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Addendum

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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: (a) REVIEW OF UNCTAD TECHNICAL COOPERATION ACTIVITIES IN AFRICA; (b) REGIONAL INTEGRATION ISSUES

(Agenda item 6)

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

"Regional integration issues in Africa: report by the Secretary-General of UNCTAD" (TD/B/39(2)/11);

"Review of UNCTAD's technical cooperation activities in Africa: report by the Secretary-General of UNCTAD" (TD/B/39(2)/12).

66. The Director of the Africa Task Force Unit said that UNCTAD's contribution to the implementation of the New Agenda for the Development of Africa in the 1990s involved actions at three levels. First, UNCTAD VIII, in response to the General Assembly's request to Governments and the United Nations system to support the implementation of the New Agenda, had requested that the subject be considered at one of the two annual sessions of the Trade and Development Board, and the Board had since decided to use its spring sessions for this purpose.

67. Second, the Board, at the first part of its thirty-ninth session, had adopted a decision outlining a number of activities to be undertaken by UNCTAD. The core activity would consist of Africa-specific studies, analyses and reports on various issues for consideration by the Board. The two reports before the Board had been prepared pursuant to that decision. In addition, other elements of UNCTAD's newly established intergovernmental machinery would be expected to take due account of the special problems of Africa in the areas within their purview.

68. Third, the UNCTAD secretariat would continue to contribute to inter-agency activities relating to the implementation of the New Agenda. It maintained close working relations with the ECA and OAU secretariats. It was also a member of the United Nations Inter-agency Task Force on the implementation of the New Agenda, one of whose principal functions was to provide substantive analytical inputs and assessments for periodic reports by the Secretary-General of the United Nations on the follow-up, monitoring and

evaluation of the implementation of the New Agenda. The UNCTAD secretariat was also likely to be requested from time to time to provide substantive briefs for the United Nations Secretary-General's Panel of High-level Personalities on African Development, as well as participate in meetings of the ECA, OAU and Global Coalition for Africa and contribute to their substantive work as might be required.

69. Document TD/B/39(2)/11 described some of the reasons for the slow progress of regional cooperation initiatives in Africa, and drew on the experiences of the European Community to illustrate some of the problems faced in establishing an economic community which could be of relevance to the African process. Some of the emerging developments which could influence the African process were also highlighted, especially the signing of the Treaty establishing the African Economic Community, the eventual emergence in future of a non-racist South Africa, and the growing interest of Africa's development partners in regional cooperation and integration as an important complement to overall development efforts. Achieving a fully integrated regional economy and common market would require the unwavering support and determination of African countries themselves. However, the international community and its organs could also make a contribution through assistance and advice.

70. Document TD/B/39(2)/12 described some of UNCTAD's main technical cooperation activities, and suggested some areas for greater attention and new initiatives in Africa, especially structural adjustment programmes, regional integration issues, development of transport and communications infrastructures, diversification of production and trade, foreign investment, support for the private sector and related institutional and human resources development programmes. Such assistance could be more wholesome and beneficial if it was provided on an inter-agency basis, made greater use of African consultants, and was supported with adequate technical assistance resources.

71. The spokesman for the African Group (Nigeria) said that, while the activities so far undertaken by UNCTAD in connection with the New Agenda had been diverse and encouraging, there was need for greater selectivity, which could be achieved on the basis of areas identified in document TD/B/39(2)/12 as needing greater focus and attention. There was also need for careful targeting of technical assistance to African countries' specific development needs, particularly through increasing African participation in the

determination of their technical assistance requirements, either on their own or through technical assistance needs appraisal with the UNCTAD secretariat.

72. In view of the very useful work of the African MTN project in connection with the Uruguay Round, the African countries noted with concern the observation in document TD/B/39(2)/12 that the activities of this project were declining. It was obvious that the African MTN project would continue to play an important role, in particular in the follow-up actions in the post-Uruguay Round era.

73. In the area of commodities, the African countries would welcome, in particular, strong support for the diversification of production and trade, as well as the interesting proposal for technical cooperation in the North African subregion's mineral sector under the fifth UNDP inter-country programme for Africa (1992-1996). A positive outcome in this area should contribute to a similar exercise in other subregions.

74. In the area of implementation of structural adjustment programmes, the various setbacks encountered and resulting social and political tensions had brought to light the need for intensified research and technical assistance support in this area by UNCTAD with a view to advising Governments on the most workable and realistic policy options and ways of implementing them.

75. As regards human resources development, additional technical assistance by UNCTAD to African countries would facilitate the task of the design and implementation of efficient policies. In this regard, greater use of African experts or consultants was a prerequisite. The African countries urged the UNCTAD secretariat to consider this proposal seriously.

76. With respect to regional cooperation, the shortcomings which had impeded cooperation were also affecting the programmes and targets envisaged for the African Economic Community, whose realization would greatly enhance regional integration in Africa. The orientations on this subject in document TD/B/39(2)/11 provided useful guidelines for addressing these shortcomings.

77. In connection with international assistance, he noted with appreciation the growing interest of Africa's development partners in Africa's regional integration efforts, and it was to be hoped that this interest would be translated into strong practical support. In this connection also, he expressed interest in the preparations for the proposed Tokyo Conference on African Development, and appreciation for its sponsorship by the Government of

Japan. The UNCTAD secretariat should be fully associated with the said conference and report on it to the next session of the Board.

78. Finally, he expressed concern over the inadequate level of staffing of the African Task Force Unit within the UNCTAD secretariat, which was responsible for coordinating, monitoring and following up UNCTAD's contribution to the implementation of the New Agenda for Africa. The level of staffing within this unit should be improved and its activities coordinated with other areas dealing with issues of particular concern to African countries.

79. The representative of Egypt said that socio-economic conditions continued to deteriorate in African countries, especially in the LDCs, despite the implementation of economic recovery programmes. Setbacks included widening balance-of-payment deficits and financing gaps, falling commodity export prices, declining productivity and rising population growth, all of which had led to negative per capita growth rates.

80. Against the background of declining socio-economic conditions, the United Nations New Agenda for the Development of Africa in the 1990s held some hope for strengthened international support for structural adjustment and economic reforms aimed at enhancing African integration, diversification and economic growth. While the African countries were primarily responsible for their development processes, the international community, through the implementation of the New Agenda, could make an important contribution.

81. The African countries had announced and reiterated their support for regional cooperation in various declarations such as the Kinshasa Declaration of 1976, the Monrovia Declaration of 1979 and the Lagos Plan of Action of 1980. Moreover, the signing in Abuja (Nigeria) of the Treaty establishing the African Economic Community reaffirmed African countries' support for regional cooperation. This Treaty envisaged the creation of the regional community in six stages, beginning with the strengthening of subregional groupings and leading to the formation of a regional customs union and common market.

82. African countries had acquired a great deal of experience in the promotion of economic development, and had been striving to work to that end, including through mutual cooperation. The Egyptian Fund for Africa, for example, had made possible the provision of Egyptian experts to render assistance to other African countries in all sectors of development. Despite their development efforts, however, African countries still needed support

from the international community; hence the importance of the New Agenda, the technical assistance activities of UNCTAD, and the need to continue to look into ways and means of freeing resources from military expenditures and channelling them into productive uses.

83. The representative of Kenya said that the question of Africa's development in the 1990s had to be addressed both from within the African continent by African countries and from outside by the international community. A number of important factors had to be taken into account in this connection.

84. The different levels of development of African countries needed to be properly and adequately addressed before the goal of a regional common market could be achieved. In this connection, the orientations suggested in document TD/B/39(2)/11 were most useful and deserved the support of the Trade and Development Board.

85. Technical assistance was essential to support the development of mechanisms at the national, subregional, regional and global levels for regional integration. Proposals along this line contained in document TD/B/39(2)/12 merited support. Africa's needs were special, given that it had the largest number of LDCs, its development problems necessitated considerable assistance, and African countries had been experiencing heavy burdens in connection with the implementation of sectoral adjustment programmes.

86. Great importance was also attached to efforts made to strengthen human resources development and consequently the national capacities of African countries to deal with developmental problems. One way in which this goal could be promoted was through the utilization of African experts and consultants in technical cooperation activities.

87. There was a need to develop closer and more collaborative relationships between UNCTAD and the Global Coalition for Africa. The latter had taken many initiatives for Africa that should be recognized and reported upon.

88. Regarding international support, the initiative of the Government of Japan in agreeing to host a Conference on African Development in Tokyo in the autumn of 1993 was commendable. UNCTAD should be closely associated with the preparation and outcome of that Conference. With respect to assistance in general, adequate financial resources were necessary and should be provided on a predictable and assured basis.

89. Lastly, he called for a strengthening of the unit in UNCTAD for overseeing UNCTAD's contribution to the New Agenda for Africa.

90. The representative of Ethiopia recalled that the Final Review and Appraisal of the implementation of the United Nations Programme of Action for African Economic Recovery and Development (UN-PAAERD) had concluded that the conditions which had led to the adoption of UN-PAAERD still prevailed in the 1990s. Africa's overall socio-economic conditions had deteriorated, the total number of LDCs had increased, the debt burden had worsened and external resource flows had stagnated.

91. It was the recognition by the international community of the continuing acute problems of Africa that had led to the adoption of the United Nations New Agenda for the Development of Africa in the 1990s in General Assembly resolution 46/151. This resolution requested Governments, organs, organizations and bodies of the United Nations system to take appropriate measures to implement the commitments contained in the New Agenda. The New Agenda itself, together with paragraph 66 of the Cartagena Commitment of UNCTAD VIII, should guide UNCTAD's intergovernmental machinery work on action-oriented contributions to the implementation of the New Agenda.

92. The implementation of the New Agenda, whose success hinged, inter alia, on a positive response from the international community, could make an important contribution to addressing Africa's development problems. Another important condition was the building of a strong regional economy through closer regional cooperation and integration. However, efforts made so far in this direction had achieved meagre results. Accordingly, the future orientations for regional cooperation outlined in document TD/B/39(2)/11 were highly relevant and could contribute tremendously to regional integration efforts in Africa. Some of the specific important issues included the harmonization of policies, the regional dimension of structural adjustment, and cooperation among the enterprise sectors. Regarding technical assistance from UNCTAD, Africa's most urgent needs at present lay in the areas of transport and communications, the enterprise sector, reform programmes and human resources development.

93. The representative of Denmark, speaking on behalf of the European Community and its member States, said that the African continent, particularly sub-Saharan Africa, was still afflicted by wars and civil strife, AIDS, desertification, deforestation, droughts and absent or negative growth. Yet

Africa did have an enormous potential for growth which could be realized through continued reforms leading to good governance, respect for human rights, balanced budgets and reduction of military expenditures.

94. While the mobilization of domestic resources remained the essential source for productive investment, there was a large and increasing need for external resources for development. In this connection, over 60 per cent of total bilateral aid to Africa was provided by the Community and its member States, and over 27 per cent of total multilateral aid to Africa was provided by the European Development Fund. Moreover, under the Lomé Convention, the Community provided duty-free access for the major part of ACP exports to the Community's market. Recently, the European Development Fund had established a special fund for structural adjustment projects. In addition, the Community had, in the Paris Club, continued to press for better treatment of highly indebted countries which had adopted sound economic policies. In this regard, it was pleasing to note that 11 African countries had benefited from the enhanced terms now available.

95. Regarding UNCTAD's technical cooperation activities, the list of activities in document TD/B/39(2)/12 was impressive but to some extent confusing. In particular it lacked an evaluation of the effectiveness of the activities, and that made it difficult for the Board to give guidance on future technical cooperation. The African countries should provide their evaluations and priorities for cooperation with UNCTAD so that a demand-driven process was established.

96. Regarding regional cooperation, the Community's own experience showed that cooperation, mutual understanding and progress went hand-in-hand. Regional integration offered countries the possibility of exploiting the advantages of economies of scale, specialization and diversification and of competing in international markets, and it also enhanced the development prospects for the countries involved; prime responsibility for regional integration lay with the countries themselves. The importance accorded to regional cooperation was reflected in the Community's approach to development assistance, whereby it supported numerous regional cooperation projects. A total of 1.25 billion ECUs was to be allocated to such projects under Lomé IV, particularly for infrastructure development.

97. The African experience with regional cooperation had shown that in some cases the politicians had been too hasty, too centralized and too political in

their perspectives. Cooperation should rather be based on a more gradual approach, starting where benefits were clear to all parties, including in the medium term.

98. The central obstacles to regional integration highlighted in document TD/B/39(2)/11 should be addressed by national Governments, with the assistance of the international community. Here, as elsewhere, a coordinated approach on the part of multilateral organizations in assisting developing countries was essential. This was an important task, because without strengthened regional cooperation and integration, Africa was at risk of being further marginalized and of foregoing a central element of development.

99. The representative of Brazil said that international cooperation tended to be provided in response to dramatic events and emergency situations, and problems of a permanent character which involved structural changes unfortunately had not benefited from the same expeditious treatment. The United Nations New Agenda for the Development of Africa in the 1990s endeavoured to bring such issues to the attention of the international community and therefore merited full support.

100. Brazil had always enjoyed a close relationship with African countries in both political and economic terms, based on the similarity of economic, cultural and climatical conditions. However, the devastating effect of the recession of the 1980s had had direct repercussions on efforts to increase trade and economic linkages between Brazil and African countries, as well as between Brazil and other developing countries.

101. UNCTAD should continue to play an active role in the implementation of the New Agenda, and to that end, the secretariat should allocate adequate resources to the unit dedicated to work on Africa and should strengthen coordination among different areas. In this regard also, the international community had a crucial role to play.

102. The representative of the United States of America said that document TD/B/39(2)/11 correctly concluded that there were compelling reasons for Africa to continue to pursue cooperation and integration. Unfortunately, few of the over 100 regional organizations in Africa could yet be considered successful. Though many of these organizations aiming at economic integration sought to establish free trade areas as an interim step, even this limited objective had proven elusive, a phenomenon that was not unique to Africa. Only the West African Economic Community (CEAO) and the Southern African

Customs Union (SACU) had achieved a working free trade area. Attempts to create free trade zones between African countries were commendable, but such zones must be trade-creating, market-opening and consistent with GATT principles.

103. Other African groups such as the Southern African Development Community (SADC) had helped to develop regional infrastructure, an area in which the United States took particular interest and which represented a major obstacle to trade and other economic linkages among African countries. The United States had contributed over US\$ 300 million to SADC regional infrastructural projects over the past five years.

104. Although regional cooperation was important, the major impediment to African development had been the failure to build societies where the key path to wealth was through private sector production rather than through Government activities or parastatals. This point was well highlighted in document TD/B/39(2)/11. Individual African Governments must take the lead in creating an enabling environment for the private sector to fulfil its role and potential. This could be achieved, inter alia, through the adoption of structural adjustment programmes, which might be painful in the short term but were necessary for long-term sustainable development.

105. The United States would continue to work with Africa to face many of the development challenges in the years ahead through its AID programme, through humanitarian assistance, through food aid, through the Development Fund for Africa, and through cooperation with developing countries in preventing environmental degradation while at the same time advancing sustainable development. In the context of external support, her delegation commended the Government of Japan for organizing and co-sponsoring, with the United Nations and the Global Coalition for Africa, the Tokyo Conference on African Development.

106. As regards technical cooperation, she stressed two important points. First, such activities must be well focused, and second, they should be selected in close consultation between UNCTAD, donor countries and African countries, who must set the priorities.
