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Held at the Palais des Nations, Geneva,
on Monday, 19 July 1999, at 10 a.m.

President: Mr. VALDIVIESO (Vice-President) (Colombia)

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In the absence of Mr. Fulci (Italy), Mr. Valdivieso (Colombia), Vice-President, took the Chair

The meeting was called to order at 10.15 a.m.

COORDINATION OF THE POLICIES AND ACTIVITIES OF THE SPECIALIZED AGENCIES AND OTHER BODIES OF THE UNITED NATIONS SYSTEM RELATED TO THE FOLLOWING THEME: DEVELOPMENT OF AFRICA: IMPLEMENTATION AND COORDINATED FOLLOW-UP BY THE UNITED NATIONS SYSTEM OF INITIATIVES ON AFRICAN DEVELOPMENT (agenda item 4) (continued)(A/54/133-E/1999/79; E/1999/104-S/1999/754)

Mr. AL-SULTAN (President, International Fund for Agricultural Development (IFAD)) said the Secretary-General's report on the causes of conflict and the promotion of durable peace and sustainable development in Africa (A/52/871-S/1999/318), together with the United Nations System-wide Special Initiative for Africa, had been invaluable in encouraging the international community to seek ways of meeting Africa's needs and reinforcing cooperation with the region. The report on implementation prepared for the Council (A/54/133-E/1999/79) provided excellent background material on the various agencies' specialized contributions.

Well-coordinated and harmonized initiatives were a major priority; they called for a shared understanding of the obstacles to African development and of poverty eradication, the development system's overriding goal.

The daunting decades-long social and financial constraints on African development had often been tackled with donors' uncoordinated, and sometimes competing, prescriptions that could overwhelm local capacities. The slowness of development and poverty alleviation was mainly due to long-standing poor agricultural performance, agriculture being the continent's main source of employment, especially in sub-Saharan Africa.

Those trends were not irreversible. While parts of Africa had low rainfall and were vulnerable to desertification and soil degradation, large areas had bright prospects for sustainable productive cultivation with known technologies. The real cause of Africa's pitiful agricultural performance and its attendant social evils was its inadequate institution, policy and infrastructure framework.

Recent years had witnessed a number of encouraging changes as reforms took hold, with more realistic prices and the abandonment of most State control of the distribution of agricultural inputs and outputs. The strong movement towards greater participation and democratization had been accompanied in East and West Africa by increased decentralization to regional and local institutions, thus integrating all levels of civil-society organizations. The civil wars in West and Central Africa appeared to be coming to an end.

While the market-based approach had created new agricultural-development opportunities, smallholders had been hurt by the withdrawal of State services and the lack of funds for extension and other institutions. Unless they were guaranteed fair terms in the market economy, they would become the victims rather than the beneficiaries of liberalization. In his organization's experience, the key was access by the poor to credit and improved technology; fair markets; a minimum of infrastructure; basic education and health; and a stronger voice for them and their communities, all conditions that would create an enabling micro environment for the poor as a counterpoint to the macro policy environment that was the focus of most reform programmes. However, since market forces alone would not suffice to bring about such conditions in the short term, effective public institutions and targeted development assistance were needed. While Governments remained the main interlocutors of the international community, they were less directly involved in economic production than in the past; ways had therefore to be found to collaborate operationally with civil-society organizations at all levels. There were two complementary paths to be pursued, the promotion of food security and responding to the challenge of commercialization and globalization. The poor should be encouraged to organize and see themselves as agents of change, and not passive beneficiaries.

Commercial banks were interested in setting up rural finance systems, and private investors were willing to finance input delivery systems and establish agro-based industries. IFAD was exploring with the International Monetary Fund (IMF) ways of linking micro-credit schemes to national systems in selected countries: an IFAD-funded project in Uganda was supporting the efforts of poor farmers to expand their production. It highlighted the challenge to find practical ways to help the production systems of the poor to form fair linkages with commercial enterprises and financial institutions. Such projects were the only hope of halving the number of absolute poor by 2015.

A coordinated approach by agencies working in the various fields was vital, and IFAD was eager to work with its development partners to achieve shared objectives. He cited a number of projects on which IFAD worked closely with many other organizations and programmes, including multilateral/bilateral cooperation. IFAD had a long-standing partnership with the World Bank and the regional development banks, which had cofinanced many IFAD projects and vice versa. It had been working with the World Bank in the framework of the Agricultural Sector Investment Programmes (ASIPs) developed with the host countries' help. The World Bank's more recent Comprehensive Development Framework (CDF) was still in its pilot phase but had the promise of identifying potential areas of mutual support.

IFAD was proud to house the Global Mechanism designed to mobilize and channel financial resources under the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa (CCD) which, in the interest of food security in resource-poor areas, would be a powerful coordination mechanism in an area critical for the future of millions of poor African farmers.

IFAD was preparing a report on poverty to serve as a platform for continuing exchange of experience and knowledge for the collective endeavour of ending hunger and poverty. He trusted that the Council's deliberations would mobilize the necessary support and solidarity for the provision of the modest resources required.

Mr. AMOAKO (Executive Secretary, Economic Commission for Africa (ECA)) said that ECA relied on its comparative advantage and mandate and its strategic response to the development needs of Africa encompassed many of the issues addressed in the Secretary-General's report (A/54/133-E/1999/79).

ECA products could be broadly categorized as: advocacy and policy analysis to encourage the reforms needed for Africa's economic and social advancement; convening stakeholders and building consensus through the sharing of best practices; technical cooperation and capacity-building, helping member States and institutions design and implement development policies and programmes; and serving as the regional arm of the United Nations in Africa, especially through the System-wide Special Initiative to accelerate the execution of the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF).

An ECA priority was supporting effective poverty-reduction policies. Of the three indices developed in its 1999 Economic Report on Africa for measuring each country's individual performance, the economic sustainability index was designed to track progress in meeting the long-term goal of halving poverty by 2015. The reduction of HIV/AIDS was clearly another area where more joint action was needed, and one on which ECA worked with UNAIDS. Another was the expansion of trade and investment opportunities: ECA work in that connection involved analytical studies on policies for enhancing trade and investment, focusing on strengthening African countries' capacity to participate in World Trade Organization (WTO) processes and negotiations and in the European Union/African, Caribbean and Pacific countries (EU/ACP) emerging post-Lomé arrangements.

ECA also raised gender awareness by improving knowledge of African women's issues. Five separate meetings had been held to monitor implementation of the Beijing Platform for Action, promote policies for eliminating gender gaps and build women's leadership capacity, and boost women's role in peacemaking, jointly with the Organization of African Unity (OAU).

ECA addressed population, environment and agricultural linkages primarily through planning activities to alert policy-makers to food, population and environmental concerns, while offering member States solutions drawn from best practices in Africa and around the world. A user-friendly computer model for analysing those linkages would pinpoint the impact of key emerging issues in specific countries.

The Commission also signalled to African Governments the importance for development of information and communication technologies and efficient statistics systems, particularly through the African Information Society Initiative (AISI), which had created a bilateral/multilateral partnership framework. It also cooperated with OAU and the African Development Bank to promote the goals of the African Economic Community (AEC) and support the regional economic communities, and had recently helped relaunch the Economic Community of Central African States (ECCAS), until then the most dormant of the regional communities.

In its efforts to promote the capable State, ECA had focused on three main areas of technical assistance: public-sector reform, strengthening civil society's participation in governance and development; and its organization, jointly with UNDP, of the annual African Governance Forum. It planned to develop indicators of good governance and to monitor biennially the status of implementation of those indicators.

As the United Nations regional commission and Africa's specially mandated intergovernmental organization, ECA would participate in post-conflict building through needs-assessment field missions; comparative studies on regional and subregional aspects of post-conflict economic reconstruction and development; seminars, conferences and consultations between the affected countries and relevant subregional organizations; fine-tuning for implementation of the subregional aspects of the reconstruction programmes; and the active participation of nationals, many of whom were refugees in the post-conflict rebuilding of their countries. The first of those activities would be the meeting of regional experts, to be held at Addis Ababa in autumn 1999, which would bring together representatives from the countries and from all types of organizations and groups and international relief agencies to discuss key post-conflict measures in the Mano River Union group of countries.

An important theme was advocacy and consensus building. Activities included a meeting of finance ministers to discuss the outcomes of the debt negotiations - an African ministerial position paper on debt relief had been transmitted to the G-8 Summit in Cologne - and a post-Cologne follow-up meeting would shortly be held. ECA was developing an African position for transmission to the WTO Ministerial Meeting at Seattle. A panel of experts was working with colleagues in Brussels on EU/ACP post-Lomé follow-up. A consultation was soon to be held on the African voice within the Special Programme of Assistance to Sub-Saharan Africa (SPA) in which ECA hoped to provide the partners with a better perspective on African problems and possible solutions.

An annual African Development Forum had recently been established as a platform for African policy-makers, as well as stakeholders, multilateral agencies and the private sector, to study a particular theme in an effort to reach consensus on the best course of action for country and cross-border programmes. The first session, on globalization and the information age, to be held at Addis Ababa later in 1999, would study ways in which Africa could tap into that entire area, and had been hailed by many African leaders at the OAU Summit in Algiers.

Mr. SARBIB (World Bank) said that coordination was important in its own right, because each institution had, throughout its history, contributed specific capabilities and was best placed to assume those various responsibilities. It was not, however, an end in itself, but a tool for better attention to Africa's needs, which were still formidable. The Secretary-General's reports showed that economic growth was declining more rapidly than population growth. However, since averages could hide as much as they revealed, it was important to look behind them and realize that Africa's many countries would perforce produce different results.

The 4.5 per cent average growth rate posted by a typical African country in 1997-1999 had fallen to 4 per cent in 1998, which, by any reckoning, had been a difficult year for the world economy. The result was thus better than it appeared and showed that Africa had weathered the crisis and was starting to integrate into the world economy. Exports had been the locomotive of that growth, and competitiveness had become the yardstick by which African economies measured themselves.

Africans had been able in the past two years to build a stronger base following a long slide, but, since the slide had been longer than the recovery, the situation was still not satisfactory. With 51 per cent of the population still living on under US$ 1 a day, Africa might be doing well but Africans were not.

The overarching objective of fighting poverty was still as challenging as ever. The challenge to the players in development assistance was how they could best work together to ensure that improvement at the global level was translated into better conditions of life for the average African.

The greatest challenge of the many facing Africa, was to achieve peace. There could be no development without peace and the decline in growth between 1995 and 1998 was inextricably linked to the deterioration in the security situation. Economic reforms must be peace-friendly and the Bank was increasingly working towards that end. In the context of the conflict in Sierra Leone, for example, it was already participating fully in the strategy initiative and the contact group, so that it could be present even before it was able to intervene directly in a post-conflict situation. The Bank's cooperation had already been helpful in Rwanda and Burundi, where the security situation was beginning to look more hopeful. The fact that African leaders were playing a greater role in solving African problems was an extremely important development.

Once peace was achieved, the link between economic growth and good policy was equally unmistakeable. As the Executive Secretary of ECA had emphasized, there had been a move towards encouraging the African countries themselves to take the lead in defining policy. The Bank had been happy to participate in several of the forums the Executive Secretary had mentioned and had contributed ideas to them. The Special Programme of Assistance to Sub-Saharan Africa (SPA) had opened to the Africans the meetings in which the donor countries had previously got together to discuss the coordination of assistance.

The convening power of the ECA had contributed greatly to the design of the policy agenda.

The same was true of governance, where the Bank was well-placed to cooperate in the forums organized by the United Nations Development Programme (UNDP). A number of countries were asking for assistance in designing specific programmes to combat corruption, which was often a reason for the disconnection between economic growth and its translation into the everyday lives of the people. Rural development was also essential, since it was in the rural sector that most of the people who needed help continued to live and where most women worked. The Bank was thus cooperating closely with the Food and Agriculture Organization (FAO), IFAD and the research institutes to try and improve agricultural productivity and introduce a strong gender dimension into the determination of policy.

Another major challenge was indebtedness. The various proposals for debt relief for the highly indebted poor countries (HIPC) were set out in detail in the Secretary-General's report. The challenge was to translate the various proposals into actual resource flows which could in turn be converted into development that would reach the poorest segments of society. The relationship between debt levels and the social sector was inescapable. The United Nations and the Bank were working together in the area of social development in the context of the System-wide Special Initiative for Africa.

Work focused essentially on three important sectors: education, health and water supply for the rural poor. Progress was being made in harvesting the lessons of experience and in working together pragmatically to determine which agency was best placed to do what.

The HIV/AIDS pandemic in Africa was of course far more than just a health problem. Some 33 million persons were affected by the virus throughout the world, 23 million of them being in Africa. All those people would die, since there was no way that African health systems could cope with the problem. AIDS was like a wildfire raging through Africa and, unless every aspect of the development programme was directed into the fight against it many of the goals that had been set would never be met. One of the best indicators was life expectancy. For example, life expectancy in Zimbabwe had, because of AIDS, been reduced by 17 years, thus wiping out the gains of half a century. The Bank, recognizing that, in the past, it had not done as much as it should to address AIDS as a development problem, had redoubled its efforts to assist UNAIDS. A special new unit had been established whereby everything the Bank did in any sector in Africa was looked at through the prism of its contribution to AIDS reduction.

Further challenges existed with regard to infrastructure, which was important for both regional integration and rural development. The importance of collaboration between the agencies concerned with those matters could not be overestimated. The last challenge lay in capacity-building. Development required conscious policies formulated by established institutions. The Bank was therefore supporting, in partnership with the African Ministers of Finance, the launching of a project for capacity-building in Africa, in collaboration with UNDP which was the prime mover in that area of development.

A particular challenge to the development agencies was helping the African voice to be heard in international forums. The leading role of the ECA in that regard should be supported. The OAU, ECA and the African Development Bank were currently engaged in a joint project to assist the Africans in formulating their own goals for the twenty-first century and that was as it should be.

As for the modalities, the real test of coordination was what happened at the local level. There were examples of such collaboration on the ground as the presentation by the country teams had demonstrated. It was the Bank's belief that a framework could be developed for the systematic promotion of such coordination. The Consolidated Development Framework (CDF) resulting from that belief was not a major conceptual undertaking but rather a crystallization of ideas that were already in the air about practical ways of ensuring that the development agencies talked among themselves and that development continued to be led by the countries concerned.

Mr. BLAISE (Observer for Cameroon) said that each of the three speakers had reported very explicitly what his organization had done and was doing for the development of Africa. The question of interest to the Council was what they were doing to promote coordination among themselves. It did not seem to him that, apart from the biennial meeting of the partners to the SPA, very much was being done in that regard. Coordination needed to start at the very beginning of the consideration of a programme. For example, the meetings of African ambassadors at Geneva in connection with the forthcoming WTO Ministerial Meeting at Seattle needed to be coordinated with the work being done at Brussels in connection with the post-Lomé Convention situation. The African position at Seattle would be influenced by developments with regard to the Lomé Convention, and there was no guarantee that it would be coherent unless a deliberate effort at coordination were made at the highest ECA level.

He asked whether there was anything to prevent a combination of the World Bank's CDF and the United Nations Development Assistance Framework (UNDAF). Basically, what was needed was a single coordinator and the question was whether it was to be the United Nations or the World Bank. In his own country, the World Bank served as the coordinator because of the structural adjustment programme. Although the role of the Africans themselves was fundamental, talk of African ownership of the development process was premature since the resources were as yet non-existent on the ground.

Mr. TOIVIAINEN (Observer for Finland) emphasized the importance of country-specific coordination whereby the African States would own their development on the basis of their own national strategies. The differing procedures demanded by different donors gave rise to many practical problems, however, that imposed a heavy burden on the capacity of Governments. He would like to know how the panel thought that such practical problems should be tackled. As to coordination with States, the question was whether it should take place in European capitals or in Africa itself. There was a tendency to hold meetings of the donor consultative groups in Paris rather than in an African country. He would also like to know what forums there were for the preparation of joint policy analyses.

Mr. Le GARGASSON (France) said that the representative of the World Bank had suggested that the figures in the Secretary-General's report for average growth in Africa tended to minimize the actual growth and that a typical African country had experienced an export-led growth rate of 4 per cent in 1998. He had, moreover, concluded that the relatively small impact of the 1998 financial crisis gave grounds for hoping that Africa could be integrated into the world economy. That was an extremely optimistic interpretation, when it could be argued that the relatively limited impact of the crisis simply revealed that the continent's integration into the world economy was not very complete.

Mr. LEGGERI (Italy) said that one of the goals of the coordination of development assistance in Africa was to increase the percentage of resources actually spent in Africa, thus reinforcing African ownership of its own development. He would like the panel to comment on that point.

Mr. KUMAMARU (Japan) said that the coordination of development activities should be extended from the United Nations system to include all the bilateral and multilateral development partners. There seemed to be solid agreement among them that coordination was a key issue and that it already existed at the global and regional policy level. That general agreement needed to be implemented at the field level, however, where the host country Governments were expected to play a leadership role in initiating and directing coordination, though the United Nations resident coordinators had a very important role in assisting the Governments to that end. He asked whether mechanisms for coordination, going beyond the information-sharing stage, already existed in all 48 African countries and whether there was any intent among those concerned to seek better coordination between United Nations development activities and those of the World Bank.

Mr. SIBEKO (Observer for South Africa) said it was agreed that, while coordination was highly important, it was not an end in itself and its maximum impact must be on the ground. Like the observer for Cameroon, he was interested in knowing who, at the end of the day, would be responsible for coordination at the country level. The ECA Executive Director had referred to a new and innovative modality for coordination, the consultative forum. Since it was important that a place should be found for Government participation in decision-making, he wished to know at what stage such participation would occur.

Debt had been identified as a highly important issue and he welcomed the latest initiatives in that regard, particularly that of the Group of Eight. He noted, however, that 11 of the recipients of assistance under the HIPC initiative were gold-producing countries. Since they were dependent on revenue from gold sales, the fall in the price of gold resulting from the sale of gold reserves to meet debt relief needs would tend to push them still further back into poverty.

Mr. SARBIB (World Bank) said that a number of questions had been asked about the relationship between the UNDAF and the CDF and that had led in turn to the question of who would act as coordinator. The answer was that the coordinator would be the host Government. The whole idea of the CDF was to take a long view of the framework of development, based on the host country's own vision of its future. Looking at the challenges, it would then be possible to decide who was best placed to lead assistance activities in regard to a particular element of the CDF. The UNDAF was the way in which the United Nations system would respond to the strategy set by the Government. The CDF was the Bank's way of ensuring that its own Country Assistance Strategy, International Finance Corporation and Multilateral Investment Guarantee Agency would work not at cross purposes but in an integrated fashion. In Mali, for example, before the CDF was formulated, there had been very good synergy between the UNDAF and the Country Assistance Strategy, conducted and orchestrated by the host Government.

In response to the question asked by the representative of Italy, he said that all agencies should use far more of their resources to utilize existing local capacity. Not enough was being done to tap it. The proportion of resources used to pay for technical assistance provided by the donors themselves was no longer justifiable given the capacity that currently existed in Africa. The analytical work done in that connection should be done in collaboration with the African Governments.

In reply to the comment by the representative of France, he said that, with the exception of South Africa, sub-Saharan Africa was not integrated into the world financial flows. The major impact of the world financial crisis had been due to the rapid outflow of short-term capital. Since such capital had never entered Africa in the first place, there had been no question of its departure having an impact. The impact that had been felt in Africa resulted from the reduction of international trade growth from 9 per cent to 4.5 per cent in 1998. That had led to a reduction in the growth of a typical African country. The impact had been highly differentiated, however. For example, the largest African economies had been hit by the shock of falling oil prices in particular, whereas the smaller economies, mainly oil importers, had been helped thereby. He did not think that he had been unduly optimistic. If the growth figures were weighted by population, it became apparent that South Africa and Nigeria had done very badly in 1998. In the case of the typical African country, however, the impact had been much less. He had looked behind the averages to bring out a more nuanced picture.

In response to the question whether meetings of the Consultative Groups should be held in Africa or Paris, he said that they were increasingly being held in Africa. There was a trade-off, however. The level of African participation undoubtedly rose if the meeting was held in-country. If the meetings were held away from Europe, however, the representation of the donor agencies might well be at a less senior level.

Mr. AMOAKO (Executive Secretary, Economic Commission for Africa (ECA)) said he wished to make it clear that the forthcoming ECA meeting at Addis Ababa would bring together the World Bank, UNDP and the United Nations Conference on Trade and Development (UNCTAD) with African policy makers and negotiators; that was just one example of the post-Lomé Convention work that ECA had been carrying out.

The Cologne Summit had stated that debt relief should be tied as closely as possible to poverty-reduction programmes. That was clear. The real problem lay in the associated arrangements: the conditionality, the criteria, the monitoring. Not being country-based itself, ECA saw its role as providing a venue for discussing such issues. It would, for example, shortly be organizing a meeting attended by the IMF, the World Bank, the African Development Bank, all the HIPC countries, including those from Latin America, and various NGOs. The fact was that there was a bewildering variety of initiatives on Africa and ECA could provide a framework within which one or two key issues would be focused on, ensuring that all the main stakeholders were present.

The African Development Forum was being created precisely for that purpose. For example, following analyses of the state of information technology in each African country, a meeting on information aid was to be held in October 1999, which would be attended by three participants from each African country, either ministers or representatives of the private sector or civil society. The current plan for the Forum was that the heads of State would make their contributions at the end of a given session.

As part of the United Nations reforms, ECA had been mandated to hold consultations on coordination within the system. The first annual regional coordination meeting at Nairobi in March 1999 had decided that the Special Initiative would be the main vehicle for coordination. The modalities were currently being worked out.

With regard to the use of resources, he said it was a critical issue, which had various aspects. ECA advocated an increase in the level of official development assistance (ODA), but the African countries recognized that, realistically speaking, any increase would be a modest one. It was essential therefore to improve the efficiency with which aid resources were used. Above all, domestic-resource mobilization must be improved and capital flight must be stemmed; to do so, however, a holistic approach was required. It should always be borne in mind that, if poverty was to be halved by 2015, the gross domestic product (GDP) of the African countries would need to be growing by about 7 per cent a year.

Mr. AL-SULTAN (President, International Fund for Agricultural Development (IFAD)) said he agreed that coordination was critical, but it was often achieved passively rather than actively. IFAD did not, for example, try to replicate World Bank or ECA expertise or analysis. The importance of partnership involved recognizing that each agency had its own strengths, which could be utilized for the common good. While Governments undoubtedly had a central role, bilateral and multilateral partners and NGOs also had essential contributions to make. Ensuring coordination among them was a huge task.

With regard to the issue of resources, he said that a major concern related to the countries that were not eligible under the HIPC initiative.

Their debt repayments were in arrears and the banks could not help them. Every effort should be made to enable them to enter the initiative.

The UNDAF and the CDF both held out great hope. IFAD, for example, did not have country representatives but, under the new schemes, modern technology would enable it to be part of the development process.

Ms. CHINERY HESSE (International Labour Organization (ILO)) said that the ILO had recently been focusing more attention on Africa. It was worth pointing out that not all the financial news was bad: poor average figures masked some individual successes. That was important from the point of view of Africa's international image, for success bred success. A large number of African Governments were democratic and it was not helpful always to stress the negative aspects of the continent. Africa also had great potential as a huge, largely untapped, market, which should be attractive to investors.

Of particular concern to the ILO, with its labour perspective, were the increase in population growth without a commensurate increase in employment; the high incidence of child labour; the burden on women as they tried to sustain their families; the prevalence of conflict; and the impact of AIDS on the workforce.

As for the ILO role within the United Nations system, it should not be forgotten that, while Governments should clearly have the central role, there were other vital players in civil society, including workers and employers, who could act as watchdogs if Governments made mistakes. The ILO's main contribution was through employment generation activities, particularly in the informal sector. It collaborated with all the main United Nations agencies.

On the question of resources, she said that the bulk of ILO expenditure went on Africa, providing income-generating schemes for all kinds of people, including refugees in post-conflict situations. It ran labour-intensive public works programmes and, jointly with UNDP, it had set up the Jobs for Africa programme. Many African countries had shown interest, since only through the creation of jobs could poverty be reduced.

On governance, she recalled that, in 1998, the ILO had adopted its Declaration on Fundamental Principles and Rights at Work, which covered freedom of association, collective bargaining, elimination of forced labour and an end to discrimination against women and child labour. The ILO saw such principles as building blocks for peace and hoped that other organizations would contribute to their implementation.

The need for coherent coordination was most pressing in the area of peace-building and post-conflict reconstruction. Each situation was different, because the causes of the conflicts themselves varied widely. What was currently lacking was a formula for ensuring that institutional capacity could be retained after a conflict; the loss of trained people by migration often meant that the institutions most needed for capacity-building had been eroded. There was much work to be done on the issue, which had to be tackled in partnership. Creating alliances among all the actors was the only way to avoid the marginalization of Africa.

Mr. GONDWE (International Monetary Fund (IMF)) said that the next phase of economic policies in Africa would be to ensure that the benefits of structural adjustment reached the most vulnerable sections of the population. The overall figures showed improvement, but that was very often not felt, especially in the rural areas. The international community must aim to reverse that trend, side by side with its efforts to achieve 7 per cent annual growth. Structural adjustment had, however, made possible the building of more schools and the provision of medicine in the hospitals. The next phase in Africa as a whole would thus be to involve all parties, particularly institutions connected with social policies. In that context, he noted that, thanks to the Government of the United Kingdom, two social development experts had been appointed to his department, to facilitate understanding with the Fund's partners in the United Nations system.

The primary task of the IMF in African countries was to provide macroeconomic policy advice to help in maintaining stability and creating an environment conducive to private-sector development and sustained economic growth. It also provided substantial financial assistance, particularly through the Enhanced Structural Adjustment Facility (ESAF). There were currently 23 programmes in place, at a total commitment of US$ 2.08 billion, and intensive programme discussions were under way with a number of other countries. The Fund also assisted African countries in mobilizing additional resources from multilateral and bilateral donors, which normally required Fund approval when providing assistance.

That had contributed to a marked improvement in the overall economic situation over the past five years. Average real economic growth had exceeded 4 per cent and the average rate of inflation had fallen from nearly 50 per cent in 1994 to about 10 per cent in 1998. External and physical imbalances had narrowed dramatically and most countries had made substantial progress in freeing the private sector from cumbersome government controls on prices, international trade, investments and foreign exchange.

The IMF coordinated closely with other agencies where their mandates were complementary. Its cooperation with the World Bank was critically important, covering the regular exchange of information, reciprocal contributions to the formulation of programmes and joint participation in missions. The collaboration was being intensified in such areas as health and education policy, private-sector development and legal reform, as well as financial-sector issues and public-expenditure reviews.

In the area of external debt management, the IMF, the World Bank and UNCTAD regularly attended meetings of the Paris Club on debt reschedulings and relief. The HIPC initiative had involved consultations with a number of United Nations agencies. Outside the United Nations system, the African Development Bank and other financial organizations had played a key role in its formulation. The Fund and the Bank had recently organized a comprehensive consultation forum in which United Nations agencies, multilateral financial institutions, the donor community and several NGOs had expressed their views on ways of improving the initiative. The success of the initiative was a matter of pride for the Bretton Woods institutions.

There had been excellent coordination and consultation in organizing assistance for post-conflict countries, such as Angola, Rwanda, Sierra Leone and Liberia. That had enabled the IMF to provide technical assistance and policy advice on rebuilding administrative and institutional capacity. The Fund had recently developed a policy whereby it could be more flexible over conditionality and repayment, even in cases where there were protracted arrears due to the Fund. That approach would be applied to Liberia and Sierra Leone, and later to the Democratic Republic of the Congo, in line with the Secretary-General's call for relaxed aid conditionality in such countries.

The Fund had, in collaboration with UNDP, been providing technical assistance and training in the areas of macroeconomic policy formulation, statistics, monetary and fiscal policy and administration in Namibia, Tanzania and Nigeria, among others. The intensive consultation between the two institutions both at headquarters and in the field was exemplary. The IMF also assisted UNDP in the preparation of country strategy notes and UNDAFs for some African countries.

An extensive exchange of views had developed between the Fund and the ILO, at every level, in the area of labour market policies and social protection. There had been joint seminars, exchange of information and participation in missions and case studies on labour market and social protection issues in the pilot countries.

In the area of trade liberalization, the IMF worked closely with the World Bank and the WTO to formulate policies that enhanced the trade opportunities of the developing countries. The tremendous progress in that area would not have been possible without close collaboration in programme design, implementation and monitoring. The Managing Director of the IMF held regular meetings with the United Nations High Commissioner for Refugees (UNHCR). Its deeper understanding of the problems of refugees in Africa had improved IMF work on post-conflict countries. The Fund had also entered into what was hoped would be increasingly closer relations with the World Health Organization (WHO) and IFAD.

The IMF contribution to the United Nations System-wide Special Initiative on Africa had been wide-ranging and intensive, with much collaboration with other agencies. It was unfortunate, therefore, that its contribution had not been reflected commensurately in so important a policy document as the Secretary-General's report on the causes of conflict and the promotion of durable peace and sustainable development in Africa (A/52/871-S/1998/318). The IMF would, nonetheless, continue to work with the other agencies to enhance Africa's development prospects.

Mr. TIDJANI-SERPOS (United Nations Educational, Scientific and Cultural Organization (UNESCO)) said that the UNESCO Culture of Peace Project reaffirmed the Organization’s mandate to “construct the defences of peace in the minds of men”. The international community must focus its attention on the “forgotten wars of Africa” and their disastrous impact on investment and regional integration. While schools and hospitals were being destroyed and women injured by anti-personnel landmines, coordination efforts would be in vain. Peace-building efforts must be ongoing; it was not necessary to wait for conflicts to occur. The international community must not, however, lose sight of country-driven peace efforts already under way, such as those in the Great Lakes region and Sierra Leone.

Sustainable development not only depended on peace; it also required sustained and coordinated international support, including for the United Nations system. In the context of the United Nations System-wide Special Initiative for Africa, UNESCO was helping to coordinate three areas, namely education, communication for peace-building and information and development technologies. With regard to education, the development of human resources and capacity-building were essential both to development and regional integration. An uneducated person could not be free; others had to read, speak and think on his behalf. For there to be true development, education must be made available to all, and its quality and relevance must be guaranteed. To that end, UNESCO had established a number of educational facilities in various parts of Africa.

In the area of science and technology, UNESCO had devoted US$ 1 million to the establishment of an International Fund for Technological Development in Africa. It was essential that schools and universities be properly equipped. Another coordination priority was the environment. UNESCO activities in that field included the organization of an all-African conference on the sustainable development of coastal zones. Democratization was a further development and coordination priority.

With regard to HIV/AIDS, UNESCO was focusing on the educational and cultural aspects of the problem, namely on the way in which the disease was perceived. Moreover, since malaria made populations more vulnerable to infection, inter alia from HIV/AIDS, that disease should not be overlooked simply because it did not affect other parts of world.

Finally, underdevelopment was not a product of fate, but of history. It was important, therefore, that efforts be made to understand the legacy of Africa’s past. Only then might a repetition of such crimes against humanity as the slave trade be averted; only then was there hope of constructing a more tolerant world, one more accepting of cultural and other differences.

Mr. BRESLER (United States) said that, although peace was a prerequisite for improving African growth rates, private investment was the single most important factor. If investor confidence was to be increased, more must be done to open trading systems, reinforce the rule of law and tackle corruption. Only then could businessmen be sure they would not lose their investments through arbitrary government action.

Ms. de WET (Observer for Namibia) commented that much was always being said about what Africa could do. It was also important to take a closer look at history. On the issue of image, a number of African countries had made considerable efforts to liberalize trade legislation and tackle corruption. Corruption, however, was not confined to Africa; there were corruptors all over the world. The issue was how to deal with the psychological barrier which prevented transnational corporations in particular from investing in Africa.

Mr. ARDA (Turkey) warned, inter alia, of the potentially devastating consequences of Africa being excluded from advances in information technology. On the issue of employment, an unbridled growth of the informal sector would be undesirable in the long-term and would, in particular, serve to impoverish women. He would like to know, therefore, what measures were being envisaged to promote the integration of the informal into the formal sector. With regard to agriculture, African countries were seeking to improve their capacity, but were hampered by unfair competition on the world market. Not only did subsidies amounting to US$ 355 billion have a devastating effect on African agriculture, but under the WTO agreements, African countries were not permitted to provide the smallest subsidies of their own. African marketing boards had been abolished, but no new services had been established to take their place.

Mr. TIDJANI-SERPOS (United Nations Educational, Scientific and Cultural Organization (UNESCO)) said that information technology might not be the most pressing issue facing Africa, but the possibility of the continent's further exclusion was a matter of concern. To ensure that Africa did not lag behind, it was essential that out-of-date school curricula in science and technology be modernized. In urban and rural areas alike, the major obstacle, however, was a lack of even the most basic of laboratory resources, including the electricity needed for experiments.

Mr. GONDWE (International Monetary Fund (IMF)) said that, at a recent OAU meeting, the African Heads of State had stressed the importance of private investment as the primary source of growth. Very little had yet been done to combat corruption, however; once anti-corruption measures were proved effective, Africa's investment image would no doubt improve. There had been much talk of the efforts required on the part of developing countries. It was vital that developed countries, for their part, improved market access to exports from the developing countries, including textiles. Currently, the two largest restraints on trade were being imposed by the United States and the European Union.

Ms. CHINERY-HESSE (International Labour Organization (ILO)), referring to an issue raised by the representative of Turkey, said that the ILO was not seeking to promote the informal sector but to address a situation which had arisen spontaneously. The fact remained that 90 per cent of new jobs in Africa were in the informal sector, largely beyond the scope of labour laws. ILO was implementing programmes which sought to ensure that today's informal sector worker would be tomorrow's entrepreneur of a small- or, medium-sized enterprise.

The meeting rose at 1.15 p.m.