

**Economic and Social
Council**Distr.
GENERALE/1994/123
7 October 1994

ORIGINAL: ENGLISH

Joint Meetings of the Committee
for Programme and Coordination
and the Administrative Committee
on Coordination

Twenty-eighth series

27 October 1994

Item 2 of the provisional agenda*

AFRICAN ECONOMIC RECOVERY AND DEVELOPMENT

(Background paper prepared by the United Nations
for the twenty-eighth series of Joint Meetings
of the Committee for Programme and Coordination
and the Administrative Committee on Coordination)

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Introduction

1. The continuing crisis of development in Africa is one of the greatest challenges currently facing the United Nations system and indeed the entire international community. Africa has thus become a primary focus of attention in the post-cold war upsurge of instability. The marginalization and decline of the continent and the spread of social unrest and civil wars with growing emergency needs underscore the need to give the highest priority to putting Africa back on the path to development. The United Nations system must respond to that key international challenge.

2. The Administrative Committee on Coordination (ACC) has placed the issue of African economic recovery and development high on its agenda; there was an in-depth discussion of the issue at its second regular session of 1994. For its part, the Committee on Programme and Coordination (CPC) addressed the issue of African economic recovery and development at its thirty-fourth session, when it considered the revised System-wide Plan of Action for African Economic Recovery and Development.

3. On the basis of the priority areas identified and in the light of subsequent consultations, it was decided that the theme for the Joint CPC/ACC Meeting should be "African economic recovery and development". That theme is particularly relevant in the context of the implementation of the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF) and the consideration by CPC of the revised System-wide Plan of Action for African Economic Recovery and Development. Both the Agenda and the Plan of Action place special emphasis on human resource development; sustained and sustainable growth; increased productive employment; and the promotion of rapid progress towards human-oriented goals by the year 2000.

4. In the Tokyo Declaration, which was adopted at the Tokyo International Conference on African Development in October 1993, Africa's development partners, including the United Nations system, committed themselves to creating an enabling environment for training, retraining and the effective utilization of human resources, and improving institutional capacities.

5. While socio-economic development is clearly an integrated process resulting from broad interventions across the productive sectors of food and agriculture, and industry as well as infrastructure, the purpose of the present paper is not to suggest ways and means of dealing with all the obstacles to African recovery and development. Rather, its scope is defined by the theme of human resource development in the context of promoting growth, equity and sustainable development and by ways in which the organizations of the United Nations system can collaborate with other elements of the international community around that theme.

6. The present paper draws the attention of the Joint Meeting to a number of issues on the subject of African economic recovery and development; it seeks to initiate a dialogue at the intergovernmental and inter-agency secretariat levels on forging a coordinated and effective response to the continuing crisis of development in Africa.

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I. AFRICA'S CRITICAL SOCIO-ECONOMIC SITUATION AND THE CHALLENGES IT FACES

7. A brief overview of the continent's critical socio-economic situation and the challenges it faces will help to define the scope and magnitude of the task ahead.

A. Overview of the socio-economic situation

8. Africa is the only region of the world to have experienced continuous stagnation and decline since 1980. During the 1980s, nine African countries fell from the middle-income group of developing countries to the group of the least developed countries. In 1993, Africa accounted for 33 of the 47 least developed countries. For many individual African countries, per capita income fell continuously during the decade and was lower in 1989 than it was in 1980.

9. External trade has provided little stimulus to growth in African economies. Africa's share of total world exports has declined steadily from 4 per cent in the 1970s to 1.4 per cent in 1990. African exports have lost global market shares to other regions, even in markets for primary commodities - such as cocoa, coffee and timber - in which the continent had enjoyed significant comparative advantage in earlier decades. With costs of imports rising and earnings from the generally narrow range of commodity exports either stagnant or declining, most countries have been unable to balance their payments.

10. Flows of official development assistance (ODA) have declined in real terms since 1990. In current prices, ODA flows fell from \$19.7 billion in 1990 to \$18.3 billion in 1991 and \$12.1 billion in 1992. Africa has largely been bypassed in the recent upsurge of private investment flows to developing countries.

11. The total external debt of the region, which stood at a mere \$48.3 billion in 1978, climbed to an estimated \$265 billion in 1989 and further still to \$285 billion in 1993, an amount representing over 96 per cent of the combined gross domestic product (GDP) of the region. The debt-service ratio has recently declined to 24 per cent from as much as 34 per cent in 1989 and an average of 26 per cent in 1990-1992, reflecting the combined effects of an increase in the export earnings of goods and services in 1993 and, more significantly, recent debt-relief initiatives that have reduced the debt-service obligations of sub-Saharan Africa by almost one quarter.

12. Africa is suffering from a crisis in food and agricultural production that is most apparent in the widespread decline in per capita food production over the past 10-25 years. Ever-increasing imports, including food aid, have been needed to maintain a reasonably constant per capita dietary energy supply. Hunger and malnutrition continue to be widespread in Africa. According to the estimates of the Food and Agriculture Organization of the United Nations (FAO), the number of undernourished people in Africa - based on food availability, the distribution of income and its relation to food consumption - is increasing: by the year 2010, that number may have increased from its current level of about 180 million to some 300 million, 32 per cent of the total population.

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13. The industrial share of GDP has remained fairly constant over recent years, with manufacturing rising from 10.1 per cent of GDP in 1983 to 11.7 per cent in 1991. Africa's production structure has, however, remained highly skewed and has little connection with the global industrial system: it lacks the dynamism, technological content and management skills that are needed for it to compete in the international market-place.

14. The poor economic performance of Africa since the 1980s has had negative consequences for the human condition of its inhabitants. Economic stagnation or collapse in many countries have swollen the ranks of the unemployed and significantly increased the number of people on the continent living in chronic and abject poverty. The additional pressure of unrelenting population growth, combined with a considerable migration of populations from rural to urban areas, has stretched the demands on social institutions in many countries well beyond their capacities to deliver basic and essential services, such as adequate health care and sanitation facilities, safe drinking water and decent housing. Advances in education that had been made in the early post-independence years were halted and reversed because of budgetary cut-backs and inadequate investment. Armed conflicts and civil strife have caused the loss of many lives; have greatly contributed to the destruction of productive capacities, hundreds of thousands of schools and health centres, and much of the basic socio-economic infrastructure of many countries; have contributed to a serious degradation of the environment and natural resource base of African countries; and have caused a tremendous growth in refugee flows and displaced persons. Their negative impact on women, children and vulnerable groups has been even more acute. The resulting surge in the need for emergency relief and humanitarian assistance has underscored the need to establish a continuum from relief to rehabilitation, reconstruction and development.

15. Annual population growth in Africa averages 3 per cent (1985-1990), while in Asia it averages 1.9 per cent and in Latin America 2.1 per cent. The average African woman gives birth to six or more children. By the end of the current century, the population of Africa is projected to reach 876 million; by 2025 it is projected to approach 1.6 billion. Between 1990 and 2015, the urban population is expected to grow by more than 700 million, a figure that is larger than the current population of the entire continent.

16. According to UNDP estimates, 1/ Africa is the only region in the world in which, based on current trends, poverty will increase in the 1990s. The number of people living in absolute poverty increased from 105 million in 1985 to 216 million in 1990; it is projected to climb to 304 million by the year 2000. Unemployment and underemployment remain widespread in many countries, particularly in rural agricultural areas, which account for an estimated 60 per cent of Africa's work force.

17. As educational systems have come under severe strain because of budgetary constraints and demographic pressures, total enrolment has declined and the quality of education has deteriorated. Enrolment at all levels of education, as a percentage of the total population in the age group 6 to 23, had reached 39 per cent in 1980; it declined to 35 per cent by 1990.

18. The infant mortality rate in sub-Saharan Africa, which was estimated at 101 deaths per thousand births for 1990-1995, was 44 per cent higher than the rate in developing countries as a whole. The number of underweight children under five in sub-Saharan Africa increased from 17.4 million in 1975 to 25.4 million in 1990. In some countries, one out of four children dies before the age of 5. Maternal mortality in sub-Saharan Africa is the highest in the world. Moreover, for every woman who dies in childbirth, many times that number survive only to suffer from chronic illnesses or physical impairments. The human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) pandemic is further affecting Africa's weakened human resources capabilities and already overburdened health care systems. As of mid-1994, the World Health Organization (WHO) estimated that the total number of adults and children in sub-Saharan Africa who had become infected with HIV since the beginning of the pandemic was approaching 11 million. Tropical diseases, such as malaria, cholera, meningitis and others, are widely prevalent in Africa.

19. Although the overall socio-economic situation remains bleak, however, not all African countries are in decline. According to the Economic Report on Africa 1993 of the Economic Commission for Africa (ECA), 17 countries out of 52 achieved a growth performance above the average annual growth rate of population in 1992, resulting in an increase in average per capita income. More important, five of those 17 countries have achieved the 6 per cent growth target of UN-NADAF. In order to rehabilitate and revitalize their economies, many African countries have formulated and are implementing domestic policy reforms. A majority have embarked on far-reaching measures, such as exchange-rate adjustments, budgetary discipline, tax reforms and pricing policies designed to create the necessary conditions for sustained growth.

20. An encouraging development for Africa is the increasing appreciation of the importance and potential benefits of regional cooperation manifested by, inter alia, the entry into force of the Abuja Treaty, which calls for the immediate strengthening and upgrading of the existing subregional economic communities and initiatives, and could gradually lead to the establishment of the African Economic Community. The successful establishment of democracy in South Africa is another encouraging development. At the international level, the convening of the Tokyo International Conference on African Development was a major initiative on the part of the international community that reaffirmed its commitment to African development.

B. The development challenge in Africa

21. African recovery and development is not only a challenge for its own people, it is also a great test of international development cooperation. A failure to improve the human condition of a whole continent would be a moral and political set-back for the United Nations and the entire international community. The task ahead has been clearly defined in UN-NADAF and other decisions and declarations adopted in various international forums. The priority areas for action by the United Nations system have been identified and addressed in the context of the revised System-wide Plan of Action for African Economic Recovery and Development. The organizations and bodies of the United Nations system have agreed on an overall strategy for building their support

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programmes in the six priority areas (human resource development; food, agriculture and agro-based industries; diversification; mobilization of resources; growth, equity and sustainable development; and regional cooperation). The elements of that strategy are outlined in section II below.

22. Under the overall strategy, Governments will need to develop a balanced economy that promotes productive employment and environmental protection through investments in human resource development (health, nutrition, education and shelter) and the productive sectors, and their efforts will require a full mobilization of resources at the national and international levels if they are to achieve higher levels of sustainable development.

II. UNITED NATIONS SYSTEM OVERALL STRATEGY

23. The aim of the overall United Nations system strategy is to assist African countries to promote sustainable human development. That aim implies the development of support programmes and activities across a broad front in the priority areas. The United Nations system, however, can only bring to bear a small proportion of the overall resources required to put Africa back on the path to recovery and development. In order to achieve the maximum impact with limited resources, it is therefore essential that a strategic approach be pursued in addressing the problems in each of the six priority sectors. A central problem confronting the continent in all six sectors is the lack of the trained manpower and institutional capacity that are required in order to formulate and implement consistent policies and programmes as well as to maintain existing infrastructures for long-term development. On the other hand, the organizations and bodies of the United Nations system have vast experience and a clear comparative advantage in that area.

24. Human resource development and institutional capacity-building in support of all the key socio-economic sectors, as well as economic reform policies, can thus provide both a unifying theme and a central focus for the operational activities for development of the United Nations system.

25. A second element of the overall strategy to maximize the impact of the United Nations system support programme is the building of partnerships. As a first step, much greater reliance should be placed on cooperation and joint activities, wherever appropriate, in order to enhance complementarities and avoid overlapping efforts. Equally important, partnerships should be built with other actors active in the development arena, including bilateral agencies; the private sector; non-governmental and community-based organizations; and major groups, such as women, youth and farmers. The special role of the private sector as the principal agent of economic growth should be fully recognized.

26. A third element of the overall strategy is ensuring that support programmes have a clear demand orientation, i.e., that they respond to the real needs of their recipients and are designed and implemented with the full participation of those recipients.

27. Finally, an effective strategy for United Nations system support programmes should be cost-effective in terms of both its substantive impact and its

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efficient use of resources. Results should be closely monitored and evaluated, and financial rules and procedures, while they should ensure accountability, should nevertheless be simplified and harmonized.

28. Within the context of the overall strategy, the particular areas in which United Nations system support programmes should be developed are described in paragraphs 29-76 below.

A. Human resource development and capacity-building

29. There is an urgent need to lower the rate of population growth in Africa and ensure that human numbers and growing needs are brought into better balance with available resources, while limiting the pace of environmental destruction. In 1992, the Organization of African Unity (OAU) agreed to collaborate in promoting the adoption and implementation of population policies and programmes. In the Dakar/Ngor Declaration of 1992, African Governments proclaimed their unanimous commitment to reducing the rate of population growth from 3 per cent to 2.5 per cent by 2000, and further to 2 per cent by 2010, as well as to increasing the contraceptive prevalence rate in the region from 10 per cent to 20 per cent by 2000, and further to 40 per cent by 2010.

30. The United Nations system should assist Governments in:

(a) Integrating population policies and programmes as well as family concerns into development strategies and plans, with a particular emphasis on the problems of rural development;

(b) Creating a socio-economic environment that is conducive to effective population and reproductive health policies, and sustaining the political will needed to carry out those policies;

(c) Providing access to information, services and facilities so that couples and individuals can better determine the size of their families.

31. The United Nations system health strategy for Africa should be based on an appreciation of the current health status of the continent, including (a) major health indicators (see para. 18 above); (b) the major causes of illness and death for children (acute respiratory infections, diarrhoea, malaria and measles), women (maternal complications), and adults of both sexes (malaria, tuberculosis and HIV/AIDS, as well as accidental injuries, all of which are aggravated by emergencies, disasters and malnutrition); (c) public health and related problems, including inadequate access to primary and secondary education, safe water and sanitation, nutritious food, essential drugs, and basic health care services, including family planning; and (d) total public and private expenditures on health, which in 1990 represented 4.4 per cent of GDP in sub-Saharan Africa and 3.7 per cent in northern Africa, compared with 4.2 per cent in the less developed countries as a whole and 9.4 per cent in the more developed countries.

32. United Nations system support programmes need to focus on a range of determinants that influence nutrition in addition to those related to

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production, including purchasing power; health and sanitation; education; intra-household food distribution; the quality and safety of food; and the level and quality of health care. For the problems of food and nutrition to be addressed, attention must be focused not only on single issues but on that range of determinants: the multi-faceted nature of the problem must be recognized. Such recognition will then provide the basis for collaborative system-wide action.

33. In accordance with the World Declaration on Education for All, the United Nations system should assist Governments in (a) achieving universal primary education, with an emphasis on improving the quality of learning acquisition; (b) improving access to and retention in primary education; (c) developing new kinds of alternative and non-formal education; and (d) providing effective management of educational development. Support should be provided for improving the quality of basic education. Non-formal education should upgrade technical and informal skills, particularly those of women, youth and rural dwellers, and should include information and communication efforts to raise awareness and knowledge on such issues as the improvement of living and health conditions, safe motherhood and the value of formal education for all.

34. The organizations and bodies of the United Nations system should focus their support on efforts to create a functional awareness of the significance of women's issues; to establish affirmative action initiatives in support of strengthening the role of women in development; to improve the policy environment for addressing gender-related issues; and to make gender considerations an integral element in development policies, planning and programmes. Those efforts should contribute to the realization of the targets for the year 2000 set at the Arusha Conference on Women's Role in Participatory Development.

35. A series of action programmes need to be formulated to give women access to resources, productive employment, appropriate working conditions, markets and trade. Such programmes include targeting women in public employment schemes and training programmes; providing guarantee loans for women entrepreneurs; re-evaluating women's traditional work and the informal sector; and creating a flexible work environment to reconcile family and economic responsibilities. The full and equal participation of women in power structures and decision-making at all levels could be promoted by developing specific training programmes in such areas as leadership and management to enable women to become potential decision makers, as well as by ensuring equal treatment in career development. The elimination of legal discrimination against women would appear to be a prerequisite for such participation. Ensuring the enhanced access of women, including refugee women returning to post-conflict areas, to basic services, such as education, health, nutrition and family planning, is also essential.

36. The United Nations system should assist Governments in institutional development and capacity-building, particularly by providing support for the reform of the public sector; human resources development for civil servants; training for middle-level management skills in both the public and private sectors; the development of data and information systems; and the strengthening of local institutions.

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37. United Nations system support should be provided for research into higher education as a vital tool for guiding useful training; information exchange; inter-university cooperation; training for capacity-building; and the improvement of the quality, relevance and responsiveness of higher education.

38. Rapid urbanization in Africa is a major concern. The increasing number of squatters and shanty towns have contributed to the further deterioration of living conditions and are adversely affecting health and sanitation and degrading the environment. The United Nations system should assist Governments in:

(a) Formulating and implementing sound human settlements policies to integrate housing as well as basic infrastructures and services in both urban and rural areas;

(b) Promoting low-cost housing, including the development of local building materials industries.

39. The United Nations system strategy should aim to support participatory processes that empower the people, especially in rural areas, and increase their access to resources and public services. Such an aim implies supporting democratization and good governance, as well as the decentralization of decision-making.

40. If it is to meet the critical needs of the people and achieve economic and social justice, with an emphasis on their self-reliance and empowerment in determining the direction and content of development, the support of the United Nations system in the above-mentioned areas will require a redirection of resources, both internal and external, towards human development priorities. It will also be essential to improve the delivery of basic human services (health, education, nutrition and shelter) and the United Nations system should assist Governments to that end.

Employment generation, entrepreneurship and development

41. In order to raise employment levels, United Nations system support strategy should aim to remove the bias against labour-intensive activities in the productive sectors and improve the functioning of agricultural markets as important components of the structural transformation of the African economies. Programmes should also assist in stimulating the expansion of the labour market for gainful employment, especially for youth, women, the rural population, the urban poor and other vulnerable groups. They should support medium- and small-scale enterprises in increasing labour-intensive schemes and training, which will improve labour productivity and enable workers to adapt to new technologies in the workplace and to respond to changing employment needs. Measures are also needed to prevent the brain drain of qualified workers to other countries, particularly countries outside the African region.

42. Specific actions in support of the formal and informal sector could include improving access, particularly of the poor, to assets that are valuable for productive employment (e.g., land, credit, public services and training); reforming and strengthening banking systems to mobilize savings for investments

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and improve access to credit; improving the legal status and security of small-scale enterprises; implementing adequate tax policies and providing special incentives to entrepreneurs; providing adequate training and capital support to potential entrepreneurs; supporting the placement of apprentices in the informal sector; and reforming training systems to make training more responsive to the market.

43. United Nations system organizations should focus their action on (a) assisting in the design and implementation of policies supportive of growth and employment; (b) improving access to informal labour markets; (c) promoting a favourable business environment and the development of private initiative; (d) supporting labour-intensive public works; and (e) encouraging the placement of retrenched workers and unemployed youth. Such an approach will involve improving the business environment for the private sector, as well as mobilizing and allocating resources through financial sector development and reforming technical and vocational education and training systems.

44. The United Nations system should also increase its efforts to maintain and enhance human resource development and capacity-building for the transport and communications infrastructure, especially regarding the institutional, legal, managerial, scientific and technical capacities of individual countries, taking into account the appropriate subregional or regional context.

B. Growth, equity and sustainable development

1. Enabling environment and appropriate macroeconomic policy and structural reform for economic growth

45. The central challenge is to reverse the current stagnation and decline and restore growth with greater equity by assisting African countries in establishing a favourable policy and institutional environment. The stabilization and structural adjustment programmes of the International Monetary Fund (IMF) and the World Bank underpin the response of the United Nations system to the crisis. Those programmes aim to correct structural and other imbalances in the African economies, enhance the market mechanism and promote development. They have, however, given rise to concerns about their side-effects on the poor particularly on their employment, and various suggestions have been made for minimizing the social costs of adjustment.

46. There should be increased consultation and collaboration between the Bretton Woods institutions and other organizations and bodies of the United Nations system in the design and implementation of programmes. The goal should be to restore economic growth with social equity. The overall strategy should be to cooperate in designing programmes to assist countries in creating an enabling environment for economic growth. In order to achieve and pursue economic growth with equity, required policies and actions will need to be implemented in a sustained and coherent manner. Adjustment strategies should address four major areas: governance; economic environment; social environment; and resource mobilization and the reduction of Africa's debt burden service.

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47. A major requirement for African countries is to limit their debt service to a manageable level, so that the advocacy for more debt relief measures should be continued vigorously. Debt swaps are a pragmatic means of alleviating the debt burden of highly indebted countries. Such measures, however, should be conceived with clear objectives at the global and sectoral levels. Specifically, human resource development, employment generation through public works and environmental conservation measures, are some of the possible areas that might be considered for debt-for-development swaps. Strategies should therefore be devised to further expand the scope and value of debt conversions in Africa. Building capacity for debt management is also an important objective.

48. United Nations system support programmes should also aim to transform the structure of African economies through the vertical and horizontal diversification of the commodity sector. An urgent priority is to reduce the overdependence of the majority of countries on the export of a few primary commodities. Other priorities are the strengthening of Africa's position in traditional external export markets and the reduction of high-risk exposure of the majority of countries, which depend on only a few commodities. The enhancement of competitiveness and the mitigation of loss of preference margins, especially in a context of trade liberalization and the conclusion of the Uruguay Round, are therefore important objectives to be achieved. The need for and feasibility of the establishment of a diversification for African commodities are now under consideration.

49. The United Nations system should assist in the realization of agreed infrastructure development goals for the decade 1990-2000. The transport and communication goals are to construct an efficient, integrated transport and communication system linking the different countries and subregions of the continent so as to enable them to meet their requirements for international trade, and to develop indigenous capabilities to efficiently plan, manage and operate transport and communications systems.

50. United Nations system support programmes should assist African countries in developing and implementing policies and measures for the mobilization of domestic resources, the efficient utilization of public resources and the promotion of domestic and private enterprise savings. Not only will that objective contribute to accelerating the growth and structural transformation of African economies but it will also attract foreign investment.

51. Another objective should be to assist in the development of a dynamic financial sector by deepening, strengthening and diversifying the institutional framework of the financial sector, including financial instruments and services, and creating a favourable policy environment for savings and investment.

52. Short- and medium-term measures required for the development of a dynamic financial sector include removing public-sector monopoly on financial institutions and, where the necessary capacity is available, promoting private financial institutions, in order to stimulate competition. Long-term measures call for the development of subregional capital markets to procure adequate investment funds that are commensurate to the needs for diversification of the productive base.

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53. In 1992, external resources financed 25 per cent of the total investment of sub-Saharan Africa, mainly through concessional financing, which in recent years has been stagnating or declining. While direct and portfolio equity investment flows have substantially increased world wide in recent years, Africa has not been successful in attracting such resources. The United Nations system should assist African countries in creating a favourable environment for foreign-direct investment. Furthermore, in addition to increasing multilateral resources for African countries, the United Nations system should advocate a higher allocation of bilateral ODA to Africa in order to address long-term structural problems, in particular the reduction of widespread rural and urban poverty.

2. Social costs of adjustment

54. In spite of the progress made in recent years in integrating the social dimension in structural adjustment programmes, their pace, sequencing and social impact continue to be viewed from different perspectives. The resulting divergence of views on the social costs of structural adjustment tends to dilute efforts to harmonize development support activities in Africa.

55. The aim should be to minimize the social costs of structural adjustment and ensure that the relevant organizations and bodies of the United Nations system work together to integrate social considerations more fully in the design, formulation and implementation of structural adjustment programmes, with the aim of restoring both sustained economic growth and social progress.

56. The organizations and bodies of the United Nations system should assist African countries in adopting development strategies that address the needs of vulnerable groups during the adjustment process. Strategies for addressing those needs include:

(a) Timing adjustment and the use of external finance to ensure sustained levels of output, investment and human well-being over the adjustment period;

(b) Supporting the selective use of policy instruments, such as taxation, government expenditures and credit, for the reallocation of resources and development activities in favour of the poor;

(c) Using compensatory programmes to protect the basic health and nutrition of low-income families during the early stages of adjustment;

(d) Cooperating on research that aims to harmonize divergent points of view. The United Nations agencies should support such cooperative research, which should include continuous monitoring of the living standards of low-income groups during adjustment.

C. Food, agriculture and agro-based industries

57. Malnutrition remains a serious problem in many African countries and a major constraint on human resource development. A precondition for adequate nutrition is household food security. In recent decades, there has been an

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increasing gap between agricultural development and food production and local consumption needs in Africa. According to FAO estimates, by the year 2010 the undernourished population in Africa may increase from its current level of about 180 million to some 300 million, 32 per cent of the total population.

58. The dramatic rise in the incidence and complexity of food emergencies, involving not only harvest failure but increasingly the disintegration of States, the breakdown of institutional and marketing structures and the existence of civil strife and conflict, have placed growing numbers of people under threat of famine and starvation. The United Nations system should support the creation of drought early warning systems and emergency food stock programmes.

59. The United Nations system should assist Governments in the development of operational and self-sustaining national and regional early warning and food information systems. Such systems should comprise three components: crop forecasting, market information and household food security assessment. The main objective should be to develop sufficient local or regional level capacity to enable national Governments and subregional organizations to closely monitor the food supply and demand situation and provide timely notice of impending food supply problems.

60. Goals and objectives for achieving national food security and nutritional improvement include ensuring the access of all households to a diversified diet based on sustainable agricultural practices; diversifying local food production to promote household food security; improving physical and financial access to a healthy diet; and increasing consumer knowledge in food-related issues.

61. In order to achieve those objectives, United Nations system support programmes should assist Governments in the formulation of a combination of policies at the macro and microlevels to ensure the access of all households to a diversified diet. Food must be available and affordable at the local level and whenever possible, priority should be given to local and especially traditional food. A good understanding of local farming systems and indigenous knowledge is essential to adapting and orienting agriculture policies.

62. In order to ensure year-round access to food, specific attention will be required at all stages of the food chain from research to distribution. Appropriate food processing and storage techniques can facilitate wider consumption, including access to urban markets, can increase seasonal availability, and can provide off-farm employment and therefore generate income and contribute to household food security in rural areas. Improved marketing can improve access to food, contribute to price stability and affordability, and increase the income of small-scale producers.

63. To enhance agricultural production, mainly of food crops, and hence improve food security and reduce poverty, increased emphasis needs to be given to the management of natural resources and environmental protection. The achievement of that goal can be facilitated by policies, measures and institutional support structures designed to create an enabling environment for enhanced private-sector development.

64. The principal elements of a conservation-oriented development strategy - incorporating soil and water management and conservation, pasture utilization and the protection of genetic diversity - will involve the development of policies, programmes and investment projects to (a) develop agriculture through extension, agro-forestry, fish farming, processing by artisans and nutritional education; (b) develop water resources for smallholder irrigation; (c) develop small-scale inland and coastal fisheries employing local artisans; (d) consolidate and improve research and extension services for crop and livestock production and natural resources management; (e) provide rural roads and other physical infrastructure; (f) provide rural credit/savings that meet the constraints and deficiencies of small farmers; (g) promote off-farm income-generating activities to provide diversification of income in high-risk marginal farming areas; and (h) provide greater investment development support for private-sector projects.

65. In African countries, the agriculture sector is often largely of a subsistence nature and the possibilities for processing agricultural products in the manufacturing sector may be limited to the availability of a surplus. However, the manufacturing sector has an important role to play in guaranteeing food supplies and in maintaining food security programmes, because it can improve the conservation and distribution of food even within a rural area.

66. Three major groups of variables can be used to define the prospects and constraints to the development of the food industry by region: (a) physical and human resources; (b) non-physical infrastructure; and (c) parameters related to sustainable development. Those parameters, which determine the absorptive capacity of African countries, should be taken into account in the design of United Nations system technical cooperation and support programmes. There is a need to strengthen human resources in the area of agricultural education, research and extension services; there is also a need to introduce modern technologies into school curricula.

67. There is a need in United Nations system support programmes for further recognition of the critical roles played by rural African women in agricultural production and food security, natural resources and environmental management, and household management and family welfare. Women are confronted with limited access to productive resources and technological transfer: United Nations system programmes should assist Governments in enhancing that access.

D. Regional economic cooperation and integration

68. Economic cooperation and integration is the most viable approach to balanced economic growth, structural transformation and sustainable development in Africa.

69. The ultimate goal is the establishment of the African Economic Community, in conformity with the Abuja Treaty of June 1991, which entered into force in May 1994. In the short and medium terms, the United Nations system should assist in the creation of a basis for economic integration at the national and subregional levels. At the national level, major objectives are to strengthen and support cooperative programmes and projects in the productive sectors,

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especially the food and agriculture sector and the industry sector; facilitate capital formation; develop and maintain infrastructures; and reinforce human and institutional capacities. At the subregional level, the immediate objectives are to further strengthen and harmonize existing institutions, upgrade inter-State transport and communications systems and enhance intra-African trade.

70. In the southern Africa subregion, the successful transition of South Africa to majority rule has far-reaching implications for the other countries of the subregion. A key task in that area is to encourage the various subregional groupings and South Africa to continue to negotiate and agree on mutually beneficial trade arrangements that will balance the entry of South Africa into regional trade by facilitating and increasing the access of goods from other African countries to the South African market.

E. Towards sustainable development

71. Critical environmental issues facing the continent include desertification, deforestation, fuelwood shortages, declining soil fertility and erosion, loss of biological diversity, inadequate water supplies and sanitation, and pollution of air and water. Those shortages and environmental problems will be further exacerbated as Africa's population continues to grow towards its projected 2025 level of 1.6 billion - more than double the 1990 level.

72. In order to ensure the sustainable use of the environment and natural resources for the benefit of future generations, United Nations system support programmes should be developed on the basis of a careful assessment of the linkages between economic and social development and environmentally sound policies. The challenge, for all African countries and their development partners, therefore, is to make a successful transition to a development that is economically, socially and environmentally sustainable. To that end, there is a need to strengthen technical skills to address the above-mentioned environmental issues. Moreover, each of the three necessary levels of sustainability - economic, social and environmental - must be addressed in a coherent and multidimensional framework: none of them is achievable in isolation from the others. Growth that degrades the environment and resource base is neither environmentally nor economically sustainable. Poverty is a consequence of the lack of economic growth but it is also both a major cause and consequence of environmental degradation throughout Africa. Growth without poverty alleviation and the reduction of adverse environmental impacts will create even greater and unsustainable pressures on the natural resources needed for future development.

73. Within the framework of the follow-up to Agenda 21, the United Nations system should assist African countries in the realization of the objectives embodied in the African Common Position on Environment and Development, which was endorsed by OAU.

F. Emergency relief, rehabilitation, reconstruction
and development

74. Over the last decade and particularly in recent years, conflicts and emergency situations have occurred with increasing frequency in Africa. The nature of conflicts has also changed from external aggression and acts of destabilization to internal ethnic confrontations.

75. Such disasters not only cause tremendous suffering to the people, but also set back hard-won social and economic gains and destroy the basis of development. They also increase the flows of refugees and displaced persons.

76. As a result, substantial amounts of financial and human resources are inevitably diverted to emergency relief. While the United Nations has provided and must continue to provide humanitarian assistance for both man-made and natural disasters, a much greater effort is needed to tackle the root causes of those disasters. The United Nations system should assist African countries in peace-building through democratization, respect for human rights and the rights of minorities, along with supporting economic reforms that will help to prevent emergencies and bring about long-term sustainable development. Furthermore, the United Nations system must ensure that assistance programmes in emergency situations are designed to incorporate the continuum from relief to rehabilitation, reconstruction and development. A major effort also needs to be made to assist African countries in developing early warning systems and emergency-response capacity for both natural and man-made disasters.

III. ACTION FOR INTER-AGENCY COORDINATION AND COOPERATION

77. As recommended by the United Nations Inter-Agency Task Force on African Economic Recovery and Development (UN-IATF) in the context of the System-wide Plan of Action for African Economic Recovery and Development and in line with the overall strategy suggested in section II above, a decentralized approach is suggested for inter-agency coordination and cooperation in the priority areas. A lead agency is designated in each subject area to coordinate the work of the United Nations system and develop cooperative activities, and to submit an annual status report. A number of cooperating agencies have been identified to work with the lead agency to achieve the objectives of the support programme. The coordination arrangements could be reviewed in the light of the outcome of ACC consideration of the item.

78. The aim is to promote an effective use of scarce resources by identifying priorities, devising common strategies and developing cooperative and joint activities among collaborating agencies.

79. Overall coordination, follow-up and monitoring of various United Nations system support programmes on the theme will be ensured by the Department for Policy Coordination and Sustainable Development of the United Nations Secretariat, in close consultation with ECA and UN-IATF.

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IV. RESOURCE REQUIREMENT AND ALLOCATION

80. The table below provides data on commitments and expenditures (disbursements) for Africa on the part of the organizations of the United Nations systems for 1991-1993. The data does not include commitments and expenditures of the International Monetary Fund or the commitments by United Nations Children's Fund (UNICEF). Commitments and expenditures are classified in three categories: grant assistance, concessional loans (International Fund for Agricultural Development (IFAD) and International Development Association (IDA)) and non-concessional loans (International Bank for Reconstruction and Development (IBRD) and International Finance Corporation (IFC)).

81. Total disbursements to Africa from the United Nations system were US\$ 5,429 million for 1991, US\$ 5,440 million for 1992 and US\$ 5,461 million for 1993. The flow of resources has remained relatively constant over the three-year period: the share of grant assistance in total disbursements increased from 40 per cent to 43 per cent, the share of concessional loans increased from 38 to 42 per cent, and the share of non-concessional loans declined from 22 to 15 per cent.

82. Africa is the largest recipient of grant assistance from the organizations of the United Nations system. In 1991, the share of grant assistance to Africa in total development grants of the United Nations system was 51 per cent of the total grant of US\$ 4,289 million; in 1992, that share increased to 53.5 per cent of the total grant of US\$ 4,580 million.

83. Regarding efficiency in the disbursement of grants, there has been an improvement in overall terms, but a majority of organizations have recorded a significant gap in disbursement as a proportion of allocations. The reasons for those gaps are varied and are often specific to organizations and the recipient countries. However, some common obstacles that can be addressed include delays in government concurrence for experts and project staff proposed by the agencies; difficulties in coordinating the delivery of different inputs of projects; political instability, civil unrest and changes in procedures and modalities in approving and executing projects; weak local accounting and auditing capacity; and the inability of recipient governments to meet counterpart funding requirements.

84. Total concessional loans disbursed for the period 1991-1993 amounted to US\$ 2,039 million, US\$ 2,099 million and US\$ 2,263 million, indicating an increase of 11 per cent.

85. Total loans committed and disbursed to Africa from IBRD have declined considerably over the period 1991 to 1993. On the other hand, total commitments and disbursements to Africa from IFC showed an increase over the same period. The disbursement rate of IBRD has averaged 59 per cent over the three years under review. The low rate of disbursement is mostly due to limited local capacity, inappropriate design, (e.g., not consistent with limited local capacity) and execution of investment projects and programmes, procedural bottlenecks, and inadequate compliance with audit covenants.

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86. It can be reasonably assumed that the above trends observed in the flows of resources to Africa by the organizations and bodies of the United Nations system are likely to continue in the years to come. That being the case, an average flow of financial resources can be expected in the amount of US\$ 5.5 billion per year, comprising 40 to 45 per cent development grant assistance, about 40 per cent concessional loans and 15 to 20 per cent non-concessional loans from IBRD and IFC.

87. In recent years, increasing resources have been required for relief operations. The emergency requirement, however, should not be met at the expense of development resources. Additionality should be stressed. The United Nations system needs to continue to address the issue of how to balance the resources needed for recovery and development against their availability and the need for additionality.

V. CONSIDERATION OF THE AFRICAN ECONOMIC SITUATION BY THE
COMMITTEE FOR PROGRAMME AND COORDINATION AND THE
ADMINISTRATIVE COMMITTEE ON COORDINATION

88. As noted earlier, CPC and ACC both devoted considerable attention to Africa at their recent meetings. In the context of its consideration of the revised System-wide Plan of Action for African Economic Recovery and Development, CPC, at its thirty-fourth session (see E/AC.51/1994/67/Add.29, paras. 16-23), adopted the following conclusions and recommendations:

(a) The Committee took note with appreciation of the revised System-wide Plan of Action, and endorsed the focus on six priority programmes linked to the New Agenda for the Development of Africa in the 1990s. The Committee called upon the organs, organizations and bodies of the United Nations system to take all necessary steps for the effective implementation of the Plan in close cooperation with African Governments;

(b) The Committee underlined the importance of inter-university cooperation, especially in research and training, to promote creativity, quality and innovation. In that respect and on the understanding that the United Nations University would be invited to collaborate in the subprogramme on higher education, the Committee stressed the need for cooperation with that organ. The Committee also stressed the importance of distance-learning and emphasized that science and technology transfer should not be overlooked;

(c) The Committee underscored the urgent need for the organizations of the United Nations system to allocate and make available the resources required for the effective implementation of the System-wide Plan, while expressing its concern over the decline in resources for development financing that might adversely affect the implementation of the Plan;

(d) The Committee noted that recent emergencies had meant an increase in resources devoted to relief operations, but agreed that those understandable requirements should not mean any decrease in resources devoted to development activities;

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(e) The Committee took note with appreciation of the improved presentation of the gender dimension in the System-wide Plan, and believed that women should be not only contributors to economic development but also beneficiaries thereof;

(f) The Committee drew attention to the importance of industrialization in Africa's economic recovery and development and recommended that the System-wide Plan adequately address the issues of the creation of internal incentives and foreign investment necessary for the industrialization of the continent;

(g) The Committee urged the United Nations system to assist African countries to the best of its abilities in the preparation of their cases in advance of discussion on their debt problems with international financial institutions;

(h) The Committee reaffirmed its earlier recommendation, at its thirty-second session (see A/47/16, para. 19), to revise the System-wide Plan of Action in 1997 and thereafter as it might decide. The Committee requested that a progress report on the implementation of the Plan be submitted for its consideration at its fall sessions in 1996, 1998 and 2000.

89. At its second regular session of 1994, taking into account those CPC conclusions and recommendations, ACC carried out an in-depth discussion of the African economic situation (see ACC/1994/26). The following points were among those highlighted during the discussion:

(a) The continuing crisis of development in Africa is one of the greatest challenges facing the United Nations system and the entire international community. Confidence in the future of Africa must be restored and strengthened;

(b) The emergence of South Africa as an independent and multiracial country, growing regional and subregional cooperation, and the positive economic performance of a number of African countries are encouraging developments. But current overall negative trends, if they are to be reversed, call for a momentous response from African countries and concerted support on a massive scale from the international community;

(c) The political and humanitarian problems in Africa that attract so much public attention are a manifestation of a more deep-rooted and structural crisis that requires concerted action by all partners in order to address its causes at the most fundamental level. Preventive action is not only a moral duty but also the most effective way of averting future crises, which cause human suffering, lead to displaced populations and destroy the basis for development. In situations of actual crisis, humanitarian assistance should be designed to ensure an effective continuum from relief to rehabilitation and longer-term development;

(d) A broad-based and stable political framework, security and stability together provide the foundation for long-term sustainable development. To that end, more creative and broader support should be provided for African countries' efforts to further good governance and democracy, establish the rule of law and

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respect for human rights, and build sound and equitable systems for civil service and the administration of justice;

(e) A sound and stable macroeconomic policy framework that provides support for growth and employment is equally critical to success. Adjustment and development must succeed together because neither can succeed alone;

(f) In order to achieve essential food security, overcome the structural constraints inherent in current agricultural practices and better exploit existing potential, a new green revolution must be fostered to bring about both a massive improvement in water resources management and a major increase in the irrigation of arable land and the application of scientific techniques to agricultural production;

(g) In the same context, environmental degradation and its negative implications for long-term development must be addressed by improving and enhancing national capacities for the environmentally sound management of the natural resource base;

(h) Building a modern system of transport and communications, which is equally critical to overcoming logistical obstacles to development, calls for regional approaches and long-term investments;

(i) Industrialization, which is essential for diversifying the production base and generating employment opportunities, especially for a rapidly growing urban population, requires adopting measures to create a conducive environment for private investment, both domestic and foreign;

(j) The development of human resources and management capacity is central to success in all areas of action. It requires a focus on adequate nutrition; a comprehensive health policy and strategy, including the control of widespread diseases; education for all and the formation of middle- and higher-level skills and institutional capacity; and the creation of employment opportunities. The tide of rapid population growth must be arrested by development strategies and family planning approaches that aim to raise the status of women in society.

90. In addition, ACC reached a number of conclusions, as follows:

(a) The United Nations system remains fully engaged in Africa. The organizations of the system, individually and collectively, have placed the highest priority on African development;

(b) Many successes have been achieved: in eradicating apartheid in South Africa; averting famine in Southern Africa; controlling diseases; meeting the emergency and humanitarian needs of countries in crisis; promoting regional initiatives and agreements; and extending policy advice and operational activities in many parts of the continent. The United Nations system should build on that experience by carefully analysing the elements of its success and constructing collaborative approaches around specific goals and objectives;

(c) At the country level, the resident coordinator system provides an instrument for enhancing coordination around specific priority issues and goals.

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The policy framework papers and the structural adjustment programmes adopted by a large number of African countries provide an opportunity to further cooperation between the Bretton Woods institutions and other organizations and bodies of the United Nations system, such as in the context of developing country strategy notes. Similarly, the strategies for poverty eradication that are being pursued by many organizations should provide a basis for stronger cooperation at the country level;

(d) It must be recognized, however, that the scale of the current efforts on the part of either the United Nations system or the international community in general, in no way matches the scale of the problems being faced in Africa. A much higher level of commitment and resources, at both the national and international levels will be required to overcome the African crisis;

(e) ACC is deeply concerned at the decline in ODA and calls for urgent measures to increase ODA flows to African countries. A reduction in the burden of external debt of the African countries and support for better debt management, together with a greater mobilization of resources, should enable African countries to move from adjustment to development. International assistance is also needed to enable African countries to benefit fully from the opportunities created by the Uruguay Round of trade negotiations and to minimize any short-term negative effects. African efforts at diversification should likewise be fully supported by the international community, in such ways as providing increased market access. The United Nations system must assist in mobilizing international support for such measures.

91. ACC also considered the question of follow-up and various options were discussed. The aim of follow-up action would be to identify major inter-agency initiatives to be taken in support of Africa; develop country-level cooperation around specific issues and goals; build scenarios for the future; and define the policy options required for galvanizing international support for African economic recovery and development. The Secretary-General indicated that he would suggest a course of action as soon as possible for the consideration of ACC members.

VI. ISSUES FOR DISCUSSION

92. It is evident from the above discussion that the United Nations system is fully committed, at both the intergovernmental and inter-agency levels, to assisting African countries on their path to recovery and development. The Joint Meetings provide a valuable opportunity for promoting a dialogue around common themes between Member States and the organizations and bodies of the United Nations system, with a view to translating that commitment into concrete actions and measures that can be promoted in close cooperation with African Governments.

93. At the most basic level, joint actions are needed to create the conditions for sustained and sustainable recovery and development. Such actions imply galvanizing international action in support of the efforts of the African countries themselves to mobilize and channel the energies and resources of the people towards socio-economic progress and away from social strife. The

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question to be addressed is how the United Nations system can best play its critical role as catalyst and assist in building partnerships for social peace and sustainable development.

94. Resource mobilization, at both the national and international levels, will be critical to success. What can be done by the United Nations system, together with African countries and other partners to highlight the many positive elements in the African situation and achieve the much higher level of commitment and resources that is required to overcome the African crisis? In particular, how can the decline in ODA flows to African countries be arrested and reversed? What are the modalities for working with African Governments to create the conditions for attracting foreign investment?

95. The development of human resources - through population control, comprehensive health policies and strategies, improved nutrition, education, training and skill formation, the empowerment of women and employment generation - is a central pillar of development. How can African Governments and the United Nations system work together to strengthen the modalities for focusing United Nations system support on human resources and sustainable development, including capacity-building and the role of women in all key socio-economic sectors?

96. Balanced development requires rapid growth in productive sectors and a well-developed infrastructure; it involves food and agricultural development; environmentally sound management of the natural resource base, including water resources; industrialization; and building transport and communications networks. Effective United Nations system assistance in those areas could serve as a catalyst for mobilizing support from other sources as well. Consideration should be given to strengthening the catalytic role of the United Nations system.

97. Adjustment and development must succeed together because neither can succeed alone. The issue to be considered is how the organizations of the United Nations system and the African countries can work more closely to enhance the coordination of efforts in support of structural changes for long-term sustainable development.

98. The organizations and bodies of the United Nations system and African countries also need to explore ways and means to build, strengthen and expand partnerships with other actors, including the private sector, intergovernmental and non-governmental organizations, and bilateral agencies; in particular, ways and means must be explored to create a strategic alliance with regional and subregional organizations so as to maximize the impact of the development support programmes of the United Nations system.

Notes

1/ The data presented in this section were reported in the paper "Human development in Africa, with particular reference to sub-Saharan Africa", prepared by UNDP for the fourth meeting of the Panel of High-level Personalities on African Development.

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Financial resource flows to Africa: commitments and actual
expenditures by category of resource flow and organization/
body of the United Nations system, 1991-1993

(Thousands of United States dollars)

Organizations/ bodies	Commitments			Expenditures		
	1991	1992	1993	1991	1992	1993
Grant assistance						
United Nations Secretariat <u>a/</u>	38 286	30762	29 617	30 990	22 919	20 265
UNDP (Core fund)	425 477	366 646	299 701	390 380	330 299	282 470
UNDP (Adminis- tered funds)	91 900	106 538	116 077	60 789	79 649	74 903
UNSO	21 550	28 025	28 507	20 787	23 637	19 474
UNIFEM	5 370	6 049	10 453	2 046	2 990	4 402
UNCDF	42 821	42 231	28 615	26 275	40 499	27 821
Subtotal	69 741	76 305	67 575	49 108	67 126	51 697
Others <u>b/</u>	22 159	30 233	48 502	11 681	12 523	23 206
UNFPA <u>c/</u>	78 952	55 856	72 194	62 001	42 247	43 744
UNICEF				235 559	307 596	322 331
ILO	45 761	47 579	44 491	45 761	47 579	44 491
ITC	6 595	6 376	3 236	5 568	5 539	2 502
ITU	578	658	1 059	578	658	1 059
UNCTAD <u>d/</u>	22	4 494	694	17	684	1 971
UNHCR	270 923	307 574	386 784	289 981	280 919	327 678
UNITAR	405	392	528	405	392	445
WHO	136 012	139 351	139 351	94 943	108 938	108 938
WIPO	588	847	818	588	847	818
WMO	2 020	3 312	4 594	1 951	1 623	2 209
UPU	196	497	798	196	225	357
IMO <u>e/</u>	2 676	1 412	1 059	2 676	1 412	1 059
WTO <u>f/</u>						
ICAO	3 120	4 235	3 951	1 360	2 364	1 885
Habitat	1 235	1 082	635	1 241	567	595
IAEA	10 710	11 184	10 573	9 709	10 654	10 733
UNEP	1 366	1 822	2 842	1 584	1 479	2 223
UNESCO	8 330	8 157	6 650	4 816	5 005	3 466
WFP	847 000	1 155 000	690 000	805 209	1 036 299	916 516

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Organizations/ bodies	Commitments			Expenditures		
	1991	1992	1993	1991	1992	1993
Grant assistance						
FAO	111 442	125 287	124 529	73 927	88 649	80 085
UNIDO	25 797	25 951	29 915	16 861	16 861	20 531
UNDCP	4 915	4 599	3 699	4 002	3 302	2 134
ECA	1 341	2 676	5 882	3 105	2 676	5 882
Total	<u>2 185 388</u>	<u>2 488 592</u>	<u>2 047 252</u>	<u>2 191 891</u>	<u>2 465 401</u>	<u>2 329 160</u>
Concessional loans						
IFAD	128 396	115 765	177 744	92 988	87 116	99 342
IDA	2 867 000	3 013 000	2 164 000	1 946 000	2 012 000	2 164 000
Total	<u>2 995 396</u>	<u>3 128 765</u>	<u>2 341 744</u>	<u>2 038 988</u>	<u>2 099 116</u>	<u>2 263 342</u>
Loans						
IBRD	2 815 000	1 109 000	1 467 000	1 195 000	869 000	840 000
(Cum. undisb. balance)		11 589 000	13 659 000			
IFC	3 412	10 588	32 193	3 116	6 926	28 351
Total	<u>2 818 412</u>	<u>1 119 588</u>	<u>1 499 193</u>	<u>1 198 116</u>	<u>875 926</u>	<u>868 351</u>

a/ Department for Development Support and Management Services: of the total amount, 65 per cent is funded by UNDP and UNFPA; therefore, the figures in the table are calculated on a 35 per cent basis.

b/ Other major programmes administered by UNDP include UNV, UNRFNE, UNFSTD, famine and malnutrition, refugee-related ICARA, and the trust fund for SAPAM.

c/ At least an additional \$5.2 million was spent in 1993, \$3.9 million on country programmes and \$1.3 million on regional programmes; the amount is not included in the expenditure records for 1993.

d/ For the allocation figures of 1992: the trust fund was allocated for regional programmes for a period of 5-6 years.

e/ IMO does not dispose of a regular budget for technical cooperations activities and depends entirely on UNDP resources and some bilateral funding for its technical assistance programme transferred to other years or other projects in other countries.

f/ All WTO projects are funded by UNDP.
