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FOR WEST AFRICA

MID-TERM EVALUATION OF THE IDDA II FOR THE
WEST AFRICAN SUBREGION

(Progress report)

I - INTRODUCTION

1. During their eleventh meeting in GABORONE (BOTSWANA), the African Ministers of Industry requested for 1997 a joint mid-term evaluation of the IDDA II from ECA, UNIDO and OAU. This recommendation was adopted by the fourteenth meeting of the committee of experts held in Cotonou in March 1995. To that effect, several independent committees were set up at the level of each subregion including West Africa which covers ECOWAS member countries. Each committee was assigned to :

- carry out a general evaluation on the implementation of the IDDA II programme ;
- identify the problems which hinder the implementation of the programme ;
- propose adjustment or reorientation measures for the years to come.

2. In West Africa, the evaluation team went to Mali, Senegal, Guinea and Niger. The joint report on that evaluation, which is in progress, will be finalized before the end of March in order to be presented at the tenth African Ministers of Industry meeting in May in Ghana.

3. The present report sums up the evaluation team's progress report. It focuses on the main remarks made by the committee during a mission in Niamey.

II - EVALUATION ON THE IMPLEMENTATION OF THE IDDA II PROGRAMME

4. Among the observations made by the team which realized the mid-term evaluation of IDDA I, it was stated that :

"IDDA is not explicitly taken into account in the national development plans of the majority of African countries" ;

"there are strong motives to believe African countries fail to reorient their economic planning or their countries industrial development strategy within the framework of IDDA proposals".

5. Because of these shortcomings, the IDDA II programme was designed with the joint contribution of the States and IGOS. The objectives and strategies of the programme are very much similar to the Action Plan of Lagos and are concrete measures relating to : (i) the consolidation of what has been gained for the rehabilitation and regeneration of existing industries ; (ii) the industrial expansion in sensitive sectors and (iii) the promotion of support services.

6. Very few industrial plants benefitted from rehabilitation and regeneration though the needs in that field increased over the last few years. That operation concerns both the restructuration programme of public enterprises and the promotion of private enterprises. Unfortunately, in most countries, only privatized enterprises, a good number of which faces management, financial and technical difficulties, are taking into account. The study of a few cases in the subregion highlights that orientation.

7. In Mali the rehabilitation of the industrial plants of the textile sector (ITEMA and COMATEX) was achieved in 1994 thanks to the devaluation of the CFA franc and the great improvement in cotton production.

8. In Guinea the majority of enterprises to rehabilitate are made up of privatized enterprises among which a good number has no longer been operating for 10 years. And, it seems that the State questions the capability of potential buyers of these enterprises in reactivating them.

9. In Niger, out of the ten programmed, only two units (Nouvelle Imprimerie du Niger and Société des Produits Alimentaires) were rehabilitated. The difficulties to get access to credit, replace equipment, extend the capacities, diversify the products, and even in some cases carry out related studies, are said to be the cause of the non-completion of these activities.

10. The new business creation and the expansion of industrial units concerned small plants such as bakeries, large-scale ice producing units, and laboratories.

11. The support services, it was not the case for other scheduled actions, received massive assistance from the international community through the implementation of large projects on institutional support. These projects were equally concerned with human resource training, financial resource mobilization and even the improvement of infrastructure.

12. The other forms of support which are directly provided by the States concern :

- the improvement of the tax and regulatory provisions, through the review of the laws on investment, labour, customs, etc. In the majority of States, these improvements were achieved thanks to the economic reforms which are underway.

- the development of facilities (the development of industrial areas, the building of roads, the works for the production and distribution of electricity, etc.). Those heavy investments are progressively being undertaken in the majority of the States.

13. The subregional component of the IDDA II programme, made up of driving projects and support projects, has the following inadequacies :

- the projects lack a subregional dimension and some integration prospects ;
- the exclusion of the global environment in which these projects should be inserted. Irrespective of the quality of the project, the success of its implementation depends on the real support provided by a favourable environment which is to be part and parcel of the subregional programme ;
- the absence of a timetable which expresses the required financial and human resources for the implementation of the programme.

14. Little emphasis was laid on the role of the private sector though it is today widely recognized as an important factor in growth. Within the context of an economy more geared on the market, the private sector should have increased role and responsibilities in the process of industrialization. The subregional programme should contribute in supporting that evolution.

III - OBSTACLES TO THE IMPLEMENTATION OF THE PROGRAMME

15. Investigations carried out at the level of the States enabled to evaluate the progress in the implementation of the scheduled actions within the framework of IDDA II. It appears that the results obtained did not meet the expectations, not because of lack of will, but because of the ambitious nature of the operations with regard to the real means of the State. In fact, only operations which do not necessitate the direct financial contribution of the States were realized. And, it was observed that :

(1) the States were unrealistic as concerns the programmes (consistency needs/resources). That coherence was to be observed at the beginning and as the programme advances in order to be able to readjust it accordingly : that was in fact a recommendation from the tenth African Ministers of Industry meeting in Dakar in July 1991.

(2) Like the first decade, the second decade equally lacked the methods which enable the mobilization of all the parties concerned (administration, private sector, unions, international and national development institutions, etc.) to execute the programme ; that is the reason why the implementation seems to have concerned only the administrations of the States, particularly the Ministries of Industry. This certainly explains the wrong functioning or the absence of the follow-up committees that were planned in the programme.

(3) In certain States, political instability which, in most cases, resulted in frequent changes of Governments and people at various levels of intervention, constituted a real obstacle to the implementation of the programmed actions.

(4) Development international institutions have not always been very dynamic ; this could have created some domino effect.

(5) The economic reforms under way in the States, though they have enable to achieve certain objectives, have not always facilitate the implementation of the programme, especially as concerns the mobilization of financial resources for the industrial sector (counterpart of the States) and the training of human resources.

IV - CONCLUSION AND RECOMMENDATIONS

16. Temporary and structural obstacles cropped up in the implementation of IDDA II. Nevertheless, the African States have slightly improve their business environment by taking into account the objectives set by the Lagos Plan of Action in their industrial development strategies.

17. The alliance for the industrialization of Africa is a new opportunity to relaunch mobilization around the theme of self-sufficient and self-promoted industrial development. In order to speed up the industrialization process in Africa within the framework of the alliance for industrialization which is a theme of IDDA II, the following recommendations were made :

- African States should keep on improving their business environment as well as the general macroeconomic situation ;

- African States should focus on the constraints relating to industrial development, that is :

- * the creation of financial mechanisms adapted to the industry;

- * the setting up of training facilities that can strengthen management and entrepreneurship skills in the field of industry.

- the search for incentives that lead the living strength of a country (leading traders among other things) towards the creation of industries based on priority streams ;

- the States and the international and national donors should redefine a pedagogy that aims at better mobilizing the concerned actors for IDDA II (private sector, administration, unions, etc.);

- women should be associated in the industrial development through the promotion of micro-industries and through appropriate training;
- the problems relating to regional integration should be "solve with courage" through drastic measures aiming at :

- * promoting the creation of a regional industrial fabric which takes into account the competitive advantages of each State ;

- * facilitating the free movement of people, goods and properties.

- the implementation by the State of industrial information tools which enable to follow the evolution of the **MVA** per sector and to evaluate and adjust the policies.