

50554

UNITED NATIONS
**ECONOMIC
and SOCIAL
COUNCIL**

Distr.
GENERAL

E/CN.14/551
E/CN.14/ERS/26
18 January 1972

Original : ENGLISH



ECONOMIC COMMISSION FOR AFRICA

REPORT OF THE SEMINAR ON APPROACHES TO THE REGIONAL
HARMONISATION OF DEVELOPMENT PLANS

(Addis Ababa, 29 November - 3 December 1971)

REPORT OF THE SEMINAR ON APPROACHES TO THE REGIONAL
HARMONISATION OF DEVELOPMENT PLANS

Table of Contents

	<u>Paragraphs</u>
Attendance and organisation fo work	
Opening of Seminar	1
Opening address	2 - 9
Attendance	10 - 11
Election of Officers	12 - 13
Agenda	14
The rationale and mechanisms of plan harmonisation ...	15
The relevance of the Seminar	16 - 18
Plan Harmonisation and the Other forms of Economic Cooperation	19 - 23
The Approach to plan harmonisation	24
Mechanisms	25 - 28
The role of international organizations	29
Discussion	30 - 40
Centralised Statistical and Economic Analysis information service for Africa ...k.....	41 - 45
The International Uses of National Development Plans .	46 - 62
Standardization of Concepts, Definitions and Methodology	63 - 67
Constant price series	68
Plan content	69
Industrial Standardization	70
Plan periods	71
Experiences in Plan Harmonisation	72 - 76
Conclusions and Recommendations	77

Attendance and organization of work

Opening of Seminar

1. The Seminar on Approaches to the Regional Harmonization of Development Plans was held at Addis Ababa (Ethiopia) from 29 November to 3 December 1971. The opening address was read by Mr P. Rajaobelina, Deputy Executive Secretary of the Economic Commission for Africa.

Opening address

2. After welcoming national representatives, and the observers and representatives of various institutions to the Seminar, Mr P. Rajaobelina, read a message from Mr Gardiner, Executive Secretary of ECA to the participants.
3. The message stressed the fact that the harmonisation of the economies of the African countries was a problem of primary importance. It was recalled that certain of the ECA's member states had population of less than a million and only limited resources, which prevented them from establishing modern industries. Even in the larger and better endowed countries, it was a misnomer to talk about a national economy. The task of restructuring the national economies can and must be undertaken at the same time as the task of developing plan harmonisation between States.
4. Using the case of the road infrastructure as an example, Mr Gardiner said that a transport network between Northern Ghana, Upper Volta, Northern Togo, and the North Eastern Region of the Ivory Coast would open the way to increased trade between these countries and would broaden the economic horizons of their respective regions.
5. The Executive Secretary emphasized the need to avoid allowing divergences of interests and different policies to stand in the way of the development of plan harmonization; he commented on the operation of national sovereignty in the recent history of the East African Common Market.
6. It was, however, regrettable to note that competition between suppliers of industrial plan resulted in the establishment of similar and non-viable industries in neighbouring countries and that financing was more easily offered to individual States than to a grouping of States.

7. In order to avoid such disadvantages, and in view of their limited financial resources and the burden of debt-servicing, the countries within the region would benefit from holding consultations to study the possibilities of undertaking joint projects. Examples were given of the Kainji Dam in Nigeria and the Volta Dam in Ghana which had provided electricity and inland waterways to some of the landlocked countries as a result of the sharing of facilities among a number of States.

8. Development plan harmonization would also open the way to commodity agreements. Copper - and cocoa-producing countries had seen their export receipts badly hit during the year as a result of increased production in the face of declining demand. Harmonization between the States concerned was necessary not only to prevent the occurrence of unsaleable surpluses but also to ensure that supplies were reasonably related to effective demand.

9. The message concluded by emphasizing that development plan harmonization was the first step towards economic co-operation. It was essential for the more rapid and efficient development of Africa's vast agricultural, natural and mineral resources.

Attendance

10. The following member States were represented: Algeria, the Cameroon, Dahomey, Equatorial Guinea, Ethiopia, Ghana, Kenya, Malawi, Nigeria, the Sudan and Togo.

11. The Seminar was also attended by observers from the USSR, CDPFP, ILO, FAO, ADB, the East African Community, OAU and UDEAC.

Election of Officers

12. H.E. Ato Afework Zelleke (Ethiopia) was elected Chairman of the Seminar, Mr Minlend-Nyobe (Cameroon) first Vice-Chairman and Mrs V.E.A. Ofosu-Amaah (Ghana) second Vice-Chairman.

13. All discussions took place in plenary sessions.

Agenda

14. After some discussion of items 7 and 8 of the Provisional Agenda, the following agenda was adopted:

1. Opening Address.
2. Election of Chairman and Vice-Chairman
3. Adoption of Agenda
4. The Rationale and Mechanisms of Plan Harmonization

5. Requirements for centralized information and analysis services in Africa
6. International uses of national development plans
7. Experiences in plan harmonization; proposal and discussion of recommendations
8. Adoption of Report.

The rationale and mechanisms of plan harmonization

15. The secretariat staff introduced document E/CN.14/ERS/22. The contents of the document were organised around four main points, firstly the relevance of a seminar on aspects of economic cooperation at the threshold of the Second Development Decade despite the fact that the sixties had been devoted to considerable activity in the field of economic cooperation by many national and international organizations including the ECA; secondly the fundamental economic reasons underlying the advocacy of economic cooperation in general and plan harmonization in particular as a means of transforming the economies of the countries of the region; thirdly the areas of activities where plan harmonization was both desirable and feasible and lastly, the institutional and technical mechanisms essential for the successful adoption of plan harmonisation.

The relevance of the Seminar

16. In organising the seminar, the secretariat was aware of the fact that much work had been done and was still being done on the continent on various aspects of economic cooperation. A list of studies and papers already prepared on the need for economic cooperation in general and plan harmonization in particular by the ECA, some in collaboration with other international agencies was attached to document E/CN.14/ERS/22.

17. However, the major reasons why such a seminar was found necessary were (i) that it would afford economic planners as a body, for the first time the opportunity to discuss these aspects of economic cooperation, (ii) that there were some missing technical elements in the approaches advocated in the past (iii) that plan harmonization was still considered a potent force in the overall efforts to transform African economies, and (iv) that it was essential to examine the operations of the existing institutions having plan harmonization activities in order to see where they have succeeded and where they had failed and so be able to make reasonable recommendations.

18. The main economic justification for economic cooperation included the benefits attributable to the economies possible from large scale production and those arising from shared common services, particularly transport and communications.

Plan Harmonization and the Other forms of Economic Cooperation

19. It was pointed out that all the objectives enumerated above could be achieved under the traditional forms of economic cooperation, such as free trade areas, customs unions and common markets provided the underlying assumptions were valid. Unfortunately, these assumptions were not always valid under conditions prevailing in developing countries, particularly African countries.

20. In particular, African countries were at different levels of socio-economic development. They were not equally endowed with resources - financial, physical, human and entrepreneurial. The few resources available were not being efficiently utilized because of the smallness of their domestic markets in most cases. The situation of small market sizes had led in most cases to the creation of excess capacities resulting in high prices for products and at a later stage in the economic process this had retarded the progress of import substitution. In general these problems had prevented the equitable sharing of development benefits since market forces were given free reign as was assumed under the traditional theory of the customs union.

21. In fact, the reasons for the relative non-applicability of the assumptions of the traditional theory in the less developed countries had been responsible for the adoption of formal planning as a means of deliberately fostering socio-economic transformation in under-developed countries. And the adoption of the interventionist approach by the developing countries was one of the reasons why "plan harmonization" defined as "negotiated division of labour" or "agreed specialization" or "complementarity agreements" had been suggested as the normal approach to the achievement of the benefits claimed for economic cooperation.

22. Moreover, this line of approach could take into account the particular problems of each participating country as well as the question of the distribution of benefits. Indeed, the questions of free trade customs union and common market would be considered together since an agreement to specialize would also necessitate the consideration of free trade especially in the joint commodities. It would also consider the problem of external tariffs.

23. Similarly, "plan harmonization" had been preferred to "complete economic integration" which would mean unification of socio-economic systems because the latter approach would have ignored the political realities in Africa especially the overwhelming importance of "national sovereignty."

The Approach to plan harmonization

24. Plan harmonization was found desirable and feasible in almost all

sectors of the economy. However, the most pragmatic approach would be to start from projects or common services. This was the practice in most of the existing institutions practicing plan harmonization activities. The habit of negotiating on a project by project basis could lead later to agreements on the harmonization at the sectoral levels and eventually at the macro-levels.

Mechanisms

25. The adoption of plan harmonization as a strategy of socio-economic development would require the establishment of appropriate mechanisms for carrying it out. In this connexion, there would be need for a political decision to be made at the highest level since the decision to cooperate or harmonize would have to emanate from the socio-economic policies of the particular countries. Moreover, the projects decided upon for harmonization would form parts of the development plans of the participating countries.

26. To implement the political decision a technical body would be necessary. Such a body would liaise between its own multinational organisation, national planning offices and international organisations.

27. The adoption of plan harmonization would also entail agreement on trade and payments arrangements which would require modification of customs regulations, and the harmonization of fiscal, monetary and investment policies.

28. A realistic harmonization procedure required sound planning at the national level. It also required standardisation of statistical and economic concepts among the participating countries, the exchange of information as well as the joint analysis of the economies of the participating countries particularly in identifying multinational projects.

The role of international organizations

29. In all these areas the role of international organizations was important in view of the lack of the relevant resources by the developing countries. Specifically, these agencies could help by conducting research into projects of a multinational nature as well as the financing of projects.

Discussion

30. In its discussion of this item of the agenda, the seminar accepted as valid the main reasons underlying the adoption of plan harmonization. A considerable part of the discussion was devoted to the practical aspects of plan harmonization.

31. In view of the primary importance of national sovereignty, the seminar strongly endorsed the view that the decision to harmonize plans should emanate from the socio-economic objectives of the participating countries. To achieve this objective, planning had to be strengthened at the national level. While the seminar agreed that harmonization of techniques of planning, economic and statistical concepts was a useful final objective, the countries of the region should not wait until this objective was achieved before embarking on plan harmonization.

32. Moreover, the most promising approach to plan harmonization was to start by considering possible projects. It would be unreasonable to recommend joint macro-economic planning at the multinational level. Particularly fruitful in this approach would be the intensification of efforts to have commodity agreements for most of the commodities in which African countries were interested. The meeting commended the efforts of the FAO, OAU and ECA and other organizations in this important area. The FAO promised to distribute later the latest information on commodities for which international agreements had been made.

33. Similarly, the meeting considered as very important the role of organizations such as the ADB, the ECA and others in helping the countries to identify viable multinational projects. However, it was agreed that countries interested in particular projects could recommend such projects for further study by international organizations.

34. As part of the plea for more operational activities on the part of the international organizations, the seminar requested the ADB and the ECA to be more active in their participation in the socio-economic activities of the member states of the Commission.

35. The seminar also considered the question of the volume of viable multinational projects and wondered whether the ECA could not compile a catalogue of such projects with indications of the main elements involved in their viability. The secretariat reported that such a catalogue could be compiled provided the necessary staff resources were available. The seminar was informed about the declaration on industrialization adopted by the OAU/ECA Conference of Ministers of Industries held in May 1971. The declaration and the report of the meeting gave practical details on the strategy for industrialization in Africa in the 1970s.

36. The problem of how to trade products agreed to be produced jointly was also considered. In particular, the question of the most favoured nation clause of the GATT agreements was discussed. The seminar agreed that any problem connected with plan harmonization involved negotiations. Waivers could be obtained under the most favoured nation clause because of the amendments recently introduced into the GATT agreements.

37. Coupled with the question of trade were the problems of fiscal and monetary arrangements, investment laws and the movement of labour. The seminar was of the opinion that the adoption of plan harmonization as a means of effecting socio-economic transformation imposed many obligations on the contracting parties. Hence, all governments that agreed to participate in any harmonization agreements should be prepared to harmonize their fiscal monetary, investment and tariff policies with those of their partners. In this connexion, the seminar was informed of the various efforts made by the ECA to get payments agreements adopted in Africa. The matter was being actively discussed by the African Association of Central Banks.

38. The need for the free movement of labour was stressed. The meeting was informed about the inter African technical assistance draft agreement submitted to the Conference of African Ministers of Labour.

39. The seminar also considered the role of private multinational enterprises in plan harmonization arrangements. While the seminar did not doubt the immense contributions that could come from these organizations, it stressed the possible divergence of views on benefits between those enterprises and the governments.

40. The seminar also felt that extra-African economic associations were likely to effect the ease with which plan harmonization agreements would be concluded and executed. The major reason for advocating plan harmonization among African countries was based on the probable economic benefits that could accrue to the participating countries severally and individually. The relevant question should always be decided by the volumes of the probable benefits to be derived under each arrangement. In this connexion, the seminar requested that more work should be done on the criteria for estimating and distributing both costs and benefits of economic associations.

Centralized Statistical and Economic Analysis information service for Africa

41. Document E/CN.14/ERS/21 described the present situation of statistics in Africa in the light of the ever-increasing and more varied needs of the national planning organizations, and of the inter-governmental and international organizations. The document recommended that data be published more rapidly and be communicated to the organizations concerned and, in particular, to the ECA secretariat, in order to enable the latter to carry out in good time its own evaluation of the achievements in the region in the context of the Second United Nations Development Decade and of Africa's strategy for development in the 1970s.

42. The participants felt that exchanges of information between the member countries and the secretariat should be intensified. They took

note of the new arrangements within the secretariat regarding the co-ordination of economic and statistical information. These arrangements do not imply the creation of new structures, but the reinforcement of the conventional activities of the Statistics Division so that it may be better able to comply with the recommendations of African Statisticians and to satisfy the demand for statistical material required for the evaluation of progress within the region during the coming decade. The participants were invited to make recommendations regarding the data which they thought would be needed to facilitate the harmonization of development plans between neighbouring countries.

43. It was already possible to use the secretariat's present publications as a basis for development plan co-ordination, since they provided the member countries, and in particular the smallest among them, with information on results and forecasts in neighbouring countries; this information is useful mainly in drafting development plans.

44. The secretariat's publications could also be useful at the regional level, in that they provided comprehensive information which enabled the leaders of the countries within the region to determine their position at international meetings.

45. With regard to secretariat's programme of work, an explanation was given of the internal organs responsible for the coordination of the programme: meetings of Heads of Divisions and discussion of the programme by the Technical Committee of Experts, and finally by the Conference of Ministers.

The International Uses of National Development Plans

46. The Secretariat presented paper E/CN.14/ERS/20 and by way of introduction gave some data about Africa's economic situation. Against a target growth rate of 6 per cent a year for the Second Development Decade, Africa had achieved about 4 per cent a year for the years 1969, 1970 and 1971 and some special impetus was needed to increase this growth rate. Economic Cooperation could assist.

47. The sort of problem that had arisen in the market for certain commodities important in Africa's export trade was emphasised and the paper illustrated how many countries in the Region had decided to embark on the production or increased production of commodities such as sugar, cotton, cocoa and others as part of their development effort. The decisions to increase or start production of these commodities appeared to have been taken without an adequate appreciation of the results of the combined effort on the general market situation.

48. It was important for Africa to make much more effective arrangements in relation to these important commodities and Africa should be able to build up its own essential market information to ensure that its voice and importance was given full cognizance in the existing

commodity agreements and arrangements. For those products for which no adequate commodity arrangement existed, action should be taken swiftly to remedy this situation. Countries in Africa had to be able to plan their development in the knowledge that what they wanted to do would not be disrupted by a particularly adverse movement in the market price of the commodities essential to their economies.

49. The question of African countries being able to obtain early knowledge of other countries' intentions in the field of development was then mentioned and the advantages of having a system which would give early information on new projects was raised. Under this system countries could prepare a short summary of their development plans which indicated the major projects they were proposing to implement. This summary would be given a wide circulation to other African countries, to UN agencies and potential aid donors and under this system it would be easier to spot possible areas where problems might arise. Countries aiming at similar or competing projects could be advised of this and early action could be taken to ensure that duplication did not occur.

50. In the discussion that followed there was general agreement that Africa needed to make a stronger effort in the field of commodity agreements or arrangements to ensure that prices could be held at a more stable level in real terms which would be beneficial for the development effort of individual countries. Similarly there was much to be said for the early distribution of summaries of development plans by the countries of Africa.

51. One delegate suggested that Africa in its development effort had to break away from its dependence of the major world powers and this could only be achieved if Africa was able to help itself to a greater degree than had been the case in the past.

52. The I.L.O. observer gave a comprehensive description of the programme of work of the I.L.O. in the fields of employment and technical competence. He stressed particularly the policy of the I.L.O. in the social field (social security and the equitable redistribution of the fruits of development) and in increasing the value of the human resources (planning of the work force, vocational training and the creation of productive employment). He drew attention to the disequilibrium which exists between the rural and urban areas and to the necessity of encouraging the rural producers by an increase in their purchasing power to help them improve their living standards. Finally he stressed the lack of statistics relating to employment, education and the labour force and he underlined the need to pay particular attention to these elements in the drawing up of plans of development.

53. There was some emphasis on the ECA attempting to carry out studies of the economies of groups of countries to be able to recommend more projects of a multinational nature to be able to help the countries in the group concerned to develop. Attention was drawn by the ECA to

the UNDAT teams and work in this direction that had been done in the past.

54. It was also suggested that the ECA could provide a very useful service by acting as a clearing house for obtaining and disseminating economic information about developments in individual countries in Africa. It could act as a forum for countries to meet and discuss these developments.

55. There was also a considerable discussion on the present world currency crisis and how Africa could act in the future to ensure that its individual countries did not suffer, as in the past, from exchange rate changes made by the Developed countries. There was general agreement that Africa must move to a position where it became more independent in these matters and must continue to develop its own independent central banks. The meeting was advised by the OAU representative that the Group of 77 had insisted that the Developing Countries should have a voice in any deliberations on monetary reform.

56. The OAU representative also outlines the activities of the African Group in the meeting of the Group of 77 in their attempts to ensure that African countries did not have their competitive position further eroded. A suggestion has been made that a link be established between the export prices of African commodities and the prices of imports from the Developed World.

57. The delegates criticised the wording of paragraph 81 in paper E/CN.14/ERS/20 and the Secretariat reworded the second paragraph to "The developing field of new manufacturing projects to serve external markets or a grouping of countries in Africa must also be very carefully handled to ensure that the projects concerned were fully viable from an early stage."

58. On request the wording of subparagraph 11 of paragraph 82 of paper E/CN.14/ERS/20 was expanded as shown in paragraph 59 below (sub paragraph 11).

59. The outline of the short summary of development plans would cover the following points:-

1. Plan Period
2. Planned growth rate
3. Expected population growth rate
4. Planned total investment
5. Expectation relating to financing:-
 - (a) Public investment - Domestic
External
 - (b) Private investment- Domestic
External

6. Planned investment as a proportion of the GDP
7. Investment by economic sector: Public, Private and indicating the amount under each economic sector such as agriculture, mining, manufacturing, etc.
8. Anticipated growth of the GDP giving details by economic sector.
9. Growth in wage employment anticipated.
10. External trade forecasts
11. Major developments by economic sector, a list of the projects including costs, and in the productive field the anticipated results in terms of physical output, time scale of output and expected markets. For the infrastructure projects details of the increases in facilities should be shown and in the social field the increases in enrolments at schools and in facilities under the health service. Data should be provided under the following headings:-

- a) Agriculture
- b) Mining
- c) Manufacturing industry
- d) Electricity
- e) Water supply
- f) Roads
- g) Railways
- h) Air transport
- i) Ports and shipping
- j) Telecommunications
- k) Education
- h) Health
- m) Tourism
- n) Housing

60. Paper E/CN.14/ERS/20 - 'Some Thoughts on Comparability of Data for Plan Harmonization' was then presented.

61. In introducing the document the secretariat emphasized the need for a minimum set of statistics for planning purposes at both the national and international levels. It was pointed out that the need for statistics was obvious because every country would need to know about their national stock of human and physical resources for development. This knowledge would help in pinpointing any constraints and bottlenecks which are sought to be remedied by planning. The purpose of planning was to fulfill some objective function such as the maximization of production to meet both the domestic and external demand or the minimization of unemployment or the minimization or maximization of consumption.

62. The participants re-iterated the necessity for statistics in all modes of planning and further suggested that any statistics provided in sufficient quantity and of appropriate quality should form the basis from

which the available stock of resources or the constraints therein could thus be pinpointed for purposes both of comprehensive planning or of some particular development programme. An example was given of the West African Rice Development Association (WARDA) project which has just reached the operational stage after several years of surveys and analysis of demand patterns and production possibilities for rice in the region. These surveys disclosed the very large deficit in production of rice in the Subregion necessitating large imports of both rice and wheat. To tackle the problem of reducing the dependence on ceaeal imports the fourteen countries in the subregion had decided to set up WARDA which has already obtained support from multinational and bilateral aid sources.

Standardization of Concepts, Definitions and Methodology

63. After a brief introduction by the secretariat on the necessity for standardisation of concepts and definitions for which several examples were cited, the participants reiterated the need for a wider use of the new SNA as a framework for the formulation of data collecting programmes and analysis. The secretariat informed the meeting that the new SNA had been deliberately formulated to meet the demands of data for planning. The participants addressed themselves in one form or another appreciating the need for a wider use of the new SNA and suggested that the ECA undertake advisory services with a view to its speedier implementation in the countries of the region.

64. The seminar noted the difficulties encountered in the countries in shifting from their former systems of national accounting to the new SNA. The secretariat advised that this was partly due to lack of statistical series both in terms of quantity as well as in terms of quality. It was further pointed out that the difficulties faced were considerable but not insurmountable. In addition to the deficiencies in statistics, it was also pointed out that qualified counterpart personnel were generally lacking. Therefore, the consultative missions undertaken in countries had aimed mainly at eliminating the weaknesses in the basic data and in suggesting ways and means for both improving and developing the data and training local personnel responsible for shifting from old systems of national accounting to the new SNA.

65. Noting that ECA had only one regional adviser in national accounting, doubts were expressed as to the adequacy of this service. The secretariat replied that advisory services were not a limiting factor in the changeover to the new SNA and it was stressed that of the 42 countries in the region, only 20 had so far requested the advisory services.

66. On the question of training local staff the meeting was informed that training programmes in various aspects of the new SNA had been formulated and were in progress. These included seminars or working groups on statistics for the household sector, the public sector, external transactions the enterprises sector (including evaluation of stocks of fixed

capital - depreciation), production accounts, commodity balances and input-output analysis. In addition training seminars on the revised SNA for senior and junior professionals had also been undertaken in the region. A draft manual of national accounting was planned to be prepared by the ECA and is expected to be ready for discussion by a working group in 1975.

67. A participant suggested that the next conference of African statisticians must devote some of its time to discussing the implementation of the SNA. He further suggested that more financial and human resources be devoted for use by the ECA for purposes of training and advising on the adaptation of the new system. It was regretted that there had been no emphasis in the document on the need for standardization of production statistics, particularly in the methodology used by the individual countries for taking censuses on industrial production. A delegate suggested that standardisation and coverage of industrial or any other statistics for that matter could be best accomplished if the institutions that use such data for practical purposes indicated clearly their statistical needs.

Constant price series

68. Participants wished to know the difficulties encountered in comparing aggregates at constant prices. The secretariat pointed out that most country statistics tended to be inaccurate random and insufficient. It was further pointed out that most advisory missions so far carried out had to engage in the basic organisation of statistics - a prerequisite for any exercises in constant price calculations.

Plan content.

69. It was generally agreed that for any meaningful exercise in plan harmonization, the aggregates indicated and sectoral definitions had to be so devised as to allow for integration at the international level.

Industrial Standardization

70. It was pointed out that industrial standardization - components, parts capital goods or even in consumer goods called for some form of standardization and should be considered as an aid towards plan harmonization. The meeting was informed of recent activities within the ECA whereby a study is to be made on the multiplicity and diversity of suppliers sources vis à vis industrial standardization in Africa taking into account diverse effects on this standardization by the economic monopoly and political advantages of traditional suppliers of industrial equipment in the African region. A delegate pointed out, however, that any move towards industrial standardization had to take into consideration the cost and benefits of such adaptation. The meeting was informed, however, that at a recent meeting at the ECA headquarters sponsored by UNIDO most delegations expressed support for the move to standardization and that UNIDO committed themselves to conducting studies in this respect and that it would make known its findings on the cost and benefits of standardization to the African governments.

Plan Periods

71. Quoting a report on economic cooperation in Eastern Africa, the secretariat suggested that plan periods should be harmonised in order to coincide with the United Nations' Second Development Decade.

Experiences in Plan Harmonisation

72. The Seminar then considered paper E/CN.14/ERS/24: "Experiences in Plan harmonization in Africa and other Developing Regions."

73. In a short introduction of the subject, the secretariat outlines the difficulties encountered in plan harmonization as presently experienced by most inter-governmental organizations, particularly in Africa, were of a political rather than of economic or technical nature. It was pointed out that the question relating to the equitable distribution of benefits, particularly where some partner states were less economically advanced, had yet to be resolved. Project location problems did not present much difficulty where the execution of a project depended on the location of the main input. However, foot-loose projects, that is, projects not dependent so much on the location of resources tended to present certain political and to a lesser extent technical difficulties.

74. After a long exposé on the experiences in the field of co-operation by an observer from an inter-governmental organization the participants reiterated their views in the discussions on previous topics. They concluded that although plan harmonisation was facilitated by a political consensus experience has shown that it can take place even where no such consensus exists. This is particularly true when harmonization takes the form of cooperation in specified and limited fields. It was generally agreed that in most cases it is necessary to proceed gradually and cautiously in the direction of fuller harmonisation.

75. The questions of location of industry and the distribution of benefits were tackled at great length. Participants generally agreed that equitable allocation of industrial undertakings and the distribution of benefits was to be desired and that in doing so the less developed co-operating states should be favoured. A participant informed the meeting that a regional bank in his area accorded disproportionate allocation of funds to industrial undertakings in less developed partner states.

76. A representative of an inter-regional grouping informed the meeting that a five-year plan to co-ordinate the inter-regional activities such as common services was being prepared. He also informed the meeting that the three partner states were currently discussing the possibility of synchronising their plan periods.

Conclusions and Recommendations

77. The participants at the seminar on approaches to the regional harmonisation of development plans, meeting at Addis Ababa from 29 November to

to 3 December 1971, discussed in some detail the subject of harmonization of development plans in Africa (defined as joint production planning by two or more countries) both from the practical and theoretical points of view and arrived at the following conclusions and recommendations.

Conclusions

1. Plan harmonization is an essential element in fostering economic cooperation in Africa.
2. However, plan harmonization can only be successfully implemented if it takes account of national socio-economic objectives.
3. A practical approach to plan harmonization would be the coordination of the planning of specific projects, in view of the administrative and political problems involved in macro-economic planning at the multi-national level.
4. At present countries of the region have not carried out sufficient investigations and studies to provide them with the data they need to make decisions on viable multinational projects.
5. In the long-run, plan harmonization will require harmonization of national policies, including fiscal, monetary, investment, tariff, social and other arrangements.
6. Association with extra-African economic groupings could affect plan harmonization in Africa.
7. Plan harmonization in Africa will need to give consideration to the special conditions of the least developed countries.
8. As far as possible in harmonizing plans, due regard will need to be paid to the equitable distribution of benefits between cooperating countries.

Recommendations

In the light of the above conclusions the seminar made the following recommendations -

1. Governments of the member States of the Commission should move in the direction of plan harmonization as part of their strategy for socio-economic development.
2. In this connection, planning and statistical machineries should be strengthened at the national level.
3. Countries should bear in mind the need to coordinate their plans for the development of multi-national projects.
4. International and bilateral agencies should intensify their activities in assisting African countries to carry out the necessary studies and investigations to provide them with the data they need to make decisions on viable multi-national projects.

5. African countries should strengthen their activities in the field of commodity agreements or arrangements to ensure that their development programmes are not prejudiced, as in the past, by the severe fluctuations which have occurred in the prices of the commodities important in Africa's export trade.
 6. African countries should bear in mind the implications for plan harmonization of association with extra-African economic groupings.
 7. The suggested summary outline of development plans given in paragraph 59 of the report as agreed, should be used by all countries in Africa to keep the other African countries advised about the proposed developments.
 8. The ECA should act as a clearing house for economic information relating to plan harmonization and provide all African countries with up-to-date material obtained from statistical and economic publications and development plans to assist the development of the Region and to prevent wasteful duplication of projects.
 9. Countries should take steps to improve the range and comparability of their basic statistics in order to assist plan harmonization. In this regard, African countries should follow as closely as possible the new United Nations system of National Accounts (SNA)
 10. Cooperating countries should, where possible, launch their development plans to coincide with the plan periods of one another.
 11. Currency arrangements should be such as to allow an accelerated flow of intra-African trade.
 12. Cooperating countries should seek suitable common areas of industrial standardization.
 13. ECA's Statistical Advisory Services to African countries should be increased, particularly with a view to improving the statistical series as well as advising on the transformation from the old national accounting practices to the new SNA.
-

ANNEX I

List of participants

I. Member States

Algeria

Mr. Abdelkader Belhadj

Cameroon

Mr. Minlend Nyobe

Dahomey

Mr. Louis Vieyra

Equatorial Guinea

H.E. Mr. Samuel Ebuka

Ethiopia

H.E. Ato Afework Zelleke

Ghana

Mrs. V.E.A. Ofosu-Amaah

Kenya

Mr. Y.F.O. Masakhalia

Malawi

Mr. D.S. Pearson

Nigeria

Mr. Anthony Ebikeme

Sudan

Dr. Nasreldin Mubarak

Togo

Mr. Roger Viwalé Adigo

II. Observers

Observers for States Members of the United Nations not members of the Commission

Union of Soviet Socialist Republics

Mr. Evgenie Smirnoff
Mr. Vassili Sevalnev

IIa. Other United Nations Bodies

United Nations Organization

Mr. R.P. Suhartono - New York

IIb. Specialised Agencies

International Labour Organization (ILO)

Mr. P. Adossama

Food and Agriculture Organization of the United Nations (FAO)

Mr. S.M. Taylor

IIc. Intergovernmental Organizations

African Development Bank

Mr. F. Aye Assi

East African Community

Mr. Frederick Muwonge

Organisation of African Unity (OAU)

Mr. M.A.R. Dirar

Mr. Claude Segbenou

Union douanière et économique de l'Afrique centrale (UDEAC)

Mr. Belinga Atangana

III. Secretariat of the meeting

Mr. W.L. Booker - ECA

Mr. J.O. Aiyegbusi - ECA