

DECLARATION ON THE ECONOMIC SITUATION IN
AFRICA ADOPTED BY THE TWENTY-FIRST ORDINARY
SESSION OF THE ASSEMBLY OF HEADS OF STATE AND
GOVERNMENT OF THE ORGANIZATION OF AFRICAN UNITY

1. We, the Heads of State and Government of the Organization of African Unity, meeting in Addis Ababa, Ethiopia, from 16 to 20 July, 1985, for the Twenty-first Ordinary Session of our Assembly have devoted our discussions mainly to economic issues, in the course of which we have critically reviewed the economic and social crises which confront virtually all our countries.
2. We have examined, in detail, the recommendations of the Seven Member States Steering Committee which we set-up to prepare the basic documents on economic issues for our current Session, and the valuable contribution to the Committee's Report made by the Council of Ministers. We express to the committee our appreciation for the quality of work done which has facilitated our deliberations.
3. We also express our appreciation to the ECA Conference of Ministers responsible for Economic Development and Planning whose recommendations made at its Eleventh Meeting conveyed to the Steering Committee and which enriched the recommendations of the Committee. We further express our appreciation to African and International Organizations for their valuable contributions which facilitated the work of the Committee.
4. We are most gravely concerned by the continuing deterioration of our economies which have been severely affected by the deep world economic recession and penalized by an unjust and inequitable international economic system. This situation has been aggravated by unprecedented severe and persistent drought and famine and other natural calamities, such as cyclones and floods. These developments, added to some domestic policy short-comings, have brought most of our countries near to economic collapse.
5. We welcome the United Nations General Assembly Declaration on the Critical Economic Situation in Africa and the Plan of Action of the Movement of the Non-Aligned Countries to meet the critical situation in Africa.

6. We re-affirm that the development of our continent is the primary responsibility of our Governments and people. We are, therefore, determined to take concrete actions and measures individually and collectively for the achievements of the economic development of our continent in unity and solidarity of African peoples and Member States.

7. While reiterating our full commitment to the principles and objectives of the Lagos Plan of Action and the Final Act of Lagos, which are more valid today than ever before, we have focussed our discussions at the present Summit on a priority programme that we will concentrate on during the next five years so as to pave the way for national and collective self-reliant and self-sustained growth and development in our continent. The programme consist of:
 - i. measures for an accelerated implementation of the Lagos Plan of Action and the Final Act of Lagos;

 - ii. special action for improvement of the food situation and the rehabilitation of agricultural development in Africa;

 - iii. measures for alleviating Africa's external debt burden;

 - iv. measures for a common platform for action at sub-regional, regional, continental and international levels; and

 - v. measures for action against the effect of the destabilization policy of South Africa on the economies of Southern African States.

While according special attention to the priority areas, we recognize the need for parallel and effective support action from all the other sectors, especially transport and communications and industry in order to achieve the immediate objectives that we have set for our countries.

8. Agriculture, which is the dominant sector in our economies, has rapidly deteriorated in recent years. The already declining trend in the production and productivity of

the sector, which was noticeable since the beginning of the 1970s, has been dramatically aggravated by drought and natural calamities compounded by the problem of refugees and displaced persons, thus making almost half of the Member States of our Organization dependent on food aid.

9. We wish to express our profound gratitude to the international community particularly to the United Nations System and hundreds of voluntary organizations and agencies and to millions of people, all over the world, who have contributed so generously to Africa's relief. We reiterate our call to the international community to continue to provide adequate humanitarian assistance for the people in the affected countries. We strongly appeal to the international community, especially the World Bank, and the Specialized Agencies of the United Nations system as well as all donor countries to channel funds for African Drought, Famine and Economic recovery through existing sub-regional and regional groupings such as the River Basins and those involved in Multi-national cooperative efforts in Agriculture and Food production. We believe that such direct assistance will eliminate need for further feasibility studies and additional staff recruitment and deployment. Support for on-going projects and programmes already designed and approved by these sub-regional groups will eliminate further delay in getting international assistance directly to the people.

10. We, however, wish to stress that the current battle to save lives and to reduce the impact of hunger and famine should not be the only focus of international support and cooperation. Otherwise, the international community will be unwittingly contributing to making the emergency a permanent phenomenon. On our part, we are determined not only to cope more efficiently with current and future emergencies but are also determined to go beyond emergency and get to the root of Africa's food and agriculture crisis. We recognize that effective mobilization and judicious exploitation of our national and collective potentials, on the basis of well-formulated development strategies and plans are vital to the eradication of famine and for the control of drought and desertification and for the rehabilitation of agriculture in Africa.

11. In this regard, we commit our countries to the gradual increase in the share of agriculture in national total public investment of between 20 and 25 per cent by 1989.

12. The dramatic increase in the volume of Africa's external debt, and the heavy debt service burden is another source of our profound concern, especially since it represents a heavy drain on the meagre foreign exchange resources of our Member States. Indeed, Africa's external debt estimated at US\$158 billion by the end of 1984 and expected to exceed US\$170 billion by the end of 1985, represents a heavy burden on our fragile economies, as it represented 36 per cent of the Gross Domestic Product of our Region in 1984, and the debt service ratio is expected to be much higher than 27 per cent of exports in 1985. Equally disturbing is the inadequacy of the concessional flows which forced a number of African countries to resort to the international financial markets, mainly the private sources with particularly severe terms and conditions for loans. We are concerned that major lenders have in the past deliberately left Africa out of the debt negotiation mechanism established for the developing countries and that the international community continues to give low priority to Africa's external debt crisis. This situation has been aggravated by the fact that 26 of African Member States are categorized as Least Developed Countries (LDCs), the majority of those people are living below subsistence level; thus the external debt of many individual African countries is now beyond their capacity to service and pay.
13. We are fully aware of the fact that short-comings in development policies have contributed to the present debt crisis. However, it is evident that the major causes of our countries' debt servicing problems are external ones and such causes are unfortunately beyond our control. These include, inter-alia, the deteriorating terms of trade and the consequent reduction in export earnings for debt servicing, unprecedented rise in interest rates, sharp exchange rate fluctuations, deteriorating terms of borrowing and the reduction in the flow of concessional resources, the combined effects of which result in net capital out-flow from most of our Member States. In this regard, the 26 African LDCs have been the most seriously affected.
14. We recognize that the external debts are obligations that our Member States have individually contracted, and which they have to honor. But in view of the negative developments in the international economic environment, we call on the international community to genuinely work towards an urgent and lasting solution to Africa's growing indebtedness.

15. We urge developed countries and the multilateral financial institutions to increase, substantially, the transfer of concessional financial resources, including grants, to African countries. In particular, we call on the developed donor countries to urgently implement, without discrimination, UNCTAD Resolution 165 (S-IX) on debt and development problems of developing countries.
16. We also call on the developed donor countries to urgently implement, without discrimination, the provisions of the United Nations General Assembly Resolution 39/29 on the Critical Economic Situation in Africa, which inter alia calls for total or partial conversion of Official Development Assistance (ODA) debts into grants.
17. We call for an International Conference on Africa's external indebtedness to be convened as a matter of urgency to provide a forum for international creditors and African borrowers to discuss Africa's external debt with a view to arriving at appropriate emergency, short, medium and long-term solutions to alleviate the problems.
18. The current economic crisis and the deteriorating international economic relations make it imperative for the Member States of our Organization to strengthen cooperation among themselves in order to speed up economic integration and enhance Africa's negotiating ability in international fora and thus ensure that Africa's specific interests are taken into account.
19. We undertake to give highest priority to intra-African co-operation in the implementation of the Special Programme of Action for Improvement of the Food Situation and the Rehabilitation of Agriculture in Africa in order to lay the foundation for Africa's food self-sufficiency.
20. We pledge to take action at all levels to improve the transport and communications links and adopt any other strategies which will promote closer co-operation between our countries in the fields of industry, human resources, science and technology, trade and finance.
21. We recognize that the collective effort of the Member States is the most important weapon for tackling the current economic crisis, and Africa is fully aware of its

responsibility for adopting measures for its economic recovery and rehabilitation. However, the magnitude of the crisis makes it imperative for the international community to supplement our effort. We, therefore, call on the international community, in particular the developed countries and international development and finance institutions as well as United Nations Agencies, to support Africa's effort to deal with the crisis, in recognition of the specific economic situation of the continent. In this regard, efforts should aim at increasing Africa's production capabilities in the field of food, improving the performance of the transport and communications sector, and acquiring adequate technology, especially for industrial development.

22. We are convinced that the United Nations System, in particular the General Assembly, is an effective forum for sensitizing and mobilizing the international community on the critical economic situation in Africa, and the programme of recovery which we have formulated to deal with it. We, therefore, call for the convening of a special session of the United Nations General Assembly to deliberate on the issues of the critical economic situation in Africa.

23. The policy of aggression by the racist regime of South Africa and its economic and military destabilization of Southern African States calls for our collective effort to resist. To that end, we commit our countries to lend financial and material assistance to these countries to help them meet the heavy cost of destabilization; and we re-affirm our support for the Liberation Movements in their struggle against the racist regime. In this regard, we call upon African institutions and the international community to make their contributions.

24. Furthermore we urge all countries, especially the industrialized countries, financial institutions and transnational corporations to take measures, including effective economic sanctions to force apartheid regime in South Africa to end and its racist policies, its illegal occupation of Namibia and the destabilization of Southern African States. We further urge the international community to give all assistance to the Southern African States in order to help them counter the effect on their economies of sanctions against South Africa.

25. To ensure the implementation of the above programme at national, sub-regional, regional, continental and international levels, we have decided to establish a permanent follow-up mechanism.

26. Determined to face effectively the twin challenges of survival and development confronting our continent, we have adopted the priority programme annexed to this Declaration, and pledge on behalf of our peoples and Governments, to implement individually and collectively the measures contained therein.

27. We are of the firm conviction that the respect of our commitment will lead to the recovery of our economies, the revitalization of a genuine development process to the benefit of our peoples as well as paving the way for an overall economic integration of Africa.

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