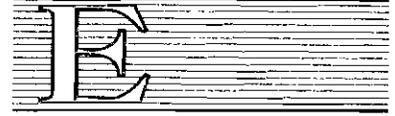




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ECONOMIC COMMISSION FOR AFRICA

Sixteenth meeting of the Technical
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ECONOMIC COMMISSION FOR AFRICA

Thirtieth session of the Commission/
twenty-first meeting of the Conference
of Ministers

Addis Ababa, Ethiopia
1-4 May 1995

ISSUES BEFORE THE CONFERENCE

PREFACE

Over the past five years, the annual sessions of the ECA Conference of Ministers have been focusing on ways and means of achieving economic recovery and relaunching long-term growth and development in Africa. The fundamental question has remained how to arrest the socio-economic decline of the region and avert its marginalization, so as to render it more dynamic, world competitive and integrated into the rapidly evolving world of the twenty-first century? The question has impelled a hard look to be taken at the basic principles that should underpin a more vigorous thrust for development in Africa.

What must be done to accelerate regional economic cooperation and integration following the entry into force of the Treaty establishing the African Economic Community? What should be the new division of responsibilities between the State and the private sector? What are the essentials of a conducive political and policy environment that must be put in place for sustained development with equity and enhanced welfare? How do African countries and their development partners progress with the task of mobilizing the substantial financial resources, from both domestic and external sources, necessary to build the required critical capacities? These and other questions will again exercise the minds of the Ministers as they meet at this thirtieth session of the Commission under the theme "**Promoting accelerated growth and sustainable development in Africa through the building of critical capacities**".

The secretariat has not ceased to re-examine its own policy orientation, programmes, as well as its organizational structures, procedures and processes with a view to becoming more effective in assisting member States face the emergent challenges confronting them. It is in this context that the attention of the Conference at this meeting is drawn to the new organizational structure of the secretariat which will be put in place soon with the redistribution of resources as reflected in the 1996-1997 programme budget. The restructuring of the secretariat will complete the circle of organizational reforms which began in 1992 with the reorganization of the Commission's programme into nine subprogrammes, and then the reorganization of its intergovernmental machinery.

Various background papers have been prepared on each of the substantive, organizational, programme and financial issues to be placed before this meeting of the Conference. The present document provides an executive overview of the issues and substantive content of these papers. It is my hope that the papers will prove useful and helpful to the Ministers, their experts and all the delegations in their deliberations. Needless to say, the entire secretariat is at the disposal of the Conference to provide all necessary support.

I wish you a fruitful and productive meeting.



Makha D. Sarr
Acting Executive Secretary

I. INTRODUCTION: CONFERENCE THEME

1. The question on how to put Africa on the path of sustainable growth and socio-economic transformation, to be dynamic and ready to take its rightful place in the emerging highly competitive world of the twenty-first century have been the themes under which the Conference of Ministers has convened annually since the turn of the decade. The question will again be the main preoccupation of this year's meeting as the Conference assembles under the theme: **"Promoting accelerated growth and sustainable development in Africa through the building of critical capacities"**.

2. It should be recalled that, at their meeting in 1994, the Ministers were emphatic on the need for a pragmatic Framework Agenda for the successful implementation of the various regionally agreed strategies and plans of action adopted during the past 20 years for the long-term development and transformation of Africa, the basic principles and objectives of which remain as valid as ever. It was emphasized in 1994 that the missing link, and therefore the main reason for the observed failure of efforts to effectively implement these strategies and plans has been the absence of a systematic and purposeful build up of the critical human, institutional and physical infrastructural capacities required to sustain the perceived transformation. The Framework Agenda was to serve as the vehicle for collaboration, coordination and harmonization in the implementation of policies and programmes for the sustained development of the region. It was also to be a consensus document that would encompass the roles and activities of all the major players in Africa's socio-economic development processes.

3. The Conference considered a preliminary report on such a Framework Agenda for building critical capacities in Africa at its meeting in 1994. It requested the secretariat to elaborate the Framework Agenda on the basis of further detailed studies and consultations. Considerable work and reflection have been undertaken in this regard since the most recent meeting of the Conference. A progress report to this end is before the Conference for its consideration. The report embodies further insights into the conceptual context of capacity building in Africa and the thrust and content of policy and programme development in identified priority areas for capacity building. It also proposes a framework for a process of further consultations and a time-frame for the finalization of the Agenda.

4. The urgency and relevance of building the required critical capacities are placed in bold relief against the background provided by the 1995 Report on the economic and social situation in Africa which is also before the Conference. The annual rate of growth of regional output and income has continued to remain modest, well behind those of other developing regions of the world and still below the rate of growth of regional population. Structural weaknesses persist in all production sectors impeding Africa's international competitiveness in the rapidly evolving global system of economic and commercial relationships.

5. The perspective of Africa's socio-economic development must also be seen in the context of the tasks that lie ahead to bring about a greater measure of regional integration and cooperation on the eve of the coming into force of the Abuja Treaty establishing the African Economic Community. Urgent steps must now be taken to put in place the provisions of the first phase of the Treaty. Increasingly, also, emphasis should be placed on promoting joint multinational African enterprises and the opening of national markets, as well as emphasis on sectoral and macroeconomic policy harmonization at the subregional and regional levels.

6. All other issues on the agenda of the Conference are, of course, in one way or the other, pertinent to the overall theme. They are treated in this synopsis document according to their global, regional, organizational, programme or financial characteristics.

II. GLOBAL ISSUES

7. Social and human development issues have witnessed an ascendancy on the international development agenda in recent times. This is exemplified in the series of international conferences/summits devoted to

population, social development, women and human settlements. Each of these Conferences represents an important link in the continuum of sustainable development. Two of these global conferences have been held since the 1994 session of the Commission. These were the International Conference on Population and Development (ICPD), in Cairo, Egypt, in September 1994 and the World Summit for Social Development, in Copenhagen, Denmark, in March 1995. These two conferences were watershed events. The ICPD.94 was marked by a greater convergence of views about the importance of promoting effective population policies than its predecessor conferences of 1974 and 1984. The programme of action that emerged from ICPD.94 had many common elements with the Dakar/Ngor Declaration - Africa's platform document for ICPD.94.

8. The World Summit for Social Development marked the first international meeting at summit level that had been held to discuss social issues. Though it has been dubbed the anti-poverty summit by the popular press, the social summit actually focused on three issues of which eradication of poverty was only one. The other two were promoting social integration and expansion of productive employment including the reduction of unemployment. The African Common Position on Human and Social Development which was submitted to the preparatory meetings of the social summit contributed to increasing international awareness of the seriousness of the social situation in Africa. The declaration adopted at the social summit contains several important provisions committing the international community to accelerating the economic, social and human resource development of Africa and the least developed countries.

9. Together, these two conferences have served as powerful reminders that the best measure of economic development is improvement in human welfare - in all its aspects. The commitments which were made at the two conferences have confirmed this growing consensus. African policy makers will find much encouragement from that consensus and the promise of international support as they grapple with the task of promoting economic growth and development which could uplift the majority of their people from various forms of human deprivation and empower them economically and socially.

10. The document entitled "Preparations for and follow-up to regional and international conferences and programmes" being presented to this session is a progress report on the international conferences, as well as programmes related to Africa's development. The report indicates the extent to which issues of key concern to Africa have been incorporated in the programmes of action that emerged from the conferences, the follow-up action required of African countries, the preparations for the remaining global conferences and developments relating to other regional programmes.

11. African countries have held their regional preparatory meetings for two other international conferences: the fourth World Conference on Women to be held in Beijing, China, in September 1995 and the second United Nations Conference on Human Settlements (HABITAT II) to be held in Istanbul, Turkey in June 1996. African countries held their regional preparatory meeting for the World Conference on Women, in Dakar, Senegal, in November 1994. That conference adopted the African Platform for Action which will be submitted to the Beijing Conference. The African Platform for Action underlined the need to empower African women politically and economically; increase their access to education, training, science and technology; support their vital role in society and family; and protect their legal and human rights. On the other hand, the special Ministerial Meeting of African Ministers responsible for Human Settlements was held in Nairobi, Kenya, in March 1994 to prepare for HABITAT II.

12. The mid-term global review of the implementation of the Declaration and Programme of Action for the Least Developed Countries in the 1990s will be conducted at a meeting to be held at United Nations Headquarters, New York, from 26 September to 6 October 1995. Given that 33 of 47 least developed countries in the world are in Africa, the meeting on the mid-term global review should be of particular interest to Africa.

13. The secretariat has prepared an evaluation of the progress achieved by African LDCs in the implementation of the Paris Declaration and Programme of Action. The document assesses the economic and social conditions in the African LDCs during the period 1990-1994 by evaluating the overall growth, policy trends and performance; international support measures related to fulfilment by African development partners of targets, especially official development assistance (ODA); debt relief and other retroactive and equivalent measures; access to markets of industrialized countries, etc.

14. The United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF) has entered its fourth year of implementation. During this period, the momentum towards its implementation has been maintained both by African Governments and by their development partners. The United Nations system has also undertaken to strengthen its coordinating and harmonization role within the framework of the Inter-Agency Task Force (UN-IATF) and within the Administrative Committee on Coordination (ACC). The ACC discussed Africa's economic situation at its September 1994 session. The high-level segment of the 1995 session of the Economic and Social Council (ECOSOC) will be devoted to Africa's economic recovery and development.

15. However, viewed against UN-NADAF objectives, more particularly in terms of gross domestic product (GDP) growth and ODA, the results achieved in the past four years have been far from satisfactory. The GDP growth in the region has remained modest, the external debt burden of Africa has increased, particularly in the middle-income countries which had the greatest potential for development, and ODA remains well below the recommended level of at least US\$30 billion in 1992, which was to grow at 4 per cent per annum thereafter. At the same time, the diversification fund for African commodities, first proposed by the Secretary-General of the United Nations in 1993 was not created, as international consensus could not be formed around it. Instead, the General Assembly, in resolution 49/142, invited multilateral financial institutions, including the African Development Bank (ADB), to give special attention to programmes of commodity diversification in Africa.

16. There is consensus that private investments - both local and foreign, direct and portfolio -are vital to the sustained growth and accelerated development in Africa. Economics policy makers in Africa need to pay more attention to attracting various forms of foreign investments, as well as reviving domestic investment. The document entitled "Reviving private investment in Africa: Policies, strategies and programmes" analyzes the various constraints and obstacles to the expansion of domestic and foreign investment in Africa and offers suggestions for improvement of flow of foreign investments and for stimulating domestic investment in Africa. ECA has taken some recent initiatives to promote investment in Africa. Notably, these are the establishment of the African capital market forum and the proposed investment promotion conference/forum.

III. REGIONAL ISSUES

17. There are a number of important regional issues which will feature in the deliberations of this meeting of the Conference and on which reports have been prepared by the secretariat. One of these reports is entitled "Food and agricultural production, food security and food self-sufficiency in Africa". The report notes that various regional plans of actions and internationally agreed strategies for African development have emphasized the importance of food security and food self-sufficiency in Africa. Lack of progress in achieving these objectives are attributable to many factors. Besides the well-known mismatch between policy action and commitment, weak physical infrastructure, inadequate institutions, inappropriate macroeconomic framework and conflicts and civil strife have all contributed to frustrating the goal of increased food production, food security and food self-sufficiency.

18. The report identifies five major conditions for agricultural progress in Africa: it must be environmentally sustainable; compatible with population growth rate; technologically feasible to increase yields to

raise output; there must be appropriate economic incentives; and farmers must be provided with an adequate infrastructural and institutional support system.

19. Promoting regional cooperation and integration in Africa is a high priority of the Commission. In this regard, ECA, along with its joint secretariat partners - the Organization of African Unity (OAU) and ADB - has been actively involved in the implementation of the Abuja Treaty establishing the African Economic Community which came into force in May 1994. The document entitled "Implementation of the Abuja Treaty establishing the African Economic Community: Progress made and prospects" reports on the activities of the joint secretariat; advances proposals for the rationalization and harmonization of subregional integration groupings and technical support institutions and offers proposals for the establishment of self-financing mechanisms.

20. The 1994 meeting of the Conference of Ministers requested the secretariat of the Commission to complete the final study on the practical modalities for setting up a regional financial institution for women and to ensure its establishment. The report entitled "Economic empowerment of women: Progress report on the proposed African bank for women and promotion of women entrepreneurship" responds to that request.

21. The report confirms that an expert group meeting was held in Kampala, Uganda from 24 to 29 August 1994 to consider the modalities for establishing the bank. The meeting, which was attended by 19 high-level experts drawn from finance, banking and economic planning, recommended the establishment of a privately owned regional financial institution to be called "African-Women Bank" (AWB) or "Africa-Banques des Femmes" (ABF), with affiliates at the national level and with women holding the highest percentage of shares. The expert meeting also made recommendations on the functions of the AWB, services to be offered, sources of funds and shareholding arrangements as well as criteria for hosting the apex body. The Conference is requested to provide guidance on these recommendations.

22. The mid-term evaluation of the second United Nations Transport and Communications Decade in Africa (UNTACDA II) was conducted at the Conference of African Ministers of Transport and Communications held in March 1995. The report on this issue is presented to this session of the Commission for consideration.

23. The OAU Council of Ministers held its seventeenth extraordinary session devoted to economic and social issues in African development in Cairo on 27 and 28 March 1995. The initiative to convene that meeting arose largely from the recognition that there was an imperative need to take urgent steps to reverse the continuing unsatisfactory economic and social performance of African countries. The meeting adopted a declaration entitled "Relaunching Africa's socio-economic development: The Cairo Agenda for Action".

24. Reflecting the importance that ECA attaches to promoting human development in Africa, the secretariat has launched a new publication: Human Development in Africa Report. The 1995 report, the first in the series, focuses on child survival and development, health and education.

IV. ORGANIZATIONAL ISSUES

25. Reforms of various aspects of the operations of the Commission were initiated in 1992. In that year, the structure of the work programme of the Commission was modified, reducing the subprogrammes from 21 to 9. This was followed by the adoption of a new structure for the intergovernmental machinery of the Commission at the 1993 meeting of the Conference. At this meeting, the new organizational chart of the ECA secretariat, as approved in March 1995 by United Nations Headquarters, is submitted to the Conference in document E/ECA/CM.21/12/Add.1.

V. PROGRAMME ISSUES

26. The proposed programme of work and priorities for the biennium 1996-1997 is submitted to this meeting of the Conference in document E/ECA/CM.21/12. The Conference is requested to review the proposed work programme and offer suggestions for improvements to ensure that the proposed activities fully respond to the present and emerging priorities of member States. The Secretary-General will take into account the comments and the observation of the Conference in making his final proposals for the programme budget to the General Assembly.

27. At the 1994 session of the Commission, the Conference reviewed and endorsed the findings and conclusions of self-evaluation reports in a number of subprogrammes. A progress report on programme evaluation in ECA is being submitted to this session, indicating the extent of implementation of the recommendations and follow-up actions.

VI. FINANCIAL ISSUES

28. Consistent with established practice, a pledging conference for the United Nations Trust Fund for African Development (UNTFAD) will be held during this session of the Commission. Member States are encouraged to make pledges of voluntary contributions to the Fund, which is a symbol of member States' commitment to self-reliance and mutual support.