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**ECONOMIC COMMISSION FOR AFRICA**

First meeting of the Technical  
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Whole

Addis Ababa, 3-8 April 1980

**ECONOMIC COMMISSION FOR AFRICA**

Fifteenth session of the Commission/  
Sixth meeting of the Conference of  
Ministers

Addis Ababa, 9-12 April 1980

**REPORT OF**  
**THE EXTRAORDINARY MEETING OF THE FOLLOW-UP**  
**COMMITTEE ON INDUSTRIALIZATION IN AFRICA**

(Addis Ababa, 10-15 March 1980)

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#### A. ATTENDANCE AND ORGANIZATION OF WORK

1. The extraordinary meeting of the Follow-up Committee on Industrialization in Africa, sponsored by the Economic Commission for Africa (ECA), the Organization of African Unity (OAU) and the United Nations Industrial Development Organization (UNIDO), was held at Addis Ababa from 10 to 15 March 1980. The main objectives of the meeting were to formulate recommendations in the industrial sector for the forthcoming extraordinary session of the OAU Assembly of Heads of State and Government on the economic development of Africa, and to assess the outcome of the third General Conference of UNIDO from the point of view of the African countries which was held in New Delhi, India, from 21 January to 8 February 1980.
2. The meeting was attended by representatives of the following States members of ECA: Algeria, Benin, Burundi, Comoros, Congo, Chad, Djibouti, Egypt, Ethiopia, Equatorial Guinea, Gambia, Ghana, Guinea Bissau, Ivory Coast, Kenya, Libya, Liberia, Malawi, Mauritania, Mozambique, Nigeria, Niger, Rwanda, Sierra Leone, the Sudan, Togo, Tunisia, United Republic of Cameroon, United Republic of Tanzania, Upper Volta and Zaire.
3. The following United Nations organizations and bodies were represented in an observer capacity: The United Nations Development Programme (UNDP), the International Labour Organization (ILO) and the World Health Organization (WHO).
4. Observers were present from the following intergovernmental and non-intergovernmental organizations: the East African Development Bank (EADB) and Economic Community for West African States (ECOWAS).

#### B. AGENDA

5. On 10 March 1980, the meeting adopted the following agenda:
  1. Opening session
  2. Adoption of the agenda and organization of work
  3. Review of the results of the third General Conference of UNIDO
  4. Proposals to be submitted to the extraordinary Assembly of Heads of State and Government concerning the plan for the implementation of multinational industrial development
  5. Plan of action at the subregional level on follow-up to recent sectoral expert meetings
  6. Agreed conclusions and recommendations
  7. Any other business
  8. Adoption of the report

#### C. ACCOUNT OF PROCEEDINGS

##### Opening addresses

6. In his opening address, H.E. Mr. Tesfaye Dinka, Minister of Industry of the Provisional Military Government of Ethiopia and current Chairman of the Follow-up Committee, informed the meeting of the important contributions which the African region had made to the Group of 77's Havana Declaration and Plan of Action. They included Africa's proposal for the establishment

of an International Development Fund to finance industrial and other development projects, the declaration of the 1980s as the African Industrial Development Decade and suggestions regarding the redeployment of industry, technology, training and trade in manufactures. All of them had been accepted and incorporated into the position paper of the developing countries.

7. On the third General Conference of UNIDO he regretted the intransigent attitude of developed countries which had arrogantly ignored the repeated calls for reasoned dialogue with developing countries to arrive at mutually satisfactory solutions. Hence, the third General Conference of UNIDO had ended without any agreement whatsoever.

8. He referred to the negative role played by the few highly industrialized countries at the fifth session of UNCTAD and at the Conference of Science and Technology in Vienna. An analysis of the obstructionist role played by those same countries at the third General Conference of UNIDO posed a challenge to the developing countries.

9. The so-called economic problems of the capitalist countries would have been even worse had it not been for the developing countries which had acted as a cushion by buying their goods and had thus been forced to import their inflation.

10. While paying tribute to the sponsors of the meeting, he urged participants to examine the excellent background papers carefully with a view to formulating concrete proposals for submission to the Economic Summit of African Heads of State and Government.

11. In referring to the unhappy results of the third General Conference of UNIDO he suggested that confrontation might be the only way through which Africa could make the imperialists agree to a fairer distribution of the fruits of development between the developed and developing countries. He therefore urged the meeting to pay attention to specific programmes and projects which would result in individual and collective self-reliance and self-sustaining development.

12. In his opening statement, the Executive Secretary of ECA drew the attention of the meeting to its immediate task of working out recommendations in the industrial sector for the forthcoming African Economic Summit, taking into account the results of the third General Conference of UNIDO which must be interpreted in the light of African conditions.

13. The African region was the least developed of all developing regions in all spheres of social and economic activities. The declining rates in food production, which had dropped by -1.4 per cent annually in the 1970-1977 period; the expected spectacular increase in food imports in the 1980s; and the rising imports of engineering products, were all a concrete reflection of the level of underdevelopment of the African region and the dichotomy between the high demand for industrial goods and the meagre productive capacity of the region to satisfy the needs. That had made the African economy over-dependent on foreign capital technology and expertise, an economy specializing in goods it had no demand for while importing what it hardly needed. He warned that conditions were likely to get worse, unless there was a radical change in the attitude of both the African peoples themselves and their Governments.

14. Referring to the Monrovia Declaration of Commitment, he stated that, in the spirit of widening the scope for co-operation, within the context of a new international economic order, proposals for increased concessionary financial resources to developing countries and increasing of upstream processing which had recently been submitted to UNIDO had unfortunately been rejected by the developed countries there. In the wake of that failure to achieve co-operation at New Delhi, the objective laid down by the meeting of African Heads of State and Government in Libreville, Gabon, in 1977 for the initiation of internally self-sustaining economic and industrial development, that was indigenously located and based on national and collective self-reliance had assumed a new importance. It was up to Africans of all classes to accept full responsibility for their economic destiny.

15. He thus invited African Governments to devote substantial efforts to negotiating among themselves the modalities for action and to pooling their resources, skills and markets for implementation of jointly agreed and carefully selected product lines which would ensure the internalization of industrialization and the development process in the region as soon as possible. In that connexion, he urged the meeting to consider the proposals presented by the secretariat, however modest, for charting a new course for meeting the challenge which Africa was facing.

16. The proposals for a short-term plan for collective self-reliance would include establishment of industrial development zones, the creation of African multinational corporations and programmes, as well as the creation of national focal points to articulate the aspirations of individual countries. In the short-term the region should also focus on a few selected product lines which were likely to meet basic consumption and development needs, such as (i) building materials; (ii) pharmaceuticals and fertilizers; (iii) transport and communications equipment; and (iv) agricultural tools and equipment.

17. Implementation of projects in those critical product lines entailed complementary capacities in project preparation; organization of production and distribution; project promotion; resources availability; markets; and sustained policy support.

18. He also urged Governments to give practical support for regional institutions with special bearing on industry and the creation at the national level of engineering, chemicals, building materials, industrial development corporations and national consulting engineering and management corporations.

19. As a means of stimulating and directing Africa's efforts, it was important to disaggregate the region's target set at Lima and set mid-term targets for the major industrial sectors and products, an exercise in which he hoped UNIDO would take the leadership role in co-operation with ECA. As part of rescuing the African continent from surrendering to a second class position; he invited the meeting to respond to the challenge and reach agreement on a set of concrete practical and implementable measures.

20. The Assistant Secretary-General of OAU briefly outlined the purpose of the meeting which was to make concrete proposals for African industrialization for submission to the forthcoming Economic Summit of the OAU Assembly of Heads of State and Government following close examination of the results of the third general Conference UNIDO as well as the recommendations made by the recent sectoral expert meetings.

21. Based on the experiences of international economic conferences including the third General Conference of UNIDO III, he warned against accepting globally agreed measures which were based on international concessions which in most cases were not relevant or

applicable to the African situation. He therefore advised participants to use their expertise in making concrete, implementable and affordable recommendations to the Economic Summit. He drew attention to the background working paper for the meeting which contains proposals on priority areas.

22. The Assistant-Secretary-General referred to Africa's positive role in the Group of 77 and in the Non-Aligned Movement from which it had not derived full dividends.

23. He briefly outlined the events which had led to the creation of the Group of 77 noting that the Group had quickly identified the common approach policy as an effective bargaining tactic.

24. He stressed the need for Africa to reappraise itself and put its house in order. He therefore described the forthcoming OAU Summit on economic meeting as an opportunity for Africa to state its position for the sake of its continued political sovereignty, placing economic matters in the centre of its unity.

25. On behalf of the Executive Director of UNIDO, the UNIDO representative made a statement in which he pointed out that the meeting provided a good opportunity for - African countries to take stock of what had transpired at the third General Conference of UNIDO.

26. In that regard he noted that there was reason to feel disappointed that the international community, as a whole, could not reach full agreement on all the major issues of international industrial co-operation discussed in New Delhi. Nevertheless, there were positive elements which had emerged, in particular the consensus reached on several important issues such as industrial training, technology, energy, local processing of natural resources, the system of consultations, industrial co-operation among developing countries, as well as special measures for the least developed countries.

27. In line with the idea endorsed by the OAU Heads of State and Government, the Conference had adopted a resolution recommending to the United Nations General Assembly to proclaim the 1980s as the Industrial Development Decade for Africa with the purpose of focusing greater attention and mobilizing greater political commitment as well as financial and technical support at the national, regional and international levels for the industrialization of Africa. The Conference had requested the Secretary-General of the United Nations to make appropriate financial and other arrangements for successfully launching the decade and called upon the international community to provide greater financial and technical support at the bilateral and multilateral levels for the continent's industrialization efforts. It had requested the Executive Director of UNIDO and the Executive Secretary of ECA to co-operate with the Secretary-General of OAU to work out a programme of action for the decade and submit it to the eleventh special session of the United Nations General Assembly on development issues in the 1980s.

28. The UNIDO representative further pointed out the UNIDO stood prepared to collaborate with OAU and ECA in making its contribution towards the successful implementation of the decade.

29. In that connexion, the UNIDO Conference had urged all member States to make or increase their contribution to the United Nations Industrial Development Fund as well as to sign and ratify the new Constitution of UNIDO to permit its early conversion into a specialized agency of the United Nations.

30. The Conference had reaffirmed the aspirations of the developing countries, especially the African countries for collective self-reliance and self-sustaining industrial development. However, collective self-reliance did not preclude international co-operation which, in the case of industrialization, was a necessity.

31. There was need for the developing countries to strengthen their bargaining and negotiating position on global issues, particularly in the field of industrialization.

Organization of work (agenda item 2):

32. The committee decided to set up a drafting committee consisting of the officers of the meeting and of the representatives of the following countries: Chad, Kenya, Liberia, Nigeria, Surin, Tunisia, United Republic of Cameroon and United Republic of Tanzania.

Review of the results of the third General Conference of UNIDO  
(agenda item 3):

33. A member of the ECA secretariat introduced the agenda item and pointed out that the review was not an exhaustive one but rather indicative of the main arguments of the different negotiating groups. He stated that the objective of the review was to draw lessons from the experiences of the third General Conference of UNIDO and formulate attitudes and approaches aimed at strengthening Africa's bargaining position in international fora, particularly in the field of industrial matters. He added that the exercise was also expected to help to lead to the identification of measures for national and collective self-reliance in developing countries and particularly African countries.

34. The UNIDO representative informed the meeting that a report was being prepared by the UNIDO secretariat on the third General Conference of UNIDO for consideration of the forthcoming meeting of Industrial Development Board. He indicated that the third General Conference of UNIDO was being considered by the Group of 77 in Vienna as well as in New York in preparation for the forthcoming special session of the General Assembly of the United Nations on economic matters.

35. The OAU representative endorsed the views expressed by the ECA representative and pointed out that the views of the EEC countries were not reflected in the document. These countries had favoured a selective approach towards industrialization in ACP countries in that they did not consider it desirable for them to support industrialization in developing countries which would duplicate industrialization in developed countries and result in excess production capacity as well as in waste of scarce resources in developing countries.

36. In the course of the discussions which followed, participants emphasized the lessons to be learnt from the discouraging results of the third General Conference of UNIDO. In that connexion, they stressed the intransigent attitude of developed countries to meet the legitimate demands of developing countries for fruitful co-operation to achieve accelerated industrialization which required massive transfer of real resources, redeployment of industries, transfer of technology, access to markets and so forth.

37. Concerning the results of the third General Conference of UNIDO participants stressed the need for African countries to take practical measures effectively to promote national and collective self-reliance for accelerated industrialization. It was suggested that steps should be taken at the national, subregional and regional levels to achieve that goal and in particular to speed up the establishment of subregional common markets.

38. Particular attention was drawn to a resolution contained in document ID/CONF.4/L.7 adopted by the third General Conference of UNIDO recommending that the General Assembly of the United Nations should proclaim the 1980s as the Industrial Development Decade for Africa. In that connexion participants exchanged views as to whether the resolution should be submitted to the Committee for consideration. It was agreed also that the resolution on the Industrial Decade should be included in the proposals to be submitted to the Economic Summit of OAU Heads of State and Government.

39. Further, it was agreed that paragraph 18 of document ECA/CMI/FCIA/Extra/WP/4 should make mention of the resolution on the proposed Industrial Development Decade in Africa.

40. It was also suggested that the same document should reflect more extensively the position of developing countries on major issues and in particular on certain paragraphs of document ECA/CMI/FCIA/Extra/WP/4 on the review of the third General Conference of UNIDO.

(a) Transfer and development of industrial technology (paragraph 17)

41. Among other things, developing countries requested the developed countries

- to co-operate effectively in the finalization of the compulsory International Code of Conduct on the Transfer of Technology
- to co-operate in ensuring successful outcome of the 1980 Diplomatic Conference for the revision of the Paris Convention to take due account of the interests of developing countries. (The Conference aims broadly and substantially to apply the principle of preferential treatment to patent legislation of developing countries).

(b) Industrial financing (paragraph 22)

42. Developing countries requested developed countries, among other things:

- to transfer at least 300 billion dollars at 1977 dollar values in the form of financial resources, material resources and technical assistance, at a rate of no less than \$US 25 billion per year, through the establishment of a North-South Global Fund for the promotion of industrialization of developing countries
- that the bulk of the resources of the Global Fund should come from developed countries in the form of commercial credits and grants
- that the Fund should be administered and controlled by developing countries
- that the volume of assistance and its terms and conditions should be proportionately related to the economic development level and specific situation of the recipient country
- to cancel debts of the least developed and most seriously affected countries

(c) Role of foreign investment (paragraph 37)

43. The developing countries maintained that the role of direct private foreign investment should complement the national industrialization effort in accordance with national objectives and programmes. They reaffirmed the inalienable right of all countries



to exercise fully their sovereignty over their national resources and over economic activities, including the possession, use and enjoyment of such resources, as well as the right to nationalization in accordance with national legislation. Consequently developing countries disagreed with the developed countries on the concept of business law and arbitration to govern relations between foreign enterprises and States on investment disputes.

(c) Export of manufactures from developing countries (paragraph 39)

44. The developing countries requested the developed countries to facilitate
- expanded access to the markets of developed countries and grant further preferential treatment to developing exports of manufactures and semi-manufactures for developing countries
  - to eliminate protectionist tariff and non-tariff barriers and other obstacles to trade with developing countries
  - to co-operate with developing countries to achieve fully the objectives and commitments of the Tokyo Declaration
  - to co-operate in the early finalization of the international code of conduct regarding the activities of transnational corporations

45. Following a lengthy discussion on the review of the third General Conference of UNIDO the meeting agreed that the document and the above amendments should form a background paper for formulating proposals for submission to the forthcoming African Economic Summit.

Proposals to be submitted to the extraordinary session of the Assembly of Heads of State and Government concerning the plan for the implementation of multinational industrial development (agenda item 4):

46. A representative of the secretariat, in introducing document ECA/CN/FCIA/Extra/UP/2, underlined the importance of selecting a few product lines for concentration along the lines of the recent successful cases of industrialization on transport and communications equipment, agricultural tools and equipment, building materials, pharmaceuticals and fertilizers.

47. After assessing the major instruments available for the implementation and organization of production and distribution in Africa, namely, the indigenous private entrepreneur, the transnational corporations and Government, he concluded that the organization by the State of national development corporations in engineering, chemicals and building materials was the only viable means for the effective development of the priority products referred to above as well as the basis for effective collective self-reliance by pooling resources at the subregional and regional levels especially through the creation of multinational corporations. Other mechanisms for the implementation of industrial co-operation were the African Regional Centre for Engineering Design, the African Industrial Development Fund and the development of industrial development zones.

48. Following the presentation of the working document, participants discussed and observed that energy, especially solar energy, electrical industries, building materials and monetary policy were not accorded the high degree of priority that they deserved in industrialization. Also, quantitative production targets had not been given in the plan.

49. It was felt that the three-year period 1980-1982 which the short-term plan covered was too short and that a minimum period of five years was necessary. The plan should be formulated on a short-, medium- and long-term basis.

50. It was therefore agreed that proposals which were to be submitted to the OAU Economic Summit should include the following:

(a) that African Governments should give adequate financial support as well as supply available indigenous scientific and technical personnel to the regional institutions established through the Conference of African Ministers of Industry;

(b) that concrete measures should be taken by African Governments at the national, subregional and regional levels to ensure the achievement of self-sufficiency in such priority sectors as food, textile and clothing, building and construction materials and energy in all its forms;

(c) that measures should be taken with a view to fostering trade and co-operation among African countries;

(d) that concrete measures should be taken to increase the flow of funds into the industrial sector through the strengthening of the institutional framework, since the present low level of funds constituted a constraint on industrialization;

(e) that flows of resources to the African industrial sector must be organized within each African country and at the regional level through appropriate institutions mainly by transferring resources from developed countries in the framework of achieving the Lima target which was a collective target. To that end the transfers should be effected partly in the form of grants and partly in the form of loans. Those loans should have low interest rates and long period of repayment so as to lessen the burden on the least developed countries.

51. It was decided to delete from document ECA/CN/FCIA/Extra/WP/2 table 1 on pages 5 to 9 in the English text, sectoral data and paragraph 20 and 21 relating to figures on sectoral objectives. Concerning paragraphs 25 to 36 while maintaining the principle of reference to multinational projects, it was decided to condense those paragraphs and to supply details on multinational projects. It was equally decided that the paragraph dealing with consulting engineering and management should be submitted to the Heads of State.

52. The meeting felt that the question of strengthening of the role of the Conference of African Ministers of Industry and its Follow-up Committee was not a matter to be included among proposals for the Heads of State since the Ministers of Industry were in a position to consider appropriate measures for strengthening the Follow-up Committee.

53. Discussing action which should be taken at the subregional level or through industrial development zones it was agreed that industrial development zones should coincide with the various subregions.

54. It was also agreed that the Intergovernmental Standing Committee on Industry referred to in paragraph 47 of document ECA/CN/FCIA/Extra/WP/2 should report regularly to the Council of Ministers of its MULPOCs.

55. With regard to action to be taken at the national level it was agreed that attention should be paid to the key sectors which assisted rapid development and measures should be taken to enhance the development of national technology and capabilities in planning the framework for industrial development.

56. Participants also stressed the need to protect the environment especially by taking action against pollution and desertification.

57. The Committee further decided that the drafting committee should use document ECA/CEI/FCIA/Extra/WP/2 as a basis for drafting the report to be submitted to the Assembly of Heads of State, taking into consideration, above all, the distinction made between short-term targets (in other words targets for 1986) and medium-term targets to be attained by 1990 on the one hand, and among measures to be taken at the regional, subregional and national levels. On the other hand, the new draft must also avoid making any reference to the tables relating to sectoral data as well as the figures suggested in relation to the sectoral targets to be attained in Africa. The draft should pay due attention to the all important issues of energy, making concrete proposals for self-sufficiency in energy and laying down guidelines for achieving that objective.

58. After reviewing the different aspects of the subject, the Committee agreed that it was necessary that African countries should, as a matter of urgency, establish State development corporations in the fields of engineering, chemicals and building materials. It recommends that, through those national corporations, African countries should establish multinational development corporations covering, *inter alia*, the engineering, chemicals and building materials at the subregional and regional levels.

59. At its last meeting, the Committee adopted the draft proposals as amended for submission to the extraordinary session of the OAU Heads of State and Government on economic development, and called upon ECA and UNIDO to provide in an annex to the draft proposals a preliminary estimate of quantified short- and medium-term investment and manpower implications for the proposed self-sufficiency sectoral objectives. The annex should correspond very closely to the ideas contained in the draft proposals. The annex prepared by ECA and UNIDO will be submitted to the Chairman of the Follow-up Committee on Industrialization in Africa for his approval, and after approval by the Chairman it will be forwarded together with the draft proposals to the preparatory meeting.

Plan of action at the subregional level on follow-up to recent sectoral expert meeting (agenda item 5)

60. A member of the secretariat introduced document ECA/CEI/FCIA/Extra/WP/3. He cited relevant parts of resolutions 1(V) and 5(V) of the fifth Conference of African Ministers of Industry regarding the implementation of follow-up activities and reported on the expert meetings on chemicals, metals and engineering which were held in Addis Ababa in November/December 1979.

61. He outlined the approach that would be used to follow up the recommendations of the Ministers as well as those of the expert meetings i.e. the preparation of project descriptions, (already under way) their upgrading to project profiles and the presentation of profiles to member States at MULPOC consultative meetings.

62. In view of the follow-up required for the consultative meetings which was likely to take the form of pre-investment studies, he stressed the need for member States to:

(a) provide the secretariat with supplementary information related to the project profiles;

(b) be represented by plenipotentiaries at the EMLPOC consultative meetings; and

(c) make national experts available to participate in follow-up activities and meetings.

63. In the discussion that followed on the approach to follow-up activities and the three requirements to be met by member States, contributions to the follow-up activities were recognized and supported by the Conference.

64. Participants emphasized that ECA and UNIDO should assist African countries to draw up their national industrial development plans and to work out measures for co-ordinating their industrial development efforts at the subregional levels. ECA and UNIDO should equally be accorded enough financial and political support so that they would be in a better position to discharge the functions entrusted to them.

65. The meeting emphasized the importance of taking follow-up action on decisions reached by the various ECA conferences.

Adoption of the report (agenda item 3):

66. The draft report of the meeting was presented to the Committee by the first Vice-Chairman of the drafting committee. The meeting examined the draft report and, after making a few amendments, adopted it as a faithful record of its proceedings.

67. In conclusion, the Chairman expressed his thanks to participants for their co-operation and understanding shown throughout the meeting which had ensured its success. He also thanked the sponsoring organizations, and the support staff for their invaluable contributions towards the smooth running and success of the meeting.