19 December 1979, entitled "United Nations Conference on the Least Developed Countries";

(e) Issues for the consideration of the Conference: note by the ECA secretariat (ECA/CONF/LDCs/6);

60. The following document provided by the UNCTAD secretariat was also available to the Conference: Report of the Intergovernmental Group on Least Developed Countries, third session (first session of ~~the~~ Preparatory Committee of the United Nations Conference on the Least Developed Countries) held at Geneva from 4 to 15 February 1980 (TD/B/787, TD/B/A.17/22).

61. The following background document was also available: "Report of the Group of High-level Experts on the Comprehensive New Programme of Action for the Least Developed Countries" which met in Geneva from 26 to 30 November 1979 (TD/B/775).

62. The meeting took note of the statement by the representative of UNCTAD outlining the steps envisaged for the preparation of the United Nations Conference on the Least Developed Countries.

63. The Secretary-General of UNCTAD, acting as Secretary-General of the United Nations Conference on the Least Developed Countries, would issue a note verbale to each of the least developed countries explaining that each of them should prepare a programme for the 1980s to be submitted to the Conference and the stages for the review of those programmes in preparation for the Conference, as well as indicating the availability of UNDP support for those preparations.

64. Guidelines for the preparation of country programmes were also being prepared and would be issued as a supplement to the note verbale. The key elements of the country programmes would need to include:

(a) An assessment of development potentials, bottlenecks, and assistance requirements for the 1980s;

(b) An inventory of the status of projects and programmes now requiring finance and of those likely to be added to the pipeline during the 1980s, as now foreseen;

(c) A review of the modalities of assistance as they had operated in each least developed country, including the problems from the point of view of the recipient country and of donors.

The requirements for the first half of the 1980s would need to be stressed now, insofar as possible with specific projects and programmes indicated; however, only a general indication was needed of the likely direction of requirements in the second half of the 1980s.

65. UNDP had already indicated its willingness to provide the necessary support to each least developed country to carry out its own preparations. Each country would need to present to the Conference its own view of its requirements. That view should be appropriately ambitious in view of the magnitude of the efforts called for in UNCTAD resolution 122(V) which had been strongly endorsed by the international community, but also realistic in view of the need to convince donors to provide the necessary support for specific programmes. The most important function of these programmes would be to provide statements of the requirements which donors were being asked to support.

66. The tentative timetable of preparations was extremely tight:

- (i) April through December 1980: The Country Programme preparation phase. The network of preparatory efforts for the United Nations Conference on the Least Developed Countries would be executed through UNCTAD, in co-operation with the regional commissions and other United Nations organizations and with participation on an ad hoc basis of the best leading specialists on particular least developed countries who would be loaned to each country project. The individual country teams would be organized by field co-ordinators, each charged with preparations for about five least developed countries, under the over-all guidance of UNCTAD headquarters staff assigned for that purpose to ensure that the requirements for the Conference were met. Preparations in each least developed country should take a maximum of six months from the fielding of the assistance staff. At least two and up to three or four experts would be required, each working for as long as three or four months in support of a few key planning and finance staff members of the Governments concerned. Some of the inputs could be borrowed from agencies but UNDP would need to provide the additional resources required.
- (ii) End August 1980: Interim Review Seminar. UNCTAD was planning a seminar for up to one week in late August or early September immediately prior to the second session of the Preparatory Committee for the United Nations Conference on the Least Developed Countries. The seminar would include one senior planning official from each of the least developed countries; wherever possible at the Permanent Secretary level. The seminar would review the problems that were being encountered in the preparation of country programmes as well as permit planners to discuss the strategy that the least developed countries should follow in order to ensure that donors would provide the additional resources needed to make the Substantial New Programme of Action effective. In particular the seminar would consider the best techniques for carrying out the country review phase and for preparing summaries of requirements for review and support at the Conference itself.
- (iii) October 1980 through March 1981: Donor review phase. The first session of the Preparatory Committee, in calling for country programmes as a key element in the preparation for the Conference, also called particularly for the review of each of them in an appropriate meeting with donors, either using existing consultative mechanisms or, as desired by the least developed countries themselves, using new mechanisms. UNDP might need to provide finance for some of those special round tables; other donors could be asked to provide such finance if necessary. As soon as each country programme had been completed it would be necessary to make arrangements for the reviews, allowing adequate time for careful study in donor capitals.

- (iv) January through May 1981: Finalization phase of country programmes for the Conference. In the light of the actual reviews of programmes with donors, each least developed country might wish to revise its programme to take into account the assessment by donors or to rebut the criticisms made. It was hoped that the country reviews would also set in motion the detailed follow-up planning efforts in order to accelerate each country's effort. The summary of the results of the country's own assessment alone with donor assessments would have to be presented, through the final Preparatory Committee meeting, to the Conference itself.
- (v) The date of the Conference itself had not yet been determined but was likely to be decided upon at the September 1980 session of the Preparatory Committee.

67. The UNCTAD secretariat would be holding consultations with various donor countries and would seek to organize a special OECD Development Assistance Committee meeting to consider preparations by donors for the country review meetings covering each least developed country.

68. ESCAP was planning to hold a meeting of planners from least developed countries in that region at the end of July 1980.

69. The Director-General for Development and International Economic Co-operation had been entrusted with the responsibility, in collaboration with the Secretary-General of UNCTAD, of ensuring the full mobilization and co-ordination of all organs, organizations and bodies of the United Nations system in the further elaboration and implementation of the Comprehensive New Programme of Action for the Least Developed Countries and in the preparations for the United Nations Conference on the Least Developed Countries. In that connexion, there had already been consultations among those organizations in October 1979, on 8 and 9 February 1980 and again on 6 March 1980, through the machinery of the Administrative Committee on Co-ordination. A note verbale would be issued to all United Nations organizations calling on each organization to designate a focal point for work on the preparation for the Conference.

70. UNCTAD was planning to hold a meeting of bilateral and multilateral financial and technical assistance agencies with representatives of the least developed countries in Geneva in February 1981 as part of the preparations for the Conference, and particularly to consider improved modalities for assistance flows to the least developed countries.

71. The Secretary-General of UNCTAD, in his role as Secretary-General of the United Nations Conference on the Least Developed Countries, would be sending a Note Verbale to all Governments and organizations of the United Nations System requesting them to indicate in writing the steps they were taking to implement the Immediate Action Programme (1979-81).

72. The Assistant Administrator of UNDP and Regional Director for Africa explained arrangements already made by a large number of African least developed countries for collective consultations with bona fide donors (Donor Conferences) and for the preparation of which they had received assistance from UNDP and from the World Bank. A few countries still had to make such arrangements which

would be useful in the context of preparations for the 1981 United Nations Conference on the Least Developed Countries

73. In the discussion that followed, the Conference made the following observations:

(a) The country programmes envisaged in the Substantial New Programme should build on existing development plans and programmes which countries should not disrupt;

(b) For the United Nations Conference in 1981 it was the general consensus that countries should not be asked to prepare detailed programmes for the whole decade of the 1980s but rather to focus on the first five years of the decade.

(c) the United Nations Conference on the Least Developed Countries should not degenerate into an occasion which would require the poor countries to beg for aid. That would be contrary to the concept of world economic interdependence. The United Nations Conference should emphasize the need to take co-operative measures without delay to assist the least developed countries in their efforts to attain self-reliance and self-sustaining growth. The present Conference was assured that the arrangements for preparations and actual conference would take fully into account the sovereignty of participating States.

74. It was recommended that aid procedures should be streamlined in order to reduce unnecessary delays in approving projects and disbursing funds. Criteria for project evaluation and selection should be better adapted to the conditions and needs of African least developed countries. At the same time, non-economic criteria in the allocation of aid should not interfere in the fair distribution of resources among countries. Furthermore, mechanisms should be established to control the implementation by donor countries of their aid commitments.

75. As far as the role of ECA during the Third United Nations Development Decade within the framework of the African Strategy in the 1980s was concerned, it was agreed that ECA, as the main organ of the United Nations in Africa was responsible for initiating and participating in measures to facilitate concerted action for socio-economic development in Africa. Furthermore, considering the Development Strategy for Africa for the Third United Nations Development Decade and the mandate given to regional commissions by the General Assembly in its resolutions 32/197 and 34/206, it was imperative that ECA should be totally involved in the development process of African least developed countries particularly when two thirds of the world's least developed countries were in Africa and comprised almost half the membership of ECA.

76. Accordingly the Conference strongly believed that:

(a) ECA had a special role to play in the monitoring, review and evaluation of the implementation of the Comprehensive New Programme of Action on behalf of least developed African countries in accordance with resolution 5(iii) of the UNCTAD Intergovernmental Group on the Least Developed Countries.

(b) With regard to the preparation for the forthcoming United Nations Conference on least developed countries scheduled for 1981 UNCTAD had the paramount role as the global United Nations organ designated by the General Assembly to prepare for the Conference. Since ECA however was the regional commission covering two thirds of the world's least developed countries, UNCTAD should work closely with ECA in the preparation of the Conference.

(c) While it was recognized that UNDP Specialized Agencies and UNCTAD had a responsibility for resource mobilization at the global level, ECA should be involved in the various donor-recipient consultations including the country round-tables envisaged for the preparation of the country programmes.

77. In view of the large number of least developed countries in Africa and in order to ensure the effective monitoring, review and evaluation of regional and international activities on behalf of the least developed countries it was recommended that a Conference of Ministers of African Least Developed Countries be instituted by the ECA Conference of Ministers as a subsidiary organ of the Commission. The sessions of the Conference should take place a few days before the ECA Conference of Ministers. Furthermore, in order to develop the capacity of ECA to undertake the substantial and continuous technical work that needed to be undertaken on behalf of the African least developed countries, it was necessary to strengthen the capacity of ECA secretariat in coping with the additional responsibility. Accordingly, a special unit within the secretariat of ECA responsible for the special problems of the least developed countries and the monitoring of the implementation of the special measures in favour of least developed African countries should be set up.

78. The Conference recommended that ECA should expand its work on projection models for the least developed countries since these models are a useful tool for programming and policy formulation. It was also recommended that the annual Survey of Economic and Social Conditions in Africa should contain a special section on individual African least developed countries. That section should concern a review of the implementation of special measures in favour of the least developed countries.

79. The representative of the ACP Group informed the Conference of experience under the Lomé I Agreement. He said that only 29 per cent of funds allocated under that agreement had been spent, and that was the reason why an effort had been made to remove ambiguities and obscurities from the Lomé II Agreement. In particular a special clause had been introduced in favour of the least developed countries. His organization commended ECA for the assistance provided during the negotiations on Lomé II, and he called for further assistance from ECA and other organizations of the United Nations system to ACP which was seriously lacking in technical expertise and needed technical support.

80. The Conference noted resolution 6 III of the Intergovernmental Group on the least developed countries which contained recommendations on the least developed countries for inclusion in the International Development Strategy for the Third United Nations Development Decade. It was pointed out that the recommendations incorporated the major elements of the Development Strategy for Africa for the 1980s.

81. The representative of Djibouti drew attention to resolution 8(III) in which the Intergovernmental Group recommended that a review of economic conditions in Djibouti, Equatorial Guinea, Guinea-Bissau, Sao Tomé and Principe and Seychelles be expedited with a view to their inclusion in the list of least developed countries. He urged the Conference to recommend the identification of his country as least developed. The Conference endorsed that proposal and recommended that the procedure be expedited so that all those African countries be least as least developed.

82. At the end of the discussion it was agreed that the Conference should adopt a consolidated statement on the priorities for the least developed African countries and on the role ECA should play in activities on behalf of these countries. The Conference recommended that the statement should be submitted to the ECA Conference of Ministers at its sixth meeting and though it to the OAU Assembly of Heads of State and Government at its second extraordinary session. 1/

ECA work programme for the least developed countries (agenda item 8)

83. The Conference had before it document ECA/CONF/LDCs/5 which contained the ECA programme of work and priorities for the least developed countries for the biennium 1980-1981 as approved by the Conference of Ministers at its fifth meeting held at Rabat in March 1979. The Conference noted the work programme and made recommendations contained in paragraphs 75 and 76 of the present report.

Adoption of the report (agenda item 9)

84. The Conference adopted the present report on 22 March 1980.

1/ See document E/CN.14/775 : ECA/CONF/LDCs/8.

ANNEX
LIST OF DOCUMENTS

<u>Symbol</u>	<u>Title</u>
ECA DOCUMENTS	
ECA/CONF/LDCs/1	Provisional Agenda
ECA/CONF/LDCs/1 (a)	Annotated provisional agenda
ECA/CONF/LDCs/2	Long-term development trends in the Least Developed African countries
ECA/CONF/LDCs/3	Quantitative analysis of problems and perspectives of the African least developed countries in the framework of the Third United Nations Development Decade
ECA/CONF/LDCs/3/Add.1	Comparative Analysis of the projections made for developing African countries by various United Nations bodies
ECA/CONF/LDCs/4	The present state and development prospects of the least developed African countries: An assessment of the major sectors
ECA/CONF/LDCs/5	ECA programme of work and priorities for the African least developed countries: A note
ECA/CONF/LDCs/6	Issues for the consideration of the Conference: Note by the ECA secretariat
UNCTAD DOCUMENTS	
TD/B/787	Report of the Intergovernmental Group on Least Developed Countries: Third Session (First Session of the Preparatory Committee of the United Nations Conference on the Least Developed Countries)
TD/B/AC.17/22	

<u>Symbol</u>	<u>Title</u>
BACKGROUND DOCUMENTS Submitted by (a) ECA	
E/1980/3	Committee for Development Planning: Report on the Sixteenth Session
E/1978/86	Reviews of progress in the implementa- tion of special measures in favour of the least developed countries : Report of the Secretary General
	<u>Part One:</u> Information relating to individual countries or country groupings
	<u>Part Two:</u> Information relating to international organiza- tions
Fifth Meeting of the Conference of Ministers/fourteenth session of the Commission	Development Strategy for Africa for the Third Development Decade
Resolution 332(XIV)	
Fifth Meeting of the Conference of Ministers/fourteenth session of the Commission	Least developed, land-locked, island and most seriously affected African countries
Resolution 353 (XIV)	
General Assembly Resolution 34/210	Special measures in favour of the least developed among the developing countries
General Assembly Resolution 34/203	United Nations Conference on the least developed countries
E/CN.14/707/Rev.1 E/CN.14/TECO/41/Rev.1	ECA work programme and Order of priorities for 1980 to 1981
(b) UNCTAD UNCTAD/SP/LDC/2	Technical co-operation activities in transit-transport for African land-locked countries

<u>Symbol</u>	<u>Title</u>
TD/B/C.7/35	Global system of trade preferences among developing countries special, differential and non-reciprocal measures in favour of least developed countries within a global system of trade preferences among developing countries: Report by the UNCTAD Secretariat
TD/B/C.7/35 Add.1	A global system of trade preferences among developing countries: Addendum survey of special, differential and non-reciprocal measures adopted by economic co-operation and integration groupings of developing countries in favour of their economically less developed member States: Report by the UNCTAD secretariat.
TD/RES/122(V)	Comprehensive new programme of action for the least developed countries
TD/B/775	Report of the Group of High-level Experts on the comprehensive new programme of action for the least developed countries
TD/B/AC.17/15 TD/B/AC.17/15/Add.1 TD/B/AC.17/15/Add.2	Development potential and assistance requirements: Case studies of individual least developed countries
TD/B/AC.17/17	Assessment of the development potential and the assistance requirements of the least developed countries.