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Chapter II

UNCTAD'S CONTRIBUTION TO THE IMPLEMENTATION
OF THE UNITED NATIONS NEW AGENDA FOR THE
DEVELOPMENT OF AFRICA IN THE 1990s

(Agenda item 8)

45. For its consideration of this item, Sessional Committee II had before it the following documentation:

"UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: note by the Secretary-General of UNCTAD" (TD/B/39(1)/5).

46. The Director of the Africa Task Force Unit, introducing the item, said that the purpose of the secretariat's note was to give member States an overview of the main elements of the New Agenda and its implications for UNCTAD's work. The proposed activities would be carried out in the context of the general mandate of UNCTAD, taking into account the decisions of the eighth session of the Conference. The Conference had agreed on areas which should serve as orientations for developing fresh approaches to long-standing issues and had also agreed on specific areas where there was to be intensification of international cooperation for development. These had included the United Nations New Agenda for the Development of Africa in the 1990s, and the United Nations System-Wide Plan of Action for the Africa Economic Recovery and Development, as well as economic cooperation among developing countries.

47. As the new orientations evolved, UNCTAD's contribution to the New Agenda would not be determined only by ongoing work and existing areas of expertise, but would also take into account the changing focus of UNCTAD's work, as well as the provisions of the New Agenda. In this regard, it was expected that the work of some of UNCTAD's intergovernmental bodies - such as the Standing Committee on Commodities - would give particular attention to issues or aspects that were of concern to Africa.

48. UNCTAD's contribution would revolve around debt and resource flows; commodities; structural adjustment programmes; sustained and sustainable development; population; environment and development; regional cooperation and integration; export performance; and problems of the least developed, land-locked and island developing countries. In accordance with the conclusions

of the eighth session of UNCTAD, technical cooperation within UNCTAD would be informed by on-going analytical work within the secretariat, including work of UNCTAD's intergovernmental bodies. In addition, at the request of Governments, needs appraisal missions would increasingly form the basis of assessments of technical cooperation needs of African countries.

49. The Board would be presented with regular progress reports on the implementation of the New Agenda at its spring session. In addition, at each spring session, the secretariat would present Africa-specific analyses and reports of an action-oriented nature on individual issues relating to the key areas identified as posing constraints on Africa's economic recovery and development.

50. In accordance with existing arrangements, UNCTAD's contribution to the implementation of the New Agenda and its related activities would continue to be absorbed within the overall resources of the secretariat. An effective contribution by UNCTAD, however, would require, first, the strengthening of existing arrangements within the secretariat with adequate resources to meet the challenge, and, second, extrabudgetary resources to support the proposed studies, needs appraisal missions and related technical cooperation activities.

51. Finally, the United Nations System-Wide Plan of Action for African Economic Recovery and Development was under preparation at Headquarters, and all agencies of the United Nations system would be required to contribute according to their respective mandates. The Board would be informed, at a future session, of the nature and content of UNCTAD's contribution to the Plan of Action after the General Assembly had approved it.

52. The representative of Senegal, current Chairman of the Organization of African Unity (OAU), said that although the problems and circumstances which had led to the adoption of UN-PAAERD continued to prevail today, UN-PAAERD had produced some positive results. African countries had become more aware of the need for reform, and some substantial progress had been achieved by some reforming countries. The international community, especially the multilateral financial institutions, had become more aware of the complexity of the problems facing African countries, and it had become clearer that short-term macro-economic policies had to be reconciled with long-term developmental objectives. However, just as many African countries were undertaking structural

reforms, the external environment had deteriorated. Prices of African commodity exports had fallen drastically, foreign direct investment had continued to stagnate, and the debt problem had remained a major handicap.

53. The New Agenda had set a target of 6 per cent annual growth of GNP for the 1990s, which would represent an adequate response to the African situation. That objective implied that structural adjustment and reforms would be intensified and deepened, and that could only be realized if Africa's development partners provided assistance. The problems of falling commodity prices, diminishing external financial inflows to Africa and the debt problem, as well as the prolonged recession in the global economy, needed to be attended to urgently.

54. UNCTAD's contribution should be action-oriented and should not follow the UN-PAAERD approach but should take the approach set out in document UNCTAD/PSM/CAS/44/Add.1. UNCTAD's technical cooperation activities should be streamlined and based on the African countries' real needs, as identified by means of appraisal missions.

55. More resources were needed to enhance UNCTAD's contribution to the New Agenda, and special assistance was needed to assist the African countries in their efforts aimed at integration on a continent-wide scale. While Africa faced enormous problems, its physical and human resources gave it a vast potential for development. International solidarity could make a major contribution to that end.

56. The spokesman for the African Group (Nigeria) said that he agreed with the statement made by the representative of Senegal. Africa faced enormous problems in the areas of debt, diminishing resource flows, and falling prices of commodity exports, as well as problems arising out of its implementation of structural adjustment programmes. Africa had, however, persevered with reforms and had intensified its efforts to bring about recovery and development. It had taken significant measures to bring about regional and subregional integration, with efforts now being made to establish an African Economic Community.

57. For the New Agenda to succeed, Africa required support from the international community. This support should be directed towards structural adjustment, resource flows, debt reduction and commodities, particularly

assistance for diversification, as well as the programme of action for the least developed countries (the majority of which were African).

58. The machinery of UNCTAD needed to be strengthened in order to enable the organization to make an effective contribution to the New Agenda, particularly in respect of commodities, diversification, and elimination of non-tariff barriers, and more resources were required, both human and financial. His delegation agreed with the review procedures proposed, but assessments had to involve African countries as much as possible so as to avoid a repetition of the shortcomings of UN-PAAERD. He therefore supported the suggestion to carry out needs appraisal missions, and emphasized that the African countries should be involved in the formulation and preparation of the missions.

59. The representative of the Organization of African Unity (OAU) said that the New Agenda had identified priority areas that had to be addressed by African countries as well as by the international community. He emphasized that the New Agenda was mandatory as a result of General Assembly resolution 46/151 and the Cartagena Commitment.

60. UNCTAD had made a significant contribution to the implementation of UN-PAAERD, and it had cooperated extensively with African countries and African regional and subregional groupings to promote economic integration and cooperation.

61. Disagreements among developed countries over how to reform trade in agriculture had resulted in failure to conclude the Uruguay Round of Multilateral Trade Negotiations as originally scheduled. The outcome of those negotiations could have a profound bearing on Africa's development in a number of areas, including textiles, tariff peaks and tariff escalation, and reciprocity.

62. With regard to the transport sector, an efficient transport network was indispensable for the expansion of intra-African trade. In that connection, UNCTAD's Advance Cargo Information System (ACIS) was of great importance to Africa, but the programme's future was being threatened because of lack of adequate resources. His Organization would be taking the matter up with UNDP at the highest level, thereby underlining the importance it attached to ACIS.

63. Finally, his organization attached great importance to African economic integration and cooperation, and it believed that UNCTAD could continue to make important contributions in that respect.

64. The representative of the United States of America said that Africa faced very serious problems. Some of those problems were more visible than others and had received international attention, but others had not been highlighted in the press; they too must be given the attention they deserved. As stated by Nigeria, all concerned must live up to their commitments, and the African countries must indeed be thoroughly involved in the process of formulating and implementing the programmes needed for their recovery and development.

65. Many African countries were undertaking structural adjustment programmes, which could be very painful. Some African countries had gained global respect for facing up to difficult decisions, and they deserved support in this difficult task. For its part, her country had increased its financial support for Africa by 30 per cent in real terms in the last few years, and it would maintain its existing levels of development assistance to Africa in 1992 and 1993.

66. Her country had also provided significant amounts of humanitarian assistance to Africa over the last few years. In fact, it had provided the drought-stricken countries of Africa with more assistance than all the other donors combined. Significant steps had also been taken to reduce Africa's debt, with \$1.2 billion of ODA debt being forgiven.

67. Her country would continue to support free market reforms which were necessary to build growing economies and vibrant democracies. This was a necessary but difficult process, and her country would continue to provide assistance for the promotion of the private sector, since Government to Government aid had proved ineffective. In that connection, her country intended to use a \$1 billion growth fund to support United States business in providing expertise, goods and services to countries undertaking restructuring. Efforts were needed to attract foreign investment, and to that end it was essential to establish the rule of law, transparency of public transactions, and freedom of information and association. This would create the enabling environment that respect of laws and regulations affecting investment, foreign exchange, import licensing, tariffs, and administration.

68. Finally, with regard to UNCTAD's role in helping Africa, UNCTAD's new bodies had to be of direct assistance to the African countries, and programmes for Africa must be an integral part of the work of the new intergovernmental bodies, not a separate activity.

69. The representative of the Economic Commission for Africa (ECA) said that the adoption of UN-PAAERD had been unique in that it had represented the first time in the United Nations' 40-year history that the General Assembly had met to consider the problems of a single region. Unfortunately, UN-PAAERD had not become the hoped for focal point for activities or resource mobilization related to problems of recovery and development in Africa.

70. It was to be hoped that the approach to the New Agenda would be different from that taken to the implementation of UN-PAAERD and that the mistakes of the past would be avoided. Areas that deserved special attention included technical cooperation and integration along the lines provided for in the Abuja treaty. The major constraints were both human and institutional, and help would be needed in those areas. As far as the allocation of resources concerned, it would be desirable to set aside resources specifically for the New Agenda, and the African countries themselves should be involved in deciding what activities the resources should be used for. In that connection, he supported the call for needs appraisal missions.

71. The representative of Egypt said that the New Agenda represented a continuation as well as a renewal of the compact between Africa and the international community to help Africa overcome its economic crises. Africa's deep-rooted problems had been recognized by the international community and were reflected in the fact that Africa was one of the five priority areas of the United Nations. The UN-PAAERD had not been a success, but progress had been made in policy reforms, and many African countries had undertaken structural adjustment programmes. In spite of all these efforts, enormous problems still faced the African countries, which continued to find themselves in a situation of abject poverty.

72. General Assembly resolution 46/151, by which the New Agenda had been adopted, requested Governments, organs, organizations, and bodies of the United Nations system to take appropriate measures in order to implement the

commitments contained in the New Agenda. This, plus the Cartagena commitment (para. 66), should serve as the basis for the strengthening of UNCTAD's intergovernmental machinery with a view to making action-oriented contributions to the New Agenda.

73. She accepted the proposals that had been put forward for UNCTAD's contribution to the New Agenda, notably concerning needs appraisal missions. Such missions were appropriate and necessary in order to ascertain the real needs of the African countries. If technical cooperation-related activities were to be relevant, they must originate with the African countries themselves. Similarly, UNCTAD's contribution to the New Agenda should not develop on its own but should be closely linked with UNDP and other related activities in order to make more effective UNCTAD's respective areas of competence.

74. The representative of Japan said that Africa's continuing economic crisis presented an extraordinary challenge to the international community. Africa's current problems included unprecedented droughts, desertification, widespread famine, environmental degradation and disruptive civil strife. In spite of these difficulties, many African countries had put in place economic and political reforms. An increasing number of them had accepted the principle of good governance as a basis for broad-based, sustainable economic and social development.

75. UNCTAD's contribution to the implementation of the New Agenda could turn out to be modest. This contribution, however, would be wide-ranging, as the secretariat's document had suggested. Through research and analysis, as well as technical cooperation, UNCTAD could make an important contribution to a continuous process of policy dialogue and consensus-building on programmes designed to meet Africa's development needs. His delegation was looking forward to the UNCTAD secretariat's report on the main elements of the United Nations System-wide Plan of Action for African Economic Recovery and Development when it was finalized.

76. Because of its vast physical and human resources, its traditions of solidarity and the support it could count on from the international community, Africa had the potential to reverse its present decline. However, the need for concerted action, for which the New Agenda represented common ground, among all the parties in the development of Africa was greater than ever.

77. His country was mindful of the expectations of the international community and was determined to play its part in that concerted action. For historical and geographical reasons, his country had had a limited relationship with Africa, but in recent years it had increased its assistance to Africa substantially. Particularly noteworthy in this regard was its support in the form of totally untied non-project grant assistance for structural adjustment efforts in sub-Saharan Africa. This type of assistance amounted to \$500 million in fiscal years 1987-1989, \$600 million in fiscal years 1990-1992 and \$700 million for the three-year period beginning in fiscal year 1993 for sub-Saharan Africa and other low-income developing countries.

78. The representative of the United Kingdom, speaking on behalf of the European Community and its member States, said that Africa possessed an enormous potential for growth and development. However, it faced a number of major difficulties in its attempts to achieve sustainable development, including desertification and deforestation and, in particular, the recent droughts which had caused immense human suffering and economic problems. UNCTAD, with its improved structure of committees and ad hoc working groups, should be in a prime position to promote African development through trade. It was largely with the LDCs in mind (dominated in number by Africa) that the new structure had been designed.

79. National policies were the primary key to Africa's successful development. The European Community and its member States agreed wholeheartedly with paragraph 13 of the secretariat's note (TD/B/39(1)/5) that while efforts had to continue to elicit support from the international community, African countries' best chances of success lay in continued pursuit and deepening of domestic reforms to stimulate their economies and to put them on the path of sustainable development. There was increasing evidence that structural adjustments were leading to improved economic performance.

80. The European Community and its member States agreed with the need for large ODA flows to Africa in 1992, and these needs had been further increased by drought. In that connection, quality was just as important as quantity, resources, both human and financial, had to be used effectively, and domestic resource mobilization was also important: ODA would do little good if it merely substituted for domestic resources. African countries needed to mobilize more

domestic resources for productive investment and to encourage the private sector through creation of an appropriate macro-economic environment. Such measures would also attract foreign direct investment, which was the most sustainable method of achieving technology transfer. Good governance was crucial for fostering both domestic and foreign resources, and the Secretary-General's note emphasized the need to move to more open and democratic forms of government. In addition, solution of the continent's military conflicts, and the consequent reduction in military expenditure, would do much to free up the potential.

81. Regional economic and technical cooperation was very important, and it was to be hoped that the new Standing Committee on ECDC would play its full role in that connection. The European Community and its member States placed particular importance on technical assistance, and 1.25 billion ECUs had, for instance, been earmarked under the Lomé Convention for regional economic and technical cooperation for 1990-1995.

82. The European Community and its member States recognized the need for a supportive international framework and would continue to encourage the open multilateral trading system. In the area of commodities, strategies should encompass measures to improve the competitiveness of traditional commodity exports, as well as programmes and actions designed to encourage horizontal and vertical diversification, particularly in countries which continued to depend excessively on the export of commodities for their export earnings. They hoped the Standing Committee on Commodities would assist effectively in this.

83. The Community and its member States had continued to provide official development assistance to Africa (US\$ 10.6 billion and US\$ 12 billion in 1990 and 1991, respectively). The Lomé Convention, providing an improved dialogue framework between the Community and developing countries, was particularly worth mentioning. All new aid to the poorest countries from the Community and its member States was now given on grant terms. Major improvements had also been made in 1992 on the debt front. Following the London Summit in July 1991 calling for an enhanced treatment of the debt of the poorest and most indebted countries, primarily in Africa, the Paris Club of Government creditors had introduced improved debt relief measures, which allowed for a 50 per cent reduction in debt repayments due over the length of the debtor's IMF programme. Creditors had also agreed to consider the matter of the whole stock of

countries' eligible debt after three-four years, so long as their Paris Club agreements and economic reform programmes were respected. Eight countries, including six in sub-Saharan Africa, had benefited so far. The Community would continue to press for improvements.

84. The reorientations emanating from the Cartagena Conference placed greater emphasis on UNCTAD's analytical and research role, more effective work at the country level, and encouragement of greater regional cooperation. In that connection Africa should be prioritized within all the new Standing Committees and Ad hoc Working Groups. UNCTAD's main areas of focus should be: achievement of sustained and sustainable growth; population, environment and development; South/South cooperation; trade, commodities and diversification; investment promotion; and intensification of the democratization process.

85. The international community had emphasized that Africa deserved special attention and had reaffirmed its support for the continent. The European Community and its member States recognized Africa's special and harsh difficulties, and they reiterated their faith in Africa's potential and future and its commitment to help realize that potential and future.

86. The representative of China said that since the adoption of UN-PAAERD, UNCTAD had made tremendous efforts in contributing towards the development of Africa within its terms of reference. It had set up special mechanisms within the secretariat, presented regular progress reports and effectively pursued welcome technical cooperation activities.

87. During the implementation of UN-PAAERD, the social and economic situation in Africa had deteriorated, and the Programme had not solved the existing problems. The solidarity of African countries needed to be strengthened, and the international community must provide assistance that would enable Africa to achieve sustained social and economic development in the 1990s. The top priority of the New Agenda was the speedy conversion, coordination and diversification of the African economy so as to increase the weight of Africa in the international economy. In order to achieve this objective, a target of 6 per cent annual growth of gross national product had been set. This could require efforts both by African countries and by the international community. Moreover, 32 African countries were LDCs, and they in particular required external support to achieve the goals of the New Agenda. UNCTAD had already

responded well to General Assembly resolution 46/151, and it was hoped that in its future work it would not only strengthen its work on analyses and studies but would also provide more substantive financial and technical assistance.

88. Finally, her country would continue to make its contribution to the stable and sustained development of Africa in the 1990s.

89. The representative of Nigeria said that his country and other African countries attached great importance to the New Agenda. The negotiations that had taken place in Cartagena on the issues leading to the adoption of paragraph 66 of the Cartagena Commitment had been arduous, but many countries had supported the purposes underlying that paragraph. What was needed now was to transform that support into concrete actions of the type mentioned in document PSM/CAS/44.

90. The New Agenda and its implementation had to be discussed at the level of the Board, which was the appropriate forum for such issues. A proper and effective contribution by UNCTAD could only be made through the Board. He disagreed with the suggestion that there was no longer any need to treat Africa as a separate issue.
