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**CRITICAL ECONOMIC SITUATION IN AFRICA: FINAL REVIEW AND
APPRAISAL OF THE IMPLEMENTATION OF THE UNITED NATIONS
PROGRAMME OF ACTION FOR AFRICAN ECONOMIC RECOVERY AND
DEVELOPMENT 1986-1990**

Letter dated 20 August 1991 from the Permanent Representative of
Nigeria to the United Nations addressed to the Secretary-General

I have the honour, on behalf of the African countries and in conformity with the decision of the twenty-second session of the OAU Ministerial Permanent Steering Committee, held from 12 to 17 August 1991 at Addis Ababa, to transmit herewith, Africa's Submission on the Final Review and Appraisal of the Implementation of UNPAAERD (see annex) and to request you to kindly have it circulated as an official document of the forty-sixth session of the General Assembly and the related Ad Hoc Committee of the Whole.

(Signed) Prof. Ibrahim A. GAMBARI
Permanent Representative of Nigeria
to the United Nations
Representative of the Current
Chairman of the Organization of
African Unity

* A/46/150.

ANNEX

Africa's submission on the Final Review and Appraisal of the Implementation of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 to the United Nations General Assembly at its forty-sixth session

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I. INTRODUCTION

1. The final review and appraisal of the implementation of the United Nations Programme of Action for African Economic Recovery and Development (UNPAAERD) 1986-1990, by the Ad Hoc Committee of the Whole of the United Nations General Assembly, provides a unique opportunity for the international community to examine the extent to which the policies, measures and actions which were agreed upon in UNPAAERD have been implemented by the African countries, on the one hand, and by the international community, on the other. The Ad Hoc Committee will also have the task of making proposals for a framework for cooperation, and concrete measures that are needed to support Africa's efforts for the achievement of sustained and sustainable growth and development for the 1990s.
2. Based on Africa's submission to the special session of the United Nations General Assembly ¹/ devoted to the examination of Africa's economic and social crisis, in June 1986, the United Nations General Assembly adopted UNPAAERD (1986-1990). Its adoption constituted a common commitment between African countries and the international community to turn the course of Africa's social and economic crisis and lead the continent on the path of long-term socio-economic growth and development.
3. UNPAAERD was a unique framework that offered promise of international economic cooperation and solidarity based on mutually supportive measures and policies required to stimulate Africa's economic growth and to reverse the deterioration of the continent's social and economic conditions. In this regard, African countries committed themselves individually and collectively to take the necessary measures and actions at national, subregional and regional levels to create a framework for closer cooperation and for launching long-term programmes for self-sustaining socio-economic growth and development. The international community, on its part, committed itself to assisting Africa to achieve this objective within the context of UNPAAERD.
4. The mid-term review of UNPAAERD in 1988 reminded us that:

"The reform and restructuring that are being undertaken by African countries on the ongoing initiatives taken by the international community thus constitute an important beginning. However, the overall performance of the African economies remains unsatisfactory. Despite earnest efforts to carry out adjustments in their national economic policies, most African countries have found little reprieve from the harsh impact of climatic conditions and an unfavourable external economic environment. Internal constraints, and the adverse impact of exogenous factors to which African economies are highly susceptible, are impeding the reform process and are severely hampering African development.

"Dealing with the African crisis is a priority concern for the international community and the United Nations. It is therefore a matter of urgency that the promising actions that have been taken by all parties

concerned to implement the Programme of Action should be strengthened and accelerated. Sustained and unfaltering efforts made by African countries must be matched by substantial and urgent efforts by the international community to provide support to them at the required levels and to create an international environment favourable to the process of reform and restructuring."

It is on the basis of this reminder that the final review of UNPAAERD should assess the extent to which the impact of the exogenous factors which were identified under UNPAAERD were addressed, so as to speed up the process of Africa's medium- and long-term development.

5. For the final review and appraisal of the implementation of UNPAAERD, the African Ministers responsible for Economic Planning and Development have made an in-depth analysis and evaluation of UNPAAERD, and proffered a new agenda for addressing the socio-economic problems of the continent in the 1990s, as contained in their Memorandum which has already been submitted to the Ad Hoc Committee. 2/ We fully endorse this Memorandum which is annexed to this submission and we commend it to the international community. The purpose of the present submission is to underscore the conclusions contained in that Memorandum as well as to highlight the agenda for the 1990s and the commitments required for its implementation.

II. ASSESSMENT OF THE IMPLEMENTATION OF THE UNITED NATIONS PROGRAMME OF ACTION FOR AFRICAN ECONOMIC RECOVERY AND DEVELOPMENT

6. In spite of the euphoria that greeted the adoption of UNPAAERD, five years after the goals of the Programme remain largely unachieved and the socio-economic conditions in the majority of African countries remain highly unsatisfactory.

7. Unique as it was, UNPAAERD failed to serve as the focal point for rallying international action in support of Africa, nor did it serve as the main framework for African development efforts. The fact remains that the focus of international support for Africa was on macro-economic reforms and the IMF/World Bank supported Structural Adjustment Programmes (SAPs). The policy prescriptions of these concurrent programmes were often incompatible with the overriding objective of UNPAAERD, which was to lay the foundation for durable changes necessary for the structural transformation of the African economies.

8. Furthermore, while our countries honoured their commitments and continued to implement policy reforms and SAPs, often at tremendous social and economic costs, the international support that was envisaged within the framework of UNPAAERD, be it in the areas of debt, resource flows, commodities or improvement of the international economic environment or modalities of technical assistance, was well below the expectations of the Programme. Regrettably, the international community did not fully carry out its part of the compact.

9. It is, therefore, not surprising that the performance of the African economy during the UNPAAERD period remained unsatisfactory. The malaise of the African economies is mainly due to the lack of structural transformation. The programme did not address this problem; hence structural impediments continue to hamper Africa's progress. While internal constraints did contribute to the lack of improvement in socio-economic performance during the UNPAAERD period, it was the external constraints which constituted the main obstacles to recovery and development. Economic performance and the effort to improve it were seriously undermined by an unfavourable external environment; in particular, unremunerative commodity prices and declining export earnings, deteriorating terms of trade, a heavy debt and debt-servicing burden; and inadequate resource flows.

10. In the light of the preceding assessment of UNPAAERD, what is needed is not a repetition of UNPAAERD per se but rather, a more focused agenda for international cooperation with Africa, which will enable Africa successfully to achieve the desired socio-economic transformation, including the implementation of existing global, regional and sectoral programmes and strategies, and remove the external constraints threatening the achievement of this objective.

III. A NEW AGENDA FOR INTERNATIONAL COOPERATION WITH AFRICA FOR THE 1990s

11. The new Agenda for International Cooperation with Africa for the 1990s must be specific, clearly focused on measurable goals and targets to be achieved within a specific time-frame and with built-in performance criteria that can be monitored.

A. Broad objectives

12. The new Agenda should have as its priority objectives the accelerated transformation, integration and diversification and growth of the African economies, to strengthen them within the world economy, reduce their vulnerability to external shocks and increase their dynamism, internalize the process of development, and enhance self-reliance.

13. A fundamental objective of the new Agenda should be the achievement of sustained and sustainable economic development, including an acceleration of the rate of growth of GNP to an average of at least 6 per cent per annum throughout the period of the new Agenda.

14. The new Agenda should also accord special attention to human development, including full productive employment, rapid progress towards human-oriented goals by the year 2000 in the areas of life expectancy, more effective integration of women in development and equal status, child and maternal mortality reduction, nutrition, health, water and sanitation, basic education, and shelter.

15. In order to achieve these broad objectives, it is necessary that the international community enter into a new compact with Africa, which would spell out clearly, the firm commitment of the international community to support and assist Africa to implement successfully its own development agenda and to improve all external impediments and obstacles to Africa's accelerated socio-economic transformation.

B. Africa's responsibility and commitment

16. The formulation of an effective policy framework for structural transformation and long-term development is crucial to the achievement of the broad objectives that Africa has set for itself for the 1990s. Such a policy framework has already been formulated and adopted by African Governments in the African Alternative Framework for Structural Adjustment Programmes (AAF-SAP). Africa is therefore committed, within the proposed compact, to the implementation of these policies for the transformation of the structures of its economies to achieve growth and development on a sustained and sustainable basis.

17. Africa recognizes that the effective transformation of its economies will not be possible without effective regional and subregional cooperation and integration. Africa is therefore resolved to pursue this objective of integration and cooperation with vigour, and is committed to the establishment of the African Economic Community, the Treaty of which was signed by African leaders on 3 June 1991, in Abuja, Nigeria, and to the effective functioning of the subregional organizations; that is the Preferential Trade Area of Eastern and Southern Africa (PTA), the Economic Community of Western African States (ECOWAS), the Economic Community of Central African States (ECCAS), the Arab Maghreb Union (AMU) and the Southern African Development Coordination Conference (SADCC).

18. Africa is convinced that growth and development on a sustained and sustainable basis, can only come about through the involvement of the people and their full participation in the process of development. It is, therefore, determined within the proposed compact to press ahead with the democratization of development and the full implementation of the African Charter of People's and Human Rights, the African Charter for Popular Participation in Development and Transformation and the Declaration of the Organization of African Unity (OAU) Heads of State and Government at their 1990 Summit on the Political and Socio-Economic Situation in Africa and the Fundamental Changes Taking Place in the World. Africa is also committed to the creation of an enabling environment that attracts foreign direct investment, induces the return of flight capital and promotes the full participation by the private sector, including non-governmental organizations in the growth and development process. Africa is equally committed to the improvement of human conditions and the living standards of its people.

19. Africa recognizes that its capacity to undertake development activities and achieve the set objectives, within the framework of the global economy,

will depend on the efficiency and quality of its human resources. African countries are therefore convinced of the need to intensify their efforts in human resources development and capacity-building, especially in science, technology and management, and to take measures to arrest and reverse the brain drain.

20. Africa would like to emphasize that an integrated approach, involving contributions from all economic sectors, is critical to solving cross-sectoral problems of African countries. Africa is therefore committed to the promotion of sectoral integration and to ensuring the development of reliable networks of physical, industrial and institutional infrastructures in the continent. It will therefore focus its efforts on the implementation of programmes for the second United Nations Transport and Communications Decade in Africa (UNTACDA) and the Second Industrial Development Decade for Africa (IDDA).

21. Africa is fully committed to the pursuit of environmentally sound development strategies as enunciated in the African Common Position, adopted at the African Regional Conference on Environment and Development held in Cairo from 11 to 16 July 1991. In the field of population, Africa will continue to implement the Kilimanjaro Plan of Action of 1984, which is Africa's framework for devising national population policies in all their interrelated aspects, including child mortality, family planning and female education.

22. Africa is also committed to the continued pursuit of policies and strategies for the achievement of food self-sufficiency as an area of priority action during the decade of the 1990s.

23. As stated in the Declaration of the Twenty-sixth Session of the Assembly of Heads of State and Government of OAU, Africa is convinced that south-south cooperation is an indispensable element for the success of the new Agenda for Cooperation and it is, therefore, determined to intensify such cooperation.

C. The commitment of the international community

24. The adoption of the new Agenda for International Cooperation with Africa and the Compact which is to ensure its effective implementation, will be a firm demonstration of the political support and commitment by the international community to assist Africa in its effort to tackle its socio-economic problems on the basis of Africa's own agenda for the 1990s. The support and commitment by the international community should be directed specifically to the achievement of the broad objectives of the new Agenda.

25. A critical element in the support from the international community is the provision of adequate resources commensurate with Africa's needs for debt service and minimum growth target. Accordingly, at the very least, the international community must ensure that in the course of the 1990s, external resource flows are sufficient to attain and sustain an economic growth rate of 6 per cent per annum and meet debt-service payments; that is at a minimum

floor of net external resource flow of \$30 billion in 1992 and growing thereafter at 4 per cent per annum in real terms.

26. With a total debt burden of over \$270 billion the servicing of which takes over 30 per cent of exports, African countries cannot be expected to achieve genuine development. In view of the growing recognition among the bilateral donors, that it is essential to substantially reduce or cancel the debt stock, and given the several precedents in debt cancellation, and recognizing the particular situation of African countries, radical measures and exceptional treatment on official, and semi-official debt, private or commercial debt as well as multilateral debt of African countries should be adopted and implemented within the compact. In particular, it is proposed that:

(a) Official debt be cancelled;

(b) Semi-official/export credit debts owed by African countries should also be cancelled;

(c) Private/commercial debt, which is already highly discounted on financial markets, should be written down substantially and the remaining debt reduced through donor-support initiatives such as debt equity swaps, the use of debt for the establishment of export-oriented joint ventures, debt buy-backs, debt for environment schemes and poverty alleviation;

(d) Debt owed to multilateral financial institutions, which now accounts for about 40 per cent of the continent's debt-servicing obligations, should be substantially reduced with the assistance of donor countries;

(e) Africa calls upon the international community to assist in the implementation of the African Common Position on Africa's External Debt Crisis, particularly the organization of the International Conference on Africa's External Indebtedness.

27. The international community should support the current effort at finding effective and lasting solution to the problem of African commodities, especially by promoting and supporting financially, diversification programmes in Africa through the establishment of a diversification fund, improving the existing schemes for compensating shortfall in export earnings by, inter alia, increased resources for the existing facilities; and by ensuring the conclusion of international agreements on cocoa and coffee, which would contribute to the maintenance of stable and remunerative prices. Agreement should be reached on the urgent implementation of the proposals relating to the diversification of the commodities sector in Africa contained in the African Common Position on the report of the United Nations Secretary-General's Expert Group on African Commodity Problems, and in the annex to the report of the United Nations Secretary-General on the Final Review and Appraisal of the Implementation of UNPAAERD.

28. In order to support effectively efforts to diversify Africa's economies, the international community should commit itself to the removal of all tariff and non-tariff barriers affecting African exports particularly of processed, semi-processed and manufactured products and ensure that the preferences currently enjoyed by African products are not eroded.
29. The international community, in particular the developed countries, should design policies and measures including, special incentives, and devise programmes to encourage direct foreign investment in African countries, and support the policy changes undertaken by African countries to attract foreign investment.
30. The international community should support Africa's effort in bringing about the operation of the African Economic Community, particularly in the preparation of background studies in relation to the elaboration of protocols, and in the strengthening of the existing and subregional intergovernmental organizations (ECOWAS, PTA/SADCC, ECCAS and AMU), and in the provision of adequate resources in support of joint programmes, projects and macro-economic policies.
31. The international community should also give adequate financial and technical support for the successful implementation of the Programme for the Second Industrial Development Decade for Africa (IDDA) and the programme for the Second Transport and Communications Decade for Africa (UNCTADA) which have been proclaimed by the General Assembly. The international community should also give adequate support to other programmes adopted at the international level for Africa.
32. The United Nations system and non-governmental organizations have an important role to play in the implementation of the new Agenda and extra efforts need to be made for them to provide enhanced level of support within the framework of the new Agenda.

IV. MONITORING AND IMPLEMENTATION MECHANISMS

33. One of the weaknesses of UNPAAERD was reflected in the absence of any direct involvement of Governments in monitoring the Programme on a systematic and continuous basis. Such a weakness must be avoided under the new compact. It is, therefore, important that the United Nations General Assembly establish, under its aegis, a high-level intergovernmental machinery to monitor and report on the implementation of the concrete actions that will be agreed upon, within the framework of the new Agenda for cooperation.
34. Africa wishes, therefore, to propose that a high-level committee be established under the aegis of the United Nations General Assembly with equal representation from African and non-African Governments in addition to a group of major non-governmental organizations and eminent persons to be appointed in their personal capacities by the General Assembly. The Committee would be responsible for the monitoring of and reporting to the General Assembly on all aspects of the implementation of the new Agenda for cooperation.

35. Reports on the implementation of this new Agenda should be prepared and submitted on an annual basis to the General Assembly. Such reports will not only assess the degree of progress made in the implementation of the Agenda, but will also propose concrete measures to surmount difficulties encountered in the process of implementation and adjustments that may be required. Appropriate arrangements should be made by the United Nations system to enable it to act as a technical advisory body and secretariat for the high-level intergovernmental committee.

36. On Africa's part, the Organization of African Unity (OAU), the Economic Commission for Africa (ECA) and the African Development Bank (ADB) will follow-up and monitor the implementation of the new Agenda at the national, subregional and continental levels, as well as coordinate and support the activities of Africa's representatives in the envisaged United Nations monitoring mechanism.

V. CONCLUSION

37. African countries continue to undertake policy measures to create a suitable environment for relaunching the continent on the path to further democratization of policy and society, promotion and protection of human and people's rights, preservation of African cultures and adoption of strategies for long-term development and collective self-reliance. These measures are reflected in the basic documents adopted by the Assembly of the Heads of State and Government of the OAU. The most important of these include the African Charter for Popular Participation in Development and Transformation; the Declaration of the African Heads of State and Government on Political and Socio-Economic Situation in Africa and the Fundamental Changes Taking Place in the World; the African Charter on Human and People's Rights; the African Cultural Charter; the African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation (AAF-SAP); and the Treaty Establishing the African Economic Community, signed in Abuja, Nigeria, on 3 June 1991. These instruments were adopted to permit and encourage the full utilization and exploitation of Africa's natural and human resource potentials for the promotion of Africa's development.

38. For the achievement of the goals stipulated in these documents, and particularly those indicated in the new Agenda for the 1990s, Africa will require the support of the international community, within the spirit of interdependence of the present world. To do this, there is need for renewed commitment on the part of the international community to assist Africa to achieve the objectives of its own agenda.

39. The international community has the resources and capacity to assist African countries to attain their stated objectives. The examples to demonstrate the potential of this capacity abound. The recent positive initiatives taken particularly for the cancellation of external debts of Poland and Egypt, and the establishment of the European Bank for Reconstruction and Development for Eastern and Central Europe, all bear

testimony to what the international community could do, once there was the determination and sufficient political will.

40. What is required from the international community is the political will to assist Africa to achieve its development goals. It is in the interest of the international community to support the accelerated economic development in Africa, if world solidarity, peace and stability are to be promoted and strengthened.

Notes

- 1/ OAU/ECM/2XV/Rev.2; E/ECA/ECM.1/1/Rev.2.
- 2/ E/ECA/CM.17/L, annex II.

APPENDIX

Memorandum

by

the ECA Conference of Ministers to the Ad Hoc Committee of
the Whole of the General Assembly on the Final Review and
Appraisal of the Implementation of UNPAAERD 1986-1990

[For the text, see A/46/280, annex.]
