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CRITICAL ECONOMIC SITUATION IN AFRICA: UNITED NATIONS PROGRAMME OF ACTION FOR AFRICAN ECONOMIC RECOVERY AND DEVELOPMENT 1986-1990

Letter dated 27 October 1988 from the Permanent Representative of Norway to the United Nations addressed to the Secretary-General

The Fconomic and Social Council, in its resolution 1988/1 of 5 February 1988, requested the governing bodies of all relevant organs of the United Nations system to include an item on the review and appraisal of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 in the agenda of forthcoming meetings and to report as soon as possible, at the latest by 31 July 1988, on both the outcome of their deliberations on the matter and their contributions in support of the implementation of the Programme of Action since its adoption to the Ad Hoc Committee of the Whole entrusted with the preparation of the review and appraisal of the Programme of Action.

The contribution of the United Nations Conference on Trade and Development has been delayed due to the fact that the Trade and Development Board concluded its deliberations only after the session of the Ad Hoc Committee of the Whole. In view of the relevance of the material just received, I should be grateful if the attached letter from the President of the Trade and Development Board and the annex thereto could be circulated as an official document of the General Assembly u der agenda item 39.

(Signed) Tom VRAALSEN
Permanent Representative of Norway
to the United Nations
Chairman of the Ad Hoc Committee of
the Whole of the General Assembly on
the Review and Appraisal of the
United Nations Programme of Action
for African Economic Recovery and
Development 1986-1990

ANNEX

Letter dated 19 October 1988 from the President of the Trade and Development Board to the Chairman of the Ad Hoc Committee of the Whole of the General Assembly on the Review and Appraisal of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990

You will recall that on 22 September 1988 I sent the following message to you:

"UNCTAD has contributed over the last two years to the United Nations
Programme of Action for African Economic Recovery and Development (UN-PAAERD)
in the area of its mandate and is determined to continue to do so for the
remaining term of the Programme. The present session of the Trade and
Development Board is considering how to enhance and strengthen UNCTAD's
contribution to the implementation of UN-PAAERD. The outcome of this
consideration will be an UNCTAD input into the deliberations of the General
Assembly when it considers the mid-term review report of the Ad Hoc Committee
of the Whole of the General Assembly on the Review and Appraisal of the
UN-PAAERD."

In pursuance of the above, and in connection with the General Assembly's deliberations under agenda item 39, I am now pleased to attach the text of Board decision 363 (XXXV), of 5 October 1988, concerning UNCTAD's contribution to the implementation of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990.

Summaries, in all languages, of statements made during the Trade and Development Board's consideration of this item will be available for consultation at the New York Office of UNCTAD.

You may wish to arrange for this letter and its attachme t to be brought to the attention of the current session of the General Assembly.

(<u>Siqned</u>) Tobgye S. DORJI

President of the

Trade and Development Board

APPENDIX

Decision 363 (XXXV) of the Trade and Development Board*

363 (XXXV). UNCTAD's contribution to the implementation of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990

The Trade and Development Board,

Having considered the progress report of the Secretary-General of UNCTAD on UNCTAD's contribution to the implementation of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 pursuant to its decision 345 (XXXIII) and having examined issues addressed in the report on the interaction between the external environment and the efforts of African countries in the implementation of the relevant provisions of the Programme of Action,

- 1. Adopts the agreed conclusions annexed to the present decision;
- 2. Requests the Secretary-General of UNCTAD to take them fully into account in UNCTAD's implementation of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 and supports his efforts to mobilize appropriate resources to enable UNCTAD to play its role in implementing the Programme of Action in the remaining two years;
- 3. <u>Calls</u> upon States and intergovernmental and non-governmental organizations to contribute resources to support the activities of the secretariat in implementation of the Programme of Action;
- 4. Agrees that the Trade and Development Board, in line with paragraph 5 of its decision 345 (XXXIII), should consider, at the first part of its thirty-sixth session, UNCTAD's implementation of the Programme of Action in the light of the agreed conclusions.

741st meeting 5 October 1988

^{*} To appear also in Official Records of the General Assembly, Forty-third Session, Supplement No. 15 (A/43/15), vol. II.

ANNEX

Agreed Conclusions

I. UNCTAD'S CONTRIBUTION TO THE IMPLEMENTATION OF THE UNITED NATIONS PROGRAMME OF ACTION FOR AFRICAN ECONOMIC RECOVERY AND DEVELOPMENT 1986-1990 (BOARD DECISION 345 (XXXIII) of 3 APRIL 1987)

Background

- 1. In its decision 345 (XXXIII) the Trade and Development Board stressed the importance of UNCTAD's contribution to the implementation of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 and requested the Secretary-General of UNCTAD to make a progress report to the Trade and Development Board at its thirty-fourth session and subsequent sessions on UNCTAD's contribution to the implementation of the Programme. In decision 348 (XXXIV) the Board endorsed the programme elements for the follow-up within UNCTAD of the Programme of Action.
- 2. The Board, in accordance with the outcome of the General Assembly mid-term review of the Programme of Action, requests the Secretary-General of UNCTAD to incorporate into the UNCTAD work programme, as appropriate, the implications of that outcome in accordance with the priority which the General Assembly has accorded this matter.
- 3. In considering the second progress report prepared by the secretariat, (TD/B/1181), appreciation was expressed of the work carried out to date within the limited resources available.
- 4. The Board agreed, however, that UNCTAD's work in this area needed to be strengthened and better focused.
- 5. The Board was conscious of the resource constraints under which the secretariat has had to operate in fulfilling its obligations to contribute to the implementation of the Programme of Action and would recommend that a re-invigorated effort be undertaken by UNCTAD to mobilize appropriate resources to enable it to play its role in implementing the Programme of Action in the remaining two years.
- 6. The Board again called upon States and intergovernmental and non-governmental organizations to contribute resources to support the activities of the secretariat in implementation of the Programme of Action.
- 7. The Board reaffirmed that the role of UNCTAD in implementing the Programme of Action has two complementary elements, viz.:
- (a) Policy research, analysis, deliberation and promotion of consensus in those areas of UNCTAD's mandate which have particular relevance to the implementation of the Programme of Action;

- (b) Technical assistance activities to underpin measures directed at helping African countries fulfil their commitments under the Programme of Action.
- 8. In relation to policy research and analysis it was recognised that a clear need existed for all divisions within the secretariat to take fully into account in their ongoing substantive work the priorities and orientations of the Programme of Action. The secretariat, in its research and policy analysis work, should bring out policy aspects relevant to the aims, objectives and orientation of the Programme of Action. Such a secretariat input would be an effective and efficient mechanism for ensuring that the priorities of the Programme of Action are adequately reflected in all major areas of UNCTAD's work programme.
- 9. It was agreed that UNCTAD's efforts in the field of technical assistance should focus in particular on the following areas and issues:

Commodities:

- (i) Support for the efforts of African countries to diversify within and outside the commodity sector as a contribution to achieving a long-term solution for the economic difficulties facing African commodity-dependent countries; this support should include reinforcement of research and technical assistance activities to support African countries in the development of appropriate commodity sector policies, relating, inter alia, to diversification, investment rationalization and establishment of an appropriate balance between export and domestic consumption requirements;
- (ii) In view of the effects on commodity-dependent African countries of fluctuations in commodity markets and of the desirability for African States to achieve more stable and predictable conditions in commodity trade, and taking fully into account prevailing market trends, the secretariat should continue its work on means for improving the conditions for trade in commodities, including assistance to African countries in:
 - a. Analysis of long-term supply and demand trends;
 - b. Greater market transparency;
 - c. Increasing their capacity to process, market and distribute commodities;

Trade:

(i) Technical assistance to African countries to enhance their ability to derive the maximum benefits from existing GSP schemes and trading régimes; in this context, greater use could be made of the opportunity offered for bilateral and plurilateral consultations during the meetings of the Special Committee on Preferences;

- (ii) In close co-operation with other relevant international organizations, to work closely with African countries to enhance their participation in all major international trade negotiations, notably the Uruguay Round;
- (iii) Increased focus on efforts, including technical assistance, to:
 - a. Promote increased participation of African countries in South-South trade:
 - b. Further promote trade between African countries and developed market economy countries;
 - c. Promote trade between Africa and the socialist countries of Eastern Europe, and especially in the context of ongoing efforts to formulate a comprehensive work programme in the area of trade relations between countries having different economic and social systems;
 - d. Provide greater support to strengthening regional integration efforts in Africa, including trade policy harmonization measures and customs data collection and analysis systems with a view to expanding interand intra-regional trade;

Debt:

- (i) Increased technical assistance to African countries to expand their debt management capacity and to ensure wider coverage for the existing Programme;
- (ii) Continued provision of technical assistance in the area of debt, as may be required within the framework of paragraph 12 of resolution 222 (XXI);

Technology: Greater emphasis on the promotion of appropriate technological innovation in areas of particular concern to Africa, including in particular in areas such as agriculture and agro-industries, continuation of work on the transfer of technology by small and medium-sized enterprises, and improvement of the link between research and development activities and production in African countries;

<u>Transport</u>: Provide further support to address transport problems in Africa, in particular by expanding on the dissemination of the computer-based training systems in this area, and promote efficient transit/transport systems taking special account of regional and subregional integration schemes;

Other measures: Technical assistance to African countries to assist them in taking advantage of the potential for foreign investment through, inter alia:

- (i) The preparation of plans to increase foreign direct investment, including joint ventures and other equivalent forms;
- (ii) Programmes to develop entrepreneurship skills;

(iii) Strengthening the capacity of these countries to manage structural adjustment programmes;

Human resources development: More focused measures within UNCTAD to expand its activities on human resources development, especially within the context of the areas identified earlier in this paragraph.

- 10. It was further agreed that the UNCTAD secretariat should ensure better and more effective dissemination of information of its activities, including seminars etc., in areas of particular interest to African countries. Such information should be made available on a regular basis, both directly to national administrations and to delegations at Geneva.
- 11. It was agreed that in line with paragraph 5 of decision 345 (XXXIII), the Board should consider this issue further at its next session.
 - II. THE INTERACTION BETWEEN THE EXTERNAL ENVIRONMENT AND THE EFFORTS OF AFRICAN COUNTRIES IN THE IMPLEMENTATION OF THE PROGRAMME OF ACTION
- 1. UNCTAD, in accordance with its mandate and the relevant decisions of its bodies and the Conference itself, should intensify its contribution to a search for lasting solutions to the external and internal constraints to the success of the Programme of Action identified in the General Assembly review of the Programme of Action.
- 2. To that end, UNCTAD, within its mandate should continue to follow up the implementation of the Programme of Action, keeping in mind the need for favourable interaction between the external environment and the efforts of African countries and taking into account that the reform and the restructuring being undertaken by African countries and the ongoing initiatives taken by the international community constitute an important beginning and that internal constraints and the adverse impact of exogenous factors to which African economies are highly susceptible are impeding the reform process and are severely hampering African development.