



Africa has made significant progress in key sectors over the past five years, but it needs greater commitment at both the African and international levels to consolidate these gains, says UN Secretary-General Boutros Boutros-Ghali. In his mid-term report on the UN New Agenda for the Development of Africa in the 1990s (UN-NADAF), the Secretary-General argues that for Africa's efforts to succeed within the time frame of the Agenda — which was adopted by the UN General Assembly in December 1991 — the international community should provide “adequate and assured resource flows” as well as “an enabling external environment.”

A deeper commitment to a “dynamic partnership” between Africa and the international community is critical to the realization of the continent's potential over the coming years, says the Secretary-General. The international community must improve the “level, scope and modalities of aid” and take “additional and decisive measures” to resolve Africa's debt crisis. It must also take concrete steps to help African countries adjust to the new global market environment, his report urges.

The Secretary-General notes that financial flows to Africa over the first half of the New Agenda “stagnated at a level below what was expected,” with net flows of official development assistance (ODA) to Africa declining from \$25 bn in 1992 to \$23 bn in 1994. “At this critical point,” the report says, the international community should “accelerate its support” to Africa in order to “sustain the momentum leading to recovery and sustainable development.”

African countries, for their part, need to acknowledge that “Africa's future is in their hands,” according to the Secretary-General. Their leaders must demonstrate a greater commitment to the goal of achieving sustained and sustainable growth and development by allocating adequate resources for this purpose. Africa must boost its aggregate savings rate to channel resources towards capital investment, and open its productive and financial sectors to the world if it is to achieve UN-NADAF's annual target growth rate of 6 per cent in gross domestic product (GDP). In addition, greater investment inflows, diversification

of export products and expanded access to external markets are urgently required.

SLOW BUT STEADY PROGRESS SINCE 1991

Reviewing the efforts made by African countries and the international community to implement the New Agenda, the Secretary-General finds that most

African countries have taken action to promote growth and development. These actions include a range of political and economic reforms, which have resulted in the following signs of “tangible progress”:

- A significant improvement in overall economic performance, with the number of countries achieving the target 6 per cent annual GDP growth rate increasing from three in 1992 to 12 in 1995, and the number of countries with negative growth dropping from 19 in 1993 to three in 1995.
- A growing commitment to sub-regional and regional economic cooperation and integration consistent with the 1991 Abuja Treaty for the establishment of the African Economic Community.

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- Marked progress in democratization and constitutional reform, with a dramatic growth in the holding of multi-party elections and expansion in the number and impact of civic organizations. The role of non-governmental organizations in national development programmes has also grown, with an emphasis on fostering community participation and self-help efforts.
- Recognition of the key role of the domestic and foreign private sector in economic development, with expanding efforts to promote private entrepreneurship and an improved business climate.
- Reforms aimed at boosting the development of the agricultural sector and improving access to food by the poorest groups. Many countries have also formulated environmental action plans and fostered community participation in efforts to control desertification, as well as adopting new population policies.

After noting “an unprecedented change in the landscape” of Africa's “political economy,” the Secretary-General's report focuses on recommendations both

for Africa and for the international community for enhancing the New Agenda's implementation over the remainder of the decade. The pressing issues facing Africa, according to the Secretary-General, include: governance, democratization and peace; human development and capacity-building; mobilization of domestic resources and foreign direct investment; trade and diversification of Africa's commodities; and industrial development.

By adopting the Cairo Agenda for Action in March 1995, Africa's leaders declared that good governance — characterized by accountability, transparency, the rule of law and a clear separation of powers — is essential to Africa's socio-economic development. Peace and stability are also prerequisites. While considerable strides have been made since the beginning of the decade, the Secretary-General recommends further steps to consolidate the democratization process in Africa, improve governance and prevent or resolve conflict.

These include the creation of a institutional framework that provides for wider popular participation in the decision-making process, the emergence of a strong and vibrant civil society, dialogue with all groups within society and adherence to the rule of law. There should also be provisions for the independence of the media and an objective judicial system, as well as an efficient civil service and a strong partnership between government and the private sector. Lastly, mechanisms for promoting peace, political stability and security should be instituted.

EXPANDING HUMAN CAPACITIES

The Secretary-General's report states that a major challenge for the remainder of the 1990s is to develop Africa's human resources in order to better match capacities with the needs of the development process. It recommends that efforts should be focused on the following priority areas:

- Expanding health care systems to ensure more equity, efficiency and reach in service delivery. Greater participation of the private sector and community-based organizations in health care delivery may be required.
- Integrating comprehensive population policies and programmes into development strategies. Provision of reproductive health and family plan-

ning services should be strengthened.

- Intensifying efforts towards achieving universal primary education and literacy. Constraints to enrolment must be removed and curricula adapted to the continent's development needs. The private sector should also be encouraged to become involved in post-secondary vocational and technical education and teacher training, as well as production of instructional materials.
- Addressing the problems of unemployment and underemployment. The private sector can play a role in technological development in vital sectors of African economies, including agriculture. The informal sector, which employs more than 60 per cent of the urban labour force, needs to be strengthened.
- Empowering women to participate fully in the development process. Efforts to implement the Beijing Platform for Action should be accelerated, and progress achieved in this regard should be monitored and evaluated.

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MOBILIZING RESOURCES FOR DEVELOPMENT

The Secretary-General's report recognizes that Africa requires massive amounts of resources to implement the New Agenda, most of which will have to be mobilized domestically. Among the measures proposed to do so are: raising public revenue by restructuring taxation and collection, controlling public expenditures, increasing private savings by appropriate interest rate policies, mobilizing community resources and savings, and boosting external trade. In particular, Africa needs to create competitive niches in the industrial and services sectors and increase the share of manufactured goods in its export mix.

The business climate also needs to be improved to attract domestic and foreign direct investment. This entails ensuring political stability, accountability and transparency; sustaining macro-economic stability by appropriate fiscal, monetary and financial policies; curtailing military expenditures; and nurturing entrepreneurship. Particular attention should be paid to developing telecommunications as a vital element of basic infrastructure.

Improvements in financial infrastructure are also needed, including facilitating increased capital transfers between private institutions through money markets and banks, as well as financial transactions and

transfers among African countries. Financial intermediation institutions — banks, credit unions, cooperatives and other organizations which mobilize small-scale savings — should be strengthened.

TRADE, COMMODITIES AND DEVELOPMENT

African economies must be diversified away from dependence on a limited number of primary commodities which are facing declining demand and prices on world markets, the Secretary-General's report recommends. Both vertical diversification, through increased processing to enhance the value-added of existing commodities, and horizontal diversification, through production of a wider range of exports, need to be encouraged. Governments should place greater priority on diversification in their development policies and create an enabling environment by encouraging private sector initiatives in this area, improving infrastructure and strengthening human resources and technological capacity.

The report also calls for policies that accelerate industrial development, describing this as key to the structural transformation of African economies, to increased employment and incomes and to the diversification of exports. Efforts should be made to strengthen sub-regional and regional institutions in the fields of science, technology, engineering, and management, as well as to develop indigenous entrepreneurial capability with a focus on micro, small and medium enterprises.

SHARED RESPONSIBILITY

Based on the principle of "shared responsibility" between Africa and the international community, UN-NADAF calls for a "full partnership" in support of the continent's development efforts. The Secretary-General's mid-term report urges the international community to "reinforce its support" for Africa by increasing the "level, scope and modality of resource flows," by improving the external environment especially as it relates to the debt crisis, by supporting the diversification of commodities, and by enhancing market access for Africa's exports.

IMPROVING AID

There is "a strong case" for increasing the volume and concessionality of development assistance to Africa, the report indicates, given the economic diffi-

culties of many countries which make access to private funding impossible. There is also a need to improve the quality of international support to Africa's efforts in the 1990s.

Measures which should be considered, according to the Secretary-General, are:

- re-channeling aid to Africa's key development priorities, while taking into account capacity-building requirements so that technical assistance can be phased out over time;
- linking humanitarian and development assistance by allocating more resources to conflict prevention and reconstruction in post-conflict countries;
- switching to non-debt creating assistance.

In areas where donor investments predominate, such as agriculture, infrastructure development and health, the Secretary-General recommends better aid coordination, one of the goals of the UN System-wide Special Initiative on Africa that was launched in March 1996. A broader sectoral approach,

with the objectives determined by the recipients, would further improve the impact of assistance. International aid should also be geared at consolidating national capacities for implementation and should involve a minimum of technical assistance. Donors in a given sector should develop common implementation and follow-up arrangements so as not to overtax already stretched capacities of the host government.

Africa's efforts to address conflict prevention and resolution and post-conflict reconstruction need to be incorporated into a more comprehensive and coordinated approach with the support of other actors, including the UN and bilateral and multilateral donors. The OAU Mechanism for the Prevention, Management and Resolution of Conflicts and its Peace Fund should be supported and early warning capacities should be strengthened.

THE EXTERNAL ENVIRONMENT

While progress has been made in resolving the international debt crisis since the early 1980s, this has not applied to Africa's low-income countries, where external debt servicing claims nearly one-fifth of their average savings and almost half of total debt service is paid to multilateral institutions. Regarding Africa's debt crisis, the Secretary-General's report recom-

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mends the following initiatives:

- Official bilateral debt: the Paris Club should be encouraged to extend the Naples terms 67 per cent debt-stock reduction limit if the circumstances of individual countries justify it. It could also give up-front debt-stock reductions for countries with good track records of policy reform.
- Multilateral debt: the World Bank and IMF should be encouraged to implement recent proposals endorsed by the Bank-Fund Interim Committee.
- Commercial bank debt: banks should be encouraged to accept deeper discounts in buy-back operations and lower interest rates on par bonds, and to devise options to reduce up-front costs. Consideration should be given to providing additional resources for the World Bank's debt-reduction facility for International Development Association countries.

To offset any potential negative impact of the Uruguay Round on African countries, appropriate compensatory facilities, including further tariff reductions by developed countries on African exports and

assistance with food imports, should be supported. The international community should implement General Assembly resolution 49/142 which recommends the improvement of existing compensatory mechanisms, and expansion of opportunities under the Common Fund for Commodities. The Secretary-General also urges donor countries to finance the preparatory phase of commodity diversification programmes in African countries.

SOUTH-SOUTH COOPERATION

Turning to South-South cooperation, the Secretary-General notes Africa's need to establish the necessary institutional framework to coordinate and strengthen exchanges with and benefit from the experience of advanced developing countries. He urges them to initiate consultations, business tours, and exchanges of information with African countries. The UN system, funding organizations, donors and the private sector should enhance their support for South-South cooperation by allocating the necessary resources to these activities. ■